



## TERMS OF REFERENCE (ToR)

(SERVICES)

### FOR THE PROCUREMENT OF A SERVICE PROVIDER TO PROVIDE STRATEGIC ADVISORY SERVICES FOR THE MUNICIPAL ENERGY RESILIENCE PROJECT IMPLEMENTATION IN THE WESTERN CAPE

<b>To:</b>	The Bidder
<b>From:</b>	Supply Chain Management Unit

#### 1. BID PARTICULARS

<b>Project Description</b>	Municipal Energy Resilience: Strategic Advisor		
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<b>Bid Reference</b>	EDT 007-20		
<b>Bid Closing Date</b>	22 December 2020	<b>Bid Closing Time</b>	11:00

#### 1. PURPOSE

- 1.1. The objective of the MER project is to provide project development support and capacity building, to implement renewable energy projects in municipalities across the province, for municipalities, businesses & households to generate, procure and sell own power, including but not limited to municipalities transacting directly with IPPs (Independent Power Producers).
- 1.2. The MER project is aimed at enabling economic growth through improving energy security, reducing business costs, building business confidence and attracting investment.
- 1.3. The MER project is a 3-year project aimed at improving the energy resilience of municipalities through facilitating the implementation of energy infrastructure development (public and private) for economic growth.
- 1.4. The MER project supports the post-Covid19 economic recovery and resilience plan, addressing resource resilience, investment, ease of doing business and infrastructure.
- 1.5. The Department of Economic Development & Tourism (DEDAT), specifically the Energy Directorate within the Green Economy Chief Directorate, therefore seeks to appoint a



service provider with extensive energy technical expertise and experience to provide strategic advisory services to assist in the implementation of the Municipal Energy Resilience (MER) project.

## **2. BACKGROUND**

### **South African and provincial context**

- 2.1. South Africa has an electricity security, supply and resilience crisis, indicated by blackouts and rotational load shedding, due to shortages in reliable generation capacity at Eskom. Municipalities are also under financial pressure to maintain electricity revenues as those consumers who can afford to are self-generating and defecting from the supply grid.
- 2.2. South Africa is experiencing an economic crisis ((stagnant and negative economic growth, unemployment, poverty, junk status and impact of Covid-19 pandemic)) and energy crisis, evidenced by the widening electricity supply gap with load shedding outages in 2020 already surpassing the 2019 cumulative total. While the Integrated Resource Plan (IRP2019) estimated the short-term electricity gap to be in the ranges of 2,000MW to 3,000MW, an updated January 2020 study by the CSIR suggests that the gap may be larger than 7,000MW.
- 2.3. The Covid-19 pandemic has had a significant negative impact on the economy, with the economy further contracting and fiscal debt mounting due to higher levels of unemployment. Investment in energy infrastructure is an important contribution to economic recovery - both to provide for basic resource needs, but also to improve economic competitiveness, build business confidence, create jobs and attract both domestic and foreign investment
- 2.4. The power sector structural reform currently underway through the unbundling of Eskom from a vertically integrated monopoly into the three different entities of Generation, Transmission and Distribution allows for the move towards decentralised power sector structures and a move away from the traditional utility model of a single buyer office (i.e. Eskom has been the only purchaser of electricity from Eskom generation and IPPs) to multiple sellers and buyers (municipalities and other entities could purchase directly from IPPs).
- 2.5. In his SONA address on 13 February 2020, the President of South Africa made declarations on changes to come in the electricity sector:
  - 2.5.1. "We are taking the following measures to rapidly and significantly increase generation capacity outside of Eskom"
  - 2.5.2. "We will also put in place measures to enable municipalities, in good financial standing, to procure their power from independent power producers (IPPs)"
- 2.6. Subsequently, the Department of Mineral Resources and Energy (DMRE) developed draft regulations to enable new generation capacity for municipalities which have been gazetted on 16 October 2020.
- 2.7. The procurement of utility scale energy and sub utility scale, bulk energy from IPPs, under conditions of developing and evolving policies and regulations is a complex and challenging task. Municipalities (including metropolitan, district and local municipalities) may not have the policies, plans, resources, funding, or procurement expertise to procure wholesale electricity from sources other than Eskom, specifically IPPs. Neither have municipalities' electricity reticulation and distribution systems been technically evaluated to clarify their readiness for the implementation of electricity generation. While not all municipalities will qualify to procure energy directly from IPPs, some might be buyers from



a Power Pool, a metropolitan bulk buyer or wholesaler. A key component of the project is to improve the resilience of municipal revenue and balancing energy security with a new, more reliable, more secure and less expensive future electricity price path to sustain and grow the economy. Additionally, the opportunity exists for new generation capacity to be developed within municipalities.

- 2.8. With South Africa being a signatory to the Paris Accord and a high greenhouse gas emitter, it is required to significantly reduce its greenhouse gas emissions. South Africa's Carbon Tax Act of 2019 is a step towards reducing the country's emissions and places further pressure on the economy to reduce its carbon footprint. With Eskom's coal fleet contributing approximately 60% of South Africa's CO<sub>2</sub> emissions, increasing international moves towards carbon border adjustments will require the country's energy supply to move towards carbon neutrality to maintain and grow exports from South Africa.

