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դեկտեմբերի 3-ի N 1986-Ն որոշման

(Անգլերեն տարբերակ)

**ARMENIA RENEWABLE RESOURCES AND
ENERGY EFFICIENCY FUND**

REQUEST FOR PROPOSALS (RFP)

FOR

**AYG-1 UTILITY-SCALE SOLAR
PHOTOVOLTAIC PROJECT IN ARMENIA**

RFP No. December /2020

Issue Date: XX/XX/2020

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PART A - SELECTION PROCEDURES AND REQUIREMENTS

1 LETTER OF INVITATION

Yerevan, [Month] [Day], 2020

Issued To:

	Pre-Qualified Bidders
1.	«HYDROCHINA CORPORATION» Limited Liability Company
2.	«GAZPROM ENERGOHOLDING» Limited Liability Company
3.	«Abu Dhabi Future Energy Company» Private Joint-Stock Company (Masdar)

Subject: Request for Proposals (RFP) for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia

Dear Sir/ Madam,

This is in response of your application received in respect of the Request for Prequalification for “Utility-Scale Solar Photovoltaic Project in Armenia” dated May 22, 2020. The Authority now invites you to submit a Bid for this Request for Proposals for the above-mentioned subject.

The RFP includes the following documents:

Part A – Selection Procedures and Requirements

- Section 1 – Letter of Invitation
- Section 2 – Disclaimer
- Section 3 – Bid Information Sheet
- Section 4 – Definitions and Interpretations
- Section 5 – Introduction, Background and Key Project Features
- Section 6 – Bid Information and Instruction to Bidders
- Section 7 – Bid Opening and Evaluation
- Section 8 – Selection of Bidder

Part B - Subsections

- Section 9 – Subsections
 - Subsection 9.1: Format for Bid Submission Letter
 - Subsection 9.2: Format for Submission of Financial Proposal
 - Subsection 9.3: Format for Submission of Key Technical and Financial Input Parameters
 - Subsection 9.4: Format for Bid Security
 - Subsection 9.5: Minimum Technical Requirements of the Project
 - Subsection 9.6: Draft Government Support Agreement
 - Subsection 9.7: Format for Seeking Clarifications and Amendments

- Subsection 9.8: Terms of the Project Company Founding Agreement
- Subsection 9.9: Heads of Agreement of Shareholders Agreement

We kindly request you to submit your Bid, comprising of a Technical and Financial proposal for setting up of Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia (at Project Site located in the communities of Talin and Dashtadem in the Aragatsotn Marz (Region) of the Republic of Armenia) on a design, finance, construct, own and operate basis.

Please be guided by the relevant section of this RFP in preparing your Bids.

The complete Bid for the above-mentioned subject shall be submitted as per the Bid Submission Deadline and address as specified in the Bid Information Sheet.

Proposals should be submitted in English and must remain valid for a minimum period as specified in the Bid Information Sheet.

Pre-Qualified Bidders are requested to confirm receipt of RFP, its amendments and any subsequent documents issued in the Selection Process to the Authority within two (2) Days of the receipt of the same.

Thank you,

Yours faithfully,

Karen Asatryan, Director

Armenia Renewable Resources and Energy Efficiency Fund
29/1, Sayat-Nova Avenue, Yerevan, 0001 Republic of Armenia
Tel: (+374-10) 58 80 11, (+374-10) 54 51 21
Email: info@r2e2.am
Web: www.r2e2.am

2 DISCLAIMER

2.1.1 The statements and explanations contained in the RFP Documents are intended to provide the Pre-Qualified Bidders with an understanding of the subject matter of the RFP Documents and the Project. Such statements and explanations should not be construed or interpreted as limiting in any way or manner:

- (i) the scope of the rights and obligations of the Project Company as set out in the Project Agreements; or
- (ii) the Authority's right, with the agreement of the Minister of Territorial Administration and Infrastructure of the Republic of Armenia, to alter, amend, change, supplement or clarify the rights and obligations of the Project Company or the terms of the Project Agreements.

Consequently, any omissions, conflicts or contradictions in the RFP Documents are to be noted, interpreted and applied appropriately to give effect to this intent. The Authority will not entertain any claims on account of such omissions, conflicts or contradictions.

2.1.2 Neither the Authority nor the Government of Armenia nor any of their respective agencies, representatives, advisors or consultants:

- (i) make, will make, or will be deemed to have made, any representation or warranty, express or implied as to the accuracy, reliability or completeness of the information contained herein, in the data room, or any information otherwise provided or made available to Pre-Qualified Bidders, whether orally or in writing, in connection with the Selection Process or this RFP;
- (ii) shall have any liability for this RFP, for the transaction or for any other written or oral communication transmitted or provided to a Pre-Qualified Bidder in connection with the Selection Process or a Pre-Qualified Bidder's evaluation of the transaction; or
- (iii) will be liable to reimburse or compensate a Pre-Qualified Bidder for any costs or expenses incurred by a Pre-Qualified Bidder in evaluating or acting upon this RFP or otherwise in connection with the Selection Process, the transaction or otherwise.

2.1.3 Information contained in this RFP or otherwise made available to Pre-Qualified Bidders in the Selection Process, starting from issue of the RFP till the award of the Project, should not be considered to be all-inclusive or to contain all the information that a Pre-Qualified Bidder or its advisers may require or desire in relation to the Project. The Pre-Qualified Bidder should for its own views as to what information is relevant and make its own investigations, projections and conclusions and consult its own advisors to verify independently such information and to obtain any additional information that it may require, prior to submitting its Bid.

2.1.4 Neither the Authority nor the Government of Armenia nor their respective employees, officers, agents and consultants/ advisors shall have any responsibility for the accuracy or completeness of the contents of this RFP or any information made available to the Pre-Qualified Bidders (including any opinions expressed or implied) and no representation or warranty, explicit or implied, is given by any such person as to the accuracy or completeness of such information or opinions. In particular, no representation or warranty is given as to the accuracy, reasonableness or likelihood of achievement of any future projections, prospects or returns.

- 2.1.5 The Authority reserves the right, with the agreement of the Minister of Territorial Administration and Infrastructure of the Republic of Armenia, at any stage and without notice to change the structure and timing of the Selection Process, to amend the information contained in or otherwise made available to Pre-Qualified Bidders pursuant to this RFP or to terminate the Selection Process itself.
- 2.1.6 Neither the Authority nor the Government of Armenia nor their respective employees, officers, agents and Consultants/ Advisors shall have any responsibility or liability for any costs, expenses, losses or any other liabilities incurred by any Pre-Qualified Bidder at any stage of the Selection Process for the Project.

3 BID INFORMATION SHEET

(A) KEY FEATURES, AGENCIES AND CONTACT DETAILS

Particulars	Details
Document Description	Request for Proposals (RFP) for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia
Bid Issuer – Referred to as the Authority	Armenia Renewable Resources and Energy Efficiency Fund (R2E2 Fund)
Process of Selection of Successful Bidder	International Competitive Bidding
RFP No. and Date of Issuance of RFP	[No. December 2020]; [Month] [Day], 2020
Bid Submission Deadline	[Month] [Day], 2021; 15:00, Yerevan Time
Date and time of opening of the Technical Proposal	[Month] [Day], 2021; 15:00, Yerevan Time
Proposal Validity Period	240 Days from the Bid Submission Deadline
Language of Bid	English
Bid Submission Address:	Zaruhi Gharagyozyan Secretary of Tendering (Evaluation) Committee, Procurement Team Leader of R2E2 Fund Armenia Renewable Resources and Energy Efficiency Fund 29/1, Sayat-Nova Avenue, Yerevan, 0001 Republic of Armenia Tel: (+374-10) 58 80 11 Email: zaruhi.gharagyozyan@r2e2.am ; cc: r2e2fund@gmail.com
Contact person for enquires and clarification	Zaruhi Gharagyozyan Secretary of Tendering (Evaluation) Committee, Procurement Team Leader of R2E2 Fund Armenia Renewable Resources and Energy Efficiency Fund 29/1, Sayat-Nova Avenue, Yerevan, 0001 Republic of Armenia Tel: (+374-10) 58 80 11 Email: zaruhi.gharagyozyan@r2e2.am ; cc: r2e2fund@gmail.com

(B) BID STAGE TIMELINES UP-TO BID SUBMISSION DEADLINE (IN DAYS FROM ZERO/ REFERENCE DATE)

	Event	Bid Stage Schedule
B0	Date of issue of RFP	Zero (Reference) Date (T ₀) [Month] [Day], 2020)
B1	Pre-Bid Site Visit(s)	T ₇ to T ₃₅
B2	Setting up of Data Room	T ₇
B3	Last date for receiving queries	T ₃₀
B4	Pre-Bid Conference	T ₃₅
B5	Revision of RFP and RFP Documents (if required) and issuance of revised RFP and RFP Documents	T ₄₅
B6	Bid Submission Deadline and Opening of Technical Proposals	T ₆₅

Note: The timing specified in the schedule may be adjusted due to the necessities for such changes during the tender.

(C) EVALUATION AND LOA STAGE TIMELINES (TENTATIVE)

	Event	Evaluation and LOA Stage Schedule
B7	Opening of Financial Proposals of the Technically Qualified Bidders as per RFP Section 7.3	B6 + 14 Days
B8 (A0)	Issuance of Letter of Award	B6 + 35 Days

(D) POST AWARD STAGE TIMELINES (IN DAYS FROM ZERO/ REFERENCE DATE) (TENTATIVE)

	Event	Post Award Stage Schedule
A0 (B8)	Issuance of Letter of Award	Zero (Reference) Date (Z ₀)
A1	Payment of Project Preparatory Fee	Z ₀ + 14 Days
A2	Fulfilment of Performance Bank Guarantee Obligation in respect of GSA	Condition Precedent for A4
A3	Transfer of Local Area Development Fee by Selected Bidder	Condition Precedent for A4
A4	Signing of GSA with the Government of the Republic of Armenia/ Ministry of Territorial Administration and Infrastructures of RA	Z ₀ + 30 Days
A5	Transfer of land title and physical possession to the Project Company	Z ₀ + 45 Days (Conditions precedent for A7, A8)
A6	Fulfilment of Performance Bank Guarantee Obligation in respect of License	Condition Precedent for A7
A7	Application to PSRC for a License; Issue of License by PSRC	Z ₀ + 60 Days

A8	Signing of PPA with ENA	Z ₀ + 95 Days
A9	Financial Close Deadline for the Project	A4 + 180 Days (as per draft GSA)

Note: In case any of the schedule of dates for various events as well as conditions precedent in the above list is found to be in contradiction with those required as per the GSA, License, PPA or any other RFP Documents for the Project, the latter shall prevail.

(E) FEES AND GUARANTEES

Description	Amount/ Value
Project Preparatory Fee	AMD 60,000,000 (Sixty Million Armenian Drams)
Local Area Development Fee (for Talin and Dashtadem Communities)	AMD 320,000,000 (Three Hundred Twenty Million Armenian Drams)
Bid Security, in the form of Bank Guarantee (to Authority)	USD 5,000,000 (Five Million US Dollars)
Performance Bank Guarantee, in accordance with the terms of the GSA	USD 15,500,000 (Fifteen Million Five Hundred Thousand US Dollars)

Note: The above list of fees and guarantees is not exhaustive and includes only selected fees and guarantees identified by the Authority for successful conclusion of the transaction. Notwithstanding the same, the Selected Bidder shall remain responsible for all costs related for successful development of the Project.

