



## INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

<b>Reference Code:</b>	PIMS 4113 / EEI / INTC-ESCO (International Consultant)
<b>Country:</b>	Turkey
<b>Description of the Assignment:</b>	Consultancy Services (1 International Consultant) to carry out a comprehensive gap analysis for the ESCOs (called as EVD companies) in Turkish EE market.
<b>Project:</b>	PIMS 4113: Improving Energy Efficiency in Industry in Turkey

**Period of Assignment/Services:** 01 September 2015 – 31 January 2016

*Proposal should be submitted by email to [ic.proposal@undp.org.tr](mailto:ic.proposal@undp.org.tr) no later than 03 August 2015, COB by indicating the **reference code** of the applied position in the subject of the e-mail.*

*Any request for clarification must be sent in writing, or by standard electronic communication to the address or e-mail indicated above. UNDP will respond in writing or by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all consultants.*

### 1 BACKGROUND

Turkey made significant progress in setting up the legislative framework to promote energy efficiency, including the 2007 Energy Efficiency Law, the 2012 National Energy Efficiency Strategy, and secondary legislation. Based on this framework, priorities have been given to improve energy efficiency (EE) in industry. However, the dissemination of the efforts and outputs of EE deeply needs concerted efforts covering all industries, including small and medium-sized enterprises (SMEs) that form the bulk of industrial enterprises in Turkey. Various policy, capacity, technology and financing barriers still stand in the way of the widespread adoption of energy-efficient processes and technologies.

The main strategy of the “Improving Energy Efficiency in Industry (IEEI) in Turkey” project is to help remove mentioned barriers. The GEF funding has been provided to undertake capacity building and to develop and implement enhanced financial tools and technical mechanisms program that will help transform the Turkish industrial sector to a new more energy efficient way of operating. There is clearly significant potential to achieve energy savings and reduce greenhouse gas emissions in the industrial sector in Turkey.

The IEEI project is implemented through the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO), with the financial support of the Global Environment Facility (GEF), and is under the execution of the General Directorate of Renewable Energy (YEGM) of the Ministry of Energy and Natural Resources. Project partners include the Small and Medium-Size Enterprises Development Organization (KOSGEB), Turkish Standards Institute (TSE), and the Technological Development Foundation of Turkey (TTGV). The project aims to improve energy efficiency in

Turkish industry by encouraging industrial enterprises to implement effective energy management systems, utilizing both energy efficiency management practices and the enhanced uptake of energy efficient technologies.

After the enactment of the Energy Efficiency Law (EEL) in 2007, a high priority was to establish an ESCO (Energy Service Companies) market in Turkey. With the adoption of the EEL, only the certified companies will be considered as an ESCO and the ESCOs are authorized for EE auditing, and training and consulting activities in the industrial and buildings sectors. This type of certified ESCOs were defined by the EEL as “energy efficiency consultancy (EVD) companies”.

Within the scope of the legislation, EVD companies are expected to play a critical role for marketizing the EE studies by organizing trainings, undertaking energy audits, developing projects and financing investments.

For further details, please see Annex 1 (Terms of Reference).

## **2 SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK**

The objective of the assignment is to carry out a comprehensive gap analysis for the ESCOs (called as EVD companies) in Turkish EE market. The scope of the assignment includes provision of consultancy services, in the form of research and analysis, and thorough reports.

For further details, please see Annex 1 (Terms of Reference).

## **3 REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS**

Please see Annex 1 (Terms of Reference).

## **4 DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS**

Interested individual consultants must submit the following documents/information to demonstrate their qualifications:

- Personal CV, including past experience in similar projects and at least 2 references
- P11 Form
- Financial Proposal (please see Section 5 below and Annex II)

## **5 FINANCIAL PROPOSAL**

The interested individual consultants must submit their financial proposals by following the guidance and the standard template provided in Annex 2. Any deviation from the standard text may lead to disqualification.

## **6 EVALUATION**

The evaluation will be based on cumulative analysis (i.e. technical qualifications and price proposal). The weight of the technical criteria is 70%; the weight of the financial proposal is 30%. Candidates that obtain a minimum of 49 pts out of a maximum 70 pts will be considered for the financial evaluation. Candidates that do not meet the minimum requirements will be disqualified.

