

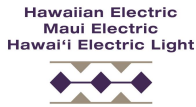
**Hawaiian Electric  
Maui Electric  
Hawai'i Electric Light**



**INTER-ISLAND FUEL SUPPLY CONTRACT  
REQUEST FOR PROPOSALS**

**RFP NO. 01118-02**

**FEBRUARY 5, 2018**



## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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### REQUEST FOR PROPOSALS

Hawaiian Electric Company, Inc. (“Hawaiian Electric”), Hawai‘i Electric Light Company, Inc. (“Hawai‘i Electric Light”), and Maui Electric Company, Ltd. (“Maui Electric”) (collectively referred to as the “Companies”) hereby request proposals for the supply and delivery of an annual aggregate total of up to: 1.05 million barrels per year of Industrial Fuel Oil (“IFO”); 2.15 million barrels per year of No. 2 Diesel (“Diesel”); 150,000 barrels per year of Low Sulfur Diesel (“LSD”); 245,000 barrels per year of Ultra-Low Sulfur Diesel (“ULSD”) and/or Biodiesel (B99) and/or Biodiesel Fuel Blend (B20 or as otherwise proposed) for an initial term of up to three (3) years. Delivery shall commence on January 1, 2020 and continue through December 31, 2022. These fuel supplies are to be used for power generation at any individual or a combination of generation sites operated by the Companies on the islands of O‘ahu, Hawai‘i, Maui, and Moloka‘i. Suppliers may bid on the basis of delivering multiple types or grades of fuel. However, due to fuel infrastructure limitations, the degree to which a plant may accommodate multiple fuel types may be limited. Responsive proposals must be submitted to the Companies by **March 30, 2018**.

The Companies, at their discretion, may choose to award a contract to more than one supplier resulting in multiple contract awards to meet the IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Fuel Blend fuel supply requirements for the various islands. Once awarded and executed, the Companies will submit the contract(s) for approval to the Hawai‘i State Public Utilities Commission (“Commission”). As provided in the contract, a contract will become effective upon receipt of the Commission’s Approval Order subject to certain conditions (“Contract Effective Date”).

### PROPRIETARY RIGHTS AND CONFIDENTIALITY OF RFP

This RFP has been prepared exclusively by and for the Companies and is proprietary in nature. All recipients of this document shall consider and treat the information contained within it as proprietary in nature. The Companies reserve all copyrights for this document and its constituent parts and prohibits any unauthorized use or reproduction hereof. All or portions of this RFP and/or Attachments hereto may be designated or marked confidential (“Confidential Information”). Confidential Information shall not be disclosed to third parties without the Companies prior written consent, except that prospective Bidders may disclose Confidential Information to their consultants, affiliates, attorneys or potential subcontractors who need the Confidential Information for purposes of preparing a responsive proposal, and provided that such recipient is advised of the confidentiality of the Confidential Information and is bound by agreement or otherwise to preserve the confidentiality of the same.



## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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### RFP DOCUMENTS

This Request for Proposal (“RFP”) includes and incorporates the following attached documents (located at <http://www.hawaiianelectric.com/fuels>):

Attachment A:	Fuel Types, Volume and Location
Attachment B:	IFO Fuel Specification
Attachment C:	Diesel Fuel Specification
Attachment D:	LSD Fuel Specification
Attachment E:	ULSD Fuel Specification
Attachment F:	Biodiesel Fuel Specification
Attachment G:	Pricing and Use of Hedgeable Index
Attachment H:	Sample Contract – Petroleum Fuels
Attachment I :	Sample Contract – Biodiesel and Biodiesel Blend
Attachment J:	Questionnaire (Bidder may request a waiver if Bidder is currently an approved Supplier of the Companies)
Attachment K:	Environmental Policy (only applicable to biodiesel proposals)
Attachment L :	Roundtable on Sustainable Biofuels (RSB) Principles and Criteria (only applicable to biodiesel proposals)