4 DEFINITIONS AND INTERPRETATION

4.1 DEFINITIONS

- 4.1.1 In this RFP, unless the context otherwise requires, capitalized terms shall have the meaning given to them in the table below.
- 4.1.2 The words and expressions beginning with capital letters and defined in this document shall, unless the context otherwise requires, have the meaning ascribed thereto herein.

“AMD” or “Dram”	means the lawful currency of the Republic of Armenia;
“ANIF”	means Armenian National Interest Fund CJSC;
“Armenia” or “RA”	means the Republic of Armenia;
“Authority”	means Armenia Renewable Resources and Energy Efficiency Fund;
“Bid”	means the bid or proposal documents that will be submitted by the Pre-Qualified Bidders for the award of the Project in response to this RFP, and Bid shall mean any one of them;
“Bid Tariff”	means the electricity tariff rate expressed up to four (4) decimal places in USD per kWh of power output from the Project measured at the connection (delivery) point for the duration of the PPA, as quoted by Pre-Qualified Bidders in their Financial Proposals;
“CJSC”	means closed joint stock company;
“COD”	means Commercial Operation Date as per terms of draft GSA;
"Communities"	means communities of Talin and Dashtadem in the Aragatsotn Marz (Region) of the Republic of Armenia.
“Day”	means the 24 (twenty-four) hour period beginning and ending at 00:00 Yerevan time;
“Drawing Event”	has the meaning given to it in RFP Section 6.4.4;
“Tendering (Evaluation) Committee”	has the meaning given to it in RFP Section 5.1.9;
“GSA”	means Government Support Agreement;

“kWh”	means kilowatt hour;
“License”	means license to be obtained by the Project Company from PSRC (in form of terms and conditions of the license approved by PSRC Decree No. [●] dated [Month] [Day], [Year]) for construction of the Plant and production of electrical energy (capacity);
“LOA”	means the letter issued by the Authority to the Successful Bidder for award of the Project;
“Local Area Development Fee”	A sum of money to be paid to Talin and Dashtadem Communities to support their developmental activities in their jurisdiction, including the immediate vicinity of the Project;
“MW”	means megawatt and represents AC power output;
“MWp”	means megawatt peak and represents DC power output;
“Performance Bank Guarantee”	means a performance security that must be submitted to the Authority by the Successful Bidder as a condition precedent to the signing of the GSA;
“Plant”	means Ayg-1 Solar Photovoltaic (PV) Power Plant;
“PPA” or “Power Purchase Agreement”	means a power purchase agreement between the Project Company and the Purchaser in accordance with the exemplary form of agreement on Connecting Power Plant to be Constructed (Reconstructed) to the Distribution Network, Delivery of Electrical Energy During Testing and Commissioning Works and on the Purchase and Sale of Electrical Energy (distributor - electrical energy generator plant with 30 MW and higher of installed capacity which has guaranteed purchase by law);
“Preferred Bidder”	means the Technically Qualified Pre-Qualified Bidder who has the lowest Bid Tariff, for award of the Project;
“Pre-Qualified Bidder”	means an applicant shortlisted by the Authority in respect of the Request for Prequalification issued on May 22, 2020;
“Purchaser” or “ENA”	means Electric Networks of Armenia CJSC (the sole power distribution licensee in Armenia) or its successors;
“Project”	means Ayg-1 Utility-Scale Solar Power Project to design, finance, build, own and operate the Plant;

“Project Installed Capacity”	means installed power generation capacity of the Project, expressed in MW terms;
“Project Agreements”	means Government Support Agreement, Power Purchase Agreement, Land Transfer Agreement and any other document deemed necessary for successful implementation of the Project;
“Project Company” or “Developer”	means Special Purpose Vehicle, a company to be established by the Successful Bidder (85% ownership) and Armenian National Interest Fund CJSC (ANIF) (15% ownership) as a resident company in the Republic of Armenia to implement the Project;
“Project Preparatory Fee”	means a sum of money in AMD to be paid by the Successful Bidder;
“PSRC”	means the Public Services Regulatory Commission of the Republic of Armenia;
“PV”	means photovoltaic;
“Qualified Bank”	means a bank licensed by the Central Bank of the Republic of Armenia or a bank whose long-term senior unsecured debt obligations denominated in US Dollars are rates at or above A- by Standard & Poor’s (or its equivalent from another internationally recognized credit rating agency) and that is not engaged in any material litigation with the Authority or the Government of Armenia;
“Quoted Project Installed Capacity”	means Project Installed Capacity at 200 MW, as to be proposed by the Qualified Bidder in its Bid;
“RFP”	means Request for Proposals;
“RFP Documents”	mean this RFP, including all its subsections;
“RFQ”	means the Request for Prequalification issued by the Authority on May 22, 2020 in respect to the Project;
“Selected Bidder” or “Successful Bidder”	means the Pre-Qualified Bidder selected pursuant to this RFP to set up the Project Company with ANIF and supply electrical output as per the terms of RFP;
“Selection Process”	means the process comprising of various stages, from the initiation of the RFQ dated May 22, 2020 and this RFP till the execution of GSA and PPA by the Selected Bidder for the Project;

“USD”	means United States dollar, the lawful currency of the United States of America.
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4.2 RULES OF INTERPRETATIONS

4.2.1 In this RFP

- (i) the headings are for convenience only and shall be ignored in construing this RFP;
- (ii) references to Articles, Sections and Schedules are, unless the context otherwise requires, references to Articles, Sections and Schedules of this RFP;
- (iii) unless otherwise provided herein, whenever a consent or approval is required hereunder by one party from the other party, such consent or approval shall not be unseasonably withheld or delayed;
- (iv) “includes” and “including” shall mean “including without limitation”; and
- (v) the terms “Bid” and “Proposal” are used interchangeably.

4.2.2 The contents of this RFP supersede the contents of the RFQ in case of any overlaps, conflicts or difference of interpretation.

4.2.3 In case anything stated in the RFQ or RFP are found to be in conflict or contradiction with the contents of the draft GSA, License and PPA, the latter shall prevail.

4.2.4 In case of conflicts between the English version and the Armenian version of this RFP English version prevails.

5 INTRODUCTION, BACKGROUND AND KEY PROJECT FEATURES

5.1 INTRODUCTION

- 5.1.1 Armenia Renewable Resources and Energy Efficiency Fund (the Authority) by request of the Ministry Territorial Administration and Infrastructures of the Republic of Armenia is managing the process for selection of private developer or consortia for design, finance, build, own and operate the proposed grid-connected Ayg-1 Solar Photovoltaic (PV) Power Plant.
- 5.1.2 The Project based on the Decree No. 1922 – L adopted by the Government of the Republic of Armenia on December 26, 2019, is to be developed on a Design, Finance, Build, Own and Operate (DFBOO) basis under one special purpose company (the Project Company), which will be jointly owned by the Successful Bidder (85% ownership) and ANIF (15% ownership)¹. Such Project Company shall be established and incorporated in the Republic of Armenia.
- 5.1.3 The Authority, on May 22, 2020 had issued a Request for Prequalification (RFQ) for shortlisting of technically, financially and legally qualified bidders in respect of this project.
- 5.1.4 Following the publication of Request for Prequalification on May 22, 2020, applications were submitted by 3 applicants and 3 of those have been selected as Pre-Qualified Bidders, to whom this RFP is addressed, for participation in this Selection Process.
- 5.1.5 In the RFP, the Pre-Qualified Bidders are being provided with additional information regarding technical, commercial and contractual arrangements for the Project, including but not limited to the following:
- Format for Bid Submission Letter;
 - Format for Submission of Financial Proposal;
 - Format for Submission of Key Technical and Financial Input Parameters;
 - Format for Bid Security;
 - Minimum Technical Requirements of the Project;
 - Draft Government Support Agreement;
 - Format for Seeking Clarifications and Amendments;
 - Terms of the Project Company Founding Agreement;
 - Heads of Agreement of Shareholders Agreement;
- 5.1.6 Additional information regarding technical, commercial and contractual arrangements for the Project being provided to the Pre-Qualified Bidders with the RFP, conventionally are included into the following subsections:
- a. *Subsections:*
 - Subsection 9.1: Format for Bid Submission Letter
 - Subsection 9.2: Format for Submission of Financial Proposal

¹ Note to the Pre-Qualified Bidders: ANIF is a state-owned company, whose 15% ownership in the Project Company is one of the conditions of the Project. ANIF's 15% shareholding in the Project Company is provided for its local partnership. The details are elaborated upon in the RFP Subsection 9.8: Terms of the Project Company Founding Agreement and RFP Subsection 9.9: Heads of Agreement of Shareholders Agreement.

- Subsection 9.3: Format for Submission of Key Technical and Financial Input Parameters
- Subsection 9.4: Format for Bid Security
- Subsection 9.5: Minimum Technical Requirements of the Project
- Subsection 9.6: Draft Government Support Agreement
- Subsection 9.7: Format for Seeking Clarifications and Amendments
- Subsection 9.8: Terms of the Project Company Founding Agreement
- Subsection 9.9: Heads of Agreement of Shareholders Agreement

5.1.7 The Authority is now seeking Technical and Financial Proposals from the Pre-Qualified Bidders to select the Successful Bidder for the Project.

5.1.8 Each Pre-Qualified Bidder may submit a Bid for the Project.

5.1.9 For the purposes of this Selection Process, Tendering (Evaluation) Committee shall be established, which particularly will make decisions with respect to matters of proposal evaluation and Project award. Then, the Ministry of Territorial Administration and Infrastructures of the Republic of Armenia, taking into account recommendation of the Tendering (Evaluation) Committee, will recommend the Government of the Republic of Armenia to approve the results of the Selection Process.

5.1.10 The Successful Bidder will be selected in accordance with the procedure defined in the decree No. [●] of the Government of the Republic of Armenia dated December 3, 2020.

5.2 PROJECT INSTALLED CAPACITY

5.2.1 Pre-Qualified Bidders have to propose a Project Installed Capacity at 200 MW as per their own due-diligence, which will be refereed as Quoted Project Installed Capacity and shall remain binding on them.

5.2.2 Pre-Qualified Bidders are required to undertake their own due-diligence to arrive at the Quoted Project Installed Capacity after reviewing the land availability, irradiation levels and various other conditions in respect of the site and their own ability to source technology for the Project.

5.2.3 At the time of COD, the Selected Bidder will have to demonstrate the Project Installed Capacity at the level of the Quoted Project Installed Capacity.

5.2.4 Inability of the Pre-Qualified Bidders to propose a Quoted Project Installed Capacity at 200 MW will lead to declaration of their Bid as non-responsive.

5.3 MAIN PROJECT FEATURES

5.3.1 The main features of the Project are set out below:

- (i) The Successful Bidder will be required to design, finance, build, own and operate the Ayg-1 Solar Photovoltaic (PV) Power Plant.
- (ii) The following arrangements are envisaged to be undertaken by the Project Company for the development of the Project:
 - a. *Government Support Agreement (GSA)*: This agreement shall outline the Government of Armenia's commitment to support the Project on aspects such as

guarantee against payment defaults by ENA, support in land transfer, etc. In addition, the Government Support Agreement assumes various security mechanisms that the Successful Bidder and/or Project Company will offer in respect of the Project. The Draft Government Support Agreement for the Project is enclosed as Subsection 9.6 to this RFP.

