



REGISTRATIONS OF INTEREST (ROI)

TAU FUEL, LUBRICANT, HOSTING PROCUREMENT

2016 TO 2018

RAROTONGA

TAU Fuel, Lubricant, Hosting Procurement ROI No:10/2015

21 October 2015

Powering the Future

1. Introduction

Te Aponga Uira (TAU) invites suitably qualified companies to register their interest to be tenderers for the 'TAU Fuel, Lubricant, Hosting Procurement 2016-18'.

Companies may register an interest in any or all of the following:

- Supply of diesel fuel into a local fuel hosting facility, or facilities.
- Provision of fuel hosting and local delivery services.
- Supply, hosting, testing and delivery of engine lubricants.
- Disposal of used and waste engine lubricants.
- Consignment supply of diesel fuel at the Avatiu power station site – at the outlet flange of its tank.

'Registrations of Interest' (ROI) are invited for the following reasons:

- Full contact details of prospective tenderers will be on file, enabling TAU to communicate any new information as it comes to hand.
- Communications and clarifications can be made with competent parties and authorized representatives.
- Indicative proposals included in the ROI allow TAU to consider all reasonable options to be included in the tender documentation.
- The qualifications and suitability of prospective tenderers can be determined.

Companies that are deemed qualified (at TAU's sole discretion) upon completion of an evaluation of their ROI, will receive the final 'Invitation to Tender' documentation. TAU reserves the right to change or cancel its requirements at any time during the ROI or subsequent call for tenders and contract negotiations (Process).

2. Objective

The overall objective of the Process is the reliable and economical procurement and storage of diesel fuel and lubricants for TAU's generating system. The technical requirements of the 'TAU Fuel, Lubricant, Hosting Procurement 2016-18' program are more particularly set out in Annexure C.

In order to allow the participation at this stage of the Process of a wide range of potential suppliers and achieve the optimal supply result for TAU, the procurement requirements are described in the broadest terms possible.

To address TAU's requirements, a flexible approach has been developed, seeking:

- to inform and engage potential suppliers in the procurement process;
- expressions of interest from potential suppliers, demonstrating their financial and other capabilities to provide fuel and/or lubricants and/or hosting facilities to TAU;
- to develop and conduct a tender during the second and third quarters of the 2015/16 year.

Interested parties seeking to clarify any issues relating to this ROI are invited to contact the Chairman of the Fuel Procurement Committee using the contact details in Annexure B.

TAU will, if it considers this appropriate in the circumstances, communicate information of a general and non-confidential nature disclosed during these discussions to all potential suppliers. TAU may also engage in discussions with respondents, and other interested parties, following the close of the ROI.

3. Process governance

The Fuel Procurement Committee is responsible for the management of the Process and reports to the Chairman of the Board of TAU.

4. Probity of the Process

TAU is committed to ensuring that every stage in the Process is conducted with due adherence to procedural fairness. An independent Probity Auditor will be appointed to oversee the probity of the Process.

The Probity Auditor can be contacted directly by an interested party to discuss matters of probity with respect to the Process. The contact details of the Probity Auditor will be made available once confirmed.

5. Governing law

The laws of the Cook Islands will apply to the Process and will govern any contracts.

6. Communications and requests for information or clarification

All communications in relation to the Process should be addressed to the Chairman of the Fuel Procurement Committee (other than matters relating solely to probity). No one is authorized by TAU to provide information or to clarify matters in relation to this invitation, other than the Chairman of the Fuel Procurement Committee or a person with the express authorization of the Chairman of the Fuel Procurement Committee.

The contact details for the Chairman of the Fuel Procurement Committee are set out in Annexure B.

7. Registration of Interest

The ROI should contain adequate information to demonstrate that the supplier is capable of meeting TAU's requirements, and to allow TAU to assess the ROI. Potential suppliers should note the following in relation to the ROI:

- voluminous documentation is not required; and
- detailed technical specifications are not required; and
- information should be provided to the extent it is necessary to allow the ROI assessment to be carried out.

Potential suppliers are advised to familiarize themselves with the information, requirements and conditions of this invitation. The potential supplier may submit an ROI by completing the prescribed form set out in this invitation and

lodging it (together with the required information) with the Fuel Procurement Committee at the address and in the manner manner, set out in Annexure B, no later than **3pm on the 16th November 2015, Cook Islands time.**

A potential supplier that submits a compliant ROI is a Respondent. If the Respondent is a consortium, joint venture or other such association of different parties, all participants must be named and a representative nominated as an authorized contact for the Respondent.

An ROI submitted by a Respondent will not constitute an offer legally binding on the Respondent or TAU, but will form part of the basis upon which TAU may select those Respondents which may be invited to submit a tender. Except as expressly stated, this invitation shall not give rise to any legally binding obligations on TAU.

