

Tender for Thor OWF: Expected tender procedure and conditions for participation

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This note presents the expected tender procedure for Thor Offshore Wind Farm, including conditions for participation, minimum requirements for pre-qualification and the selection criteria.

Elaborate, final and binding information will be included in the contract notice and the tender material to be published in Q3 2020.

The tender procedure

The tender procedure will, as in former Danish tenders, be a competitive procedure with pre-qualification and negotiation. The envisaged number of candidates to be invited to tender is 10.

The invited candidates are expected to be required to submit preliminary bids in Q4 2020, in accordance with the preliminary time table for the tendering process. It should be noted that the time table is subject to changes. A preliminary bid consists of a non-binding statement from the tenderer on the offered prize pr. kWh and the capacity of the offshore wind farm. Furthermore, the tenderers are given the opportunity to submit proposals for adjustments to the tender material, which could reduce the costs of establishment and operation of the offshore wind farm, ultimately providing for a lower best and final offer. Certain terms and conditions will

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be fixed, as these are not subject to negotiation. These will be listed in the contract notice and the tender material.

Shortly after submission of the preliminary bids, bilateral negotiations with all the tenderers individually will take place, and based on the input received during the negotiations the Danish Energy Agency will consider, if the negotiations should lead to amendments to the tender material.

After publication of the final tender material expected in Q3 2021, the tenderers should submit a final and binding tender for Thor Offshore Wind Farm stating which capacity between 800 and 1000 MW the tenderer offers to establish, and quoting a price in "øre" per kWh.

Hereafter, the Danish Energy Agency will assess the tenders according to the award criteria and make a decision on the award of the concession, which is expected to be in Q4 2021.

Please see the document "Subsidy scheme and other financial issues for Thor OWF" for elaborate information on the award criteria.

Prequalification application

When applying for participation in the tender, the candidate must submit the European Single Procurement Document ("ESPD") through an electronic tendering system. A link to the tendering system will be included in the contract notice.

A tenderer may rely on the experience and capacity, including the financial and economic capacity of other economic operators. If an applicant relies on the capacity of another entity, the supporting entity must also complete an ESPD document.

If the candidate relies on the economic and financial capacity of other entities, the contracting entity will require that the candidate and the entities in question undertake joint and several liability for the performance of the contract.

If an application is submitted by a group of economic operators (joint venture, consortium or other), each participant in the group must complete and sign an ESPD Document relating to the application.

The ESPD serves as provisional documentation that the candidate fulfils the minimum requirements in respect of economic and financial capacity as well as technical and professional ability and the candidate's compliance with the selection criteria. The tender material will include information on further documentation required during the tender procedure.

Economic and financial capacity

Minimum levels of standards:

1. The applicant must demonstrate an annual overall turnover (in IFRS: “revenue”) of minimum DKK 26.4 billion (calculated as an average of the latest three (3) financial years available), corresponding to approx. EUR 3.5 billion.

If the applicant relies on the capacity of other entities, the turnover is to be calculated as the total turnover of the candidate and such other entities in each of the three latest annual reports/financial statements available. For groups of operators (e.g. a consortium), the turnover is calculated as the total turnover of the operators in each of the three latest annual reports/financial statements available.

2. The applicant must have an equity ratio (total equity/total assets x 100) of 20% or above in the most recent annual report/financial statement OR a current long term debt rating of BBB- or above (Standard & Poors and Fitch) and/or Baa3 or above (Moody’s) or an equivalent current rating from another reputable international credit rating agency.

Please note that in terms of meeting the minimum requirements the requirement regarding equity ratio and the requirement regarding long term debt rating are equal alternatives to each other (i.e. one is not preferred to the other).

If the applicant relies on the capacity of other entities, the equity to total assets ratio is calculated as the candidate’s and such other entities’ total equity divided by their total assets, calculated as a percentage. For groups of operators (e.g. a consortium), the equity to total assets ratio is calculated as the total equity of the operators divided by their total assets, calculated as a percentage.

Technical and professional ability

The applicant must submit the ESPD with the following information:

A list of the 5 most significant comparable works, see sections II.1.4) and II.2.4) in the prior information notice, that the candidate has carried out in the latest 5 years before the expiry of the deadline for application for prequalification.

Each reference is requested to include a brief description of the deliveries made. The description of the delivery should include a clear description of the works set out in sections II.1.4) and II.2.4) in the prior information notice to which the delivery is related, and the applicants role(s) in the performance of the delivery. Please see below on the requested information in the description.