- b. *License to be issued by the Public Services Regulatory Commission (PSRC):* The License specifies the terms of the license to be granted to the Project Company, its various rights and obligations, including tariff adjustment mechanisms, etc. The License shall be in the form and content of the terms and conditions of License *approved* by the PSRC for the Project, which shall be provided to the Pre-qualified Bidders by the Authority.
 - c. *Power Purchase Agreement (PPA) with the Electricity Network of Armenia (ENA):* ENA, the sole power distribution licensee in the country shall be the sole purchaser of power generated from the Project. The Successful Bidder shall be compensated by the ENA for the energy generated from the Project as per the terms of License and PPA. The exemplary PPA *approved* by the PSRC and shall be provided to the Pre-qualified Bidders by the Authority.
 - d. *Land Acquisition:* The Communities have agreed to transfer ownership rights for up to 520 ha land required for the Project to the ANIF. The ANIF shall further transfer the title of the same in the name of the Project Company on fulfilment of the required conditions and subject to end-use restrictions and achievement of Project milestones as maybe specified in the Land Transfer Agreement.
 - e. *Local Area Development:* The Project Company shall make a transfer of AMD 320,000,000 (Three Hundred Twenty Million Armenian Drams) (Local Area Development Fee) to the bank account(s) to be specified by the Authority for onward remittance of the same to the Communities to support their developmental activities in their jurisdiction, including the immediate vicinity of the Project.
- (iii) The Project Company will be required to complete the construction and commission the Plant as per the period specified in the Project Agreements.
 - (iv) The Project shall have a total nominal capacity output at 200 MW in accordance with the terms of RFP Section 5.2.
 - (v) The Project will be designed, built and operated at the cost and risk of the Successful Bidder.
 - (vi) All necessary approvals, clearances, permits required for setting-up of the Project, and not covered in the responsibility of any other agency in the GSA, License or PPA shall be the responsibility of the Project Company.
 - (vii) The level of Quoted Tariffs offered by Pre-Qualified Bidders is the sole basis for selection of Preferred Bidder from amongst the Technically Qualified Proposals received in response to the RFP, as specified in RFP Section 7. The Pre-Qualified Bidders are required

to quote one single tariff number chargeable for the full life of the Project, subject to adjustment in accordance with the relevant terms of the License.

5.4 DATA ROOM

- 5.4.1 The Authority will establish a data room (physical or electronic) with a selection of relevant data to be made accessible to Pre-Qualified Bidders or their representatives up to the last date of submission of Bids. The Pre-Qualified Bidders will be notified additionally on setting up of such data room.

5.5 PRE-BID CONFERENCE, SITE VISITS

- 5.5.1 The Authority intends to hold the Pre-Bid Conference for all Pre-Qualified Bidders on the date and venue mentioned in Bid Information Sheet. If by any means the Pre-Bid Conference cannot be performed personally due to the COVID-19 virus pandemic the Pre-Bid Conference will be held by video-conference. Details will be clarified in due course. The Authority along with appropriate representatives from the Ministry of Territorial Administration and Infrastructures of RA, ENA, etc. and their advisors may arrange for plenary sessions with Pre-Qualified Bidders who intend to avail of this opportunity.
- 5.5.2 Pre-Qualified Bidders are advised take advantage of optional organized site visits which can be arranged and coordinated through a request to the Authority. These visits will allow Pre-Qualified Bidders to inspect the proposed site of the Project and undertaking necessary technical due-diligence regarding various technical aspects to assist them in preparing their proposals. The costs of the visits shall be at the Bidders own expense.
- 5.5.3 The site visit option shall be availed only upon the express condition that the Pre-Qualified Bidder, its advisors, employees, consultants and agents will release and indemnify the Government of Armenia and the Authority their advisors, employees, consultants and agents from and against all liability in respect thereof and that the Pre-Qualified Bidder will be responsible for personal injury, loss of life, loss of or damage to property and any other loss, damage, costs or expenses incurred as a result of the inspection. The Pre-Qualified Bidder shall submit a letter confirming this along with the names and surnames of its employees, advisors and agents who would be visiting the site.

5.6 PROJECT PREPARATORY FEE

- 5.6.1 The Successful Bidder shall pay a fee (the Project Preparatory Fee) in the amount of AMD 60,000,000 (Sixty Million Armenian Drams) as mentioned in the Bid Information Sheet on issuance of the LOA. The payment of the Project Preparatory Fee shall be made in AMD, without any deductions whatsoever for taxes, duties, charges or other withholdings (all of which shall be borne by the Successful Bidder), into the bank account specified by the Authority.

5.7 COST OF BID

- 5.7.1 A Pre-Qualified Bidder shall bear all costs associated with the review, due-diligence and study of the proposed Project and preparation and submission of its Bid, including without limitation all costs and expenses related to the Pre-Qualified Bidders preparation of responses to any questions or requests for clarification that the Authority may submit.

5.8 MISCELLANEOUS

- 5.8.1 Armenian Laws shall apply in all matters related to this RFP and the Selection Process.
- 5.8.2 The Courts of Armenia shall have the sole jurisdiction over any disputes, legal proceedings arising out of the Selection Process related to this RFP.
- 5.8.3 The Authority reserves its right, with the agreement of the Minister of Territorial Administration and Infrastructure of the Republic of Armenia, to accept or reject any Proposal; annul the Selection Process and reject all Proposals; annul the Selection Process and commence a new process; and waive irregularities, minor informalities, or minor non-conformities which do not constitute material deviations in the submitted proposals at any time prior to the signing of the GSA without incurring any liability to the affected Pre-Qualified Bidder(s).

6 BID INFORMATION AND INSTRUCTION TO BIDDERS

6.1 OBTAINING RFP DOCUMENTS

- 6.1.1 The Authority has issued this RFP to all Pre-Qualified Bidders through email. The Pre-Qualified Bidders are requested to confirm receipt of this RFP and subsequent communications issued by the Authority by a return email.
- 6.1.2 The RFP document will be made available in PDF format only, along with the following subsections and attachments, including Project Agreements:

Subsections:

- Subsection 9.1: Format for Bid Submission Letter
- Subsection 9.2: Format for Submission of Financial Proposal
- Subsection 9.3: Format for Submission of Key Technical and Financial Input Parameters
- Subsection 9.4: Format for Bid Security
- Subsection 9.5: Minimum Technical Requirements of the Project
- Subsection 9.6: Draft Government Support Agreement
- Subsection 9.7: Format for Seeking Clarifications and Amendments
- Subsection 9.8: Terms of the Project Company Founding Agreement
- Subsection 9.9: Heads of Agreement of Shareholders Agreement

6.2 LANGUAGE OF PROPOSALS

- 6.2.1 All Proposals shall be written in English, and all correspondence and documents related to the Proposals exchanged by the Pre-Qualified Bidders and Authority shall be written in English only.
- 6.2.2 While English translations of GSA, and other documents are provided, it is clarified that the signing of some of those documents by the Project Company with the respective agencies shall take place in Armenian Language.
- 6.2.3 The Pre-Qualified Bidders are encouraged to avail the Armenian version of such documents from the Authority and review them prior to making their Bid submissions.

6.3 PROPOSAL STRUCTURE AND CONTENT

- 6.3.1 Each Pre-Qualified Bidder may submit only one Proposal, which shall consist of a technical proposal (the “**Technical Proposal**”) and a financial proposal (the “**Financial Proposal**”) for the transaction.

6.3.2 The Pre-Qualified Bidders shall be responsible for providing complete information in their Proposal, and failure to do so may lead to a rejection of their Proposal. In addition, any materially false data contained in either Technical Proposal or Financial Proposal shall constitute grounds for the disqualification of the Pre-Qualified Bidder. The Pre-Qualified Bidders should use only the standard document templates contained in this RFP without making any modifications to the terms thereof.

6.3.3 Signing of the Proposal:

- (i) Proposal must be signed by the Pre-Qualified Bidder's authorized person(s), in accordance with the submissions made at the RFQ stage.
- (ii) Each Proposal must be typed or written in indelible ink and should be physically signed by the Pre-Qualified Bidder's authorized person(s). The name, surname and position held by the Person signing the Proposal must be typed or printed below the signature.
- (iii) All pages of the Bid must be physically initialled by the Pre-Qualified Bidder's authorized person(s).

6.3.4 Technical Proposal:

The Technical Proposal shall contain:

- (i) A completed and signed Bid Submission Letter as per format in RFP Subsection 9.1;
- (ii) Any other/ additional information that the Pre-Qualified Bidder believes necessary in order for the Tendering (Evaluation) Committee to evaluate the Technical Proposal on the basis of the criteria outlined in this RFP.
- (iii) A Bid Security as per format specified in RFP Subsection 9.4; and

6.3.5 Financial Proposal

The Financial Proposal shall contain:

- (i) A completed Financial Proposal Form in the form provided in RFP Subsection 9.2;
- (ii) A completed Format for Submission of Key Technical and Financial Input Parameters that are behind the Bid Tariff quoted by the Pre-Qualified Bidder as per format specified in RFP Subsection 9.3.

6.4 BID SECURITY

- 6.4.1 Each Pre-Qualified Bidder is required to deliver, as part of its Technical Proposal, a bank guarantee by Qualified Bank with a drawing of amount of USD 5,000,000 (Five Million US Dollars) in accordance with terms contained in RFP Subsection 9.4.
- 6.4.2 The Pre-Qualified Bidder shall ensure that the Bid Security remains valid for a period of thirty (30) Days after expiration of the initial Proposal Validity Period. The Authority may request that the initial Proposal Validity Period be extended, in which event all Pre-Qualified Bidders agree to extend the validity of their Proposals. It will be required to ensure that their Bid Security remains valid for a period of thirty (30) Days after the expiration of the extended Proposal Validity Period. In the event a Pre-Qualified Applicant refuses to extend the validity of its Proposal, such refusal shall constitute grounds for disqualification of the Pre-Qualified Bidder.
- 6.4.3 The Authority will return the Bid Security of the disqualified Pre-Qualified Bidders as promptly as possible, but not later than thirty (30) Days after the execution by the Successful Bidder of the GSA.
- 6.4.4 A Pre-Qualified Bidder shall be in breach of its obligations under this RFP and the Authority may draw on the full amount of a Pre-Qualified Bidder's Bid Security in the event that:
- (i) the Pre-Qualified Bidder withdraws its Proposal, except as provided in RFP Section 6.10.3;
 - (ii) the GSA is not executed within two (2) months of the Pre-Qualified Bidder being issued with the Letter of Award, for reasons attributable to the Successful Bidder;
 - (iii) the Performance Bank Guarantee is not furnished in accordance with the terms specified in the GSA;
 - (iv) The Authority becomes aware that any statement made by the Pre-Qualified Bidder in its response to the RFQ or this RFP were false or misleading at the time they were made or at the time they were confirmed in the Bid Submission Letter;
 - (v) The Pre-Qualified Bidder or any of its agents, affiliates, contractors or other representatives offers, pays, promises to pay or authorizes the payment of any amount, or offers, gives, promises to give, or authorizes the giving of anything with a material value to:
 - a. Any officer or employee of the Authority, Government of Armenia, ENA, PSRC etc. or a person acting in an official capacity for or on behalf of any of them, including the members of the Tendering (Evaluation) Committee for the purpose of (A) influencing any act or decision of such Government Official in his official capacity, (B) including such Government Official to do or omit to do any act in violation of the lawful duty of such official, (C) securing any improper advantage, or (D) including such decision in order to assist such Pre-Qualified Bidder in obtaining or retaining business for or with, or directing business to, any person, or to gain any advantage in relation to this Selection Process.
 - b. Any political party or official thereof or any candidate for political office in Armenia for purposes of (A) influencing any act or decision of such party, official, or candidate in its or his official capacity, (B) inducing such party, official, or candidate to do or

omit to do an act in violation of the lawful duty of such party, official, or candidate, (C) securing any improper advantage, or (D) including such party, official, or candidate to use its or his influence (whether immediately or in the future) to affect or influence any act or decision in order to assist such Pre-Qualified Bidder in obtaining or retaining business for or with, or directing business to, any person, or to gain any advantage in relation to this Selection Process; or

- c. Any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any present or future Government Official, to any political party or Government Official, or to any candidate for political office in Armenia, for purpose of (A) influencing any act or decision of such Government Official, political party, party official, or candidate in his or its official capacity, (B) including such Government Official, political party, party official, or candidate to do or omit to do any act in violation of the lawful duty of such Government Official, political party, party official or candidate, (C)securing any improper advantage, or (D) inducing such Government Official, political party, party official, or candidate to use his or its influence to affect or influence any act or decision in order to assist such Pre-Qualified Bidder in obtaining or retaining business for or with, or directing business to, any person, or to gain any advantage in relation to this Selection Process.

