



Palau Public Utilities Corporation

REQUEST FOR PROPOSAL PUCE25-003 Supply of New Generator to Peleliu Power Systems

Issued on	: May 13, 2025
Close on	: May 28, 2025
Request For Proposal No. (RFP No.)	: PUCE25-003
Employer	: Palau Public Utilities Corporation (PPUC) PO Box 1372, Oldiais Building, Medalaii, Koror Republic of Palau 96940
Country	: Republic of Palau

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1. EXECUTIVE SUMMARY

This Request for Proposals (RFP) invites qualified suppliers to submit proposals for the supply of a new diesel generator for Peleliu Power Systems. Cost proposals will be accepted **starting May 13, 2025, until 4:00 P.M. Palau time on May 28, 2025**. Sealed proposals must be submitted to the PPUC Main Office, located on the 2nd Floor of the Oldiais Building in Medalaii, Koror, Palau.

For inquiries, please contact Johanny Kurihara at (680) 488-3870 ext. 2046 or via email at j.kurihara@ppuc.com.

This Request for Proposal (RFP) solicits bids for the supply of a new diesel generator set, including all associated equipment, to support the power needs of the Peleliu Power System Plant. The project aims to replace or augment existing generating capacity, ensuring reliable and sustainable power generation for the plant's operations. The new generator will need to meet stringent performance criteria, including uptime requirements and environmental regulations, to maintain the facility's critical functions. This RFP outlines the project scope, technical specifications, required documentation, evaluation criteria, and submission deadlines to facilitate a transparent and competitive bidding process. Successful bidders will demonstrate their technical expertise, financial stability, and commitment to delivering a high-quality, reliable generator solution for the Peleliu Power Plant

2. BACKGROUND

The Palau Public Utilities Corporation (PPUC) is responsible for providing power, water, and sewerage services to Koror and other areas in the Republic of Palau. Established in 1994, the same year Palau gained independence as a sovereign nation, PPUC has operated as the national electric utility. The corporation oversees approximately 47 linear miles of 34.5 kV transmission lines and 114 linear miles of 13.8 kV distribution lines.

On June 6, 2013, the Palau Water and Sewer Corporation, which managed water and wastewater services in Palau, was dissolved, and its operations were merged with PPUC.

Currently, PPUC serves approximately 7,200 customers and handles an average monthly billing of about 5.5 million kilowatt-hours (kWh) and 45.2 million gallons of water. Our services extend throughout Koror (the economic capital), Babeldaob, and three outlying island states. PPUC employs 292 staff members and operates from one administrative office, five power plants, and several water and sewer stations

3. SCOPE OF SUPPLY

The contract shall supply a new, complete and fully functional Cummins diesel engine system meeting the following specification and requirements:

Environmental considerations: The Peleliu Power Systems Plant is located in a coastal environment. The proposed generator set must be designed to withstand the corrosive effects of saltwater and humidity, with specific attention given to the protection of critical components from moisture access.

Engine Specifications – 1 Unit of Genset

- **Model:** Cummins engine model capable of delivering approximately 400 kW (gross) and 500 kVA (standby or prime power), such as the QSG12, QSK19, or equivalent.
 - **Configuration:** 4-stroke, turbocharged, aftercooled diesel engine.
 - **Cylinder Arrangement:** Inline or V-type (as specified in the final design documents).
 - **Displacement:** Approximate 19 liters (specific model-dependent).
 - **Rated Speed:** 1800 rpm (60 Hz).
 - **Bore x Stroke:** As specified by the manufacturer for the selected model.
 - **Fuel System:** Electronic fuel injection (EFI) or mechanical governed system, as appropriate.
 - **Cooling System:** Radiator or heat exchanger with electric fan, suitable for ambient temperatures up to 50°C.
 - **Lubrication System:** Full pressure lubrication with oil cooler and oil filtration.
 - **Starting System:** Electric starter with battery charging alternator.
 - **2. Control and Monitoring**
 - **Control System:** Cummins electronic control module (ECM) for engine monitoring, diagnostics, and remote control.
 - **Instrumentation:** Digital display for parameters such as RPM, oil pressure, coolant temperature, fuel level, etc.
 - **Emissions & Compliance**
 - The engine shall comply with relevant emission standards applicable in the project location, such as EPA Tier 4 Final or Euro Stage V.
 - **Mechanical & Auxiliary Components**
 - All necessary mounting brackets, vibration isolators, and connections for integration into the generator set or application.
 - Necessary hardware for installation and connection.
 - **Documentation & Certification**
 - Manufacturer's operation and maintenance manuals.
 - Certification of compliance with applicable standards and emissions.
 - **Delivery & Support**
 - Delivery of the complete engine unit timeline.
 - Factory testing and commissioning support.
 - Warranty as per manufacturer's standard terms.
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Note:

The scope of supply shall include all accessories, controls, and auxiliary systems necessary for the fully operational installation of the engine as specified. The supplier shall ensure compatibility with the existing or proposed generator set and provide all documentation required for operation, maintenance, and warranty.

4. PROPOSAL DETAILS

To facilitate review of the proposals, interested suppliers are invited to submit their proposals in response to this RFP and should in conformance with the following:

The Statement of Qualifications/Cost Proposal (together) for supplying and construction work shall meet the following:

A. Format of proposals

1. A cover page with a table of contents
2. An executive summary page that identifies:
 - Product specification and Pricing
 - Concepts summary
 - Payment Terms
 - Delivery Timelines
 - Any relevant certifications or qualifications
3. Corporate Bio and History of technical expertise.
 - Company's experience
 - Key personnel (*for construction*)
 - Organizational Chart showing Personnel to be assign to the project. (*for construction*)
4. Provide quality control procedures during transit, and product and services quality assurances during the duration of the contract.
5. Other Proposal features which are unique and will contribute to the overall value of the offer or proposal.

B. Proposal Addendums

1. Capability and Qualifications
 - Provide annual reports that contain performance data that demonstrate Offeror's ability to fulfill the terms of the proposal.
 - Provide evidence of experience providing similar services in the area or the Pacific Rim.

In addition to the above and as part of the evaluation process, the Contracting Officer (CO) may require from the Offerors additional information in connection with any inquiry to determine responsibility. Failure to provide information may be a ground for determination of non-responsibility. For the purposes of determining responsibility the Contracting Officer may request inspection of the plant or place of business of the bidder or offeror at a reasonable time, and the Contracting Officer may request the bidder or offeror to submit documents or other records for inspection. Failure to comply promptly with such requests shall be grounds for determination that the bidder or offeror has failed to meet the standards of responsibility and shall be disqualified from the selection.

C. Proposal Submission

The PPUC shall have the full right and authority to use any and all information contained in the RFP submittals for any other purpose it deems appropriate in its sole discretion, unless the offeror clearly specifies the information in the offeror's RFP which shall be used only for the limited purpose of evaluating the RFP, and so specifies in writing such information with the following statement: "This particular data/information furnished in connection with our proposal shall not be disclosed to any third party or for any such data to the extent provided in the contract or as ordered by the Court.

All responses to the RFP will be held by PPUC in strict confidence until the contract to the successful offeror has been executed, whereupon PPUC shall have ownership rights to all proposals received, as constrained.

In preparing the technical proposal, you are expected to examine all terms and instructions included in the Documents. Failure to provide all requested information shall be at your own risk and may result in rejection of your proposal.

5. OBTAINING RFP

Electronic copies of the RFP may be obtained by emailing the nominated Contact Officer below, or from the PPUC website www.ppuc.com. All prospective bidders are requested to provide their contact details (company name and website, contact person, email and telephone number) to ensure they receive any updates to the RFP.

PPUC will also issue hard copies of the RFP on request at Palau Public Utilities Corporation (PPUC), Oldiais Building, Medalaii, Koror PO Box 1372, Republic of Palau 96940.

Contact Officer:

The contact officer for this RFP is:

Ms. Johanny Kurihara

Chief Procurement Officer

Oldiais Building, Medalaii, Koror

PO Box 1372

Republic of Palau 96940

Telephone No. (680)-488-3870/3872

E-mail Address: j.kurihara@ppuc.com

6. SUBMISSION OF PROPOSALS

Interested Contractors may submit their sealed Proposal hardcopy to PPUC- Main Office, 2nd Floor, Oldiais Building, Medalaii, Koror, Palau 96940, or by email to the nominated Contact Officer. For inquiries regarding submission of quotations, please contact Ms. Kurihara as noted above.

