
TERMS OF REFERENCE FOR APPOINTMENT OF SERVICE PROVIDERS TO UNDERTAKE INDEPENDENT TECHNICAL AUDIT AND MEASUREMENT AND VERIFICATION (M&V) OF ENERGY SAVINGS ACHIEVED FROM THE IMPLEMENTATION OF MUNICIPAL ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT (EEDSM) PROGRAMME FOR A PERIOD OF 6 MONTHS

1. BACKGROUND

- 1.1 Energy Efficiency and Demand Side Management (EEDSM) is an initiative funded by national government and is aimed at assisting selected municipalities to implement energy efficiency technologies within their area of supply in order to reduce their electricity consumption. The measures considered for funding are currently limited to the retrofitting of energy efficient technologies for street, traffic and building lighting and the implementation of efficient technologies in the water treatment and supply infrastructure. The measures are focused towards minimising supply interruptions and also to improve efficiency of electricity usage within the local government sector.
- 1.2 The municipal programme forms part of the broader energy efficiency and demand side management programme led by governments, Eskom and business community amongst others. This initiative would contribute significantly towards the national energy efficiency targets as stipulated in the National Energy Efficiency Strategy (NEES). It is important for government to monitor the performance of this programme through the M&V process which would ultimately confirm the electricity savings achieved thereof.
- 1.3 The technical audits and M&V activities to be undertaken will form part of the overall Energy Efficiency programme monitoring and evaluation with respect to the amount of electricity saved since the inception of the initiatives of the municipal EEDSM programme in 2009. The implementation of these

initiatives have taken place against the background of steep electricity price increases since 2009, as well as increasing efforts to relieve South Africa's tight supply-demand balance by promoting energy efficiency.

- 1.4 It is for these reasons that the Department of Energy is inviting competent and qualifying Energy Service Companies (ESCOs) or companies to submit proposal for conducting technical audits, measurement and verification of energy savings for the municipal EEDSM projects implemented by municipalities.
- 1.5 Potential ESCOs or Companies should note that the required technical audits, measurement and verification work shall be conducted in groups of three with a minimum of eight (8) municipalities per group. It is therefore requested that bidders should only respond to only one of these groups (**see Annexure A**) and reflect all the required information in their proposals including M&V plan, methodology, timelines, team members and costs.

2. OBJECTIVES

The objective of this M&V project is to:

- 2.1 Measure and quantify municipal EEDSM savings from all the 2014/15 participating municipalities. It should be noted that, one of the key success of the EEDSM programme would be to profile the impact of the energy savings achieved to date since the programme inception against the set national energy intensity reduction target of 12% based on the year 2000 baseline. The energy savings data to be received from participating 2014/15 EEDSM municipalities will be used in the national energy efficiency monitoring system currently being piloted by the Department of Energy (DoE). The outcome of this M&V will also inform government's policy development process.
- 2.2 Support Energy Services Companies (ESCOs) or bodies with required practical sessions towards M&V accreditation by the South African National Accreditation System (SANAS).

3. SCOPE OF WORK

3.1 Experienced and qualifying ESCOs or companies shall be required to conduct the following activities in only one of the three municipal groupings (see Annexure A):

3.1.1 Rendering of measurement and verification services for analysis of energy efficiency, load management and related type savings realised by energy efficiency and demand side management or related initiatives.

3.1.2 Perform full and detailed investigations regarding energy efficiency and demand side management projects and initiatives

3.1.3 Perform and provide to DoE scoping study and report

3.1.4 Development of M&V plan

3.1.5 Verify and certify electricity baseline data determined by municipalities prior to commencement of the programme and upon consultation with the DoE.

3.1.6 Conduct the technical audit of technology retrofit.

3.1.7 Provide a survey report of the key participants and or stakeholders associated with this programme. These should at least include suppliers (e.g. manufacturers, distributors, installers and ESCOs. The aim should be to obtain an understanding of the key constraints and opportunities that should be considered, based on the experience gained during the implementation of this programme

3.1.8 Produce post implementation report showing the details of the implementation of the project and its benefits

3.1.9 Produce a final performance assessment certificate

4. DURATION OF THE PROJECT

4.1 The service provider will commence the work once the baseline data from the municipality is completed and is made available. The Service provider

will then be allowed a period of **90 days** to verify and certify the baseline data and another **90 days** to verify the savings post project implementation.

5. PAYMENT

5.1 Payment will be based on the achievement of pre-determined milestone and in line with the approved project proposal. The Department will not make an upfront payment to a successful service provider. Payment will only be made within 30 days in accordance to the delivery of services that will be agreed upon by both parties and upon receipt of an original invoice.

6. REPORTING

6.1 The service provider will submit monthly progress reports to the Programme Manager, within 4 working days after the end of each month for the duration of the project.

