



# Islamic Republic of Afghanistan

## Ministry of Energy & Water (MEW)

DEVELOPMENT OF 40 MW SOLAR POWER GENERATION FACILITY AT  
NANGARHAR, HISAR-E-SHAHI INDUSTRIAL PARK UNDER PPP BASIS

*Mohammad Jawid Yosufzai*

*Sr. PPP Tendering Facilitation Specialist, DG- PPP, MoF*

*Mohammad Abu Rashed*

*PPP Expert, EPTISA (Advisor, DG- PPP, MoF)*

Pre-Application Meeting

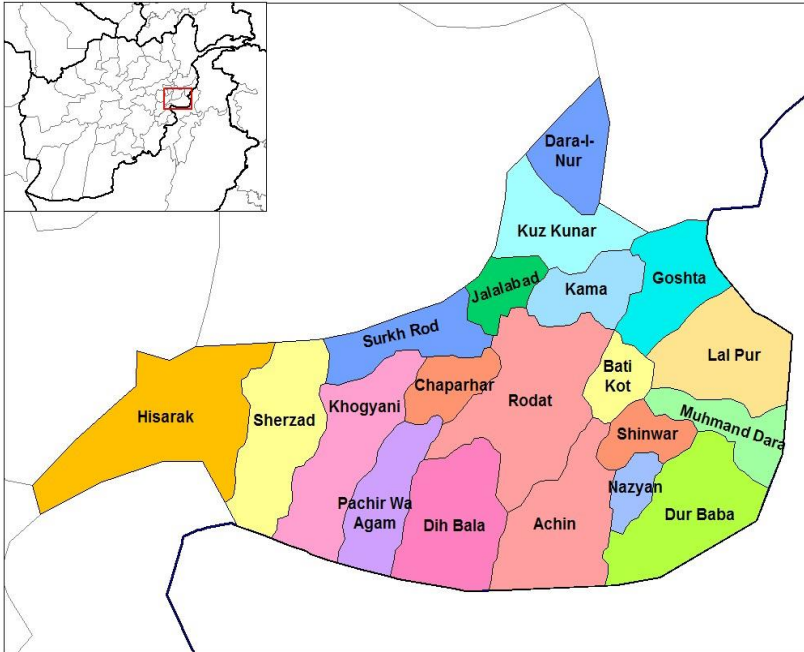
18<sup>th</sup> September 2019



- **Afghanistan through the Ministry of Energy & Water will enter into a Build-Operate-Transfer (BOT) Public-Private Partnership project.**
- **This PPP Project will serve in Nangarhar province and is intended to strengthen supply of power to the industries of Hisher-e-Shahi Industrial Park (HIP) and residential units.**
- **The overall purpose of the PPP Project will include built, operation and maintenance services for the 40 MW Solar Power Plant over a twenty-five (25) year period**
- **This PPP is also intended to ensure the highest-quality of standards for solar system with the available resources, placing emphasis on overall performance and safety.**

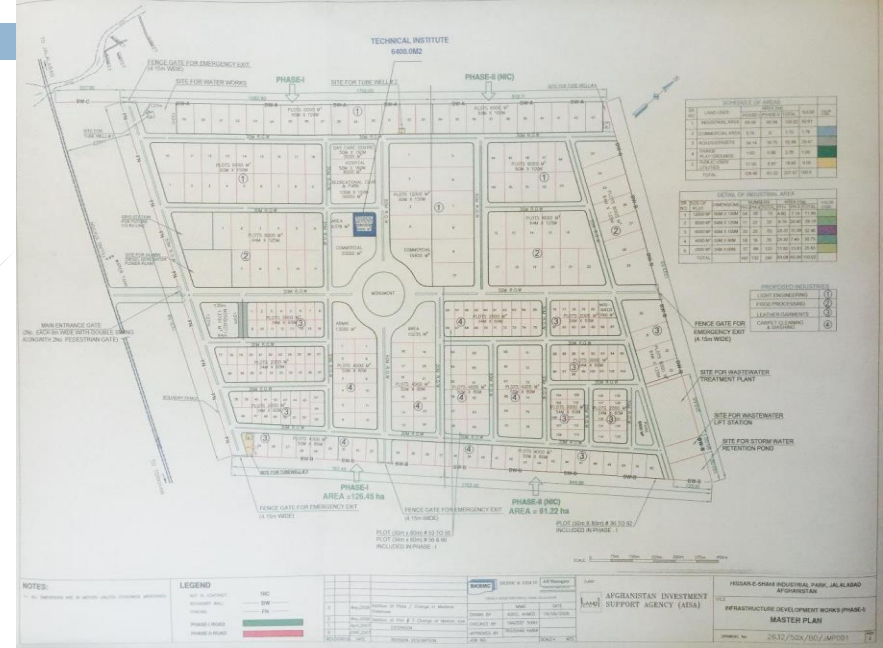
- **Ministry of Energy & Water (MEW) will provide the entire land parcel for Development of Solar Power Facility.**
- **The Capex is to be arranged by the Developer through Debt and Equity Mix.**
- **The Developer will be responsible for the Operation and Maintenance of the Facility for the Project Duration of 25 years.**
- **Developer will monetize the Project through sale of Electricity to the Authority at a Non-Incremental Rate, as per the Power Purchase Agreement (PPA).**

