



Invitation to Tender



WAVE HUB FLOATING OFFSHORE WIND SITE: FINANCIAL ADVISOR FOR PROJECT DIVESTMENT

WAVE HUB LIMITED

**Copyright**

The copyright in this work is vested in Wave Hub Limited ("Wave Hub"). It must not be reproduced in whole or in part except under an agreement or with the consent in writing of Wave Hub and then only on the condition that this notice is included in any such reproduction.

TITLE: WAVE HUB FLOATING OFFSHORE WIND SITE: FINANCIAL ADVISOR FOR PROJECT DIVESTMENT
COMPANY: Wave Hub Limited
CLIENT: Cornwall Council
RECIPIENT: Wave Hub Board
COPY: 1
PUBLISH DATE: 23/03/2020



CONTENTS

CONTENTS.....	3
ITT: FINANCIAL ADVISOR FOR THE DIVESTMENT OF ASSETS RELATING TO THE WAVE HUB FLOATING OFFSHORE WIND SITE	5
1. Introduction.....	5
2. Project Overview	5
3. Scope of Services	6
4. Team & Experience.....	7
5. Indicative Timetable	8
6. Budget	8
7. Limits of Liability and Other Terms.....	8
8. Tender submission requirements.....	8
A - Covering letter (two sides of A4 maximum) to include:.....	8
B - Project proposal (six sides of A4 maximum).....	9
C - Project CVs (one side of A4 per individual).....	9
D - Expertise	9
E – Fees	
9. Timeline	10
10. Tender clarifications	10
11. Corporate Requirements.....	10
A - Introduction.....	10
B - Indemnity and Insurance	10
C - Legislation	11
D - Data Protection	11
E - Freedom of Information	11
F - Prevention of Bribery	11
G - Health & Safety.....	11
H - Exclusion.....	11
I - Sub-Contracting	12
J - Content Ownership.....	12
K - Document Retention.....	12
L - Conflicts of Interest.....	12
12. Tender Evaluation Methodology	12
A - Assessment of the Tender	13



13.	Tender returns.....	14
14.	Disclaimer	14



ITT: FINANCIAL ADVISOR FOR THE DIVESTMENT OF ASSETS RELATING TO THE WAVE HUB FLOATING OFFSHORE WIND SITE

1. Introduction

Cornwall Council (“The Vendor”) is seeking to dispose of 100% of certain assets relating to Wave Hub either directly or via Wave Hub Ltd, a 100% owned subsidiary of the Vendor (“Transaction”). The purpose is to enable the future development, construction and operation of a floating offshore wind (FLOW) array at the Wave Hub Project site. It is the Vendor’s view that the best way to secure this outcome is to divest certain assets to a suitable project or technology developer.

2. Project Overview

The Wave Hub Project assets currently comprise:

- Offshore Lease – from The Crown Estate (TCE) of a 2km by 4km sea-bed area, some 16km off Hayle on the North coast of Cornwall, consented for the deployment of wave energy convertors and with Section 36 Consent application, in its final stages, for the deployment of up to 30MW of floating offshore wind technologies;
- Offshore Infrastructure – comprising: above water, buoyage to delineate the site; below water, 4 array cables, a subsea-hub, and 16Km export cable (all at 33KVA);
- Onshore Infrastructure – comprising fully functioning sub-station, sitting on 0.5 acres of owned land;
- Grid connection – a contracted agreement with Western Power Distribution for the export of 30MW;
- Battery & Smart Grid Infrastructure – a rental agreement with Central plc for the land on which is sited a 1.0MW battery (to be increased to 1.5MW during the divestment period) and supporting Smart Grid Infrastructure and access to the sub-station and grid connection, in return for an 80% share of the profit generated by the Battery & Smart Grid Infrastructure.

The location and scale of the offshore site is at Figure 1 below:

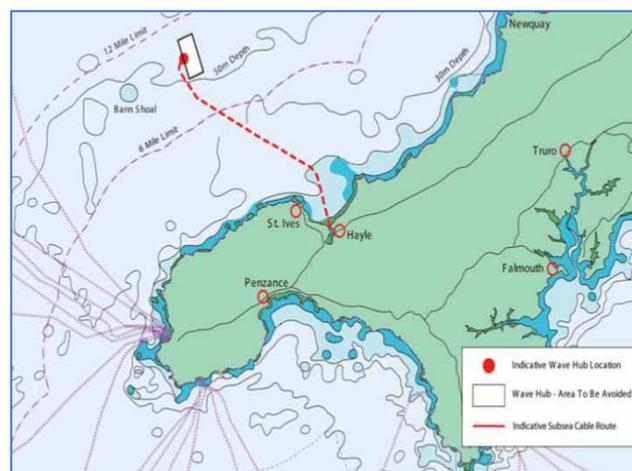


Figure 1 - Wave Hub Offshore Site

The international FLOW market is moving quickly, with large multi-national corporations, including Equinor, Shell and Total, taking positions. The Conservative Party manifesto included a commitment to increase UK’s offshore wind installed capacity by an additional 10 GW to 40MW by 2030, and to ‘enable FLOW’. This commitment is now being turned into