Criteria	Weight	Weighted Score
Technical	70%	70
General Qualifications	10%	10
General Professional Experience	20%	20
Specific Professional Experience	40%	40
Financial	30%	30

## 7 ANNEXES

The following annexes are an integral part of this procurement notice. In case of any conflict between the provisions of the Annex III and the procurement notice and/or Annex I and/or Annex II, the provisions of Annex III are applicable.

- Annex 1: Terms of Reference
- Annex 2: Price Proposal Guideline and Template
- Annex 3: General Conditions of Contract for Individual Consultants

## **Annex 1: Terms of Reference**

### **1 BACKGROUND**

#### **1.1. Context**

Turkey made significant progress in setting up the legislative framework to promote energy efficiency, including the 2007 Energy Efficiency Law, the 2012 National Energy Efficiency Strategy, and secondary legislation. Based on this framework, priorities have been given to improve energy efficiency (EE) in industry. However, the dissemination of the efforts and outputs of EE deeply needs concerted efforts covering all industries, including small and medium-sized enterprises (SMEs) that form the bulk of industrial enterprises in Turkey. Various policy, capacity, technology and financing barriers still stand in the way of the widespread adoption of energy-efficient processes and technologies.

The main strategy of the “Improving Energy Efficiency in Industry (IEEI) in Turkey” project is to help remove mentioned barriers. The GEF funding has been provided to undertake capacity building and to develop and implement enhanced financial tools and technical mechanisms program that will help transform the Turkish industrial sector to a new more energy efficient way of operating. There is clearly significant potential to achieve energy savings and reduce greenhouse gas emissions in the industrial sector in Turkey.

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Within the scope of the legislation, EVD companies are expected to play a critical role for marketizing the EE studies by organizing trainings, undertaking energy audits, developing projects and financing investments.

#### **1.2. Assignment**

Currently there are few certified ESCOs in Turkey. There are several private Turkish energy companies that do EE and related business with diverse sectors such as pharmaceuticals, chemicals, automotive, agriculture, paint, food and beverages, airport, hospitals, buildings. Among them some are involved in co-/tri-/micro-generation, automation, power quality and reliability, equipment efficiency, demand management, and lighting projects. These energy or consulting companies are acquainted with outsource financing, energy accounting, energy-price risk management, energy auditing, budgeting, training and consulting for energy managers, energy monitoring and reporting,

and EE financing tools. The financing of the above contracts is practiced under three different schemes, either by end-user financing, guaranteed savings (in which the ESCO guarantees a certain level of energy savings, taking the performance risk) and shared savings (in which the ESCO takes both the performance and the credit risk). Many of these companies are actually eager to be certified as an ESCO. They are also willing to form joint ventures with established foreign ESCOs. They conceive to finance EE projects with the help of international organizations. However, with merely the support of international financial institutions, the market will not be able to prosper because this is primarily a risk-based capital system that Turkey does not still have. Next step is therefore to attract interest of international investment and mobilize Turkish bank credits in the medium and long run.

The IEEI project will help built the capacity of existing consulting companies so that these can be certified under the EEL, establish links with international ESCOs and to raise awareness and build capacity in the financial sector on the business opportunities in EE. This study is an important element in the capacity building.

## **2 OBJECTIVE AND SCOPE OF THE ASSIGNMENT**

The objective of the assignment is to carry out a comprehensive gap analysis for the ESCOs (called as EVD companies) in Turkish EE market. The scope of the assignment includes provision of consultancy services, in the form of research and analysis, and thorough reports.

This consultancy activity will contribute to the Turkey IEEI Project's defined outcomes and activities, as follows:

Outcome-2: Enhanced capacity and awareness of Turkish industry and energy service providers

Output-2.4: Capacity of energy service providers enhanced

Activity-2.4.1: Review of ESCO experience in other countries and assessment of related legal framework in Turkey with a gap analysis

Within this framework, the contractor will:

- Review the experience of ESCOs in other countries in order to identify the essential elements of operating a successful ESCO in the industrial sector;
- Determine best practice examples in other countries that can be of benefit to implement energy efficiency measures in the industrial sector in Turkey;
- Undertake a detailed gap analysis to assess the shortcomings of existing EVD companies in Turkey, the financial strength of the market players;
- Assess the market potential for ESCOs in Turkey; and
- Review the current legal framework to determine what changes are needed to better encourage the use of ESCOs.