(each of the above, a “**Drawing Event**”).

6.5 PROPOSAL VALIDITY

- 6.5.1 Proposal shall remain valid for a period as mentioned in the Bid Information Sheet to allow the Tendering (Evaluation) Committee sufficient time to evaluate the Proposals. A Proposal with a stated validity period of less than that specified shall be rejected by the Tendering (Evaluation) Committee as non-responsive. The Authority may request an extension of the Proposal Validity Period if required to enable it to conclude the evaluation and selection of the Preferred Bidder and conclusion of the necessary agreements.

6.6 REQUEST FOR CLARIFICATIONS AND AMENDMENTS

- 6.6.1 Pre-Qualified Bidders may seek any clarification on any part of the RFP as well as other Project documents provided with the RFP by submitting their request in writing.
- 6.6.2 All clarification requests shall be submitted only in the format provided in RFP Subsection 9.7 and should be addressed to the contact person, appointed by the Authority for the purpose of this Selection Process as specified in the Bid Information Sheet, through email.
- 6.6.3 The clarification requests shall be submitted within time period as specified in the Bid Information Sheet. The Authority shall endeavour to respond to each request within a period of ten (10) Days.
- 6.6.4 The Authority may of its own initiative, if deemed necessary, issue clarifications to all the Pre-Qualified Bidders.
- 6.6.5 Up until Bid Submission Deadline, as mentioned in the Bid Information Sheet, the Authority may, for any reason, whether at its own initiative or in response to a query raised or clarifications requested by a Pre-Qualified Bidder in writing or at the Pre-Bid Conference, amend the RFP

Documents by issuing an amendment.

6.6.6 The Pre-Qualified Bidders are required to read the RFP Documents with any amendment that may be issued. Each amendment shall be binding on the Pre-Qualified Bidders, whether or not the Pre-Qualified Bidders convey their acceptance of the same.

6.6.7 Verbal clarifications and information given by the Authority or any other Person for or on its behalf shall not in any way or manner be binding on the Authority.

6.7 FORMAT, SIGNING, SEALING AND MARKING OF THE PROPOSAL

6.7.1 The Proposal shall be comprised of the documents described in RFP Sections 6.3.4 and 6.3.5.

6.7.2 Each Pre-Qualified Bidder's Proposal submitted in response to this RFP shall be contained in three envelopes as follows:

(i)	The Technical Proposal shall be contained in an envelope (or box) (the "Technical Envelope") marked as follows:
	Proposal for Ayg-1 Utility Scale Solar Photovoltaic Project in Armenia Technical Proposal submitted by: [Name of the Pre-Qualified Bidder] "DO NOT OPEN BEFORE PROPOSAL OPENING SESSION"
(ii)	The Financial Proposal shall be contained in an envelope (the "Financial Envelope") marked as follows:
	Proposal for Ayg-1 Utility Scale Solar Photovoltaic Project in Armenia Financial Proposal submitted by: [Name of the Pre-Qualified Bidder] "DO NOT OPEN BEFORE FINANCIAL PROPOSAL OPENING SESSION"
(iii)	The Technical Envelope and the Financial Envelope shall be contained in an envelope (or box) (the "Proposal Envelope") marked as follows:
	Proposal for Ayg-1 Utility Scale Solar Photovoltaic Project in Armenia Proposal submitted by:

<p>[Name of the Pre-Qualified Bidder]</p> <p>“THIS [ENVELOPE][BOX] CONTAINS THE TECHNICAL ENVELOPE AND THE FINANCIAL ENVELOPE”</p> <p>“DO NOT OPEN BEFORE PROPOSAL OPENING SESSION”</p>
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6.7.3 Technical Proposals shall not make any reference to the financial criteria so that the technical evaluation may be conducted strictly on the basis of technical merit. An inclusion or indication of the response to financial criteria in the Technical Proposal shall constitute grounds for the disqualification of the Pre-Qualified Bidder.

6.7.4 The Pre-Qualified Bidders shall include the original and the number and type of copies indicated in the table below:

Document Type	Technical Envelope Number of Copies	Financial Envelope Number of Copies
Original paper submission	1	1
Paper copies	1	1
Electronic copies (submitted on USB drives)	1	NIL

6.7.5 Pre-Qualified Bidders shall place the original and paper and electronic copies of the Technical Proposal in separate envelopes, clearly marking the envelopes containing the original of Technical Proposal as “Original” and the envelopes containing copies of the Technical Proposal as “Copy”, “Electronic Copy”, as appropriate. In the event of any discrepancy between the documents contained in any envelope marked “Copy” and documents contained in the envelope marked “Original”, the documents contained in the envelope marked “Original” shall govern. Properly sealed envelopes containing the original and all the copies of the Technical Proposal shall be sealed and placed within the Technical Envelope.

6.7.6 Pre-Qualified Bidders shall place the original and paper copies of the Financial Proposal in separate envelopes, clearly marking the envelopes containing the original of the Financial Proposal as “Original” and the envelopes containing copies of the Financial as “Copy” as appropriate. In the event of any discrepancy between the documents contained in any envelope marked “Original” shall govern. Properly sealed envelopes containing the original and all the copies of the Financial Proposal shall be sealed and placed within the Financial Envelope.

6.7.7 The electronic copies shall include the complete Technical Proposal in PDF format (complete with the signatures and initializations required as per RFP Section 6.3.3). Each envelope shall indicate the name and address of the Pre-Qualified Bidder to enable the relevant Proposal to be returned unopened if received by the Authority after the Proposal Submission Deadline or for failure to comply with the terms of this RFP.

6.7.8 The Authority will assume no responsibility for any Proposal’s misplacement or premature

opening if the applicable envelopes are not sealed and marked as required by RFP Section 6.7.

6.8 BID SUBMISSION DEADLINE

6.8.1 Proposals shall be received by the Authority at the Bid Submission Address and no later than the Bid Submission Deadline as specified in the Bid Information Sheet. Any proposal received after the specified time shall be summarily rejected.

6.9 MODIFICATION / REPLACEMENT OF PROPOSAL

6.9.1 A Pre-Qualified Bidder may modify and replace its Proposal after submission provided that the new Proposal is received by the Authority prior to the Bid Submission Deadline.

6.9.2 A Pre-Qualified Bidder, intending to modify its Proposal, shall be required to submit a full revised Proposal along with a covering letter requesting the Authority to allow for the same. The previously submitted Proposal of such Pre-Qualified Bidder shall be returned on receipt of the revised Proposal.

6.10 WITHDRAWAL OF PROPOSAL

6.10.1 A Pre-Qualified Bidder may withdraw its Proposal after submission provided that a notice of withdrawal (the "Withdrawal Notice") is received by the Authority prior to the Submission Deadline. A Proposal Withdrawal Notice, which is received after the Submission Deadline will be treated in accordance with RFP Section 6.10.3.

6.10.2 A Pre-Qualified Bidder's Withdrawal Notice shall be,

- a. in writing;
- b. delivered by hand or by courier;
- c. addressed to the Authority at the address specified in the Bid Information Sheet; and
- d. contained in a sealed envelope labelled with words "*WITHDRAWAL NOTICE - AYG-1 Utility-Scale Solar Photovoltaic Project in Armenia*" and with the name, address and telephone number of Pre-Qualified Bidder.

6.10.3 If a Pre-Qualified Bidder withdraws its Proposal during the Proposal Validity Period, the Pre-Qualified Bidder may forfeit its Bid Security in accordance with RFP Section 6.4.4.

6.11 CONFLICT OF INTEREST

6.11.1 A Pre-Qualified Bidder shall not have any conflict of interest with the Selection Process. A Pre-Qualified Bidder which is found to have conflict of interest during or after the Selection Process shall be disqualified from bidding and the Proposal submitted by such Pre-Qualified Bidder shall be considered as null and void. Conflict of interest, for the purpose of this Selection Process, shall include the following, but not limited to the following:

- (i) Such Pre-Qualified Bidders (or any constituents thereof) and any other Pre-Qualified Bidder (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding in a Pre-Qualified Bidder or a constituent thereof in the other Pre-Qualified Bidder(s) (or any of its constituents) is less than 25% of its paid up and subscribed capital; or
- (ii) a constituent of such Pre-Qualified Bidder is also a constituent of another Pre-Qualified Bidder; or
- (iii) such Pre-Qualified Bidder has the same legal representative for purposes of this Selection Process as any other Pre-Qualified Bidder; or
- (iv) such Pre-Qualified Bidder, or any Group Business Entity thereof, has a relationship with another Pre-Qualified Bidder or any Group Business Entity thereof, directly or indirectly, that puts them in a position to have access to each other's' information about, or to influence the Bid of either or each; or
- (v) such Pre-Qualified Bidder or any Group Business Entity thereof has participated as a consultant to the Authority in the preparation of any documents, design or technical specifications of the Project.

6.12 CORRESPONDENCE WITH BIDDERS

- 6.12.1 The Authority shall communicate with Pre-Qualified Bidders by addressing its emails to all Pre-Qualified Bidders regarding the issuance of RFP, issuance of clarifications, amendments, submission extensions, etc.
- 6.12.2 Pre-Qualified Bidders should address their communication to the nodal person of Authority ONLY as specified in the Bid Information Sheet.
- 6.12.3 Save as expressly provided in these RFP Documents, the Authority will not entertain any correspondence with the Pre-Qualified Bidders, whether in connection with the acceptance or rejection of their Bids or otherwise.

6.13 CORRUPT OR FRAUDULENT PRACTICES

- 6.13.1 The Pre-Qualified Bidders shall observe the highest standard of ethics during the procurement and further during the execution of the Project. For the purposes of this provision, the terms set forth below are defined as Prohibited Practices:
 - (i) “*corrupt practice*” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (ii) “*fraudulent practice*” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

- (iii) “*coercive practice*” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; and
- (iv) “*collusive practice*” means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.

6.13.2 No Proposal shall be accepted for consideration from any Pre-Qualified Bidder for whom any evidence of involvement in Prohibited Practices is identified.

7 BID OPENING AND EVALUATION

7.1 OPENING OF TECHNICAL PROPOSALS

- 7.1.1 The Proposal Envelopes shall be opened, and the name of each Pre-Qualified Bidder that has submitted a Proposal shall be read aloud, at a time and place designated by the Authority. The opening of the Proposal Envelopes may be attended by two representatives from each Pre-Qualified Bidder.
- 7.1.2 Prior to opening of the Proposal Envelopes, the Tendering (Evaluation) Committee shall determine whether the Proposals were received by the Proposal Submission Deadline. Only proposals received prior to the deadline shall be opened. The Proposals received after the Proposal Submission Deadline shall not be considered by the Tendering (Evaluation) Committee and shall be returned unopened to the applicable Pre-Qualified Bidders.
- 7.1.3 The Tendering (Evaluation) Committee shall take minutes of the opening of the Proposal Envelopes, and shall provide such minutes to Pre-Qualified Bidders promptly following the completion of such opening process.

