



CEF (Pty) Ltd
Block C, Upper Grayston Office Park
152 Ann Crescent, Strathavon
Sandton
South Africa

EXPRESSION OF INTEREST

ENGINEERING, PROCUREMENT AND CONSTRUCTION OF A 25 MW WIND FARM FOR ETA ENERGY IN NELSON MANDELA BAY MUNICIPALITY, EASTERN CAPE, SOUTH AFRICA

International Wind Turbine Manufacturers and/or experienced wind farm developers are hereby invited to submit an Expression of Interest for the Engineering Procurement and Construction of a 20 to 25 MW wind farm in Nelson Mandela Bay Municipality near Port Elizabeth in South Africa.

- 1. DATE OF BRIEFING MEETING:** Monday, 15-16 March 2010
- 2. VENUE OF BRIEFING MEETING:** PINE LODGE, SUMMERSTRAND, PORT ELIZABETH
- 3. DEADLINE FOR RECEIPT OF EXPRESSION OF INTEREST DOCUMENTATION:**

Notification of Intention to Participate: Monday, 22 February 2010

Submission of EOI Documentation: Tuesday, 30 March 2010

Details available on CEF website: www.cefgroup.co.za

4. INTRODUCTION

CEF (Pty) Ltd is a South African private company, governed by the Central Energy Fund Act and 100% owned by the State. The company is controlled by the Minister of Energy. It has a board of directors, that are the accounting authority in terms of the Public Finance Management Act.

CEF is involved in the search for appropriate energy solutions to meet the needs of South Africa, the Southern African Development Community and the sub-Saharan African region including oil, gas, electrical power, solar energy, low-smoke fuels, biomass, wind and renewable energy sources.

The CEF Group operates in the energy sector and controls entities with commercial, strategic and developmental roles. The CEF Group consists of a number of operating subsidiaries inter alia: Petro SA; iGas; Petroleum Agency SA; OPCSA; South African National Energy Research Institute (Saneri); The National Energy Efficiency Agency (NEEA); Strategic Fuel Fund Association (SFF) and ETA Energy.

ETA Energy and the Nelson Mandela Bay Metropolitan Municipality have entered into an agreement to develop a Renewable Energy programme. A 20 to 25 MW wind farm has been proposed to be

constructed at one of 3 alternative sites close to the City of Port Elizabeth in the Nelson Mandela Bay Metropolitan area.

The proposed windfarm will comprise approximately 10 new generation turbines with a power generation of approximately 2.3 MW each with associated infrastructure for connection into the existing municipal power grid, access roads, control building and visitors centre.

The Annual average wind speed at 80m hub height is above 8 m/s (ie IEC Class II wind). The dominating wind direction is WSW, W and E at each of the sites. The Turbulence Intensity at the wind monitoring position is 0.15 to 0.2 for the dominating wind directions.

It is envisaged that the wind farm will comprise 2 to 3 MW turbines operating under IEC 61400 Class IIA wind conditions at a hub height of 77m to 109m with a rotor diameter of 77 to 109m.

The following three alternative sites have been identified:

- Alternative 1: Erf 121 Driftsands
- Alternative 2: Bushy Park Farm
- Alternative 3: Rietfontein Farm van Stadens East

The following information is relevant:

- Detailed digital elevation model and high resolution digital aerial photography in ArcGIS shapefile format is available. A detailed engineering survey of the site will be made available to the selected Bidder for detail design of infrastructure purposes.
- A 40m wind mast installed at Driftsands Sewerage Works since November 2007 correlated with Port Elizabeth Airport long term 10m meteorological records
- Wind resource mapping with international verification
- Land Lease Agreements are being finalised
- Power Purchase Agreement has been signed with the Nelson Mandela Bay Municipality
- Grid Connection permission into the metropolitan municipality 132 kV grid has been confirmed
- The Environmental Impact Assessment is underway with anticipated Record of Decision around January 2010

5. ANTICIPATED TIMEFRAME

EOI Advert released:	Sunday 24 Jan 2009
Notification of intention to participate:	Monday 22 Feb 2010
Compulsory EOI Briefing Session in Port Elizabeth:	Monday 15-16 Mar 2010
Submission of EOI Documentation:	Monday 30 Mar 2010
Shortlist Bidders:	Monday 12 Apr 2010
Final Proposals:	Monday 10 May 2010
Contract Award:	Monday 31 May 2010
Anticipated Completion Date:	1 st Quarter 2011

6. COMPULSORY BRIEFING SESSION

A compulsory briefing session will be held in Pine Lodge, Marine Drive, Port Elizabeth on Monday 15-16 March 2010.