### OVERVIEW

The Companies are regulated public utilities engaged in the production, transmission, distribution and sale of electricity on the islands of O‘ahu, Hawai‘i, Maui, and Moloka‘i in the State of Hawai‘i. The purpose of this RFP is to enable the Companies to evaluate potential IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend suppliers and ultimately select and contract with one or more suppliers (“Selected Supplier(s)”) to provide IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend at various facilities on the islands listed above. The Companies’ selection of the Selected Supplier(s) will be based on a number of factors, including, without limitation, price, value, timeliness of supply, technical considerations, terms and conditions of supply, supplier experience and demonstrated ability to perform, delivery means and methods, and product quality.

The Selected Supplier(s) will be responsible for delivering the finished product of IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend to the Companies’ receiving barge, receiving pipeline or receiving truck and receiving facilities, respectively, at any of the locations listed in Attachment A, Locations, Volumes, and Fuel Types. Bidders may partner with a local on-island supplier and/or distributor and/or transporter to propose the delivery of IFO, Diesel,



## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend directly to a designated Company receiving facility.

Alternatively, bidders proposing to deliver ULSD may supply the fuel as follows: (1) ULSD for Moloka'i may be supplied either in bulk ex-pipeline to Companies' nominated barge at Kalaeloa Barbers Point Harbor, O'ahu, ex-supplier pipeline interconnection with the Island Energy Services terminal piping at Honolulu Harbor or ex-supplier's nominated barge at Kaunakakai; or (2) ULSD for O'ahu, Maui and the island of Hawaii may be delivered FOB to a third-party on-island petroleum terminalling facility truck loading rack.

### **SPECIFICATIONS AND REQUIREMENTS**

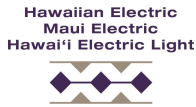
*Timing:* The Companies desire IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend Fuel to be available for nomination as early as October 2019 and for delivery as early as January 1, 2020, contingent upon receipt of Commission approval of the awarded contract as provided therein unless the Companies, in their sole and absolute discretion, select some other date. Biodiesel and/or Biodiesel Blend contracts are also contingent upon receipt of all required environmental permits and governmental approvals. Bidders shall provide the Companies with a proposed monthly delivery schedule and shall specify the amount of time Bidders would need to begin delivery of IFO, Diesel, LSD, ULSD and/or Biodiesel and/or Biodiesel Blend once the Companies give Selected Supplier(s) the order to proceed.

*Specifications:* The specifications for IFO, Diesel, LSD, ULSD, and Biodiesel are set forth in Attachments B through F, respectively. Bidders may propose an alternative specification of IFO, Diesel, LSD, ULSD and/or Biodiesel and/or Biodiesel Blend. In addition to conforming its bid to the specifications set forth in Attachments B through F, if a bidder chooses to propose an alternative specification, it must clearly identify its alternative specifications as such.

Bidders seeking to propose Biodiesel Fuel Blends, such as B20, must submit the specifications for the proposed blend with the bid. Biodiesel Fuel Blends must comply with current Environmental Protection Agency ("EPA") rules for Reciprocating Internal Combustion Engines National Emissions Standard for Hazardous Air Pollutants ("RICE NESHAP"), including the requirement that the sulfur content be less than 15 ppm.

*Quantity:*

- IFO: Up to a maximum total annual aggregate volume of 1.05 million barrels per year.
- Diesel: Up to a maximum total annual aggregate volume of 2.15 million barrels per year.
- LSD: Up to a maximum total annual aggregate volume of 150,000 barrels per year.
- ULSD and/or Biodiesel and/or Biodiesel Blend: Up to a maximum total annual aggregate volume of 245,000 barrels per year.



## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

Table 1: Total estimated annual volume by island and fuel type (in barrels)

Company	Hawaiian Electric	Hawai'i Electric Light	Maui Electric	Maui Electric
Island:	O'ahu	Hawai'i	Maui	Moloka'i
IFO	0	650,000	400,000	0
Diesel	150,000	750,000	1,250,000	0
LSD	150,000	0	0	0
ULSD	50,000	75,000	60,000	60,000

*Contract Term:* Up to three (3) years to begin upon the Contract Effective Date, with continuing an automatic 12-month renewals unless otherwise terminated by notice of not less than 120 days prior to the expiration of the current term.

*Point of Delivery:* Attachment A – “Locations, Volume and Fuel Types”, lists the fuel type and volume needs for each Company/island.

Bidders seeking to supply ULSD may propose to deliver ULSD via tanker truck, ISO container (intermodal container) or other suitable transport container directly to those sites designated in Attachment A. Alternatively, bidders seeking to supply ULSD may propose to deliver ULSD to a designated terminal truck rack on the Islands of O’ahu, Hawai’i and Maui for pickup by the Companies’ nominated tanker truck. Bidders proposing to supply ULSD for the Island of Moloka’i may propose to deliver ULSD either FOB O’ahu harbor, or FOB the harbor at Moloka’i.

Bidders seeking to supply Biodiesel and/or Biodiesel Blends **must** propose to deliver the fuel FOB the Companies’ facility receiving tanks since the Companies do not have a distribution network for biodiesel. Please note that deliveries to substation sites on the Island of Hawai’i and to Hana on the Island of Maui will require bidders to propose delivery by way of tanker trucks that are equipped with a pump and hose to offload the product. Due to access restrictions at certain sites (e.g. the substation sites on the Island of Hawai’i), the size/dimensions of the delivery equipment may be limited to the equivalent of a petroleum jobber delivery truck. Bidders proposing delivery of fuel to such locations should describe the intended delivery equipment in their bid, and include particulars like the dimensions of delivery vehicles, length of hoses and sizes of cam lock, and pump capabilities.

### COMMERCIAL TERMS AND CONDITIONS

*Pricing:* Bidders **must** propose a price per barrel in U.S. dollars for each fuel type offered with relevant components of any variable total price clearly delineated. Failure to clearly explain the proposed pricing methodology may result in rejection of the proposal. Bidders may

## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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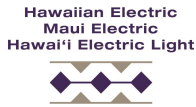
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also propose one or more additional pricing methods provided that any pricing method shall produce a price per barrel delivered, shall be explained in detail, shall be primarily based on a Hedgeable Index (as defined below), and shall identify and define each and every pricing component; *provided, however*, that pricing for Biodiesel and Biodiesel Fuel Blends need not be based on a Hedgeable Index. Subject to the paragraph immediately below (*Hedgeable Index*), the Companies will consider and evaluate flexible pricing structures, although all pricing structures are subject to approval by the Commission. The Companies will place additional value on pricing that is fixed or limits pricing volatility over the term of the contract. Bidders must provide 12 months of historic pricing.

*Hedgeable Index:* In order to facilitate the Companies' ability to hedge their fuel supply, all bid prices (other than bid prices for Biodiesel and Biodiesel Fuel Blends) must utilize a formula that is primarily based on a Hedgeable Index. A "Hedgeable Index" shall mean (i) any one of the price reference indices specified in Attachment G for IFO, Diesel LSD or ULSD (as applicable), or (ii) any other third-party reference index that (1) publishes price settlements or assessments, and trading volumes for the referenced crude oil or petroleum product (as applicable) on a daily basis, (2) is a widely recognized benchmark in the oil industry, and is generally and publicly available, (3) has Sufficient Liquidity (as defined in Attachment G), and (4) publishes price settlements or assessments for at least twenty-four (24) months into the future for the referenced crude oil or petroleum product (as applicable).

The Contract (as defined below) will specify the following contingency in the event that the applicable Hedgeable Index should cease to exist or publish, become generally unavailable, or materially change during the term of the Contract. In the event the Hedgeable Index should cease to exist or publish, become generally unavailable, or materially change during the term of the Contract, the Companies and the supplier shall agree upon an alternate index and price reporting service publication or market price assessment and any modification of the per barrel premiums and/or other pricing elements thereunder as may be reasonable under the circumstances.

