

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

Page 1 of 6

Prepared Date

: 06/22/2009

Replies Required By

: 10/13/2009

Quote Number : Q032702

Description : APÉNDICE 3 REPLACEMENT BLADES FOR GE FRAME 7

Supplier : 00540202

Leandro Faura
9/30/2009

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

From : LEANDRO FAURA
PR Electric Power Authority
PO Box 364267
San Juan PR 00936-4267
US

Phone :
Fax :

Phone : (787) 289-3300

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:

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Deliver To : ING. SAMUEL VÉLEZ SÁEZ
PUERTO RICO ELECTRIC POWER AUTH.
AGUIRRE STEAM PLANT
SECCION DE INSTRUMENTACION
AGUIRRE
PR
00704

Notes: ***APENDICE 3***
****INVITACION A APERTURA DE SUBASTA***
** ADQUISICIÓN DE ÁLABES PARA COMPRESOR DE TURBINA A GAS GE'S FRAME
7001B**

NUMERO DE REQUISICION: 09-04314
NUMERO DE PUBLICACION: Q032702

TODO SEGÚN NUESTRA:

-INVITACIÓN A SUBASTA DEL 22 DE JUNIO DE 2009,
-APENDICE 1 DEL 30 DE JUNIO DE 2009,
-APENDICE 2 DEL 6 DE JULIO DE 2009,
-APERTURA DE SUBASTA DEL 16 DE JULIO DE 2009,
-NOTIFICACION DE LA DETERMINACION DEL COMITE DE SUBASTAS DE LA
CANCELACION DE SUBASTA DEL 25 DE AGOSTO DE 2009,

-SE LE INFORMA A LOS PARTICIPANTES QUE ESTA SUBASTA TENDRÁ UNA NUEVA LA
FECHA DE APERTURA:
FECHA DE APERTURA: 10-13-2009
HORA DE APERTURA: 9:30 AM
LUGAR: SALONES DE SUBASTAS DIVISION DE SUMINISTROS 3ER PISO EDIFICIO
NEOS
-ADEMAS SE LE INFORMA QUE SE ACOMPAÑAN ESPECIFICACIONES, TERMINOS Y
CONDICIONES REVISADOS.

NOTAS ESPECIALES:

1. LOS LICITADORES COTIZARAN LA ENTREGA DE LOS MATERIALES EN LA CENTRAL
CICLO COMBINADO DE AGUIRRE.
2. FAVOR DE VERIFICAR LAS ESPECIFICACIONES Y LOS TERMINOS Y CONDICIONES
REVISADOS QUE SE ACOMPAÑAN, ANTES DE COTIZAR.

REQUISITOS DE LA SUBASTA:

1. SE LE REQUIERE AL LICITADOR AGRACIADO UN A FIANZA DE EJECUCIÓN DEL
40% DEL TOTAL DE LA ORDEN DE SERVICIO

TIEMPO DE ENTREGA:

1. EL TIEMPO DE ENTREGA Y LA PENALIDAD POR TARDANZA SE REGISTRÁN DE
ACUERDO A LOS TÉRMINOS Y CONDICIONES QUE SE ACOMPAÑAN.

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GARANTÍA DE LA PROPUESTA:

1. EL LICITADOR SOMETERÁ CON SU PROPUESTA UNA FIANZA DE LICITACION POR LA CANTIDAD DEL 10% DEL TOTAL DE SU PROPUESTA.

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

1 D070866/09-0000004314

1.00

ALL FOR

SUPPLY COMPRESSOR STATOR BLADE SET FOR GE'S MS7001B GAS TURBINE,

ACCORDING TO ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

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

2 SM079726/09-0000004314

1.00

ALL FOR

SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR STATIONARY BLADES SET ON VANE CARRIER RING

ALL ACCORDING TO ATTACHED SPECIFICATIONS, TERMS AND CONDITIONS

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

3	SM079726/09-0000004314	1.00	
		ALL FOR	

SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR
 STATIONARY BLADES SET ON VANE CARRIER RING

ALL ACCORDING TO 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

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WITH PROPOSAL DOCUMENTS.

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, 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 FAX O 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 COMO QUE ESTÁ AL DÍA O TIENE PLAN DE PAGOS POR CONTRIBUCIÓN.

FORMAL BLIND SEAL BID INSTRUCTIONS

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

2. BIDDERS THAT INCLUDE THEIR OWN TERMS AND CONDITIONS WILL BE

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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.

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 .

**Puerto Rico Electric Power Authority
Aguirre Combined Cycle Plant**

Terms and Conditions

EMPAC Requisition #: 09-4314
Equipment: GE's MS7001B Gas Turbine Compressor
Specification: New Compressor Stator Blades (Stages 1 to 2)

Article 1: Definitions

Whenever the words defined in this article or pronouns used instead are mentioned in this Order, they shall have the meanings here given:

- 1.1) The words "PREPA" or Authority shall mean the Puerto Rico Electrical Power Authority and all his corresponding Divisions.
- 1.2) The word "Engineer" shall mean the Head, Hydro Gas, Combined Cycle & Cambalache Division of PREPA, acting directly or through his properly authorized representatives.
- 1.3) The word "Contracting Officer" shall mean the Head Materials Management Division, acting directly or through his properly authorized representatives.
- 1.4) The word "Order" shall mean, collectively, all the covenants, terms, and stipulations in these articles of agreement and in all supplementary documents hereto attached which constitute essential parts of the Order and are hereby made part thereof, to wit:
 - a) Purchase Order
 - b) Instructions to Bidders
 - c) Invitation to Bid and Advertisement for Bids
 - d) Bidder's Bid Including Bid Data and Schedules
 - e) Terms and Conditions
 - f) Technical Specifications
 - g) Bid, Performance, and Payment Bonds
 - h) Sworn Statement
- 1.5) The word "Contractor" designates the company that will perform all works as defined in the Order and the Special Conditions and Specifications contained in it.

Article 2: Quality Requirements

- 2.1) Contractor Audits: Prior to placing an order of any sort with a specific contractor, the Contractor's facilities, quality control system, and general operation shall be audited for capability to adequately design and manufacture Gas Turbine components by a representative(s) from PREPA's purchasing, quality control and engineering

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organizations. Approval shall be granted for a period specified by PREPA, but may be removed for inadequate performance at any time.

- 2.2) Bidder shall furnish evidence about their capacity and experience in General Electric's Gas Turbine MS7001B parts and components design and manufacture, not less than five (5) years. Provide name of the company, telephone and contact person for evaluation by the Engineer on similar projects been constructed in United States and its territories. Proposals without these requirements shall not be considered until completed. **This requirement is not necessary for the following companies approved by PREPA for the scope of work included in this specification:**

- a) **Caribe GE Intl. Energy Services**
- b) **TurboCare Inc.**

Article 3: Consideration

- 3.1) The Order is a lump sum price and the price quoted in the Proposal shall constitute full compensation for all engineering, manufacturing, cost of all insurance, profit, Contractor's overhead, and all other work satisfactorily in accordance with this Order.
- 3.2) In accordance with the terms and conditions contained herein, PREPA agrees to pay and the Contractor accepts, as full payment for the complete performance of this Order, plus any additional amount to be paid due to extra work ordered and accepted by the Contracting Officer and the Engineer, according to Changes and/or Extra Work Article, below.
- 3.3) Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the technical supporting documents of required tests. Invoices for payment shall be submitted in triplicate, and are payable within sixty (60) days after receipt of invoice.

Article 4: Commencement and Completion of Work

- 4.1) Delivery time preferred by the Authority to manufacture and deliver all parts is within **49 calendar days** after the supplier receives the order (ARO). Nevertheless, the Authority will consider quotations with delivery offers up to a maximum of **70 calendar days** after receipt of order.

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- 4.2) Quotations with delivery times 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 times between the preferred delivery time and the maximum allowed delivery time will be evaluated using the following formula and will be compared on that basis for bid award:

$$EQ = QP [1 + [(DO - DP)/DP]$$

Where;

EQ = Evaluated Quotation

QP = Quoted Price

DO = Delivery Offered (Calendar Days)

DP = Delivery Preferred (Calendar Days)

DO = Greater than DP

- 4.3) Unless otherwise noted, delivery times shorter than the preferred will be accepted, but no credit will be given in the evaluation of the bid. Failure to comply with the delivery date offered by the successful Bidder shall make the vendor liable in the quantity specified under the **Penalty Clause** Section.

