



Tender #

Property, Machinery Breakdown & Business Interruption Insurance for the Year of 2022

**Central Electricity Generating Company
("CEGCO")**

The Hashemite Kingdom of Jordan

Period of Insurance

- Option (1) 12 months from 1st January 2022 to 31st December 2022**
- Option (2) 24 months from 1st January 2022 to 31st December 2023**
- Option (3) 48 months from 1st January 2022 to 31st December 2025**

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1. Invitation to Tender # 20-1153

Dear Sirs,
Central Electricity Generating Co. (CEGCO) requesting insurance proposals covering Property all risk based on new for old replacement insurance coverage including machinery breakdown & business interruption with **Three options of 1 Year & Two Years, and 4 years coverage.**

The proposals to be submitted subject to the terms, conditions and sums insured included herein, and in accordance with the tender terms and conditions.

You are kindly requested to submit the complete proposal documents to CEGCO not later than 13:00 PM, Amman time, on **21st Oct 2021** at CEGCO main offices in Amman – Khalda.

Your offer shall be submitted in sealed envelope to:

The Secretary of Tender Panel
Central Electricity Generating Co.
Tel.:+962 6 5340008 (Ext. No. 3980)
Fax: +962 6 5340800

2. FORM OF PROPOSAL

**CENTRAL ELECTRICITY GENERATING CO.
P.O BOX 2564 AMMAN 11953 JORDAN**

Dear Sirs,

1. Having examined the conditions of contract, specifications, and schedules for above contract, we, the undersigned, offer the said insurance services as described in the specifications and schedules and in accordance with the conditions of tender documents, for the sums of..... in accordance with the tender documents' conditions.
2. We agree that this proposal shall be held open for acceptance or rejection for the validity period of 90 days from the date fixed for opening proposals and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
3. Unless and until a formal agreement is prepared and executed, this proposal together with your written acceptance thereof shall constitute a binding contract between us.
4. If our proposal is accepted, we will deliver to Central Electricity Generating Company within 10 days from being called upon to do so a performance bond by a local bank (to be approved by CEGCO) to be jointly and severally bound with us in a sum equal to 10% of the order value. The form of the performance bond will be as attached hereto.

We propose the following bank as surety in this respect: -
.....
.....
.....
.....

5. We understand that you are not bound to accept any proposal you may receive.

Dated thisday of2021
..... Signaturein the capacity of
....., duly authorized to sign proposal for and on behalf of
.....

3. Tender Terms and Conditions

1. The participating bidder must pay a non-refundable participation fee equal to (JD 200) Jordanian Dinars Three Hundred plus 16% sales tax to confirm participation in the tender.
2. Participating bidder must submit bid bond equal to (7%) of total offer price to be valid for 90 days. The bond will be returned to the unsuccessful bidders while the bid bond of winning bidder will be returned after successful submission of performance bond.
3. If the winning bidder apologizes for the commitment to his offer and order issued from CEGCO side, CEGCO has the right to cash the bid bond without any financial, non-financial and legal compensations and obligations.
4. Winning bidder must submit a performance bond equal to (10%) of total ordered prices. The bond will be valid for one year starting from January 1st 2022 to December 31th 2022. The bond will be returned after successful completion of the services obligations as per tender and order terms and closure of all pending issues/claims (if any).
5. CEGCO has the right to cash the performance bond in case of any breach from contractor to any of his obligations as per tender and order terms without return back to CEGCO for any financial, non-financial and legal compensations and obligations.
6. The bidder acknowledgement should also confirm that the information contained herein shall be treated confidentially and shall not be disclosed to any other person/party, other than as specifically required for the purpose of this tender.
7. The bidder proposals in compliance with this tender must be delivered in writing to the above address not later than (13:00), Amman time, on **21st Oct 2021**.
8. Any queries relating to the tender documents or submitting a tender, together with any request for clarification or additional information, must not be raised by telephone or personal contact, but must be submitted by e-mail to the contact detailed above. Any response issued will be in the form of answers distributed to all Bidders (with the question).
9. Bidders shall comply with the terms and conditions set forth herein while preparing and submitting its bids. Failure to provide all of the required documents and information, or failure to comply fully with these instructions in any way may result in excluding the bids.
10. Unless otherwise specified, the effective date of the coverage will be 1st January 2022. Policy shall be proposed for one-year terms (**Option 1**) and **two Years for (Option 2)** and **4 years for (option 3)**.
11. The participating bidders shall be provided with all the necessary information that may deem important to help or facilitate with their underwriters including advise of the loss history for the risk address or any reasonable information that may require as a matter of legitimate requirement.
12. If it becomes necessary to revise any part of these tender documents, a written addendum will be provided to all participating bidders. CEGCO is not bound by any oral representations, clarifications, or changes made on the written specifications by CEGCO's employees, unless such clarification or change is