The Respondent submitting an ROI agrees to abide by the terms and conditions in this invitation and when submitting the ROI is taken to have warranted to TAU that:

- the information contained in the ROI is true, accurate and not misleading; and
- the Respondent will inform TAU immediately if at any time during the Process it becomes aware of any fact, matter or circumstance that makes, or could reasonably be expected to make, any part of its ROI untrue, inaccurate or misleading; and
- the Respondent is acting solely on its own behalf and not as trustee or agent for (or otherwise for the benefit of) any other person (with the exception of any consortium, joint venture or other such association of parties expressly notified to TAU in writing by the Respondent).

8. Information required in an ROI

Respondents, in submitting ROI's, are required to provide the following items as set out in Annexure A:

- Respondent information
- Assurance of financial capability
- Fuel supply capability (if applicable)
- Lubricant supply/storage capability (if applicable)
- Lubricant disposal capability (if applicable)
- Fuel hosting capability and capacity (if applicable)
- Bio-fuel supply capability (if applicable)
- Compliance status
- Indicative proposal(s) (excluding pricing)

Respondents are required to respond to each applicable item. Where a Respondent comprises a consortium, joint venture or similar association of parties, responses need to be submitted on behalf of each participant. As the responses will form part of the ROI assessment process, Respondents are advised that a failure to respond adequately to all of the prescribed items may result in them not being invited to participate in the tender process.

9. ROI assessment

Each ROI will be assessed on the basis of the demonstrated ability to meet TAU's requirements should TAU proceed to tender. These requirements include:

- Financial capability of the potential supplier.
- Experience of the potential supplier.
- Current arrangements for, or progress towards, securing site tenure, pipeline access, fuel delivery, operation and maintenance, as applicable.
- Current holding of, or progress towards, any necessary approvals, permits or certifications (in particular shipping, safety and environmental approvals).
- Capacity to mitigate any inherent risks of the proposal(s) to the extent that these risks are being passed on to TAU.

TAU may, at its sole discretion, modify the lodgment time and date and/or to accept late lodgment of ROI's by all or any potential supplier.

10. Selection for Tender

Respondents that, on the basis of the available information, meet TAU's requirements may be invited to participate in the tender of 'TAU Fuel, Lubricant, Hosting Procurement 2016 to 2018'.

TAU need not invite Respondents to participate in the tender if they have not demonstrated in their ROI (to TAU's satisfaction in its absolute discretion) that their tender can be expected to be capable of acceptance by TAU.

TAU need not proceed to tender.

11.Disclaimer

The terms set out in this disclaimer apply to all information included in this invitation and all other information from time to time provided or made available by or on behalf of TAU to a person or group in relation to the process adopted for 'TAU Fuel, Lubricant, Hosting Procurement 2016 to 2018', all of which information together is referred to hereafter as the "Information".

All intellectual property in the Information vests in TAU, unless TAU expressly states otherwise.

TAU, its employees, officers and advisers and their respective representatives are not liable in any way (including, but not limited to, by reason of negligence or negligent misstatement) to the Respondent, a potential supplier, or any other person for any claims, losses, costs and expenses incurred by the Respondent, the potential supplier or any other person:

- in relation to any aspect of the Process; or
- in evaluating or acting upon all or any part of the Information, in engaging in any part of the Process or otherwise acting in reliance on all or any part of the Information; or
- arising out of, or in connection with, any omission, or any change, modification, update, or addition, to all or any part of the Information (including, without limitation, any claim, loss, cost or expense arising from the Respondent, a potential supplier or any other person not being made aware of any change, modification, update, or addition); or arising out of or in connection with all or any part of the Information or their use of it or a failure to receive it or any changes, modifications, updates or additions to it .

TAU may in its absolute discretion from time to time change, modify, update or add to all or any part of the Information without notice.

ANNEXURE A

1. Respondent information

Respondent:

Address of Respondent:

Name of Representative:
(authorized contact)

Position of Representative:.....

Telephone Number:

Fax Number:

Email Address:

By completing and returning this form, the Representative agrees and warrants for and on behalf of the Respondent that:

- 1.1 It has read and accepts the terms and conditions of this invitation for ROI's for the 'TAU Fuel, Lubricant, Hosting Procurement 2016 to 2018'; and
- 1.2 No action, proceedings, procedure or step is taken or being taken in relation to the suspension of payments, moratorium, winding up or dissolution, administration or reorganization (using a voluntary arrangement, scheme of arrangement or otherwise), the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Respondent or any of its assets in any jurisdiction;
- 1.3 It is solvent, it has not entered into any negotiations or composition or arrangement with one or more of its creditors with a view to rescheduling any of its indebtedness, and it has no outstanding judgments and no pending actions, proceedings, procedures or steps the result of which (if successful) could materially impair the Respondent's operations as a going concern in any jurisdiction;
- 1.4 Its subsidiaries, agents, intermediaries and principals agree to cooperate with TAU during any investigative processes undertaken by them, either before during or after execution of a contract, including providing all required documents, company records, access to employees, officers and staff, as well as financial information; and

1.5 The Representative is duly authorized by the Respondent to sign and submit the ROI and any other documents and correspondence relating thereto.

Any false, incomplete or defective registration may result in the rejection of the application or cancellation of an already existing registration.

