
TERMS OF REFERENCE FOR APPOINTMENT OF A SERVICE PROVIDER FOR ADVISORY SERVICES ON ECONOMIC IMPACT OF LOCALISATION FOR THE NUCLEAR EXPANSION PROGRAMME FOR THE DEPARTMENT OF ENERGY HEAD OFFICES AT 192 VISAGIE STREET, CORNER PAUL KRUGER AND VISAGIE STREET, FOR A PERIOD OF FOUR (4) MONTHS.

1 DEFINITIONS

- 1.1 “Component Capability”: The ability to provide a product (goods and services) for use in the nuclear programme. This includes any equipment or service for the nuclear industry and includes one or more stages of the value chain of producing a product.
- 1.2 “Nuclear Energy Programme”: All the projects and activities of the nuclear new build, including power plants, manufacturing, services, operations, nuclear fuel cycle front and back end, communication and stakeholder engagement, siting, and research and development.
- 1.3 “Nuclear Power Project”: Only the design, siting, construction, and operation of nuclear power plants.

2 BACKGROUND

- 2.1 The 9 600 MW nuclear programme, as stipulated in the Integrated Resource Plan 2010-2030, would result in significant growth in the nuclear industry, one of the most advanced industries in South Africa.
- 2.2 From a national policy perspective, both the Nuclear Energy Policy of 2008 and the National Industrial Policy Framework (NIPF) is firm on the need to grow the local nuclear industry.
- 2.3 The economic rationale for localisation is that it will build industrial capacity; promote technology and skills transfer from the main nuclear vendors and suppliers of nuclear-grade components to the South African industry; promote joint ventures, consortia and partnerships for marketing and sales; enhance

exports into the global nuclear supply chain; create high-level and value add direct jobs and intellectual property; support a more knowledge based economy, and the contribute to the GDP growth.

2.4 This follows from international experience as evidence that manufacturing is the engine of economic growth and employment of all economies that have achieved high gross domestic product (GDP) and employment growth.

2.5 Public procurement – the process by which the Government and public entities purchase public works, goods and services – represents huge amounts of public expenditure. Government possesses the necessary purchasing power to leverage procurement in support of broader economic development goals. Given its economic significance public expenditure on a nuclear fleet has the potential to influence the economy in terms of production and consumption on a large scale. This public procurement is one of the key strategic levers of the National Growth Plan and the Industrial Policy Action Plan. The Government is intending to use this lever to ensure localisation targets are achieved. These targets should ensure optimal socio-economic benefit to the country.

2.6 A number of studies have been finalized to identify the equipment and services required to construct a nuclear power plant in South Africa and to recommend which of these should/could be localised. These recommendations, however, were based on:

2.6.1 nuclear power plants only whereas it is required to consider the entire suite of nuclear programme installations which includes fuel cycle, training, research and development facilities;

2.6.2 the planning, construction, and commissioning phase of nuclear power plants only, whereas it is required to consider the entire lifecycle of all installations mentioned above;

2.6.3 a company level only, whereas it is required to consider the macroeconomic (country level) perspective.

2.7 Based on the above, in order to make informed decisions about localisation targets, it is evident that the Department of Energy needs to expand its current

knowledge of the socio-economic benefits emanating from high levels of nuclear programme localisation, especially from a cost-benefit perspective.

3 OBJECTIVES

3.1 On conclusion of this study, it is anticipated that the Department of Energy will be in a position to identify and establish:

3.1.1 The role of nuclear localisation as socio-economic development driver through a cost benefit analysis;

3.1.2 the optimum localisation targets for the nuclear new build programme; and

3.1.3 the prioritisation of components to be localised for the nuclear programme and its associated services across the entire value chain for the optimum localisation targets;

3.2 This position must be informed by

3.2.1 detailed economic impact studies of various scenarios of localisation.

3.2.2 global nuclear supply chain and export market potential

3.2.3 feasibility of establishing the capability based on the South African industrial infrastructure

3.2.4 international experience (benchmarking) and future trends of localisation and nuclear industry development.

3.3 An economic model based the life cycle of the nuclear programme must be developed and used as a basis for comparison of various localisation scenarios.

3.4 Novel concepts and improvements to the current approach at achieving high levels of socio-economic benefit through localisation should be detailed enough to facilitate implementation at various phases of the nuclear programme.

