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

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Development of Subnational Investment Strategies for BRT Operation	Project number/ 12.9097.2-135.01

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0. List of abbreviations

AVB	General Terms and Conditions of Contract (AVB) for supplying services and work 2018
Bappeda	Badan Pembangunan Daerah
BEIS	Department for Business, Energy, and Industrial Strategy of the United Kingdom
BMWK	the Federal Ministry for Economic Affairs and Climate Action of Germany
BPKAD	Badan Pengelolaan Keuangan dan Aset Daerah
BRT	Bus Rapid Transit
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit
INDOBUS	Indonesian Bus Rapid Transit Corridor Development Project
NAMA	National Appropriate Mitigation Action
SECO	The State Secretariat of Economic Affairs of Switzerland
SUTRI	Sustainable Urban Transport Programme Indonesia
TOR	Terms of Reference
UNFCC	The United Nations Framework Convention on Climate Change

1. Context

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is an international cooperation enterprise for sustainable development with worldwide operations. Its corporate objective is to improve people's living conditions on a sustainable basis.

The Sustainable Urban Transport Programme Indonesia (SUTRI), a Nationally Appropriate Mitigation Action (NAMA) registered with the UNFCCC, aims to transform urban transport in Indonesia into a sustainable low-carbon sector. It is funded by the Federal Ministry for Economic Affairs and Climate Action of Germany (BMWK) and the Department for Business, Energy, and Industrial Strategy of the United Kingdom (BEIS) through the Mitigation Action Facility (formerly known as NAMA Facility) with GIZ as the implementing agency.

To augment the impact of the programme, a technical assistance component funded by the State Secretariat for Economic Affairs of Switzerland (SECO) formulated as the Indonesian Bus Rapid Transit Corridor Development Project (INDOBUS) has been added to the line-up of SUTRI NAMA. INDOBUS aims to provide technical advisory related to the development and implementation of the Bus Rapid Transit (BRT) system in Indonesian cities that adheres to international standards.

INDOBUS has recently commissioned a study to examine various funding and financing instruments for BRT development, assessing their applicability within an integrated infrastructure financing framework as stipulated in the current governments' regulations. It offered recommendations and prioritized these instruments based on suitability and likelihood of success. However, while these recommendations provide a general basis for formulating BRT investment strategies, the actual mix of financing instruments might vary significantly among different subnational governments, reflecting their unique financial environments and needs. To map out the different characteristics and craft a tailored investment strategy represents the logical way forward.

The objective of the consultancy is to support the INDOBUS team in formulating investment strategies for establishing BRT systems in three select Indonesian subnational governments, namely Pekanbaru, Batam, and Semarang. This involves close collaboration with these governments to understand their financial landscapes thoroughly. The team of consultants will analyse the governments' financial resources, priorities, and risk tolerance to develop strategies that are not only feasible but also align with each government's specific financial and operational context. This tailored approach ensures that the investment strategies are both practical and optimized for the specific conditions and needs of each subnational government.

2. Tasks to be performed by the contractor

Within this contract, GIZ SUTRI NAMA & INDOBUS will need a consultancy service to support the INDOBUS team in formulating investment strategies for establishing BRT systems in Pekanbaru, Batam, and Semarang.

The contractor is responsible for providing the following services:

Task 1 Financial Assessment

Including, but not limited to conducting a thorough evaluation of the current financial resources, budgetary constraints, usage, and fiscal capabilities of each subnational government.

Task 2 Strategic Planning

Including, but not limited to identifying and prioritizing the goals, objectives, and historical experience of these governments in the context of BRT system development.

Task 3 Risk Profiling

Including, but not limited to analysing the risk appetite and tolerance levels of the subnational governments to ensure that the investment strategies align with their capacity and experience in managing financial risks.

Task 4 Tailored Strategy Development

Including, but not limited to crafting customized investment strategies based on the unique financial landscape, priorities, and risk profiles of each government.

Task 5 Stakeholder Engagement

Including, but not limited to engaging with key stakeholders within the subnational governments (Bappeda, BPKAD, etc.), relevant ministries, and relevant external entities to ensure alignment of the investment strategy with broader economic and infrastructural goals through in-depth interview and focus group discussion.

Task 6 Implementation Framework

Including, but not limited to Providing a roadmap for the effective implementation of these strategies, including timelines, milestones, and performance indicators.

