Willis Towers Watson

Instructions to The Tenderers for insurances related to Project 132kV Stasevang-Teglstrupgård

in respect of a negotiated procedure
pursuant to Directive 2014/25/EU (the Utilities Directive)

1. DESCRIPTION OF THE CONTRACTING AUTHORITY

Energinet
Tonne Kjærsvej 65, Erritsø
7000 Fredericia
Denmark
CVR (VAT): 28 98 06 71

Energinet Eltransmission A/S CVR (VAT): 39 31 48 78	Energinet Elsystemansvar A/S CVR (VAT): 39 31 49 59	Energinet Forretningsservice A/S CVR (VAT): 39 31 47 97
Energinet Gas TSO A/S CVR (VAT): 39 31 50 84	Energinet Teknik og Anlæg A/S CVR (VAT): 37 93 03 93	DataHub CVR (VAT): 39 31 50 41

Gas Storage Danmark
CVR (VAT): 29 85 12 47

Energinet is an independent public enterprise owned by the Danish State for the purpose of ensuring public control of critical infrastructure for electricity and gas. Energinet was established by the Danish Parliament, Folketinget, by an act of law in 2005, and its ownership falls under the renewable energy, ensure equal access to the grids and ensure security of supply in Denmark. Energinet has its own Supervisory Board.

The Danish government has a vision of Denmark being independent of fossil fuels in the long term and has a goal that wind power will cover 50 % of the domestic electricity consumption in 2020. In 2018 wind power constituted app. 41 % of the combined usage of power.

Energinet's social mission is to convert the energy system with the aim of ensuring that citizens and businesses use renewable energy for everything, with a high level of security of supply and at an affordable price.
In the coming years, Energinet will be supporting energy transmission which can realise and utilise the enormous offshore wind power resources as well as onshore solar energy and wind power which are now becoming more widely available on market terms. So that Denmark can use renewable energy for everything.
Further and relevant information is in the documentation attached to this tendering process, please see appendices. Other information on Energinet´s strategy, structure, investments and operations are publicly available in Danish and English on the website:

https://energinet.dk/

The procurement process is handled by Energinet's insurance broker Willis Towers Watson.

2. DESCRIPTION OF THE PROCUREMENT AND TENDER PROCESS

2.1 Scope of the procurement

2.1.1 Generally about the procurement

The procurement is conducted as a negotiated procedure with prior call for competition.

The tender process thus consists of two parts/phases, including request for prequalification, cf. section 2.2. and submission of tender, cf. 3.

Two new 132kV cable traces will be established from Stasevang (Hørsholm municipality) to Teglstrupgård (Helsingør municipality).

The main reasons for this investment are:

- The need for reinvestment in existing connections
- Increased capacity between Sweden and Denmark
- The benefit of creating independency in respect of the future reinvestments of 400kV systems
- Beautification of 400kV overhead lines towards Sweden

Stasevang - Teglstrupgård primarily has two purposes:

1. Supply of Helsingør and surroundings via conversion to 50kV in substation Teglstrupgård
2. Stasevang – Teglstrupgård comprise together with the two 400kV-connections, the connection to Sweden and the synchronous Nordic area.

The connections are Zealand´s vital electric connection and crucial for the supply security:

- 132kV connections are vital in situations in the absence / failure of one or two of the 400kV connections towards Sweden
- Stasevang-Teglstrupgård represents today the electricity bottleneck on the 132kV connections to Sweden.

The procurement covers Construction/Erection All Risks insurance including Marine Cargo, extended maintenance and Third-Party Liability (TPL) Insurance and involves the following lots:

- Lot 1
- Onshore Construction/Erection All Risks insurance including Marine Cargo and extended maintenance, Terrorism-/, Third-Party Liability-/ and CPL insurance.
- Lot details: Construction/Erection. Estimated Contract value DKK 183,000,000. Extended Maintenance period 60 months. Marine Cargo DKK 50,000,000 +10%. Terrorism DKK

100,000,000. TPL Insurance DKK 100,000,000 and CPL insurance DKK 5,000,000. Further sums/limits according to the document Risk and Insurance Information.