6.2 All resulting reports and data shall be delivered in two copies, i.e. in electronic format and in hard copies. All draft and final reports shall be printed in full colour. The reporting language is English. All documents and copyrights, including data and databases developed during the process, will remain the intellectual property of the DoE.

6.3 All drafts and final reports shall be submitted in full by the end of the project to the Chief Director: Clean Energy. They must be edited, complete and presented in their final versions.

7. PROJECT OUTPUT/ DELIVERABLES

7.1 Inception report - the report shall cover project plan with intermediate and final outputs, proposed methodology and identified timeframes/milestones.

7.2 Baseline verification report and a certificate

7.3 Final M&V report this report shall entail a summary and evaluation of the overall M&V project in each municipality in accordance to the report structure agreed to by the parties.

7.4 Issue individual municipal EEDSM M&V certificate.

7.5 Provide proof on the application for the SANAS M&V accreditation process if not approved already.

8. BRIEFING SESSION

8.1 A briefing session will be held at DoE offices Head Office (Matimba House, 192 Visagie streets or corner of Paul Kruger and Visagie streets) on **19 September 2014, at 12H00.**

9. EVALUATION METHODOLOGY

9.1 Cost

9.1.1 The service provider will be requested to give a quote regarding the work to be undertaken for this project. A summary of the overall proposed charges for the services should be provided. The cost must be VAT inclusive and should be quoted in South African rand.

9.1.2 Detailed costing should be aligned with the project activities and project phases and professional fees.

9.1.3 A breakdown of the charges to be applied to each of the task described above, including any reimbursable and miscellaneous expenses.

9.1.4 The service provider should provide the hourly rates not exceeding rates prescribed by the Department of Public Service and Administration (DPSA) and or the body regulating the profession of the consultants.

9.1.5 The service Provider should provide (S&T) rates that are in aligned to the National Treasury instruction note as follows:

- (i) Hotel Accommodation – Up to R1300 per night per person, including breakfast, dinner and parking
- (ii) Air travel must be restricted to economy class
- (iii) Claims for kilometres may not exceed the rates approved by the Automobile Association of SA

10. BROAD-BASED BLACK ECONOMIC EMPOWERMENT

10.1 Provisions of the Preferential Procurement Policy Framework Act (PPPFA) of 2011 and its regulation will apply in terms of awarding points.

10.2 Bidders are required to submit original and valid B-BBEE Status Level Verification Certificates or certified copies thereof together with their bids, to substantiate their B-BBEE rating claims.

10.3 Bidders who do not submit their B-BBEE status level verification certificates or are non-compliant contributors to B-BBEE will not qualify for preference points for B-BBEE.

10.4 A trust, consortium or joint venture must submit a consolidated B-BBEE status level verification certificate for every separate bid.

10.5 The B-BBEE status level verification certificates submitted must be issued by the following agencies:

10.5.1 For bidders who qualify as Exempted Micro Enterprises:

- Accounting officers as contemplated in the CCA; or
- Verification agencies accredited by SANAS; or
- Registered auditors (Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates).

10.5.2 For bidders other than EMEs:

- Verification agencies accredited by SANAS
- Registered auditors approved by IRBA

The table below depicts the B-BBEE status level of contribution:

B-BBEE Status Level Contributor	Number of points (90/10 system)
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1

Non Compliance contributor	0
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11. COMPANY EXPERIENCE

- 11.1 The service provider must have at least a minimum of five (5) years in the electricity industry, energy management, monitoring and reporting, and M&V of energy savings.
- 11.2 Proof from three (3) contactable referees indicating that similar project/s was/were executed.

12. TEAM LEADER AND TEAM MEMBERS' EXPERIENCE

- 12.1 The Team Leader must have at least a minimum of 5 years relevant work experience to be shown in at least five (5) M&V project as reference.
- 12.2 Team members must have at least a minimum of 3 years relevant work experience in at least three (3) M&V projects as reference.
- 12.3 CV's of the team leader and team members must be attached to the technical proposal as proof, and should reflect the number of projects executed by the project leader and each team member. Details of the team leader and team member should indicate their designated responsibilities.

13. QUALIFICATION OF TEAM LEADER AND TEAM MEMBERS

- 13.1 Team Leaders must have a degree in engineering, environment, or economics with a certificate in Measurement and Verification Professional and Energy Management.
- 13.2 Team Members must have a minimum of three (3) years qualification in Electrical Engineering, Environment or Economics and a certificate in Measurement and Verification Professional or Energy Management.
- 13.3 Copies of certified certificates must be attached to the proposal as proof, failure to attach, bidders will forfeit points.

14. PROJECT PLAN

14.1 The service provider is required to provide a detailed proposed Project Plan indicating:

14.1.1 Intermediate and final outputs and identified timeframes/milestones;

14.1.2 A clear research methodology and approach must be indicated to the proposal. The methodology must outline how the planned work will be carried out and should be according to each phase or deliverable of compiling the technical report.

