



INSTRUCTIONS TO TENDERERS

Project: REI 400kV FGD-LAN



Energinet
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These Instructions to Tenderer provide the information necessary for Tenderers to prepare Tenders in accordance with the requirements of the Contracting Authority. It also provides information on Tender submission and evaluation and on contract award.

Please note that these Instructions to Tenderers will not be part of the Contract.

1. Legal basis

1.1 Tender with negotiation procedure

This procurement is to be conducted pursuant to Danish legislation on public purchases below threshold with clear cross-border interest. The procurement will be following a negotiated procedure with prior publication of a notice.

1.2 Documents

The tender documents consist of the following documents (not in priority):

- Energinet – Risk & Insurance Information
- Instructions to tenderers (ITT)
- Signed Broker of Record Letter

The Tender must be submitted on the basis of the tender documents. Tenderer is therefore encouraged to check if the documents downloaded are complete. Moreover, note that any corrections, clarifications and questions / answers are regularly broadcasted during the quotation phase.

If the Tenderer becomes aware of errors or significant discrepancies in the tender documents then he or she is urged to bring this fact to the attention of the Contracting Authority thus giving the Contracting Authority the opportunity to remedy the situation by sending out corrigendum. This commitment also includes any inappropriately formulated insurance terms.

1.3 Confidentiality

The Tenderer shall consider the tender documents and other information supplied to the Tenderer by the Contracting Authority or Willis Towers Watson, confidential and treat it accordingly, unless otherwise agreed by the Contracting Authority.

If a potential tenderer does not wish to tender, the Tenderer will be required to destroy the tender documents and any copies thereof.

2. Contracting authority

2.1 Contracting authority

Energinet is the contracting Authority and will procure on own behalf:

Energinet
Tonne Kjærsvvej 65

Erritsø
7000 Fredericia
Denmark
CVR: 28980671

Further information regarding Contracting Authority can be found in the tender documents.

2.2 Contact information

All inquiries regarding further information, documentation etc. should be directed to the designated broker:

Willis Towers Watson I/S
Rundforbivej 303
2850 Nærum
Tlf. +45 88 13 96 00 / +45 22 69 11 11
E-mail: michael.ekdahl@willistowerswatson.com

Inquiries must be in form of an e-mail.

In the event of discrepancies between the written instructions and verbal statements the written instructions will prevail.

3. Extent of the procurement

3.1 Structure

Tenderers are invited to submit their bids for the following:

Construction DKK 178,6M plus 60 months extended maintenance period and
Third-Party Liability DKK 100M

3.2 Basic Coverage

Everything included in the Third Party Liability Insurance Wording and UW Material shall be regarded as basic coverage except for what is described in more detail in paragraphs 3.3 (Additional Coverage) and 3.4 (Optional Coverage) below.

The basic coverage shall be regarded as minimum requirements. Offers that do not meet these will therefore be rejected. If no quote meets the minimum requirements negotiations to obtain best possible quote will be initiated.

For the avoidance doubt, security demands are not regarded as part of the basic coverage but will be evaluated.

3.3 Additional Coverage

Contractors Pollution Liability DKK 5 mill (onshore only).

3.4 Optional Coverage

No optional coverages in the Tender.

3.5 Taxes / IPT Requirements

1.1% of the premium is to be paid under the Danish General Insurance Tax Act. The tax shall be added to the net premium and must be separately indicated in the quotation.

This tender may finalize with your potentially successful bid qualifying for either a role as lead insurer (or sole insurer; 100%) or as trailing capacity in the form of participant in a co-insurance panel.

Lead/ If you are awarded the lead insurer role or sole insurer role:

As lead or sole insurer you are required to issue Premium Invoice including your final IPT calculations no later than 45 days from the day of the underlying Insurance's inception unless otherwise specifically agreed.

Should the insured disagree (fx on the basis on input from co-insurers; refer to section below) with your IPT calculations, you are obliged to enter into an immediate and constructive dialogue with the insured.

Procedure: In the event of continued disagreement you agree – at the insured's sole discretion – to extend premium and IPT payment with up to an additional 60 days in which period you will actively lead and participate in a dialogue with the respective domestic and/or foreign tax authorities to clarify the issue. Any costs arising from a) potential and independent tax advice requested by the insured from third-party consultants including b) the risk of potentially increased IPT costs arising from tax authority communications are the insured's to bear alone.