### **Provincial and Departmental strategy, plans and objectives**

- 2.9. The Provincial Strategic Plan (PSP) is a five-year strategic plan with the vision of a safe Western Cape where everyone prospers. This vision is expressed in five strategic priorities identified for 2019 – 2024, the Western Cape's Vision-Inspired Priorities (VIPs), including VIP 2: Growth and Jobs.
- 2.10. VIP2 includes priorities on resource resilience and investment through promotion and catalytic infrastructure.
- 2.11. The Western Cape Government's post Covid-19 economic recovery plan includes a strategic focus on resource resilience (including energy infrastructure), recognised as key to creating an enabling environment to attract investment.
- 2.12. To facilitate the above, the Western Cape Government (WCG) continues to be committed to advancing the green economy – one that is low carbon, resource efficient, and socially inclusive. Energy supply choices and energy efficiency measures are critical determinants of this commitment; equally, understanding resource flows in the regional economy is critical to our ability to provide the appropriate support for the decoupling of economic growth from resource consumption. The Department of Economic Development and Tourism (DEDAT) is the lead department in facilitating the development of a robust green economy in the Western Cape – in particular, achieving energy security and energy price stability.
- 2.13. The energy-related long-term strategic outcome of the PSP and Covid-19 economic recovery plan is to improve the resource resilience of the Western Cape Economy, with a target of 500 MW of lower carbon electricity being produced in the Western Cape within 5 years. Part of the MER project will be to define the strategies and optimal mix of energy projects to meet this overall target.
- 2.14. The Western Cape Government recognises that this initiative is a medium to long term programme with multiple dependencies and timelines. The philosophy underlying the entire programme is that infrastructure development is a key catalyst to improve energy resilience and that Government has a key role to play in facilitating and driving the development of municipal and other energy infrastructure in the province. This is aligned with NDP and MTSF priorities "Economic transformation and job creation" and "A better Africa and World"



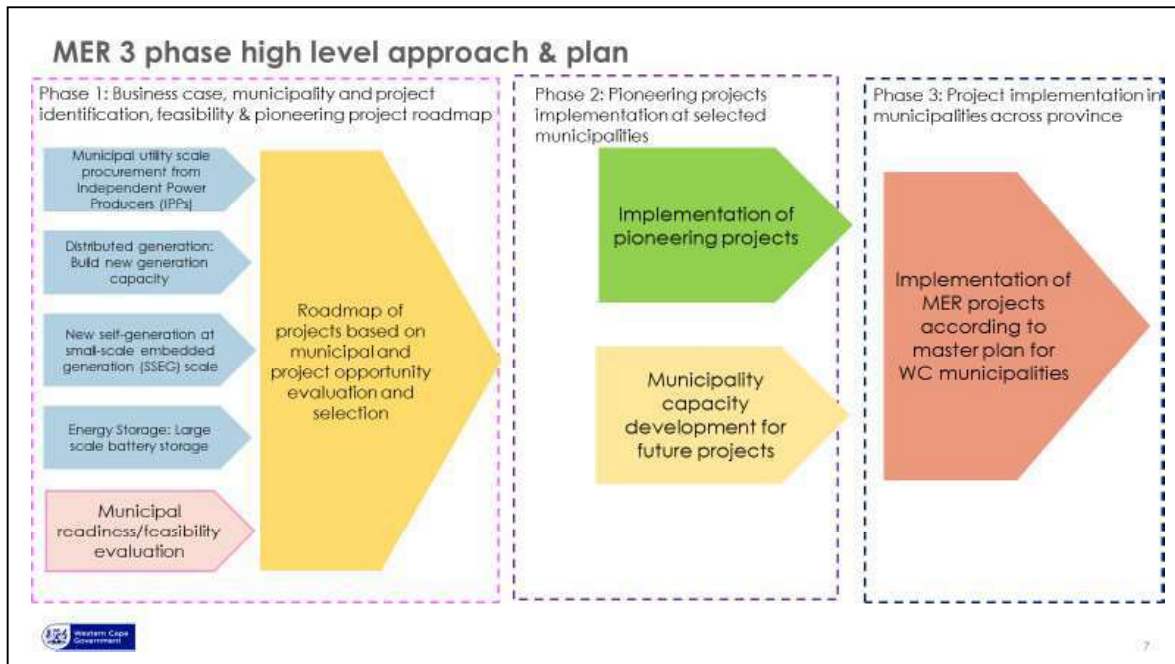
## **Project approach**

The proposed MER project approach comprises of three implementation phases, with the outputs/deliverables of Phase 1 of the project leading, informing and influencing Phases 2 and 3.

