

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

Page 1 of 6

Prepared Date

: 11/03/2009

Replies Required By

: 11/13/2009

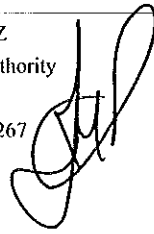
Quote Number : Q033873

Description : REPARAR TRANSFORMADOR SUBESTACION COVADONGA

Supplier : 00540202

To : BULLETIN BOARD
DIVISION DE SUMINISTROS
SAN JUAN PR 00936
United States of America

From : FRANCES M. PÉREZ
PR Electric Power Authority
PO Box 364267
San Juan PR 00936-4267
US



Phone :

Phone :

(787) 289-3300

Fax :

DELIVERY POINT OFFER:

DELIVERY PROMISE:

PAYMENT TERMS:

P.R. EXCISE TAXES INCLUDED

(Y/N)

SELLING TERMS (CHOOSE ONE)

FOB FAS CIF C+F

VALIDITY: (IN DAYS)

Authorized Signature

TITLE:

S.S.:

DATE:

PH:

FAX:

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

Page 2 of 6

Prepared Date

: 11/03/2009

Replies Required By

: 11/13/2009

Quote Number : Q033873

Description : REPARAR TRANSFORMADOR SUBESTACION COVADONGA

Supplier : 00540202

Deliver To : ING. LUIS ALTUZ CORTÉS

PUERTO RICO POWER AUTHORITY

DIV. CONS. ELECT. Y PROT. DEL

SIST.

PLANIFICACION CONS. ELECT.

RIO PIEDRAS

PR

00926

Notes: NUMERO DE REQUISICION EMPAC: 09-7536

NUMERO DE PUBLICACION: Q033873

FECHA DE PRE-SUBASTA 13/11/09

HORA: 9:00 AM

LUGAR: SUB ESTACION COVADONGA VIEJO SAN JUAN

SE ACEPTARAN PREGUNTAS HASTA EL 11/16/09 A LAS 10:00 AM

FECHA DE APERTURA: 18/11/09

HORA: 1:30 PM

LUGAR: SALÓN DE SUBASTAS A - DIVISIÓN DE SUMINISTROS, 3ER PISO EDIF.
NEOS, SANTURCE.

PARA ESTA SOLICITUD NO SE ACEPTARAN OFERTAS POR FAX O CORREO
ELECTRONICO SOLO EN O ANTES DE LA FECHA DE APERTURA POR: CORREO FEDERAL
A LA SIGUIENTE DIRECCION: AEE - DIVISION DE SUMINISTROS CORREO - PO BOX
70151, SJ, P.R. 00936
O ENTREGAR A LA MANO EN EL CORREO DE LA DIVISION DE SUMINISTROS TERCER
PISO DEL EDIFICIO NEOS PDA. 16 SANTURCE

LUGAR DE ENTREGA DEL SERVICIO: SUB ESTACION COVADONGA VIEJO SAN JUAN

NOTAS ESPECIALES:

SE REQUIERE AL CONTRATISTA AGRACIADO LAS SIGUIENTES FIANZAS:

FIANZA DE LICITACION 10%

FIANZA DE EJECUCION Y PAGO DE 100%

SE REQUIERE AL CONTRATISTA AGRACIADO UN CERTIFICADO DE SEGURO FIRMADO
POR UN REPRESENTANTE AUTORIZADO DE UNA COMPAÑÍA EN PUERTO RICO QUE
DESCRIBA LA CUBIERTA QUE SE PROPORCIONA, EN ORIGINAL: SEGUN DOCUMENTO
ADJUNTO

EL CONTRATISTA DEBERA SOMETER CERTIFICACIÓN DE RADICACIÓN EN EL
REGISTRO ÚNICO DE LICITADORES DE LA ADMINISTRACIÓN DE SERVICIOS
GENERALES DEL ELA DE PR (CERTIFICACIÓN DE ELEGIBILIDAD).

