

Request for Proposal (RFP)

Bioplastic Pilot Plant Project



NiA

National Innovation Agency

National Innovation Agency (Public Organization)

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Introduction

On December 28, 2010, the Cabinet approved the framework for promoting investments in the bioplastics industry. The National Innovation Agency (Public Organization) (NIA) was assigned to be the main agency to manage the National Roadmap Phase 2 (2011 – 2015) with the supporting budget totaling 1,000 Million Baht, within which 300 Million Baht was allocated as the budget for supporting the Bioplastic Pilot Plant Project with production capacity of 1,000 – 10,000 tons/year to be able to operate the production within a period of 3 years (2011 – 2013). In addition, the Cabinet declared 5 supplementary measures to accelerate the bioplastics industry development; namely, (1) permitting use of raw materials from starch and sugar at export prices; (2) offering tax incentives for research and development, i.e. double tax deduction of R&D expenses is currently available and may be increased to triple tax deduction, which is currently under consideration; (3) adopting compostable plastics standards which are certified in international level; (4) reducing import duties for bioplastic resins which cannot be manufactured in Thailand; and (5) promoting and supporting the use and development of bioplastic products to be launched in the market.

Accordingly, NIA commences the support measures for the “**Bioplastic Pilot Plant Project**,” with the objectives to stimulate investments in the bioplastics industry in Thailand and to develop technologies for production of bioplastic resins having various qualifications and for manufacturing of bioplastics products to be launched in the markets in a speedy manner, by preparing the Request for Proposal from potential entrepreneurs who are readily capable to make an investment in a pilot plant construction. NIA has established the criteria for consideration and selection of the Support Recipient as stipulated in the Request for Proposal (RFP) issued in accordance with this Notification. In this respect, any interested persons can download the Request for Proposal or submit an inquiry for additional details at the “Bioplastic Pilot Plant Project,” www.nia.or.th/bioplastics, or Tel. 02-644 6000, ext. 111 (Mr. Vichian Suksoir) or 122 (Mr. Sirapat Chanakul), Fax. 02-644 8444 between 09:00 – 18:00 hrs (except public holidays) or submit an inquiry via email: vichian@nia.or.th or sirapat@nia.or.th.

National Innovation Agency (Public Organization)
March 22, 2011

1. Definitions

Word/Acronym	means
Working Group	: the working group of Bioplastic Pilot Plant Project.
NIA	: National Innovation Agency (Public Organization).
Project	: Bioplastic Pilot Plant Project.
Applicant	: entrepreneur / public agency submitting the Project Proposal to apply for receipt of support.
Selected Applicant	: the Applicant being selected to obtain the “Supporting Amount”.
Support Recipient	: the Selected Applicant affixing the signature for receipt of supporting amount given by NIA.
Person Authorized to Affix the Signature	: the person authorized to affix the signature of the Applicant or the person in writing assigned by the person authorized to execute agreements or contracts.
Project Management Advisor	: the advisor as assigned by NIA to render recommendations in consideration of the Proposal and express his/her opinion to the Working Group and NIA.
Request for Proposal	: the request for proposal used in application for the Project Proposal to receive “Supporting Amount” under the Bioplastic Pilot Plant Project.
Supporting Amount	: the amount supported by the government to the Selected Applicant so as to support the Bioplastic Pilot Plant Project.
Force Majeure	: events such as war, natural calamity, sabotage or terrorism, blockage, strike, uprising, rebellion, or any disturbance, inclusive of any unpreventable calamity even if the person is encountered with or is likely to be encountered with such event has a reasonable care as should be expected from the aforesaid person as such.
Bioplastics	: the Compostable Plastics produced from biomass and undergo degradation by biological processes during composing to yield carbon dioxide, water, inorganic compounds, and biomass at a rate consistent with other known compostable materials and leave no visible, distinguishable or toxic residue. They acquire international standards, for example, ISO 17088 : 2008, EN 13422 : 2000 or ASTM D6400.

2. Proposal Submission Requirements and Criteria

2.1 Exhibits

Exhibits attached to the Request for Proposal (RFP) for Bioplastic Pilot Plant Project comprise:

- 1) Project Proposal
- 2) Form of Letter of Guarantee of the Project Proposal

2.2 Eligible Applicant

The person entitled to submit the Project Proposal shall be a juristic person or a group of juristic persons having Thai nationality (Thai shareholders proportion not less than 51%) or a public agency which is an academic institute or research institute, by having private sector joining the Project.