7.2 EVALUATION OF TECHNICAL PROPOSALS

7.2.1 Technical Evaluation – First Step

In the first step of the technical evaluation, each Technical Proposal will be evaluated to confirm that it is complete and contains all of the required components of a Technical Proposal specified and described in RFP Section 6.3.4.

If a Pre-Qualified Bidder's Technical Proposal does not pass the first step of the technical evaluation, then the Authority may, in its discretion:

- (i) Declare the Proposal to be non-responsive and return such Pre-Qualified Bidder's Financial Proposal unopened; or
- (ii) Seek clarifications regarding the Technical Proposal in accordance with RFP Section 7.5.

7.2.2 Technical Evaluation – Second Step

In the second step of the technical evaluation, if the Tendering (Evaluation) Committee, after its detailed evaluation, is satisfied with the responsiveness and technical qualification of a Pre-Qualified Bidder's Proposal, such Pre-Qualified Bidder is declared as Technically Qualified.

The remaining proposals are marked as Technically Disqualified and the Authority shall return such Pre-Qualified Bidders' Financial Proposals unopened.

7.3 OPENING OF FINANCIAL PROPOSALS

- 7.3.1 After the evaluation of the Technical Proposals, the public opening and consequent evaluation of those Financial Proposals that will be evaluated shall commence. The Authority shall not open the Financial Proposals until all Technical Proposals have been evaluated in accordance with RFP Section 7.2.
- 7.3.2 The Financial Proposals shall be opened publicly in the presence of the representatives of the Pre-Qualified Bidders who choose to attend. The name of each Technically Qualified Pre-Qualified Bidder and the Bid Tariff as submitted by each Pre-Qualified Bidder as set forth in their Financial Proposal shall be read aloud and recorded when the Financial Proposals are opened. The Tendering (Evaluation) Committee shall take minutes of the opening of the Financial Proposals, and shall provide such minutes to Pre-Qualified Bidders promptly following the completion of such opening process.
- 7.3.3 Each Financial Proposal shall include a fully completed Financial Proposal form in the format contained in RFP Subsection 9.2.

7.4 EVALUATION OF FINANCIAL PROPOSALS

- 7.4.1 The Tendering (Evaluation) Committee will identify the Preferred Bidder from amongst the Technically Qualified Pre-Qualified Bidders on the basis of the following criteria:
- (i) Technically Pre-Qualified Bidder that has quoted the lowest Bid Tariff.
 - (ii) In the event the Bid Tariff quoted by more than one of the Technically Qualified Pre-Qualified Bidders happens to be the same, the Pre-Qualified Bidder who has demonstrated relevant international experience outside of their respective countries (reference to RFQ Section 4.1) and relevant experience of one or more grid-connected solar photovoltaic power plants (reference to RFQ Section 5.2.2 (A) (i)), as per the details submitted to the Authority at the RFQ stage, shall be preferred.
- 7.4.2 The initiator of the investment project, Abu Dhabi Future Energy Company PJSC (“Masdar”), United Arab Emirates, will be given an opportunity to match its offer with the lowest Bid Tariff quoted by other Technically Pre-Qualified Bidder by offering at least US cent 0,1 per kilowatt hour (kWh) lower Bid Tariff in case it has not quoted the lowest Bid Tariff as per provisions of RFP Section 7.4.1. The Authority should notify Masdar in case it has not quoted the lowest Bid Tariff. Masdar will have the opportunity to match its offer with the lowest Bid Tariff in accordance with this provision within ten (10) Business days from the receipt of the notification from the Authority.
- 7.4.3 If Abu Dhabi Future Energy Company PJSC (“Masdar”) fails to respond to the Authority within ten (10) Business days as per provisions of RFP Section 7.4.2, the Technically Pre-Qualified Bidder that has been identified as per provisions of RFP Section 7.4.1 shall be declared as the Preferred Bidder. Otherwise, Abu Dhabi Future Energy Company PJSC (“Masdar”) will be declared as the Preferred Bidder.

7.5 REQUEST FOR CLARIFICATION OF PROPOSALS

- 7.5.1 The Tendering (Evaluation) Committee may issue a request for clarification or additional information by electronic mail regarding any part of a Pre-Qualified Bidder's Proposal, including to address immaterial or minor omissions which do not affect the substantive responsiveness of a Pre-Qualified Bidders Proposal at any time during the evaluation of the Proposals. Such request will require the Pre-Qualified Bidder to clarify certain parts of its Proposal that may be unclear or to provide additional information.
- 7.5.2 The Pre-Qualified Bidder shall reply to such requests for clarification or additional information by electronic mail not later than five (5) Business Days following requisition by Tendering (Evaluation) Committee, or such longer period of time as the Tendering (Evaluation) Committee may establish.
- 7.5.3 In the event that:
- (i) a Pre-Qualified Bidder does not respond to a request for clarification or additional information within the time period specified (or any extension thereof);
 - (ii) a Pre-Qualified Bidder does not provide the information or documentation so requested; or
 - (iii) the Tendering (Evaluation) Committee is not able to confirm that a Technical Proposal complies with the requirements contained in the RFP (either following a request or otherwise),

then the Tendering (Evaluation) Committee may consider such Technical Proposal to be non-responsive and may reject the Pre-Qualified Bidder's Proposal.

7.6 OVERALL EVALUATION

- 7.6.1 After completion of evaluation of all Technical Proposals and Financial Proposals, the Tendering (Evaluation) Committee will rank various Technically Qualified Pre-Qualified Bidders in the order of preference on the basis of the ranking on Bid Tariff in accordance with RFP Section 7.4.

8 SELECTION OF BIDDER

8.1 NEGOTIATIONS

8.1.1 The Tendering (Evaluation) Committee may, at its own discretion, invite the Preferred Bidder for a negotiation.

8.2 LETTER OF AWARD (LOA)

8.2.1 After declaration of the Preferred Bidder, the Authority will issue the Letter of Award (“LOA”) to the Successful Bidder in duplicate:

- (i) declaring it as the Successful Bidder;
- (ii) accepting its Financial Proposal;
- (iii) requesting it to fulfil the conditions specified in RFP;
- (iv) requesting it to transfer the Project Preparatory Fee in accordance with RFP;
- (v) requesting it to pay the Performance Bank Guarantee in the amount of USD 15,500,000 (Fifteen Million Five Hundred Thousand US Dollars) in accordance with RFP and the terms of the GSA;
- (vi) requesting it to execute the Project Agreements within specified timelines in the format prescribed in RFP;

8.2.2 Within seven (7) Days of receipt of the LOA, the Preferred Pre-Qualified Bidder declared as the Successful Bidder shall sign and return, as acknowledgement, the duplicate copy of the LOA.

8.2.3 If the duplicate copy of the LOA duly signed by the Successful Bidder is not received by the stipulated date, the Authority may, unless it consents to an extension, without prejudice to any of its rights under the RFP Documents or law, withdraw the LOA and forfeiture of the Bid Security in accordance with the terms of RFP.

8.2.4 Within fourteen (14) Days of receipt of the LOA, the Successful Bidder shall resubmit its updated statements in respect of the submissions made at the RFQ stage to demonstrate its continued qualification for the Project.

8.3 SELECTION OF NEW PREFERRED BIDDER

8.3.1 In event that:

- (i) Any Drawing Event occurs; or
- (ii) the Preferred Bidder fails to comply with any other term of condition of this RFP and becomes disqualified from further participation in the Selection Process as a result,

8.3.2 then, in any such cases, the Tendering (Evaluation) Committee shall declare the next best Pre-Qualified Bidder as per RFP Section 7.4 as the Preferred Bidder, and such new Preferred Bidder will thereafter be treated as the Preferred Bidder for all purposes of this RFP.

PART B - SUBSECTIONS

9 SUBSECTIONS

The Pre-Qualified Bidders are requested to submit their respective Proposals in the formats enclosed to the RFP as part of their response to Request for Proposals. These formats will be used as test for responsiveness at the time of Bid evaluation. Failing to comply with these formats may lead to rejection of such Proposals by Tendering (Evaluation) Committee.

SUBSECTION 9.1: FORMAT FOR BID SUBMISSION LETTER

(On the Letter Head of Pre-Qualified Bidder)

Date: _____

From: _____

(Insert name and address of Pre-Qualified Bidder)

Tel:

Fax:

E-mail address:

To:

Armenia Renewable Resources and Energy Efficiency Fund

Attention: Mrs. Zaruhi Gharagyozyan, Secretary of Tendering
(Evaluation) Committee, Procurement Team Leader of R2E2 Fund

29/1, Sayat-Nova Avenue, Yerevan, 0001 Republic of Armenia

Tel: (+374-10) 58 80 11

Email: zaruhi.gharagyozyan@r2e2.am;

cc: r2e2fund@gmail.com

Subject: Proposal in Response to Request for Proposals (RFP) for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia

Dear Sir/Madam,

We, the undersigned [*insert name of the "Pre-Qualified Bidder"*] having read, examined and understood in detail the RFP and RFP Documents for development of the Project and supply of power on long term basis through competitive bidding process for meeting the requirements set out in RFP hereby submit our Bid in Response to Request for Proposals (RFP) for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia, comprising of Technical Proposal and Financial Proposal.

We confirm that:

- 1 We give our unconditional acceptance to the RFP, dated [*Insert date in dd/mm/yyyy*] and RFP Documents attached thereto, issued by the [*Insert name of the Authority*], as amended. We shall ensure that the Project Company shall execute such RFP Documents in accordance with the provisions of the RFP and provisions of such RFP Documents shall be binding on us.

2 **Bid Security**

We have enclosed a Bid Security of USD [Insert Amount], in the form of bank guarantee no..... [Insert number of the bank guarantee] dated [Insert date of bank guarantee] in the format prescribed in RFP Subsection 9.4: Format for Bid Security, from [Insert name of bank providing Bid Security] and valid up to.....as per the terms of the RFP.

3. We have submitted our Financial Proposal strictly in the format prescribed at format in RFP Subsection 9.2: Format for Submission of Financial Proposal and Subsection 9.3: Format for Submission of Key Technical and Financial Input Parameters, without any deviations and conditions for the Financial Proposal in the said format.

4. **Acceptance**

We hereby unconditionally and irrevocably agree and accept that the decision made by the Authority in respect of any matter regarding or arising out of the RFP shall be binding on us. We hereby expressly waive any and all claims in respect of the Selection Process.

We confirm that there are no litigations or disputes against us, which materially affect our ability to fulfil our obligations with regard to the Project.

5. **Confirmation of Adhere to Minimum Technical Specifications**

We confirm adherence to the Minimum Technical Requirements of the Project as specified in the RFP Subsection 9.5: Minimum Technical Requirements of the Project. We agree that any non-compliance to the same may lead to cancellation of the award of the Project to us as well as forfeiture of our Bid Security and/ or Performance Bank Guarantee, as appropriate.

6. **Quoted Project Installed Capacity**

We propose to install **200** MW as the ‘Quoted Project Installed Capacity’. In case we fail to demonstrate that the actual Project Installed Capacity at the Quoted Project Installed Capacity at the time of COD, our Performance Bank Guarantee may be forfeited as per the terms of the GSA.

7. **Confirmation of Continued Qualification**

We confirm that we continue to meet the various Technical, Financial and Legal Qualification Criteria specified in the RFQ document issued by the Authority on May 22, 2020. We shall demonstrate the same on emerging as the Preferred Bidder within the specified timelines and failure to do so shall lead to a disqualification and rejection of our Proposal.

