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ETHIOPIAN ELECTRIC POWER

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1-9-11

To Ministry of Foreign Affairs  
Office of the State Minister  
In charge of Economic Diplomacy & Dispora Engagement  
Addis Ababa

**Subject: Information to be provided to stakeholders interested to participate in the Power Sector**

The Ethiopian Government through the Ethiopian Electric Power (EEP) and Electric Utility is engaged in the development of the electricity infrastructure in order to reliably meet the fast growing electricity demand in the country. To this end, in the current Growth and Transformation Period (GTP II), the Ethiopian Electric Power has developed a generation and transmission expansion plan requiring investment of more than 40 Billion USD.

It is recognized that this huge investment cannot be met only with government resources and is planned to engage the private sector especially in the development of the Generation system. This is in line with the country's investment and energy policies.

In order to gain interest and scale up participation of the various stakeholders, it is desired to enhance transparency of the procurement process related with development of Generation and Transmission projects in line with the forgoing, projects to be developed by the private sector and Government are already categorized and in either case it is decided to pass the projects to the respective developers through competitive bidding process. EEP currently is engaged in the preparation of the required bidding documents.

The bidding process is expected to have Prequalification and Request For Proposal (RFP) stages. The following is a brief outline of the process.

**I. Prequalification Stage:**

- The request for pre-qualification shall be announced and publicized well in advance of the date for bid submission, on national and international newspapers, on the EEP's and MOWIE's websites.
- The notice of request for qualifications shall include: (a) description of the project; (b) desired or required time for performing the procurement and implementation of the project; (c) pre-qualification evaluation criteria; (d) instructions for obtaining the request for qualifications, and (f) place and deadline for submitting applications.

14/06/08



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- The request for qualifications shall also include the following data: (a) detailed instructions for preparing and submitting applications; (b) a description of criteria and methods of evaluation of the fulfillment of conditions required from interested participants; (c) information about
- Documents which must be submitted by bidders to confirm that they satisfy the required conditions; and (d) the names, positions and means of communication with EEP's authorized body to communicate directly with bidders.
- EEP will evaluate the Expressions of Interest and verify that the interested firms comply with the pre-qualification requirements and will provide details of the pre-qualified bidders to all who participated in the prequalification. EEP will also publish the list of pre-qualified bidders on the same websites it posted the notice.

## II. Request for Proposal Stage:

- EEP will send Request for Proposals (RFPs) to each pre-qualified bidder.
  - The RFP will contain: (a) detailed instructions for preparing proposals; (b) detailed instructions on the content and format of the proposals to be submitted; (c) specific data on the project including, among other things, the characteristics and location of the project, point of delivery, connection point, minimum functional specification, operating characteristics, penalties that may apply as a result of delays or failure to achieve design/ performance specifications, financial conditions to be satisfied by the bidder and any technology requirement that bidders need to take into account; (d) procedures for the initial meeting and visits to the project site; (e) procedures for requesting clarification before the proposal due date and to receive clarification on questions; (f) the required bid bonds and other security to be provided by bidders; (g) a description of criteria and evaluation methods;
  - The proposals sent by the prequalified bidders will be evaluated based on the pre set evaluation criterion and the preferred bidder will be selected.
  - After approval, negotiations will be conducted with the selected bidder.
  - Contract documents or project documents such as Power purchase Agreement (PPA) and Implementation Agreement (IA) will be signed with the selected bidder
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As Ministry of Foreign Affairs is the main communication channel to our foreign stakeholders, we would like to kindly inform the Ministry that generally the aforementioned is the planned procurement procedure to be followed by EEP for the transfer of Generation and Transmission projects to developers.

With Regards,



C.C.:-

- Ministry of Water, Irrigation and Electricity
- Chief Executive Office
- PMO office
- Strategy and Investment Office
- Archives

Addis Ababa

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