FRANCES M. PEREZ - SUPERVISOR DE COMPRAS SENIOR

TEL: (787) 521-3315, 3316

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

Page 3 of 6

Prepared Date

: 11/03/2009

Replies Required By

: 11/13/2009

Quote Number : Q033873

Description : REPARAR TRANSFORMADOR SUBESTACION COVADONGA

Supplier : 00540202

FAX. (787) 521-2593, e-mail: fr-perez-ds@prepa.com

Line Number	Item Number/Requisition	Quantity Required	Unit Price
Commodity Code/Description		UOM	UOM
Manufacturer Name			
Reference	Lead Time		Total Line Value
Description			Discount %

1 SM080453/09-0000007536

1.00

ALL FOR

TO REPAIR THREE PHASE POWER TRANSFORMER. MANUFACTURED BY VIRGINIA TRANSFORMER S/N 977832N204-9819A, 38/13.2 KV, 12/16/20/ 22.4 MVA, 55 DEGREES C, OA/FA/FOA AS PER ATTACHED SPECIFICATIONS TERMS AND CONDITIONS.

REQUISITOS Y DOCUMENTOS GENERALES:

1. TODO PROVEEDOR QUE INTERESE PARTICIPAR EN LOS PROCESOS DE COMPRAS EN LA AUTORIDAD DE ENERGIA ELECTRICA, TIENE QUE PERTENECER AL REGISTRO UNICO DE LICITADORES DE LA ADMINISTRACION DE SERVICIOS GENERALES DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO Y AL REGISTRO DE LICITADORES DE LA AUTORIDAD DE ENERGÍA ELÉCTRICA.

2. TIENE QUE ESTAR REGISTRADO Y ACTIVO EN EL REGISTRO DE LICITADORES DE LA AUTORIDAD DE ENERGÍA ELÉCTRICA.

3. TIENE QUE ESTAR EVALUADO Y/O CALIFICADO PARA OFRECER LOS BIENES Y SERVICIOS SOLICITADOS ANTES DE SOMETER SU PROPUESTA.

4. LOS LICITADORES TIENEN QUE INCLUIR CON SU COTIZACIÓN UNA DECLARACIÓN JURADA DE NO CONFLICTO DE INTERESES.

GENERAL REQUIRED DOCUMENTS AND REQUIREMENTS

1. BIDDERS WHO HAS AN INTENTION TO PARTICIPATE IN PREPA'S PURCHASING PROCESSES SHALL BE REGISTERED AND ACTIVE IN PUERTO RICO'S GENERAL SERVICES ADMINISTRATION BIDDERS REGISTRY OFFICE AND PUERTO RICO'S ELECTRIC POWER AUTHORITY BIDDERS REGISTRY OFFICE.

2. BIDDERS MUST BE REGISTERED AND ACTIVE IN PREPA'S SUPPLIERS' REGISTRATION OFFICE.

3. ALL POSSIBLE BIDDERS MUST BE QUALIFIED AND/OR EVALUATED TO PROVIDE SERVICES OR GOODS BEFORE A PROPOSAL SUBMISSION.

4. BIDDERS SHALL INCLUDE PREPA'S SWORN STATEMENT OF NON- CONFLICT WITH PROPOSAL DOCUMENTS.

PUERTO RICO ELECTRIC POWER AUTHORITY

	Bid -- Purchase Order	Page 4 of 6
	Prepared Date	: 11/03/2009
	Replies Required By	: 11/13/2009
Quote Number	: Q033873	
Description	: REPARAR TRANSFORMADOR SUBESTACION COVADONGA	
Supplier	: 00540202	

CLAUSULAS PARA PAGOS DE IMPUESTOS ESTATALES Y FEDERALES

EN CUMPLIMIENTO CON LA SECCIÓN 2906 DEL ARTÍCULO 2, DEL CÓDIGO DE RENTAS INTERNAS DE PUERTO RICO, LA AUTORIDAD DE ENERGÍA ELÉCTRICA ESTÁ EXENTA DEL PAGO DEL ARBITRIO GENERAL DEL 6.6%. ADEMÁS, A PARTIR DEL 15 DE NOVIEMBRE DE 2006, ESTÁ EXENTA DEL PAGO DEL IMPUESTO A LA VENTA Y USOS (IVU) ESTATAL Y MUNICIPAL POR VIRTUD DE LA SECCIÓN 2508 DE LA LEY 117 DEL 4 DE JULIO DE 2006, CONOCIDA COMO LA LEY DE JUSTICIA CONTRIBUTIVA.