The agenda for the briefing session is summarised below:

Day	Time	Description
Day 1	09:00 – 12:00	Project overview Presentation by CEF Presentation by Nelson Mandela Bay Municipality

		Technical presentation by Managing Consulting Engineers Afri-Coast Engineers
	12:00 – 13:00	Question and Answer session
	13:00 – 14:00	Lunch
	14:00 – 17:00	Site visit to alternative wind farm sites
Day 2	08:00 – 17:00	Presentation by Bidders (1 hour private timeslot per bidder) Bidders will be notified beforehand of presentation timeslot

7. INFORMATION TO BE SUPPLIED BY BIDDER AT BRIEFING SESSION

The Bidder shall provide all information necessary for ETA Energy to evaluate and shortlist the Bidders as per Evaluation Criteria below.

Each Bidder shall be required to give a one hour presentation together with documentary support on the evaluation criteria summarised in the table below. The presentation shall clearly illustrate the resources, capacity and willingness of the Bidder to deliver the engineering, procurement and construction of the ETA Energy wind farm as envisaged. The willingness and intention of the Bidder to invest in the newly establishing South African wind energy market through capacity building, manufacturing and skills transfer is a desired outcome of the project.

8. EVALUATION CRITERIA

<i>Description</i>	<i>Weighting (%)</i>
<p><i>Financial</i></p> <ul style="list-style-type: none"> • Table of turbines installed each year over the last 5 years (number of turbines, make and capacity of turbines, hub height, rotor diameter, cost of turbines) • Evidence from Banks or other organisations of the Bidder's ability to provide the performance bond of ZAR 40 million • Audited Accounts for last 3 years • Ability of Bidder to invest in equity (and provide debt funding) • Other funding considerations 	25%
<p><i>Technical</i></p> <ul style="list-style-type: none"> • The ability displayed by the Bidder to deliver the EPC contract within timeframes as envisaged • Ability to provide and underwritten Power Performance Guarantee • Ability to provide Availability Guarantee 	30%
<p><i>Resources</i></p> <ul style="list-style-type: none"> • Company organogram indicating key personnel, experience and qualifications • Intended establishment of O&M facility in South Africa • Statement of Plant and technical equipment available to the contractor • Engineering design capability • List of potential subcontractors for the EPC Contract together with proposed responsibility and functions 	20%
<p><i>Experience</i></p> <ul style="list-style-type: none"> • Track record in similar projects • Schedule of turbines installed over the last 10 years (number of turbines, make and capacity of turbines, hub height, rotor diameter) • Turbines operated 	15%

<i>Social Responsibility</i> <ul style="list-style-type: none"> • Demonstration on the utilisation of local South African resources in the project • Skills transfer • Broad Based Black Economic Empowerment (BBBEE) • Establishment of capacity and to promote local job creation using local labour and skills during construction and post construction 	10%
<i>Overall</i>	100%

Based on the above criteria presented at the Briefing Session and the formal EOI submission by each Bidder, CEF will shortlist 4 Bidders to Tender in terms of a FIDIC EPC contract for the Engineering Procurement and Construction of the Proposed 20 to 25 MW Wind Farm for CEF (Pty) Ltd in Nelson Mandela Bay.

9. SUBMISSION AND RECEIPT OF EXPRESSION OF INTEREST

Submission of interest to participate in the Compulsory Briefing Session and to register as a potential Bidder for the project shall be forwarded to Mr D McGillivray via email at the following address: info@africoast.com and/or tender @cef.org.za by 24:00 GMT on Monday 22 February 2010.

EOI documentation shall be submitted in a sealed envelope clearly marked: **“Expression of Interest: Nelson Mandela Bay 25 MW Windfarm”** by the deadline date, Tuesday 30 March 2010 to the following address:

The Project Manager
NMBM/CEF 25 MW Wind Farm
CEF (Pty) Ltd
Block C, Upper Grayston Office Park
152 Ann Crescent, Strathavon
Sandton
South Africa