## **3 ACCRONYMS AND ABBREVIATIONS**

Unless otherwise noted;

- EE: Energy Efficiency
- EEL: Energy Efficiency Law
- ESCOs: Energy service Companies
- EVD Companies: Energy Efficiency Consultancy Companies

- GEF: Global Environment Fund
- IC: Individual Contractor
- IEEI: Improving Energy Efficiency in Industry
- IFIs: International Financial Institutions
- NPD: National Project Director
- PCORD: Project Coordinator
- PMU: Project Management Unit
- UNDP: United Nations Development Programme
- UNIDO: United Nations Industrial Development Organization
- YEGM: Directorate General of Renewable Energy

## **4 DUTIES AND RESPONSIBILITIES OF THE INDIVIDUAL CONTRACTOR (IC)**

The Assignment is composed of 5 distinct yet complementary task groups, with each task group culminating in a specific deliverable. Tasks groups, listed and defined below, are categorized in accordance with these deliverables.

During the fulfillment of the below tasks, the IC is expected to work closely with the PMU and more specifically with the PCORD. The PCORD will be the interlocutor between the IC and YEGM and project partners when necessary.

### **4.1 Review of international experience ESCOs in the industrial sector**

The IC will:

- Review of experience in the use of ESCOs (such companies that provide the financing, install the agreed-upon measures and guarantee savings) for the industrial sector in OECD countries.
- Include both Europe and the US, at least, examples in the study.
- Carry out the study so that it consists of the experience in all industrial sectors, the type of contractual arrangements, how the ESCO obtains the capital for financing the measures, the average energy savings, the range of technologies implemented and of any evaluations that have been undertaken in the countries to determine the effectiveness.
- Examine the support given by those countries to promote the use of ESCOs and what legal frameworks they created for that support.

The review would be entirely a desk study with possibly some direct contact by email or equivalent. There would be no travel involved.

Output: International Review Report

### **4.2 Lessons learned from best practice examples of the benefits of ESCOs**

The IC will:

- Prepare of a minimum of three (3) best practice case studies that could highlight the benefits of ESCOs and the lessons learned to help foster the use of ESCOs in Turkey.

The study should be prepared in collaboration with the PCORD and by taking the actual needs of the IEEI project into consideration.

Output: Best Practice Examples Report

#### **4.3 Review of experience to establish and implement ESCOs in Turkey**

The IC will:

- Undertake a detailed assessment of the experience of EVD companies in Turkey with respect to their attempts to evolve into traditional ESCOs.

This task would require a mission to Turkey (Ankara, İstanbul or related cities) for discussing the related parties including YEGM, EVD companies, ESCO association and other relevant parties.

Output: Current Experience Review Report

#### **4.4 Assessment of market potential for “full service” ESCOs in Turkey**

The IC will:

- Determine the market potential for ESCOs in Turkey through contacts with industry associations, chambers of industry, national financial institutions, IFIs, government institutions and individual companies.

The market assessment should determine where the highest potential is (for example, in industrial SMEs or in large energy-intensive companies). This task would require a mission to Turkey (Ankara, İstanbul or related cities).

Output: Market Potential Report

#### **4.5 Gap analysis of the policy and legal changes**

The IC will:

- Review current legislation (both energy and tax legislation) to determine whether the legislation provides an adequate legal foundation to promote ESCOs and, if not, what changes to the legislation is recommended.

This final delivery will reveal the changes needed to provide effective framework to promote ESCOs in Turkey.

Output: Gap Analysis Report

### **5 DUTIES AND RESPONSIBILITIES OF THE UNDP AND PROJECT PARTNERS**

Neither UNDP nor any of the project partners is required to provide any physical facility for the work of the IC. However depending to the availability of physical facilities (e.g. working space, computer, printer, telephone lines, internet connection etc.) and at the discretion of the UNDP and/or the relevant project partners such facilities may be provided at the disposal of the IC. UNDP and/or the relevant project partners will facilitate meetings between the IC and other stakeholders, when needed.