*Contract:* The Companies and the Selected Supplier(s) will negotiate to execute an IFO, Diesel, LSD, ULSD and/or Biodiesel and/or Biodiesel Blend Fuel supply contract(s) (the "Contract"). The Selected Supplier's pricing will be incorporated into the appropriate Contract. Sample Contracts for petroleum fuels (IFO, Diesel, and ULSD) and Biodiesel/Biodiesel Blend fuel are attached hereto as Attachment H and I, respectively. Bidders may propose specific revisions to the terms of the Sample Contract, and include such proposed revisions with the Proposal. However, the type, nature and extensiveness of exceptions taken to the terms of the Sample Contract will be weighed in the selection process.



## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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*Feedstock/Environmental Sustainability:* Bidders seeking to supply Biodiesel and/or Biodiesel Fuel Blends should propose to supply fuel that complies with the *Environmental Policy For The Hawaiian Electric Company's Procurement Of Biofuel From Palm Oil And Locally Grown Feedstocks*, prepared by Hawaiian Electric and the Natural Resources Defense Council ("NRDC"), dated June 2013, Attachment K, and the Roundtable on Sustainable Biofuels ("RSB") Principles and Criteria, Attachment L. Bidders' Biodiesel and/or Biodiesel Fuel Blend proposals should explain specifically how the Bidder will comply with these policies. Bidders may propose any sustainable source of feedstock (such as soy, camelina, inedible corn oil, etc.), provided that the Bidder shall demonstrate feedstock cultivation practices that meet sustainable environmental standards endorsed by an independent governing body and provided that the potential supplier shall maintain a clear, documented and verifiable chain of custody for all feedstocks. Waste feedstock such as animal fat and cooking grease are acceptable.

*Commission Approval:* If the Companies and the Selected Supplier(s) reach agreement on the terms and conditions of a Contract, then the Contract will be submitted to the Commission for approval. Commission approval will be a condition to the full effectiveness of the Contract. If the Commission denies the Companies' request to approve the Contract or approves the Contract on conditions deemed by the Companies to be unacceptable, as determined in the Companies' sole and absolute discretion, the Companies will have the option to immediately terminate the Contract without liability.

*Performance Bond or Letter Of Credit:* The Companies may require the Selected Supplier(s) to provide security for its performance under the Contract via an acceptable performance bond, irrevocable standby or other letter of credit. The purpose of the bond or letter of credit would be to protect the Companies from any financial loss in the event that the Selected Supplier cannot perform and the Companies are required to obtain the IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend Fuel from another supplier at increased cost to the Companies, and to offset costs associated with the requirement to source from other suppliers.

*Confidentiality:* Until such time that a Contract is finalized, the Companies will consider supply quantities and pricing information in Proposals to be confidential. The Companies shall not be required to treat any other information as confidential. Accordingly, if Bidder deems pricing or quantity information to be confidential, then Bidder should submit such information on separate pages in the Proposal marked confidential. Any other confidentiality designation by Bidder in its Proposal shall be void. The Companies may file Proposals with the Commission and may request to protect the quantity and pricing information from public disclosure. The Commission, however, may not consider such information to be subject to protection and the Companies shall not be liable for any publication thereof.

## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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### INSTRUCTIONS FOR SUBMISSION OF PROPOSALS

#### *PROPOSAL REQUIREMENTS, TERMS AND CONDITIONS*

#### **1. Definition of Terms and Abbreviations**

“Bidder” refers to a Party/Supplier or Parties that wish to participate in the IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend Fuel RFP.

“Proposal Due Date” refers to the date by which a Bidder’s Proposal(s) must be delivered to the Companies to be considered for this RFP, which date is identified below.