Unless otherwise specified in the detailed documents for each individual lot, all lots are subject to individual terms (i.e. insurance wordings, sums insured and deductibles). Risk information describing the awarding authority and its risk exposure are presented in concerted documents, i.e. “Risk and Insurance Information”.

All lots are considered individual tenders and all lots may be individually cancelled either partially or fully in accordance with the procurement rules, cf. section 10 below.

2.1.2 Contract Period

a. Fixed Period:
Inception (commencement of insurance): 01.08.2021 to Expiry (expiration of insurance): 23.12.2022 both days included and followed by a Defects Liability period, being 60 months extended Maintenance cover

b. Prolongation (discretionary to the awarding entity):

The following provisions regarding extension applies:

- One or more extensions of the Primary Insurance Period up to 6 (six) months in total is automatically granted at the request of the Insured and at no additional premium (included).
- One of more extensions exceeding the six months and up to a total of 12 months (i.e. 6+6 months) is automatically granted at the request of the Insured and paid proportionally by the Insured according to a uniform monthly rate pre agreed with the Insurer .
- Extensions beyond (i) and (ii) above may be granted by Insurers subject to a risk review, and paid by the Insured according to rates to be negotiated.

2.1.3 Insurance Programme Structure – The issue of Policies

The tender that is awarded the contract as lead-insurer, cf. below, will be required to issue the Insurance Policy for the lot(s) awarded.

The role as lead-insurer (if applicable per lot) implies the following:

A lead insurer will assume a minimum set of responsibilities including to issue Insurance Policy, to issue premium invoice incl. calculations of taxes (IPT), to distribute premium to co-insurers, to perform necessary administrative tasks during the lifecycle of the insurance and to lead claims processes incl. loss adjustment and settlement of indemnification with the insured. The role as lead insurer is balanced between the burden of

aforementioned tasks and the advantage of heading the claims process and potentially earning fronting-fees from the panel etc.

The role as lead insurer will be granted to the tenderer as described in Appendix A.

The Policy must follow the format described in the documents “Exhibit” and “Insurance Schedule” which forms part of the document “Risk and Insurance Information”:

- Lot 1: Onshore Construction/Erection All Risks insurance including Marine Cargo and extended maintenance. Terrorism and Third-Party Liability (TPL) Insurance and Contractors Pollution Liability

“EEO” means “Each and Every Occurrence. “Insurance Policy” means an appropriate legally binding document (ex. a slip) affirming the agreed insurance contract according to terms. “DKK xxx,000,000” means “xxx million Danish Kroner”. “xs” means “in excess of”. “BAFO” means “Best And Final Offer”.

2.1.4 Policy Deductibles and Applicable Wordings

- Lot 1: Onshore Construction/Erection All Risks insurance including Marine Cargo and extended maintenance. Terrorism Insurance and Third-Party Liability (TPL) Insurance. Contractors Pollution Liability insurance.
    - Deductible Section I: CAR/EAR incl. Marine Cargo, CPL and Terrorism DKK 1,000,000
    - Refer to the Risk and Insurance Information document for details
    - Deductible: Section II: TPL Insurance secondary to Contractors own TPL insurance of no less than DKK 20,000,000, though DKK 500,000 for DIC-coverage. For liability by the principal insured DKK 500,000 and DKK 50,000 for bodily injury or illness of any third parties.
    - Refer to the Risk and Insurance Information document for details
    - Wording: Munich Re Comprehensive Project Insurance (CPI) E 34 7.2-E (1.10.2004) plus amendments in the Schedule which form part of the Risk and Insurance Information document. For CPL insurance please see the attached CPL wording.

2.2 Prequalification

Prequalification is to be applied for by submission of the ESPD, and a letter of commitment if the candidate relies on the technical or financial capacity of other entities, see Appendix D. Only the candidates relying on other legal entities to fulfill technical or financial capacity must complete Appendix D.

The deadline for submission of application is **(see Letter of Invitation)**, see section IV.2.2) of the Contract Notice. The application must be in the language(s) stated in section IV.2.4) of the Contract Notice.