Certain milestones, as laid out in the table below, are to be achieved by certain dates during the contract terms, and at locations:

Milestone	**Deadline**	**Payment**
Kick-off	Week 1	First interim payment against preliminary report **(40%)**
Inception Report (Timeline, implementation, strategies)	Week 3	
Preliminary Report (preliminary results off the analysing containing financial assessment, strategic planning, and risk profiling)	Week 9	
Mission Report	Week 15	Second interim payment against interim report **(30%)**
Interim report (first draft of investment strategy in three cities)	Week 21	
Final Report (final draft of investment strategy in three cities)	Week 26	Final payment against final report **(30%)**

Period of assignment: **From 4 March 2024 until 30 September 2024**

Deliverables shall be in electronic format, following the procedures and format defined by GIZ, and shall be submitted in Bahasa Indonesia with the executive summary in Bahasa Indonesia and English.

3. Concept

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

Technical-methodological concept

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

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

The bidder is required to present and explain its approach to **steering** the measures with the project partners (1.3.1) and its contribution to the results-based monitoring system (1.3.2).

The bidder 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 bidder s 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).

Project management of the contractor (1.6)

The bidder is required to explain its approach for coordination 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 contractor is responsible for selecting, preparing, and steering the experts assigned to perform the advisory tasks.
- The contractor makes available 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 bidder is required to draw up a **personnel assignment** plan 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 bidder is required to describe its backstopping concept. 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 bidder 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

Further requirements (1.7)

The bidder needs to have the following experience:

a. Consulting firm with legal entity and licensed to operate in Indonesia
b. At least 5 years of consultancy experience in undertaking similar works or projects
c. Project management experience and expertise suitable to a project of this scale and complexity to ensure superior coordination and consultation and high quality and timely deliverables
d. At least 2 years of proven experience in facilitating high-level strategic consultation meetings among various stakeholders and officials at the central and local government level
e. Excellent verbal and written communication skills in English and Bahasa Indonesia across the team, ensuring all correspondence and reporting are of a published standard
f. List of relevant projects.

4. Personnel concept

The bidder is required to provide personnel who are suited to filling the positions described, based on their CVs the range of tasks involved and the required qualifications.

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

Team Leader

<u>Tasks of Team Leader</u>

- Overall responsibility for the advisory packages of the contractor (strategy, quality, and deadlines)
- 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 as well as technical backstopping of all activities
- Regular reporting in accordance with deadlines
- Assuming the position of focal point for tasks related to municipal finance
- Provide advisory for cross sectoral issues
- Facilitate the in-depth interview and FGD in pilot cities

<u>Qualifications of Team Leader</u>

- Education/training (2.1.1): University qualification (postgraduate) in Public Policy, Finance, Economics, Urban Planning or other related fields

- Language (2.1.2): B2-level language proficiency in English, and Native speaker of Bahasa Indonesia
- General professional experience (2.1.3): 8 years of professional experience in municipal finance and/or infrastructure financing sector
- Specific professional experience (2.1.4): 5 years of professional experience in developing strategies for financing infrastructure
- Leadership/management experience (2.1.5): 3 years of management/leadership experience as a project team leader or manager in a company
- Development cooperation experience (2.1.7): 3 years of experience in development cooperation sectors

Expert 1: Infrastructure Financing specialist

Tasks of Expert 1

- Assuming the role of focal point for tasks related to infrastructure financing.
- Lead analytical works on financial analysis and evaluation, including resource allocation, risks, and existing financing mechanisms in select subnational governments.
- Contribute to the development of financing strategies for BRT investments.
- Assisting in developing a plan for the effective implementation of the consulting project.
- Engage with stakeholders regarding infrastructure financing opportunities at the central and local level.
- Assist in in project management, scheduling, and monitoring.
- Provide advisory services on infrastructure financing.

Qualifications of Expert 1

- Education/training (2.2.1): University qualification (postgraduate degree) in Economics, Finance, Business Management, Public Policy, Urban Planning, or other related fields
- Language (2.2.2): B2-level language proficiency in English, and Native speaker of Bahasa Indonesia
- General professional experience (2.2.3): 7 years of professional experience in infrastructure sector
- Specific professional experience (2.2.4): 5 years of professional experience related to infrastructure finance
- Development cooperation experience (2.2.7): 2 years of experience in development cooperation sectors

Expert 2: Urban Development specialist

Tasks of Expert 2

- Assuming the position of focal point for tasks related to the infrastructure and urban development issues.
- Lead preparation of infrastructure strategic planning, focusing on local development priorities and needs, ensuring alignment with budgetary constraints and funding opportunities.
- Cooperate with other experts in developing tailored infrastructure financing strategies based on financial landscape, risk, and needs.
- Assisting in developing a plan for the effective implementation of consulting project.
- Engage with stakeholders on urban development and public policy issues.
- Assisting in project management, scheduling, and monitoring.
- Provide advisory for cross sectoral issues related to infrastructure and urban development.

