

# Terms of reference (ToRs) for the procurement of services below the EU threshold

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<b>Transaction Advisory Support to Public Sector Entities in the development of large-scale energy efficiency projects under a performance contracting model with Energy Service Companies (ESCOs)</b>	<b>Project number/ cost centre: 12.9097.2-460.00</b>
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## **0. List of abbreviations**

AVB	General Terms and Conditions of Contract for supplying services and work
B-BBEE	Broad-Based Black Economic Empowerment
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
DMRE	Department of Mineral Resources and Energy
EEDSM	Energy Efficiency Demand Side Management
EFPBIP	Energy Efficiency in Public Buildings and Infrastructure Programme
EEPSU	Energy Efficiency Project Support Unit
EnPC	Energy Performance Contract
ESCO	Energy Service Company
GHG	Greenhouse Gas
IDC	Industrial Development Corporation of South Africa Ltd
ITT	Invitation to Tender
M&E	Monitoring and Evaluation
M&V	Measurement and Verification
MFMA	Municipal Finance Management Act
NBI	National Business Initiative
NCCRP	National Climate Change Response Policy
NDP	National Development Plan
NEES	National Energy Efficiency strategy
PCG	Partial Credit Guarantee
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
PV	Photovoltaic
SANEDI	South African National Energy Development Institute
SOE	State-Owned Entity
ToRs	Terms of reference

## **1. Context**

### **1.1. Background**

South Africa's Greenhouse Gas (GHG) emissions are high, in both absolute and per capita terms; mainly due to a primarily coal-based electricity supply industry, combined with a prevalent inefficient use of energy across many sectors. Public infrastructure, such as buildings, street lighting and water/ waste-water treatment plants, owned by and/or managed by municipalities, provinces, national government, and State-Owned Entities (SOEs), contribute to the country's GHG emissions.

Despite potential financial and energy savings, and emission reductions that could be achieved through demand-side energy efficiency interventions, uptake and implementation to date has been limited. This is due to a range of factors including: capacity and resource constraints, awareness of opportunities, comprehensive and accurate data on existing energy use, and access to finance.

To address these challenges and to fast track the large-scale roll out of energy efficiency across public institutions, the Department of Mineral Resources and Energy (DMRE) have developed the Energy Efficiency in Public Buildings and Infrastructure Programme (EEPBIP) in collaboration with other key stakeholders, and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

### **1.2. Energy Efficiency in Public Buildings and Infrastructure Programme (EEPBIP)**

The objective of the EEPBIP, which commenced in 2019, is to reduce GHG emissions in South Africa by catalysing an energy efficiency transformation within the public-sector environment. This will be achieved through the provision of appropriate technical and financial support, and a programmatic approach to identifying, developing, financing, and implementing energy efficiency interventions in a consistent and replicable manner.

The EEPBIP aims to build on existing public sector programmes, including the municipal Energy Efficiency and Demand Side Management Programme (EEDSM), in addition to the Energy Performance Certificate regulations for buildings. The latent energy efficiency investment potential of the public sector can support a rapid and sustainable growth of the local Energy Service Company (ESCO) market and stimulate energy efficiency implementation across all sectors of society.

Energy Efficiency projects developed through the EEPBIP, will be tendered by public sector entities, and implemented by Energy Service Companies (ESCO's) through an Energy Performance Contracting (EnPC) model. The intention is to establish Shared Savings Contracts, with the ESCO providing the required debt and equity and recouping their investment and returns through electricity cost savings.

The EEPBIP supports the implementation of the National Energy Efficiency Strategy (NEES) and forms part of the overarching sector-wide Energy Efficiency and Energy Demand Management Flagship, a Near-term Priority Climate Change Flagship Programme, as prescribed in the National Climate Change Response Policy (NCCRP).

The implementation of the EEPBIP is supported by international climate finance, through the Mitigation Action Facility, alongside national funding for public sector energy efficiency programmes.

The EEPBIP comprises two key measures:

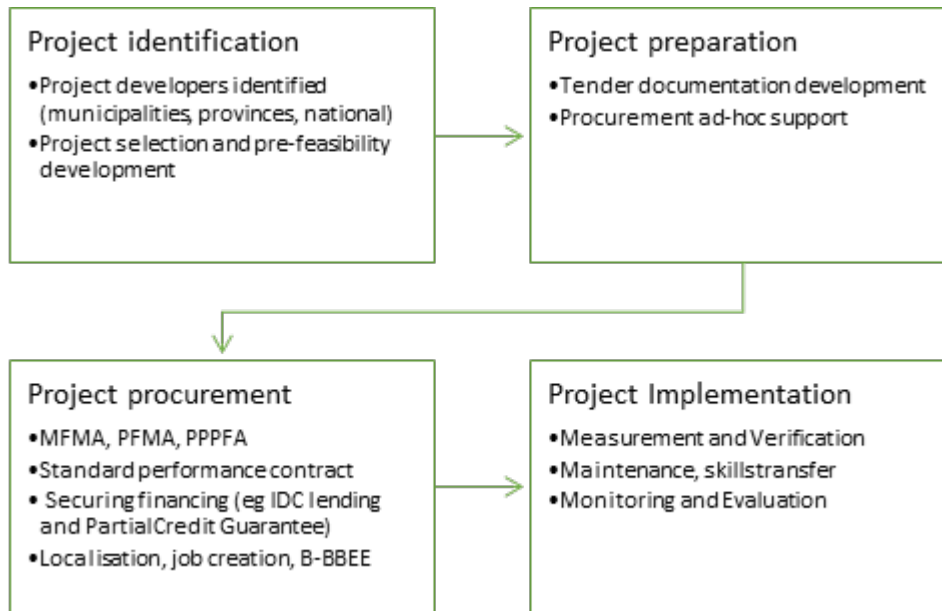
- **Technical Support:** An Energy Efficiency Project Support Unit (EEPSU) is being established to provide technical assistance to public sector entities that have expressed an interest in participating in the programme. Activities will include:
  - assistance to institutions in identifying, quantifying and developing bankable energy efficiency projects
  - procurement support, including development of standardised Terms of Reference (ToRs), tender documents, and performance contracts
  - capacity building, institutional development and awareness raising
  - policy development support
  - Monitoring and Evaluation (M&E), and coordination of Measurement and Verification (M&V)
  