3.5 It must be clearly noted that the objective is **NOT** to determine the socioeconomic impact of the nuclear programme, but rather that of increasing the local content of the programme.

4 SCOPE OF WORK

The service provider is expected to adequately address, as a minimum deliverable, all the items referenced in the Scope of Work below:

4.1 The service provider is expected to deliver the work through six (6) phases. The final product would be a collation of each of these into a coherent and internally consistent report with recommendations. The phases are International Benchmarking, Data Collection, Calculation Model Development, Calculation and Analysis, Results, and Recommendations. Further details of each are given in the ensuing paragraphs.

4.2 **International Benchmarking:** An overview of localisation strategies and impacts of nuclear build programmes in other countries. Details of each country investigated should include the following:

4.2.1 A definition of local content or localisation per country, if different from the commonly accepted definition.

4.2.2 A description of the strategy adopted for increasing localisation from a national policy perspective.

4.2.3 Time evolution of localisation from inception of a nuclear programme in a country.

4.2.4 Lessons learned, successes and failures and the reasons thereto with regards to localisation.

4.2.5 At least the following country programmes must be studied: Turkey, Russian Federation, South Korea, Japan, China, Vietnam, France, Brazil, India, Finland, Poland, Lithuania, Czech Republic, Canada, Switzerland and Spain.

4.3 **Data Collection:** Collection of South African and international data necessary to ensure modelling of the localisation economic impact. The Additionality Impact is to be determined on the following socioeconomic indicators (outputs):

4.3.1 Direct Employment, Indirect Employment, and Induced Employment on an annual basis

4.3.2 Contribution to Gross Domestic Product (Gross Value Added) on an annual basis

4.3.3 Direct and Indirect Impact on South African national fiscus on an annual and cumulative basis

4.3.4 Total and Premium cost of localisation (locally produced cost minus current market price of component) on an annual and cumulative basis

4.3.5 Impact on balance of payments on an annual and cumulative basis

4.3.6 Cost Benefit (fiscus return divided by premium cost)

4.4 At least the following data would need to be collected and collated for input into the model

4.4.1 Input-Output Tables and selection of the relevant activities for the nuclear programme

4.4.2 Capital and operations cost data for the development and operation of each component capability such as:

- Civil Concrete
- Rebar
- Tanks
- HVAC Ductwork
- HVAC Chillers, Heating Coils, etc.
- Formwork
- Cranes
- Services at home office and plant site, design included
- Structural and Reinforcing Steel
- Heat Exchangers

- Pipes
 - Valves
 - Pumps
 - Motors
 - Electrical Panels
- 4.4.3 Development time for each component capability (project schedule and investment drawdowns)
- 4.4.4 Direct employment figures for each component capability.
- 4.4.5 Current market related prices for the components, as well as future trends estimated from supply and demand data (see section 4.6)
- 4.4.6 Key socioeconomic indicators of South Africa (history and forecast, see section 4.3 above)
- 4.4.7 Leakage, Displacement, Substitution, and Additionality factors that affect the socioeconomic indicators.
- 4.5 In addition, data on the local capability for supply of nuclear goods and services should be collected to obtain a summary definition of the local industry capability as a baseline. This can be from previous studies done (to be provided by Department of Energy) and further surveys or investigations to verify the current validity of those studies. It may be necessary to also assess the ease or feasibility of upgrading current capability in order to enter the nuclear supply chain of the local and global market.
- 4.6 Data should also be gathered on international supply and demand projections for all components of the nuclear power plants. This should inclusive of complete life cycle such as operations, maintenance, refurbishment and upgrades. In other words, this should not be limited to construction phase only. Special attention should be given to the steam generator market, given the need to replace many nuclear reactor steam generators globally in the next 20 years.
- 4.7 **Calculation Model Development:** The service provider must develop a quality assured socioeconomic modelling tool that would enable comparison of various

localisation scenarios that are to be explored for the South African new build programme.

4.8 The tool must be based on Microsoft Excel and should include user training, documented calculation theory, and a manual for its use. This tool must be included in the service providers deliverables and should be detailed enough to allow the Department to utilise the model afterwards.

4.9 The model must be based on the cumulative 80 year construction and generation lifetimes of the nuclear power programme, and assume a 60 year plant operation life.