Qualifications of Expert 2

- Education/training (2.3.1): University qualification (postgraduate degree) in Public policy, Urban Planning, Urban Development or other related fields
- Language (2.3.2): B2-level language proficiency in English, and Native speaker of Bahasa Indonesia
- General professional experience (2.3.3): 7 years of professional experience in working with and/or for the government
- Specific professional experience (2.3.4): 3 years of experience in public policy development related to public infrastructure development
- Development cooperation experience (2.3.7): 3 years of experience in development cooperation sectors

Short Term Expert Pool 1 - Research Assistants (2 people)

Short Term Expert Pool 1

- Support data collection, statistical and analytical work as required by the team of experts
- Support preparation of report, presentation, and project documentation
- Other administrative and logistical supports for the implementation of consulting project

Qualifications of Expert Pool 1

- Education/training (2.5.1): University qualification (undergraduate) in Public Policy, Economics, Urban Planning, Political Science, or other related fields
- Language (2.5.2): A2-level language proficiency in English, and Native speaker of Bahasa Indonesia
- General professional experience (2.5.3): 1 years of professional experience in public policy, municipal finance, and/or infrastructure financing sector

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.

Sustainability aspects for travel

GIZ would like to reduce greenhouse gas emissions (CO_2 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_2 efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

If they cannot be avoided, CO_2 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**	**60**	**60**	Against timesheet
Expert 1 – Infrastructure Financing Specialist	**1**	**60**	**60**	against timesheet
Expert 2 – Urban Development Specialist	**1**	**60**	**60**	Against timesheet
Short term expert pool 1 – Research Assistants	**2**	**15**	**30**	Against timesheet
Travel expenses	**Quantity**	**Price**	**Total**	**Comments**
Per-diem allowance in country of assignment				
• **Per diem in Pekanbaru**	**24 (3 people x 8 days)**	**400,000**	**9,600,000**	Based on GIZ regulation
• **Per diem in Batam**	**24 (3 people x 8 days)**	**400,000**	**9,600,000**	Based on GIZ regulation
• **Per diem in Semarang**	**24 (3 people x 8 days)**	**400,000**	**9,600,000**	Based on GIZ regulation
Overnight allowance in country of assignment				
• **Accommodation in Pekanbaru**	**18 (3 people x 6 nights)**	**1,200,000**	**21,600,000**	Maximum cost, reimbursed against the evidence
• **Accommodation in Batam**	**18 (3 people x 6 nights)**	**1,200,000**	**21,600,000**	Maximum cost, reimbursed against the evidence

• **Accommodation in Semarang**	**18 (3 people x 6 nights)**	**1,200,000**	**21,600,000**	Maximum cost, reimbursed against the evidence
Transport	**Quantity**	**Price**	**Total**	**Comments**
Domestic flights				Flights within the country of assignment during service delivery
• **Jakarta – Pekanbaru (return)**	**6 (3 people x 2 return trip)**	**3,500,000**	**21,000,000**	Maximum cost, reimbursed against the evidence
• **Jakarta – Batam (return)**	**6 (3 people x 2 return trip)**	**3,500,000**	**21,000,000**	Maximum cost, reimbursed against the evidence
• **Jakarta – Semarang (return)**	**6 (3 people x 2 return trip)**	**2,500,000**	**15,000,000**	Maximum cost, reimbursed against the evidence
Travel expenses (train, car)				
• **Car rental in Pekanbaru**	**8 (2 cars x 4 days)**	**1,000,000**	**8,000,000**	Maximum cost, reimbursed against the evidence
• **Car rental in Batam**	**8 (2 cars x 4 days)**	**1,000,000**	**8,000,000**	Maximum cost, reimbursed against the evidence
• **Car rental in Semarang**	**8 (2 cars x 4 days)**	**1,000,000**	**8,000,000**	Maximum cost, reimbursed against the evidence
• **Airport transfer (in Jabodetabek)**	**36 trips**	**300,000**	**10,800,000**	Maximum cost, reimbursed against the evidence
Other costs	**Number**	**Price**	**Total**	**Comments**
Flexible remuneration	**1**	**40,000,000**	**40,000,000**	A budget of IDR 50,000,000 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.
Other costs				The budget contains the following costs .

6. Requirements on the format of the bid

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.

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.

7. Organisational Matters

Place of Assignment: Jakarta, Pekanbaru, Batam, and Semarang

Payment modalities: Payment of the assignment will be made in three (3) terms. The final payment will be made after the completion of the assignment, considering a satisfactory result, evidence and timesheet provided by the contractor.

Failure to complete work: GIZ reserves the right to cancel the remainder of the contract if the deliverable output does not meet ToR requirements and standards of quality e.g. if Task 1 is completed unsatisfactorily, GIZ is only liable to pay for Task 1 and can cancel the contract for the remaining Tasks.