

ATTACHMENT G:

Proposal Evaluation Criteria Guidance

HECO will evaluate each proposal based on the general criteria set forth in this Proposal Evaluation Criteria Guidance. These evaluation criteria establish a way for HECO to compare the proposals, both to each other and to the HECO goals. However, HECO also understands that there are interactions among the criteria and reasons that some proposals may involve considerations that are not well described by these criteria. Thus, HECO reserves the right to use additional criteria to supplement the evaluation process as the combined method for making contract decisions. However, HECO believes that the Proposal Evaluation Criteria Guidance is a fair representation of the proposal evaluation criteria as defined by HECO at the time of the RFP issuance.

This is a competitive solicitation and HECO intends to both pursue the best contracts as well as those that best meet its basic criteria for biofuel supply. It is important that applicants provide sufficient detail to properly evaluate the proposal. Proposals should be structured to the extent possible to enable a correlation to each criterion, as appropriate. Please respond directly to each the criterion to explain how the Proposal fulfills the criterion, with the criterion title as the heading for each response. This description should be part of the Proposal narrative, but can refer to another part of the Proposal, particularly for confidential pricing information submitted as a separate document to the Proposal.

Performance Criteria:

1. Qualifications of the Applicant/Project Team

HECO will assess the company/project team and why they are well suited to successfully complete the proposed project including the functions the applicant and each team member will perform, their qualifications and related technical and business experience, and the match of skills and capabilities to each task. Proposal should describe how the work effort will be coordinated, how quality control will be implemented and how schedules will be met.

2. Technical Viability

Proposal should describe the technology and processes to be used including details of the fuel feedstock, how the stock will be grown, technology used on transporting and refining the fuel. Assessment will include experience with the proposed technologies; thought innovative and efficient technologies will be encouraged. Discuss the technical and economic feasibility of the proposed project and the steps needed to develop, demonstrate, commercialize, and/or deploy the technology in the market place. Discuss the capital costs, input and production costs, end-use markets, anticipated revenues, and other relevant factors and how the proposed project will establish the technology as a cost-competitive option. Discuss how the proposed project will drive new technology advancement and promote the deployment of that technology in the marketplace.

3. Project Implementation

Describe how the proposed project will be completed in an effective and efficient manner. Clearly and logically discuss the schedule, sequence of tasks, and appropriate objectives of the proposed project. If applicable, describe how the proposed project will use existing or planned infrastructure. Describe compliance with environmental regulations, what has been done and what is expected to be done to comply with requirements. Describe fully any permitting that may be required for the project and the schedule for obtaining the necessary permits. Discuss all financing and contractual relationships needed to complete and operate the proposed project and their status.

Price, Price Stability and Reliability Criteria:

4. Price

Describe and justify the proposed pricing model. Include detailed cost estimations and assessment of fixed and variable costs. Propose fixed price components, any escalation models and any variable pricing functions. (Confidential elements of the pricing should be in the separate pricing document.)

5. Price Stability

HECO prefers a fair, fixed price for long periods, but understands that other models may be more valuable to suppliers and will evaluate all models. This criterion weighs the value to HECO of this supply for its impact on rate stability, predictability of future costs of business and its impact on other aspects of its overall business strategy.

6. Reliability of Supply and the Business Model

Describe factors that influence the likelihood that the supplier will be able to deliver the predicted supplies at the predicted price and on schedule. This criterion will include elements like the quality of the financial model, the stability of financing, the previous performance of the company at achieving financial targets and price targets. It will also include the weighing of performance/execution risks against price, performance risk against the volume of the supply under contract and the trade-offs of volume and price.

Societal Benefits and Public-Good Goals:

7. Wider Economic Benefits

Describe macro- and micro-economic benefits of the proposed project. Describe how the proposed project will expand business opportunities for existing Hawaiian companies or lead to the creation of Hawaii-based technology firms, jobs, and businesses. Identify how many and what type of jobs will be created and retained by the proposed project and if those jobs are permanent or temporary. Discuss how the proposed project will financially benefit end-users.

8. Sustainability

Describe the environmental implications of the proposed project. Indicate how the potential supplier will work toward compliance to the Roundtable for Sustainable Biofuels (“RSB”) Principles and Criteria and prepare to achieve future certification under RSB. Explain how the proposed project helps achieve sustainable reductions of greenhouse gas emissions. Quantify the potential greenhouse gas and petroleum reduction that could be realized. Describe how the proposed project will preserve and enhance the environmental quality of the state’s natural resources and promote the superior environmental performance of alternative and renewable fuels, infrastructure and vehicle technologies. Explain how the proposed project will reduce criteria air pollutants and air toxics and reduce or avoid multimedia environmental impact, and lead to a decrease, on a life cycle basis, in emissions of water pollutants or any other substances known to damage human health or the environment. Explain how the proposed project will use best management practices which have been used to grow bio-energy crops as a feedstock.