provided to bidders in written addendum from an authorized representative of CEGCO.

13. All agents/brokers and insurers involved must be authorized and/or licensed to operate in Jordan.
14. Bidders shall comply with the Jordanian laws and regulations in effect regarding insurance and reinsurance procedures.
15. Bidders should provide with their proposals a copy of their latest annual Financial Statements together with the following updated financial indicators (**as at 31st December 2020**).
 - 15.1 Solvency Margin according to formula of Jordan Insurance Commission.
 - 15.2 Ratio of Owners Equity to Paid Up Capital.
 - 15.3 Ratio of total Cash Deposits to total Assets.
 - 15.4 Ratio of total Cash Deposits (and cash equivalent) to total Technical Reserves.
 - 15.5 Figures provided should be as at 31st December 2020.
 - 15.6 The bidder shall consider a reasonable percentage of quota share retention in Jordan. The balance should be reinsured by reputable reinsurers worldwide (highly rated).
16. With their proposal, Bidders shall provide a duly signed and stamped reinsurance slips by minimum 35% from highly rated reinsurers. Leader share should be advised by bidders.
17. The successful Bidder will also be required to provide not later **1st of December 2021**, a full list of all their Re-insurers for 100%. Insurance and Re-insurers must be approved by CEGCO prior to the conclusion of placement.
18. **A draft policy wording is submitted herewith as an attachment. In addition, the policy should have a Waiver of Subrogation specifically towards the off taker (NEPCO).**
19. Bidders shall submit a specimen of the insurance policy and a list of the main endorsements/clauses related to the offered covers. Bidders are also to provide comments on the extent to which the specimen policy wordings will be achieved or improved upon. All deviations from these specifications must be clearly stated in bidder proposal. Any significant limitations of coverage, restrictive conditions, etc., should also be clearly described. **STANDARD WORDING SHALL BE REVIEWED BY CEGCO AND WILL BE SUBJECT TO APPROVAL OR REJECTION OR MODIFICATION AND (OR) ADDITION AND OMISSION BEFORE THE ISSUANCE OF OUR FORMAL APPROVAL FOR THE SUCCESSFUL BIDDER.**
20. These specifications are not intended to be restrictive with respect to any innovative techniques for providing coverage, if a distinct advantage can be demonstrated, then Bidders advantages shall be taken into careful considerations.
21. Every effort shall be made to compare bids on an equitable basis. Our evaluation to bidders shall consider the limits, terms, conditions and exclusions of the coverage provided by such bidders on the basis of the quality of provided services.