1. **Phase 1:** Development of business cases; municipal evaluation; project identification and feasibility; and pioneering project roadmap.
  - 1.1. Municipal readiness evaluation of all local municipalities (and district municipalities where applicable) to select candidate municipalities for initial, pioneering energy projects and to identify municipal grid capacity, technical capacity, financial standing and other gaps and development needs for further renewable energy project implementation.
  - 1.2. Development of business cases for MER project components (includes multiple renewable energy technologies and scales) towards identification and implementation of project opportunities in candidate municipalities. The business cases will address the following four MER project components:
    - 1.2.1. Municipal utility scale electricity procurement from Independent Power Producers (IPPs).
    - 1.2.2. New distributed generation capacity at sub-utility scale.
    - 1.2.3. New self-generation at small-scale embedded generation (SSEG) scale (under 1 MW).
    - 1.2.4. Energy Storage: Large scale battery storage at utility and sub-utility scale.
  - 1.3. Project identification & prioritisation and development of a roadmap of potential pioneering projects for phase 2 based on municipal and project opportunity evaluation and selection. This will include the identification of appropriate transaction / procurement mechanisms (e.g. Independent Power Producer (IPP) auctions or direct power purchase agreement (PPA); Public Private Partnerships (PPP); or other transaction/funding sources such as grants, concessional finance, private investment, debt: blended finance approach etc.).
2. **Phase 2:** Implementation of pioneering projects at selected candidate municipalities
  - 2.1. Project scoping & development of specific pioneering projects
  - 2.2. Identify project implementation partners, transaction structures, funding/financing and other project enabling factors to enable implementation. This includes project feasibility studies.
  - 2.3. Development of technical/financial/other capabilities for municipalities to undertake identified projects & potential future projects and transactions
  - 2.4. Implementation of specific pioneering projects
  - 2.5. Municipal capacity development (electricity network capacity and relevant human resource capacity) for implementation of future / further energy projects
  - 2.6. Implementation evaluation including learnings and optimisation for implementation at other municipalities.
3. **Phase 3:** Project implementation in municipalities across province
  - 3.1. Develop a pipeline of further energy projects to inform implementation
  - 3.2. Develop an implementation master plan for a programme of project implementation across Western Cape municipalities

- 3.3. Identify project implementation partners, transaction structures, funding/financing and other project enabling factors to enable implementation at scale across the province.
- 3.4. Begin to implement further MER projects across the province.
- 3.5. Continued support to municipalities to implement identified projects

The following diagram further illustrate the project approach detailed above:





### **3. NATURE AND SCOPE OF SERVICES TO BE RENDERED**

#### **Description/specification of services required from service provider, concomitant expertise and experience required**

The Department requires highly experienced technical specialist expertise over a period of three financial years, to guide the team through the MER project phase 1 and the structuring and implementation of phases 2 and 3 of the MER project. The expectation is that 5 pioneering projects will be identified, with the pace of progress of development dependent on the complexity of various aspects of the implementation.

The specific services required are as follows:

For year 1: FY 2020/21:

Services	Consultants expected outputs/deliverables/tasks
<p>1. Strategic consulting services</p> <p>1.1. Advise on the MER project approach and methodology</p> <p>1.2. Advise and provide guidance and direction for the implementation of a programme and portfolio of energy projects under the MER project, including the identification and treatment of risks to the implementation of projects (e.g. energy related legislative and structural changes in the industry.)</p>	<p>1. Strategic consulting service outputs</p> <p>a. Review report of MER project approach and methodology</p> <p>b. Monthly report including the following but not limited to:</p> <p>i. Key stakeholder meetings (average of 3 per week) and stakeholder buy-in into approach</p> <p>ii. Advisory opinions documents on key issues, as required by the Department (this could include risk identification, management and treatment)</p> <p>iii. extent of advisory and stakeholder engagement support services provided, the schedule of work completed, and meetings participated in; supported by evidence</p> <p>iv. Advice, guidance and direction for energy projects implementation, including energy legislation and regulations</p>
<p>2. Guidance and support on business case development</p> <p>2.1. Review of the MER project components and the requirements of the business cases for these components.</p> <p>2.2. Advise on municipal readiness evaluation definition and methodology.</p> <p>2.3. Assist with the structuring and expert review of the outputs from the Project Development services consulting work (separate contract). Including:</p> <p>2.3.1. options for project development, (for example, but not limited to: technology / system options, cost options, location issues, municipal readiness needs, infrastructure needs, timelines, procurement mechanisms / transaction types, regulatory issues etc.)</p> <p>2.3.2. Advise on project identification from review of project options and proposed prioritisation.</p> <p>2.3.3. Advise on the development of the methodology for and amalgamation of municipal readiness with project options and transaction type identification</p>	<p>2. Report on business case development guidance &amp; support including the following but not limited to:</p> <p>a. Review of the MER project components and the requirements of the business cases for these components</p> <p>b. Summary of detailed inputs provided to project development e.g. supporting documents indicating structuring support; expert review of the outputs from the Project Development services consulting work (separate contract)</p> <p>c. inputs on project identification and proposed prioritisation</p> <p>d. inputs provided on the development of the methodology for and amalgamation of municipal readiness with project components and dimensions</p> <p>e. inputs on the criteria for and selection of pioneering projects</p>