- **Hisar-E-Shahi Industrial Park is located at 34°19'22.86"N latitude and 70°39'32.23"E longitude in Nangarhar Province, 22 km southeast of Jalalabad City, on Jalalabad-Torkham Highway and it is well connected by roads on the outside and inside of the park. The industrial park is spread over an area of 207 Hectares. It is a property of the Government which is presently used as a temporary refugee camp. There are 295 plots for industries which has been allocated for the proposed industries. None of the industries is established in the Hisar-E-Shahi Industrial Park due to lack of electricity.**
- **The project area is elevated from 465 m to 545 m from the sea level with a gradient of 1.5% to 2 % and the land being almost flat. The climate of the area is typical of a semi-arid steppe climate having mean temperature of the area varying between 0°C to 48°C. Much of the rain falls during the winter season (December to February) and some in summer season (July-September). Site is well connected by roads on the outside and inside of the park. Electricity grid is located at a distance of 30 Km in Ghawchak Substation having a voltage of 20 kV and capacity being 84 MW**



Nangarhar Province

## PROJECT LOCATION



Plan of Hisar-E-Shahi Industrial Park

- The Registered Entities will **submit their Prequalification Responses** in accordance with the terms and conditions of the Prequalification Document.
- The Prequalification Responses shall be evaluated on the basis of the **pre-determined Pre-qualification Requirements**.
- The pre-qualified Applicants will then be **shortlisted in accordance with the shortlisting criteria**
- To ensure the quality of the Shortlisted Bidders that progress to **RFP Stage**, the number of Shortlisted Bidders is limited to a **maximum of [6 (Six)]**.

- Applicants **must satisfy** all the Pre-qualification Requirements
- Applicants **must submit** a complete Application, including all required Forms and supporting documents and information

**LEGAL**

- Nature of Applicant
- Authorisation of nominated representative
- Additional Legal Pre-qualification Requirements applicable to Consortia

**FINANCIAL**

- Financial Pre-qualification Requirements
- Financial Nominee

**TECHNICAL**

- Technical Pre-qualification Requirements
- Contract Performance Criteria
- Eligible Projects Criteria



# LEGAL PRE-QUALIFICATION REQUIREMENTS FOR THE CONSORTIUM

The Consortium shall **not have more than 5 (five) Consortium Members** (including the Lead Member)

- The Consortium shall have a **Lead Member** that will hold **at least 26% (twenty-six percent) equity shareholding** in the Project Company if the Applicant is appointed as Preferred Bidder
- The Lead Member will be the largest shareholder in the Project Company if the Applicant is appointed as Preferred Bidder;
- Each Non-Lead Member of the Consortium will hold at least 10% (Ten percent) equity shareholding in the Project Company if the Applicant is appointed as Preferred Bidder

# FINANCIAL PRE-QUALIFICATION REQUIREMENTS

The Applicant/Financial Nominee must -

- have had a **net worth of at least 80 million US Dollars (USD Eighty million)** (or its equivalent in another currency) at the end of each of the most recent 3 full financial years falling prior to the Pre-qualification Response Submission Date;
- have been **profitable and a going concern** in each of the most recent 3 (three) full financial years falling prior to the Prequalification Response Submission Date;
- be able to demonstrate that it has raised **at least 30 million US dollars (USD \$ Thirty million)** (or its equivalent in another currency) in third party debt for 1 (one) project in the 3 (three) year period falling prior to and ending on the Prequalification Response Submission Date;

## FINANCIAL PRE-QUALIFICATION REQUIREMENTS

11

- The Applicant/Financial Nominee must have had a **Free Cash Flow to Equity (FCFE)** as per the following calculations and as per the audited balance sheet) of **at least 25 million US Dollars (USD Twenty-Five million)** (or its equivalent in another currency) at the end of each of the most recent 2 (two) full financial years falling prior to the Prequalification Response Submission Date;

$$\begin{aligned} \text{FREE CASH FLOW TO EQUITY (FCFE)} = \\ \text{PROFIT AFTER TAX} + \text{DEPRECIATION} - \text{INCREASE IN NET} \\ \text{WORKING CAPITAL (CURRENT ASSETS - CURRENT LIABILITIES)} - \\ \text{CAPITAL EXPENDITURE} + \text{NEW DEBT TAKEN} - \text{DEBT REPAYED} \end{aligned}$$