- **Access to finance:**
  - A Partial Credit Guarantee (PCG) Fund will be established within the Industrial Development Corporation of South Africa Ltd (IDC). The PCG will assist in unlocking access to credit lines for private ESCOs investing in public sector energy efficiency projects, by providing a partial guarantee to IDC against defaults on loans.

The key stakeholders directly involved in the EEPBIP are provide in Table 1 below:

*Table 1: Key EEPBIP Stakeholders*

Institution	Role
Department of Mineral Resources and Energy (DMRE)	<ul style="list-style-type: none"> <li>• EEPBIP Programme Co-ordinator</li> <li>• EEDSM Co-ordinator</li> <li>• Workstream Lead for Project Preparation</li> </ul>
The Office of the Presidency	<ul style="list-style-type: none"> <li>• EEPBIP Programme Political Partner</li> </ul>
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	<ul style="list-style-type: none"> <li>• Delivery Organisation for Mitigation Action Facility Funding</li> <li>• Provision of technical assistance</li> </ul>
South African National Energy Development Institute (SANEDI)	<ul style="list-style-type: none"> <li>• Programme Partner/ EEPSU Coordinator</li> <li>• Workstream lead on Monitoring and Evaluation (M&amp;E)/ Measurement and Verification (M&amp;V)</li> </ul>
National Business Initiative (NBI)	<ul style="list-style-type: none"> <li>• Programme Partner</li> <li>• Workstream lead for Capacity Building and Awareness Raising</li> </ul>
Industrial Development Corporation (IDC)	<ul style="list-style-type: none"> <li>• Management of the Partial Credit Guarantee</li> <li>• Provision of loans to ESCOs</li> </ul>

The key phases in the roll-out and implementation of energy efficiency projects in the public sector, focusing on municipalities, provincial governments, and State-Owned Entities, will comprise:



Public sector institutions, with support from the EEPsU, will identify potential projects and prepare pre-feasibility studies, outlining the scope and scale of the project. These pre-feasibility studies will form the basis of the procurement process for contracting ESCOs.

The overall aim of the EEPBIP is to develop a standard project development model that can be rolled out across multiple different public sector institutions. This will build on the experience of interventions implemented and best practice, to scale up energy efficiency interventions and realise a significant impact in terms of energy reduction, cost savings, and the transition to a low-carbon economy.

In the context of the EEPBIP, energy efficiency projects may include energy efficiency and demand side management interventions on public sector buildings, street lighting and water/waste-water treatment plants. These can also incorporate small-scale embedded generation renewable energy projects, for example solar PV and biogas power generation.

### 1.3. Identification and Development of Energy Efficiency Projects

The EEPBIP is working with several public sector institutions (municipalities, provinces and SOEs), providing support on developing institutional capacity on energy management best practice and assisting in identifying, developing, and procuring potential energy efficiency projects.

Institutional Assessments have been conducted to provide an overview of key energy management capacities, namely: implementation, investment, marketing and communication, information systems, skills and knowledge, organization, and policy. Gaps are identified and recommendations provided. Following the acceptance and approval of the Institutional Assessment, a Development Plan is prepared in collaboration with the institution to establish a clear pathway for addressing the gaps identified.

In parallel to the activities in preparing the Institutional Assessment and Development Plan support is provided on project identification and development. A few public sector institutions are already developing pipelines for potential projects. These are at various stages of readiness, although most at early stage, some having completed high level energy audits and Energy Performance Certificates, through to one-page concepts and pre-feasibility studies.,

Initial projects under review include:

- Installation of energy efficient equipment and solar PV across multiple buildings owned by public institutions
- Energy efficiency upgrades for waste-water treatment plants

In order to take these high-level concepts through to contracting under an EnPC model, there is a need to establish the bankability of the projects, including the technical scope, the financial structure (estimated capex, financial savings, payback, institutional contributions etc), and to define the procurement model.

A draft Invitation to Tender template document and draft Energy Performance Contract have been prepared under EEPBIP for use with public sector institutions. These address many of the critical issues related to procurement under a shared shavings model, although they may need to be adapted to specific institutional requirements.

GIZ is inviting potential Contractors, with the required expertise and experience, to provide backstopping for three institutions, leading up to and during the ESCO procurement process. The three phases of proposed activities will require a range of skills and expertise, including legal, technical, financial, and local economic development. The level of support required for the different phases of the procurement process will be dependent on the specific needs of the institutions and approvals for the particular phase of activities.