2.3 Applicant Qualifications

- 2.3.1 The entrepreneurs submitting the Project Proposal shall show potentialities of the companies and past performance profiles, whereby the past 3-year performances will be an advantage for consideration;
- 2.3.2 The public agencies such as research institute or university shall produce agency certifying evidence, inclusive of bioplastics research and development performances, by having private sector joining the Project;
- 2.3.3 The Applicant shall explain the Project operating guidelines and indicate details of the Project in accordance with the Project Proposal Form as designated and indicate the technology owner joining the Project.

2.4 Amount Approved

The Supporting Amount shall not exceed 30% of the investment amount and shall not exceed 300 Million Baht (Three Hundred Million Baht Only) for pilot plant construction with production capacity of 1,000 – 10,000 tons per annum so as to produce the Compostable Plastics derived from biomass.

2.5 Proposal Submission Evidence

The Applicant shall propose the documentations as attached with the Project Proposal Envelope, as follows:

- 1) Project Proposal comprises
 - 1.1 General Information;
 - 1.2 Technological Information;
 - 1.3 Business Information;
 - 1.4 Financial Information;
 - 1.5 Project Budget;
 - 1.6 Amount Spending Frame in the Part of Investment of the Company and Supporting Amount given by NIA.

- 2) A copy of the Company Registration Certificate (not exceeding 3 months' period up to the date of the Proposal Submission)
- 3) Power of Attorney together with duty stamp in the amount of 10 Baht / matter (if any)
- 4) Letter of Guarantee for the Project Proposal in the amount of 300,000 Baht (Three Hundred Thousand Baht Only) from a domestic commercial bank containing contents in pursuance of the Form of Letter of Guarantee for the Project Proposal as per the Exhibits attached to this Request for Proposal given to NIA to be held as the Project Proposal Guarantee, the expiration date of which shall not be less than 9 months as from the date of the Proposal Submission, and the guarantee amount of which shall also be maintained throughout the guarantee period.

The Project Proposal Guarantee mentioned above shall be returned by NIA to the Applicant without interest within 15 days if the Proposal does not pass the consideration or when the Applicant executes the Agreement of Application for Support Receipt.

In this respect, NIA shall seize the Project Proposal Guarantee in the case where the Applicant has been selected and has confirmed the application for support receipt but fails to execute the Agreement of Application for Support Receipt within the period of time as stipulated by NIA.

2.6 Receipt of Request for Proposal

The person who intends to submit the Project Proposal can obtain the Request for Proposal for Bioplastic Pilot Plant Project by the methods, as follows:

- 1) download at www.nia.or.th/bioplastics;
- 2) obtain the Request for Proposal at

**Bioplastics Pilot Plants Project
National Innovation Agency (Public Organization)
73/1 (3rd Floor of Yothee Building), Rama VI Road,
Thung Phayathai Sub-district, Ratchathewee District,
Bangkok 10400**

2.7 Proposal Envelope Submission

2.7.1 The Applicant shall submit the sealed Proposal Envelope and address to

The Director of National Innovation Agency (Public Organization)

together with a letter signed by the Person Authorized to Affix the Signature or the person assigned by the Person Authorized to Affix the Signature and seal (if any), clearly addressing the sealed letter that

**Application for the Proposal to Receive Supporting Amount
under
the Bioplastics Pilot Plants Project**

and submit the Proposal Envelope at

**National Innovation Agency (Public Organization)
73/1 (3rd Floor of Yothee Building), Rama VI Road,
Thung Phayathai Sub-district, Ratchathewee District,
Bangkok 10400**

2.7.2 Prior to the Proposal Submission, the Applicant should carefully review all of the documents and understand the Request for Proposal. The Proposal and supporting documents shall be divided into 2 parts, as follows:

- 1) 2 sets of Other Documentation Envelopes as per Article 2.5, excluding the Project Proposal
(1 set of original version and 1 set of copy version together with certifying correct copy of every set)
- 2) 2 sets of the Project Proposal Envelope
(1 set of original version and 1 set of copy version together with certifying correct copy of every set, and 1 set of electronic file saved on CD)

2.7.3 The Applicant can submit the Proposal from April 1, 2011 to August 31, 2011, 9.00 – 18.00 hrs, at

**National Innovation Agency (Public Organization)
73/1 (3rd Floor of Yothee Building), Rama VI Road,
Thung Phayathai Sub-district, Ratchathewee District,
Bangkok 10400**

In this regard, the Proposal consideration shall be performed in the order according to the date and time of the Proposal Envelope submission. NIA will commence its review and consideration of the submitted Proposal from the date of receipt of the Proposal Envelope.

2.7.4 The Applicant shall submit correct and complete Proposal Envelope in accordance with the Forms and details as specified by NIA and clearly affix the signature of the Person Authorized to Affix the Signature and seal (if any).