8. Familiarity with Relevant Armenian Laws and Regulations

We confirm that we have studied the provisions of the relevant Armenian laws and regulations as required to enable us to submit this Proposal and execute the RFP Documents, in the event of our selection as Successful Bidder. We further undertake and agree that all such factors as mentioned in the RFP have been fully examined and considered while submitting the Proposal.

9. We are not aware of any actual or potential conflict of interest arising from a prior or existing contract or relationship with the Authority, PSRC, the Government of the Republic of Armenia, ENA their affiliates, representatives, advisors, or consultants. We are not aware of any offers, payments, promises to pay, or authorizations for the payment of any amount, or offers, gifts, promises to give authorizations for giving of anything with a material value by us or any of our respective agents, affiliates, contractors or other representatives with the intent of influencing any decision in relation to this bid in our favour.
10. We are enclosing herewith the separate Technical Proposal and separate Financial Proposal in Response to Request for Proposals (RFP) for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia, to design, finance, build, own and operate Ayg-1 Utility-Scale Solar Photovoltaic Plant in Talin and Dashtadem, Aragatsont Marz (Region), Republic of Armenia containing duly signed formats enclosed as per the RFP for your consideration.
11. We confirm that our Proposal is consistent with all the requirements of submission as stated in the RFP.
12. The information submitted in our Proposal is complete, strictly in accordance with the requirements stipulated in the RFP and is correct to the best of our knowledge and understanding. We would be solely responsible for any errors or omissions in our Proposal. We accept that our inability to submit correct and reliable information shall lead to our disqualification and rejection of our Proposal.
13. We confirm that all the terms and conditions of our Proposal are valid for acceptance for a period of two hundred and forty (240) Days from the Bid Submission Deadline as it is specified in Bid Information Sheet of RFP.
14. We confirm that we have not taken any deviation so as to be deemed non-responsive with respect to the provisions stipulated in the RFP.

Yours faithfully,

[Name, Surname of the Authorized Person]

Position:

Signature:

Official Seal of Company:

SUBSECTION 9.2: FORMAT FOR SUBMISSION OF FINANCIAL PROPOSAL

(on the Letter Head of Pre-Qualified Bidder)

Date: _____

From: _____

(Insert name and address of Pre-Qualified Bidder)

Tel:

Fax:

E-mail address:

To:

Armenia Renewable Resources and Energy Efficiency Fund

Attention: *Mrs. Zaruhi Gharagyozyan*, Secretary of Tendering (Evaluation)
Committee, Procurement Team Leader of R2E2 Fund

29/1, Sayat- Nova Avenue, Yerevan, 0001 Republic of Armenia

Tel: (+374-10) 58 80 11

Email: zaruhi.gharagyozyan@r2e2.am;

cc: r2e2fund@gmail.com

Subject: Financial Proposal in response to Request for Proposals (RFP) for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia

Dear Sir/Madam,

We, the undersigned [insert name of the “Pre-Qualified Bidder”] having read, examined and understood in detail the RFP and other related documents for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia hereby submit our Financial Proposal for the Project.

We hereby undertake and confirm that:

1. We have submitted our Financial Proposal strictly in accordance with the RFP without any deviations or conditions.

2. Our Financial Proposal is consistent with all the requirements of submission as stated in the RFP and subsequent communications from the Authority.

3. Our Bid Tariff is as follows:

	Bid Tariff (USD/kWh) (up to 4 decimal places)**
In numbers	
In Words	

*[** the bid tariff is unconditional and to be quoted up to four (4) decimal places.]*

4. Our Bid Tariff includes all taxes and duties (excluding Value Added Tax) in accordance with Applicable Law.

We hereby unconditionally and irrevocably agree and accept that the decision made by the Authority in respect of any matter concerning or arising out of the RFP and the selection of Successful Bidder thereof shall be binding on us. We hereby expressly waive any and all claims in respect of the Selection Process.

We agree that our offer shall remain valid for a period of two hundred and forty (240) Days from the Bid Submission Deadline as it is specified in Bid Information Sheet of RFP.

Yours faithfully,

[Name, Surname of the Authorized Person]

Position:

Signature:

Official Seal of Company:

SUBSECTION 9.3: FORMAT FOR SUBMISSION OF KEY TECHNICAL AND FINANCIAL INPUT PARAMETERS

(on the Letter Head of Pre-Qualified Bidder)

Date: _____

From: _____

(Insert name and address of Pre-Qualified Bidder)

Tel:

Fax:

E-mail address:

To:

Armenia Renewable Resources and Energy Efficiency Fund

Attention: Mrs. Zaruhi Gharagyozyan, Secretary of Tendering (Evaluation) Committee, Procurement Team Leader of R2E2 Fund

29/1, Sayat-Nova Avenue, Yerevan, 0001 Republic of Armenia

Tel: (+374-10) 58 80 11

Email: zaruhi.gharagyozyan@r2e2.am;

cc: r2e2fund@gmail.com

Subject: Key Technical and Financial Input Parameters for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia

No.	Parameters	Unit of Measurement	Type	Instruction*	Parameter Value
	General Parameters				
1	Corporate Profit Tax (Profit Tax) Rate	%	value	A	18.0%

No.	Parameters	Unit of Measurement	Type	Instruction*	Parameter Value
2	Value added tax (VAT) rate	%	value	A	20.0%
3	Annual average consumer price index (CPI) in the USA	%	value	B	
	Technical Parameters				
4	Quoted Project Installed Capacity (AC)	MW (AC power output)	value	A	200
5	Project peak capacity (DC) corresponding to the Quoted Project Installed Capacity (AC)	MWp (DC power output)	formula-based value ([5]=[4]*[6])	C	
6	Project peak capacity (DC) to Quoted Project Installed Capacity (AC) ratio (shall be in the range of 1 to 2)		value	B	
7	Capacity factor	%	value	B	
8	PV module yearly degradation rate	%	value	B	
9	Plant construction period	Years	value	B	
10	Project lifecycle	Years	value	B	
	CAPEX per Project peak capacity (DC)				
11	Projected CAPEX, total²	USD per watt	formula-based value ([11]=[12]+[20])	C	
12	Direct CAPEX	USD per watt	formula-based value ([12]=[13]+[16])	C	
13	Main equipment	USD per watt	formula-based value ([13]=[14]+[15])	C	
14	Modules	USD per watt	value	B	
15	Inverters	USD per watt	value	B	

² Note: The value as submitted by the Pre-Prequalified Bidder will be inserted in corresponding articles of GSA, as it is specified in RFP Subsection 9.6.

	Unit of Measurement	Type	Instruction*	Parameter Value
	USD per watt	formula-based value ([16]=[17]+[18]+[19])	C	
Equipment	USD per watt	value	B	
	USD per watt	value	B	
Overhead	USD per watt	value	B	
	USD per watt	formula-based value ([20]=[21]+[22]+[23]+ [24]+[25])	C	
Developer costs	USD per watt	value	B	
	USD per watt	value	B	
Payments as per GSA	USD per watt	value	B	
Costs per RA legislation	USD per watt	value	B	
	USD per watt	value	B	
Bank capacity (DC)				
	USD per watt	formula-based value ([26]=[27]+[28]+[29])	C	
	USD per watt	value	B	
	USD per watt	value	B	
	USD per watt	value	B	
Capital investment costs) ³	%	value	B	
Return (Equity IRR) ⁴	%	value	B	

December	
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Note: The values as submitted by the Pre-Prequalified Bidder will be inserted in corresponding articles of GSA, as it is specified in RFP Subsection 9.6.

Projected CUF (or Projected Capacity Utilisation Factor), % (up to two (2) decimal places)	
--	--

Note: The values as submitted by the Pre-Prequalified Bidder will be inserted in corresponding articles of GSA, as it is specified in RFP Subsection 9.6.

Yours faithfully,

[Name, Surname, of the Authorized Person]

Position:

Signature:

Official Seal of Company:

SUBSECTION 9.4: FORMAT FOR BID SECURITY

Bank: *[Insert Bank's Name, and Address of Issuing Branch or Office (including SWIFT identifier code)]*

Beneficiary: Armenia Renewable Resources and Energy Efficiency Fund

Beneficiary Address: *Legal Address:* 1, Melik-Adamyan Street, Yerevan, 0010, Republic of Armenia
Activity Address: 29/1, Sayat-Nova Avenue, Yerevan, 0001 Republic of Armenia

Date: *[Insert Bank Guarantee Issuance Date]*

Bank Guarantee No.: *[Insert]*

Subject: Proposal Bid Security for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia

We refer to the “**Request for Proposals (RFP) for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia**” dated *[Insert date in dd/mm/yyyy]*.

We have been informed that the *[Pre-Qualified Bidder]* (the “Principal”) is required by the Request for Proposals to post to the Beneficiary a Bid Security in the form of this Bank Guarantee for the security of the Proposal (the “Guarantee”).

At the request of the Principal, [•] (the “Bank”) hereby irrevocably undertakes to pay the Beneficiary, or its assignee, any sum not exceeding in total the amount of USD 5,000,000 (Five Million United State Dollars) (the “Guarantee Amount”) upon receipt by the Bank, at this office, of the Beneficiary’s demand in writing and the Beneficiary’s written statement stating:

- a) that the Principal is in breach of its obligations under the Request for Proposals and that a Drawing Event has occurred under the Request for Proposals as a result;
- b) the respect in which the Principal is in breach, and the Drawing Event as it is defined in RFP has occurred; and
- c) the amount of the Beneficiary’s demand which shall not exceed the Guarantee Amount.

Any demand for payment shall be purportedly signed by the Beneficiary or its authorized representative or employee.

The Bank hereby (i) acknowledges the Beneficiary’s drawing rights under this Guarantee, (ii) acknowledges that neither the Bank nor the Principal may terminate this Guarantee prior to its stated expiration date without written consent of the Beneficiary and (iii) undertakes to honor a demand made by the Beneficiary pursuant to this Guarantee to the extent such demand otherwise conforms to the

requirements set forth herein, and to make payment in respect of such a demand directly to the Beneficiary.

If the Beneficiary presents a demand for payment to the Bank by 4:00 p.m. local time on any day on which the Bank is open for business (each such day, a “Business Day”), in conformance with the terms and conditions of this Guarantee, the Bank will honor the same making payment to the Beneficiary in immediately available funds, in accordance with the Beneficiary’s payment instructions and without any restrictions, conditions, inquiry or right of objection whatsoever on the Bank’s part, by the third Business Day following the date of the presentation of the demand.

The assignment or transfer of this Guarantee is subject to the consent of the Bank.

This Guarantee shall expire on [•]⁶. Consequently, any demand for payment under it shall be received by the Bank on or before that date. Neither the Bank nor the Principal may terminate this Guarantee prior to its stated expiration date without the written consent of the Beneficiary.

The Guarantee Amount is subject to reduction upon the receipt by the Bank of a written request purportedly signed by the Beneficiary stating the amount by which the Beneficiary requests that the Guarantee Amount be reduced.

The presentation of documents may be made by email transmission to [•] provided that the original of such documents shall be sent to us by overnight courier at the same address provided above for the presentation of documents.

This Guarantee shall be subject to the Uniform Rules for Demand Guarantees published by the International Chamber of Commerce.

Name of Issuing Bank:

Signature:

Name, Surname:

Title:

Official Seal:

⁶ To be the date that is thirty (30) Days after the expiration of the initial Proposal Validity Period or, in the case of any extension of the Proposal Validity Period subsequently requested by the Authority, thirty (30) Days after the expiration of such extended Proposal Validity Period.