Article 5: Documentation and Certification

- 5.1) Certificate of Compliance: A document certifying that all aspects of this order and specification have been met shall be signed by the responsible Contractor representative and shall be presented to the Engineer along with the final report.
- 5.2) A report of the entire manufacturing process shall be submitted. Failure to comply with the report will result in payment hold. Report shall include the following;
- a) A copy of all incoming, in-process and final dimensional inspections.
 - b) A copy of the certificate of compliance.

Article 6: Suspension of Work

- 6.1) The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the work under this Order, but this right to suspend the work shall not be construed as denying Contractor actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a Force Majeure Event, as defined in Force Majeure Article, herein.

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- 6.2) The cause of such suspension shall be put in writing by the Contracting Officer or the Engineer within two (2) working days after the suspension or as soon as practicable.

Article 7: Specifications and Drawings

- 7.1) PREPA reserves the right to review and approve all drawings, specifications, methods and data, which Contractor develops hereunder. Such review or approval shall no way relieve Contractor from its responsibilities, obligations, or liabilities under this Order.

Article 8: Changes and/or Extra Work

- 8.1) PREPA may, at any time, make changes or order extra work within the Scope of Work contracted, subject to previous written acceptance by PREPA's Engineer. If such changes or extra work require a price and/or schedule revision, such revision(s) shall be negotiated and agree in writing by both parties before the commencement.

Article 9: Time Extensions

- 9.1) Contractor shall apply for time extensions for construction changes, unforeseeable causes, changed conditions, etc., as indicated throughout the Specification only if the schedule of proposed progress is affected, under no circumstances shall the Engineer consider applications for extra time if the master schedule is not clearly affected.

Article 10: Inspection

- 10.1) Whenever all the materials have been furnished and all work has been performed, below, all in accordance with the drawings and specifications, Contractor shall notify the Engineer that said work is completed and ready for final inspection. If all work provided for and contemplated by the Order is found completed in accordance with the specifications, this inspection shall constitute the final inspection and the date of completion shall be established as the date of receipt of the notice of Contractor that the work was completed and ready for final inspection.
- 10.2) If however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give Contractor the necessary instructions as to replacement of material and performance of work necessary to final completion and acceptance and Contractor immediately shall comply with and execute such instructions.

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Article 11: Force Majeure

- 11.1) The parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform, or are prevented from performing by a Force Majeure event. For purposes of this Order, Force Majeure means any cause without the fault or negligence, and beyond the reasonable control of, the party claiming the occurrence of a Force Majeure event.
- 11.2) Force Majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a Force Majeure event, and/or its effects, are beyond the reasonable control and without the fault or negligence of the party claiming the Force Majeure, and that such party, within ten (10) days after the occurrence of the alleged Force Majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a Force Majeure has occurred shall be on the party claiming the Force Majeure.

Article 12: Penalty for Delays

- 12.1) If Contractor fails to complete the work, or any separable part thereof, within the time established, Contractor shall pay to PREPA a penalty of USD \$500 for each day of delay in completing the work or separable part thereof. This penalty is up to a maximum of ten percent (10%) of the Service Order price, and the Contractor and his sureties shall be joint and several liable for said amount. The penalties are sole and exclusive for all delay claims.
- 12.2) In the event that Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the work or any part separable thereof, it could be considered a breach of the Service Order, and PREPA may terminate the Service Order and pursue any other remedies under this Service Order, law or equity.

Article 13: Termination

- 13.1) PREPA may terminate the Contract (or any portion thereof) for cause if contractor: (i) becomes insolvent, (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy, and fails to cure the breach within thirty (30) days of notice from PREPA; or fails to commence to cure the breach and diligently proceed with the cure if it is not possible to cure within thirty (30) days of such notice.

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- 13.2) If PREPA terminate the Order and take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem expedient. In such a case, Contractor shall not be entitled to receive any further payment until the work is finished. If the unpaid balance of the Order price shall exceed the expense of finishing the work, including compensation for additional managerial and administrative services, such excess shall be paid to Contractor. If such expense shall exceed such unpaid balance, Contractor shall pay the difference to PREPA. The expense incurred by PREPA as herein provided, and the Engineer shall certify the damage incurred through Contractor's default.

Article 14: Insurance, Bonds, and Indemnities

- 14.1) Contractor shall be responsible for any and all damages caused to the equipment from the time that said equipment leaves Contractor's facilities until such time as said equipment returns to PREPA's facilities. Contractor agrees to relieve and exonerate from responsibility and indemnify PREPA for all costs and expenses of any nature (including attorney's fees) incurred by PREPA 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 Contractor in the performance or nonperformance of its obligations under this Order.

Article 15: Permits and Licenses

- 15.1) Contractor shall obtain, maintain and submit evidence of all the licenses, permits and authorizations required to perform all services and tasks under this Order, and shall send all notices, pay all fees, and related costs and will comply and will have its subcontractors and agents comply with all laws, ordinances, rules, and regulations applicable to the work, in accordance with the drawings and specifications.

Article 16: Claims for Labor and Materials

- 16.1) Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any mechanics or other liens to remain outstanding against any of the property used in connection with the work; and shall, on request, furnish satisfactory evidence that all persons who have done work or furnished materials have been fully paid. If Contractor fails to comply with his obligations in this respect, PREPA may take such liens or claims and may withhold from any monies due to Contractor such amounts as may be necessary to satisfy and discharge any such claims and any cost and expense incidental thereto.

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Article 17: Laws to be observed

- 17.1) Contractor shall observe and comply with any and all Federal, Commonwealth and Municipal Laws, by-laws, ordinances, and regulations in any manner affecting the work, the equipment or the materials used in the proposed rehabilitation and/or installation or construction, and those employed on the work or the conduct of the work, and with all such orders and decrees as exist at present or may be enacted prior to the completion of the work by bodies or courts having any jurisdiction or authority over the work.
- 17.2) Contractor shall save harmless and indemnify PREPA and its representative officers, agents, and servants against any claim or liability arising from or based on the violation of any such law, by-law, ordinance, regulation, order or decree, whether by himself or his employees.

Article 18: Liabilities

18.1) Civil Responsibility

The appearing Parties agree that their responsibilities for damages under this Service Order will be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico. Notwithstanding, the total liability of the Contractor for all claims arising out of or relating to the performance or breach of the Contract or use of any Parts, Products or Services or any order **shall not exceed the Service Order price**. Contractor's liability shall terminate upon the expiration of the applicable warranty period, provided that PREPA may enforce a claim that accrued prior to that date by commencing an action, as applicable under Article 20, Disputes, before the expiration of the applicable statute of limitations or repose, but not later than one (1) year after the expiration of such warranty period.

The Contractor shall not be responsible for loss of profits or revenues, indirect or consequential damages that may occur in relation to the work performed under this Contract.

Article 19: Disputes

- 19.1) Except as otherwise specifically provided in this Order, all disputes concerning questions of fact arising under this Order shall be decided by the Engineer, subject to written appeal by the Contractor within thirty (30) days to the Contracting Officer. As soon as practicable thereafter, the Contracting Officer shall inform each party hereto of his decision regarding the dispute, which decision shall be final and conclusive upon the parties hereto, unless such decision is challenged on the basis of being arbitrary, malicious or capricious. If such challenge is made, either party may

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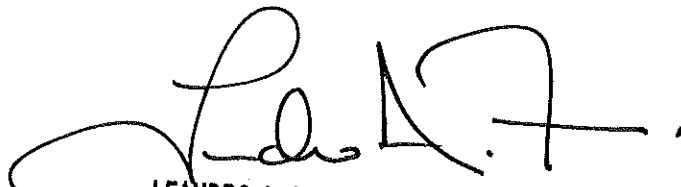
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pursue its remedy at law or equity. In the meantime, the Contractor shall diligently proceed with the work as directed.