policy by BEIS through a Contracts For Difference (CFD) Consultation, which specifically singles out the delivery of FLOW as a key government policy objective. Cornwall and the Celtic Sea are one of only two British locations suitable for FLOW deployment.



Figure 2 - Celtic Sea

The Wave Hub site will be the first opportunity for FLOW deployment in the Celtic Sea, and early market analysis, through a formal EOI process, suggests that there will be substantial market interest, from both project and technology developers. The current project status is that:

- Section 36 Consent – is being sought from the Marine Management Organisation, and Wave Hub Limited are engaged in constructive discussions with MOD concerning radar mitigation issues, which are forecast to be resolved by the end of 2020;
- Revenue Support – is likely to be in prospect this year, as BEIS turn the Conservative Party FLOW manifesto commitment into revenue support funding through the recently announced Contracts for Difference Consultation process, in which support for FLOW is cited a one of BEIS' highest priorities;
- Political Support – there is wide-ranging regional support for the FLOW sector, not only from Cornwall Council and the Cornwall & Isles of Scilly Local Enterprise Partnership (CIOS LEP), but also from the Great South West and Wales. This support is mirrored in Westminster, in particular all Cornish MPs, including George Eustice, SofS DEFRA and Wave Hub's constituency MP.

The Vendor is seeking to maximise the chances of deploying FLOW technologies at the Wave Hub offshore site and, subject to the Agent's advice, the Vendor is seeking a clean transaction, in which the assets and attendant liabilities, including decommissioning, are divested *in toto*. Ownership of the assets is currently split between Cornwall Council and Wave Hub Ltd, but work is underway to consider whether to simplify the transaction legally and commercial.

3. Scope of Services

The Vendor is requesting proposals for the provision of financial and marketing advisory services to manage marketing, bidding process, data room, bid evaluation, commercial negotiation and input into the Transaction documentation. This should include, but not be limited, to:

- The preparation of a suitable Information Memorandum (IM) or Project overview which summarises key characteristics of the Project. In addition, this will include indicative offer requirements, process & timetable for the Transaction;



- Undertake internal asset valuation of the Transaction, as a basis for cost modelling and to support negotiation;
- Identify and agree a long list of suitable potential investors to contact;
- Discuss the Transaction on a high-level no names basis and put in place a Non-Disclosure Agreement with each interested party;
- Provide IM to interested parties and drive bidding process;
- Receive Non-Binding Offers from interested parties and provide commercial advice on proposed offers to agree a shortlist to take forward;
- Assist in data room set-up for shortlisted parties to enable them to conduct final due diligence and any face-to-face meetings that may be required between the vendor and shortlisted parties;
- Receive detailed Final Offers from the short list of bidders, evaluate and provide commercial advice and recommendation of a preferred bidder;
- Assist the Vendor and their legal advisors in finalising the financial terms and sales documentation with the preferred bidder;
- Advise the Vendor on administrative and logistic measures to best facilitate the divestment during the COVID-19 crisis;
- Help the Vendor position the sale within the broader regional context, to improve the chances of, first, securing Whitehall support and CFD funding and, second, accelerate the longer-term build-out of the FLOW sector in the Celtic Sea.

In general, you will be expected to support a variety of meetings with the Vendor and the bidders to facilitate the negotiation and completion of the Transaction.

You should outline the general precautionary principles that you would use to maintain business continuity and sale momentum against the COVID-19 backdrop and outline specific COVID-19 policies and procedures that your company has implemented, where relevant to the Scope of Work.

The scope does not include the following:

- Verification of the Project assumptions back to supporting documents, which will be undertaken by the Wave Hub team and their legal advisors
- Direct administration or management of a data room
- Accounting and tax advice to the Vendor

4. Team & Experience

The vendor is looking for a financial advisor to be able to provide the following information with regard to the delivery team and their experience.