“Proposal(s)” refer generically to a Bidder’s Final Bid Submission as appropriate.

#### **2. Proposals**

2.1. Proposals may only be submitted by potential IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend Fuel Bidders. Intermediaries are not permitted to make submissions. Bidders may submit separate Proposals for the different locations/islands listed in Attachment A. Modification of a Proposal(s) is addressed below.

a. Bidders may consist of joint ventures, partnerships or any other multi-party bidder relationship.

2.2. The Proposal(s) must be complete; mandatory information identified in section 3, below, must be provided in full.

2.3. The Proposal(s) must be signed and dated by a corporate officer having authority to contractually obligate the Bidder by the terms of the Proposal(s).



## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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- 2.4. The Proposal(s) **must be submitted electronically** on or before the Proposal Due Date to the following email address.

[FuelsRFP@HawaiianElectric.com](mailto:FuelsRFP@HawaiianElectric.com)

**In addition, an original hard copy must be delivered** to and received by the Companies no later than ten (10) calendar days after the Proposal Due Date at the following address:

Hawaiian Electric Company, Inc.  
P.O. Box 2750  
Honolulu, Hawai'i 96840-0001  
Attention: Gayna Hashimoto, Mailstop CIP-IF

- 2.5. The Proposal(s) is due on or before **3:30 p.m., Hawai'i Standard Time, on March 30, 2018**, which date and time constitutes the Proposal Due Date. The Companies reserves the right to cancel or postpone the Proposal Due Date at any time before, on or after the Proposal Due Date.
- 2.6. Proposals that are delivered after the Proposal Due Date, or otherwise not in conformity with the requirements of this RFP, may be rejected at the Companies' sole discretion and without notice.
- 2.7. The Bidder bears sole responsibility for assuring that the hardcopy Proposal(s) and any electronic copy submitted is complete, correctly formatted, legible, and timely delivered and transmitted. The Companies shall be entitled to rely on the correctness and accuracy of the Proposal(s) contents.
- 2.8. Each Bidder is responsible for proposing all terms, conditions, agreements, services and everything else that will be required for its successful performance and delivery of IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend Fuel supply requested herein, including products, terms and services that may not have been specifically identified or requested herein. If a Bidder's Proposal(s) is accepted and that Bidder failed to propose any such product, term or service, that Bidder will be responsible for providing such product, term or service at no cost to the Companies.
- 2.9. This RFP, the Bidder's Proposal(s) and all other material representations made by that Bidder may be written or incorporated into the Contract between that Bidder and the Companies. Thus, by submitting a Proposal(s), Bidders understand and acknowledge that the Companies will rely on the Proposal(s) and other

## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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representations made by Bidder in the Companies' selection of the Selected Supplier and in entering into the Contract, and each Bidder warrants that the statements made in its Proposal(s) and its representations to the Companies in connection with this RFP are truthful and accurate.

- 2.10. The Proposal(s) constitutes an irrevocable offer to the Companies if not properly modified or withdrawn prior to the Proposal Due Date, which shall remain open and which cannot be withdrawn or modified by the potential supplier for a period of **one hundred eighty (180)** days following the Proposal Due Date.
- 2.11. Based on its evaluation of the Proposals and answers to questions asked in Attachment I (Questionnaire) if applicable, the Companies may require some or all Bidders to answer additional questions and/or submit additional information. After the Proposal Due Date, the Companies may request additional information from Bidders and/or negotiate with one or more bidders, as the Companies determines in its sole discretion.