* LAS FACTURAS TIENEN QUE DETALLAR EL CONCEPTO DE LA COMPRA O SERVICIO.

LOCAL AND FEDERAL TAXES CLAUSE

IN COMPLIANCE WITH PUERTO RICO'S INTERNAL REVENUE SERVICE CODE, SECTION 2906, ARTICLE 2, PUERTO RICO ELECTRIC POWER AUTHORITY IS EXEMPT OF 6.6% TAX PAYMENT, ALSO, STARTING ON NOVEMBER 15TH, 2006; AND IN ACCORDANCE TO LAW 117 OF 4TH OF JULY OF 2006, KNOWN AS LEY DE JUSTICIA CONTRIBUTIVA ; PREPA IS EXCEMPT OF IVU (IMPUESTO A LA VENTA Y USOS ESTATAL Y MUNICIPAL) TAX PAYMENT.

INVOICES SHALL INCLUDE ALL DETAILS RELATED TO GOOD OR SERVICE PURCHASED.

INSTRUCCIONES PARA PARTICIPAR EN SUBASTA FORMAL

1. SE INCLUYEN INSTRUCCIONES ESPECIALES PARA ESTA INVITACIÓN A SUBASTA FORMAL, ASÍ COMO LOS DOCUMENTOS QUE EN ELLA SE MENCIONAN.
2. LOS LICITADORES QUE INCLUYAN EN SU COTIZACIÓN SUS TÉRMINOS Y CONDICIONES DE VENTA O SERVICIO SERÁN DECLARADOS NO RESPONDIENTE. FAVOR VER EL ARTÍCULO 24 DE LAS INSTRUCCIONES A LOS LICITADORES.
3. GARANTÍA DE LA PROPUESTA
EL LICITADOR SOMETERÁ CON SU PROPUESTA UNA GARANTÍA DE LICITACIÓN (BID BOND) POR LA CANTIDAD DE 10 PORCIENTO DEL PRECIO TOTAL COTIZADO. LAS PROPUESTAS QUE NO INCLUYAN ESTA GARANTÍA SERÁN RECHAZADAS.
4. LA AEE NO ACEPTARÁ ESTA COTIZACIÓN POR FACCIÓN MIL U OTROS MEDIOS ELECTRÓNICOS.
5. NO SE OTORGARÁ CONTRATO DE CLASE ALGUNA EN EL CUAL NO SE ACOMPAÑE, PREVIO A LA FIRMA, UNA CERTIFICACIÓN DEL DEPARTAMENTO DE HACIENDA DONDE ESTABLEZCA QUE ESTÁ AL DÍA EN EL PAGO DE CONTRIBUCIONES O POSEE ALGÚN PLAN DE PAGOS.

FORMAL BLIND SEAL BID INSTRUCTIONS

1. SPECIAL INSTRUCTIONS AND OTHER DOCUMENTS MENTIONED IN THIS PUBLICATION ARE ATTACHED.

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

Page 5 of 6

Prepared Date

: 11/03/2009

Replies Required By

: 11/13/2009

Quote Number : Q033873

Description : REPARAR TRANSFORMADOR SUBESTACION COVADONGA

Supplier : 00540202

2. BIDDERS THAT INCLUDE THEIR OWN TERMS AND CONDITIONS WILL BE DISQUALIFIED AUTOMATICALLY. (SEE INSTRUCTIONS TO BIDDERS, ARTICLE 24)

3. BID PROPOSAL WARRANTIES:

A 10% OF A PROPOSAL TOTAL BID BOND IS REQUIRED FOR THIS BID. PROPOSALS THAT NOT INCLUDE REQUIRED BID BOND WILL BE DISQUALIFIED.