SUBSECTION 9.5: MINIMUM TECHNICAL REQUIREMENTS OF THE PROJECT

This Subsection describes the minimum level of technical requirements that will have to be met. These requirements supersede and replace the Minimum Technical Requirements, laid down in Appendix. 2 of the Request for Prequalification.

The Project shall be designed, constructed, installed, operated, maintained and decommissioned for compliance with applicable national laws on environmental, safety, labour, social and security matters. Compliance with applicable Armenian laws and regulations, national, regional or local level is always required. Standards issued by the International Electrotechnical Commission and other standardization bodies and valid at the time of order placement apply.

[Provided in a separate document.]

SUBSECTION 9.6: DRAFT GOVERNMENT SUPPORT AGREEMENT

[Provided in a separate document.]

SUBSECTION 9.7: FORMAT FOR SEEKING CLARIFICATIONS AND AMENDMENTS

(on the Letter Head of Pre-Qualified Bidder)

Date: _____

From: _____

(Insert name and address of Pre-Qualified Bidder)

Tel:

Fax:

E-mail address:

To:

Armenia Renewable Resources and Energy Efficiency Fund

Attention: Mrs. Zaruhi Gharagyozyan, Secretary of Tendering (Evaluation)

Committee, Procurement Team Leader of R2E2 Fund

29/1, Sayat-Nova Avenue, Yerevan, 0001 Republic of Armenia

Tel: (+374-10) 58 80 11

Email: zaruhi.gharagyozyan@r2e2.am;

cc: r2e2fund@gmail.com

Subject: Request for Clarifications in respect of Request for Proposals (RFP) for Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia (RFP No. [●], dated dd/mm/2020)

Sl.	Document Name	Section, Clause Number	Page	Description of issue and clarification sought	Proposed changes/ amendments (if any)

Yours faithfully,

[Name, Surname, of the Authorized Person]

Position:

Signature:

Official Seal of Company:

SUBSECTION 9.8: TERMS OF THE PROJECT COMPANY FOUNDING AGREEMENT

**Heads of Agreement (HOA)
for a Project Company Founding Agreement (FA)
Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia**

Parties	Successful Bidder and the Armenian National Interests Fund , a closed joint-stock company established on May 20, 2019 by the Government of the Republic of Armenia, as a state-owned company, located at 37 Hanrapetutyán Street, Yerevan, Republic of Armenia, 0010, with registration number 286.120.1075203, TIN: 02697868 (" ANIF ")
Business	The primary business activities of the Project Company shall be the design, finance, build, own and operate of Ayg-1 Solar PV 200MWac PROJECT in the Republic of Armenia.
Incorporation	The Project Company will be incorporated as a joint stock company under the laws of the Republic of Armenia. It is anticipated that the initial issued share capital of the Project Company shall be Dram [●] divided in [●] ordinary (common) shares of [●] ([●]) AMD each.
Shareholding	Shares in the Project Company shall be owned among the Parties in the following percentages: i) Successful Bidder shall hold 85% ([●] shares); and ii) ANIF shall hold a 15% ([●] shares).
ANIF's Shareholding	ANIF's 15% contribution to the initial issued share capital will be financed by the Successful Bidder on behalf of ANIF. ANIF undertakes to repay the sum of its initial 15% contribution to the Successful Bidder in the form of zero-interest loan repayment until the end of the PPA.
Financing of the Project	The Financing of the Project shall be performed through loans from financial institutions as well as private investments of ANIF and Successful Bidder in proportion with their respective shareholdings either in the form of shareholder loan or new share allocation. The Successful Bidder will finance ANIF's part of the investment, equal to 15% of the total private investment to be made by the Parties, through a zero-interest loan upon signing of the SHA. ANIF will have the right to pay back until the end of the PPA.
Payment for Project Company Shares	The Project Company shares should be paid in AMD at the time of the Project Company's incorporation.
Board	The Parties shall be entitled to appoint members to the Board of Directors (the Board) of the Project Company in proportion to their share interest.
	The Board shall meet as necessary to discharge its duties but, in any case, no less frequently than four times per year, unless decided otherwise by the Board.

	Each member of the Board shall have one vote on resolutions put to the Board. All resolutions of the Board, save for resolutions in relation to certain reserved matters detailed in the shareholders agreement between the Parties, shall be decided by a simple majority of those directors attending the meeting and entitled to vote, unless otherwise required by applicable law. The members of the Board shall be entitled to appoint a proxy to represent them and vote at any meeting.
Employees	The Parties shall provide to the Project Company such qualified and experienced employees of each party as the Project Company may reasonably require achieving its objectives.
Business Plan	The FA shall contain an approved initial business plan and budget. The business plan shall be reviewed and approved by the Board at regular intervals and updated at least annually.
Region	The Project Company's operations shall be initially focused on the geographical area of the Republic of Armenia.
Intellectual Property Rights	Each Party acknowledges that the other party may have pre-existing intellectual property rights (i.e. rights that existed prior to the date of the FA), and that such rights are vested, and shall remain vested, in the party having such rights.
	The Parties acknowledge that the Project Company may create certain additional intellectual property during the existence of the Project Company, and such rights shall be owned by the Project Company and may not be shared, licensed or provided to any third parties without the express written consent of the Project Company.
Representations & Warranties	Customary representations and warranties to be contained in the FA, including: due incorporation and valid existence; power and authority to enter into and perform obligations under the FA; all necessary consents, licences and approvals to enter into the FA; and the entry into and performance of the FA will not conflict with any law, constitutional documents or any other agreements.
Share transfers	Save as provided below or in connection with a government restructuring, no Party shall be entitled to transfer or otherwise dispose of all or any of its shares in the Project Company without first offering them for transfer to the other Party. ANIF may transfer all of its shares in the Project Company to a person or entity subject to the prior written approval of all the other Parties. The Successful Bidder may dispose of all or a part of its shares, after having offered them to ANIF, to third parties only with the consent of the Government of Armenia, as indicated in the Government Support Agreement. No drag-along rights may be negotiated, invoked and/or presumed.
Costs	Each Party will bear the costs incurred by it in relation to the preparation, negotiation and execution of this HOA and the cost of drafting and negotiating the FA.

Confidentiality & Announcements	<p>Each of the Parties shall keep confidential and shall not disclose to any other person, nor use for any purpose except the purposes of the Business, any information obtained from the other Party as a result of negotiating, entering into or implementing this HOA and the FA other than information which:</p> <ul style="list-style-type: none"> • is required to be disclosed by operation of law or any stock exchange regulations or any binding judgment or order, or any requirement of a competent authority; • is reasonably required to be disclosed in confidence to a Party's professional advisers for use in connection with the SHA and/or matters contemplated herein; and • is or becomes within the public domain (otherwise than through the default of the recipient Party).
Deadlock	<p>A deadlock event shall be deemed to have occurred in any of the following circumstances:</p> <ol style="list-style-type: none"> (a) failure of the shareholders to agree on any matter requiring their consent pursuant to the FA, the Project Company's constitutional documents or as a matter of law; (b) failure of the Board to agree on a reserved matter or other matter material to the business; and (c) no quorum is obtained at three consecutive Board meetings.
	<p>A deadlock event shall be resolved in accordance with the following escalation procedure:</p> <p>If a deadlock event occurs and cannot be resolved by the shareholders within 30 (thirty) days of the event which has resulted in a deadlock event, the matter may be referred by either shareholder to the chief executive officers of each shareholder. All reasonable efforts shall be used to resolve the Deadlock Event within thirty (30) days.</p>
Default	<p>The following events shall be deemed to be events of default under the FA:</p> <ol style="list-style-type: none"> (a) serious or persistent default in performing any of the shareholder's obligations under the FA; (b) the insolvency or liquidation of any shareholder; or (c) any shareholder attempts to deal with shares in the Project Company in contravention of the share transfer restrictions set out in the FA. <p>The non-defaulting shareholder may, but shall not be obliged, to either (i) acquire the shares of the defaulting shareholder at fair market value (as determined by an investment banker) less a discount of 10% or (ii) require the defaulting shareholder to purchase all of its shares at fair market value plus 10%.</p>
Dispute Resolution	<p>Any dispute or difference of any kind between the Parties in connection with or arising out of this agreement or the breach, termination or validity hereof (Dispute) shall be finally settled by the Arbitration Institution at the Chamber of Commerce and Industry of the Republic of Armenia under the rules of the latter (the Rules).</p>
Governing Law	<p>This HOA and the FA shall be governed and construed in accordance with the laws of the Republic of Armenia.</p>

SUBSECTION 9.9: HEADS OF AGREEMENT OF SHAREHOLDERS AGREEMENT

**Heads of Agreement (HOA)
for a Shareholder Agreement (FA)
Ayg-1 Utility-Scale Solar Photovoltaic Project in Armenia**

Parties	Successful Bidder and the Armenian National Interests Fund , a closed joint-stock company established on May 20, 2019 by the Government of Armenia, as a state-owned company, located at 37 Hanrapetutyan Street, Yerevan, Republic of Armenia, 0010, with registration number 286.120.1075203, TIN: 02697868 ("ANIF")
Business	The primary business activities of the Project Company shall be the development, financing, construction, ownership and operation of Ayg-1 Solar PV 200MWac PROJECT in the Republic of Armenia.
Shareholding	Shares of the Project Company have been distributed as per the following proportions: i) Successful Bidder holds 85% ([●] shares); and ii) ANIF holds a 15% ([●] shares).
ANIF's Shareholding	ANIF's 15% contribution to the initial issued share capital has been financed and paid by the Successful Bidder on behalf of the ANIF. ANIF undertakes to repay the sum of its initial 15% contribution paid by the Successful Bidder in a form of zero-interest loan repayment until the end of the PPA.
Financing of the Project	The Financing of the Project shall be performed by ANIF and Successful Bidder through private investments as well as loans from financial institutions. Private investments of the parties shall be in proportion with their respective initial shareholdings either in the form of shareholder loans or through allocation of new shares of the Project Company. The exact type(s) of private investments shall be determined upon signing of the SHA. Irrespective of the type(s) of private investment chosen by the Parties, the Successful Bidder undertakes to finance ANIF's part of the investment through a separate loan agreement, equal to 15% of the total private investment to be made by the Parties, upon signing of the SHA. Terms and conditions of such loan agreement shall be determined between ANIF and the Successful Bidder. ANIF will have the right to repay the loan until the end of the PPA either by installments or as a lump sum.