7. PAYMENT TERMS

- A. Payment terms shall be determined as follows:
 - a. After evaluation per proposal
 - b. After negotiations with the winning offeror.
 - c. All payments shall be made after receipt of original invoice from contractor for each work phase, certified by a duly authorized PPUC representative

8. EVALUATION AND SELECTION PROCESS

PPUC retains the right to award any or all portions of the work if it is in its best interest to do so. PPUC will select the firm that in its sole opinion best meets its requirements. Criteria:

Each proposal will be evaluated initially by a specially convened committee in line with the criterion set forth in this section. All proposals and their separate components will be subjected to the same evaluation criteria and process.

The criteria used to evaluate the RFP responses will include, but not be limited to the following:

1. **Compliance with Proposal Requirements (20%):** Proposals will be assessed for strict adherence to the instructions outlined in this Request for Proposal (RFP) and for their ability to meet the specified technical and operational requirements for the flatbed truck
2. **Quality of the Generator Specification (30%):** Proposals will be evaluated based on the quality of the detail generator specifications.
3. **Bidder's Delivery & Support Capabilities (30%):** Proposals will be reviewed for the bidder's ability to meet the requested delivery timelines for the generator, including manufacturing lead times and logistical arrangements. This category will also take into account the bidder's ability to provide ongoing support and service after the sale.
4. **Cost Proposal (20%):** Proposals must include a detailed breakdown of all costs associated with the supply of the generator, emphasizing competitive pricing, payment terms, and any additional costs that may arise post-delivery.

Note: Provide your TIN number if your company is registered for the Palau Goods and Services Tax (PGST).

9. GENERAL CONDITIONS

A. Contractors/Suppliers are required to submit their proposals in accordance with the conditions outlined in these instructions.

i. **Assignment of Contract:** The contract shall not be assigned to any party without prior written consent from PPUC. This RFP does not commit PPUC to award a contract, pay any costs incurred in the preparation of the proposal, or procure services.

ii. **RFP Modification:** PPUC reserves the right to impose additional requirements and conditions during the pre-bid conference or request for information (RFI). PPUC also reserves the right to accept or reject any or all proposals received, negotiate with qualified

Bidders, or cancel this RFP in whole or in part if it is deemed in the best interest of PPUC. Prospective Bidders may be required to participate in negotiations and submit any price or technical revisions resulting from this process.

iii. **Performance Bond:** PPUC requires all contractors with contracts exceeding \$50,000.00 to acquire performance bond from a reputable surety company to the PPUC Chief Executive Officer. This bond shall ensure the successful completion of the contract in accordance with its terms, scope of work and specification and shall be in an amount equal to or greater than 50% of the contract price. The bond shall be valid for the duration of the contract, including any extensions or modifications.

Iv: **Payment Security:** PPUC requires all contractors who intend to subcontract any portion of the work exceeding \$50,000 to acquire payment security through a surety acceptable to the PUPC Chief Executive Officer. This bond must guarantee payment to all subcontractors, labourers and other parties who perform work or provide materials under the subcontract agreement. The bond shall be valid for the duration of the contract, including any extensions or modifications.

iv. **Transfer of Property:** All proposals submitted will become the property of PPUC.

v. **Conformity:** The PPUC procurement regulations shall apply to all proposals, and the winning contractor shall be bound by them.

vi. **Bid Security:** PPUC requires that all construction project proposals exceeding \$50,000 must include a bid bond equivalent to 10% of the bid amount. This can be in the form of cash, a certified check, a cashier's check, or a proposal bond made payable to PPUC. This guarantee shall be forfeited if the awarded contractor fails to execute and deliver the contract and fulfil all obligations related to labour or materials.

vii. **Submission of the Proposal:**

1. Include a cover page with a table of contents.
2. Provide an executive summary outlining corporate history, the contractor's ability to meet RFP requirements, project cost, project duration, and salient details.
3. The proposals should be sealed and included in a package that contains:
 - a. The contractor's information (i.e., name, address, and contact) on the outside of the package.
 - b. The RFP# prominently displayed on the outside of the package. Submissions must be received NO LATER THAN 4:00 PM on the February 28, 2025 (4PM Palau Time).