4.10 Input variables for the model should include at least:

4.10.1 Target of Localisation Desired

4.10.2 Switches for fixing localisation of components (i.e. removing those that will not form part of optimisation selection)

4.10.3 Start and end year for the calculation (should allow at least 90 years)

4.10.4 Discount rates for investments in development of component capability

4.10.5 Export market offtake for components to be specified in quanta on a yearly basis

4.10.6 Others as per section 4.4

4.11 Output data required from the model should include:

4.11.1 All the Additionality Impacts mentioned in section 4.3 above, in both tabulated data and easy to interpret graphical format for the complete time period specified as input. These should be as an integrated output from all the component capabilities, but should also visually demonstrate the contribution of each capability to the Additionality Impact.

4.11.2 A summary table in order of priority of all the component capabilities selected by the model and the effective local content, deployment

timeframe, capital cost, premium cost, and Additional Impact contributed by each.

- 4.11.3 Excess component capability on an annual basis (i.e. this could be used for export)
- 4.11.4 Salient errors or model failure. For example when the production rate is below the supply rate for a particular component capability, especially for export.
- 4.12 The calculation model should be quality checked through the service provider's internal processes or the use of an independent external assessment.
- 4.13 The service provider should provide access to all the formulae, sheets, and source code for the model which would allow the Department of Energy to independently verify, validate or further develop or enhance the model at a later stage.
- 4.14 **Calculation and Analysis:** Once the model is developed and tested with a few pre-determined test cases, the following assumptions should be used in the calculation for this work:
 - 4.14.1 A base/reference case of 30% local content (mainly civil works) for the first reactor, increasing to 50% by the last reactor. Details of the composition of this will be supplied by the Department of Energy.
 - 4.14.2 A nuclear power programme of 9.6 GW by 2030, in accordance with the timelines of the Integrated Resource Plan 2010-2030, with the first reactor construction commencing 2017.
 - 4.14.3 Each nuclear reactor having a capacity of 1.2GW, with a 60 month construction schedule and 12 month commissioning period.
 - 4.14.4 All financial data are to be in 2013 US\$, and raw data to be converted to this value where different prior to being used in the calculation.
 - 4.14.5 Other assumptions which the service provider should propose (preferably in the bidding stage) which the Department of Energy could endorse.

4.15 The following scenarios should be calculated:

- 4.15.1 Scenario 1: 40% local content for the first reactor, reaching 60% by the last reactor. Note the final percentage is the content of the last reactor and not the cumulative local content.
- 4.15.2 Scenario 2: 40% local content for the first reactor, reaching 70% by the last reactor.
- 4.15.3 Scenario 3: 40% local content for the first reactor, reaching 80% by the last reactor.
- 4.15.4 Scenario 4 to 6: same as Scenario 1 to 3, but with the construction projects spaced wider to commission the final reactor in 2035 instead of 2030 (i.e. change assumption).
- 4.15.5 Scenario 7 to 9: same as Scenario 1 to 3, with an assumption of full export of excess capability at market price.
- 4.15.6 Scenario 10: Scenario 3 with 20GW of nuclear by 2040 (i.e. change assumption)

4.16 The service provider should classify all component capabilities according to Standard Industrial Classification codes of South Africa.

4.17 **Results:** The results of the calculations should then be analysed to arrive at an easy to interpret 10 slide presentation with no more than 5 page narrative, with one key graph showing the optimum localisation scenario. Alternatively, a further calculation could be done on a proposed strategic scenario.

4.18 **Recommendations:** From the Calculation and Analysis, an internally consistent recommendation(s) should be made on the following:

- 4.18.1 Optimal localisation target including the priorities for component capability establishment
- 4.18.2 Implementation plan (schedule and costs) for the achievement of the optimum localisation, including an indication of the potential challenges (e.g. Intellectual Property rights)

4.18.3 Risks associated with challenges (such as financing of the localisation drive and competition issues) as well as mitigations.

4.18.4 Accuracy of the model and input data as well as risk associated with data used. Realistic mitigations to address these risks should be proposed.

4.18.5 An outline of future work to enhance or improve the model and localisation strategy.

5 PAYMENTS

5.1 The Department will **not** make an upfront payment to a successful service provider. Payment will only be made in accordance to the delivery of service that will be agreed upon by both parties and upon receipt of a dully compliant invoice.