In the unlikely event that final replies from tax authorities are still lacking at the end of the extension period of 60 days, premium and originally calculated IPT may be invoiced with no further delay, and such IPT settled with tax authorities. You will however actively still lead and participate in a potential process to either invoice or recover surplus IPT once the tax authorities' final standpoint becomes known.

Co-insurer/ If you are awarded participation on the risk as support to the lead insurer:

As participating, trailing insurer (co-insurer) you are obliged to follow the lead insurer and the procedure above unless you provide reasonable arguments that such method is incorrect and non-acceptable to you. In that case you agree – for your portion of the placement - to the procedure described in the section "Procedure" above.

3.6 Insurance policies

Insurance policy must be issued in English.

In connection with the establishment of policies a proper and prompt policy issuance is required. Tenderer is asked to confirm a delivery of certificate no later than policy inception and delivery of policy no later than 10 days after policy inception.

4. Procedure

4.1 Quotation

Offers including supporting documents must be in Danish or English.

Quotations are preferred electronically via michael.ekdahl@willistowerswatson.com

Offers and related documents are not returned.

Offers received after deadline won't be taken into account.

Upon personal delivery of the offer a receipt is issued.

4.2 Alternative tender submissions

No alternate submissions are possible.

4.3 Validity

The offer shall remain valid for acceptance until 1st of August 2020.

4.4 Acceptance or rejection of Tender.

Acceptance or rejection is expected by 21th of May 2020.

4.5 Correspondence

Correspondence must be in Danish or English.

4.6 Cost of Tendering

Costs incurred by the Tenderer in connection with the preparation and submission of proposal, or with any other activities relating to the tendering process will not be reimbursed by Contracting Authority or Willis Towers Watson.

4.7 Conditions of Tenderer

Tenderer must be the legal person/entity with authority to sign on behalf of the Tenderer. For the avoidance of doubt, this also applies to companies belonging to the same group of companies than the legal person/entity.

4.8 Reservations

Public procurement rules causes that an exclusion within the bid – i.e. a reservation in the bid to a Tender specification - will often lead to the fact that the Contracting Authority is required to reject the offer.

Tenderers are advised to limit the use of reservations and instead try to clear up any ambiguities by asking questions.

Furthermore, the Contracting Authority will retain the right to reject bids that contain material reservations.

Any kind of reservation must be clearly stated.

4.9 Questions

Prior to submission of bid any questions may be directed at Willis Towers Watson I/S by e-mail:

michael.ekdahl@willistowerswatson.com

Questions must be in Danish or English and tenderers will receive a notification when answers are leased.

Q&A will be anonymized before release.

Questions received after the deadline will also be answered unless the nature of the question makes it an excessive burden to supply the answer before expiry of the offer period. Please see timetable below for deadline.

5. Evaluation

5.1 Award Criteria

The insurance is evaluated to identify the most advantageous bid in accordance with the criteria below.

The contract is awarded to the most economically advantageous Tender in terms of the following criteria and the issued weighting:

- | | |
|---|------|
| 1. The amount of the total insurance cost | 75 % |
| 2. Additional Coverage – CPL insurance | 25 % |

5.1.1 The amount of the total insurance cost

By the size of the total insurance cost the total net premium is to be understood.

The review of the insurance cost concerning each lot will be measured in relation to the target prize. The target prize is an average on the basis of the received quotes. The lowest prize will be awarded the most points on a scale from zero to five.

To calculate point for price, an average model is used to calculate the target premium. In other words, the target premium constitutes the average price of the bids actually received.

Example:

Bid 1	Bid 2	Bid 3	Target
1,000,000	1,200,000	800,000	1,000,000

The lowest possible insurance cost is preferred.

The point scale used is 0-5.

The premium is converted to points in the following manner:

$$= (((\text{Target premium}/\text{Tenderer's premium}) * 2.5) < 5; ((\text{Target premium}/\text{Tenderer's premium}) * 2.5); 5)$$

Example 1:

Target Premium = 1,000,000

Bid 2 = 1,200,000

$$1,000,000 / 1,200,000 * 2.5 = 2.08$$

Example 2

Target Premium = 1,000,000

Bid 3 = 800,000

$$1,000,000 / 800,000 * 2.5 = 3.125$$

The target premium will thus have the function of median for the allocation of points.

Should a bid receive more than five (5) points, a secondary model will apply, which means that bids that are more than 100% more expensive than the cheapest price will not be included in the calculation of the average price.