4. PROPOSALS WILL NOT BE ACCEPTED BY FAX OR E-MAIL.

5. PREPA WILL NOT SIGN ANY CONTRACT OR PO WITHOUT A PUERTO RICO I.R.S. NO DEBT CERTIFICATION.

INSTRUCCIONES PARA CARTA DE INTENCIÓN

* LA AUTORIDAD EMITIRÁ UNA CARTA DE INTENCIÓN DE ADJUDICACIÓN CON EL PROPÓSITO QUE DENTRO DE LOS PRÓXIMOS 10 DÍAS DE LA FECHA DE LA MISMA, EL PROVEEDOR AGRACIADO OBTENGA LOS DOCUMENTOS REQUERIDOS. DE NO HACERLO ASÍ, ESTARÁ SUJETO A LAS SANCIONES APLICABLES.

INTENTION LETTERS INSTRUCTIONS

* PREPA ARE GOING TO SENT AN INTENTION LETTER TO THE COMPANY SELECTED AFTER THE QUOTE IS AWARDED. THE SELECTED SUPPLIER IS RESPONSIBLE AFTER THE NEXT 10 DAY OF THE NOTIFICATION TO SUBMIT ALL DOCUMENTS AND INFORMATION REQUIRED. COMPANIES THAT ARE NOT COMPLY WITH THOSE REQUIREMENTS COULD BE SANCTIONED BY PREPA ACCORDING TO FORMAL BID POLICY RULES.

CRITERIO DE ACEPTACIÓN PARA APLICAR LA LEY NÚMERO 14 DEL 8 DE ENERO DE 2004

LA LEY NÚMERO 14 DEL 8 DE ENERO DE 2004 APLICA A LAS COMPRAS DE LA AUTORIDAD DE ENERGÍA ELÉCTRICA.

PARA CONSIDERAR Y APLICAR ESTA LEY EL LICITADOR TIENE QUE SOMETER CON SU COTIZACIÓN COPIA DE LA RESOLUCIÓN CON EL INCENTIVO DE PREFERENCIA OTORGADO POR LA JUNTA PARA LA INVERSIÓN DE LA INDUSTRIA PUERTORRIQUEÑA ADSCRITA A LA COMPAÑÍA DE FOMENTO INDUSTRIAL.

ACCEPTANCE CRITERIA FOR LAW NO. 14 OF JANUARY 8TH, 2004

LAW NO. 14 OF JANUARY 8TH, 2004; APPLIES TO PREPA'S PURCHASES.

IN ORDER TO CONSIDER AND APPLY THIS LAW, BIDDERS SHAL HAVE TO INCLUDE WITH A PROPOSAL, AN APPROVED COPY OF THE INCENTIVO DE PREFERENCIA RESOLUTION. THIS DOCUMENT WILL PRESENT AN INCENTIVE PERCENTAGE APPROVED BY LA JUNTA PARA LA INVERSIÓN DE LA INDUSTRIA PUERTORRIQUEÑA.

INSPECTION REQUIREMENTS:

THE ACCEPTANCE OF ANY MATERIAL OR EQUIPMENT, IN NO WAY RELIEVE THE VENDOR FROM HIS RESPONSIBILITY TO MEET ALL THE REQUIREMENTS OF THIS

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

Page 6 of 6

Prepared Date

: 11/03/2009

Replies Required By

: 11/13/2009

Quote Number : Q033873

Description : REPARAR TRANSFORMADOR SUBESTACION COVADONGA

Supplier : 00540202

**SPECIFICATION, AND IT SHALL NOT PREVENT SUBSEQUENT REJECTION IF SUCH
MATERIAL IS FOUND TO BE DEFECTIVE LATER.**

SPECIFICATIONS FOR TRANSFORMER REPAIR
REQUISITION 09-7536
QUOTE - Q033873

I. Scope of Work

1. To furnish all labor, engineering and materials for the rewinding of the following transformer in strict accordance with these specifications, terms and conditions; to update or redesign using current production materials available, present day computer techniques, current test data and short circuit stress calculation, and latest ANSI short circuit requirements. The mechanical support structure must be analyzed and improved if necessary in addition to the nameplate winding assembly. The winding system will be designed to meet the ultimate limiting thermal rises and short circuit forces as established in ANSI C 57.12.00 - 1980 and as calculated during the design stage. Labor shall include the refurbish of all radiator valves.
2. Bidders shall quote separately for the replacement of the complete core, if necessary, after untanking and inspection. Forty percent of the quoted price for the core will be used as an adder to evaluate and award the bid.
3. The design, construction, repair and tests of the failed transformer shall conform to the latest standards of the Institute of Electric and Electronic Engineers Association (IEEE), The National Electrical Manufacturers Association (NEMA) and the American National Standard Institute (ANSI). Impedance value shall be maintained close to that of nameplate, not to exceed four percent of this value. Expected Load Losses, No Load Losses and Auxiliary Losses at 1.0 pu voltage and OA rating shall be included in the proposal. Losses will be evaluated for the award of the bid as stated on E, page 2.