The application must be submitted electronically via Mercell used by the contracting authority, which can be accessed via the link: **NOT APPLICABLE** also set out in section I.3) of the Contract Notice.
In the prequalification application, the candidate must indicate the lots, that the candidate is applying for.

The Tenderer must have a rating of no less than Standard & Poor's **A-** or an equivalent rating from a comparable ratings agency.

If this is not indicated, the application will be deemed to apply to all lots. The applications for the different lots, will be evaluated independently of each other. Accordingly, a candidate may be prequalified for one lot without necessarily being prequalified for another lot as well. Each candidate may submit only one prequalification application per lot.

All communication in connection with the tender procedure, including questions and answers, must take place through the electronic tendering system. The contracting authority would prefer that questions regarding prequalification are submitted within **(see Letter of Invitation)**.

The candidate must submit as its application an ESPD as preliminary documentation of the circumstances set out in section 148(1), paras (1)-(3) of the Danish Public Procurement Act, cf. section 11 of Ministerial Order on procurement by entities operating in the water, energy, transport and postal services sectors.

The ESPD is available via the electronic tendering system. For groups of operators (e.g. a consortium), a separate ESPD must be submitted for each participating economic operator. If the candidate relies on the capacity of other entities, an ESPD must be submitted for each of the entities on which the candidate relies, and Appendix D must be completed.

The ESPD also serves as provisional documentation that the candidate fulfils the minimum suitability requirements in respect of economic and financial capacity and technical and professional ability, see the Contract Notice section III.1.2 and III.1.3, and the candidate's compliance with the selection criterion, see the Contract Notice section II.2.9).

The ESPD also services as a provisional documentation that the candidate has permission to write insurance risks in the relevant classes and as specified in this tender by the Danish FSA.

In this procedure, the candidate may rely on the technical and/or financial capacity of other operators to fulfil the suitability requirements stated in the Contract Notice section III.1.2) and III.1.3), including for the purpose of selection, see the Contract Notice section II.2.9). The operator(s) making its/their technical and/or financial

capacity available to the candidate must sign a letter of commitment. The form is enclosed as an attachment to the tender specifications, please see Appendix D.

If the candidate relies on the economic and financial capacity of other entities in relation to fulfilment of the minimum requirements, see the Contract Notice section III.1.2, the contracting authority will require the candidate and the entities in question to undertake joint and several liability for the performance of the contract.

The candidate is requested with its application to submit a letter of commitment if the candidate relies on the technical or financial capacity of other entities, see Appendix D. The letter of commitment is to be filled in and signed by the operator(s) who make/makes the technical and/or financial capacity available to the candidate.

If the contract is awarded to a group of economic operators (e.g. a consortium), each participant of the group must assume joint and several liability and appoint a joint representative.

The candidate will be excluded from participation in the tendering procedure if the candidate is subject to the compulsory grounds for exclusion set out in sections 135 and 136 of the Danish Public Procurement Act on procurement by entities operating in the water, energy, transport and postal services sectors, unless the candidate has submitted sufficient documentation for its reliability in accordance with section 138 of the Danish Public Procurement Act, cf. section 10(1), para. (2) of the Danish Implementing Order *(implementeringsbekendtgørelsen)*.

Before the award decision is made, the tenderers to whom the contracting authority intends to award the contract must provide documentation of the information submitted in the ESPD pursuant to sections 151 and 152(3), cf. section 11 of the Ministerial Order on procurement by entities operating in the water, energy, transport and postal services sectors.

The awarding authority may at any time in the tendering procedure require the tenderers to submit documentation if this is necessary for the proper conduct of the procedure.

The invitation to submit tender states the lots for which the tenderer is prequalified to submit tender. A tender must match the legal entity described in the ESPD.

The contracting authority may ask the candidate to supplement, specify or complete the application pursuant to Article 76, para. (4) of the Utilities Directive if the application does not meet the formal requirements of the tender documents.

3. SUBMISSION OF TENDER

The tenderer's initial tender must be submitted not later than 26.03.2021 @ 12.00 pm. (Danish Time). Initial tenders received after this time will be rejected.