<p>3. Advisory services on project development and project management</p> <p>3.1. Provide guidance on the establishment of a programme and/or project management office (PMO) through which future energy contracts, partnerships and agreements would be run.</p>	<p>3. Report on project development and project management advisory services provided including the following but not limited to:</p> <p>a. Proposal on the establishment of a programme and/or project management office (PMO) for future energy contracts and agreements</p> <p>b. Documents detailing the technical requirements for project transaction advisory services required for projects/ programme implementation</p>
<p>4. Advisory services on transaction and procurement options and mechanisms for pioneering projects:</p> <p>4.1. Advise on relevant possible public or private transaction and procurement models and options proposals - including but not limited to Independent Power Producers (IPPs), Renewable Energy Independent Power Producer Programme (REI4P), Public Private Partnership (PPP), Power Purchase Agreements (PPA).</p> <p>4.2. Advise on the criteria for selection of transaction, procurement and other supply chain management options in relation to PFMA and MFMA regulations for project implementation of pioneering projects.</p>	<p>4. Report detailing transaction options and procurement mechanisms advisory services including the following but not limited to:</p> <p>a. Public/private transaction and procurement and options proposals - including but not limited to Independent Power Producers (IPPs), Renewable Energy Independent Power Producer Programme (REI4P), Public Private Partnership (PPP), Power Purchase Agreements (PPA).</p> <p>b. the criteria for the selection of transaction, procurement and other supply chain management options in relation to PFMA and MFMA regulations for project implementation.</p>
<p>5. High level strategic direction and guidance to relevant municipalities on the evaluation and implementation of energy projects.</p> <p>5.1. Assist with and facilitate the unblocking of barriers to project implementation.</p>	<p>5. Report detailing strategic direction and guidance provided to relevant municipalities including but not limited to the following:</p> <p>a. Inputs provided on strategic direction and guidance to relevant municipalities</p> <p>b. Inputs on the gap analysis (to be provided)</p>



For year 2: FY 2021/22 (to be confirmed during year 1 and subject to budget availability and review of year one outcomes). Expectation of up to a total of 2 projects.

Services	Consultants expected outputs/deliverables/tasks
<p>1. Strategic consulting services</p> <p>1.1. Advise and provide guidance and direction for the implementation of a programme and portfolio of energy projects under the MER project, including the identification and treatment of risks to the implementation of projects (e.g. energy related legislative and structural changes in the industry.)</p> <p>1.2. Advise on scoping of pioneering projects</p>	<p>1. Strategic consulting service outputs</p> <p>a. Monthly report including the following but not limited to:</p> <p>i. Key stakeholder meetings and stakeholder buy-in into approach</p> <p>ii. Advisory opinions documents on key issues, as required by the Department (this could include risk identification, management and treatment)</p> <p>iii. extent of advisory and stakeholder engagement support services provided, the schedule of work completed, and meetings participated in; supported by evidence</p> <p>iv. Advice, guidance and direction for energy projects implementation, including energy legislation and regulations</p>
<p>2. Further guidance and support on business case development</p> <p>2.1. Assist with the structuring and expert review of the outputs from the Project Development services consulting work (separate contract). Including:</p> <p>2.1.1. options for project development, (for example, but not limited to the following: technology / system options, cost options, location issues, municipal readiness needs, infrastructure needs, timelines, procurement mechanisms / transaction types, regulatory issues etc.)</p> <p>2.1.2. Advise on project identification from review of project options and proposed prioritisation.</p> <p>2.1.3. Advise on the development of the methodology for and amalgamation of municipal readiness with project options and transaction type identification (if not already concluded)</p>	<p>2. Update report on business case development guidance &amp; support including the following but not limited to:</p> <p>a. Review of the MER project components and the requirements of the business cases for these components (if not concluded)</p> <p>b. Summary of detailed inputs provided to project development e.g. supporting documents indicating structuring support; expert review of the outputs from the Project Development services consulting work (separate contract)</p> <p>c. inputs on project identification and proposed prioritisation</p> <p>d. inputs provided on the development of the methodology for and amalgamation of municipal readiness with project components and dimensions (if not concluded)</p> <p>e. inputs on the criteria for and selection of pioneering projects (if not concluded)</p>