5.1.2 Additional Coverage – CPL

The Contracting Authority will on the basis of an analysis of the quotes, award a number of points from zero to five, based on the Tenderer's ability to provide the requested coverage, being DKK 5 mill (onshore only).

Based on an overall assessment of to what extent the tenderer fulfils the requirements for additional coverage to the insurance policy, the contracting entity will assess which bid overall ensures the best coverages as offered by the tenderer.

The point scale for additional coverages used is 0-5.

- | | |
|--|----------|
| • Best possible fulfilment of the criteria / complete coverage | 5 points |
| • Good / very satisfactory fulfilment of the criteria | 4 points |
| • Average & and satisfactory fulfilment of the criteria | 3 points |
| • Below average fulfilment of the criteria | 2 points |
| • Poor fulfilment of the criteria | 1 points |
| • Does not fulfil the criteria | 0 points |

5.2 Clarifications

The Tenderer should ensure that both negotiating offer as well as final offer is complete.

In the time between receipts of the final offer until the Contracting Authority making the notification of the award decision, the Tenderers cannot expect that there will be contact with the Contracting Authority. If any, the contact will be instigated by Contracting Authority, and then only to obtain clarification of possible questions.

The Contracting Authority holds the right to verify the information given in the Tender within the limits of the procurement legislation. The Tenderer will be required to urgently provide reasonable assistance in connection with the request from Contracting Authority for this purpose.

5.3 Opening of Tender submissions

Tenders are recorded at their receipt and timely received Tenders are opened immediately after the deadline for submitting tenders.

The Tenderer is not authorized to attend the opening of Tenders or to receive information about other bids.

5.4 Initial review of received bids

Tenders received will be reviewed with a view to determining; first, whether each Tender contains the information sought and the requested material.

Offers that do not meet these conditions will be rejected and thus not considered eligible.

The offers, which meet the conditions, will then be reviewed with a view to determining whether each Tender contains reservations as regards basic issues, including basic coverages. If the offer contains such reservations, it will be rejected.

5.5 Negotiation

The Tender process consists of two phases:

The first phase includes Tenderers submitting negotiation offer.

Negotiation themes are determined by the Contracting Authority.

During the negotiations the Contracting Authority will give his views on the strong and weak sides of the Tender. The negotiations can comprise every aspect of the negotiation offers, including price.

After negotiations with the Tenderers on the basis of negotiating offers, the second phase comprises the invitation from the Contracting Authority to the Tenderer to submit best and final offer (BAFO) within the deadline which will be evaluated by the Contracting Authority in accordance with the prescribed award criteria.

The Contracting Authority reserves the rights to limit the number of insurance companies to negotiate with and in any stage of the Tender phase to stop negotiations with a specific company.

5.6 Awarding

All Tender participants will as soon as possible and simultaneously receive written notification regarding the awarding of contracts.

Contracting Authority's notification of the award decision does not relieve unsuccessful Tenderers from obligations under the offer, which is still binding in accordance with clause 4.3.

5.7 Cancellation

Until the Tender is completed with the conclusion of the contract, the Contracting Authority may cancel the Tender as long as the cause is not unfair.

5.8 Brexit Clause

- 1 Except as is provided in this Clause, the occurrence of an event associated with the withdrawal of the United Kingdom from the European Union ("**Brexit**") shall not have the effect of:
 - terminating this Policy;
 - altering or invalidating any term of this Policy;
 - discharging or excusing the performance of any obligation of any party under this Policy; or
 - giving any party a right to terminate this Policy.

- 2 This Clause will apply if, as a direct consequence of Brexit, any (Re)Insurer (the "**Exiting (Re)Insurer**") will no longer have the regulatory permissions required to perform its obligations under this Policy in full ("**Sufficient Permission**"). To the extent that there is more than one (Re)Insurer subscribing to this Policy, this Clause will not apply to any (Re)Insurer which has, and for so long as it has, Sufficient Permission.