2.7.5 The Applicant shall apply for receipt of the Supporting Amount in the proportion and amount not higher than the maximum amount as set out in Article 2.14.

2.8 Period of Time for Project Operation

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|---|--|
| 1) Request for Proposal available for download | Henceforth |
| 2) Submission of the Proposal Envelope | From April 1, 2011 to August 31, 2011 |
| 3) Evaluation of the Project Proposal and interview of Applicant prior to consideration for approval | Within 30 days after passing the examination of the completeness of the Project Proposal |
| 4) Submission of Applicant's reply to the Letter notifying the result of the Project Proposal consideration | Within 15 days after receipt of notification of the result of the Project Proposal consideration |
| 5) Agreement execution | NIA shall determine the period of time for execution of the Agreement with the Selected Applicant as may be appropriate. If the Selected Applicant fails to execute the Agreement within such period of time, NIA reserves the right to consider and select another Applicant to execute the Agreement in place and instead of the Selected Applicant. |

Remark: *After completion of the procedures of the Project Proposal consideration, NIA shall formally notify the Selected Applicant in writing.*

2.9 Proposed Budget Guidelines

The Applicant shall submit the proposed guidelines on how the budget will be used, both in terms of the Applicant's own investment and the Supporting Amount from NIA. The guidelines shall be broken down into detail of various items of expenses, including technology licensing fee, expert compensation, engineering structure design expense, machinery and equipment, etc. NIA shall take into account the proposed budget guidelines and shall negotiate with the Support Recipient so as to determine the budget remittance plan.

2.10 Execution of Agreement of Application for Support Receipt

2.10.1 The Selected Applicant who is eligible to the "Supporting Amount" shall sign the agreement to receive the Supporting Amount within the period of time as determined by NIA. The Selected Applicant shall produce the performance bond which is the Bank Guarantee of a domestic commercial bank containing contents as per the Form of Letter of Guarantee pursuant to Exhibits attached hereto to NIA at the rate of 10% (10 percent) or exceeding the Amount Approved.

The performance bond shall have the guarantee period in accordance with the operating plans in the Project as from the date of signing the Agreement of Application for Support Receipt, whereby NIA shall return the performance bond to the Support Recipient upon completion of the pilot plant construction and being ready for starting the system test and when NIA has already certified such performance mentioned above.

- 2.10.2 Notwithstanding any case, the performance bond shall be returned with no interest.
- 2.10.3 If the Selected Applicant who receives written notification of the result of the Project Proposal consideration given by NIA stipulating that the Selected Applicant shall sign the Agreement of Application for Support Receipt fails to do so within the period of time so determined under Article 2.10.1 can write a letter to explain the reasons to NIA for additional period extension only for 1 time, each time of which does not exceed 15 days, whereby only NIA can reserve its right to consider the application for period extension. On the due date mentioned above, the Selected Applicant still fails to sign the Agreement of Application for Support Receipt, the Selected Applicant shall be deemed by NIA to waive the right to apply for receipt of Supporting Amount and NIA shall seize the Proposal Guarantee.

2.11 Reservation

- 2.11.1 The Proposal preparation is not limited to of the recommendations contained herein, the Applicant can present any information other than those specified herein if such documentations are beneficial and in line with the objectives of this Project, provided that there must be clear reference evidences for the benefit in considering such recommendations.
- 2.11.2 In the case where the contents contained herein are unclear, the Applicant may file a complaint with the Chairman of the Working Group of “Bioplastic Pilot Plant Project,” National Innovation Agency (Public Organization), No. 73/1 (3rd Floor of Yothee Building), Rama VI Road, Thung Phayathai Sub-district, Ratchathewe District, Bangkok 10400. The decision of the Working Group shall be deemed final.
- 2.11.3 NIA and the representatives of NIA are not involved in and shall not be liable for any damage or injury which may result from the design or construction of the bioplastic pilot plant and/or other related systems under this Project.
- 2.11.4 The Support Recipient shall allow, permit, facilitate, and provide reasonable assistance to, the representatives of NIA and/or the third parties as permitted by NIA to enter the Project site for inspection and visit all the times.
- 2.11.5 NIA reserves the right not to consider the Project Proposal or to cancel the Supporting Amount remittance if it finds that any information as stipulated in technical proposal, financial proposal, or any other documentations submitted in support of the Proposal, are incorrect or false, or that the documents are forged or false, or that the Support Recipient is in breach of any article of an agreement. NIA reserves the right to terminate the agreement and/or to claim damages immediately and has the right to forfeit all of the performance bonds without prior notice. The Support Recipient agrees to return the Supporting Amount to NIA in the amount as equivalent to entire Supporting Amount or in the amount as considered by NIA, as the case may be, together with interest at the rate of 15% (15 percent) per annum as from the date the grounds for termination of the

Contract occur up to the date on which the Support Recipient has completely returned the Supporting Amount to NIA.