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<p>3. Advisory services on project development and project management</p> <p>3.1. Advise on selection and scoping of projects (including of pioneering projects)</p> <p>3.2. Provide guidance on the development of the project implementation road map.</p> <p>3.3. Guide the structuring of and implementation planning for the pioneering projects</p>	<p>3. Report on advisory services provided on Project development and project management including the following but not limited to:</p> <p>a. Establishment of a programme and/or project management office (PMO) for future energy contracts and agreements</p> <p>b. Structuring of the work of the programme and/or project management office</p> <p>c. inputs on each pioneering projects' conceptualisation / scoping (if ready)</p> <p>d. Inputs on project implementation road map</p> <p>e. Inputs on pioneering project implementation</p>
<p>4. Advisory services on transaction and procurement options and mechanisms</p> <p>4.1. Advise on the criteria for selection of transaction, procurement and other supply chain management options in relation to PFMA and MFMA regulations for project implementation of pioneering projects.</p> <p>4.2. Provide expert inputs into the Terms of Reference for transaction advisory, legal and other services for pioneering projects.</p> <p>4.3. Assist with the evaluation of transaction advisory, legal and other services for pioneering projects</p>	<p>4. Report detailing inputs into transaction options and procurement mechanisms for pioneering projects including the following but not limited to:</p> <p>a. Public/private transaction and procurement and options proposals- including but not limited to Independent Power Producers (IPPs), Renewable Energy Independent Power Producer Programme (REIP), Public Private Partnership (PPP), Power Purchase Agreements (PPA).</p> <p>b. the criteria for the selection of transaction, procurement and other supply chain management options in relation to PFMA and MFMA regulations for project implementation.</p> <p>c. expert inputs provided on Terms of Reference for transaction advisory, legal and other services</p> <p>d. assistance provided in the evaluation, selection &amp; contracting of transaction advisory, legal and other services</p>
<p>5. High level strategic direction and guidance to relevant municipalities on the evaluation and implementation of pioneering energy projects, defined by implementation roadmap.</p> <p>5.1. Assist with and facilitate the unblocking of barriers to project implementation.</p> <p>5.2. Develop proposals (e.g. funding, skills support or partnership establishment) to enable municipalities to implement projects.</p>	<p>5. Report detailing strategic direction and guidance provided to relevant municipalities on pioneering projects including but not limited to the following:</p> <p>a. Inputs provided on strategic direction and guidance to relevant municipalities</p> <p>b. Inputs on implementation of pioneering projects</p> <p>c. Copies of proposals (e.g. funding, skills support or partnership establishment) drafted or assisted with to enable municipalities to implement projects.</p>

For year 3: FY 2022/23 (to be confirmed during year 2 and subject to budget availability and review of year two outcomes). Expectation of up to a total of 5 projects (including 2 from previous year).

Services	Consultants expected outputs/deliverables/tasks
<p>1. Strategic consulting services</p> <p>1.1. Advise and provide guidance and direction for the implementation of a programme and portfolio of energy projects under the MER project, including the identification and treatment of risks to the implementation of projects (e.g. energy related legislative and structural changes in the industry.)</p> <p>1.2. Advise on scoping of follower projects</p>	<p>1. Strategic consulting service outputs</p> <p>a. Monthly report including the following but not limited to:</p> <p>i. Key stakeholder meetings and stakeholder buy-in into approach</p> <p>ii. Advisory opinions documents on key issues, as required by the Department (this could include risk identification, management and treatment)</p> <p>iii. extent of advisory and stakeholder engagement support services provided, the schedule of work completed, and meetings participated in; supported by evidence</p> <p>iv. Advice, guidance and direction for energy projects implementation, including energy legislation and regulations</p>
<p>2. Advisory services on project development and project management</p> <p>2.1. Continue to guide the structuring of and implementation planning for the pioneering projects</p>	<p>2. Report on advisory services provided on project development and project management including the following but not limited to:</p> <p>a. Inputs on pioneering project implementation</p>
<p>3. Advisory services on transaction and procurement options and mechanisms</p> <p>3.1. Advise on the criteria for selection of transaction, procurement and other supply chain management options in relation to PFMA and MFMA regulations for project implementation of pioneering projects.</p> <p>3.2. Provide expert inputs into the Terms of Reference for transaction advisory, legal and other services for pioneering projects.</p> <p>3.3. Assist with the evaluation of transaction advisory, legal and other services for pioneering projects</p>	<p>3. Report detailing inputs into transaction options and procurement mechanisms for pioneering projects including the following but not limited to:</p> <p>a. Public/private transaction and procurement and options proposals - including but not limited to Independent Power Producers (IPPs), Renewable Energy Independent Power Producer Programme (REI4P), Public Private Partnership (PPP), Power Purchase Agreements (PPA).</p> <p>b. the criteria for the selection of transaction, procurement and other supply chain management options in relation to PFMA and MFMA regulations for project implementation.</p> <p>c. expert inputs provided on Terms of Reference for transaction advisory, legal and other services</p> <p>d. assistance provided in the evaluation, selection &amp; contracting of transaction advisory, legal and other services</p>