The name, qualifications, experience and location of the team leader and other advisors, you (and any sub-contractor(s) if applicable) propose to assign to the Transaction, including their credentials for similar scopes of work and availability for the duration of the assignment. Emphasis should be placed on their relevant offshore wind or offshore renewable energy transaction experience, albeit proposals will be welcome from those with other offshore transactional experience.



The experience, capability and credibility of your firm (and any sub-contractors if applicable) in acting as financial advisor for the Transaction. This should include a list of the most relevant transactions your firm has been involved with and the firm's role in each. Provide information on your market experience and confidence in securing the right buyer and a successful transaction.

Any other advantages or capabilities you believe your firm has or will be able to contribute to ensure a successful Transaction.

5. Indicative Timetable

Following the selection of an advisor and signing a Letter of Engagement, the Vendor's preferred timetable would be

Milestone	Agreed date
Prepare and finalise the IM and agree list of potential investors	18 May 2020
Contact investors, put in place NDAs and issue IM	1 June 2020
Receipt of Non-Binding Offers	6 July 2020
Data room access granted to shortlisted bidders	20 July 2020
Receipt of Final Offers	17 August 2020
Selection of Preferred Bidder	14 September 2020
Transaction Close	12 October 2020

This timeline is indicative only and may be adjusted to suit vendor requirements and subject to appetite of bidders and ability of the Preferred Bidder to achieve Transaction Close within the target timeframe.

6. Budget

The budget for the scope of services is not to exceed £170,000 excluding VAT. Tenderers are invited to submit a fee proposal in line with Section 8 Tender submission requirements.

7. Limits of Liability and Other Terms

Please indicate any limits of liability in respect of the services provided and any other significant terms you would expect to apply

8. Tender submission requirements

Please include the following information in your Tender submission.

A - Covering letter (two sides of A4 maximum) to include:

- Contact name for further correspondence
- Confirmation that the tenderer has the resources available to meet the requirements outlined in this brief and its timelines
- Confirmation that the tenderer accepts all the Terms and Conditions of the Contract attached (Enclosure 1)



- Confirmation that the tenderer will be able to meet the Corporate Requirements (see Section 11) to include confirmation that Equality and Diversity, Environmental and Data Protection policies are in place and, if successful, that supporting documentation will be provided as evidence
- Confirmation that the tenderer holds current valid insurance policies as 11.B and, if successful, supporting documentation will be provided as evidence
- Conflict of interest statement in accordance with 11.L

B - Project proposal (six sides of A4 maximum)

Proposal to include;

- How you will deliver the scope as outlined in 3 Scope of Services,
- How your experience will result in securing the right buyer and a successful transaction,
- A commentary on your confidence of securing the right buyer and successful transactions,
- A proposed strategy to deliver the Scope of Services in the context of the COVID-19 crisis.
- An assessment of key risks associated with the Scope of Services and your proposed management/ mitigation measures.

C - Project CVs (one side of A4 per individual)

CVs of the individuals who will be actively involved in delivering the commission and who are costed into the tender. Please limit to 1 side of A4 per individual.

D - Expertise

Provide three examples the most relevant transactions your firm has been involved with and the firm's role in each. These should demonstrate your experience and ability to effectively deliver this commission (1.5 sides of A4 per example). Examples should demonstrate:

- Key similarities between these projects and the proposed commission
- Emphasis should be placed on relevant offshore wind or offshore renewable energy transaction experience, or other offshore transactional experience.
- Approximate cost
- Outcomes

E – Fees

The Vendor is seeking a Stage Gated approach to fixed fees, as set out below.

- Fixed Fees: To be split into 3 stages – 1) completion of IM 2) Receipt of Non-binding offers 3) Receipt of binding offers & transaction closed
- Expenses: any expenses incurred in the connection with the fulfilling the scope must be included within the overall budget set out at Section 6.

Provide a total cost for delivering the commission together with a breakdown of costs as outlined above (excluding VAT).



9. Timeline

The anticipated timetable for submission of the Tender are set out below.

Milestone	Date
Publication of ITT	23 March 2020
Final date for receipt of clarifications	26 March 2020
Final date for response to clarifications	31 March 2020
Deadline to return the Tender to WHL	17:00 9 April 2020
Evaluation of Tender by Wave Hub - commencement	14 April 2020
Successful and unsuccessful tenderers notified	01 May 2020
Programme Inception Meeting	04 May 2020

Table 1 - Tender Milestones

10. Tender clarifications

Any clarification queries arising from this Invitation to Tender which may have a bearing on the offer should be raised by email to: Jeanette.Radcliffe@wavehub.co.uk by **17:00 26 March 2020** and strictly in accordance with the Timetable in Table 1 - Tender Milestones.

