



**Request for Qualification
Tender for the Luganville Electricity Concession**

Electricity services for the town of Luganville, the main urban centre on the island of Espiritu Santo, are provided under a concession contract which is due to expire on 31st December 2010. The Government of Vanuatu (GoV) wishes to appoint the next concessionaire by means of a transparent, competitive international tender. ***It is therefore inviting interested parties to qualify for participation in the tender.***

With only 27% of the population of Vanuatu having access to electricity the GoV is keen to extend the electricity network and promote rural electrification. It is also a priority to improve services for existing customers and to enhance operating efficiency in order to keep costs and tariffs down.

The GoV is therefore offering a 20 year exclusive concession to supply electricity within an area which extends 15km from the Luganville municipal boundary. The concessionaire is also encouraged to serve customers outside this area. The concession includes the right to use the existing physical assets, including the diesel and hydroelectric generating plants, transmission and distribution networks. These are in good condition and there is significant spare generation capacity to cover potential network expansion. There will be an annual Concession Fee payable to the GoV, calculated as a percentage of revenue earned from operations within the Concession Area.

The shortlist of Qualified Bidders will be selected through an evaluation process based on the following:

Technical Experience: operating, maintaining and developing similar electricity systems.

Regional Experience: in the Pacific region and/or other small island experience would be an advantage.

Financial Strength: the concessionaire must be capable of financing the services envisioned in this tender.

A brochure containing more information is available by e-mail from the Transaction Advisor at the address below or can be downloaded from the Vanuatu Investment Promotion Authority website at www.investinvanuatu.com or from www.ipaeconomics.com.

Submissions must be received by the following on or before 12:00 hours (Vanuatu time) on Monday 12th April 2010:

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