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<p>4. High level strategic direction and guidance to relevant municipalities on the evaluation and implementation of pioneering energy projects, defined by implementation roadmap.</p> <p>4.1. Assist with and facilitate the unblocking of barriers to project implementation.</p> <p>4.2. Develop proposals (e.g. funding, skills support or partnership establishment) to enable municipalities to implement projects.</p>	<p>4. Report detailing strategic direction and guidance provided to relevant municipalities including but not limited to the following:</p> <ul style="list-style-type: none"> <li>a. Inputs provided on strategic direction and guidance to relevant municipalities</li> <li>b. Inputs on implementation of pioneering projects</li> <li>c. Copies of proposals (e.g. funding, skills support or partnership establishment) drafted or assisted with to enable municipalities to implement projects.</li> </ul>
<p>5. Develop and finalise master plan for implementation of MER across all Western Cape Municipalities.</p>	<p>5. Masterplan detailing implementation of MER components across all Western Cape Municipalities including but not limited to the following:</p> <ul style="list-style-type: none"> <li>a. Options for grouped or pooled municipalities</li> <li>b. Public/private transaction and procurement and options proposals - including but not limited to Independent Power Producers (IPPs), Renewable Energy Independent Power Producer Programme (REI4P), Public Private Partnership (PPP), Power Purchase Agreements (PPA).</li> <li>c. Leveraging of economies of scale at provincial or district level</li> </ul>

#### 4. EVALUATION METHODOLOGY

4.1. Bids shall be evaluated in terms of the following process:

4.1.1 **Phase 1:** Compliance checking: during this phase, bids will be verified against the minimum requirements as set out in this Terms of Reference.

4.1.2 **Phase 2:** Compliant bids will, thereafter, be evaluated against the criteria and weights for functionality depicted in the following table:

**1 – POOR      2 – FAIR      3 – AVERAGE      4 – GOOD      5 – EXCELLENT**

	<b>Criteria: Functionality</b>	<b>Weight</b>	<b>Reference</b>
	<b>Experience, expertise &amp; qualifications</b>	<b>60</b>	
1.	Lead advisor strategic experience relevant to the assignment i.e. strategic advisory development and implementation experience in national or regional integrated programmes and projects as an executive level consultant and/or management at an executive strategic level. (Lead advisor to be clearly indicated in the proposal)	10	7.2 7.3
2.	Lead strategic advisor energy-related experience relevant to the assignment. i.e. National and/or sub-national catalytic infrastructure advisory, planning and implementation of integrated energy related programmes and projects (e.g. ideally in or with the IPP Office or similar programme(s) in the energy-related sectors).	10	7.2 7.3
3.	Experience of key staff relevant to delivery of the assignment (as required to support the lead strategic advisor – this could comprise of individuals in the firm employing the lead advisor and/or organisation and/or consortium in association with lead strategic advisor). Relevant experience in national and/or sub-national catalytic infrastructure strategic advisory, planning and implementation of integrated programmes and projects experience. Strategy development and implementation experience, ideally in energy related assignments. (Scored on the average experience of key staff (identify up to 2 other persons excluding the lead advisor with most time allocated and committed to the project - note required allocation commitment in 5.4)	10	7.2 7.3
4.	Qualifications of key personnel – lead advisor & other key staff (the 3 persons spending most time on the project including the lead advisor). (Relevant academic qualifications i.e. in science/ engineering/ economics/ business management/ finance/ law)	10	7.2 7.3

	<b>Criteria: Functionality</b>	<b>Weight</b>	<b>Reference</b>
5.	Experience of lead advisor and key staff in assignments with complex programme & project management, involving multiple projects stakeholders, linkages, and service providers. (Proposal should include examples of similar projects managed by lead advisor and key staff with references.)	10	7.2 7.3
6.	Experience in infrastructure project finance (e.g. experience including but not limited to IPP, PPA, PPP, RFP, concessional financing, debt financing, blended financing mechanisms applied in projects).	10	7.2 7.3
7.	<b>Response, methodology and project plan</b>	<b>40</b>	
7.1.	Strategic response to assignment, including insight, content and context; strategic positioning in energy system, and challenges. Demonstrate comprehension and insight into 4 assignment themes:  1) Project directive, objective, goals, scope of assignment, underlying programme and projects, nature and complexity of assignment 2) Context of SA national and sub-national energy/power sector and infrastructure (generation, transmission, distribution), energy transition and power sector reform 3) MER project components (utility, sub-utility, distributed and embedded and SSEG generation and combined with storage) 4) Energy project dimensions (municipalities, technology/solutions, transactions/procurement).	15	7.1
7.2.	Proposed methodology & approach, indicating logic and rationale of the methodology and an innovative approach – evaluation dimensions:  1) Clear and concise approach 2) Clear and concise methodology 3) Clear logical flow – structure of proposal 4) Innovation displayed by additional insight and/or comments regarding the project approach and application of key staff experience, expertise to assignment	15	7.1

	<b>Criteria: Functionality</b>	<b>Weight</b>	<b>Reference</b>
7.3.	Proposed project plan elements appropriately covered in proposal: 1) Work breakdown structure 2) Timescales 3) Deliverables/outputs 4) Milestones 5) Resources and allocation thereof 6) Monitoring 7) Reporting/communication 8) Stakeholder management 9) Budget breakdown (including hourly rates)	10	7.1
	<b>Total</b>	<b>100</b>	
	<b>Minimum Threshold</b>	<b>70%</b>	

NB: Bids that score less than 70% of the points for functionality will be disqualified and not evaluated further.