## 6 DELIVERABLES

The deliverables of the Assignment are as follows:

#	Deliverables	Brief Description	Estimated Date of Submission
1	International Review Report	Comprehensively reviews the ESCO experience in industrial sector in OECD countries. Portrays the development structure of the ESCOs by highlighting economic factors, legislation, and governmental supports. Compares different ESCO models and succinctly puts their advantages and disadvantages.	15 October 2015
2	Best Practice Examples Report	Presents best practice examples gathered from different countries, especially the ones having success stories. Discusses the context in which the selected examples were developed. Indicates the possible lessons that can be drawn for the implementation in Turkey.	15 October 2015
3	Current Experience Review Report	Analyzes the current structure in Turkey. Particularly points out the difficulties with which the EVD companies commonly faced. Assesses the success and limitations of the current practices by using the information given in first two deliverables.	01 December 2015
4	Market Potential Report	Determines the market potential for ESCOs in Turkey. Examines the areas that can be developed by contacting with relevant parties. Specifically comments on the potential for developing business for small and medium enterprises.	01 December 2015
5	Gap Analysis Report	Reviews current legislation in Turkey from the perspective of possible shortcomings and/or insufficiencies for implementation. Analyzes the existing structure by using the previous deliverables in terms of developing ESCO business. Underlines the measure that should be taken to provide effective framework to promote ESCOs in Turkey.	31 December 2015

**Reporting:** The IC will work in close cooperation with the PCORD and NPD. All deliverables will initially be submitted to the PCORD. All reports will be produced in the English language. PCORD may request executive summaries of some selected deliverables.

**Estimated Timing of Delivery:** All deliverables will be approved by the PCORD, NPD and UNDP in this particular order. The IC and PCORD and NPD will agree on a more detailed work plan to ensure that all deliverables are produced, reviewed and approved by the estimated timing of delivery, indicated in the preceding table.

IC's non-responsiveness to the feedback of the PCORD will be considered as unjustified delays in delivery of the deliverables by the IC.

The title rights, copyrights and all other rights whatsoever nature in any material produced under the provisions of this ToR will be vested exclusively in UNDP.



## 7 REQUIRED QUALIFICATIONS

The required qualifications and/or experience are presented below:

### *General Qualifications*

- University degree in engineering disciplines, business, management and/or economics is **required**.
- Advanced university degree in one of these fields (i.e. those indicated as minimum requirement) is an **asset**.
- Full computer literacy is **required**.
- Fluency in English is **required**.

### *Professional Experience*

- Minimum 10 years of international professional experience is **required**.
- International Professional experience of more than 15 years is an **asset**.
- Experience and success in implementing similar projects (or its subcomponents) funded by other international agencies/donors is an **asset**.
- At least two focused policy reports previously prepared by the applicant and approved by the government/international organizations/NGOs are considered as an **asset** when they are submitted.

### *Specific Experience*

- Minimum 5 years of international professional experience in the field of “energy efficiency” is **required**.
- Minimum 3 years of international professional experience in the field of “industrial energy efficiency” is **required**.
- More than 10 years of international professional experience in the field of “energy efficiency” is an **asset**.
- More than 8 years of international professional experience in the field of “industrial energy efficiency” is an **asset**.
- Proven knowledge of innovative financing for energy efficiency in industry, including energy performance contracting is an **asset**.
- Proven written materials and articles on “industrial energy efficiency” are considered as an **asset**.

### *Notes:*

- Internships (paid/unpaid) are not considered professional experience.
- Obligatory military service is not considered professional experience.

## 8 TIMING AND DURATION

The IC is expected to invest 70 working/days to fulfill the required tasks and produce the aforementioned deliverables over the period to 31<sup>st</sup> January 2016.

Number of working/days to be invested by the IC is based on UNDP’s estimations. They are provided herein to facilitate provision of price proposals by the applicants. The IC will agree to produce the aforementioned deliverables to the satisfaction of the PCORD, NPD and UNDP within the timeframe

provided in Section 6. In cases where the IC may need to invest additional working/days to perform the tasks and produce the deliverables listed and defined in the present Terms of Reference, the IC shall do so without any additional payment. In case of a need which has not been foreseen during the articulation of the present Terms of Reference emerges, UNDP reserves the right to request additional investment by the IC.

## 9 PLACE OF WORK

Place of work for the assignment is home-based with various travels with respect to project needs and the duties and responsibilities of the IC stated in Section 4. It is estimated that 2 missions of approximately 10 working days will be needed to Ankara and/or Istanbul in order to attend about 10 meetings with relevant parties. The 10 working days in Ankara and/or Istanbul do not include travel days which should be outside of the 10 FULL working days to be spent in Ankara and/or Istanbul. Based on arising needs travel to other cities of Turkey may be required. The timing and duration of all missions are subject to the pre-approval of UNDP.