Article 20: Warranty

- 20.1) The Contractor warrants that all materials, parts, equipment used, and work performed under this Service Order comply in all respect with its terms and conditions; that they are free from any defects in materials, workmanship and title; that they are suitable and adequate for the purposes for which they were designed and for such other purposes, if any, as are specified in the Service Order, and that the services provided under this Service Order will conform with the highest standards of care and practice appropriate to their nature.
- 20.2) The warranty period will begin the date on which PREPA receives the equipment on-site and will continue for a period of eighteen months in storage or one year in operation. No warranty claim shall extend the applicable warranty period.
- 20.3) For those materials, parts, equipment, which proves defective or deficient during the warranty period, the Contractor shall, at his own expense, repair or replace, transport-in, from Contractor's facilities to PREPA's site, and transport-out, from PREPA's site to Contractor's facilities, such materials, parts, and/or equipment.



LEANDRO A. FAURA RODRIGUEZ
9/30/2009

**Puerto Rico Electric Power Authority
Aguirre Combined Cycle Plant**

Technical Specifications

EMPAC Requisition #: 09-4314
Equipment: GE's MS7001B Gas Turbine Compressor
Specification: New Compressor Stator Blades (Stages 1 to 2)

Article 1: Scope of Supply

1.1) This specification covers the minimum requirements for the manufacture and delivery of one set of Compressor Stator Blades **Stages 1 to 2** to be used on a GE's Gas Turbine MS7001B. It's the Contractor's responsibility to supply the indicated parts to meet all the requirements specified below, all in strict accordance with the provisions of this Order, including the attached notes, terms, conditions, specifications and Contractor's Proposal, all of which are hereby made a part hereof.

1.2) Contractor's Scope includes the manufacture, assembly as applicable and delivery of the following parts:

a) **Item D070866** (Line 1): SUPPLY COMPRESSOR STATOR BLADE SET FOR GE'S MS7001B GAS TURBINE...

Stage 1: 60 individual blades Part #: 678D512P2 **or**
Option 1: Complete Blade & Ring Set, Part #: 172C8574G021 **or**
Option 2: Part #: 678D512P2 blades on Ring Part #: 678D239P4

Stage 2: 58 individual blades Part #: 678D513P2 **or**
Option 1: Complete Blade & Ring Set, Part #: 172C8574G022 **or**
Option 2: Part #: 678D513P2 blades on Ring Part #: 678D239P5

b) **Item SM079276** (Line 2): SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR STATIONARY BLADES SET ON VANE CARRIER RING....

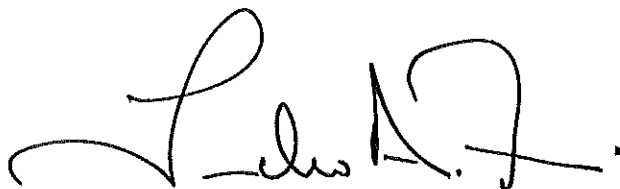
This line applies to **Stage 1**. Bidder shall submit a price for this item, only if he quotes for the individual blades. PREPA to supply the Stage 1 Vane Carrier Ring segments for installation of blades by the Contractor.

- c) **Item SM079276** (Line 3): SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR STATIONARY BLADES SET ON VANE CARRIER RING....

This line applies to **Stage 2**. Bidder shall submit a price for this item, only if he quotes for the individual blades. PREPA to supply the Stage 2 Vane Carrier Ring segments for installation of blades by the Contractor.

Article 2: Minimum requirements

- a) Accumulated Hours: 0 hrs (**new**)
- b) Material: 403 Stainless Steel with coating for protection
- c) Coating requirements: The applied coating must be equal or better than General Electric's GECC-1 or Sermatech's 5380DP. Surface smoothness should be 20u inches or less. Coating thickness should be minimum 3 mills.
- d) Blades and rings shall comply with original GE's MS7001B Compressor design or better and shall provide maximum performance without affecting gas turbine output and efficiency. Only new blades (0 hours) shall be accepted by PREPA for this bid.
- e) Certificate of Compliance: A document certifying that all aspects of this order and specification have been met, shall be signed by the responsible vendor representative and shall be presented to PREPA along with the blades



LEANDRO A. FAURA RODRIGUEZ 9/30/09

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

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Prepared Date

: 06/22/2009

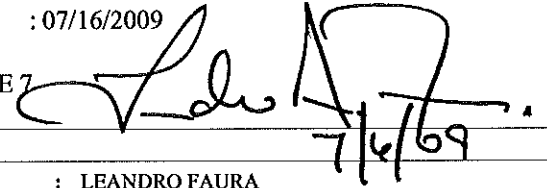
Replies Required By

: 07/16/2009

Quote Number : Q032702

Description : APÉNDICE 2 REPLACEMENT BLADES FOR GE FRAME 7

Supplier : 00540202


7/16/09

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

From : LEANDRO FAURA
PR Electric Power Authority
PO Box 364267
San Juan PR 00936-4267
US

Phone :
Fax :

Phone : (787) 289-3300

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

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Prepared Date

: 06/22/2009

Replies Required By

: 07/16/2009

Quote Number : Q032702

Description : APÉNDICE 2 REPLACEMENT BLADES FOR GE FRAME 7

Supplier : 00540202

Deliver To : ING. SAMUEL VÉLEZ SÁEZ
PUERTO RICO ELECTRIC POWER AUTH.
AGUIRRE STEAM PLANT
SECCION DE INSTRUMENTACION
AGUIRRE
PR
00704

Notes: ***APENDICE 2***
****INVITACION A SUBASTA***
** ADQUISICIÓN DE ÁLABES PARA COMPRESOR DE TURBINA A GAS GE'S FRAME
7001B**

NUMERO DE REQUISICION: 09-04314

NUMERO DE PUBLICACION: Q032702

TODO SEGÚN NUESTRA:

-INVITACIÓN A SUBASTA DEL 22 DE JUNIO DE 2009,

-APENDICE 1 DEL 30 DE JUNIO DE 2009,

-SE LE INFORMA A LOS PARTICIPANTES QUE LA FECHA DE APERTURA SERÁ:

FECHA DE APERTURA: 07-16-2009

HORA DE APERTURA: 9:30 AM

LUGAR: SALONES DE SUBASTAS DIVISION DE SUMINISTROS

3ER PISO EDIFICIO NEOS

-ADEMAS SE LE INFORMA QUE SE ACOMPAÑAN ESPECIFICACIONES, TERMINOS Y
CONDICIONES REVISADOS.

NOTAS ESPECIALES:

1. LOS LICITADORES COTIZARAN LA ENTREGA DE LOS MATERIALES EN LA CENTRAL
CICLO COMBINADO DE AGUIRRE

2. FAVOR DE VERIFICAR LAS ESPECIFICACIONES Y LOS TERMINOS Y CONDICIONES
REVISADOS QUE SE ACOMPAÑAN, ANTES DE COTIZAR.

REQUISITOS DE LA SUBASTA:

1. SE LE REQUIERE AL LICITADOR AGRACIADO UN A FIANZA DE EJECUCIÓN DEL
40% DEL TOTAL DE LA ORDEN DE SERVICIO

TIEMPO DE ENTREGA:

1. EL TIEMPO DE ENTREGA Y LA PENALIDAD POR TARDANZA SE REGISTRAN DE
ACUERDO A LOS TÉRMINOS Y CONDICIONES QUE SE ACOMPAÑAN.

GARANTÍA DE LA PROPUESTA:

1. EL LICITADOR SOMETERÁ CON SU PROPUESTA UNA FIANZA DE LICITACION POR
LA CANTIDAD DEL 10% DEL TOTAL DE SU PROPUESTA.

PUERTO RICO ELECTRIC POWER AUTHORITY

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: 07/16/2009

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Supplier : 00540202

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

1 D070866/09-0000004314

1.00
ALL FOR

SUPPLY COMPRESSOR STATOR BLADE SET FOR GE'S MS7001B GAS TURBINE,
ACCORDING TO ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

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

2 SM079726/09-0000004314

1.00
ALL FOR

SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR
STATIONARY BLADES SET ON VANE CARRIER RING
ALL ACCORDING TO ATTACHED SPECIFICATIONS, TERMS AND CONDITIONS

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

3 SM079726/09-0000004314

1.00
ALL FOR

SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR
STATIONARY BLADES SET ON VANE CARRIER RING

PUERTO RICO ELECTRIC POWER AUTHORITY

	Bid -- Purchase Order	Page 4 of 6
	Prepared Date	: 06/22/2009
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Quote Number	: Q032702	
Description	: APÉNDICE 2 REPLACEMENT BLADES FOR GE FRAME 7	
Supplier	: 00540202	

ALL ACCORDING TO 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.