TRANSFORMER TO BE REPAIRED

Mfg :	Virginia Transformer (2001)
S.N. :	977832N204-9819A
Volts :	38000Y / 13200Y (Autotransformer)
BIL :	250KV/110KV
Class :	OA/FA1/FA2
MVA :	12/16/20/22.4 at 55°/65°C
LTC :	Type UZERN 250/600
Windings:	Two windings, 3 phase, 60 cycles
Impedance:	8 % @ 12 MVA
CN:	222-02-002-004
Dimensions:	Height 144", Width 118", Length 180"
PCB:	NON PCB
Shipping Weight	67,000 lbs Without Oil

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)
PAGE 2

4. Bidders shall quote for all parts listed below, including labor for replacement, and calibration if necessary.
 - a. Winding temperature indicator.
 - b. Oil temperature indicator.
 - c. Pressure relief valve.
 - d. Main tank level gauge.
 - e. Refurbish of Oil Pumps.
5. Load Losses @ \$3,000/ KW, No-Load Losses @ \$4,000 / KW, Aux. Losses @ \$1,000./ KW

II. Technical Specification

- A. The above listed equipment shall be rewound using paper insulated copper conductors. The rewinding must include as necessary, the high voltage windings, the low voltage windings, tap windings and any other winding if applicable. The contractor shall also replace as necessary, all coil leads in the main tank. The contractor shall inspect and make the necessary adjustments, repairs or replacement of instrumentation and load tap changing equipment if the transformer is provided with such. All transformer gaskets shall be replaced by hard nitrile (BUNA N, 80 DURO MINIMUM) gaskets.

After untanking, disassembly and strip down of the core and coils, the contractor shall submit a failure analysis report. The report shall include possible causes of failure and recommendation to improve the transformer design and performance; and description of the work to be performed. PREPA will visit the repair shop after untanking to gather information regarding the failure of the transformer. The contractor shall inform PREPA one month in anticipation to make this visit. The Bidder that does not comply with this requirement shall be rejected.

The contractor shall make all tests necessary to insure that its materials and workmanship are of the required degree of excellence and that the equipment furnished by him will perform as specified and guaranteed.

- B. Test: In addition to the standards tests, the following tests shall be performed in accordance with the latest revision on ANSI standard test code 057.12.90.
 1. Resistance measurement of all windings on the rated voltage connection.
 - b. Ratio tests on rated voltage connection and on all tap connections.
 - c. Polarity and phase-relation test on the rated voltage connection.
 - d. No load losses at rated voltage on the rated voltage connection.

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)
PAGE 3

- e. Exciting current at rated voltage on the rated voltage connection, and at 90% and 110% of rated voltage.
- f. Impedance and load losses at rated voltage connection. If the transformer is provided with a tertiary winding or harmonic balance winding, the contractor shall make all necessary test to determine impedances between primary to secondary, primary to tertiary, and secondary to tertiary.
- g. Applied potential test at 100% rated test voltage.
- h. Induced potential test at 100% rated test voltage.
- i. Insulation power factor test to all windings and between windings.
- j. Impulse test (full rewind) as per ANSI standard.
- k. RIV for transformer rated 69KV and above.
- l. Insulation resistance to core and windings.

After the completion of the repair job, the contractor shall submit two sets of certified test data.

GENERAL NOTES

1. Consideration

The Authority agrees to pay and the Contractor to accept as full payment for the complete performance of this order, in accordance with all terms and conditions herein contained.

2. Commencement and completion of work

Mobilization of personnel and equipment and/or the transportation of the transformer to shop shall be commenced in such a way that actual repair and rehabilitation work shall be started within ten days after notice to proceed. The contractor shall provide a master schedule covering the repair period.

