

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

Terms of Reference for the Transaction Advisor for the 80MW Solar Power Plant at Ha-Ramarothole, Mafeteng, by LEGCO	Project number/ cost centre: 18.2010.9-680.00
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0. List of abbreviations

AG	Commissioning party
AN	Contractor
AVB	General Terms and Conditions of Contract for supplying services and work
FK	Expert
FKT	Expert days
KZFK	Short-term expert
LEGCO	Lesotho Electricity Generation Company
PPA	Power Purchase Agreement
RE	Renewable Energy
ToRs	Terms of reference

1. Context

Lesotho Electricity Generation Company (LEGCO) is mandated to develop a 80MW solar generation project at Ha-Ramarothole in Mafeteng district of Lesotho financed by the EXIM Bank of China through the Government of Lesotho (GoL). The project is being implemented in two phases of 30MW and 50MW respectively. Phase I which was the 30MW solar plant, was constructed in March 2021 and completed in November 2023.

On behalf of the European Union Delegation of Lesotho and the Federal Ministry of Economic Cooperation and Development (BMZ), GIZ implements GET.transform programme activities in developing and emerging economies to support them in advancing their power sector transformation.

LEGCO has requested GET.transform's technical assistance for a consultant to act as the Transaction Advisor. The goal of the Consultant is essentially to provide high quality services (through a team of experts) to Client (LEGCO) by working as an integral part of LEGCO. The Consultant will be selected in accordance with the rules and guidelines for service contracts of GIZ.

The consultant will provide advice as well as provide technical, financial, and legal framework of the project. Extensive knowledge of PPA agreements will be required to draw up agreements and determine a cost reflective tariff with the local utility company LEC through a base financial model which will be produced by the consultant

2. Tasks to be performed by the Expert

GIZ requires the services of an experienced Transaction advisor with experience in financial modelling, PV-construction projects, the design and preparation of agreement documents for procurement of contractors for implementation for the second phase of the solar power plant, as well as risk mitigation measures and plans for construction.

The Expert must have available a laptop, mobile phone, and internet connectivity for delivering her / his services under the assignment.

The Key Expert shall render and is responsible for providing the following services:

The objectives of the **Transaction Advisor** consultancy services are:

- (i) To provide professional advice to Client on all functions related to signing all agreements regarding phase II implementation until financial close
- (ii) To provide technical, financial and legal framework reviews that are necessary for successful completion of the transaction
- (iii) To review the cost estimates in the construction and recommend the suitable tariff for commercial operation of the power plant
- (iv) To provide value-for-money assessment by producing a base financial model which shall yield real time results

- (v) To provide all risk assessment related to the project and mitigation measures to be employed

In addition to the reports required by GIZ in accordance with the AVB, the contractor submits the following reports:

- Inception report
- Contributions to reports to GIZ's commissioning party
- Brief quarterly or half-yearly reports on the implementation status of the project

Expert 1 shall render the following tasks:

Task 1

- Review of project documents, including technical documents to assist with the procurement plan during construction
- Produce a financial proposal that clearly indicates costs associated with the staffing plan and mobilization plan that best suits the needs of the project with a targeted duration of two (2) years
- Review the procurement plan and manage the timeframes of procurement of materials
- Advise on the procurement process for securing contracts with a private party, which includes developing a timeline and participating to procurement activities

Task 2

- Carry out initial reviews for technical, financial, and legal framework that are deemed necessary for a successful completion of the contractor transactions
- Assist the Client in legal and regulatory matters of the project
- Report on the Financial progress reports based on reviewed plans and recommendations on legal and regulatory framework

Task 3

- Assist with the Concession contracts between LEGCO and LEC including LEGCO's rights to generate electricity
- Handle all information pertaining to electricity market structure, particularly those tasks being completed by LEGCO including the PPA agreements for Phase I and Phase II of the Solar PV plant

Task 4

- Produce a comprehensive Contract Completion report with full financial records for the project before commencement of the construction of the Plant.

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

Milestones/process steps/partial services	Deadline/place/person responsible
Milestone 1: Deliverable 1: Preliminary report comprising baseline financial proposal and updated procurement plans and processes for the project.	Expert 1: a month after contract signed/ Maseru
Milestone 2: Deliverable 2: Preparation and delivery of a report with clearly indicated technical and financial developments and a report on the legal review and recommendations.	Expert 1: 2 months after project signed/ Maseru
Milestone 3: Deliverable 3: Signed PPA agreement, and a report based on comprehensive review and analysis of the PPA agreements, and other concession agreements between LEGCO and LEC.	Expert 1: 3 months after projects signed/ Maseru
Milestone 4: Deliverable 4: Final Contract completion report with the project's financial records.	Expert 1: 5 months after project signed/ Maseru

Period of assignment: from April 2024 until 31st March 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.

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).

Project management of the contractor (1.6)

The Expert will be sourced by GIZ, under the GET.transform project, and for the duration of the project, will be reporting to the LEGCO team, in coordination with the GIZ project GET.transform. The set timelines will be the guide to the delivery of the outputs from the consultants.

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

In the Tender, the tenderer shall draw up a plan of action that includes information on assignment dates (duration and expert months) and on-site working dates required, as well as the off-site days that will be required to complete the assignment with the allocation of work steps as set out in the schedule.