22. CEGCO require that all proposals remain valid for at least 90 days after the due date noted in "7" above.
23. Any termination/cancellation condition of the insurance and reinsurance coverage shall be subject to at least three-month notice prior to the termination date.
24. CEGCO has the right (endorsed on the policy) to extend the insurance period for three months after the original expiry date of insurance, subject to the original terms & conditions and on pro-rata basis.
25. The successful Bidder shall provide CEGCO with the actual insurance policy together with a confirmed list of the reinsurers, shares and S&P/AMB rating as proposed in the bid, and a full copy of the actual reinsurance cover notes and slips.
26. CEGCO shall neither be bound to accept the lowest price nor to accept any offer or to assign any reason for the rejection of any offer.
27. Bidders shall quote the basic insurance rates and/or premiums, before adding taxes, policy fees, or stamps. The Bidders shall take into account that by virtue of exemptions received, the total insurance premium of the property insured at AQABA THERMAL POWER STATION shall exclude all kinds of taxes.
28. The premium payment terms shall be as follows:
 - 28.1 For PD/BI: payable in two equal instalments;
 - 28.1.1 1st instalment (50%) including all applicable taxes and fees to be paid after 90 days from inception date.
 - 28.1.2 2nd instalment (50%) to be paid after 90 days from the 1st instalment.
29. One original and two copies of the offer must be enclosed in a secure envelope endorsed (insurance proposal) and should be submitted to the secretary of tender panel /CEGCO, by the time stated in the covering letter. CONSIDERING SUBMITTING TECHNICAL & COMMERCIAL PROPOSAL SHALL BE SUBMITTED INDEPENDENTLY (TECHNICAL PROPOSAL TO BE IN A SEPARATED SEALED ENVELOPE AND COMMERCIAL PROPOSAL TO BE IN A SEPARATE SEALED ENVELOPE).

THE SECRETARY OF TENDERING COMMITTEE,
CENTRAL ELECTRICITY GENERATING CO.
P.O. Box 2564 AMMAN 11953 JORDAN
FAX NO. +962 6 5340800
Web Site: - www.cegco.com.Jo

30. If, after receipt of offers, CEGCO finds any difference between prices shown on the form of proposal in writing and in numerals, then CEGCO and the bidder (s) shall consider the price shown in the writing as correct.
31. Proposals will be evaluated using the following criteria:
 - a) Qualifications of the bidder(s):
 - i) Local insurance and reinsurer ranking.
 - ii) Experience in providing the desired insurance and related services
 - iii) Personnel qualifications and experience of the bidder(s) staff – list of key personnel to be provided with their CVs

- iv) References
 - v) Solvency Margin
 - vi) Rating.
 - vii) Quality of after sale service.
 - b) Proposed scope of coverage and work
 - i) Proposed insurance coverage (required two options)
 - ii) Proposed claims handling procedures and support
 - iii) Proposed loss control support
 - c) Proposed Premium
 - i) Proposed insurance coverage premium for both options separately.
 - ii) Other charges (if any).
32. All bids are to be accompanied by a full "Profile of Bidder" as provided for in this document.
33. The person within an invited bidder's organisation to whom this bid has been addressed will be the only person within that organisation recognised in matters relating hereto. Correspondence received from any other person will not be responded to. Bids submitted over the signature of any person other than that to whom this bid has been addressed will not be considered.
34. This tender does not commit CEGCO to enter into a contract, award any services related to these tender documents, nor does it obligate CEGCO to pay any costs incurred in preparation or submission of a proposal or in anticipation of a contract.



4. BIDDER PROFILE

All of the following **must** be provided:-

1. The full name and mailing address of the bidder together with telephone & facsimile numbers and 'e' mail address.
2. Names, Addresses of Shareholders, and details of their individual holdings.
3. Nationality of the Company, Date of Establishment, Issued and Paid Up Capital and Certificate of Commercial Registration.
4. Names of current major clients.
5. Names of Board Members, Name of Chief Operating Officer, Name, age and professional qualifications of the Executive to be responsible for servicing CEGCO Account and Company Organisation Structure.



5. Scope of the Required Insurance Coverage Services

5.1 Property Damage, Machinery Breakdown and Business Interruption following both property damage and machinery breakdown Insurance Policy.