3. Changes and/or Extra Work

The Authority may, at any time, make changes within the Scope of Work and/or extra work. When such changes and/or extra work require a price and/or schedule revision, such revision (s) shall be negotiated and valid only upon the written consent of both parties on the contract amendment document.

If any unforeseen damage requiring a different repair or changes in the Scope of Work is disclosed at any time during Contractor's performance of work, the Contractor shall furnish to the Authority specific repair recommendations for engineering evaluation and approval before proceeding with the work.

4. Inspection and Acceptance

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)
PAGE 4

- A. The Contractor's work shall be subject to inspection by the Authority, whose representative shall have reasonable access to all places of manufacture of parts, assembly and tests of equipment. The Contractor shall provide office space and normal office facilities for the Authority's representatives to witness such tests.
- B. Performance of all tests shall be notified to the Authority with such anticipation as to permit the Authority to send its representative to witness such tests.
- C. The transformer shall not be shipped back to Puerto Rico until the Contractor's work has received preliminary acceptance from the Authority's inspector.

5. Penalty

- 1. If the Contractor fails to comply with the delivery date established by the appearing parties, it shall pay to the Authority, as fixed and agreed penalty damages the sum of \$100 for each calendar day of delay in making delivery, up to a maximum of 10% of the contract price, and the Contractor and its sureties shall be liable for the amount thereof; provided, that the Contractor shall not be charged with penalty damages when the delay in delivery is due to unforeseeable causes beyond the control, and without the fault of negligence of the Contractor. In case of delay, the Head of the Material Management Division shall ascertain the facts and extend the time for delivery when in his judgment, the finding of fact justify such an extension. The Authority shall have the right to the payment or to the withholding of penalty damages for delay in delivery although actual damages attributable to the delay are minimal or nonexistent. Contractor agrees that penalty damages shall not be subject to reduction, moderation on account of minimal actual damages or because damages are nonexistent. Bidders should clearly state in their proposal the acceptance of this clause; however, bidder's silence on this regard shall be understood to mean a full acceptance of the clause and all terms. Rejection or non acceptance of this clause shall be cause of rejection of bidder's proposal.

6. Force Majeure

- 1. Neither party shall be held responsible for the non performance of this Contract, except for the obligation to pay money, already due and owing, if performance hereunder is prevented or delayed by force majeure. As used herein, the term "Force Majeure" shall mean, any cause or circumstances of whatever nature, whether pertaining to a party hereto or its agents, contractors or subcontractors, and which is not within the control of said party hereto, such as, but not limited to acts of God; war; acts of the public enemy; riot; federal, state, or municipal, action or regulation; flood; epidemics; quarantine restrictions; embargoes; damage to or

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)
PAGE 5

destruction in whole or in part of equipment not due to lack of care or negligence; or any other causes, contingencies, or circumstances within or without the United States not subject to the parties control, either of a similar or dissimilar nature, which prevent or hinder the performance of this Contract. Any such causes of delay, even though existing on the date of the Contract, shall extend the time of the Contractor's performance as stated in Article 5, Delays.

7. Liabilities

- A. The Contractor shall not be responsible for indirect or consequential damages that may occur in relation to the work performed.
- B. The Contractor shall be responsible for all damages to persons or property that occur as a result of its fault or negligence in connection with the prosecution of the work and shall be responsible for proper care and protection of all materials delivered and work performed until completion of work.
- C. The Contractor shall be responsible for all damages (except consequential damages) to third parties that occur as a result of his fault or negligence in connection with the prosecution of the work.
- D. The contractor shall be responsible for any and all damages caused to the transformer from the time that said transformer leaves the Authority's facilities for repair until such time as said transformer returns to the Authority's facilities. The contractor agrees to relieve and exonerate from responsibility and indemnify the Authority for all costs and expenses of any nature (including attorney's fees) incurred by the Authority and which originate or arise relating to claims by third parties for personal damages, including death, or for property damage, but which damages have been caused by act or omission of the Contractor in the performance or nonperformance of its obligations under this Requisition.