- 3 No less than 90 days prior to the date from which the Exiting (Re)Insurer will no longer have Sufficient Permission, the Exiting (Re)Insurer may seek the (Re)Insured's consent to a transfer to another (re)insurer (the "**Replacement (Re)Insurer**"), by way of novation and on the terms specified in this Clause section 3 and section 4, of all of those rights and obligations under the Policy that the Exiting (Re)Insurer will no longer have Sufficient Permission to perform (the "**Transfer**"), provided that:
 - the Transfer shall have no effect whatsoever unless the prior written consent of the (Re)Insured has been obtained;
 - The Transfer shall comply with all applicable law and regulation;
 - the Replacement (Re)Insurer:
 - (A) will have, from the date on which the Transfer takes effect (the "**Transfer Date**"), Sufficient Permission to perform the rights and obligations which are the subject of the Transfer and is expected to retain such permission postBrexit; and
 - (B) has a rating issued by Standard & Poor's or AM Best Company that is not less than that of the Exiting (Re)Insurer;
 - the Replacement (Re)Insurer agrees in writing to assume unconditionally all of the exiting (Re)Insurer's rights and obligations under this Policy that are the subject of the Transfer on the same terms and conditions mutatis mutandis;

- where only part of the Policy is the subject of the Transfer, the Exiting (Re)Insurer shall specify the amount of premium payable by the Exiting (Re)Insurer to the Replacement (Re)Insurer as consideration for the Transfer, which amount shall represent a reasonable proportion of the overall Policy premium;
- the Transfer Date will be at least [45] days prior to the date from which the Exiting (Re)Insurer will no longer have Sufficient Permission; and
- the (Re)Insured will be notified of completion of the Transfer within [10] days after the Transfer Date.

4 The Transfer will take effect on the following terms:

1. on and after the Transfer Date, the Replacement (Re)Insurer shall be responsible for all obligations under the Policy that the Exiting (Re)Insurer cannot perform, including handling and paying all claims (irrespective of when the claim arose), under the relevant part of the Policy; and
2. any steps taken by the (Re)Insured under the Policy or in relation to the Exiting (Re)Insurer before the Transfer Date (and, if later, the date upon which the (Re)Insured receives notice of the Transfer) to comply with its obligations under, or which otherwise relates to, this Policy, including, without limitation, the payment of premium, notification of a claim or circumstance, provision of information or requesting the (Re)Insurer's consent to take any steps, will be deemed to have been taken and be effective under the Policy in relation to, and to bind, the Replacement (Re)Insurer. As such, the Transfer will not operate to prejudice the (Re)Insured's position as to coverage under the Policy in any way.
3. the Exiting (Re)Insurer shall procure that no duty of disclosure, fair presentation or other obligation to provide material or any information shall be owed to the Replacement (Re)Insurer by the (Re)Insured by reason of the Transfer and that the Transfer shall take effect without any duty or obligation on the part of the (Re)Insured to provide any information to the Replacement (Re)Insurer whatsoever.

5 The Exiting (Re)Insurer and the Replacement (Re)Insurer shall each ensure that the Transfer does not adversely affect the (Re)Insured's rights or obligations under the Policy.

6 If this Policy has not been transferred in accordance with this Clause before the date on which the Exiting (Re)Insurer ceases to have Sufficient Permission, the (Re)Insured may, by written notice, terminate the Policy either in full or in respect of those rights and obligations under the Policy that the Exiting (Re)Insurer will no longer have Sufficient Permission to perform.

7 Any termination in accordance with this Clause, section 6, will be on the following terms:

- the accrued rights and obligations of the Exiting (Re)Insurer and the (Re)Insured as at the date of such termination shall be unaffected by the termination.
- if the Exiting (Re)Insurer is prevented by applicable law or regulation from paying a claim due under the Policy, it must use all reasonable endeavours to ensure that

the claim is paid in a manner that does not breach applicable law.

- the Exiting (Re)Insurer will refund any overpayment of premium paid in respect of the terminated Policy, pro rata temporis on a termination of the Policy in whole or on a basis that represents a reasonable proportion of the overall premium in respect of a termination of the Policy in part, to the (Re)Insured.

All notifications required to be given to the (Re)Insured under this Clause may be provided to the (Re)Insured directly or via the (Re)Insured's appointed intermediary (if any)

6. Time Schedule

The tender procedure is expected to be conducted in accordance with the following preliminary time schedule

Tender procedure	Date
Publication of tender documents	01 APR 2020
Deadline for receipt of questions	08 APR 2020
Deadline for release of Q&A	17 APR 2020
Deadline for submission of first tender	24 APR 2020
Negotiation	27 APR 2020
Submission of best and final offer	06 MAY 2020
Release of intention and Award of Contract	21 MAY 2020
Inception Date	01 JUN 2020

The time schedule is subject to change.

End of document.