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

PUERTO RICO ELECTRIC POWER AUTHORITY

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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 EXEMPT 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, 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 FAX O 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 COMO QUE ESTÁ AL DÍA O TIENE PLAN DE PAGOS POR CONTRIBUCIÓN.

FORMAL BLIND SEAL BID INSTRUCTIONS

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

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.

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.

PUERTO RICO ELECTRIC POWER AUTHORITY

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Supplier : 00540202

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 .

**Puerto Rico Electric Power Authority
Aguirre Combined Cycle Plant**

Terms and Conditions

EMPAC Requisition #: 09-4314
Equipment: GE's MS7001B Gas Turbine Compressor
Specification: New Compressor Stator Blades (Stages 1 to 2)

Article 1: Definitions

Whenever the words defined in this article or pronouns used instead are mentioned in this Order, they shall have the meanings here given:

- 1.1) The words "PREPA" or Authority shall mean the Puerto Rico Electrical Power Authority and all his corresponding Divisions.
- 1.2) The word "Engineer" shall mean the Head, Hydro Gas, Combined Cycle & Cambalache Division of PREPA, acting directly or through his properly authorized representatives.
- 1.3) The word "Contracting Officer" shall mean the Head Materials Management Division, acting directly or through his properly authorized representatives.
- 1.4) The word "Order" shall mean, collectively, all the covenants, terms, and stipulations in these articles of agreement and in all supplementary documents hereto attached which constitute essential parts of the Order and are hereby made part thereof, to wit:
 - a) Purchase Order
 - b) Instructions to Bidders
 - c) Invitation to Bid and Advertisement for Bids
 - d) Bidder's Bid Including Bid Data and Schedules
 - e) Terms and Conditions
 - f) Technical Specifications
 - g) Bid, Performance, and Payment Bonds
 - h) Sworn Statement
- 1.5) The word "Contractor" designates the company that will perform all works as defined in the Order and the Special Conditions and Specifications contained in it.

Article 2: Quality Requirements

- 2.1) Contractor Audits: Prior to placing an order of any sort with a specific contractor, the Contractor's facilities, quality control system, and general operation shall be audited for capability to adequately design and manufacture Gas Turbine components by a representative(s) from PREPA's purchasing, quality control and engineering

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organizations. Approval shall be granted for a period specified by PREPA, but may be removed for inadequate performance at any time.

- 2.2) Bidder shall furnish evidence about their capacity and experience in General Electric's Gas Turbine MS7001B parts and components design and manufacture, not less than five (5) years. Provide name of the company, telephone and contact person for evaluation by the Engineer on similar projects been constructed in United States and its territories. Proposals without these requirements shall not be considered until completed. **This requirement is not necessary for the following companies approved by PREPA for the scope of work included in this specification:**

- a) **Caribe GE Intl. Energy Services**
- b) **TurboCare Inc.**

Article 3: Consideration

- 3.1) The Order is a lump sum price and the price quoted in the Proposal shall constitute full compensation for all engineering, manufacturing, cost of all insurance, profit, Contractor's overhead, and all other work satisfactorily in accordance with this Order.
- 3.2) In accordance with the terms and conditions contained herein, PREPA agrees to pay and the Contractor accepts, as full payment for the complete performance of this Order, plus any additional amount to be paid due to extra work ordered and accepted by the Contracting Officer and the Engineer, according to Changes and/or Extra Work Article, below.
- 3.3) Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the technical supporting documents of required tests. Invoices for payment shall be submitted in triplicate, and are payable within sixty (60) days after receipt of invoice.

Article 4: Commencement and Completion of Work

- 4.1) Delivery time preferred by the Authority to manufacture and deliver all parts is within **49 calendar days** after the supplier receives the order (ARO). Nevertheless, the Authority will consider quotations with delivery offers up to a maximum of **70 calendar days** after receipt of order.

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- 4.2) Quotations with delivery times 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 times between the preferred delivery time and the maximum allowed delivery time will be evaluated using the following formula and will be compared on that basis for bid award:

$$EQ = QP [1 + [(DO - DP)/DP]$$

Where;

EQ = Evaluated Quotation

QP = Quoted Price

DO = Delivery Offered (Calendar Days)

DP = Delivery Preferred (Calendar Days)

DO = Greater than DP

- 4.3) Unless otherwise noted, delivery times shorter than the preferred will be accepted, but no credit will be given in the evaluation of the bid. Failure to comply with the delivery date offered by the successful Bidder shall make the vendor liable in the quantity specified under the **Penalty Clause** Section.

Article 5: Documentation and Certification

- 5.1) Certificate of Compliance: A document certifying that all aspects of this order and specification have been met shall be signed by the responsible Contractor representative and shall be presented to the Engineer along with the final report.
- 5.2) A report of the entire manufacturing process shall be submitted. Failure to comply with the report will result in payment hold. Report shall include the following;
- a) A copy of all incoming, in-process and final dimensional inspections.
 - b) A copy of the certificate of compliance.

Article 6: Suspension of Work

- 6.1) The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the work under this Order, but this right to suspend the work shall not be construed as denying Contractor actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a Force Majeure Event, as defined in Force Majeure Article, herein.

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- 6.2) The cause of such suspension shall be put in writing by the Contracting Officer or the Engineer within two (2) working days after the suspension or as soon as practicable.

Article 7: Specifications and Drawings

- 7.1) PREPA reserves the right to review and approve all drawings, specifications, methods and data, which Contractor develops hereunder. Such review or approval shall no way relieve Contractor from its responsibilities, obligations, or liabilities under this Order.

Article 8: Changes and/or Extra Work

- 8.1) PREPA may, at any time, make changes or order extra work within the Scope of Work contracted, subject to previous written acceptance by PREPA's Engineer. If such changes or extra work require a price and/or schedule revision, such revision(s) shall be negotiated and agree in writing by both parties before the commencement.

Article 9: Time Extensions

- 9.1) Contractor shall apply for time extensions for construction changes, unforeseeable causes, changed conditions, etc., as indicated throughout the Specification only if the schedule of proposed progress is affected, under no circumstances shall the Engineer consider applications for extra time if the master schedule is not clearly affected.

Article 10: Inspection

- 10.1) Whenever all the materials have been furnished and all work has been performed, below, all in accordance with the drawings and specifications, Contractor shall notify the Engineer that said work is completed and ready for final inspection. If all work provided for and contemplated by the Order is found completed in accordance with the specifications, this inspection shall constitute the final inspection and the date of completion shall be established as the date of receipt of the notice of Contractor that the work was completed and ready for final inspection.
- 10.2) If however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give Contractor the necessary instructions as to replacement of material and performance of work necessary to final completion and acceptance and Contractor immediately shall comply with and execute such instructions.

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Article 11: Force Majeure

- 11.1) The parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform, or are prevented from performing by a Force Majeure event. For purposes of this Order, Force Majeure means any cause without the fault or negligence, and beyond the reasonable control of, the party claiming the occurrence of a Force Majeure event.
- 11.2) Force Majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a Force Majeure event, and/or its effects, are beyond the reasonable control and without the fault or negligence of the party claiming the Force Majeure, and that such party, within ten (10) days after the occurrence of the alleged Force Majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a Force Majeure has occurred shall be on the party claiming the Force Majeure.

Article 12: Penalty for Delays

- 12.1) If Contractor fails to complete the work, or any separable part thereof, within the time established, Contractor shall pay to PREPA a penalty of USD \$500 for each day of delay in completing the work or separable part thereof. This penalty is up to a maximum of ten percent (10%) of the Service Order price, and the Contractor and his sureties shall be joint and several liable for said amount. The penalties are sole and exclusive for all delay claims.
- 12.2) In the event that Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the work or any part separable thereof, it could be considered a breach of the Service Order, and PREPA may terminate the Service Order and pursue any other remedies under this Service Order, law or equity.

Article 13: Termination

- 13.1) PREPA may terminate the Contract (or any portion thereof) for cause if contractor: (i) becomes insolvent, (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy, and fails to cure the breach within thirty (30) days of notice from PREPA; or fails to commence to cure the breach and diligently proceed with the cure if it is not possible to cure within thirty (30) days of such notice.

