



**INVITATION TO TENDER FOR
INSURANCE SERVICES FOR
WAVE HUB LIMITED**

ITT Number WHL/2016/TEN/04

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1.0 BACKGROUND

1.1 Introduction

Wave Hub Limited is a private company limited by shares and a Research Organisation. It is the operating company of the Wave Hub testing facility in Cornwall and the third party manager for the North Devon and Pembrokeshire demonstration zones.

Wave Hub Limited's principle objectives are to:

- Build a world leading and financially sustainable offshore renewable energy business.
- Ensure safe and efficient operations at Wave Hub that meet customers' needs.
- Progress technology development by enabling connection and testing of large scale offshore renewable energy installations.
- Drive research and innovation to help overcome the final hurdles to full commercialisation.

The sole shareholder of Wave Hub Limited is the Department of Business, Energy and Industrial Strategy (BEIS) and as such Wave Hub Limited is a public body that operates within the framework set out in Managing Public Money. In the March 2016 Budget the Chancellor announced that ownership of Wave Hub and Wave Hub Limited would transfer to Cornwall Council and this is due to be completed before the end of the year.

1.2 Wave Hub

Wave Hub is the world's largest and most technologically advanced site for the testing and development of wave energy devices. It allows developers the opportunity to test arrays of wave energy devices over several years in a realistic, fully monitored marine environment.

The Wave Hub infrastructure comprises an onshore substation in Hayle, a terminal and distribution hub on the seabed 10 nautical miles off the north coast of Cornwall and a 25 km armoured subsea power cable. This infrastructure connects an 8 sq km consented area of sea to the local grid network and the system is designed to operate at either 33kV or 11kV.

The Wave Hub seabed lease from the Crown Estate is for 25 years and the area is subdivided into four berths comprising approximately 1 km x 2 km which are sublet to developers. Each berth is capable of accommodating a generating capacity of up to 12MW and power metering is performed on the devices and at the substation. The control and monitoring of wave energy devices is performed remotely via a high speed broadband connection from the substation using data transmitted via fibre optic cables with the subsea

power cable. The device developers are responsible for their devices, in terms of installation and ongoing operation and maintenance of devices.

A schematic of the Wave Hub system is presented in Figure 1 below.

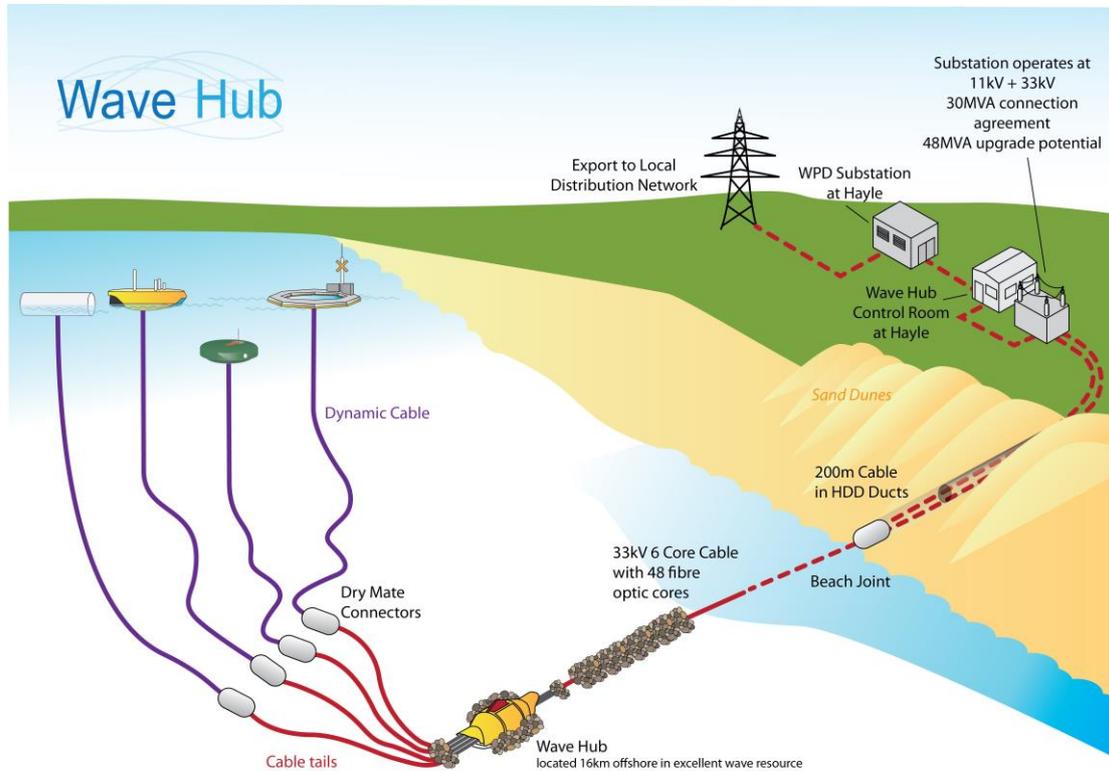


Figure 1

Six special marks along with two cardinal marks have been installed to mark the Wave Hub deployment area. A 500 metre Safety Zone, which was consented by the Department of Energy and Climate Change, surrounds the location of the Hub.