The deadline for submission of final tender (BAFO) will be stated in the contracting authority's invitation to submit final tender. Final tenders received after the deadline specified will be rejected. The deadline for submission of final tender is 12.04.2021 @ 12.00 (Danish time).

The tenderer is only permitted to submit **one** initial tender per lot, and the tenderer is not permitted to submit variant tenders. This means that the tenderer can submit a bid covering a certain capacity to a certain price (capacity xx to price aa). In the negotiation phase, however, the contracting authority may ask the tenderer to submit new or revised initial tenders on the basis of the negotiations, see Appendix B.

The tenderer is permitted to submit **one or two** final tender(s) per lot. This means that the tenderer can submit a bid covering a capacity of yy % to price bb (Tender 1) *and* a supplementary bid covering a capacity of zz to price cc (Tender 2).

Whether one or two final tenders will be allowed will be informed by the contracting authority's invitation to submit final tender. See section 8 and Appendix A for further information about final tenders and evaluation of these.

All lots are individual lots, and the tenderer must submit an independent tender for each of the lots (or the lot) for which he wants to be considered.

All tenders must be in English.

All rates, prices and amounts quoted shall be in DKK clearly stated.

The tenderer must keep open its tenders for acceptance until 01.11.2021. This also applies for the final tender Tenders must be submitted via the Mercell electronic tendering system. Tenders may not be submitted in any other way, including by e-mail.

The electronic tendering system is accessed via the link:

NOT APPLICABLE – Tender is published via www.udbud.dk

In the electronic tendering system, please file a tender for each applicable lot.

Submission of tender takes place by uploading the required documents for the lot which tender is submitted. When the tender is uploaded, the tenderer may until the expiry of the tender deadline change the content of the tender or withdraw the tender.

The contracting authority does not have access to the content of the tender until the expiry of the deadline.

If the tender contains several versions of the same document, the latest uploaded version will apply. The time indicated in the electronic tendering system will determine which version is the latest.

The contracting authority may award the contract on the basis of the initial tender and, hence, the tenderers cannot expect negotiation meetings to be conducted, see paragraph 6. The tenderers must therefore ensure that the initial tenders are complete and that prices are set on the basis of the tender documents that form the basis of the tender submission. Matters listed in the tenderer's comments to the tender documents (Appendix C tender reply slip) are not considered to be part of the initial tender (but a proposal for negotiations) and the list is therefore not considered a reservation either.

4. THE TENDER DOCUMENTS

The tender documents form the basis of tenderer's submission of both initial and final tender and for conducting negotiations. The tender documents are available in the electronic tendering system.

The tender documents consist of the following documents (refer to section 12 for full details):

- Broker of Record Letter
- Letter of Invitation
- Risk and Insurance Information incl. Exhibit and Schedule
- Instructions to The Tenderers (ITT) Main document
- Appendices to the tender documents:
    - Appendix A: The evaluation of tenders (award criteria and evaluation method)
    - Appendix B: Negotiation plan
    - Appendix C: Template for tender submission letter to be used by the tenderer upon submission of its tender, including Form of Tender and Tender Reply Slip
    - Appendix D: Letter of Commitment (optional document only applicable to tenderers relying on multiple entities to fulfil requirements)
- CPL wording
- Health and safety plan
- Plan for sikkerhed og sundhed
- Oversigtskort Kabeludbud
- Ortofotokort kabeludbud kort 1-4 (Trace, cables overview)

Changes to the tender documents will be communicated to all tenderers participating in the tender through the electronic tendering system, www.udbud.dk.

5. COMMUNICATION AND QUESTIONS

All communication in connection with the tender procedure, including questions regarding the tender documents, must be in English and must be submitted via the electronic tendering system.

The tenderer is requested to clearly indicate in the question the lot(s) to which the question relates.

The written questions of the tenderers, and the contracting authority's answers, will be regularly communicated in anonymized form via the electronic tendering system to all tenderers participating in the procedure.

Questions in connection with submission of initial tender must be posed not later than 03.03.2021 @ 12.00 pm. See Appendix B for further information.

6. NEGOTIATION PHASE

The negotiation phase runs from receipt of the contracting authority's invitation to participate in the process until invitation to submit final tender pursuant to paragraph 8, but see paragraph 7.