1. **TYPE OF POLICY:** Comprehensive all risks insurance policy subject to replacement new for old and subject to 80% average clause.
2. **ADDRESS INSURED:** Central Electricity Generating Company ("CEGCO")
3. **PERIOD:** from 1st January 2022
To : Option (1) to 31st December 2022
: Option (2) to 31st December 2023
: Option (3) to 31st December 2025

4. INTEREST:

Section 1 - All Risks of Physical Loss or Damage (Property and Machinery) : All real and personal property owned by CEGCO or the property of anyone else which is in the care, custody and control of the Insured for which the Insured may be held legally liable, including but not limited to machinery, plant, equipment, turbines, distillers, evaporators, generators and boilers, electronic data processing equipment, property in transit, seawater intake, spares, supplies, the shared facilities, pipelines, transmission and distribution lines to customer's sites other than overhead transmission and distribution lines for electricity unless within 1000 feet from the Insured Premises. The values at risk shall be treated as the proposed sum insureds of the described properties in these tender documents as per the attached list that shall form part of the insurance policy with particular reference to the **attached appendices 1 to 4 inclusive.**

Section 2 - Business Interruption: Loss of and/or reduction in revenues and Increased Costs of Working as a result of an interference or interruption to The Business due to Damage Insured under Section 1 and/or otherwise provided under Section 2. The details of values under this section as per the attached list – **appendix 5** -. Considering that the indemnity period for business interruption is 12 Months.

5. **TERRITORIAL LIMITS:** The Hashemite Kingdom of Jordan.
6. **JURISDICTION:** The Hashemite Kingdom of Jordan.
7. **CLAIMS HISTORY:** Please see attached "CEGCO Loss Record" – **Appendix 6.**
8. **THE BUSINESS:** Principally but not limited to the generation, transmission, distribution and sale/trade of electricity through the ownership, operation and maintenance of power plants in The Hashemite Kingdom of Jordan and all ancillary and associated activities of the Insured.
9. **TERMS & CONDITIONS:**
 - 9.1 **Extensions to Section 1 - All Risks of Physical Loss or Damage:**
 - 9.1.1 Capital Additions and Extensions – Automatic Acquisitions (Limit JD 5,000,000 or 10% per location, whichever is the higher)
 - 9.1.2 Civil or Military Authority (Limit of JD 1,000,000 each and every loss)

- 9.1.3 Expediting Expenses and Additional Hire Charges (Limit: 25% of each claim, maximum JD 5,000,000) E.E.L
- 9.1.4 Expenses to minimize a loss (Limit : JD 2,500,000)E.E.L
- 9.1.5 Fire Extinguishing Expenses (Limit : JD 700,000,000) E.E.L
- 9.1.6 Import Duties (Limit of JD 500,000 each and every loss)
- 9.1.7 Minor Works (excluding Advance Loss of Profits) (Limit JD 2,500,000 each and every contract).
- 9.1.8 Property outside the Insured's Premises (Limit JD 2,500,000 each and every loss).
- 9.1.9 Public Authorities Clause (including undamaged property) (Limit: JD 2,000,000 each and every loss)
- 9.1.10 Removal of Debris and Temporary Repairs' of Insured Property (Limit: JD 3,000,000 each and every Event).
- 9.1.11 Liability Towards others limited to JD 5,000,000.000

9.2 Extensions to Section 2 – Business Interruption

- 9.2.1 Additional Increase Cost of Working (Limit: JD 2,000,000 each and every loss)
- 9.2.2 Closure by Public Authorities (Limit: JD 1,000,000 each and every loss)
- 9.2.3 Infectious Disease, Murder or Closure (Limit: JD 1,000,000 each and every loss)
- 9.2.4 Prevention of Access (Limit: 2.5km / JD 1,000,000 e.e.l)
- 9.2.5 Professional Fees (Limit: JD 200,000 each and every loss)
- 9.2.6 Property away from the insured premises (Limit: JD 1,000,000 each and every loss)
- 9.2.7 Public Utilities Clause (FLEXA Perils only) (Limit: JD 1,000,000 each and every loss)
- 9.2.8 Suppliers & Customers (FLEXA perils only and Named Parties) (Limit: JD 2,000,000 each and every loss)