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- 13.2) If PREPA terminate the Order and take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem expedient. In such a case, Contractor shall no be entitled to receive any further payment until the work is finished. If the unpaid balance of the Order price shall exceed the expense of finishing the work, including compensation for additional managerial and administrative services, such excess shall be paid to Contractor. If such expense shall exceed such unpaid balance, Contractor shall pay the difference to PREPA. The expense incurred by PREPA as herein provided, and the Engineer shall certify the damage incurred through Contractor's default.

Article 14: Insurance, Bonds, and Indemnities

- 14.1) Contractor shall be responsible for any and all damages caused to the equipment from the time that said equipment leaves Contractor's facilities until such time as said equipment returns to PREPA's facilities. Contractor agrees to relieve and exonerate from responsibility and indemnify PREPA for all costs and expenses of any nature (including attorney's fees) incurred by PREPA 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 Contractor in the performance or nonperformance of its obligations under this Order.

Article 15: Permits and Licenses

- 15.1) Contractor shall obtain, maintain and submit evidence of all the licenses, permits and authorizations required to perform all services and tasks under this Order, and shall send all notices, pay all fees, and related costs and will comply and will have its subcontractors and agents comply with all laws, ordinances, rules, and regulations applicable to the work, in accordance with the drawings an specifications.

Article 16: Claims for Labor and Materials

- 16.1) Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any mechanics or other liens to remain outstanding against any of the property used in connection with the work; and shall, on request, furnish satisfactory evidence that all persons who have done work or furnished materials have been fully paid. If Contractor fails to comply with his obligations in this respect, PREPA may take such liens or claims and may withhold from any monies due to Contractor such amounts as may be necessary to satisfy and discharge any such claims and any cost and expense incidental thereto.

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Article 17: Laws to be observed

- 17.1) Contractor shall observe and comply with any and all Federal, Commonwealth and Municipal Laws, by-laws, ordinances, and regulations in any manner affecting the work, the equipment or the materials used in the proposed rehabilitation and/or installation or construction, and those employed on the work or the conduct of the work, and with all such orders and decrees as exist at present or may be enacted prior to the completion of the work by bodies or courts having any jurisdiction or authority over the work.
- 17.2) Contractor shall save harmless and indemnify PREPA and its representative officers, agents, and servants against any claim or liability arising from or based on the violation of any such law, by-law, ordinance, regulation, order or decree, whether by himself or his employees.

Article 18: Liabilities

18.1) Civil Responsibility

The appearing Parties agree that their responsibilities for damages under this Service Order will be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico. Notwithstanding, the total liability of the Contractor for all claims arising out of or relating to the performance or breach of the Contract or use of any Parts, Products or Services or any order **shall not exceed the Service Order price**. Contractor's liability shall terminate upon the expiration of the applicable warranty period, provided that PREPA may enforce a claim that accrued prior to that date by commencing an action, as applicable under Article 20, Disputes, before the expiration of the applicable statute of limitations or repose, but not later than one (1) year after the expiration of such warranty period.

The Contractor shall not be responsible for loss of profits or revenues, indirect or consequential damages that may occur in relation to the work performed under this Contract.

Article 19: Disputes

- 19.1) Except as otherwise specifically provided in this Order, all disputes concerning questions of fact arising under this Order shall be decided by the Engineer, subject to written appeal by the Contractor within thirty (30) days to the Contracting Officer. As soon as practicable thereafter, the Contracting Officer shall inform each party hereto of his decision regarding the dispute, which decision shall be final and conclusive upon the parties hereto, unless such decision is challenged on the basis of being arbitrary, malicious or capricious. If such challenge is made, either party may

Terms and Conditions

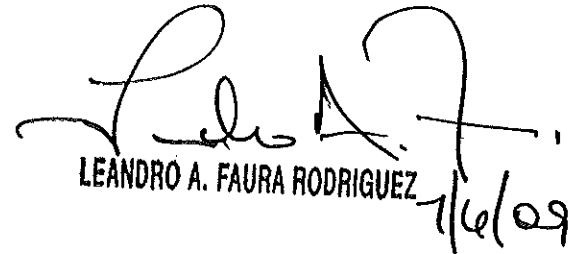
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pursue its remedy at law or equity. In the meantime, the Contractor shall diligently proceed with the work as directed.

Article 20: Warranty

- 20.1) The Contractor warrants that all materials, parts, equipment used, and work performed under this Service Order comply in all respect with its terms and conditions; that they are free from any defects in materials, workmanship and title; that they are suitable and adequate for the purposes for which they were designed and for such other purposes, if any, as are specified in the Service Order, and that the services provided under this Service Order will conform with the highest standards of care and practice appropriate to their nature.
- 20.2) The warranty period will begin the date on which PREPA receives the equipment on-site and will continue for a period of eighteen months in storage or one year in operation. No warranty claim shall extend the applicable warranty period.
- 20.3) For those materials, parts, equipment, which proves defective or deficient during the warranty period, the Contractor shall, at his own expense, repair or replace, transport-in, from Contractor's facilities to PREPA's site, and transport-out, from PREPA's site to Contractor's facilities, such materials, parts, and/or equipment.



LEANDRO A. FAURA RODRIGUEZ 7/6/09

**Puerto Rico Electric Power Authority
Aguirre Combined Cycle Plant**

Technical Specifications

EMPAC Requisition #: 09-4314
Equipment: GE's MS7001B Gas Turbine Compressor
Specification: New Compressor Stator Blades (Stages 1 to 2)

Article 1: Scope of Supply

1.1) This specification covers the minimum requirements for the manufacture and delivery of one set of Compressor Stator Blades **Stages 1 to 2** to be used on a GE's Gas Turbine MS7001B. It's the Contractor's responsibility to supply the indicated parts to meet all the requirements specified below, all in strict accordance with the provisions of this Order, including the attached notes, terms, conditions, specifications and Contractor's Proposal, all of which are hereby made a part hereof.

1.2) Contractor's Scope includes the manufacture, assembly as applicable and delivery of the following parts:

a) **Item D070866** (Line 1): SUPPLY COMPRESSOR STATOR BLADE SET FOR GE'S MS7001B GAS TURBINE...

Stage 1: 60 individual blades Part #: 678D512P2 or
Option 1: Complete Blade & Ring Set, Part #: 172C8574G021 or
Option 2: Part #: 678D512P2 blades on Ring Part #: 678D239P4

Stage 2: 58 individual blades Part #: 678D513P2 or
Option 1: Complete Blade & Ring Set, Part #: 172C8574G022 or
Option 2: Part #: 678D513P2 blades on Ring Part #: 678D239P5

b) **Item SM079276** (Line 2): SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR STATIONARY BLADES SET ON VANE CARRIER RING....

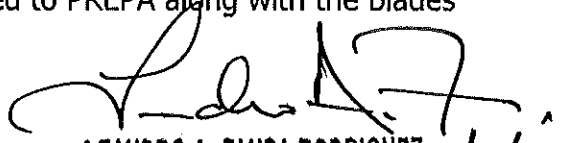
This line applies to **Stage 1**. Bidder shall submit a price for this item, only if he quotes for the individual blades. PREPA to supply the Stage 1 Vane Carrier Ring segments for installation of blades by the Contractor.

- c) **Item SM079276** (Line 3): SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR STATIONARY BLADES SET ON VANE CARRIER RING....

This line applies to **Stage 2**. Bidder shall submit a price for this item, only if he quotes for the individual blades. PREPA to supply the Stage 2 Vane Carrier Ring segments for installation of blades by the Contractor.