Any attempt by the Respondent, the Respondent's subsidiaries, agents, intermediaries or principals to:

- solicit, influence or coerce TAU employees or principals in any way whatsoever; or
- bypass, circumvent or otherwise attempt to nullify or otherwise influence the ROI or tender process by any means whatsoever;

may result in the immediate cancellation of the Respondent's ROI or tender offer.

Signed by the Representative:

For and on behalf of the Respondent

Date:

ANNEXURE A- cont.

To be completed by the respondent: (Use extra sheets if necessary).

2. Assurance of Financial capability

3. Fuel supply capability (if applicable)

4. Lubricant supply/storage capability (if applicable)

5. Lubricant disposal capability (if applicable)

6. Fuel hosting capability and capacity (if applicable)

7. Bio-fuel supply capability (if applicable)

8. Compliance status

9. Indicative proposal(s) (excluding pricing)

ANNEXURE B

Contact details:

Chairman, Fuel Procurement Committee

Apii Timoti

Chief Executive Officer

Te Aponga Uira

PO Box 112

Rarotonga

Cook Islands

Ph +682 20054, Mobile +682 55584

Email: atimoti@electricity.co.ck

Solicitors for TAU

Little & Matysik P.C.

PO Box 167

Avarua, Rarotonga

Cook Islands

Ph +682 21619

Contact: Heinz Matysik

Address for delivery of ROI

“ROI, TAU Fuel, Lubricant, Hosting Procurement 2016 to 2018”

Fuel Procurement Committee

Te Aponga Uira

PO Box 112

Rarotonga

Cook Islands

or: email ROIsubmission@electricity.co.ck

or courier / hand delivery: Te Aponga Uira Offices, Tutakimoa, Rarotonga

Final Lodgment Date for ROI:

3pm 16 November 2015 (Cook Islands time) (this may be subject to change at TAU's discretion)

ANNEXURE C

1. Technical Requirements

1.1. Background

Te Aponga Uira (TAU) has a single power station site, located about 2.5km from the Avatiu Wharf, with a total of nine engines, which run on light fuel (ADO diesel). The present grade is 0.05% Sulphur. It has an average daily consumption of 20,000litres or 7,200,000litres per year. TAU has a storage capacity of 150,000litres (made up of 3x50,000litre horizontal bulk tanks) and day tank capacity of 60,000litre, comprising of 2(2x15,000litre) capacity each, providing a total of 7days of stock.

Diesel is currently supplied by land transporters in 20,000litre loads and delivery is done on a daily basis. It is a requirement that a minimum of 150,000litres is available at the site all the times.

1.2. Supply of diesel fuel (ADO)

Specification: Automotive diesel oil, 500 - 5ppm sulphur (TAU acknowledges the global trend towards lower sulphur fuels, and expects in the near future to have to change it's fuel specifications, perhaps during – or even before – the term of the proposed fuel contract. Prospective suppliers are asked to indicate their ability to supply 500/50/5ppm ADO, and to change specification during the term of the supply contract)

Quantity: 7,200,000 litres per year, +/- 10%

Delivery:

- Supplied CIF and delivered into a nominated fuel hosting facility in Rarotonga; or
- Supplied on consignment into TAU's tanks at Avatiu; or
- Such other supply and/or delivery method as may be mutually acceptable.

1.3. Supply of Bio-fuel

TAU is progressing towards a predominantly RE based energy system which may involve the use of bio-fuel in its diesel engines.

Suppliers are asked to provide:

- Specifications of the product proposed
- information on their capacity to supply and a detailed description of the associated logistics to deliver the product to site

1.4. Supply of Fuel Hosting and Delivery Services:

- To supply fuel hosting capacity and services in Rarotonga, with fuel tank capacity dedicated for TAU's fuel (i.e TAU fuel not to be co-mingled with any other fuel); and
- To provide delivery services of fuel by road tanker from the hosting facility to the Avatiu power station at such a rate that minimum stock at the power house is approximately 150,000litres daily; and
- To maintain a backup road tanker, or arrangements for same, to be available if needed; and/or
- Any other hosting and delivery arrangement as may be mutually acceptable.

1.5. Supply of Lubricants:

Supply:

- Shell Oil Remula Super 15W/40 (or equivalent)
Quantity per year 5,000litres
- DS3-154/40 (or equivalent)
Quantity per year 55,000litres
- Vanellus C3 Mono 30 (or equivalent)
Quantity per year 16,000litres

Note: TAU is installing five new engines within 6months for which the lubricant specifications have yet to be confirmed. Therefore, the volume of each make may change.

1.6. Storage and delivery of Lubricants:

The storage of lubricant consignments or drums and the delivery to the Avatiu power station

1.7. Testing of engine lubricants:

Testing of engines lubricants to determine when the oil needs to be changed

1.8. Disposal of Lubricants

Removal of used and waste oil to approved recycling or disposal facility

1.9. Term of supply contract:

The contract award will initially be for a period of two years with the understanding that TAU may, on expiry of that term, extend the contract with the incumbent supplier for such further period as may be agreed.