Responses to clarifications will be anonymised and uploaded by WHL to Contracts Finder and will be viewable to all tenderers.

No representation by way of explanation or otherwise to persons or corporations tendering or desirous of tendering as to the meaning of the tender, contract or other tender documents or as to any other matter or thing to be done under the proposed contract shall bind WHL unless such representation is in writing and duly signed by a Director/Partner of the tenderer. All such correspondence shall be returned with the Tender Documents and shall form part of the contract.

11. Corporate Requirements

A - Introduction

Wave Hub Ltd wishes to ensure that its contractors, suppliers and advisers comply with its corporate requirements when facilitating the delivery of its services. It is therefore necessary to ensure that the contractor can evidence their ability to meet these requirements when providing the services under this commission.

All Tender returns must include evidence of the following as pre-requisite if the Tender return is to be considered.

B - Indemnity and Insurance

The contractor must effect and maintain with reputable insurers such policy or policies of insurance as may be necessary to cover the contractor's obligations and liabilities under this contract, including but not limited to:

- Professional indemnity insurance with a limit of liability of not less than £1 million;
- Public liability insurance with a limit of liability of not less than £2 million;



- Employers liability insurance with a limit of liability of not less than £2 million

All insurances shall cover for any one occurrence or series of occurrences arising out of any one event during the performance of this contract. The tenderer will be required to provide a copy of their insurance policies if successful in securing this contract.

C - Legislation

The contract will be subject to the following legislation.

D - Data Protection

The contractor will comply with its obligations under Data Protection Legislation (DPL), being the UK Data Protection Legislation and the General Data Protection Regulation (GDPR) and any other directly applicable European Union legislation relating to privacy.

The tenderer will be required to provide a copy of their Data Protection policy and privacy statement if successful in securing this contract.

E - Freedom of Information

Wave Hub Ltd may be obliged to disclose information provided by bidders in response to this tender under the Freedom of Information Act 2000 and all subordinate legislation made under this Act and the Environmental Information Regulations 2004 (Freedom of Information Legislation). Tenderers should therefore be aware that the information they provide could be disclosed in response to a request under the Freedom of Information Legislation. Wave Hub Ltd will proceed on the basis of disclosure unless an appropriate exemption applies. Tenderers should be aware that despite the availability of some exemptions, information may still be disclosed if it is in the public interest.

F - Prevention of Bribery

Tenderers are hereby notified that Wave Hub Ltd is subject to the regulations of the Bribery Act 2010 and therefore has a duty to ensure that all tenderers will comply with applicable laws, regulations, codes and sanctions relating to anti-bribery and anti-corruption including, but not limited to, this legislation.

G - Health & Safety

The Consultant must at all times comply with the requirements of the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1992 and all other statutory and regulatory requirements.

H - Exclusion

Wave Hub Ltd shall exclude the tenderer from participation in this procurement procedure where they have established or are otherwise aware that the organisation, to include administrative, management or supervisory staff that have powers of representation, decision or control of the applicant's company, has been the subject of a conviction by final judgment of one of the following reasons:

- Participation in a criminal organisation
- Corruption
- Fraud
- Terrorist offences or offences linked to terrorist activities



- Money laundering or terrorist financing
- Child labour and other forms of trafficking in human beings

I - Sub-Contracting

Tenderers should note that a consortium can submit a tender but the sub-contracting of aspects of this commission after appointment will only be allowed by prior agreement with Wave Hub Ltd.

J - Content Ownership

By submitting a tender application, the tenderer acknowledges that the copyright to all material produced during the activity will be the property of Wave Hub Ltd.

K - Document Retention

All documentation (electronic and hard copy) produced as part of this contract will need to be returned to Wave Hub Ltd at the end of the contract so that we can retain them for future reference/audit. The contractor will not be expected to store these documents for future reference.

L - Conflicts of Interest

Tenderers must provide a clear statement with regard to potential conflicts of interests. Therefore, please confirm within your tender submission whether, to the best of your knowledge, there is any conflict of interest between your organisation and Wave Hub Ltd or its programme team that is likely to influence the outcome of this procurement either directly or indirectly through financial, economic or other personal interest which might be perceived to compromise the impartiality and independence of any party in the context of this procurement procedure.