Article 2: Minimum requirements

- a) Accumulated Hours: 0 hrs (new)
- b) Material: 403 Stainless Steel with coating for protection
- c) Coating requirements: The applied coating must be equal or better than General Electric's GECC-1 or Sermatech's 5380DP. Surface smoothness should be 20u inches or less. Coating thickness should be minimum 3 mills.
- d) Blades and rings shall comply with original GE's MS7001B Compressor design or better and shall provide maximum performance without affecting gas turbine output and efficiency. Only new blades (0 hours) shall be accepted by PREPA for this bid.
- e) Certificate of Compliance: A document certifying that all aspects of this order and specification have been met, shall be signed by the responsible vendor representative and shall be presented to PREPA along with the blades


LEANDRO A. FAURA RODRIGUEZ 7/4/09

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

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: 06/22/2009

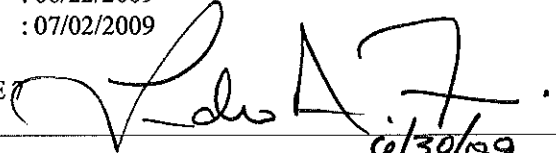
Replies Required By

: 07/02/2009

Quote Number : Q032702

Description : APÉNDICE 1 REPLACEMENT BLADES FOR GE FRAME

Supplier : 00540202


6/30/09

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

From : LEANDRO FAURA
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

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Prepared Date

: 06/22/2009

Replies Required By

: 07/02/2009

Quote Number : Q032702

Description : APÉNDICE 1 REPLACEMENT BLADES FOR GE FRAME 7

Supplier : 00540202

Deliver To : ING. SAMUEL VÉLEZ SÁEZ
PUERTO RICO ELECTRIC POWER AUTH.
AGUIRRE STEAM PLANT
SECCION DE INSTRUMENTACION
AGUIRRE
PR
00704

Notes: ***APENDICE 1***

-SE EMITE ESTE APÉNDICE 1 PARA POSPONER LA SUBASTA HASTA NUEVO AVISO
PARA EVALUACIÓN DE ESPECIFICACIONES.

-ADEMAS, SE DEJA SIN EFECTO EL REQUISITO DE:

2. LAS PROPUESTAS QUE NO INCLUYAN FIANZAS DE EJECUCIÓN SERÁN
RECHAZADAS.

-LOS DEMÁS TÉRMINOS Y CONDICIONES SE MANTENDRÁN INALTERADOS.

****INVITACION A SUBASTA***

** ADQUISICIÓN DE ÁLABES PARA COMPRESOR DE TURBINA A GAS GE'S FRAME
7001B**

NUMERO DE REQUISICION: 09-04314

NUMERO DE PUBLICACION: Q032702

FECHA DE APERTURA: 07-02-2009

HORA DE APERTURA: 9:30 AM

LUGAR: SALONES DE SUBASTAS DIVISION DE SUMINISTROS
3ER PISO EDIFICIO NEOS

NOTAS ESPECIALES:

1. LOS LICITADORES COTIZARAN LA ENTREGA DE LOS MATERIALES EN LA CENTRAL
CICLO COMBINADO DE AGUIRRE
2. FAVOR DE VERIFICAR LAS ESPECIFICACIONES Y LOS TERMINOS Y CONDICIONES
QUE SE ACOMPAÑAN, ANTES DE COTIZAR.

REQUISITOS DE LA SUBASTA:

1. SE LE REQUIERE AL LICITADOR AGRACIADO UN A FIANZA DE EJECUCIÓN DEL
30% DEL TOTAL DE LA ORDEN DE SERVICIO

TIEMPO DE ENTREGA:

1. EL TIEMPO DE ENTREGA Y LA PENALIDAD POR TARDANZA SE REGIRÁN DE
ACUERDO A LOS TÉRMINOS Y CONDICIONES QUE SE ACOMPAÑAN.

GARANTÍA DE LA PROPUESTA:

1. EL LICITADOR SOMETERÁ CON SU PROPUESTA UNA FIANZA DE LICITACION POR

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

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Prepared Date

: 06/22/2009

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: 07/02/2009

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LA CANTIDAD DEL 10% DEL TOTAL DE SU PROPUESTA.

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

1 D070866/09-0000004314

1.00

ALL FOR

SUPPLY COMPRESSOR STATOR BLADE SET FOR GE'S MS7001B GAS TURBINE,

ACCORDING TO ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

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

2 SM079726/09-0000004314

1.00

ALL FOR

SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR
STATIONARY BLADES SET ON VANE CARRIER RING

ALL ACCORDING TO ATTACHED SPECIFICATIONS, TERMS AND CONDITIONS

PUERTO RICO ELECTRIC POWER AUTHORITY

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

3 SM079726/09-0000004314

1.00

ALL FOR

SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR
STATIONARY BLADES SET ON VANE CARRIER RING

ALL ACCORDING TO 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

PUERTO RICO ELECTRIC POWER AUTHORITY

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WITH PROPOSAL DOCUMENTS.

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 EXEMPT 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, 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 FAX O 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 COMO QUE ESTÁ AL DÍA O TIENE PLAN DE PAGOS POR CONTRIBUCIÓN.

FORMAL BLIND SEAL BID INSTRUCTIONS

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

2. BIDDERS THAT INCLUDE THEIR OWN TERMS AND CONDITIONS WILL BE

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

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Prepared Date

: 06/22/2009

Replies Required By

: 07/02/2009

Quote Number : Q032702

Description : APÉNDICE 1 REPLACEMENT BLADES FOR GE FRAME 7

Supplier : 00540202

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.

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 SHALL 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 .

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

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Prepared Date
Replies Required By

: 06/22/2009
: 07/02/2009

Quote Number : Q032702
Description : REPLACEMENT BLADES FOR GE FRAME 7 COMPRESSOR
Supplier : 00540202

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

From : LEANDRO FAURA
PR Electric Power Authority
PO Box 364267
San Juan PR 00936-4267
US

Phone :
Fax :

Phone : (787) 289-3300

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

: 06/22/2009

Replies Required By

: 07/02/2009

Quote Number : Q032702

Description : REPLACEMENT BLADES FOR GE FRAME 7 COMPRESSOR

Supplier : 00540202

Deliver To : ING. SAMUEL VÉLEZ SÁEZ
PUERTO RICO ELECTRIC POWER AUTH.
AGUIRRE STEAM PLANT
SECCION DE INSTRUMENTACION
AGUIRRE
PR
00704

Notes:

INVITACION A SUBASTA

** ADQUISICIÓN DE ÁLABES PARA COMPRESOR DE TURBINA A GAS GE'S FRAME
7001B**

NUMERO DE REQUISICION: 09-04314

NUMERO DE PUBLICACION: Q032702

FECHA DE APERTURA: 07-02-2009

HORA DE APERTURA: 9:30 AM

LUGAR: SALONES DE SUBASTAS DIVISION DE SUMINISTROS
3ER PISO EDIFICIO NEOS

NOTAS ESPECIALES:

1. LOS LICITADORES COTIZARAN LA ENTREGA DE LOS MATERIALES EN LA CENTRAL CICLO COMBINADO DE AGUIRRE
2. FAVOR DE VERIFICAR LAS ESPECIFICACIONES Y LOS TERMINOS Y CONDICIONES QUE SE ACOMPAÑAN, ANTES DE COTIZAR.

REQUISITOS DE LA SUBASTA:

1. SE LE REQUIERE AL LICITADOR AGRACIADO UN A FIANZA DE EJECUCIÓN DEL 30% DEL TOTAL DE LA ORDEN DE SERVICIO

TIEMPO DE ENTREGA:

1. EL TIEMPO DE ENTREGA Y LA PENALIDAD POR TARDANZA SE REGISTRÁN DE ACUERDO A LOS TÉRMINOS Y CONDICIONES QUE SE ACOMPAÑAN.

GARANTÍA DE LA PROPUESTA:

1. EL LICITADOR SOMETERÁ CON SU PROPUESTA UNA FIANZA DE LICITACION POR LA CANTIDAD DEL 10% DEL TOTAL DE SU PROPUESTA.
2. LAS PROPUESTAS QUE NO INCLUYAN FIANZAS DE EJECUCIÓN SERÁN RECHAZADAS.

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

Page 3 of 6

Prepared Date

: 06/22/2009

Replies Required By

: 07/02/2009

Quote Number : Q032702

Description : REPLACEMENT BLADES FOR GE FRAME 7 COMPRESSOR

Supplier : 00540202

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

1 D070866/09-0000004314

1.00

ALL FOR

SUPPLY COMPRESSOR STATOR BLADE SET FOR GE'S MS7001B GAS TURBINE,

ACCORDING TO ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

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

2 SM079726/09-0000004314

1.00

ALL FOR

SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR
STATIONARY BLADES SET ON VANE CARRIER RING

ALL ACCORDING TO ATTACHED SPECIFICATIONS, TERMS AND CONDITIONS

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

3 SM079726/09-0000004314

1.00

ALL FOR

SUPPLY ALL RESOURCES, ENGINEERING AND EQUIPMENT TO INSTALL COMPRESSOR
STATIONARY BLADES SET ON VANE CARRIER RING

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Supplier : 00540202

ALL ACCORDING TO 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.

