

Government of Nepal
Ministry of Energy
Department of Electricity Development
Request for Proposal (RFP) for Developing Eight Hydroelectric Projects
(First Date of Notice Publication: August 3, 2009)

The Department of Electricity Development, (hereinafter called “DOED”), of the Ministry of Energy of Government of Nepal (hereinafter called “GON”) intends to develop **eight** hydroelectric projects of different capacities under Build, Own, Operate and Transfer (BOOT) arrangements by licensing the projects to Firms or Joint Venture companies selected through competitive bidding as per the provision in article 35 of the Electricity Act, 2049. The following projects within various Packages are now being offered for exclusive bidding to the bidders for development, engineering, financing, construction, operation and transfer to the government. Projects are for domestic purpose and electrical energy generated from these projects shall be purchased by Nepal Electricity Authority at its posted rate. Government of Nepal shall invest in and construct a trunk portion of the Transmission Line through Nepal Electricity Authority.

Package	Project	Capacity, kW	Annual Energy, GWh	Estimated Cost, Million US\$	Price Level, (Year)	District
A	Maya	5,000	40	12.23	2005	Sankhuwasabha
	Singati	6,400	49.38	13.71	2003	Dolakha
	Mewa	10,000	77.43	19.8	2003	Taplejung
	Khare	14,700	90.43	28.72	2006	Dolakha
	Solu	15,240	103.92	16.86	2005	Solukhumbu
	Lower Hongu	23,500	134.35	55.5	2006	Solukhumbu
B	Khimti 2	27,200	160	45	2005	Ramechhap / Dolkha
	Lower Solu	40,000	280.93	45.11	2006	Solukhumbu

1. Bidding for projects included in Package A is open to Nepalese Firms or Joint Venture (JV) companies where 100 (One Hundred) percent of shareholders shall be Nepalese citizen. Bidding for projects included in Package B is open to Firms or Joint Venture (JV) having majority shares owned by Nepalese citizens.
2. Firms should produce copies of their renewed company certificate(s) and tax clearance certificate(s) to purchase RFP document(s). The Firms in the JV need to produce a Memorandum of Understanding or Joint Venture Agreement reached between/among them with details of respective shares and name of the Lead Firm to purchase RFP document(s). In case, a Firm, which has purchased RFP documents individually, wishes to form a JV with other Firm(s) later on and submit Bid document, all new partners of that JV shall purchase the RFP documents.
3. The Bidder(s) shall purchase separate RFP documents for each project. A Firm or Joint Venture may bid for one or more projects included in Package A and B.
4. The applicants shall bear all costs associated with the preparation and submission of their proposals and GON shall in no case be responsible or liable for these costs regardless of the conduct or outcome of the selection process.

5. Application for issue of RFP Documents shall be accepted up to **15: 00** hrs Nepal Standard Time (NST) on Sunday, **November 1, 2009**. The RFP documents, which include summary information on the project, a CD containing the application forms in electronic format, shall be available on submission of a request letter accompanied by a bank voucher of a **non-refundable** NRs 25,000 (Twenty Five Thousand) for a project included in Package A and NRs. 50,000 (Fifty Thousand) for a project in Package B, deposited in GON Revenue Account No. 1-1-5-99 with Office Code No. 27-47-02 and Office Account No. Ka-1-1-139 at the Nepal Rastra Bank, Thapathali, Kathmandu, Nepal.
6. The request for the RFP documents must clearly state "Request for Proposals for Development of(*Name of the Project*) Hydroelectric Project included in Package....", and should be addressed to:
Director General
Department of Electricity Development
576 Bhaktithapa Sadak-4, Kathmandu, Nepal.
Tel: 977-1-4480218/4480326, Fax: 977-1-4480257/4480276
Email: info@doed.gov.np
7. The deadline for Submission of the Bids shall be Monday, **November 2, 2009 12:00** hrs, NST. Details on preparation, sealing and marking of Bids are provided in the RFP document. All applications received by DOED after the deadline date and time shall be considered late and shall be rejected. If the deadline date is declared to be a public holiday in Nepal, the next working day and time shall be the next deadline date and time. An application received from an Applicant who has not purchased the RFP documents as specified above shall be rejected.
8. DOED shall open the Technical Proposals at a meeting to which all Bidders are invited. The Bid Opening meeting shall take place at **13:00** hrs, NST, on Monday, **November 2, 2009** at DOED.
9. Technical Proposal and Financial Proposal for a project shall be submitted in separate envelopes, duly marking the envelopes as "Technical Proposal" and "Financial Proposal" addressed to as identified in Item Number-6.
10. Evaluation of Bids shall proceed in a stepwise progression. In Step I, the Technical Proposals shall be evaluated for Net Worth qualification of Bidders. In order to qualify Step I, i.e., the Technical Proposal, the Bidder shall be required to demonstrate a Net Worth equal to at least 10 (ten) percent of the estimated Project Cost and shall furnish a Letter of Commitment (LOC) or Letter of Intent (LoI) from Bankers/Financing Institutions (Commercial Banks & Development Banks) to finance the development of the proposed project. In absence of the Required Net Worth in full, the Bidder with minimum 51 percent of the Required Net Worth shall supplement the remaining amount with a Bank Guarantee from a Commercial Bank or Development Bank for a period of at least six months from the last date of submission of Bid with a commitment to extend it as required by the RFP document. The Bidders who meet the threshold criteria of the Step I shall be advanced to Step II.

In the Step II, the Financial Proposal shall be evaluated for the Project based on Upfront Charge. The Bidder shall quote a sum of money in Nepali Rupees as Upfront Charge for a project that Selected Bidder shall pay while applying for Survey License of project upon invitation from DOED, in addition to the Initial Development Security. The non-refundable Upfront Charge to be offered by Bidder

shall be more than Nepalese Rupees 10 Million (One Crore) for a project included in package A, NRs. 50 Million (Five Crore) for Khimti 2 Hydropower Project, NRs. 100 Million (Ten Crore) for Lower Solu Hydropower Project.

Financial Proposals of Bidders shall be ranked by the amount of money being offered as Upfront Charge for the specific project. Then the Bid offering the highest amount of money as Upfront Charge shall be declared as the "Best Bid" for the Project.

11. Only one Project included in Package A shall be offered to one Bidder.
12. For further information and inquiries about the RFP, applicants should contact the above address.

NB: Applicants are advised to arrange collection of RFP documents by their own designated representatives and/or courier, and ensure themselves receipt of complete RFP documents; DOED shall not assume any responsibility for dispatching the RFP documents and/or for missing of any documents during the transmittal.

In case the Bidder is a Joint Venture between Firms, the Net Worth of the Bidder shall be calculated based on proportion of each Firm's equity sharing in the Project Company to be setup.