United Nations Development Programme

Terms of Reference


Location: South Africa
Application Deadline: 15 October 2017
Category: South African Wind Energy Project
Type of Contract: Individual Contract / RLA (Firm Providing an Individual)
Languages Required: English
Starting Date: 30 October 2017
Expected Duration of Assignment: 90 working days

1. INTRODUCTION

The South African Wind Energy Project Phase 2 (SAWEP 2) is funded by the Global Environment Facility (GEF) with the Department of Energy (DoE) as the Executing Entity/Implementing Partner, and supported by the United Nations Development Program (UNDP) South Africa Country Office. The project objective is to overcome barriers to the attainment of South Africa’s 2010 Integrated Resource Plan target of 3,320 MW of wind power generation online by 2018/19. In order to achieve this, the project focusses on four components: Component 1: Monitoring and Evaluation of the implementation of local content requirements, Component 2: Resource-mapping and wind corridor development support for policy-makers, Component 3: Support for the development of small-scale wind sector and Component 4: Training and human capital development for the wind energy sector. Each component is associated with specific outputs and a set of activities.

2. BACKGROUND

The assignment relates to the SAWEP 2 Component 1: Monitoring and Evaluation of the implementation of local content requirements Output 1.1: Monitoring & Verification (M&V) system developed and implemented to facilitate the localisation process and Output 1.2: Capacity developed in Government and targeted value-chain sectors to facilitate compliance with local content requirements

During review of the SAWEP 2 Project Document with key stakeholders in Aug 2016 it came to light that the DoE Independent Power Producers Office (DoE IPP Office), which was conceived in 2010, is well established by now with M&V and reporting systems in place and operational. Thereby the implementation of the Renewable Energy Independent Power Producer Procurement Programme (RE IPPPP) is well underway with foreign and local investments needed for infrastructure. E.g. R194.1 billion investment in the Renewable Energy Independent Power Producer Procurement Programme (RE IPPP) has been achieved between the years 2011 to 2015. There is now an opportunity with about 2.7 GW total RE IPPPP plants in operation for a holistic review of the impact of the RE IPPP on the South African Economy as a whole with recommendations that would enhance the DoE IPP Office roll out of the RE IPPPP in support of sustainable socio-economic development.

In an effort to further streamline the Economic Development (ED) criteria of the RE IPPPP, a formalised inter-departmental decision making structure was established in 2015 and has been working on developing an improved localisation system. The Inter-departmental working group consists of members from the Department of Trade and Industry (DTI), Industrial Development Corporation (IDC), the DoE IPP office and Dept. of
Science and Technology (DST). The team was also assisted by and when required, experts and stakeholders from industry and other government departments, including Eskom.

Analysis of the first 3 bidding round results by the inter-departmental task team found that certain sub-element of ED criteria can be achieved with ease but have limited economic impact. However, localisation has a much higher economic impact but appears to be less “popular”. It is envisaged that a re-design of the weighting system to make more points available for targeted localisation and the development of certain value chains can achieve higher economic impact objective, support employment and socio-economic development. It was further suggested that the IPP office in collaboration with the working group analyse the Economic Development element as a whole including the seven sub-elements (Job Creation (25%), Local Content (25%), Ownership (15%), Management Control (5%), Preferential Procurement (10%), Enterprise Development (5%), Socio Economic Development (15%)) with a view to improve the impact on the South African economy as a whole. This project should provide the necessary information for the interdepartmental working group to finalise these recommendations.

Key Questions to be addressed by this project:

- What was the additional socio economic impact achieved as a result of the Economic Development element requirements?
- Are certain ED elements easier or more advantageous for bidders resulting in more/less focus on other elements?
- What is a reasonable expectation as far as socio economic development goes from infrastructure projects such as the RE IPPP?

3. OBJECTIVE

The objective of the study is to assess and to analyse the Economic Development element impact as a whole including the economic development bidding criteria of the RE IPPP and to make recommendations towards the achievement of optimal socio economic benefit, including review of with recommendations of the SAWEP 2 Project document Component 1, outputs, activities and Project Results Framework.

4. SCOPE OF WORK

4.1 Analyse the current RE IPPPP socio economic development approach and use appropriate methodology and recognized socio-economic modeling or another appropriate tool to demonstrate and evaluate the socio-economic impact in terms of cost, GDP, job creation, investment, electricity generation, environmental impact & balance of payments. Provide a conclusion of the findings addressing the questions: What was the additional socio economic impact achieved as a result of the Economic Development element requirements and whether the expectation as far as socio economic development goes from infrastructure projects such as the RE IPPPP were realistic.

4.2 Identify, describe and rank the risks associated with the RE IPPPP programme (include World Trade Organisation (WTO) compliance, investment friendly environment, sustainability etc. Investigate and describe potential risk mitigations options and cost thereof.

4.3 Compare the RE IPPPP with other infrastructure investment programmes (such as e.g. transnet and the automotive industry) in South Africa and possibly abroad in terms of job creation, investment, environmental impact & balance of payments and what is a reasonable expectation as far as socio economic development goes from infrastructure projects such as the RE IPPPP.

4.4 Propose, quantify and qualify a redesign of the ED weighting and associated monitoring and verification system to optimise socio economic impact for the South African economy and compare its potential impact with the current weighting and monitoring and verification system. Addressing the question with qualification: Are certain ED elements easier or more advantageous for bidders resulting in more/less focus on other elements?
4.5 Review the alignment of the REIPPP roll-out to available renewable industry capacity in South Africa and propose a roll-out method and or adjustments to the existing one that will support the sustainability and building of relevant industrial capacity and capability.