- 4.1.3 **Phase 3:** Thereafter, only qualifying bids are evaluated in terms of the 80/20 preference points system, where the 80 points will be used for price and the 20 points are awarded to the bidder for attaining B-BBEE status level contributor in accordance with their BEE Certificate.

## 5. DURATION OF CONTRACT

- 5.1. This assignment is over a three-year period (Financial year 2020/21 ending March 2021, FY 2021/22 ending March 2022 and FY 2022/23 ending March 2023)
- 5.2. Commencing 15 January 2021 (to be confirmed)
- 5.3. Completion 15 March 2023
- 5.4. It is anticipated that a lead advisor and key staff (up to 2 other persons), will be 100% allocated for the duration of phase 1 which is anticipated to be the first 6 months of this project (2 months in FY 2020/21 and 4 months in FY 2021/22), with at least 50% allocation for the remainder of FY 2021/22 and FY 2022/23 (subject to annual review of project).

## 6. REPORTING AND MONITORING

- 6.1. The appointed Strategic Advisor will report to the Director: Energy (Green Economy)
- 6.2. Provide monthly and other reports applicable according to outputs specified in section 3 above.
- 6.3. Additional to the outputs required, the service provider will be required to also undertake the following presentations to an interdepartmental steering committee. This is in order for the steering committee to evaluate progress and to make key decisions related to the development and unfolding of the project implementation. The Steercom will also provide oversight, guidance and sign-off on the strategic direction of the MER project.:
- 6.3.1. Presentation of interim reports containing progress on the terms of reference - for FY 2020/21 at the beginning of March; and for FY 2021/22 and FY 2022/23 at the end of quarter 1, 2 and 3 of each financial year. i.e. 1 presentation in FY 2020/21 and 3 presentations in each of FY 2021/22 and FY 2022/23.



6.3.2. Presentation of an annual report on all deliverables: for FY 2020/21 at the end of March 2021) and for FY 2021/22 and FY 2022/23 at the end of each financial year.

6.4. Monitoring and Evaluation will occur through:

6.4.1. Operational project management meetings for FY 2020/21 will occur weekly (1 hour between project manager and lead) and for FY 2021/22 and FY 2022/23 will occur monthly (relevant project team and relevant members of service provider team) for planning and process purposes and will be scheduled and managed by the Energy unit.

6.4.2.

## 7. SERVICE PROVIDERS PROPOSAL

The bidder is required to submit a detailed and comprehensive proposal of not more than 20 pages (not including other supporting documentation required), as a bid in response to this terms of reference. Service providers are required to prepare their proposal in accordance with the instructions outlined below.

Ref	Document Title	Content
7.1.	Proposal	<p>The bidder should specifically respond to the specification of services and outputs identified in Section 3: Nature and scope of services to be provided, as well as in reference to the key parts of Section 2: Background, specifically noting the project approach and phases. The proposal should comprise of the following:</p> <ol style="list-style-type: none"> <li>1 Executive Summary - a brief overview of the assignment identifying the main features and benefits of the proposed work.</li> <li>2 Company / consortium / joint venture overview / profile (max 2 pages)</li> <li>3 Understanding of the Scope of Work: <ul style="list-style-type: none"> <li>• Strategic response to the assignment including proposed solution to delivering on the Scope of Work covering all items in Section 4: 7.1.</li> <li>• Proposed methodology &amp; approach to the project including any assumptions made and any additional insight and comments on the assignment covering all items in Section 4: 7.2.</li> </ul> </li> <li>4 Project plan covering all items in Section 4: 7.3</li> </ol>
7.2.	Proposed team/ individuals' CVs	<p>CVs (max 5 pages in total) of the key employees that will be working on the project, noting their roles, relevance and appropriateness to this project and stating:</p> <ul style="list-style-type: none"> <li>• Qualifications - Provide details of the skills and qualifications for each individual and/or team member (see Section 4 (4))</li> <li>• Number of years' experience and expertise relevant to this assignment - Provide details of the professional experience pertinent to the Scope of Work (see Section 4 (1, 2, 3, 5 &amp; 6));</li> <li>• Synopsis of relevant projects that the individual and/or each team member has worked on and, specifically, large scale and complex energy related strategic programmes (see Section 4 (1, 2, 3, 5 &amp; 6)).</li> </ul>
7.3.	Annexure A: Table summary of qualifications, application and experience.	<p>Project team members &amp; roles in team; academic qualifications, rate per hour, hours per month, project references by project and experience relevant to assignment</p>

## 8. BRIEFING SESSION

- 8.1. A non-compulsory information / briefing session will be held on the 20 November 2020 at 11:00 on the Microsoft Teams platform. Service providers that intend to attend the non-compulsory briefing session will be required to register their interest via email through the procurement practitioner email address supplied. This registration of interest must be done by 19 November at 11:00 so that an MS Teams meeting invitation can be provided.

