

Internal Information

CEZ Invited Qualified Candidates to Submit Bids to Complete the Temelín Nuclear Power Plant

CEZ has today handed over an Invitation to Submit Bid with the relevant Tender Documentation to the three candidates that have qualified for the tender for the public contract of “Completion of the Temelin Nuclear Power Plant”.

“Today, we have taken an important step to ensure a reliable supply of electricity to Czech customers in the upcoming decades. It is a key pillar of CEZ’s strategy to complete the Temelin nuclear power plant in this respect. We are glad that leading nuclear technology vendors from all over the world have decided to bid for the biggest public contract in CEZ’ history but also in the history of the Czech Republic. When selecting a supplier, we are going to proceed in an absolutely transparent manner. On a global scale, this is the only tender that has been conducted in accordance with the public procurement rules,” says Daniel Benes, Chairman of the Board of Directors and Chief Executive Officer of CEZ.

The Tender Documentation exactly specifies the procurer’s needs and requirements for the scope of delivery under the public contract, i.e., the supply of two complete nuclear power plant blocks on a full turn-key basis, including nuclear fuel sets for 9 years of operation. Among other things, the Tender Documentation defines commercial and technical requirements that are to be fulfilled in the course of the public contract implementation, including the relevant evaluation criteria and the overall bid assessment procedure.

“The bids and plans from all bidders must comply with the relevant legislation of the Czech Republic as well as the applicable EU requirements, safety requirements defined by the International Atomic Energy Agency and the Western European Nuclear Regulators’ Association. The presented plans must also be licensed in the vendors’ home countries or in one of the EU Member States. The plans will only be licensed in the Czech Republic if the aforementioned set of requirements has been fulfilled,” Daniel Benes added.

The evaluation criteria have been optimally defined, with 50 percent based on the technical project specification including safety and license criteria and the other 50 percent based on the financial aspects of the bid, such as the price and commercial terms and conditions – warranty terms, terms of payment or terms of nuclear fuel supply.

The deadline for submitting bids has been set for July 2, 2012, which is consistent with the period of 8 months for bid preparation agreed upon with the qualified candidates. During the bid preparation period, the bidders will be invited to participate in joint meetings that will have the form of site visits and a pre-bid conference. Once we have received the bids, we will assess and, if relevant, clarify them; subsequently, the bids will be evaluated, compared and relevant discussions will take place. The winning bidder is expected to be announced and the contract to be signed in late 2013.

The Tender Documentation has been prepared by over 400 specialists in virtually all existing fields of engineering and natural science and also by specialists in safety, purchasing, finance, sales, planning and law. The team did not include CEZ experts only but also some 130 employees of 20 other firms. Around one hundred of the CEZ staff have been involved in the preparation on a full-time basis.

The Tender Documentation comprises some 6,000 pages, which weigh some 70 kg in a printed form. The electronic form that has been handed over to the qualified candidates

represents 2 GB of data. It has taken us 3 years and 2 months to prepare the entire Tender Documentation.

CEZ first announced the public contract on August 8, 2009 and all parties interested in the tender were invited to qualify by the spring of 2010. The following entities have qualified: Westinghouse Electric Company LLC together with Westinghouse Electric Company Czech Republic, s.r.o.; an association of SKODA JS a.s. and JSC Atomstroyexport and JSC OKB Hidropress; and AREVA NP S.A.S.

From the spring of 2010 till October 2011, we conducted meetings with the qualified bidders in the pre-bid phase pursuant to Section 33 of Act No. 137/2006 Coll., on Public Procurement, with the purpose of finding one or more solution suitable to fulfill the needs and requirements of CEZ, a. s.

During the said phase, CEZ first in writing and then in three rounds of meetings discussed all relevant aspects of the public contract at hand. The eligible solution that has been identified as well as other requirements of CEZ have been described in the Tender Documentation, which has been handed over to the qualified bidders.