The travel and accommodation costs of all missions will be borne by UNDP. The costs of these missions may either be;

- Arranged and covered by UNDP CO from the respective project budget without making any reimbursements to the IC, or
- Reimbursed to the IC upon the submission of the receipts/invoices of the expenses by the IC and approval of the UNDP (the reimbursement of each cost item is subject to the following constraints/conditions provided in below table), or
- Covered by the combination of both options.

Cost item	Constraints	Conditions of Reimbursement
Travel (intercity transportation)	Full-fare economy class tickets	1- Approval by UNDP of the cost items before the initiation of travel 2- Submission of the invoices/receipts, etc. by the IC with the UNDP's F-10 Form 3- Acceptance and approval by UNDP of the invoices and F-10 Form
Accommodation	Up to 50% of the effective DSA rate of UNDP for the respective location	
Breakfast	Up to 6% of the effective DSA rate of UNDP for the respective location	
Lunch	Up to 12% of the effective DSA rate of UNDP for the respective location	
Dinner	Up to 12% of the effective DSA rate of UNDP for the respective location	
Other Expenses (intra city transportations, transfer cost from /to terminals, etc.)	Up to 20% of effective DSA rate of UNDP for the respective location	

## 10 PAYMENTS

Following table presents the estimated payment amounts and related deliverables in accordance with Section 6 of these Terms of Reference. Payments will be made upon the approval of the corresponding deliverable by the PCORD, NPD and UNDP.

#	Deliverable	Estimated Timeframe	Amount of Payment
1	International Review Report	15 October 2015	15% of the Contract Value
2	Best Practice Examples Report	15 October 2015	15% of the Contract Value
3	Current Experience Review Report	01 December 2015	20% of the Contract Value
4	Market Potential Report	01 December 2015	20% of the Contract Value
5	Gap Analysis Report	31 December 2016	30% of the Contract Value

If the deliverables are not produced and delivered by the IC to the satisfaction of PCORD, NPD and UNDP, no payment will be made even if the IC has invested working/days to produce and deliver such deliverables. It is the responsibility of the IC to develop a sound understanding of the expectations of the PCORD, NPD and UNDP, and produce the deliverables accordingly.

Tax Obligations: The IC is solely responsible for all taxation or other assessments on any income derived from UNDP. UNDP will not make any withholding from payments for the purposes of income tax. UNDP is exempt from any liabilities regarding taxation and will not reimburse any such taxation to the IC.

## Annex 2: Price Proposal Guideline and Template

The prospective ICs should take the following explanations into account during submission of his/her price proposal.

- Candidates applying for the **International Consultant** positions shall provide their lump sum price proposal in **US dollars (\$)**.
- The price proposal should be indicated in gross terms and hence should be inclusive of costs related to tax, social security premium, pension, visa (if needed) etc.
- UNDP will not make any further clarification on costs related to tax, social security premium, pension, visa etc. It is the applicants' responsibility to make necessary inquiries on these matters.
- Assignment related travel and accommodation costs will be borne by the UNDP and should not be included within the price proposal as per Article 9 "Place of Work" of the TOR.
- Please (a) copy the below text into a word processor, (b) indicate your price proposal as explained above, (c) do not change any part of the standard text (changing the standard text may lead to disqualification), (d) sign the document, (e) scan the signed version of the price proposal, and (f) send it as an attachment back to UNDP by replying to this email.

**Price Proposal Submission Form for  
IC on Gap Analysis for ESCOs**

**To:** United Nations Development Programme

**Ref:** Consultancy Services - Gap Analysis for ESCOs

Dear Sir / Madam,

I, the undersigned, offer to provide professional consulting services to UNDP within the scope of the referred Assignment.

Please consider my application within the scope of

☐ International Consultant on to carry out a comprehensive gap analysis for the ESCOs (called as EVD companies) in Turkish EE market.

Having examined, understood and agreed to the Procurement Notice and its annexes, the receipt of which are hereby duly acknowledged, I, the undersigned, offer to deliver professional services, in conformity with Annex I (Terms of Reference) of the Procurement Notice.

My **lump sum price proposal** for the assignment is:

\_\_\_\_\_ US dollars (\$)

I confirm that my financial proposal will remain unchanged. I also confirm that the price that I quote is **gross**, and is inclusive of all legal expenses, including but not limited to social security, income tax, pension, visa etc., which shall be required applicable laws.

I agree that my proposal shall remain binding upon any proposal you may receive.

[Signature]

Date:

Name:

Address:

Telephone/Fax:

Email: