

Anguilla Electricity Company Limited

Tender for the Supply of Petroleum Products

Stipulations

Anguilla Electricity Company Limited (ANGLEC) is seeking a Fuel supplier for the purpose of a three year (minimum) supply contract to commence around the **1st of May, 2016**. The prospective supplier must bid to satisfy ANGLEC's requirements of Automotive Gasoil (No. 2), Unleaded Gasoline and/or Ultra-Low Sulphur Gasoil.

ANGLEC's terms and conditions for the supply of Fuel are detailed below:

1. Product Description:

The products to be supplied are Automotive Gasoil and/or Unleaded Gasoline.

2. Quality of Products:

The products must meet or exceed the standards stipulated in Appendix I. The fuels are for use by the equipment detailed in Appendix III. Should the quality specified in Appendix I cease to be available from the supplier's normal source of supply for deliveries under the agreement, the supplier shall so inform ANGLEC and indicate what alternative qualities are obtainable.

3. Quantity of Products:

3.1. ANGLEC's estimated annual requirements of petroleum products (quoted in imperial gallons are as follows:

Description	Assumption 1	Assumption 2
3.1 Automotive Gasoil (No. 2 Diesel)		
2015	5,000,000	5,000,000
2016	4,880,000	4,880,000
2017	4,928,800	3,250,000
2018	5,027,376	3,350,000
2019	5,127,924	3,451,000
3.2 Unleaded Gasoline		
2015	3,700	---
2016	3,800	---
2017	3,900	---
2018	4,000	---
2019	4,100	---
3.3. Ultra-Low Sulphur Diesel		
2015	1,300	---
2016	1,400	---
2017	1,500	---
2018	1,600	---
2019	1,700	---
* Scenario 1 assumes diesel generation with the introduction of limited alternative energy sources.		
** Scenario 2 assumes a reduction in diesel usage due to implementation of various alternative energy sources.		

3.2. Bidders are required to maintain 100% ANGLEC-dedicated storage at a minimum of 10 days equivalent storage or 135,000 imperial gallons (*excluding ANGLEC's storage listed in Appendix (4)*) of Automotive Gasoil on island or within 15 miles of Anguilla at all times. ANGLEC must be satisfied that bidders with storage within the 15 miles of Anguilla meet ANGLEC's reserve and other requirements. All off-island bidders, must have a dedicated and demonstrated means of transporting fuel at a rate of 30,000 imperial gallons per day to Anguilla under abnormal conditions (including Storms) and according to ANGLEC's routine consumption needs under normal conditions.

4. Method of Delivery:

4.1 Automotive Gasoil

ANGLEC's total requirements of Automotive Gasoil for use at its power plant should be delivered in bulk by ocean tanker into ANGLEC's shore receiving tanks located at ANGLEC's premises at Corito power station via ANGLEC's tanker receiving pipeline. (See Appendix II).

4.2 Unleaded Gasoline and Ultra-Low Sulphur Diesel

ANGLEC's total requirements of unleaded gasoline must be delivered by the supplier from its road tank wagon into ANGLEC's storage tanks. ANGLEC's storage tanks along with all ancillary equipment including dispensers are located at its Corito power station. (See Appendix II).

5. Prices:

The price tendered for the contract should be free of all governmental duties, taxes and levies. All such duties, taxes and levies shall be additional to the supplier's stated prices. The Supplier's Price shall be quoted in US Cents per American Gallon; and shall comprise of two separate components:

$$\text{Price} = [\text{BASE COST}] + [\text{ESCALATOR}]$$

5.1 Price Components

The supplier's quoted Base Cost shall be only subject to alteration in accordance with the provisions of this section. The terms "Base Cost" and "Escalator" are defined in 5.2 and 5.3 respectively.

5.2 Base Cost - Definition

Base Cost is defined as the formula used to compute the base product cost on the Effective Date. This shall be clearly stated by the supplier, and the formula shall remain unchanged for the duration of the contract. "Effective Date" is a specific term described in 5.4. Base Cost example: "The Mean of Postings from Exxon Curacao, Shell West, Bahamas, Petrotrin and Tex Trader for 45 Cetane Gasoil as published in Platts Oil Price Report"

5.3 Escalator – Definition

The Supplier's Escalator is a catchall for all other costs associated with the product (Freight, Service Differential etc) and its absolute value shall remain unchanged for the duration of the contract.

5.4 Verification of Base Cost

The supplier shall subscribe to a reputable publication on behalf of (and at no cost to) ANGLEC so that all relevant Refinery Postings can be easily validated. This publication must be approved by ANGLEC. Currently, ANGLEC uses OPR Extra (a Platts Oil Price report) to validate Refinery Postings.

5.5 Effective Date for Applied Base Cost

The Base Cost associated with each invoice shall be based on one of two dates:

1. The date at which the invoiced product was transferred to ANGLEC's tanks from the Supplier (the delivery date); OR
2. The date at which the invoiced product was transferred to the Supplier's tankers from the Refinery (the loading date).

The method of determining the Effective Date shall be clearly stated by the supplier, and shall remain unchanged for the duration of the contract.

In the event that the Supplier proposes Method 2 (loading date), the following will apply:

- a) Procedures for "loading date verification" must be acceptable to ANGLEC; and
- b) The Supplier's stock will be priced on a "First In First Out" (FIFO) basis. Procedures for verifying the Supplier's stock levels must be acceptable to ANGLEC.

6. Invoicing and Documentation:

The supplier must be capable of submitting invoices to ANGLEC no more than 72 hours after each delivery. Each invoice must clearly show the fuel price build-up, in accordance with the agreed price formula.

7. Items issued on free loan to ANGLEC by the supplier

Any equipment (such as pumps, valves, tanks etc) required to be installed for the execution of service to ANGLEC under the provisions of this contract shall be issued on free loan to ANGLEC by the supplier. Maintenance of these items issued on free loan to ANGLEC by the supplier will be the responsibility of the supplier for the duration of the contract.

8. Evaluation and Award of Tenders

ANGLEC is not bound to accept the lowest or any tender it receives. ANGLEC evaluates tenders on a multitude of factors, including the following (not necessarily listed in order of priority):

- Total Price of Product (Lower Total Price preferred)
- Quality of Product (Higher Quality Standards preferred)
- Reputability of Supplier (Better Reputability preferred)
- Verifiability, Objectivity and Transparency of Base Cost (Verifiable, Objective and Transparent preferred)
- Effective Date Option (Delivery date preferred)

The above is not an exhaustive list. ANGLEC reserves the right to cancel, amend, modify or otherwise change this RFP at any time if it deems it to be in the best interest of ANGLEC to do so. ANGLEC reserves the right to accept or reject any or all proposals or any parts of proposals. During the evaluation process, ANGLEC reserves the right, to request additional information or clarifications from those submitting proposals.

It is anticipated that the selection of a firm will be completed by April 15, 2016. Following the notification of the selected firm, a contract will be executed between both parties as soon as possible thereafter.

9. Additional instructions for tenderers

- a) Tenders must be submitted via Courier in sealed envelopes, bearing the marking below:

Re: 2016 Fuel Tender

Ms. Jeri Richardson
Corporate Secretary
Anguilla Electricity Company Limited
ABC Building 2nd Floor
The Valley, Anguilla, BWI

- b) Completed tender forms (shown in Appendix V) must be included in the proposals.
- c) Tenders must be received by ANGLEC no later than **3:00pm on Monday, 15th February 2016**.
- d) All tenders must include a proposal for both Assumptions 1 and 2 listed under section 3 above.
- e) ANGLEC intends to schedule two (2) tender meetings to be held at ANGLEC's ABC Office Conference Room on the following dates and times (*subject to change*):
 - a. 21st January 2016 at 3.30PM [Clarification Meeting] ***
 - b. 16th February 2016 at 4.00PM [Bid Confirmation Meeting]

*** Entities desirous of attending the first clarification meeting should visit the announcements page on ANGLEC's website <http://anglec.com/announcements.php> for updates or by writing to the Corporate Secretary expressing interest in doing so 48 hours prior to the scheduled date.

**APPENDIX I
PRODUCTS QUALITY STANDARDS**

Product	Property	Unit of Measurement	Maximum Allowable Value	Minimum Allowable Value	Test* Method
Gasoil	Density at 15°C	Kg/l	0.870	0.820	D1298
Gasoil	Color	ASTM	3.0	---	D1500
Gasoil	Kinematic Viscosity at 40°C		1.6	5.3	D445
Gasoil	Cloud Point	°C	7	--	D2500
Gasoil	Flash Point	°C	---	62	D93
Gasoil	Copper Corrosion	3h@100°C	=1		D130
Gasoil	Carbon Content	% by mass	0.05	---	
Gasoil	Sulphur Content	% by mass	0.5	---	D1552
Gasoil	Nitrogen Content	% by mass	0.5	---	D5762
Gasoil	Water Content	% by volume	0.05	---	D95
Gasoil	Sediment	% by mass	0.01	---	D473
Gasoil	Ash	% by mass	0.01	---	D482
Gasoil	Neutralization – Strong acid No.	MgkOH/g	0.0	---	---
Gasoil	Neutralization – Total acid No.	Mgk/OH/g	0.5		---
Gasoil	Distillation Recovery	°C	357		---
ULG	Octane Number	---	---	95	---
ULSD	Sulphur Content	---	15 ppm	---	---

**APPENDIX II
ANGLEC EQUIPMENT**

ANGLEC owned equipment:

1. One (1) 4,000 A.G. underground tank for unleaded motor gasoline.
2. One (1) 2,000 A.G. above ground tank for ultra-low sulphur diesel.
3. One (1) dispenser for unleaded motor gasoline, pipework and pump.
4. 5,500 feet of 6 inch diameter pipeline and 75 feet of 4 inch diameter pipeline of mild steel AP1 5L grade complete with valves and fittings required for transfer of Gasoil from Corito Bay to ANGLEC's receiving tanks.
5. 3 x 34,000IG Calibrated Gasoil Storage Tank (ANGLEC Storage)
6. 1 x 83,000IG Calibrated Gasoil Storage Tank (ANGLEC Storage)

**APPENDIX III
FUEL CONSUMING EQUIPMENT**

Designation	Manufacturer	Model	Capacity (KW)	Fuel Type
Unit No. 1	Cummins	C1223 D2R	1,120	LFO
Unit No. 2	Mirrlees/Blackstone	ESL9 Mk2	1,033	LFO
Unit No. 3	Mirrlees/Blackstone	ESL9 Mk2	1,070	LFO
Unit No. 4	Mirrlees/Blackstone	ESL9 Mk2	1,070	LFO
Unit No. 5	Cummins	C1223 D2R	1,120	LFO
Unit No. 0	Caterpillar	35v16-B	1,800	LFO
Unit No. 10	Mirrlees/Blackstone	ESL16 Mk2	2,565	LFO
Unit No. 11	Wartsila	9R32	3,146	LFO
Unit No. 12	Wartsila	9R32	3,146	LFO
Unit No. 13	Wartsila	9L W32	3,937	LFO
Unit No. 14	Wartsila	9L W32	3,937	LFO
Unit No. 15	Wartsila	12V W32	5,200	LFO
Vehicle Fleet	---	---	---	ULG
Vehicle Fleet	---	---	---	ULSD

APPENDIX IV
ANGLEC's GASOIL STORAGE FACILITIES AT CORITO POWER STATION

Designation	Capacity (IG)	Base Elevation ASL (ft)
Bulk Tank 1	34,000	75
Bulk Tank 2	34,000	75
Bulk Tank 3	34,000	75
Bulk Tank 4	83,000	74
Main Day Tank	4,200	96
Standby Day Tank	2,500	85

Appendix V - Tender Form A (Automotive Gasoil)

Date

Dear Sir,

We have examined the Stipulations, Conditions of Contract, Schedules and Appendices which detail ANGLEC's requirements for Unleaded Gasoline to commence around the **1st of May, 2016**.

We hereby offer to satisfy ANGLEC's requirements for Automotive Gasoil for a minimum of 3 years, and in accordance with your specifications. The main details of our offer are outlined in the form below.

Unless and until a formal Agreement is prepared and executed, this offer, together with your written acceptance thereof, shall constitute a binding contract between us.

We understand that you are not bound to accept the lowest or any tender you may receive. We understand that you require proposals based upon

Main Tender Details (Additional information contained in full proposal)

		Assumption 1	Assumption 2
1	Pricing Effective Date for this Proposal	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
2	Base Cost Formula <input style="width: 300px;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
3	Refinery Postings on Effective Date (Usc/AG)		
	Refinery 1	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Refinery 2 (if necessary)	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Refinery 3 (if necessary)	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Refinery 4 (if necessary)	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Refinery 5 (if necessary)	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Refinery 5 (if necessary)	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
4	Calculated Base Cost (Usc/AG)	<input style="width: 100%; background-color: #cccccc;" type="text"/>	<input style="width: 100%; background-color: #cccccc;" type="text"/>
5	Escalator (Usc/AG)		
	Freight	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Service Differential	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Other	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
	Total Escalator (Usc/AG)	<input style="width: 100%; background-color: #cccccc;" type="text"/>	<input style="width: 100%; background-color: #cccccc;" type="text"/>
6	Total Price [4] + [5], Free of all governmental duties, taxes and levies	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
7	Proposed Publication for Base Cost Verification		
8	Effective Date for invoice prices is determined by:	Delivery Date <input style="width: 20px; height: 15px;" type="text"/> Loading Date <input style="width: 20px; height: 15px;" type="text"/>	<input style="width: 20px; height: 15px;" type="text"/> <input style="width: 20px; height: 15px;" type="text"/>

The terms "Publication", "Base Cost", "Escalator", "Effective Date", "Delivery Date" and "Loading Date" are to be interpreted as defined in ANGLEC's Tender Document.

Signature

In the capacity of

Duly authorised to sign tenders for and on behalf of:

Company Name

Appendix V - Tender Form B (Unleaded Gasoline)

Date

Dear Sir,

We have examined the Stipulations, Conditions of Contract, Schedules and Appendices which detail ANGLEC's requirements for Unleaded Gasoline to commence around the **1st of May, 2016**.

We hereby offer to satisfy ANGLEC's requirements for Unleaded Gasoline for a minimum of 3 years, and in accordance with your specifications. The main details of our offer are outlined in the form below.

Unless and until a formal Agreement is prepared and executed, this offer, together with your written acceptance thereof, shall constitute a binding contract between us.

We understand that you are not bound to accept the lowest or any tender you may receive.

Main Tender Details (Additional information contained in full proposal)

1	Pricing Effective Date for this Proposal					
2	Base Cost Formula					
3	Refinery Postings on Effective Date (Usc/AG)					
	Refinery 1					
	Refinery 2 (if necessary)					
	Refinery 3 (if necessary)					
	Refinery 4 (if necessary)					
	Refinery 5 (if necessary)					
	Refinery 5 (if necessary)					
4	Calculated Base Cost (Usc/AG)					
5	Escalator (Usc/AG)					
	Freight					
	Service Differential					
	Other					
	Total Escalator (Usc/AG)					
6	Total Price [4] + [5], Free of all governmental duties, taxes and levies					
7	Proposed Publication for Base Cost Verification					
8	Effective Date for invoice prices is determined by:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Delivery Date</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Loading Date</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Delivery Date	<input type="checkbox"/>	Loading Date	<input type="checkbox"/>
Delivery Date	<input type="checkbox"/>					
Loading Date	<input type="checkbox"/>					

The terms "Publication", "Base Cost", "Escalator", "Effective Date", "Delivery Date" and "Loading Date" are to be interpreted as defined in ANGLEC's Tender Document.

Signature	In the capacity of
Duly authorised to sign tenders for and on behalf of:	
	Company Name

Appendix V - Tender Form C (Ultra-Low Sulphur Diesel)

Date

Dear Sir,

We have examined the Stipulations, Conditions of Contract, Schedules and Appendices which detail ANGLEC's requirements for Ultra-Low Sulphur Diesel to commence around the **1st of May 2016**.

We hereby offer to satisfy ANGLEC's requirements for Unleaded Gasoline for a minimum of 3 years, and in accordance with your specifications. The main details of our offer are outlined in the form below.

Unless and until a formal Agreement is prepared and executed, this offer, together with your written acceptance thereof, shall constitute a binding contract between us.

We understand that you are not bound to accept the lowest or any tender you may receive.

Main Tender Details (Additional information contained in full proposal)

1	Pricing Effective Date for this Proposal	
2	Base Cost Formula	
3	Refinery Postings on Effective Date (Usc/AG)	
	Refinery 1	
	Refinery 2 (if necessary)	
	Refinery 3 (if necessary)	
	Refinery 4 (if necessary)	
	Refinery 5 (if necessary)	
	Refinery 5 (if necessary)	
4	Calculated Base Cost (Usc/AG)	
5	Escalator (Usc/AG)	
	Freight	
	Service Differential	
	Other	
	Total Escalator (Usc/AG)	
6	Total Price [4] + [5], Free of all governmental	
	duties, taxes and levies	
7	Proposed Publication for Base Cost Verification	
8	Effective Date for invoice prices	Delivery Date <input type="checkbox"/>
	is determined by:	Loading Date <input type="checkbox"/>

The terms "Publication", "Base Cost", "Escalator", "Effective Date", "Delivery Date" and "Loading Date" are to be interpreted as defined in ANGLEC's Tender Document.

Signature	In the capacity of
Duly authorised to sign tenders for and on behalf of:	Company Name