The negotiations are conducted in accordance with Appendix B.

The negotiations are conducted in English or Danish.

7. INITIAL TENDERS

An initial tender consists of the following documents

(a) Tender submission letter (Appendix C)

(b) Document with the tenderer's comments, if any, to the tender documents (refer to Appendix C's Tender Reply Slip)

The tenderer should enclose in its initial tender, a tender submission letter (a draft is found in Appendix C) which should include the following information:

- Name of the operator (or group of operators submitting the tender).
- Contact details (e-mail address and telephone number) for the contracting authority's use in connection with the procedure.
- A completed version of the "Form of Tender"

- A completed version of the “Tender Reply Slip” with the required information

Document with the tenderer's comments to the tender documents (Appendix C tender reply slip).

If the tenderers should identify aspects of the tender documents that appear inappropriate, including matters that are assessed to constitute substantial risk or cost factors or are commercially inappropriate, the tenderers are requested to use the tender reply slip in Appendix C and submit the completed tender reply slip together with the initial tender(s).

Capacity Considerations

Due to the sums insured and the complexity of the risk, a tender offering both full (i.e. 100 %) and partial capacity (from 5 % to 99 %) are eligible for each of the individual lots. Thus, a tender can cover either full capacity (100 %) or partial capacity (from 5 % to 99 %).

A tender that covers below 5 % or a tender not specifically quantifying offered capacity (e.g. by stating “Capacity to be advised” etc.) will be included in the negotiation phase. However, if the BAFO offer does not cover at least 5 % the offer will be rejected as non-compliant.

Further the tenderer may include a minimum required level of capacity (meaning that the tender is only valid for acceptance in the range between the minimum and the maximum capacity level). A minimum required level of capacity must to be stated in Appendix C’s “Tender Reply Slip” as part of the tender.

> Example1: A tender contains an offer priced at 100 (for 100 %), a maximum offered capacity of 30 % and a minimum required capacity of 10 %. The tenderer will be bound to accept an order between 10 % and 30% at the price 100 (for 100 %). However, an order below 10 % will not bind the tenderer.
>
> Example2: A tender contains an offer priced at 120 (for 100 %), a maximum offered capacity of 40 % and no minimum required capacity. The tenderer will be bound to accept an order between 1 % (which equals no minimum) and 40 % at the price 120 (for 100 %).

All tenderers must accept that the awarding entity reserves the right to scale the offered level of support within the offered range (minimum to maximum) and in respect of the awarding criteria until 100% of support for the lot is reached. Any and final scaling of the offered capacity will be conducted according to the method described further in Appendix A.

7.1 Cut-off price

It is a minimum requirement that the BAFO offer does not exceed the stated cut-off price per lot. The cut-off price is the maximum price allowed by the contracting authority for the full 100 % of the lot.

- Lot 1: Onshore Construction/Erection All Risks insurance including Marine Cargo and extended maintenance, Third-party liability, Terrorism and CPL insurance.
- No cut-off price applies to this lot.

Failure to comply with the cut-off price, if applicable, will cause the tender to be rejected as non-compliant.

8. FINAL TENDERS

At the end of the negotiation phase, the tenderers are invited to submit their final tenders, see paragraph 6.

The tenderer's final tender must include the same documents as those to be included in the initial tender, see paragraph 7 above. However, the tenderer's final tender is not to include the tenderer's possible comments to the tender documents (Appendix C tender reply slip).

In the invitation to submit final tender, the contracting authority will inform whether **one or two** tenders per lot will be allowed. The contracting authority will allow for a second tender per lot if, on the basis of the initial tenders, it is presumed that a full capacity (100 %) is not likely to be achieved on the basis of one tender.

If the two tenders are allowed, the two tenders will be considered as independent tenders and evaluated as such in the evaluation. The second tender is not considered as a variant tender. See section 9 and Appendix A for further information regarding the evaluation.

In the final tender the tenderer must complete the “Tender Reply Slip” in Appendix C with the required information. If the tenderer submits two final tenders for one lot, the tenderers are recommended to highlight the “Tender Reply Slip” with e.g. “Tender 1” and “Tender 2”. If no such information is stated in the “Tender Reply Slip”, the tender with the lowest price will be considered as tender 1 in the evaluation.