At least 1 and no more than 5 references may be stated, irrespective of whether the applicant is a single bidder, whether the applicant relies on the technical capacity of other entities, or whether the applicant is a group of operators (e.g. a consortium).

If the applicant relies on professional experience of other entities for the performance of specific parts of the works comprised by the contract, see section II.2.4) in the prior information notice, such specific parts of the works under the contract must be performed by the entity on which the applicant/tenderer relies.

Minimum levels of standards:

The applicant must have:

1. At least one reference within project development, procurement AND management of construction (constructor) of largescale offshore wind farms with the capacity of 150 MW or more, completed within the last five years. The reference must concern a project where the instalment of the turbines has been completed and the last turbine has delivered the first kWh to the grid. All the key areas mentioned in (g) below must be included in this reference; And:
2. At least one reference within project development, procurement AND management of construction (constructor) of at least one offshore AC-substation servicing an offshore wind farm completed within the last five years. The reference must concern a project where the instalment of the AC-substation has been completed and has delivered the first kWh from the last turbine of the wind farm to the onshore point of connection.

One reference can cover both offshore wind farm and AC-substation.

For each project used as a reference, the applicant must provide the following description:

- a) Name of offshore wind farm including grid connection (AC-substation and export cables) from wind farm to onshore/offshore point of connection;
- b) Contact person at the contracting entity, the authority who awards the licence or the like (preferably including phone number and email address);
- c) Contract signing date/ Date of concession, permit, licence etc.;
- d) Location of the offshore wind farm/AC substation;
- e) Planned capacity of the project (MW), and installed capacity of the project (MW);



- f) The applicant's role (i.e. owner, main consultant, sub-contractor, member of a consortium, constructor, or other);
- g) The applicant's contribution to the project within the following key areas: Project planning and management, design, management of construction and quality control of offshore wind farms and, finally, procurement/contract negotiation;
- h) Information regarding whether fixed external deadlines for (partial) completion were met (i.e. deadlines for connection of first and last offshore wind turbine to internal grid, etc.). If no external deadlines were applied, the applicant is asked to provide information regarding internal deadlines. Finally, the applicant is asked to provide an explanation of why a fixed deadline (external or internal) was not met, if relevant, and
- i) The current stage of the project and the period of time the applicant has been assigned to the project.

Selection criteria

The selection among applicants invited to tender in the case that more than 10 applicants fulfill the minimum criteria for participation will be based on an evaluation of which applicants have documented the most relevant references (see the description in the prior information notice sections II.1.4) and II.2.4).

This evaluation will be based on a consideration of the number of references, and their relevance in terms of functionality and volume, taking especially into account:

- The number of references for integrated projects consisting of completed offshore wind farms including offshore AC-substations (higher number counts higher)
- The number of references for completed offshore wind farms (higher numbers count higher)
- The number of references for completed offshore AC-substations (higher numbers count higher)
- The stage of projects in references that are not completed (the closer to completion the better)
- The applicant's role and contribution to the project within the following key areas as named above under (f) and (g) (main emphasis will be put on the role of "constructor" or similar)

The weighting between criteria will be set out in the contract notice and tender material. Based on an overall assessment, a maximum of 10 candidates will be selected and invited to submit a tender.



Communication

Questions regarding the prior information notice and related information must be submitted in writing to thor@ens.dk no later than 24 April 2020, and are limited to questions related to the understanding of terms and other information provided.

Questions will, to the extent possible, be answered on an ongoing basis. It should be noted, that the purpose of the prior information notice is solely to inform market players about the existence and overall features of the upcoming tender. The possibility of raising questions is not a further technical dialogue on the frame work conditions of the tender. Reference is made to the comprehensive Q&A report on the market dialogue from February 2020 to be found at the Thor website ens.dk/Thor. Please see also the published “Overview over documents on Thor”.

Interested operators are requested to keep themselves updated on the Thor website ens.dk/Thor, where additional information will be published on an ongoing basis.

Moreover, interested operators can receive the latest news on Thor by signing up for the Thor-newsletter by sending an email to: thor@ens.dk. An information meeting is expected to be held in Q3 2020 in Copenhagen after publication of the contract notice and the tender material. The information meeting will address both questions to the tender procedure and conditions, as well as technical questions with regard to grid connection etc. Detailed information regarding specific date and place, sign up etc., will be included in the contract notice and the tender material.