# TECHNICAL PRE-QUALIFICATION REQUIREMENTS

## EELIGIBLE PROJECT

12

- involving the installation of power plant having minimum of **40 MW Solar PV**
- that was **completed and opened to operations** during the 10 (ten) years falling prior to and ending on the Prequalification Response Submission Date;
- with a Reference Project **Total Project Cost of at least USD 40 million (Forty million US Dollars)**, provided that the amount of the Reference Project Total Project Cost shall be inflated using the Relevant Inflation Index from the year in which construction started until the year in which the Prequalification Response Submission Date falls; and
- for which the Applicant or any of its consortium members (for consortium) held at **least a 26% (twenty six per cent)** equity shareholding in the relevant special purpose vehicle, joint venture company, partnership or other corporation or business organisation with primary responsibility for:
  - the design, procurement, development, testing and commissioning obligations, in the case of an Eligible Project undertaken on an EPC basis; or
  - the design, procurement, development, testing and commissioning, financing and operation and maintenance obligations, in the case of an Eligible Project undertaken on a PPP basis.

## ELIGIBLE PROJECTS CRITERIA

The Applicant must have developed and commissioned **at least 2 (two) Eligible Projects.**

Each Applicant shall be permitted to submit **up to a maximum of 5 (five) Reference Projects** as potential Eligible Projects.

## **Shortlisting Criteria "A" – number of Eligible Projects**

- 5 marks for each Eligible Project submitted by the Pre-qualified Applicant.

## **Shortlisting Criteria "B" – Solar Plant with Grid System**

- 3 marks for each Eligible Project submitted by the Pre-qualified Applicant that is a Power Plant with Grid system having at least 35 MW (thirty five MW) capacity

## **Shortlisting Criteria "C" – PPP projects**

- Additional 7 marks for each Eligible Project submitted by the Pre-qualified Applicant that was implemented on a PPP basis
- Additional 10 marks if more than one Eligible Project submitted by the Pre-qualified Applicant was implemented on a PPP basis in more than one Jurisdiction

### Maximum allowed number of referral projects

- **One Eligible Project** may meet multiple Shortlisting Criteria.
- Applicants are encouraged to submit the maximum allowed number of Reference Projects (**being up to 5 (five) Reference Projects**) for the purposes of satisfying the Eligible Projects Criteria and Shortlisting Criteria "A" to "C"

- ❑ Pre-qualified applicants shall be ranked on the basis of their shortlisting scores and the **6 (six) highest ranked pre-qualified applicants** shall be shortlisted to submit a proposal in response to the RFP as the "shortlisted bidders".
- ❑ In the **event of a tie** in the shortlisting scores of 2 (two) or more pre-qualified applicants, the sum of the reference project **total project cost of all eligible projects** submitted by each of the tied pre-qualified applicants shall be calculated and the tied pre-qualified applicants with the **higher aggregate reference project total project cost** shall be ranked higher.



## PREQUALIFICATION RESPONSE CHECKLIST

***There are 10 forms with the RFQ document that bidders need to fill up completely. Please let us know if you have any questions about any of the form below -***

Form No.	Form Description
1	Prequalification Document Submission Identification Sheet
2	Letter of Application including all required enclosures:
3	Particulars of Applicant including all required attachments
5	Particulars of Eligible Projects including all required attachments
6	Particulars of Financial Capability including all required attachments
7	Letter of Authorisation for Lead Member of Consortium
8	Authorisation to a representative
9	Certificate of Compliance
10	Certificate by Affiliate of Applicant or Consortium Member of Willingness to Participate including all required attachments
11	Prequalification Response Checklist

Pre-Application Presentation

## INDICATIVE TIMETABLE

18

Activities	Date
Prequalification Notice issued	21 <sup>st</sup> Aug 2019
[Pre-application meeting]	18 <sup>th</sup> Sep 2019
End of period for questions or requests for information (see clause 3.2 of Part D)	14 days before the Submission Date for the Prequalification Response in accordance with clause 3.2 of Part D.
[Deadline for Entity to respond to any questions or requests for information (see clause 3.2) of Part D]	7 days before the Submission Date for the Prequalification Response [in accordance with clause 3.2 of Part D].
Prequalification Responses Submission Date*	16 <sup>th</sup> Oct 2019
Formal notification of prequalified Applicants	13 <sup>th</sup> Nov 2019
Expected date for issue of Request for Proposal	20 <sup>th</sup> Nov 2019

*\*Submission Guideline must be followed strictly*