[Note: The RFP # should be in large font.]

- c. Include two (2) copies (one original and one copy) and one (1) USB drive. Deliver to the address noted above, or for overseas suppliers/contractors send via USPS or email to j.kurihara@ppuc.com only.

viii. **Inquiries:** Any inquiries, requests for clarification, or requests for additional information regarding this RFP must be submitted in writing via email to the provided contacts.

ix. **PPUC Rights:** PPUC reserves the right to extend the closing date and to cancel or modify this notice and the RFP in any manner.

10. CONTRACT CLAUSES

A. All contracts shall, at a minimum, contain the following clauses:

- | | |
|---|--------------------------|
| 1. Governing Regulations | 13. Commencement of Work |
| 2. Penalties for Violation of Regulations | 14. Liquidated Damages |
| 3. Contract Disputes | 15. Schedule |
| 4. Gratuities | 16. Clear Title |
| 5. Kickbacks | 17. Taxes |
| 6. Representation of Contractor
Concerning Contingent Fees | 18. Force Majeure |
| 7. Changes | 19. Relationship |
| 8. Stop Work Order | 20. Entire Agreement |
| 9. Termination for Defaults or Convenience | 21. Assignment |
| 10. Approvals, Certificates, Permits and Licenses | 22. Subcontract |
| 11. Laws and Regulations | 23. Contracting Officer |
| 12. PPUC's right to inspect | |

11. CONTACT DETAILS

Josiah Immanuel PPUC PGD Manager Power Generation Division Email: j.immanuel@ppuc.com	Johanny Kurihara PPUC Chief Procurement Officer PPUC Procurement Division Tel: (680) 488-5320 Fax: (680) 488-4499 Email: j.kurihara@ppuc.com

Appendix 1: Bid Form

Letter of Quotation

Date: _____/_____/_____

RFP No.: PUCE25-003

Supply of Generator for Peleliu Power Systems

**To: The Chief Executive Officer
Palau Public Utilities Corporation**

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the RFP, including Addenda issued in accordance (if any);
- (b) The price of our Bid, excluding any discounts offered in item (d) below is the sum of:
[amount of local currency in words], [amount in figures]
- (c) Our bid shall be valid for a period of days from the date fixed for the bid submission deadline in accordance with the RFP, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (d) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed;
- (e) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive; and
- (f) We accept full responsibility for the health and safety of persons employed by us in completing the works under this Quotation.

Name

In the capacity of

Signed

Duly authorized to sign the Bid for and on behalf of

Appendix 2: Schedules of Rates and Prices

Price Schedules

General

1. The Request for Proposal will be a Lump Sum Quotation for completion of all specified works.
2. The Schedules generally describe the works to be performed. Bidders shall be deemed to have read the RFP and visited the sites to ascertain the full scope of the requirements prior to filling in the price. The entered price shall be deemed to cover the full scope as aforesaid, including overheads and profit.
3. If bidders are unclear or uncertain as to any item, they shall seek clarification in writing prior to submitting their bid.

Pricing

4. Prices shall be entered in indelible ink, and any alterations necessary due to errors, etc., shall be initialled by the Bidder.
5. Bid prices shall be quoted in United States Dollars, in the manner indicated in the Bid Form of the RFP. For each item, bidders shall complete each appropriate column in the respective Schedules, giving the price breakdown as indicated in the Schedules.
6. Payments will be made to the Contractor in United States Dollars.
7. When requested by the Employer for the purposes of making payments or partial payments, valuing variations or evaluating claims, or for such other purposes as the Employer may reasonably require, the Contractor shall provide the Employer with a breakdown of any composite or lump sum items included in the Schedules.

DETAIL COST:

No	Description	Quantity	Unit Price
	Freight/CIF		
	Total Cost with Freight		