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

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

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Prepared Date

: 06/22/2009

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Description : REPLACEMENT BLADES FOR GE FRAME 7 COMPRESSOR

Supplier : 00540202

IN COMPLIANCE WITH PUERTO RICO'S INTERNAL REVENUE SERVICE CODE, SECTION 2906, ARTICLE 2, PUERTO RICO ELECTRIC POWER AUTHORITY IS EXCEMPT 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, 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 FAX O 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 COMO QUE ESTÁ AL DÍA O TIENE PLAN DE PAGOS POR CONTRIBUCIÓN.

FORMAL BLIND SEAL BID INSTRUCTIONS

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

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.

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.

PUERTO RICO ELECTRIC POWER AUTHORITY

Bid -- Purchase Order

Page 6 of 6

Prepared Date

: 06/22/2009

Replies Required By

: 07/02/2009

Quote Number : Q032702

Description : REPLACEMENT BLADES FOR GE FRAME 7 COMPRESSOR

Supplier : 00540202

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 .

**Puerto Rico Electric Power Authority
Aguirre Combined Cycle Plant**

Technical Specifications

EMPAC Requisition #: 09-4314
Equipment: GE's MS7001B Gas Turbine Compressor
Specification: New Compressor Stator Blades (Stages 1 to 2)

Article 1: Definitions

- 1.1) This specification covers the minimum requirements for the manufacture and delivery of one set of Compressor Stator Blades Stages 1 to 2 to be used on a GE's Gas Turbine MS7001B. It's the Contractor's responsibility to supply the indicated parts to meet all the requirements specified below, all in strict accordance with the provisions of this Order, including the attached notes, terms, conditions, specifications and Contractor's Proposal, all of which are hereby made a part hereof.
- 1.2) Contractor's Scope includes:
 - a) Manufacture and deliver in the specified time the indicated parts.
- 1.3) Minimum requirements
 - a) Accumulated Hours: 0 hrs (**new**)
 - b) Material: 403 Stainless Steel with coating for protection
 - c) Coating requirements: The applied coating must be equal or better than General Electric's GECC-1 or Sermatech's 5380DP. Surface smoothness should be 20u inches or less. Coating thickness should be minimum 3 mills.
 - d) Blades shall comply with original GE's MS7001B Compressor design or better and shall provide maximum performance without affecting gas turbine output and efficiency. Only new blades (0 hours) will be accepted by PREPA for this bid.
 - e) Certificate of Compliance: A document certifying that all aspects of this order and specification have been met, shall be signed by the responsible vendor representative and shall be presented to PREPA along with the blades
- 1.2) Quantity and Reference Part Numbers per stage:
 - a) Stage S1: 32 blades Part #: 678D239P4 or
Blade & Ring Assembly Part #: 172C8574G059 or
Blade & Ring Assembly Part #: 172C8574G021

- b) Stage S2: 32 blades Part #: 678D239P5 or
Blade & Ring Assembly Part #: 172C8574G060 or
Blade & Ring Assembly Part #: 172C8574G022


LEANDRO A. FAURA RODRIGUEZ 6/22/09

**Puerto Rico Electric Power Authority
Aguirre Combined Cycle Plant**

Terms and Conditions

EMPAC Requisition #: 09-4314
Equipment: GE's MS7001B Gas Turbine Compressor
Specification: New Compressor Stator Blades (Stages 1 to 2)

Article 1: Definitions

Whenever the words defined in this article or pronouns used instead are mentioned in this Order, they shall have the meanings here given:

- 1.1) The word "PREPA" shall mean the Puerto Rico Electrical Power Authority and all his corresponding Divisions.
- 1.2) The word "Engineer" shall mean the Head, Hydro Gas, Combined Cycle & Cambalache Division of PREPA, acting directly or through his properly authorized representatives.
- 1.3) The word "Contracting Officer" shall mean the Head Materials Management Division, acting directly or through his properly authorized representatives.
- 1.4) The word "Order" shall mean, collectively, all the covenants, terms, and stipulations in these articles of agreement and in all supplementary documents hereto attached which constitute essential parts of the Order and are hereby made part thereof, to wit:
 - a) Purchase Order
 - b) Instructions to Bidders
 - c) Invitation to Bid and Advertisement for Bids
 - d) Bidder's Bid Including Bid Data and Schedules
 - e) Terms and Conditions
 - f) Technical Specifications
 - g) Bid, Performance, and Payment Bonds
 - h) Sworn Statement
- 1.5) The word "Contractor" designates the company that will perform all works as defined in the Order and the Special Conditions and Specifications contained in it.

Article 2: Quality Requirements

- 2.1) Contractor Audits: Prior to placing an order of any sort with a specific contractor, the Contractor's facilities, quality control system, and general operation shall be audited for capability to adequately design and manufacture Gas Turbine components by a representative(s) from PREPA's purchasing, quality control and engineering

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organizations. Approval shall be granted for a period specified by PREPA, but may be removed for inadequate performance at any time.

- 2.2) Bidder shall furnish evidence about their capacity and experience in General Electric's Gas Turbine MS7001B parts and components design and manufacture, not less than five (5) years. Provide name of the company, telephone and contact person for evaluation by the Engineer on similar projects been constructed in United States and it's territories. Proposals without these requirements shall not be considered until completed. **This requirement is not necessary for the following companies approved by PREPA for the scope of work included in this specification:**

- a) **Caribe GE Intl. Energy Services**
- b) **TurboCare Inc.**

Article 3: Consideration

- 3.1) The Order is a lump sum price and the price quoted in the Proposal shall constitute full compensation for all engineering, manufacturing, cost of all insurance, profit, Contractor's overhead, and all other work satisfactorily in accordance with this Order.
- 3.2) In accordance with the terms and conditions contained herein, PREPA agrees to pay and the Contractor accepts, as full payment for the complete performance of this Order, plus any additional amount to be paid due to extra work ordered and accepted by the Contracting Officer and the Engineer, according to Changes and/or Extra Work Article, below.
- 3.3) Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the technical supporting documents of required tests. Invoices for payment shall be submitted in triplicate, and are payable within sixty (60) days after receipt of invoice.

Article 4: Commencement and Completion of Work

- 4.1) Delivery time preferred by PREPA to manufacture and deliver all parts required is within **twelve (12) consecutive weeks after receipt of order.**
- 4.2) Failure to comply with the delivery date offered by the successful bidder shall make him liable in the quantity specified under the "penalty clause" section.

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Article 5: Documentation and Certification

- 5.1) Certificate of Compliance: A document certifying that all aspects of this order and specification have been met shall be signed by the responsible Contractor representative and shall be presented to the Engineer along with the final report.
- 5.2) A report of the entire manufacturing process shall be submitted. Failure to comply with the report will result in payment hold. Report shall include the following;
 - a) A copy of all incoming, in-process and final dimensional inspections.
 - b) A copy of the certificate of compliance.

Article 6: Suspension of Work

- 6.1) The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the work under this Order, but this right to suspend the work shall not be construed as denying Contractor actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a Force Majeure Event, as defined in Force Majeure Article, herein.
- 6.2) The cause of such suspension shall be put in writing by the Contracting Officer or the Engineer within two (2) working days after the suspension or as soon as practicable.

Article 7: Specifications and Drawings

- 7.1) PREPA reserves the right to review and approve all drawings, specifications, methods and data, which Contractor develops hereunder. Such review or approval shall no way relieve Contractor from its responsibilities, obligations, or liabilities under this Order.

Article 8: Changes and/or Extra Work

- 8.1) PREPA may, at any time, make changes or order extra work within the Scope of Work contracted, subject to previous written acceptance by PREPA's Engineer. If such changes or extra work require a price and/or schedule revision, such revision(s) shall be negotiated and agree in writing by both parties before the commencement.

Article 9: Time Extensions

- 9.1) Contractor shall apply for time extensions for construction changes, unforeseeable causes, changed conditions, etc., as indicated throughout the Specification only if

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the schedule of proposed progress is affected, under no circumstances shall the Engineer consider applications for extra time if the master schedule is not clearly affected.