The tenderer is not obliged to hand in a second tender.
During the negotiation proceedings, including in connection with the invitation to submit final tender, the contracting authority may change or add to the information/documents that constitute(s) or is/are to be enclosed with the final tenders. If so, this will be communicated via the electronic tendering system to all tenderers participating in the procedure.

It is the sole responsibility of the tenderer to ensure that the filed tender is complete and compliant.

9. EVALUATION OF TENDERS

The tenders will be evaluated as stated in Appendix A. Each lot will be awarded to one or more supplier so that the capacity of 100 % is covered. The award procedure is developed to secure a maximum capacity at the lowest price.

If a capacity of 100 % cannot be reached, the procedure described in Appendix A will take place, and the contracting authority reserves the right to partially cancel a lot, see section 10.

If a partial cancellation is made the contracting authority will seek the remaining capacity pursuant to article 50 (a) in Directive 2014/25/EU (the Utilities Directive) – refer to Appendix A section 2.1.2 for details.

A tenderer filing tender for one or more lots may be awarded nil, one or more contracts as each lot is a solitary contract and tenders will thus be evaluated independently.

10. FINALISATION OF THE TENDERING PROCEDURE

Before the award of the contract, the tenderers to whom the contracting authority intends to award the lot must submit documentation of the information stated in the ESPD. See sections III.1) and VI.3) of the Contract Notice.

When the contracting authority has selected the tender with the lowest price, see Appendix A, and has obtained the above documentation, the contracting authority will decide on the award of the lots.

The contracting authority is not obliged to award the individual lots and reserves the right to cancel the tendering procedure, including for one or more lots. The contracting authority also reserves the right to cancel a lot partially, meaning the difference between the actual offered capacity and the full capacity (100 %). If e.g. an offered total capacity among all valid tenderers comes to 80 %, the remaining capacity of 20 % not covered by the tenders may be cancelled. In this example the 80 % capacity may still be awarded as part of the tendering procedure.

Even though the contract has been awarded to another tenderer, the tenderer is bound by its tender until the contracting authority has signed the contract, but no longer than the date specified for the tenderer to keep open its tender.

The notification of the tenderers of the award decision does not mean that the contract has been concluded. The contract is only considered to have been concluded when the contract is signed.

The contracting authority does not consider the tendering procedure completed (per lot) until the contract (for the relevant lot) has been signed.

Costs incurred by the tenderer in connection with the preparation and submission of a tender for one or more lots are the tenderers to bear and will not be reimbursed.

11. TIME SCHEDULE

The tender procedure is expected to be conducted in accordance with the following preliminary time schedule

The following deadlines shall apply:

Feb. 17th, 2021	Publication in www.Udbud.dk Prequalification will not apply
Mar. 3rd, 2021 @12:00 pm CET	Deadline for Carriers Questions to Tender Submission Material
Mar. 17th, 2021	Deadline for Awarding Authorities Reply to Questions
Mar. 26th, 2021 @12:00 pm CET	**Tender submission deadline – first tender**
Mar 29th – Apr. 06th, 2021	Negotiation round
Apr. 12th, 2021 @12:00 pm CET	**Tender submission deadline – BAFO**
Apr. 19th, 2021	(Expected) Announcement of Final Placement Stand-Still Period will not apply
Aug 1st, 2021	Inception of Insurance Contract

12. LIST OF DOCUMENTS

Further to para. 4 above this Tender consist of the following documentation:

- Broker of Record Letter
- Letter of Invitation
- Risk and Insurance Information incl. Exhibit and Schedule
- Instructions to The Tenderers (ITT) Main document
- Appendices to the tender documents:
    - Appendix A: The evaluation of tenders (award criteria and evaluation method)
    - Appendix B: Negotiation plan
    - Appendix C: Template for tender submission letter to be used by the tenderer upon submission of its tender, including Form of Tender and Tender Reply Slip
    - Appendix D: Letter of Commitment (optional document only applicable to tenderers relying on multiple entities to fulfil requirements)
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