- Phase 1 will require the Contractor to review project concepts and advise and support Institutions in preparation for their procurement process. This will include a high-level review of the technical and financial scope and a review of the draft tender documentation and contract documents developed for the programme.
- Phase 2 of the activities will include the development of a comprehensive and bankable business case for implementation of the specific energy efficiency project. The business case will include technical specifications for the proposed technologies and a simple financial model, to support the procurement process for the appointment of an ESCO.
- Phase 3 requires the Contractor, to assist with technical backstopping for the ESCO procurement process, prior to tender issuance, during the bidding process, and during contract negotiations.

It is noted that not all institutions, where support is provided in Phase one, will progress to subsequent phases during the Transaction Advisory support period.

The Contractor may be required to sign a confidentiality agreement with the respective institution for the duration of the support activities.

## **2. Tasks to be performed by the contractor**

All phases, tasks and sub-tasks are subject to timing and approval by GIZ and the respective institution and require written approval from GIZ before commencement. Certain elements of these tasks may or may not be required, subject to the needs of the Institution.

It is noted that Capacity Development for institutions supported is a key component of this activity. For recommendations provided to an institution or support given on reviewing documents etc, the key findings must be provided both in written form (reports/ presentation) and through workshops and training, to assist in building capacity on key project development activities. Certain Energy Management best practices and some of the technical, financial, and regulatory concepts and processes being applied using an Energy Performance Contracting model may be unfamiliar to some officials. Capacity building and training will ensure the sustainability of the project and leverage the replication of additional projects.

The contractor is responsible for providing the following services:

### **2.1. Project Management**

The Contractor will be required to participate with the GIZ and DMRE project team in a kick-off meeting to clarify the scope of the activities and ensure alignment of expectations. GIZ will provide an update on the status of fast-track projects and indicative timelines on when support may be required and the type of support.

*Deliverable 1a: The Contractor will be required to prepare a brief Inception Report (maximum ten pages), that includes indicative timelines, resource availability, and a confirmation of the joint understanding of expectations for the implementation of activities*

*Deliverable 1b: The Contractor will be required to arrange monthly calls with the steering team and provide brief monthly Progress Reports (1-3 pages within 5 working days of the end of the calendar month). The Report shall highlight the activities carried out during the period, any challenges encountered, and recommendations to be considered for ongoing activities. The report will also provide a simple table on days used to date and available resources.*

*Deliverable 1c: A Final Report will summarise the activities carried out (monthly reports to be included as Annexes) and provide specific recommendations on potential improvements to the support services to be provided to institutions, in addition to recommendations on the draft template Invitation to Tender and draft template Energy Performance Contract*

*Deliverable 1d: Two training/ knowledge dissemination workshops to key institutional stakeholders (30 to 50 persons): one presenting the project development and analysis approach mid-way through the project and secondly the final report and key findings (venue and required catering costs to be covered by GIZ)*

## **2.2. Phase 1: Project Conceptualisation**

### Task 1: Project Conceptualisation Support

Institutions will be using an open and transparent procurement process for project implementation to encourage participation of a broad spectrum of local, regional, and national ESCOs, with the relevant experience, expertise and ability to raise finance. It is expected that the procurement processes will make available building/ infrastructure data, billing data and energy audits and provide the opportunity for ESCOs to carry out a site visit.

The Contractor may be required to support the institution in drafting technical specifications for the proposed intervention in addition to supporting the preparation of procurement documentation, which may include, the Request for Proposals and the Energy Performance Contract. Activities may therefore include:

- Review of energy audits of buildings and infrastructure to verify accuracy of data and recommendations
- Review of energy bills
- Review of proposed interventions
- Preparation of simple financial analysis to estimate CAPEX requirements and payback period
- Review of proposed procurement process, including support on preparation of detailed procurement plan to identify all required activities (for example preparation and submission of Section 33 for municipalities, approvals etc)

The level of support will depend on the specific needs of the Institution. This will be agreed in advance with the institution, GIZ and the Contractor.

*Deliverable 2a: The Contractor shall provide a summary report for the support provided per institution, including any relevant documentation. This may also include recommendations on updating the draft standard Invitation to Tender documents and the draft Energy Performance Contract.*

*Deliverable 2b: The Contractor shall host workshops as required with the respective institution, physical or online, to ensure transfer of knowledge build capacity on key findings and processes (venues, catering etc to be provided by GIZ/ institution)*

## **2.3. Phase 2: Business Case and Invitation to Tender Preparation**

Phase 2 will focus on supporting the development of a Business Case for the implementation project and the finalisation of key tender documents.

This phase will commence, subject to approval of the project and approach by the leadership of the institution. It is noted there may be a delay in getting approval due to decision making processes.

### Task 2.1 Business Case Preparation

Task 2.1. focuses on the development of a bankable business case for implementing the identified large-scale energy efficiency interventions at the institution using an EnPC model. The business case will be developed based on analysis of available information (billing data; energy audits etc), submissions from bidders during any RFI process, and comprehensive site visits.



A Business Case template has been prepared and can be used as a guideline; however, this can be amended and adapted to the requirements of this project activity.

The Business Case preparation is expected to require sub-tasks focused on technical, financial, institutional, socio-economic, and monitoring and evaluation aspects. The business case may be utilised to finalise the second stage of the procurement process, including the preparation of detailed specifications, and may be made available to potential ESCOs with the bidding documentation. The specific scope of work for the Business Case will be defined for each project and agreed by all parties before commencement.

As described earlier, the Contractor is to note that institutional capacity development is critical to the long-term success of both this project and the overall programme. Throughout the various steps of the support activities, the Contractor is to ensure that the outputs of the various components and sub-tasks are reported back to the respective institution not just as reports, but also through detailed presentations and training.

#### Technical

*i) Review and analysis of billing data*

The contractor is to review and analyse the existing billing data for each meter, identify potential errors or areas of concern, and provide recommendations for optimisation and cost reduction where applicable (e.g. ensuring buildings/ infrastructure are on the correct tariffs; adjustment of Notified Maximum Demand etc.).

*ii) Review and analysis of information obtained from the RFI (if applicable)*

Review and analyse information submitted by ESCO's during any RFI process and where applicable, provide recommendations to integrate in the final business case.

*iii) Review the existing Audit Data and Baselines*

Energy audits are expected to have been carried out, including high-level recommendations for proposed energy efficiency interventions. The Contractor must conduct a desktop study to review existing energy audits, prefeasibility studies, and baselines for each building. In addition, site visits must be undertaken to confirm and update the baseline of the buildings to ensure that it is accurate and reliable. This includes addressing any missing data that impacts materially on the business case and filling the gaps identified. Any deviation on the baseline, due to issues such as non-functioning installed equipment, must be incorporated into the updated baseline and clearly noted. It is critical that the institution is aware of any electricity usage and costs increases, resulting from suppressed demand.

It is noted that this baseline will only be for guidance and information purposes as part of the tender. The appointed ESCO will be required to develop, verify, and commit to their own baseline, which will be the foundation of the EnPC and the basis for the Measurement and Verification of savings.

*iv) Provide Recommendations for Energy Efficiency Interventions*

Based on the energy baselines and analysis, the Contractor shall identify and recommend appropriate bankable energy efficiency interventions. This may include updating existing recommendations from the energy audits. Recommendations shall include energy and demand savings, the resultant financial savings, and capex requirements.

- v) *Identify potential for Small-Scale Embedded Generation (SSEG) (e.g. PV)*  
The contractor is required to undertake a high-level solar PV analysis as a measure to identify the viability and potential of installing SSEG. The following factors (not limited to) should be considered in the analysis:
- The annual availability of sunlight
  - The area available
  - The orientation of the location towards the sun
  - Identification of possible objects that could hinder the exposure of the panels to the sunlight (i.e., high-rise buildings, trees etc.)
  - Determination of how much area to use for solar panels, including the availability of sunlight, the space available; and the maximum power that can be generated for producing electric power.
  - The assessment shall include an overview of the potential energy generated, the impact on demand, and capex costs.

It is noted that this analysis will only be for guidance and information purpose as part of the tender. The appointed ESCO will be required to develop, verify, and commit to their own analysis, which will form part of their proposal under EnPC.

- vi) *Develop the Technical Specifications*  
Technical specifications for the tender documentation for the project shall be developed, as required. The specifications must take into consideration both the energy efficiency and SSEG interventions.

## Financial

### *i) Prepare a Financial Model*

The Contractor is to prepare a high-level financial model that will establish the viability of the combined potential interventions. The following indicators, although not exhaustive, should be included in the analysis – Capital Investment (Capex), Operational and Maintenance Costs, Net Present Value (NPV), dynamic payback period, Internal Rate of Return (IRR), site energy costs, first year saving and GHG emission reductions. The technical recommendations (described above) should be considered when developing the financial model. The financial model may also be used to support the MFMA Section 33 process (if required).

In addition, if required, the Contractor shall provide cost estimate ranges for the technical specifications developed above.

### *ii) Identify other Potential Sources of Funding*

In addition to funding raised by ESCOs, and recouped through energy savings, the Contractor is to identify other sources of funding or revenue streams that could contribute to the success of the project. This may include existing programmes that the institution is participating in (e.g., a CAPEX contribution via EEDSM grant funding) or other programmes that focus on municipal support, energy efficiency or demand side management (e.g., Eskom's Demand Side Management (DSM) initiatives). It is noted that the Eskom DSM funding is also based on a performance contracting model and in theory could be included in the project if there is no other government subsidy; however, the actual application and mechanism for funding would need to be confirmed.

### *iii) Advise on any other relevant Financial Issues*

The service provider is to advise on any other relevant financial issues which may either support or negatively impact on the project. This may relate to the financial structure of the project, with reference to either the institution or the ESCO, including performance contracting issues.

Socio-economic

*i) Undertake a Socio-Economic Analysis*

In line with the National Development Plan (NDP), job creation, transformation, and enterprise development are key components for all public sector activities. For municipalities in particular, it is essential to leverage local economic benefits over and above the direct energy and financial savings to the institution. This may include supporting an increased localisation of job creation, contracting, content and manufacturing.

The business case is to include recommendations on socio-economic opportunities that can be realised through the implementation of the proposed interventions. In this regard, the Contractor is to undertake a high-level socio-economic analysis and provide recommendations on procurement and contracting structures to enhance local economic development, job creation and support the inclusion of local small, medium and micro enterprises. This is in addition to regulated preferential procurement and Broad-Based Black Economic Empowerment (B-BBEE)/ specific empowerment goals requirements for the institution.

Monitoring and Evaluation

*i) Recommend a Measurement and Verification (M&V) Approach*

The M&V is a critical component to accurately measure and verify the energy savings achieved throughout the project. A rigorous and transparent M&V process will reduce the risk of queries on the energy savings, and thus reduce the risk of delays in payments to the ESCO.

Whilst the M&V plan will be finalised in the contracting phase, it is important that general approach is agreed upon. The Contractor is to recommend an effective M&V approach in the business case.

*ii) Recommend a Monitoring and Evaluation (M&E) Mechanism*

As a national programme, there is a need for the outcomes, outputs and targets resulting from the project to align and contribute towards the broader EEPBIP logframe and related national targets. It is also important to capture data on the non-technical activities and impacts of the project.

An overall M&E framework has been developed by the DMRE for energy efficiency in public buildings and infrastructure in South Africa and an M&E system for the EEPBIP is being established.

Key data must be collected relating to the development and implementation of the project, including energy savings, GHG emission reductions, capital costs, financing costs, public and private sector investments, maintenance costs, in addition to socio-economic data, for example job creation, local economic development, and gender impacts. The Contractor is to recommend measures to collect such data and report this to the EEPBIP on a regular ongoing basis.

### Task 2.2 Institutional Feedback and Training

The Contractor shall present the outcomes of the Business Case to the respective institution, GIZ and DMRE, combined with a targeted training that takes account of key technical, financial, socio-economic and M&E related concepts and methodologies applied.

### Task 2.3 Preparation of the Tender Documents

Experts may be required to support the institution in developing and/or finalising the tender documents for the project by providing relevant legal, financial, and technical advice whilst ensuring the incorporation of social and local economic development aspects. Support may be required, for example, on the development of a technology-specific economic development plan with components such as local content, local employment, skills development, and BBEE/specific empowerment goals, based on the characteristics of the technology type that is compliant with legislative requirements and best practices.

A draft Invitation to Tender and Energy Performance Contract has been developed. The Contractor may be required to review and adapt the tender documents according to the needs of the institution.

### Task 2.4 Policy and Regulatory Support

If the contracting period for the project is expected to be longer than three years, then a Section 33 process of the Municipal Finance Management Act (MFMA) has to be carried out for Municipal projects.

Subject to requirements, the Contractor may be required to provide backstopping and support to the institution in undertaking the requirements under Section 33 of the MFMA, such as supporting the preparation of relevant documentation.

The Contractor is to identify and advise on any other policy and regulatory steps that the institution will need to consider during the implementation of an energy performance contracting model. This may for example include other issues related to the MFMA/ PFMA or the Preferential Procurement Regulations.

*Deliverable 2a: The Contractor is to develop a combined bankable Energy Efficiency Business Case per intervention (subject to requirements from the institution), The Contractor is to ensure, with the information available, that the project is in a state of readiness for tendering to ESCOs.*

*Deliverable 2b: The Contractor is to develop the technical specifications for the energy efficiency and solar PV equipment and interventions, to be used in the procurement process*

*Deliverable 2c: The Contractor is to provide an updated invitation to tender and energy performance contract with a high-level summary report on the changes.*

*Deliverable 2d: The Contractor is to host a training workshop on the key elements and issues related to the Business Case, Technical Specifications, and policy issues.*

*Deliverable 2e: The Contractor is to prepare a summary report on the training and capacity development delivered to the institution as per the tasks above. The summary report is to provide attendance registers, and highlight the concepts presented and key points of discussion.*

## **2.4. Phase 3: Tender Implementation Support**

Phase 3 will commence, subject to approval of the project and approach by the leadership of the respective institution. There may be a delay resulting from decision making processes.

The aim of Phase 3 is to provide the required support to the institution during the procurement and contracting stage of the project. As energy performance contracting models for public sector energy efficiency projects are still a fairly new instrument in South Africa, many public institutions are constrained with limited in-house specific knowledge, experience and expertise to design and administer these initiatives. Phase 3 of this contract therefore will establish a team of experts to provide advice and backstopping during the procurement process for the project developed in business case. The team shall comprise technical, legal, financial, and socio-economic experts. The support provided in this phase will be subject to written requests from the institution based on their specific needs. This may be during the procurement planning period, the bidding period, and/ or during the contract negotiation period.

### Task 3.1: Finalising the Tender Documentation

The Contractor may be required to support the institution in finalising the tender documents reviewed above. (invitation to tender and energy performance contract) and other supporting documents. The Contractor shall support the institution to ensure that the tender documents are ready for issuing.

### Task 3.2: Backstopping the Invitation to Tender Process

The Contractor may be required to address clarifications and queries from ESCOs, received by the institution during the tender process. Support may be required preparing responses on specific technical, financial, or contractual matters.

### Task 3.3: Support the Evaluations

The Contractor may be required to provide support and advice during the evaluation of the submissions received, if required and requested by the institution.

### Task 3.4: Support the Funding Competition Process

Backstopping may be required by the institution during the funding competition process, to ensure good financial standing of the ESCO being appointed, and that the funding proposed provides the most appropriate financial solution for the project and the institution.

### Task 3.5: Support the Contract Negotiations

The Contractor may be required to provide advice on technical, legal, financial and socio-economic aspects during the contract negotiations between the institution and the ESCO.

*Deliverable 3a: The Contractor shall provide a summary report for the requests received and the support provided, including any relevant documentation.*

- The Contractor is responsible for selecting, preparing and steering short-term experts assigned to perform the advisory tasks.
- The Contractor provides equipment and supplies (consumables) and assumes the associated operating and administrative costs.
- The Contractor manages costs and expenditures, accounting processes and invoicing in line with the requirements of GIZ.  
The Contractor reports regularly to GIZ in accordance with the current AVB of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

Certain milestones, as laid out in the table below, are to be achieved during the contract term:

<b>Milestones/process steps/partial services</b>	<b>Deadline/place/person responsible</b>
<i>Deliverable 1a: The Contractor will be required to prepare a brief Inception Report (maximum ten pages), that provides indicative timelines, resource availability, and confirmation and joint understanding of expectations for the implementation of activities.</i>	30/07/24
<i>Deliverable 1b: The Contractor will be required to arrange monthly calls with the steering team and provide brief monthly Progress Reports (1-3 pages). The Report shall highlight the activities carried out during the period, any challenges encountered, and recommendations to be considered for ongoing activities. The report will also provide a simple table on days used to date and available resources.</i>	Within 5 working days of end of the calendar month)
<i>Deliverable 1c: A Final Report will summarise the activities carried out (monthly reports to be included as Annexes) and provide specific recommendations on potential improvements to the support services to be provided to institutions, in addition to recommendations on the draft template Invitation to Tender and draft template Energy Performance Contract</i>	30/04/2025
<i>Deliverable 1d: Two training workshops to key institutional stakeholders: one presenting the project development and analysis approach mid-way through the project and secondly the final report and key findings (venue and any required catering costs to be covered by GIZ)</i>	30/04/2025
<i>Deliverable 2a: The Contractor is to develop a combined bankable Energy Efficiency Business Case for the intervention (subject to requirements from the institution), The Contractor is to ensure, with the information available, that the project is in a state of readiness for tendering to ESCOs.</i>	As required
<i>Deliverable 2b: the Contractor is to develop the technical specifications for the energy efficiency and solar PV equipment and interventions, to be used in the procurement process</i>	As required
<i>Deliverable 2c: the Contractor is to provide an updated invitation to tender and energy performance contract with a high-level summary report on the changes.</i>	As required
<i>Deliverable 2d: the Contractor is to host a training workshop on the key elements and issues related to the Business Case, Technical Specifications, and policy issues.</i>	31/03/2025
<i>Deliverable 2e: the Contractor is to prepare a summary report on the training and capacity development delivered to the institution as per the tasks above. The summary report is to provide</i>	30/04/2025

<i>attendance registers, and highlight the concepts presented and key points of discussion.</i>	
<i>Deliverable 3a: The Contractor shall provide a summary report for the requests received and the support provided, including any relevant documentation.</i>	30/04/2025

Period of assignment: from 15 July 2024 until 30 June 2025.

### 3. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

#### 3.1. Technical-methodological concept

**Strategy (1.1):** The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

The tenderer is required to present the actors relevant for the services for which it is responsible and describe the **cooperation (1.2)** with them.

The tenderer is required to describe the key **processes** for the services for which it is responsible and create an **operational plan** or schedule (1.4.1) that describes how the services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided. In particular, the tenderer is required to describe the necessary work steps and, if applicable, take account of the milestones and **contributions** of other actors (partner contributions) in accordance with Chapter 2 (Tasks to be performed) (1.4.2).

The tenderer is required to describe its contribution to knowledge management for the partner (1.5.1) and GIZ and to promote scaling-up effects (1.5.2) under **learning and innovation**.

#### 3.2. Project management of the contractor (1.6)

The tenderer is required to explain its approach for **coordination (1.6.1)** with the GIZ project. In particular, the project management requirements specified in Chapter 2 (Tasks to be performed by the contractor) must be explained in detail.

The tenderer is required to draw up a **personnel assignment plan (1.6.2)** with explanatory notes that lists all the experts proposed in the tender; the plan includes information on assignment dates (duration and expert months) and locations of the individual members of the team complete with the allocation of work steps as set out in the schedule.

The tenderer is required to describe its **backstopping concept (1.6.3)**. The following services are part of the standard backstopping package, which (like ancillary personnel

costs) must be factored into the fee schedules of the staff listed in the tender in accordance with Section 3.3.1 of the GIZ AVB:

- Service-delivery control
- Managing adaptations to changing conditions
- Ensuring the flow of information between the tenderer and GIZ
- Assuming personnel responsibility for the contractor's experts
- Process-oriented steering for implementation of the commission
- Securing the administrative conclusion of the project

#### **4. Personnel concept**

The tenderer is required to provide personnel who are suited to filling the positions described, on the basis of their CVs (see Chapter 7), the range of tasks involved and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

##### **4.1. Team leader**

###### Tasks of the team leader

- Overall responsibility for the advisory packages of the Contractor (quality and deadlines)
- Responsibility for coordinating and ensuring communication with GIZ, partners and others involved in the project
- Personnel management, in particular identifying the need for short-term assignments within the available budget, as well as planning and steering assignments and supporting local and international short-term experts
- Regular reporting in accordance with deadlines

###### Qualifications of the team leader

- Education/training (2.1.1): university degree in energy, engineering, law, or related sector
- Language (2.1.2): C1-level language proficiency in English
- General professional experience (2.1.3): 10 years of professional experience in the energy sector
- Specific professional experience (2.1.4): 5 years in developing or contracting energy efficiency projects
- Leadership/management experience (2.1.5): 10 years of management/leadership experience as project team leader or manager in a company
- Regional experience (2.1.6): 10 years of experience in projects in South Africa
- Development cooperation (DC) experience (2.1.7): Not applicable
- Other (2.1.8): Not applicable

##### **4.2. Key Expert 1: Project Manager**

###### Tasks of key expert 1

- Responsibility for the day to day management of project activities
- Communication with GIZ, partners and others involved in the project
- Coordinating personnel and logistics regarding short-term experts



#### Qualifications of key expert 1 (Project Manager)

- Education/training (2.1.1): university degree in energy, engineering, law, finance, or related sector
- Language (2.1.2): C1-level language proficiency in English
- General professional experience (2.1.3): 5 years of professional experience in the energy sector
- Specific professional experience (2.1.4): 3 years in developing or contracting energy efficiency projects
- Leadership/management experience (2.1.5): 5 years of management/leadership experience as project manager
- Regional experience (2.1.6): 5 years of experience in projects in South Africa
- Development cooperation (DC) experience (2.1.7): Not applicable
- Other (2.1.8): Not applicable

#### **4.3. Short-term expert pool 1 with 3 members**

For the technical assessment, an average of the qualifications of all specified members of the expert pool is calculated. Please send a CV for each pool member (see below Chapter 7 Requirements on the format of the bid) for the assessment.

#### Tasks of short-term expert pool 1

- Support on initial project review and evaluation of the submissions by ESCOs under any Request for Information
- Support the development of the business case under Phase 2, as required
- Support in the updating and amendment of Invitation to Tender and draft Energy Performance Contract documentation, as required
- Support on responding to requests for clarification and queries from ESCOs during Invitation to Tender, as required
- Support on review and evaluation of the submissions by ESCOs under the Invitation to Tender, as required
- Support to institutions during the contract negotiation process, as required
- Experts to be able to provide technical, financial, and legal/ regulatory support

#### Qualifications of short-term expert pool 1 (Senior Experts)

- Education/training (2.6.1):
  - 1 expert with university qualification in electrical engineering, energy, or related subject
  - 1 expert with university qualification in law, or related subject
  - 1 expert with university qualification in finance, or related subject
- Language (2.6.2): 3 experts with C1-level language proficiency in English
- General professional experience (2.6.3):
  - 3 experts with 10 years of professional experience in the energy sector (technical, legal, financial),
- Specific professional experience (2.6.4):
  - 1 expert with 5 years of professional experience in engineering/ technical aspects of energy project development,
  - 1 expert with 5 years of professional experience in legal and regulatory aspects of energy project development
  - 1 expert with 5 years professional experience in energy project financing
- Regional experience (2.6.5): 3 experts with 5 years of experience in South Africa

- Development cooperation (DC) experience (2.6.6): Not applicable
- Other (2.6.7): Not applicable

#### **4.4. Short-term expert pool 2 with 3 members**

For the technical assessment, an average of the qualifications of all specified members of the expert pool is calculated. Please send a CV for each pool member (see below Chapter 7 Requirements on the format of the bid) for the assessment.

##### Tasks of short-term expert pool 2

- Support on initial project review and evaluation of the submissions by ESCOs under any Request for Information
- Support in the development of the business case under Phase 2, as required
- Support in the updating and amendment of Invitation to Tender and draft Energy Performance Contract documentation, as required

##### Qualifications of short-term expert pool 2

- Education/training (2.6.1):
  - 1 expert with university qualification in electrical engineering, energy, or related subject
  - 1 expert with university qualification in law, or related subject
  - 1 expert with university qualification in socio-economic development, or related subject
- Language (2.6.2): Not applicable
- General professional experience (2.6.3):
  - 3 experts with 5 years of professional experience in the energy sector
- Specific professional experience (2.6.4):
  - 1 expert with 3 years of professional experience in engineering/ technical aspects of energy project development,
  - 1 expert with 3 years of professional experience in legal and regulatory aspects of energy project development
  - 1 expert with 3 years professional experience in socio-economic aspects of energy project development
- Regional experience (2.6.5): Not applicable
- Development cooperation (DC) experience (2.6.6): Not applicable
- Other (2.6.7): Not applicable

##### Soft skills of team members

In addition to their specialist qualifications, the following qualifications are required of team members:

- Team skills
- Initiative
- Communication skills
- Socio-cultural skills
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

The tenderer must provide a clear overview of all proposed short-term experts and their individual qualifications.

## 5. Costing requirements

### 5.1. Assignment of personnel and travel expenses

Accommodation costs which exceed this up to a reasonable amount and the cost of flights and other main forms of transport can be reimbursed against evidence

All business travel must be agreed in advance by the officer responsible for the project.

### 5.2. Sustainability aspects for travel

GIZ would like to reduce greenhouse gas emissions (CO<sub>2</sub> emissions) caused by travel. When preparing your tender, please incorporate options for reducing emissions, such as selecting the lowest-emission booking class (economy) and using means of transport, airlines and flight routes with a higher CO<sub>2</sub> efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

If they cannot be avoided, CO<sub>2</sub> emissions caused by air travel should be offset. GIZ specifies a budget for this, through which the carbon offsets can be settled against evidence.

There are many different providers in the market for emissions certificates, and they have different climate impact ambitions. The [Development and Climate Alliance \(German only\)](#) has published a [list of standards \(German only\)](#). GIZ recommends using the standards specified there.

Specification of inputs

Fee days	Number of experts	Number of days per expert	Total	Comments
Team Leader	1	24	24	
Key expert 1 – Project Manager	1	35	35	
Short-Term Expert Pool 1	3		143	Days can be spread across the pool members
Short-Term Expert Pool 2	3		40	Days can be spread across the pool members
Travel expenses	Quantity	Number per expert	Total	Comments
Per-diem allowance in country of assignment	18			
Overnight allowance in country of assignment	18			

Transport	Quantity	Number per expert	Total	Comments
Domestic flights	18			Flights within the country of assignment during service delivery
CO <sub>2</sub> compensation for air travel <a href="#">Guidance for GIZ service providers on avoiding, reducing and offsetting GHG emissions</a>	18			A fixed budget of ZAR 1,232,00 is earmarked for settling carbon offsets against evidence.
Travel expenses (train, car) <ul style="list-style-type: none"> <li>Car hire</li> <li>Kilometers at ZAR 4.84 p/km</li> </ul>				Travel within the country of assignment, transfer to/from airport etc.
Other travel expenses <ul style="list-style-type: none"> <li>e-hailing services (e.g. UBER) and airport transfers</li> <li>Toll fees</li> <li>Airport parking</li> </ul>				e.g. visa costs
Other costs	Number	Price	Total	Comments
Flexible remuneration	1	50.000 ZAR	50.000 ZAR	A budget of <b>ZAR 50,000.00</b> is foreseen for flexible remuneration. Please incorporate this budget into the price schedule.  Use of the flexible remuneration item requires prior written approval from GIZ.

### 5.3. Workshops and training

Please describe in your concept how you implement GIZ's minimum standards for sustainable event management (see annexes to the terms of reference).

The contractor implements the following workshops/study trips/training courses:

- Workshops and training will be required for specific institutions. The venue and catering costs will be covered by the institutions and/ or GIZ.
- Some training sessions may be held online.

### 6. Inputs of GIZ or other actors

GIZ and/or other actors are expected to make the following available:

- Logistics for workshops: For multi-institution workshops, these will be arranged by GIZ, including venues and catering. Workshops with institutions will be arranged by the specific institution.

## 7. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToRs. In particular, the detailed structure of the concept (Chapter 3) should be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in English (language).

The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English (language).

Please calculate your financial tender based exactly on the parameters specified in Chapter 5 Quantitative requirements. The contractor is not contractually entitled to use up the days, trips, workshops or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule.

## 8. Other Requirements

- Please submit your proposal (technical and price proposal) in separate files/folder to [ZA\\_Quotation@giz.de](mailto:ZA_Quotation@giz.de) no later than **3<sup>rd</sup> July 2024** all documents must be in PDF.
- Submission to any other email address may invalidate your bid.
- Please do not mention any price for this measure on your cover letter/Technical proposal.
- Please submit your tax clearance certificate with the bidding documents.
- Please submit your price proposal in **ZAR**.
- Our General Terms of Conditions (attached) shall not be changed/amended should you be the winner of this tender. These General Terms and Conditions will form part of the contract should you be awarded this contract. By submitting your proposal, we will conclude that you have read and accepted these terms and conditions.
- Participating more than once in same tender is not allowed and it will lead to your proposal as well as that of the company where you appear more than once being disqualified. The responsibility rests with the companies to ensure that their partners/experts are not bidding/participating more than once in same tender.
- **Bidders are not allowed to communicate directly with any other person regarding this bid other than the procurement official/s. Failure to comply with this requirement may lead to your bid being disqualified.**

- Bidders must strictly avoid conflicts with other assignments or their own interests. Bidders found to have a conflict of interest shall be disqualified. Without limitation on the generality of the above, Bidders, and any of their affiliates, shall be considered to have a conflict of interest with one or more parties in this EOI and tender process, if they:
  - a) are or have been associated in the past, with a firm or any of its affiliates which have been engaged by GIZ or the Interim Supply Chain Management Council to provide services for the preparation of the design, specifications, Terms of Reference, cost analysis/estimation, and other documents to be used for the procurement of the services in this selection process;
  - b) were involved in the preparation and/or design of the programme/project related to the services requested under this EOI and tender;
  - c) are serving or have been serving in the past three months in the structures of the Interim Supply Chain Management; or
  - d) are found to be in conflict for any other reason, as may be established by, or at the discretion of GIZ.

#### Scientific data

In the event of any uncertainty in the interpretation of a potential conflict of interest, Bidders must disclose to GIZ, and seek GIZ's confirmation on whether or not such a conflict exists.

- Similarly, the Bidders must disclose in their proposal their knowledge of the following:
  - a) if the owners, part-owners, officers, directors, controlling shareholders, of the bidding entity or key personnel are family members of GIZ staff involved in the procurement functions and/or the Interim SCM Council or any Implementing partner receiving services under this EOI or tender; and
  - b) all other circumstances that could potentially lead to actual or perceived conflict of interest, collusion or unfair competition practices.
- **Failure to disclose such an information may result in the rejection of the proposal or proposals affected by the non-disclosure.**

**Bids sent via Dropbox and WeTransfer will not be accepted**