4.6 The service provider will organize and conduct a one day workshop with key stakeholders to:

- present the findings and recommendations
- solicit input in finalizing of the report
- knowledge sharing on the baseline research used for the study and socio-economic modelling chosen and applied.

The service provider will consult with the Project Coordination Unit (PCU) on the workshop invitees and program. At minimum, the SAWEP PSC, RE IPPP Interdepartmental working group and the respective renewable energy industry associations South African Wind Association (SAWEA), the South African Photovoltaic Industry Association (SAPVIA), Southern African Solar Thermal and Electricity Association (SASTELA) will be invited to the workshop.

4.7 The service provider will and based on the recommendations of the one day workshop consolidate, describe and update the report which will include a review with recommendations of the SAWEP 2 Project document Component 1, outputs, activities and Project Results Framework.

5. DELIVERABLES

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<tr>
<th>Deliverable</th>
<th>Description, Content</th>
<th>Proposed Due Date</th>
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<tbody>
<tr>
<td>Deliverable 1: Inception Report</td>
<td>Attend inception briefing meeting, and thereafter produce Inception Report detailing comprehensive approach and methodology, work plan and timeline of activities, and related specific details.</td>
<td>Within 10 working days from contract signing</td>
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<tr>
<td>Deliverable 2: Progress report 1</td>
<td>See 4.1, 4.2, 4.3 Analyse socioeconomic development; identify and describe risks; compare with other infrastructure investment programmes</td>
<td>tbd</td>
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<tr>
<td>Deliverable 3: Progress Report 2</td>
<td>See 4.4, 4.5 Redesign of the weighting-, monitoring and verification system; industrial roll out alignment</td>
<td>tbd</td>
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<tr>
<td>Deliverable 4: Draft Report (encompassing 4.7 above, following the Stakeholder workshop)</td>
<td>See 4.6 and 4.7 above for the stakeholder workshop (to be held in Gauteng); findings and recommendations; knowledge transfer; Component 1 outputs, activities and Project Results Framework described, reviewed with recommendations.</td>
<td>tbd</td>
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<td>Deliverable 5: Final Report</td>
<td>Incorporating revisions, and confirming approval.</td>
<td>Within 90 working days from contract signing</td>
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6. CONTRACT PERIOD

The project should be completed within 90 working days of signing of the contract.

7. MINIMUM REQUIREMENTS

- The service provider should have a post-graduate degree in science, energy, economics, engineering or related field.
- Proven experience in working with the renewable energy, socio-economic modelling and analysis.
- Professional, hands-on experience and proven track record on report writing of projects of a similar nature and size.
- Experience in professional communication and reporting at all levels.
8. PROJECT ADMINISTRATION

Whilst the contract is held with UNDP, the work will be overseen by the Project Coordination Unit (PCU) comprising of the Project Manager and DoE Renewable Energy Project Manager.

9. EVALUATION CRITERIA

The evaluation of proposals will be conducted according to UNDP procurement rules. A two-stage procedure is utilised in evaluating the proposals, with evaluation of the technical proposal being completed prior to any price proposal being opened and compared. The price proposal of the Proposals will be opened only for submissions that passed the minimum technical score of 70% of the obtainable score of 100 points in the evaluation of the technical proposals. The technical proposal is evaluated on the basis of its responsiveness to the Term of Reference (TOR). In the Second Stage, the price proposal of all contractors, who have attained minimum 70% score in the technical evaluation will be compared. Selection will be based on a combined scoring method, where the approach to the work, qualifications and experience (Technical proposal) will be weighted a maximum of 70%, and combined with the price offer (Financial proposal) which will be weighted a maximum of 30%.

Technical Evaluation Criteria

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<th>Evaluation Criteria</th>
<th>Max score</th>
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<tr>
<td>Experience in socio-economic modelling, analysis and reporting similar to the RE IPPPP work and the development of project objectives, outcomes and activities will be an advantage</td>
<td>20</td>
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<tr>
<td>Proposed Methodology (A clear methodology. The methodology must outline how the Scope of Work will be carried out according to each deliverable with an understanding of the assignment).</td>
<td>25</td>
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<tr>
<td>Proposed Work Plan (Detailed work plan with milestones, timelines and resources and designated responsibilities of the team leader and individual members must be indicated in the proposal for achieving of the deliverables).</td>
<td>25</td>
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<tr>
<td>Professional, hands-on experience and proven track record on report writing of projects of a similar nature and size</td>
<td>10</td>
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<tr>
<td>Experience in professional communication at workshops and stakeholder consultations</td>
<td>10</td>
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<tr>
<td>Qualifications</td>
<td>10</td>
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10. RESPONSE FORMAT

To facilitate the analysis of responses, all interested parties are required to prepare their response in accordance with the instructions outlined in this section. All proposals should be electronically generated. The vendor will be hired on a UNDP contract.

Applicants are required to submit the following:

- A Technical Proposal: Letter of Interest, stating why you consider your service suitable for the assignment and a brief methodology on the approach and implementation of the assignment;
- Evidence and examples of similar projects that have been successfully completed;
- Personal CVs highlighting qualifications and experience in similar projects;
- Work references - contact details (e-mail addresses) of referees (organisation for whom you’ve produced similar assignments);
- All-inclusive financial proposal (fixed cost bid) indicating consultancy fee (South African Rand) and a breakdown of expenses (unit price together with any other expenses) related to the assignment. The proposal must incorporate all the costs of travel etc for the service provider to achieve the required deliverables, including the organization and payment of the one day stakeholder workshop venue and catering (workshop participants to cover their own travel and accommodation costs etc and where applicable).

Applicants are required to submit the following documents to procurement.za@undp.org on or before the 15 October 2017 with the subject line: Job Code Title and Reference Number.