## 9. MINIMUM REQUIREMENTS FOR A VALID BID

- 9.1. Service providers that fail to adhere to any of the following, will be rendered non-compliant:
- 9.1.1. Bidders must submit proposals inclusive of VAT before the bid closing date and time.
  - 9.1.2. Bidders must be registered on Central Supplier Database (CSD).
  - 9.1.3. Each party participating in a Joint Venture must be tax compliant and must provide a WCBD 4.
  - 9.1.4. Consortiums must provide a WCBD 4 and must be tax compliant.

## 10. COMPULSORY RETURNABLE DOCUMENTS

The following documents are compulsory and must be submitted according to the table below. Failure to submit documents listed under Table 1 below will result in disqualification.

**Table 1: List of Compulsory Bid Documents and requirements**

Document that must be submitted	Description/ Instructions
Proposal and / or portfolio of evidence	Bidders proposal and supporting documentation
WCBD 1	Invitation to bid – Complete and sign
WCBD 3.3	Pricing Schedule
WCBD 4	Declaration of Interest, Declaration of Bidder's Past Supply Chain Management Practices and Certificate of Independent Bid Determination – Complete and sign
WCBD 6.1	Preference Points Claim Form complete and sign  <b>NB: ONLY THE B-BBEE STATUS STATED ON THE COMPLETED WCBD 6.1 WILL APPLY TO THE EVALUATION OF THIS BID AND NOT THE B-BBEE STATUS ON THE WCSD OR CSD.</b>

## 11. JOINT VENTURE/CONSORTIUM

- 11.1. If a Joint Venture/Consortium claims B-BBEE points, a consolidated B-BBEE scorecard must be submitted.

## 12. SUB-CONTRACTING

- 12.1. A person awarded a contract must only enter into a subcontracting arrangement with the approval of the department.
- 12.2. A bidder may not be awarded points for B-BBEE status level of contributor if the bid documents indicate that the bidder intends sub-contracting more than 25% of the value of the contract to any other person not qualifying for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 12.3. A bidder awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

## 13. REGISTRATION ON SUPPLIER DATABASES

- 13.1. Prospective bidders must be registered on the Central Supplier database (CSD) at the time of bid closure.
- 13.2. All prospective bidders who are not registered on the Central Supplier Database are requested to self-register on [www.csd.gov.za](http://www.csd.gov.za). For further assistance with the registration process, please contact National Treasury on (012) 315 5509 or e-mail [csd@treasury.gov.za](mailto:csd@treasury.gov.za).
- 13.3. **Registration on databases and compliance of tax status will be verified at the time of the award.**  
Where the successful bidder is not tax compliant, the department will notify the bidder in writing of their non-compliant status and the bidder will be requested to submit written proof from SARS of their tax compliance status or proof that they have arranged to meet their outstanding tax obligations within 7-working days.

## 14. CONTRACTUAL ASPECTS

- 14.1. The contents of this document shall be deemed to constitute the Special Conditions of Contract applicable to this bid and shall be read together with the General Conditions of Contract issued in accordance with Chapter 16A of the Treasury Regulations.
- 14.2. Where, however, the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract shall prevail.
- 14.3. The bid document, together with the specifications contained in this document, shall constitute part of the Contract.
- 14.4. Bidders shall not perform any work or render any services in terms of the Contract unless in receipt of a written instruction to this effect by the Department.
- 14.5. The successful bidder may not assign his/ her obligations.
- 14.6. The successful bidder must advise the Head of Department of Economic Development and Tourism immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.

## 15. DISCLAIMER

- 15.1. Bidders must make and rely on their own investigations and satisfy themselves as to the correctness of all aspects of the bid. The Department will not be liable for any incorrect or potentially misleading information in relation to any part of this document and any accompanying bid documents.
- 15.2. The department reserves the right not to appoint any contracted partner who does not comply with the conditions of this bid or if information is obtained by the department about a bidder that could put the department at risk.
- 15.3. The department reserves the right to cancel this bid should the budget not be available at the time of award to cover the full quote of this tender or if the need does not exist anymore or the specification has changed.

## **16. ABSENCE OF OBLIGATION**

- 16.1. No legal or other obligation shall arise between bidders and the Department unless and until the formal appointment documentation has been signed. The Department is not obliged to proceed with any proposals of any bidder. The Department also reserves the right to request changes to any proposed consortia.

## **17. INDEMNITY**

- 17.1. The successful bidder will indemnify, protect, defend and hold harmless the Department from and against any and all claims, demands, actions and proceedings whatsoever including all fees, costs and expenses incurred in respect thereof arising out of:
  - a) Any claim of any taxes payable by the bidder.
  - b) Any claim for Workmen's Compensation Insurance or for any loss for which the bidder is liable.
- 17.2. Any claim by a third party including any employees of the Department or of the bidder for any loss resulting from any bodily injury and or damages to property by any act or omission of the bidder or any of its employees, servants or agents.

**End.**