8. Save Harmless

- 1. The Contractor agrees to indemnify and save harmless the Authority for all cost and expenses of any nature arising out of any claims for bodily and personal injuries, including death, sustained by any person, including the employees of the contractor, and for damage to property of any nature including loss of use, caused by the contractor, its employees, subcontractor, arising out of its or their performance or failure to perform and/or arising out of materials furnished by the Authority in the performance of contracts; except that the contractor shall not be liable for the sole negligence of the Authority.

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)

PAGE 6

9. Independent Contractor

- A. The Contractor shall be considered an independent contractor for all purposes of this Contract and all persons engaged in carrying out The Contractor's obligations hereunder, shall be the servants of the Contractor or subcontractors and not the servant or agents of The Authority.
- B. The Contractor agrees to make, use, provide and take all proper, reasonably necessary and sufficient precautions, safeguards, and protection against the occurrence or happening of injuries, death and/or damages to any person or property during the performance of the work and to be responsible for, indemnify and save The Authority harmless from public liability and cost and expenses resulting there from or damages that may happen or occur solely through the fault or negligent acts or omissions of The Contractor, its employees, agents and subcontractors, during the performance of the work or while carrying out any act or action directly or indirectly relate or in connection with the performance of this Contract.

10. Insurance Requirements

The Contractor shall obtain and maintain in full force and effect during the life of this Contract and thereafter as provided herein, policies of insurance covering all operations engaged in by the Contractor, which shall be formally agreed with insurance companies authorized to do business in Puerto Rico, and to that effect it shall provide in original certificates of insurance and endorsements, as follows:

A. *Workers Compensation Insurance*

The Contractor shall provide Workers Compensation Insurance as required by the Workmen's Compensation Act of the Commonwealth of Puerto Rico. The Contractor shall also be responsible for compliance with said Workmen's Compensation Act by all his subcontractors, agents, and invitees.

The Contractor shall furnish PREPA a certificate from the State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this contract.

B. *Employer's Liability Insurance*

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident, covering against the liability imposed by Law upon the contractor as a result of bodily injury, by accident or disease, including death arising out of and in the course of employment, outside of and in the course of employment, and outside of

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)
PAGE 7

and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

C. Commercial General Liability Insurance

The Contractor shall provide a Commercial General Liability Insurance with limits of \$2,000,000 per occurrence and \$2,000,000 aggregate. This Policy shall include a completed operations and products coverage.

D. Automobile Liability Insurance

The Contractor shall provide an Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned, non owned and hired automobiles.

E. Inland Marine Insurance:

The Contractor shall provide Inland Marine Insurance to cover equipment in transit by land. The **limit of this insurance** must be at a minimum the cost of the equipment with the highest value to be transported during the term of the Contract.

F. Ocean Cargo Insurance:

The Contractor shall provide Ocean Cargo Insurance to cover equipment in transit in a cargo vessel. The **limit of this insurance must be at a minimum the cost** of the equipment with the highest value to be transported during the term of the Contract.

11. Requirements under the Policies

The Commercial General Liability and Automobile Liability Insurance required under this contract shall be endorsed to include:

A. As additional insured:

Puerto Rico Electric Power Authority
Risk Management Office
PO Box 364267
San Juan, PR 00936-4267

B. A 30 days cancellation or nonrenewable notice to be sent by certified mail with return receipt to the above address.

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)
PAGE 8

- C. An endorsement including this Agreement under contractual liability coverage and identifying it by number, date and parties to the Agreement.
- D. Waiver of Subrogation in favor of PREPA.
- E. The Breach of any of the Warranties or Conditions in these policies by the Contractor shall not prejudice PREPA'S rights under this policy.

12. Bonds

The Contractor shall furnish at any time before the execution of the contract:

A Performance Bond in the amount of one hundred percent (100%) of the contract price, with good and sufficient surety satisfactory to the Authority guaranteeing that the contractor will well and faithfully perform the contract work within the time specified.

A Payment Bond in the amount of one hundred percent (100%) of the contract price, with good and sufficient surety satisfactory to the Authority to guarantee the prompt payment of all labor, supervision, equipment and materials required in the performance of the work.