Article 10: Inspection

- 10.1) Whenever all the materials have been furnished and all work has been performed, below, all in accordance with the drawings and specifications, Contractor shall notify the Engineer that said work is completed and ready for final inspection. If all work provided for and contemplated by the Order is found completed in accordance with the specifications, this inspection shall constitute the final inspection and the date of completion shall be established as the date of receipt of the notice of Contractor that the work was completed and ready for final inspection.
- 10.2) If however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give Contractor the necessary instructions as to replacement of material and performance of work necessary to final completion and acceptance and Contractor immediately shall comply with and execute such instructions.

Article 11: Force Majeure

- 11.1) The parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform, or are prevented from performing by a Force Majeure event. For purposes of this Order, Force Majeure means any cause without the fault or negligence, and beyond the reasonable control of, the party claiming the occurrence of a Force Majeure event.
- 11.2) Force Majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a Force Majeure event, and/or its effects, are beyond the reasonable control and without the fault or negligence of the party claiming the Force Majeure, and that such party, within ten (10) days after the occurrence of the alleged Force Majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a Force Majeure has occurred shall be on the party claiming the Force Majeure.

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Article 12: Penalty for Delays

- 12.1) If Contractor fails to complete the work, or any separable part thereof, within the time established, Contractor shall pay to PREPA a penalty of \$1,000 for each day of delay in completing the work or separable part thereof, up to a maximum of ten percent (10%) of the Order price, and the Contractor and his sureties shall be joint and several liable for said amount.
- 12.2) In the event that Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the work or any part separable thereof, it could be considered a breach of the Order, and PREPA may terminate the Order, execute the performance bond and pursue any other remedies under this Order, law or equity.

Article 13: Termination

- 13.1) Notwithstanding anything to the contrary in this Order regarding its term, PREPA may, at any moment, terminate, cancel or accelerate its expiration, after giving Contractor a not less than thirty (30) days prior notice, when in PREPA's judgment such action responds to PREPA's best interest. Provided that, in the event Contractor fails to comply with any of its obligations under the Order, PREPA may declare an immediate Order termination, cancellation or rescission, without prior notice to Contractor. The exercise of its right to terminate, cancel or rescind the Order shall not be understood as a waiver by PREPA to any other remedy it may have under this Order or under the law for delays or breach incurred by Contractor in the performance of its obligations under the Order.
- 13.2) If PREPA terminate the Order and take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem expedient. In such a case, Contractor shall no be entitled to receive any further payment until the work is finished. If the unpaid balance of the Order price shall exceed the expense of finishing the work, including compensation for additional managerial and administrative services, such excess shall be paid to Contractor. If such expense shall exceed such unpaid balance, Contractor shall pay the difference to PREPA. The expense incurred by PREPA as herein provided, and the Engineer shall certify the damage incurred through Contractor's default.

Article 14: Insurance, Bonds, and Indemnities

- 14.1) Contractor shall be responsible for any and all damages caused to the equipment from the time that said equipment leaves Contractor's facilities until such time as said equipment returns to PREPA's facilities. Contractor agrees to relieve and exonerate from responsibility and indemnify PREPA for all costs and expenses of any nature (including attorney's fees) incurred by PREPA and which originate or arise

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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 Contractor in the performance or nonperformance of its obligations under this Order.

Article 15: Permits and Licenses

- 15.1) Contractor shall obtain, maintain and submit evidence of all the licenses, permits and authorizations required to perform all services and tasks under this Order, and shall send all notices, pay all fees, and related costs and will comply and will have its subcontractors and agents comply with all laws, ordinances, rules, and regulations applicable to the work, in accordance with the drawings and specifications.

Article 16: Claims for Labor and Materials

- 16.1) Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any mechanics or other liens to remain outstanding against any of the property used in connection with the work; and shall, on request, furnish satisfactory evidence that all persons who have done work or furnished materials have been fully paid. If Contractor fails to comply with his obligations in this respect, PREPA may take such liens or claims and may withhold from any monies due to Contractor such amounts as may be necessary to satisfy and discharge any such claims and any cost and expense incidental thereto.

Article 17: Laws to be observed

- 17.1) Contractor shall observe and comply with any and all Federal, Commonwealth and Municipal Laws, by-laws, ordinances, and regulations in any manner affecting the work, the equipment or the materials used in the proposed rehabilitation and/or installation or construction, and those employed on the work or the conduct of the work, and with all such orders and decrees as exist at present or may be enacted prior to the completion of the work by bodies or courts having any jurisdiction or authority over the work.
- 17.2) Contractor shall save harmless and indemnify PREPA and its representative officers, agents, and servants against any claim or liability arising from or based on the violation of any such law, by-law, ordinance, regulation, order or decree, whether by himself or his employees.

Article 18: Liabilities

- 18.1) Civil Responsibility

The appearing Parties agree that their responsibilities for damages under this Order will be governed by the Puerto Rico Civil Code and its case law, as dictated by the

Terms and Conditions

EMPAC 09-4314

Page 7 of 7

Supreme Court of Puerto Rico. Notwithstanding, the total liability of the Contractor for all claims arising out of or relating to the performance or breach of the Contract or use of any Parts, Products or Services or any order **shall not exceed the Order price**. Contractor's liability shall terminate upon the expiration of the applicable warranty period, provided that PREPA may enforce a claim that accrued prior to that date by commencing an action, as applicable under Article 20, Disputes, before the expiration of the applicable statute of limitations or repose, but not later than one (1) year after the expiration of such warranty period.

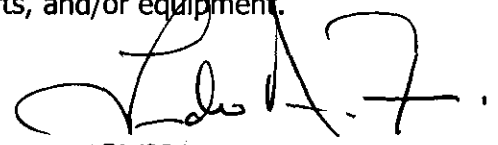
The Contractor shall not be responsible for loss of profits or revenues, indirect or consequential damages that may occur in relation to the work performed under this Contract.

Article 19: Disputes

- 19.1) Except as otherwise specifically provided in this Order, all disputes concerning questions of fact arising under this Order shall be decided by the Engineer, subject to written appeal by the Contractor within thirty (30) days to the Contracting Officer. As soon as practicable thereafter, the Contracting Officer shall inform each party hereto of his decision regarding the dispute, which decision shall be final and conclusive upon the parties hereto, unless such decision is challenged on the basis of being arbitrary, malicious or capricious. If such challenge is made, either party may pursue its remedy at law or equity. In the meantime, the Contractor shall diligently proceed with the work as directed.

Article 20: Warranty

- 20.1) The Contractor warrants that all materials, parts, equipment used, and work performed under this Order comply in all respect with its terms and conditions; that they are free from any and all latent and patent defects in design, materials, and workmanship; that they are suitable and adequate for the purposes for which they were designed and for such other purposes, if any, as are specified in the Order, and that the services provided under this Order will conform with the highest standards of care and practice appropriate to their nature.
- 20.2) The warranty period will begin the date on which PREPA finally accepts the parts and/or installation of the contracted product and will continue for a period of eighteen months in storage or one year in operation.
- 20.3) For those materials, parts, equipment, which proves defective or deficient during the warranty period, the Contractor shall, at his own expense, repair or replace, transport-in, from Contractor's facilities to PREPA's site, and transport-out, from PREPA's site to Contractor's facilities, such materials, parts, and/or equipment.


LEANDRO A. FAURA RODRIGUEZ
6/22/09

Quote Number Q032702 Status Automatic Distribution Sup
 Description REPLACEMENT BLADES FOR GE FRAME 7 COMPRESSOR
 Type Bid - Purchase Order
 Date Raised 8/22/2009

Supplier Code	Supplier Name	Communication Method	Date Acknowledged	Payment Terms	Freight Code	Date Recd
00057001	GENERAL ELECTRIC	PRINT		NET 30 DAYS		
007305	R G ENGINEERING INC	PRINT		NET 30 DAYS		
00640201	COPIAL EXPEDIENTE	PRINT		NET 30 DAYS		
00540202	BULLETIN BOARD	PRINT		NET 30 DAYS		
01043902	MECHANICAL DYNAMICS & ANALYSIS 2	PRINT		NET 30 DAYS		
014305	ARG PRECISION CORP	PRINT		NET 30 DAYS		
017413	SUN ENERGY	PRINT		NET 30 DAYS		
018084	ALLIED POWER TECHNOLOGIES	PRINT		NET 30 DAYS		
018753	GEVA ENGINEERING GROUP CORP	PRINT		NET 30 DAYS		

Leandro A. Faura Rodriguez

LEANDRO A. FAURA RODRIGUEZ
 8/22/09