12. Tender Evaluation Methodology

Each Tender will be checked for completeness and compliance with all requirements of the ITT. Tenders will be evaluated to determine the most economically advantageous offer taking into consideration the award criteria. Tender returns will be assessed on the basis of the following tender award criteria

Ref 9.A Covering Letter	
Acceptable covering letter including confirmation of the requirements detailed at 11 Corporate Requirements	Pass/ Fail
Ref 9.B Project Proposal	50
How you will deliver the scope as outlined in 3 Scope of Services,	30
How your experience will result in securing the right buyer and a successful transaction and your confidence of securing the right buyer and successful transactions,	10
An assessment of key risks associated, including COVID-19, with the Scope of Services and your proposed management/ mitigation measures.	10



Ref 9.C Project Team	15
Relevant experience of the staff	15
Ref 9.D Expertise	15
Three examples the most relevant transactions your firm has been involved with	15
Ref 9.E Budget	20
<p>A fixed fee for this work (exc VAT) including travel and other expenses</p> <p>The lowest bid will be awarded the full 20 marks. Other bids will be awarded a mark that is proportionate to the level of their bid in comparison to the lowest bid i.e. Marks awarded = 20 x lowest bid / bid</p>	

Table 2 - Assessment Criteria

A - Assessment of the Tender

The reviewer will award the marks depending upon their assessment of the applicant's tender submission using the following scoring to assess the response:

Scoring Matrix for Award Criteria		
Score	Judgement	Interpretation
100%	Excellent	Exceptional demonstration of the relevant ability, understanding, experience, skills, resource and/or quality measures required to provide the goods/works/services. Full evidence provided where required to support the response.
80%	Good	Above average demonstration of the relevant ability, understanding, experience, skills, resource and/or quality measures required to provide the goods/works/services. Majority evidence provided to support the response.
60%	Acceptable	Demonstration of the relevant ability, understanding, experience, skills, resource and/or quality measures required to provide the goods/works/services, with some evidence to support the response.
40%	Minor Reservations	Some minor reservations of the relevant ability, understanding, experience, skills, resource and/or quality measures required to provide the goods/works/services, with little or no evidence to support the response.
20%	Serious Reservations	Considerable reservations of the relevant ability, understanding, experience, skills, resource and/or quality



		measures required to provide the goods/works/services, with little or no evidence to support the response.
0%	Unacceptable	Does not comply and/or insufficient information provided to demonstrate that there is the ability, understanding, experience, skills, resource and/or quality measures required to provide the goods/works/services, with little or no evidence to support the response.

Table 3 - Scoring Matrix

During the tender assessment period, Wave Hub Ltd reserves the right to seek clarification in writing from the tenderers, to assist it in its consideration of the tender. Tenders will be evaluated to determine the most economically advantageous offer taking into consideration the award criteria weightings in the table above.

Wave Hub Ltd is not bound to accept the lowest price or any tender. Wave Hub Ltd will not reimburse any expense incurred in preparing tender responses. Any contract award will be conditional on the Contract being approved in accordance with Wave Hub's internal procedures and Wave Hub Ltd being able to proceed.

13. Tender returns

Please submit the Tender document by email by 17:00 on 9 April 2020. Please send by email to Jeanette.Radcliffe@wavehub.co.uk with the following wording in the subject box: "Tender - Strictly Confidential. FINANCIAL ADVISOR FOR THE DIVESTMENT OF ASSETS RELATING TO THE WAVE HUB FACILITY"

Tenderers are advised to request an acknowledgement of receipt when submitting by email.

14. Disclaimer

The issue of this documentation does not commit WHL to award any contract pursuant to the tender process or enter into a contractual relationship with any provider of the service. Nothing in the documentation or in any other communications made between WHL or its agents and any other party, or any part thereof, shall be taken as constituting a contract, agreement or representation between WHL and any other party (save for a formal award of contract made in writing by or on behalf of WHL).

Tenderers must obtain for themselves, at their own responsibility and expense, all information necessary for the preparation of their tender responses. Information supplied to the tenderers by WHL or any information contained in WHL's publications is supplied only for general guidance in the preparation of the tender response. Tenderers must satisfy themselves by their own investigations as to the accuracy of any such information and no responsibility is accepted by WHL for any loss or damage of whatever kind and howsoever caused arising from the use by tenderers of such information.

WHL reserves the right to vary or change all or any part of the basis of the procedures for the procurement process at any time or not to proceed with the proposed procurement at all.



Cancellation of the procurement process (at any time) under any circumstances will not render WHL liable for any costs or expenses incurred by tenderers during the procurement process.