### 3. Required Information

- 3.1. The Proposal(s) must state the fuel Volume, Site Location, Fuel Type, Pricing Formula, and Delivery Method. If submitting separate Proposals for different Fuel Types or grades and/or for different delivery locations listed in Attachment A, each Proposal must clearly state the above information so that the Companies can easily differentiate between the Proposals. Where relevant, the Proposal(s) must include descriptions of the proposed delivery equipment.
- 3.2. The Proposal(s) shall contain an attachment with complete and accurate responses to the questions set forth in Attachment I (Questionnaire). Only Bidders who are currently an approved Supplier of the Companies may request a waiver from submitting the Questionnaire. The Companies will have sole discretion to grant the waiver.
- 3.3. The Proposal(s) shall affirmatively state that the contract terms contained in Attachment H and/or Attachment I are acceptable to the Bidder, or, the Bidder shall identify specifically in its Proposal(s) which such terms and conditions are unacceptable and shall propose substitute language that is acceptable to the Bidder. Terms and conditions with respect to which a Bidder does not identify exceptions shall be deemed acceptable to the Bidder.
- 3.4. The Proposal(s) must identify the legal name of the Bidder and identify the specific business entity that will perform the Contract, if other than Bidder.

## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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- 3.5. The Proposal(s) must include full pricing information with respect to all options.
- 3.6. The Companies may later require a Bidder to submit IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend Fuel samples to labs specified by the Companies for testing at the Bidder's expense.

### **4. Preparation of Proposals**

- 4.1. Each Bidder shall have sole responsibility for careful review of the entire RFP and for thoroughly investigating all matters pertinent to this RFP, its Proposal(s) and its anticipated performance under the Contract. Any failure by a Bidder to do so shall be at its sole risk.
- 4.2. The Bidder shall not rely upon any oral statements made or any written information from the Companies or its employees or agents, nor upon any other information provided by or originating from any of the foregoing, except as explicitly set forth in this RFP.
- 4.3. Each Bidder shall be solely responsible for and shall bear all of its costs incurred in the preparation of its Proposal(s) and/or its participation in this RFP, including, but not limited to, all costs incurred with respect to the review of the RFP documents, site visits, third party consultant consultation, and investigation and informing itself with respect to matters pertaining to its Proposal(s) and this RFP, and the same shall not be reimbursed by the Companies to any Bidder, including the Selected Supplier.

### **5. Modification of Proposals**

- 5.1. A Proposal(s) may be modified at any time prior to the Proposal Due Date.
- 5.2. In order to modify its Proposal(s), the Bidder must submit a Revised Proposal(s), clearly identified as such, which expressly supersedes and replaces Bidder's earlier Proposal(s); the Revised Proposal(s) must identify the date of the earlier Proposal(s) which it is superseding and replacing.
- 5.3. Revised Proposals are subject to all requirements of this RFP, shall not incorporate or rely upon the Proposal(s) that it is superseding and replacing and must be delivered to or received by the Companies on or before the Proposal Due Date.
- 5.4. A Proposal(s) may not be modified or revised after the Proposal Due Date.

## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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- 5.5. Proposals that have been modified by a Revised Proposal letter or have been otherwise superseded or amended will not be considered by the Companies and may be discarded by the Companies.

### **6. Withdrawal of Proposals**

- 6.1. A Bidder may withdraw its Proposal(s) at any time prior to the Proposal Due Date.
- 6.2. A Proposal(s) will be deemed withdrawn upon receipt by the Companies of a Withdrawal of Proposal notice at the office identified in subsection 2.4, above, on or before the Proposal Due Date.
- 6.3. Proposals that have been withdrawn pursuant to this section will not be considered by the Companies and may be discarded by the Companies.
- 6.4. Proposals may not be withdrawn after the Proposal Due Date for any reason, including, but not limited to, mistakes.

### **7. Correction of Errors in Proposals**

- 7.1. A Bidder may correct errors in its Proposal(s) prior to the Proposal Due Date by modification or withdrawal of a Proposal Letter pursuant to the requirements for modifications or withdrawals stated above.
- 7.2. After the Proposal Due Date, only the Companies are authorized to correct errors in the Proposals.
- 7.3. Minor errors in a Proposal(s) detected by the Companies after the Proposal Due Date may be deemed waived, or, at the Companies' sole and absolute discretion, the Bidder may be allowed to correct such error.
- 7.4. Errors in Proposals detected by the Companies after the Proposal Due Date, when the error is patent and the correct information is clearly evident, may be corrected by the Companies. Examples of such errors may include typographical errors, errors in extending unit prices, arithmetical errors and transposition errors.