10. General Conditions

- 10.1 Approved Adjusters – [To be agreed mutually by both parties]
- 10.2 Claims Preparation Costs – sub limited to JD 500,000 e.e.l
- 10.3 Control of Claims
- 10.4 Payment(s) on Account/Payment of Claims
- 10.5 Claims Cooperation Clause
- 10.6 3 months cancellation clause
- 10.7 Cut Through Clause
- 10.8 Automatic Extension to Period of Insurance
- 10.9 Waiver of subrogation in favor of NEPCO and subcontractors.
- 10.10 No claim bonus to be applied and the value to be determined by bidder.

11. Declared Values:

- 11.1 Section 1 - All Risks of Physical Loss or Damage: **As per appendix 1 – 3**
- 11.2 Section 2 – Business Interruption: **As per Appendix 5.**
- 11.3 **GT 4 will be decommissioned in 31/12/2021, attached the breakdown values to take it in consideration in your proposal optionally in case of extension.**

12. Risk Survey

Bidders shall consider the attached risk survey in their proposal.

13. Deductibles: for each and every loss

Site	Property Damage	Machinery breakdown	Business interruption	Earthquake
ATPS	JD 250,000	JD 250,000	30 Days	2% of total sum insured
RPS	JD 150,000	JD 150,000	30 Days	2% of total sum insured
Zarqa Workshop and warehouse	JD 500	-	-	2% of total sum insured

Central Electricity Generating Company

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Appendix (1); Property Breakdown of values for Aqaba Thermal Power Station (ATPS)

Unit # 3 ATPS: Details of insured items including but not limited to the following:	
Description of insured items including but not limited to the following	Price
building with its related facilities	1,500,000.00
turbine with its related accessories	21,650,000.00
boiler with its related accessories	23,500,000.00
transformers and accessories	3,000,000.00
pumps with its related accessories	3,600,000.00
generator with its accessories	3,300,000.00
all accessories including but not limited to motors, fittings, fixtures, connections, cables, pipes...etc.	6,000,000.00
DCS (Control System) with all its accessories	1,620,000.00
Total unit 3	64,170,000.00
Unit # 4 ATPS: Details of insured items including but not limited to the following:	
Description	Price
building with its related facilities	1,500,000.00
turbine with its related accessories	21,650,000.00
boiler with its related accessories	23,500,000.00
transformers and accessories	3,000,000.00
pumps with its related accessories	3,600,000.00
generator with its accessories	3,300,000.00
all accessories including but not limited to motors, fittings, fixtures, connections, cables, pipes...etc.	6,000,000.00
DCS (Control System) with all its accessories	1,620,000.00
Total unit 4	64,170,000.00
Unit # 5 ATPS: Details of insured items including but not limited to the following:	
Description of insured items including but not limited to the following	Price
building with its related facilities	1,500,000.00
turbine with its related accessories	21,650,000.00
boiler with its related accessories	23,500,000.00
transformers and accessories	3,000,000.00
pumps with its related accessories	3,600,000.00
generator with its accessories	3,300,000.00
all accessories including but not limited to motors, fittings, fixtures, connections, cables, pipes...etc.	6,000,000.00
DCS (Control System) with all its accessories	1,620,000.00
Total unit 5	64,170,000.00
Common items for the above 3 units including but not limited to:	
Hydro turbine 3.6 and its all related equipment and accessories including but not limited to fixtures, fittings, cables, connections, pipes, electrical...etc.	2,500,000.00
Demineralization Plant	2,000,000.00
Desalination Plant with its related accessories	600,000.00
Storage Tank # 1 and all its accessories including but not limited to fittings, connections, pumps, etc.	2,000,000.00
Storage Tank # 2 and all its accessories including but not limited to fittings, connections, pumps, etc.	2,000,000.00
Fuel	14,523,786
Warehouse Storage Facilities	500,000.00
Spare Parts	6,500,000.00
Total Insured value for ATPS plant common items	30,623,786.24
Unit 1 complete system (decommissioned - thus only salvage value is considered)	445,000.00
Unit 2 complete system (decommissioned - thus only salvage value is considered)	445,000.00
Total Insured Value for ATPS Plant in Jordan Dinars	224,023,786