According to the grounds in the foregoing paragraph, NIA shall not make any compensation, make any indemnification, and/or pay any damages as arising or as may arise to the Support Recipient, provided that the actions mentioned above shall not affect the equitable right and/or any other claim of NIA under laws and/or under any clauses of contract.

2.11.6 NIA reserves the right to amend any condition or term herein or in the Agreement of Application for Support Receipt at its sole discretion or in pursuance to the opinion of the Office of Attorney General (if any).

2.11.7 NIA, its representatives, and/or the third parties authorized by NIA shall not be liable for any damages in the event that a dispute arises in relation to this Project wherein there is a claim of intellectual property infringement and/or forgery of documents or any other claims. In this respect, the Support Recipient agrees to be solely liable for such civil and/or criminal claims.

2.11.8 The result of the Project Proposal consideration shall be final.

2.11.9 In the case of dispute, the decision made by NIA shall be deemed final.

National Innovation Agency (Public Organization)
March 22, 2011

3. Criteria on Consideration

3.1 The Working Group of Bioplastic Pilot Plant Project shall consider the Project Proposal of the Applicant, select the Applicant, and express its consideration-supporting opinions for NIA to approve the Supporting Amount for the Selected Applicant.

3.2 The Working Group shall consider the Project Proposal of the Applicant possessing complete and correct qualifications and documentations only.

3.3 The Working Group reserves the right not to consider the Project Proposal of the Applicant, without making an exception, in the cases as follows:

- 1) Not filling the name of juristic person or every joint venture, or not affixing the signature of the Applicant or every partner of joint venture, or both, in the Project Proposal, and not affixing the signature for certification and seal (if any) in the Proposal-supporting documentations;
- 2) Not affixing signature of the Person Authorized to Affix the Signature and seal (if any) to control the erasure or rectification or alteration of any content contained the Proposal-supporting documents;
- 3) Incomplete submission of the Project Proposal Envelope as specified in Article 2.5 Proposal Submission Evidence and Article 2.7 Proposal Envelope Submission.

- 3.4 If the Project Proposal of any Applicant contains unclear information and/or is required to give explanation, NIA shall notify such Applicant in writing to present additional information so requested by NIA as from the date on which NIA has completed the consideration of such matter within 15 days. If the period of time contained in such notification has elapsed, NIA shall not consider the explanation of the information or the additional documents after the period of time so set forth, whereby the Working Group shall consider the existing information as proposed by the said Applicant as it sees fit.
- 3.5 The Working Group shall consider the Project Proposals in the order in accordance with the date and time when the Applicant submits the Proposal Envelope to NIA based upon the requirements and criteria as defined by NIA, as follows:
- 3.5.1 Technical Information to show the technological advancement of the Project and technology development plans of the bioplastic products in the future;
- 3.5.2 Financial Information, business plans, and market potential of the project of investment in commercial bioplastic resins production in the future (future plan of investment);
- 3.5.3 Potential of raw materials allocation management, business operation strategies, and suitable business forming;
- 3.5.4 Potential of the executives and financial statement of the Company;
- 3.5.5 Proposed benefits for the public sector or in view of public interests, such as joint research and market development projects for bioplastic products, public and/or private cooperation projects for development of technology improvements from the pilot plant or the bioplastic resins produced from the pilot plant, proposed guidelines on benefit sharing from intellectual property developed.
- 3.5.6 NIA reserves the right to modify the criteria for the Project Proposal consideration as it deems appropriate.
- 3.5.7 The Working Group shall visit the proposed site for construction of the bioplastic pilot plant in order to acquire information to support its evaluation of the Proposal.

The Working Group's consideration comprises the following steps:

- 1) Examination of completeness of the Project Proposal;
- 2) Examination of correctness and completeness of the Project Proposal in the parts of technical details, technologies selected, experiences of the Project Applicant, financial availability, and other related matters;
- 3) Visit to the proposed location to assess the suitability of the site for construction of the bioplastic pilot plant;
- 4) Presentation of the Project to the Working Group for consideration.

6. Exhibits Attached to Request for Proposal

Exhibits Attached to Request for Proposal (RFP) of the Compostable Plastics Pilot Plants Project comprise the following documents:

- 1) Project Proposal;
- 2) Form of Letter of Guarantee.

Remarks