



Terms of Reference

Appointment of a Market Research Consultancy to undertake a Market Assessment of Residential and Small Commercial Air Conditioners in South Africa

Application Deadline: 3 June 2018

Category: Appliance energy Efficiency

Type of Contract: Institutional / Professional Services Contract

Languages Required: English

Starting Date: Early June 2018

Expected Duration of Assignment: 5 months

1. INTRODUCTION AND BACKGROUND

The South African government through the Department of Energy (DoE) in collaboration with the Department of Trade and Industry (the DTI), and the United Nations Development Programme (UNDP) is implementing the project “Market Transformation through the Introduction of Energy Efficiency Standards and the Labelling of Household Appliances in South Africa”. The objectives are removing inefficient appliances from the South African market and encouraging adoption of efficient technologies by implementing measures/interventions such as minimum energy performance standards (MEPS), labelling programs, and incentive programs. The overarching goal is to generally reduce the national electricity consumption and the carbon footprint.

2. OBJECTIVE OF ASSIGNMENT

Air conditioners (ACs) are among the most energy intensive products available in the market and are typically used in residential homes, commercial buildings such as offices and shopping malls as well as manufacturing premises in industrial buildings. Understanding AC’s market penetration, characteristics and energy usage is therefore key in determining the appropriateness of measures /interventions for market transformation. The purpose of this study is to uncover the current market trends of ACs in South Africa and identify the main market barriers that limit the penetration of more efficient ACs as well as suitable measures/interventions. The study will compare the results of the study with international best practices and recommend regulatory and non-regulatory measures/interventions to advance market transformation of ACs sold in South Africa.

3. SCOPE AND EXTENT OF WORK

The service provider will be required to produce a report that addresses the following items:

- i. Product Types (description of the main products available on the market, their power rating, efficiency rating, technology used and types of refrigerant used)
- ii. Market Players (overview of the supply chain of ACs in South Africa, including the number of companies that manufacture, assemble and/or import ACs and the main retail distribution channels)
- iii. Main Trade Partners (identification of the largest trade partners for different product categories)

- iv. Secondary Market (overview of the preponderance of the market of second hand products and typical life time of products)
- v. Technology used (assessment of the share of ACs sold with variable speed compressors versus fixe speed and relative market share of each product technology)
- vi. Product penetration (penetration levels in households and commercial buildings)
- vii. Price ranges (details of price tags for ACs with different efficiency level)
- viii. Energy usage (description of the typical usage of ACs per households and commercial consumers, including typical temperature setting point, number of hours per day of usage for how many months, typical daily usage for different consumer types (household and commercial))
- ix. Current regulations (description of the regulations governing currently the AC market in South Africa and identification of the test procedures required)

International Comparison: The relevance of the research findings can be increased by assessing them against international practise and trends. Such a comparison will identify the country’s AC technology baseline and will allow an evaluation of where South Africa stands compared to other territories. The S&L programme has formed a partnership with the Lawrence Berkeley National Laboratory (LBNL), who will take responsibility for collecting international data. The service provider will be required to work with LBNL to gather meaningful information and data for this assessment. This would include outlining relevant local legislation, the primary suppliers from which ACs are sourced.

Recommendation: Based on the analysis of findings from previous sections, this section will provide regulatory and non-regulatory program recommendations to advance market transformation of ACs sold in South Africa.

4. METHODOLOGY

The methodology (protocol) for the study will be developed by the selected service provider at the outset of the work and will be presented in detail in the inception report. However, it is acknowledged that such a study is not straightforward and cannot be limited to desktop research. We envisage that the required data will be sourced from existing reports (which will be made available) interviews, surveys, trade databases, web crawling, industry reports and other relevant publications.

5. WORK ARRANGEMENTS

The market research company is required to develop a research protocol that will address the stated research objectives and specifically provide credible / reliable input to inform the most appropriate and effective approach to conduct the AC market survey.

All facilities and resources required to deliver on the scope of work should be covered / provided and costed into the proposal.

6. DELIVERABLES

Deliverable 1: A detailed work plan

Output: Report

Time-frame: Within 2 weeks from contract signing

Deliverable 2: Interim report with initial findings and market response

Outputs: Summary report

Time-frame: Within 10 weeks from contract signing

Deliverable 3: A draft market research report covering the research objectives

Outputs: Draft Final Report

Time-frame: Within 8 weeks of summary report

Deliverable 4: Presentation of the preliminary findings and recommendations to the DoE and relevant stakeholders

Output: Final Report

Time-frame: Within 2 weeks of receiving comments on draft final report

7. DUTIES AND RESPONSIBILITIES

The successful proposer will:

- Draw on work already done in this area to avoid duplication;
- Ensure familiarity with the topic and area of market research;
- Engage with the project team throughout the research process;
- Report to the PM and to the Project Management Team (PMT) on completion of each deliverable for discussion and validation. Meetings will be held with the PMT at the end of each deliverable where the next steps of the programme will be agreed;
- At the end of the project, present the findings of the research study to the Department of Energy and other designated stakeholders;
- Treat project details and information with confidentiality, as required;
- Must demonstrate experience and competence as detailed in the scope of work above; and
- Submit an all-inclusive fixed price proposal

8. CONTRACT PERIOD AND PRICING

All costs associated with the scope of work must be included in the proposal i.e: flights, accommodation, daily disbursements, printing etc. The project will organize and pay venue costs for any meetings or workshops to be held in South Africa.

It is required that the summary outline of the assignment is delivered within 2 weeks of meeting with the Department of Energy. The assignment must be concluded within 5 months of contract signing.

9. CRITERIA FOR SELECTION

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%. Using UNDP's procurement rules, the selection of the successful firm will be aimed at maximising the overall qualities in the following areas:

#	Criteria		Points	%
1	Proposed Workplan & Approach		40	40%
1.1	A technical proposal detailing the approach and methodology to be adopted and which adequately address the project requirements		40	

2	Expertise of Firm		25	25%
2.1	Number of projects/instances where the firm has provided services of a comparable nature (provide exact details).		25	
3	Team Experience & Qualifications		35	35%
3.1	Team Leader	20		
	Advanced degree in Commerce, Marketing, Energy and Development Studies, Economics, Business Management or related field	10		
	At least 7 years' experience in market research, qualitative research, electronics or FMCG sector	10		
3.2	Key Team Member	15		
	A degree in Commerce, Marketing, Energy and Development Studies, Economics, Business Management or related field	5		
	At least 5 years' experience in market research, qualitative research, electronics or FMCG sector	10		
	Total (Minimum Threshold = 70%)		100	100%

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.

Applicants are required to submit the following:

- A Technical Proposal: (i) Letter of Interest, stating why you consider your service suitable for the assignment; and (ii) a brief methodology on the approach and implementation of the assignment, including broad time-frame (phases), and well-defined deliverables in relation to the scope of work, the costs per deliverable(s);
- Evidence and examples of similar projects that have been successfully completed;
- Company profile and personal CVs of team members highlighting qualifications and experience in similar projects;
- Work references - contact details (e-mail addresses) of referees (organisation for whom you've produced similar assignments) and/or reference letters;
- All-inclusive financial proposal 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 travel costs anticipated for the firm to achieve the required deliverables.

Applicants are required to submit the above documents to **procurement.za@undp.org** on or before the **3 June 2018** with the subject line: **Job Title and Reference Number**.