Appendix (2); Property Breakdown of values for Risha Power Station:

1. Unit 4 Frame 6b Gas Turbine (Optional)		
1	Description	Total Price in JD
1.1	Turbine Flange to Flange with all its related accessories and auxiliaries...etc.	5,000,000.00
1.2	Transformers with all its related accessories and auxiliaries...etc.	1,200,000.00
1.3	Compressors with all its related accessories and auxiliaries...etc.	1,000,000.00
1.4	Generator with all its related accessories and auxiliaries...etc.	1,000,000.00
1.5	Pumps with all its related accessories and auxiliaries...etc.	1,000,000.00
1.6	DCS & Speedtronic control system and equipment with all its related accessories and auxiliaries...etc.	700,000.00
1.7	air cooled Condenser cooling towers /fans /gearboxes/motors	500,000.00
1.8	All other mechanical elements including but not limited to accessories, auxiliaries fixtures, fittings, connections, pipes...etc.	800,000.00
1.9	All other electrical and electronic elements including but not limited to Motor control centers, cubicals, circuit breakers, switches, accessories, cables...etc.	800,000.00
2. Unit 5 Frame 6b Gas Turbine		
2.1	Turbine Flange to Flange with all its related accessories and auxiliaries...etc.	5,000,000.00
2.2	Transformers with all its related accessories and auxiliaries...etc.	1,200,000.00
2.3	Compressors with all its related accessories and auxiliaries...etc.	1,000,000.00
2.4	Generator with all its related accessories and auxiliaries...etc.	1,000,000.00
2.5	Pumps with all its related accessories and auxiliaries...etc.	1,000,000.00
2.6	DCS & Speedtronic control system and equipment with all its related accessories and auxiliaries...etc.	700,000.00
2.7	air cooled Condenser cooling towers /fans /gearboxes/motors	500,000.00
2.8	All other mechanical elements including but not limited to accessories, auxiliaries fixtures, fittings, connections, pipes...etc.	800,000.00
2.9	All other electrical and electronic elements including but not limited to Motor control centers, cubicals, circuit breakers, switches, accessories, cables...etc.	800,000.00
Common items including but not limited to the following:		
4.1	Balance of Plants elements including but not limited to storage tanks, wells, pipes, equipment	400,000.00
4.2	Firefighting system with all its related elements, accessories and auxiliaries	400,000.00
	Diesel Fuel Oil	1,152,680
	Spare Parts Inventory	1,000,000.00
	All building facilities containing the above items	350,000.00
Total Risha Insured Value in Jordan Dinars		27,302,680

Appendix (3); Property Breakdown of values for Rehab Gas Power Station

1	Diesel Fuel Oil	11,754,334
2	Spare Parts Inventory	4,000,000
Total Rehab Insured Value in Jordan Dinars		15,754,334

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Appendix (4) of value Zarqa Warehouse Building and Contents

Description of Risk to be Insured	Current New Replacement Cost JD
Zarqa Warehouse Building and Contents	500,000.000

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Appendix (4); Revenue Breakdown of all locations:

ITEM	Annual Revenue in JD
<u>ATPS:</u> Unit 3 : JD 10,687,849 Unit 4 : JD 10,608,418 Unit 5 : JD 10,687,849	31,984,115
<u>RISHA:</u> GT 5 : JD 2,002,919	2,002,919
TOTALS	33,987,034

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Appendix (5); Loss History for all plants and sites subject of insurance

1. Loss History:

- 1.1 Clean Loss Record for the past 6 years. The load is moderate to low, and expected to be low for the coming years.
- 1.2 due to the new projects being constructed and the few existing ones that generates electric power from solar energy and wind power the plants are on a standby basis with moderate to low operation.