All bonds shall be presented to the Authority before commencement of any work and shall be executed in the required official form of the Authority.

13. Shipment

- 1. The Contractor shall be responsible for picking up the transformer and deliver it as indicated in (B). The Contractor shall prepare all materials and articles for shipment in such manner as to protect them from damage in transit by railway and ocean vessel, and shall be responsible for and make good any and all damage due to improper preparation for shipment. Where necessary, heavy parts or machines shall be mounted on skids or crated and any loose parts shall be boxed or wired in bundles and plainly marked for identification. All parts shall be prepared for shipment so that slings for handling can be attached readily while the parts are on cars. Where it is unsafe to attach slings to the box, boxed parts shall be packed with slings attached to the parts and the slings projected through the box or crate so that attachment can be readily handled. The Contractor shall mark on all boxes and crates the kind of storage required for the protection of the equipment or materials being furnished by him, clearly stating whether is should be stored under cover or in heated rooms. The Contractor shall be liable for any damage to equipment due to improper storage because of the above specific instructions.
- 2. The transformer shall be picked up at Cavadonga Substation, San Juan, P. R. and

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)
PAGE 9

delivered at the same place.

14. Location of Repair Facilities

1. The transformer shall be redesigned, repaired and tested at the same location.

15. Experience

The bidders proposal shall include an experience history listing similar or higher capacity units repaired for other utilities. A minimum of five years operation experience for similar units is required. Proposals without this information will be considered non responsive.

All repair facilities must be prequalified by PREPA as approved shops for the repair of transformers of equal or higher capacity. Unqualified shops will not be evaluated.

16. Delivery

Delivery time preferred by the Authority is within **240** calendar days after the supplier receives the order. Nevertheless, the Authority will consider quotations with delivery offers up to a maximum of **254** calendar days after receipt of order. Quotations with delivery time within the preferred delivery date will be considered on an equal basis. Quotations exceeding the maximum delivery as stated above will be rejected.

Quotations with delivery time between the preferred delivery time and the maximum allowed delivery time will be compared on that basis for bid award:

$$EQ = \frac{(QP) \quad (DO)}{DP}$$

Where EQ = Evaluated quotation

QP = Quoted Price

DP = Delivery time preferred
by the Authority (calendars days)

DO = Deliver time offered by bidder
(calendar days) If DO is greater
than DP'

17. Workmanship

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)
PAGE 10

1. All work shall be performed and completed in a thorough workmanlike manner and shall follow the best modern practice in the manufacture of materials and apparatus of the types covered by these specifications, notwithstanding any omissions from these specifications. All work shall be performed by personnel skilled in their various trades. All parts shall be made accurately and to standard gauge, where possible, so as to facilitate replacement and repairs.

18. Payments

- A. The Authority will pay to the Contractor the total purchase order as follows:

15% After transformer is received at repair facilities.
30% After design is completed and materials ordered.
30% After final tests are completed at repair facilities.
25% After transformer is received and accepted at PREPA facilities.

The Contractor shall submit a payment plan that contemplates certifications of work completed at different intervals. The certifications shall not exceed 25% of contracted price and not more than three will be accepted until equipment delivery and acceptance tests be performed.

The Authority shall pay as contracted, but not more than 75% of contracted price before equipment delivery.

19. Warranty for Rehabilitation and Repair of Transformers

- A. The contractor warrants the Authority that the rehabilitation of the equipment provided hereunder will be free from defects in workmanship for a period of one (1) year from the date when the transformer under this agreement is energized and/or eighteen (18) months after transformer is received by the Authority, whichever comes first. This warranty is issued provided the Authority has operated the equipment in accordance with generally approved industry practices and any written instructions provided by the contractor, and further provided that the Authority notify the contractor in writing as soon as the defect occurs.

B. Should any piece of equipment or part furnished by the contractor fail to meet the warranty, the contractor will repair or replace such parts or piece of equipment as may be necessary to meet the warranty. If any part or piece of equipment not furnished by the contractor fails, it will be removed and replaced by the Authority without cost to the contractor, provided that such failure is not directly related to the contractor's work.

SPECIFICATION FOR POWER TRANSFORMER REPAIR (09-7536)
PAGE 11