Dividends	<p>The Project Company shall start paying dividends on yearly basis starting from January 1st of the financial year following the commencement of the production of energy as indicated in PPA. In all circumstances the Parties agree to vote in favor of the question on the agenda regarding the distribution of dividends during each annual meeting of shareholders.</p> <p>The annual dividend payment to ANIF shall be no less than [●] per year allowing the latter to repay the debt (loan) any time until the end of the PPA. If it appears at any point of time that the dividends received by ANIF are not enough to repay the loan by the end of the PPA in full, a reasonable extension of loan repayment deadline shall be granted to ANIF.</p>
Board	<p>The Parties shall be entitled to appoint members to the Board of Directors (the Board) of the Project Company in proportion to their share interest. In any case, ANIF shall reserve the right to appoint at least one (1) member of the Board and the Successful Bidder undertakes not to impede such nomination and appointment by ANIF due to its majority voting right. No member of the Board shall be dismissed without the prior consent from the shareholder who appointed him/her. The Parties agree that the compensation of the member of the Board shall be determined through an unanimous vote of the Parties at the annual general meetings of shareholders upon the proposal of the shareholder who had the right to appoint the member of the Board.</p> <p>The Board shall meet as necessary to discharge its duties but, in any case, no less frequently than four times per year, unless decided otherwise by the Board.</p>
Management	<p>The management (Director) of the Project Company shall manage the day-to-day operations of the Project Company, in accordance with the laws of the Republic of Armenia, policies and procedures approved by the Board. The Director of the Project Company shall be appointed through a unanimous vote of the Parties for a period defined under the respective resolution of general meeting, unless such power is vested in the Board.</p> <p>The Director of the Project Company shall be dismissed through a unanimous vote of the Parties, unless there is material evidence of misconduct by the Director, in which case the resolution on the dismissal of the Director may be adopted by a majority vote of the shareholder constituting 75% of the charter capital and on the condition that all shareholders have been properly notified and participated in the respective general meeting, unless such power is vested in the Board.</p>
Shareholder Reserved Matters	<p>The Project Company shall not perform the following reserved matters (or do anything which is analogous to or has a substantially similar effect to these matters) without the prior written approval of all of the shareholders:</p>

	<ul style="list-style-type: none"> (d) amend the Project Company’s charter or adopt new edition; (e) apply for the appointment of a receiver or an administrator over its assets;
	<ul style="list-style-type: none"> (f) declare or pay any dividend or make any other distribution; (g) reorganise or change the nature or scope or objectives of the Project Company's Business; or (h) dispose of the whole or any substantial part of the Project Company's undertaking or assets. (i) undertake any new assignments, undertakings, loans or other monetary obligations which exceed the total net assets of the Project Company by [●]; (j) dismiss all the directors on the Board; (k) pledge or burden its shares in the Project Company in any manner whatsoever; (l) adopt a decision on buy-back of minority shares or redeem any of the Project Company shares; (m) alienate or transfer the shares to a third party (as described below); (n) increase the charter capital of the Project Company; (o) issue new classes of shares or amend the prerogatives of the existing shares; (p) reduce in the charter capital of the Project Company; (q) refuse the distribution of dividend or distribution of dividends less than the full earnings retention; (r) issue any new securities; (s) liquidate, wind-up or re-organize the Project Company, including undergoing any mergers and acquisitions; (t) establishing joint ventures, as well as sale and/or acquisition of equity interests with the purpose of becoming affiliated companies, subsidiaries or wholly-owned subsidiaries of the Project Company, as well as organization of companies with these characteristics, or participation in a group of companies.
Board Matters	<p>Reserved</p> <p>The Project Company shall not perform the following reserved matters (or do anything which is analogous to or has a substantially similar effect to these matters) without the approval of the Board, which approval must, for the purposes of these reserved matters, include the approval of at least one member of the Board appointed by each of the shareholder:</p> <ul style="list-style-type: none"> (a) give any guarantee or indemnity that is material to the Business; (b) alter the Project Company's name; (c) create, issue, purchase, redeem or otherwise reorganise the Project Company's share or loan capital applicable to the extent that is permitted under the laws of the Republic of Armenia; (d) borrow any money (except borrowings from bankers not exceeding [●] in any given financial year); (e) grant any credit (other than in the normal course of business); (f) create or redeem any mortgage, charge, debenture or other security in respect of all or a material part of its property;

	<p>(g) form any subsidiary or acquire or dispose of shares in any company or participate in, or terminate any participation in, any partnership or joint venture; or</p> <p>(h) approve any business plan or budget.</p>
Intellectual Property Rights	<p>Each Party acknowledges that the other party may have pre-existing intellectual property rights (i.e. rights that existed prior to the date of the SHA), and that such rights are vested, and shall remain vested, in the party having such rights.</p> <p>To the extent that any element or elements of a Shareholder's pre-existing Intellectual Property is used to carry on the Business, each such Shareholder hereby grants an irrevocable, non-exclusive, worldwide, royalty-free, licence to the Project Company to use such element or elements of the Shareholder's Pre-existing Intellectual Property in connection with carrying on the Business.</p>
	<p>The Parties acknowledge that the Project Company may create certain additional intellectual property during the existence of the Project Company, and such rights shall be owned by the Project Company and may not be shared, licensed or provided to any third parties without the express written consent of the Project Company.</p>
Representations & Warranties	<p>Customary representations and warranties to be contained in the SHA, including:</p> <p>due incorporation and valid existence;</p> <p>power and authority to enter into and perform obligations under the SHA;</p> <p>all necessary consents, licences and approvals to enter into the SHA; and</p> <p>the entry into and performance of the SHA will not conflict with any law, constitutional documents or any other agreements.</p>
Voting in General Meetings (GM)	<p>The Parties undertake to resolve all the matters reserved to the shareholders under the SHA through a unanimous vote, i.e. no resolution affecting the rights, interests and obligations of ANIF shall be passed without ANIF's prior written consent or vote thereto. The majority shareholder undertakes to ensure the presence and participation of ANIF and its proxies in all the GMs pertaining to resolution of matters reserved to shareholders.</p> <p>Any other resolution not explicitly provided under the SHA, but which still affects or might negatively affect the rights and interests of ANIF or creates or might create new obligations thereto, shall not be adopted without ANIF's vote in favor of such resolution.</p> <p>The remaining GM decisions shall be adopted by majority of votes of all shares constituting the charter capital of the Project Company, unless a higher threshold is provided under the Charter.</p>

<p>Affirmative Covenants</p>	<p>Unless ANIF otherwise agrees in writing and for as long as the Successful Bidder remains the Project Company's majority shareholder, the following affirmative covenants shall be complied with:</p> <ul style="list-style-type: none"> • The Project Company shall maintain its corporate existence in compliance with the applicable laws of the Republic of Armenia; • The Project Company shall ensure the existence of all applicable permissions, licenses and authorizations through all times of its existence; • The Project Company shall maintain an accounting, cost control system and management information system satisfactory to international standards and principles. The Project Company shall maintain its books of account in strict compliance with IFRS; • The Project Company shall ensure a proper audit of its operations, accounting and other systems upon the request of the shareholders or the Board. The audit shall be performed by an internationally recognized accounting firm; • All the GM resolutions of the Project Company shall be passed as per order prescribed and agreed upon between the Parties under SHA; • All major decision defined under SHA shall not be adopted without the prior written authorization of ANIF; • The Project Company's Management shall ensure equal participation and influence of shareholders in the conduct of Business irrelevant of the value of their shares in the charter capital of the Project Company; • The Successful Bidder shall be responsible for providing the Project Company with satisfactory staff, auditors and other personnel in order to meet all the key operational and financial targets, including ensuring the payment of dividends at the end of each fiscal year; • If necessary, the Successful Bidder undertakes to engage professional consultants to increase the productivity of the Business for the benefit of the Project Company. In such case, ANIF undertakes not to object to engagement of outside professional counsels and consultants; • Any corporate decision, including those concerning the disposal and/or acquisition of assets, shares, other securities, loans or other proprietary undertakings, dividend distribution and the Project Company's other strategic decisions adopted without due presence of ANIF and/or possibility of ANIF to present its viewpoint on the matter and/or vote on a particular shall be deemed invalid and without any operative effect.
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Negative Covenants	<p>Unless ANIF otherwise agrees in writing and for as long as the Successful Bidder remains the Project Company’s majority shareholder, the following negative covenants shall be complied with:</p> <ul style="list-style-type: none"> • Successful Bidder undertakes not to impede the enjoyment of rights by ANIF, including the right of access to books of account and other financial, corporate documentation, right to participate in GMs and right to veto in regard to matters that directly affect or might affect the rights, interests and obligations of ANIF; • The Project Company shall not undertake and the Successful Bidder shall not authorize, without ANIF’s prior written consent, any additional responsibilities or approve any new expenses resulting in the reduction of ANIF’s dividends for each fiscal year and/or resulting in loss for the Project Company altogether; • The Project Company shall not establish reserves, funds or accounting provisions which might impact the rights and interests of ANIF and/or directly affect its profitability; • Successful Bidder shall abstain from any actions or adoption of decision or grating authorization for any transaction that might negatively impact the Business or have an impact on the dividend distribution rights of the Project Company or deprive ANIF of its possibility to repay the Loan through the dividend distributions; • Parties shall abstain from any transfer or alienation of their shares held inconsistent with Share Transfer regulations under SHA.
Share transfers	<p>Save as provided below or in connection with a government restructuring, no Party shall be entitled to transfer or otherwise dispose of all or any of its shares in the Project Company without first offering them for transfer to the other Party.</p> <p>ANIF may transfer all of its shares in the Project Company to a person or entity subject to the prior written approval of all the other Parties.</p> <p>The Successful Bidder may dispose of all or a part of its shares, after having offered them to ANIF, to third parties only with the consent of the Government of Armenia, as indicated in the Government Support Agreement. No drag-along rights may be negotiated, invoked and/or presumed.</p>
Costs	<p>Each Party shall bear its pro rata share of the prior the costs incurred by in relation to the preparation, negotiation and execution of this HOA and the cost of drafting and negotiating the SHA.</p>
Confidentiality & Announcements	<p>Each of the Parties shall keep confidential and shall not disclose to any other person, nor use for any purpose except the purposes of the Business, any information obtained from the other Party as a result of negotiating, entering into or implementing this HOA and the SHA other than information which:</p>

	<ul style="list-style-type: none"> • is required to be disclosed by operation of law or any stock exchange regulations or any binding judgment or order, or any requirement of a competent authority; • is reasonably required to be disclosed in confidence to a Party's professional advisers for use in connection with the SHA and/or matters contemplated herein; and • is or becomes within the public domain (otherwise than through the default of the recipient Party).
Deadlock	<p>A deadlock event shall be deemed to have occurred in any of the following circumstances:</p> <p>(a) failure of the shareholders to agree on any matter requiring their consent pursuant to the SHA, the Project Company's constitutional documents or as a matter of law; or</p> <p>(b) failure of the Board to agree on a reserved matter or other matter material to the Business; or</p> <p>(c) no quorum is obtained at three consecutive Board meetings.</p>
	<p>A deadlock event shall be resolved in accordance with the following escalation procedure:</p> <p>If a deadlock event occurs and cannot be resolved by the shareholders within 30 (thirty) days of the event which has resulted in a deadlock event, the matter may be referred by either shareholder to the chief executive officers of each shareholder. All reasonable efforts shall be used to resolve the Deadlock Event within thirty (30) days.</p>
Default	<p>The following events shall be deemed to be events of default under the SHA:</p> <p>(a) serious or persistent default in performing any of the shareholder's obligations under the SHA;</p> <p>(b) the insolvency or liquidation of any shareholder; or</p> <p>(c) any shareholder attempts to deal with shares in the Project Company in contravention of the share transfer restrictions set out in the SHA;</p> <p>(d) breaches any representation, warranty or covenants provided by it in this HOA and the SHA.</p> <p>The non-defaulting shareholder may, but shall not be obliged to, either (i) acquire the shares of the defaulting shareholder at fair market value (as determined by an investment banker) less a discount of 10% or (ii) require the defaulting shareholder to purchase all of its shares at fair market value plus 10%.</p> <p>Within thirty (30) days of the date the default notice was served; the Project Company's auditor shall be appointed to determine the fair market value.</p>
Dispute Resolution	<p>Any dispute or difference of any kind between the Parties in connection with or arising out of this agreement or the breach, termination or</p>

	validity hereof (Dispute) shall be finally settled by the Arbitration Institution at the Chamber of Commerce and Industry of the Republic of Armenia under the rules of the latter (the Rules).
Duration	This Agreement shall commence on the Effective Date and, unless terminated earlier in accordance with its terms, shall continue until the termination of the PPA, except as may otherwise be agreed by the Shareholders
Governing Law	This HOA and the SHA shall be governed and construed in accordance with the laws of the Republic of Armenia.

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