### **8. Opening of Proposals**

- 8.1. Proposals will be opened on or after the Proposal Due Date as the Companies, in its sole judgment and discretion, deems appropriate.

## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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8.2. Proposals will be opened by the Companies personnel only, in private, and the Bidders shall not be present.

### **9. Exceptions**

9.1. Any and all exceptions by Bidder to the Specifications and Requirements of this RFP shall be clearly stated in Bidder's Proposal(s). Each exception shall be separately stated, shall identify the relevant specification or requirement, shall identify the reason(s) for taking the exception, and shall propose a clearly stated alternative. No other exceptions shall be allowed.

9.2. The Companies shall have the right in its sole judgment and discretion to reject any Proposal(s) or evaluate it unfavorably based on exceptions taken.

### **10. Evaluation of Proposals**

10.1. Proposals will be considered in conjunction with information submitted by other Bidders as well as any additional information as the Companies, in its sole discretion, deems appropriate.

10.2. The evaluation of Proposals will be based upon criteria that the Companies, in its sole judgment and discretion, believe to be in the best interest of the Companies and its customers. Bidders shall not be entitled to disclosure of the Companies' evaluation criteria or information pertaining to the Companies' actual evaluation and analysis of Proposals. The Companies will, however, consider certain criteria during its evaluation, including the following:

- a. Completeness of Proposal
- b. Reasonableness and stability of pricing over the life of the Contract
- c. Security and ratability of IFO, Diesel, LSD, ULSD, and/or Biodiesel and/or Biodiesel Blend Fuel supply

10.3. The Companies shall have the right to reject any Proposal, which the Companies, in its sole judgment and discretion, believe to be unsatisfactory, indefinite, equivocal or unresponsive. The Companies also reserves the unconditional right at any time to withdraw, modify or amend this RFP, and to elect not to award the Contract at all.

10.4. Subsequent to the opening of Proposals, but prior to award of the Contract, the Companies shall have the right to contact any Bidder to request additional information or to clarify a Bidder's Proposal(s). The Companies may do so without notice or disclosure to any other Bidder of such inquiry or of the information

## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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derived from such inquiry.

### **11. Award**

- 11.1. The Companies shall have the right to award the Contract to the Bidder that, in the Companies' sole and absolute judgment and discretion, has provided a Proposal(s) that is in the best interests and affords the greatest value to the Companies and its customers.
- 11.2. The Companies shall have the right to award more than one Contract to meet the RFP requirements.
- 11.3. The Companies shall have the right to award the Contract to other than the lowest bidder.
- 11.4. The Companies shall have the right to determine not to award the Contract, or to re-bid, restate, revise or cancel this RFP or anything related to the RFP.
- 11.5. The Companies shall not be required to identify to any Bidder the basis upon which it awarded the Contract to the Selected Supplier and/or rejected the Proposal(s) of any Bidder.

### **12. Notification of Award**

- 12.1. The award, if any, will be announced in writing to the Selected Supplier. Other potential suppliers who have not been selected will be notified by electronic mail.
- 12.2. The award selection is provisional until execution of a Contract by the Companies and the Selected Supplier. Until such time, the Companies may revoke or change its selection for any reason, including but not limited to failure of the Companies and the Selected Supplier to agree on final terms for the Contract.

### **13. Protest or Appeal of Award**

No Bidder shall have the right to protest or appeal the award of the Contract made by the Companies.

### **14. Final Approval**

- 14.1. The award and the executed Contract shall be subject to the final approval of the Commission.

## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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14.2. Costs incurred by the Selected Supplier(s) prior to and until the commencement of performance under the Contract shall be the sole responsibility of the Selected Supplier(s) in all instances, regardless of whether the award and/or Contract has been approved or disapproved by the Commission. Costs incurred following commencement of performance under the Contract shall be governed by the terms and conditions of the Contract.

14.3. Estimated time schedule for the RFP (may be subject to change):

Issue RFP to Bidders	February 5, 2018
Bids due date 3:30 p.m. HST	March 30, 2018
Application submitted to Commission	October 2018
Companies' first order to Supplier	4 <sup>th</sup> Quarter 2019

### 15. Questions Regarding the RFP

15.1. Any questions or communication regarding the RFP must be made in a written format via e-mail and submitted no later than the Proposal Due Date to the following:

[FuelsRFP@HawaiianElectric.com](mailto:FuelsRFP@HawaiianElectric.com)

15.2. The Companies shall have the sole option of determining whether a response to a question is necessary or appropriate under the circumstances.

15.3. If the Companies elect to respond to a question, it shall have the further option of determining whether it shall respond solely to the Bidder raising the question or to all Bidders, based upon its assessment of the materiality of the question. Responses to questions shared with all bidders will be posted periodically at: <http://www.hawaiianelectric.com/fuels>. When question and answer postings and subsequent updates are made available on the website, the Companies will notify bidders via email.

### 16. Confidentiality of Proposals

16.1. Bidders shall clearly identify information in their Proposals that they are requesting be treated as confidential and not be disclosed outside of the Companies and its employees, consultants and representatives involved with the RFP and its evaluation. Bidders shall describe the basis for such confidentiality designation. Blanket and unsupported confidentiality designations may not be honored by the

## Inter-Island Fuel Supply Contract DRAFT Request for Proposal

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Companies. The Companies shall have the right to disclose Proposals, including all information therein and otherwise submitted as part of the RFP process which is designated as confidential by the Bidder to the Commission and Consumer Advocate and the respective staffs and consultants of the same. As appropriate, the Companies will request that any information identified by the Bidders as confidential be submitted to the Commission and/or Consumer Advocate subject to a protective order. Any statement or condition in any Proposal that attempts to restrict the Companies' rights under this section shall be void.

- 16.2. No Bidder shall be entitled to Proposals from any other Bidder or any other information contained therein or provided by or with respect to any other Bidder, nor shall any Bidder or other person or entity be entitled to any information from the Companies pertaining to this Project, the Contract, this RFP or the evaluation of Proposals.

### **17. Rights Reserved**

The Companies may, at any time, at its sole discretion: postpone, withdraw and/or cancel this RFP; alter, extend or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this RFP, any and all of which shall be without any liability to the Companies. Each Bidder that agrees by its submission of any Proposal(s) to (a) waive any claims against the Companies that exist or that may exist in the future related to this RFP; and (b) indemnify the Companies against all liabilities that may arise from any such claim by Bidder, its affiliates, or the officers, directors and employees of each of Bidder and its affiliates.

### **18. Integration**

This RFP, including all documents attached hereto or referenced herein, constitutes the final agreement between the Companies and Bidders with respect to the terms and conditions of this RFP, expressly superseding and replacing all prior and contemporaneous communications, understandings and agreements whatsoever; there are no terms, conditions or agreements relating hereto that are not found herein.

### **19. Headings**

The headings utilized in this RFP are for convenience of reference only; they are not substantive and may not be used to interpret the agreement between the parties.



**20. Acceptance of RFP Terms and Conditions by Bidder**

All Bidders, by retaining this RFP, copies of it, and/or submitting a Proposal(s) or other questions in response to this RFP, shall be deemed to accept all terms and conditions in the RFP, except for exceptions to any Specifications and Requirements stated in the Proposal(s). If a Bidder does not accept these terms and conditions, all originals and copies of the RFP and any portion thereof should be returned to the Companies immediately (address provided in Section 2.4) accompanied by a statement that the Bidder has chosen not to respond to the RFP.