14.1.3 Management of the project.

14.1.4 The service provider under consideration will be required to present their Project Execution Plan, detailed work plans, including timetable for key deliverables to the Department.

15. EVALUATION CRITERIA

15.1 Bids will be evaluated on the **90/10 preference point system** as outlined in the PPPFA of 2011.

15.2 The proposals will be evaluated in two phases:

Phase 1: Bidders will be evaluated based on functionality. The minimum threshold for functionality is **70 out of 100** points. Bidders who fail to meet the minimum threshold will be disqualified and will not be evaluated further for price and BBEE points.

No	Criteria	Weights
1	Company Experience: <ul style="list-style-type: none">❖ Service providers should at least have a minimum of five (5) years in the electricity industry, energy management, monitoring and reporting, and M&V of energy savings.❖ The contents should be supported by proof from 3 contactable referees indicating that similar project was executed.	30 25 5

2	<p>Team leader and team members:</p> <ul style="list-style-type: none"> ❖ Team Leader must have at least a minimum of 5 years relevant work experience by the team leader to be shown in at least five M&V project as reference; ❖ Team members must have at least 3 years relevant work experience for team members in at least three (3) M&V projects as reference, and ❖ CV's of the team leader and team members must be attached to the technical proposal as proof, and should reflect the number of projects executed by the project leader and each team member. 	<p>30</p> <p>20</p> <p>5</p> <p>5</p>
3.	<p>Qualifications:</p> <ul style="list-style-type: none"> ❖ A minimum of a five (5) years' experience, a Degree for the Project Team leader in engineering, environment, or economics with a certificate in Measurement and Verification Professional and Energy Management. ❖ Team Members must have a minimum of three (3) years qualification in Electrical Engineering , Environment or Economics ❖ Copies of certified certificates must be attached to the proposal as proof, failure to attach, bidders will forfeit points. 	<p>20</p> <p>10</p> <p>5</p> <p>5</p>
4	<p>Project Plan:</p> <ul style="list-style-type: none"> ❖ Project plan with intermediate and final outputs, Timeframes and milestones. ❖ Proposed Methodology. ❖ Management of the project. 	<p>20</p> <p>10</p> <p>5</p> <p>5</p>
Total		100

For the purpose of evaluating functionality, the following values will be applicable:

0	Very Poor	Do not meet the requirements
1	Poor	Will not be able to fulfil the requirements
2	Average	Will partially fulfil the requirements
3	Good	Will be able to fulfil the requirements
4	Very Good	Will be able to fulfil better in terms of the requirements adequately
5	Excellent	Will fulfil the requirements exceptionally

Phase 2: Bidders who complied with the minimum threshold for functionality, i.e. 70 out of 100 points will then be evaluated on the 90/10 point system as outlined in the PPPFA of 2011.

Price	90
B-BBEE status	10

16. FORMAT AND SUBMISSION OF PROPOSAL

16.1 All standards official bidding document forms (SBD) must be completed in all respects by bidders. Failure to comply will invalidate a bid. Bidders are requested to submit three (3) copies: one (1) original plus (2) copies of the proposals and bid documents.

17. TERMS AND CONDITIONS

17.1 The Department reserves the right to appoint more than one (1) service provider.

18. CLOSING DATE

Proposals must be submitted on or before **02 October 2014 at 11H00** at the DoE offices, Head Office (Matimba House, 192 Corner Visagie and Paul Kruger Streets, Pretoria in the bid box marked Department of Energy). **No late bids will be accepted.**

19. ENQUIRIES

19.1 All technical enquiries to be directed in writing to:

Maphuti Legodi

Tel: 012- 406 7645

Email: maphuti.legodi@energy.gov.za

19.2 All bid enquiries to be directed to:

Ms Rachel Moerane/Ms Daisy Maraba

Tel: 012- 406 7747/7748

Email: rachel.moerane@energy.gov.za/daisy_maraba@energy.gov.za

Annexure A: Grouping of 2014/15 EEDSM participating municipalities

Nr	Province	Municipalities
1	Free State, KwaZulu Natal, northern part of the Eastern Cape	Mantsopa (FS), Moqhaka (FS), Mangaung (FS), Matjhabeng (FS), eThekwini (KZN), Newcastle (KZN), Sisonke (KZN) & Alfred Nzo (EC).
2	Gauteng, North West, Limpopo	Tshwane (GP), Ekurhuleni (GP), Mogale City (GP), Merafong (GP), Moses Kotane (NW), Thulamela (LP), Capricorn District (LP), Greater Tzaneen (LP) & Lephalale (LP)
3	Western Cape, Eastern Cape, Northern Cape	Cape Town (WP), Beaufort West (WP), Mossel Bay (WP), Kannaland (WP), Hessaque (WP), Swartland (WP), Nelson Mandela (EC), Nkonkobe (EC), and Khara Hais (NC)