4. Personnel concept

Team leader – Expert 1

Tasks of the team leader

- Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and LEGCO in the project
- Regular reporting in accordance with deadlines

Qualifications of the team leader

- Education/training (2.1.1): university degree (Bachelors/Master) in Economics, Engineering with MBA, or Project Management
- Language (2.1.2): C1-level language proficiency in English
- General professional experience (2.1.3): 7 years of professional experience in the Renewable Energy Sector, PPA agreements and Solar farms sector
- Specific professional experience (2.1.4): 7 years in proven record of project management of the infrastructure projects especially electricity generation facilities
- Leadership/management experience (2.1.5): 7 years of management/leadership experience as project team leader or manager in a company
- Regional experience (2.1.6): 5 years of experience in projects in Southern African region of which 2 years in projects in Lesotho
- Development cooperation (DC) experience (2.1.7): 5 years of experience in DC projects
- Other (2.1.8): Experience in preparation of procurement documents including terms of references for the procurement of various consultancy services under the project, evaluation of prequalification applications is a key requirement.

5. Costing requirements

Assignment of personnel and travel expenses

Per-diem and overnight accommodation allowances are reimbursed as a lump sum up to the maximum amounts permissible under tax law for each country as set out in the country table in the circular from the German Federal Ministry of Finance on travel expense remuneration (downloadable at <https://www.bundesfinanzministerium.de>).

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.

GIZ will reimburse actual travel costs as per GIZ travel regulations up to this amount. The budget provides for our visits to Lesotho, per-diem and overnight expenses for a combined total duration of up to 25 days.

Specification of inputs

Fee days	Number of experts	Number of days per expert	Total	Comments
Designation of key expert	1	50 (25 in Lesotho and 25 home office)	50	Please use this maximum number of days to calculate professional fees in the financial proposal. Actual time must be documented in time sheets and used as a basis for invoicing.
Travel expenses	Quantity	Price (EUR)	Total	Comments
Per-diem allowance in country of assignment If an on-site assignment takes place over the weekend, per diem allowances for weekends can be reimbursed between the fee days.	25			
Overnight allowance in country of assignment If an on-site assignment takes place over the weekend, per diem allowances for weekends can be reimbursed between the fee days.	25			
Transport	Quantity	Price (EUR)	Total	Comments

International flights South Africa to Lesotho	5			For Consultants living in South Africa, 5 return flights will be covered in the 25 days on travel to Lesotho
CO₂ compensation for air travel Link to working aid and table for determining the budget and Guidance for GIZ service providers on avoiding, reducing and offsetting GHG emissions on setting the budget.	10			Against evidence
Transportation	25			Transportation costs in country of assignment and home country

Equipment

– Not applicable –

Operating costs in the country of assignment

The Expert must provide for her / his office operating costs related to the assignment in the proposed fee rate.

Workshops, education, and training

– Not applicable –

Local subsidies

– Not applicable –

Other costs

– Not applicable

6. Inputs of GIZ or other actors

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

- Transportation to and on site with project vehicle

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.

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. Option

After the tasks put out to tender have been completed, important elements of these tasks can be continued or extended within the framework of a finalisation and follow-on assignment. Individual points:

1. **Type and scope:** The emergency measure concept is expanded to include additional interventions requiring approval of the PPA by the Utility (third party) or other approvals required from other third parties in the project.
2. **Requirements:** The option becoming effective is subject to the (interim) results of the original commission.

The option is exercised in the form of an extension to the contract based on the already offered individual rates.

Quantitative requirements for the optional services

Fee days	Number of experts	Number of days per expert	Total	Comments
Designation of key expert	1	25 (15 in Lesotho and 10 home office)	25	Please use this maximum number of days to calculate professional fees for the option in the financial proposal. Actual time must be documented in time sheets and used as a basis for invoicing
Per-diem allowance in country of assignment If an on-site assignment takes place over the weekend, per diem allowances for weekends can be reimbursed between the fee days.	15			
Overnight allowance in country of assignment If an on-site assignment takes place over the weekend, overnight allowances for weekends can be reimbursed between the fee days.	15			Against evidence
Transport	Quantity	Price (EUR)	Total	Comments
International flights South Africa to Lesotho	2			For Consultants living in South Africa, 2 return flights will be covered in the 15 days on travel to Lesotho
CO₂ compensation for air travel Link to working aid and table for determining the budget and Guidance for GIZ service providers on avoiding, reducing and offsetting GHG emissions on setting the budget.	4			Against evidence
Transportation	15			Transportation costs in country of assignment and home country

It is assumed that the option for extension of the services will be exercised over an additional 3 months.

Provision for the option has been made in the budget for a further two visits to Lesotho with a combined total duration of up to 15 days and further home-based work of up to 10 days.

Please include a subsistence budget for travel (accommodation allowance, per diem allowance) for the option in the financial proposal as shown in the table above. GIZ will reimburse actual travel costs as per GIZ travel regulations up to this amount.

Requirements on the format of the tender for the option

Please submit two price schedules: **one price schedule for the main service and one price schedule for the main service and the option (main service + optional service)**. Please designate each one in the file name.

9. Other Requirements

- Please submit your proposal (technical and price proposal) in separate files/folder to ZA_Quotation@giz.de no later than **26th April 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.**