Wave Hub will accommodate a wide range of WEC devices, with up to four WEC arrays connected to Wave Hub at any one time. It is possible that a floating wind turbine could be connected to Wave Hub or a hybrid wind/wave device. The WEC operator/developer will be responsible for the provision of moorings and the installation of the WEC arrays. WEC owners will also be required to comply with Wave Hub Limited's Safety System which details procedures, roles and responsibilities for access to the site and connection to the Wave Hub electrical system.

2. SCOPE OF CONTRACT

2.1 Introduction

Wave Hub Limited is seeking a suitably qualified and experienced insurance broker to provide advice and secure suitable insurance cover for the current Wave Hub site in Cornwall and the two demonstration zones currently being assessed for development in North Devon and South Pembrokeshire. Experience of working in the offshore renewable energy sector is essential.

2.2 Scope of Work

Insurance brokerage services are expected to include the following:

- Advising on insurance requirements, including scope of cover, limits and cost.
- Provision of information relating to recommended insurance cover.
- Provision of advice relating to market structures available to meet insurance requirements.
- Advising on benefits, restrictions, exclusions and conditions of proposed cover.
- Assessing the financial soundness of proposed insurers using public information produced by recognised rating agencies.
- Provision of a claims handling services for the period of appointment.
- Review WEC developer's insurance provision and advise on compliance with the requirements of The Crown Estate and Wave Hub Limited
- Other insurance related matters: During the life of this tender there may well be other insurance related matters that Wave Hub Limited requires support on but which cannot currently be defined.

Wave Hub Limited's insurance requirements may be as follows:

- Offshore marine third party liability in respect of Wave Hub Limited's requirement for public liability in respect of operating an offshore cable for the purpose of developing wave energy in Cornwall.
- Third party and public liability insurance (including pollution cover to include property damage, bodily injury and death resulting from sudden or unforeseen physical loss or damage, including any resultant pollution and/or contamination) in respect of other wave and tidal marine energy demonstration zones in the UK.
- Wave Hub Asset Insurance to cover loss or damage to the Wave Hub asset and contingent business interruption insurance to cover loss of generation revenue due to equipment failures at the site.

2.3 Contract Schedule

The contract will commence on 3rd January 2017 or as soon thereafter as possible and will run for a two year period to 2nd January 2019 with the potential for an extension of up to 12 months. Please note that these dates are subject to confirmation and may change.

The timetable for the procurement process is as follows:

Invitation to tender issued	2 nd December 2016
Tenders returned to Wave Hub Limited	12 th December 2016 (2 pm)
Tender let subject to contract	16 th December 2016
Contract start date	3 rd January 2017

3.0 INSTRUCTIONS TO TENDERERS

3.1 Introduction

Failure to comply with any of these instructions may lead to tenders being rejected.

3.2 Clarifications

If there is any query regarding the meaning of the Tender Document the Tenderer shall set out such queries in writing for clarification and either email them to clarifications@wavehub.co.uk or address them to Wave Hub Limited, Chi Gallos, Hayle Marine Renewables Business Park, North Quay, Hayle, Cornwall TR27 4DD. Requests for clarification shall be submitted in writing, in sufficient time to allow a response and at least two working days before the final date for submission of Tenders.

3.3 Tender Amendment

During the tender period Wave Hub Limited may issue Tender Amendments to clarify, modify or add to the Tender Document. A copy of each Tender Amendment will be posted on the Wave Hub website at www.wavehub.co.uk and also issued to any company that has expressed an interest in tendering. Each amendment will become part of the Tender Document. No addition or alteration shall be made to the Tender Document unless it is the subject of a Tender Amendment.

3.4 Withdrawal

If a Tenderer decides that they are unable to submit a Tender they shall immediately notify Wave Hub Limited. The Tenderer shall then return the Tender Document to Wave Hub Limited, including any copies. The Tenderer shall state in writing the reasons for withdrawal.

3.5 Conditions for Tendering

Wave Hub Limited does not bind itself to accept the lowest or any Tender, nor shall Wave Hub Limited be liable for any expenses incurred by the Tenderer in preparation of the Tender. Tender qualifications are to be avoided by prior clarification of requirements or interpretation with Wave Hub Limited. A qualified Tender may be rejected.

3.6 Information to be returned with Tender

The following information is to be returned in the order specified by email to tenders@wavehub.co.uk

- Completed Form of Tender.
- Background information about the tendering firm setting out the proposed team along with details of any sub consultants to be used for any element of the work.
- Experience of the tendering firm in providing insurance brokerage services with a particular emphasis on the marine and renewable energy sectors, and public sector and not-for-profit entities.
- List of key personnel and CV's for the proposed Client Lead and day to day contact that you are proposing to deliver the service. The CV's should show how the proposed individuals have the necessary skills and expertise to meet the requirements of this appointment.
- Confirmation that your professional indemnity insurance cover amounts to a minimum of £10 million per assignment.
- Details of fees associated with the provision of the insurance brokerage service (Annual fee and/ or percentage brokerage fee).

Tenders should be returned by email quoting Tender Number [WHL/2016/TEN/04](#) by 14.00 hrs on Monday 12th December 2016. Tenders received after the time stated for return will not be considered.

4.0 Award of Contract

If and when it is decided to award a contract, a written notification will be sent to each of the Tenderers advising of our decision.

The contract will be managed by the Commercial Director.