6 REPORTING REQUIREMENT AND PROGRESS MEETINGS

6.1 It is envisaged that the Department of Energy will require an initial meeting with the successful service provider to agree on the project process and options to be investigated.

6.2 Progress meetings shall be held as when necessary, but at least twice a month. The venue for these meetings will be a selected venue in Johannesburg or Pretoria. Representatives from the advisors' organisation shall be obliged to attend. Where applicable, and subject to the discretion of the Department of Energy, video or conference calls shall be held to facilitate such meetings, with the proviso that all team members be present in person at a meeting at least once a month.

7 DOCUMENTATION

7.1 For all phases, the successful service provider shall organise all project files and data banks in a systematic way, with adequate indexing. Two copies of these files shall be submitted to Department of Energy after completion of each phase. The files shall contain all documents produced in Microsoft® Office format and in particular:

- calculation sheets;
- correspondence;
- copies of minutes of meetings; and
- copies of all memoranda produced.

7.2 The copyright in the end product will vest in Department of Energy and be presented with it's logo, and it will be at liberty to use the report and results as deemed necessary.

8 COMPLETION DATE

8.1 The duration of the project is four (4) months after signing of the contract with the successful service provider. A maximum of additional two (2) weeks period is allowed for commencement of the project after acceptance of the bid. Service providers are not to exceed these timelines.

9 COMPULSORY INFORMATION SESSION

9.1 A **Compulsory Briefing** session will be held on 20 February 2014 at the Department of Energy, at 192 Corner Paul Kruger and Visagie Streets. Failure of at least one member of the bidder to attend (or at least one member of the bidder consortium if applicable) will lead to disqualification.

10 TAX CLEARANCE CERTIFICATE

10.1 The bidder (or lead party in a consortium or joint venture) is required to submit an original and valid Tax Clearance Certificate issued by the South African Revenue Services together with the bid documents before the closing date and time of the bid. Failure to comply with this condition will invalidate the bid.

11 CONFIDENTIALITY OF INFORMATION

11.1 The names of all the members of the service provider team must be disclosed for the prior approval by the Department of Energy. Any changes, replacements and/or additions should be submitted for prior approval by the Department of Energy.

11.2 All members will have to sign a Non-Disclosure Agreement before project commencement, and may be required to undergo security screening and tests as the Department of Energy deems necessary.

12 INFORMATION TO BE SUPPLIED BY THE DEPARTMENT OF ENERGY

12.1 Any information requested by the service provider in order to perform the services will be subject to discretion of the Department of Energy to provide such information.

12.2 The Department of Energy will inform and provide the service provider with any material or information that it deems relevant during the service period.

12.3 Bidders should base their proposal on the grounds that no further information from the Department of Energy, or related entities would be necessary to perform the service. Note information of the previous study and related financial information referred to in the Scope of Work would be made available where necessary.

13 CONFLICT OF INTEREST

13.1 A comprehensive list of service provider team members involved in the study must be disclosed as part of the response documentation. For each team member there must be:-

13.1.1 A concise resume detailing the members related experience.

13.1.2 A declaration from each member detailing any possible conflict of interest in terms of this section.

13.2 The Department of Energy reserves the right to exclude any member whom the Department of Energy deems, at its own discretion, to have a possible conflict of interest from the study. In this case the advisor will be requested to replace the excluded member with another suitable candidate. The replacement candidate must submit the above mentioned resume and declaration and be approved by the Department of Energy in writing.

13.3 The service provider, including members of a joint venture, consortium, or other unincorporated grouping, is not allowed to have an interest, whether direct or indirect that is regarded as creating an actual or perceived conflict of interest. This includes a relationship that is regarded as creating an actual or perceived conflict of interest between the service provider and

13.3.1 Any nuclear power plant vendor or consortium of nuclear power plant vendors that submits a tender during the procurement of South Africa's nuclear power plants, or

13.3.2 Any structure of the Government nuclear decision making framework of the National Nuclear Energy Executive Coordination Committee.

13.4 Any person or entity that intends to become involved in the process of procurement of nuclear power plants that has a relationship with the advisor that may create actual or perceived conflict of interest may be disqualified from the procurement process, in addition to any other steps that may be taken against the advisor.

13.5 The advisor shall disclose all information in its proposal regarding any interests that may result in an actual or perceived conflict of interest.

13.6 Please note that Department of Energy reserves the right to disqualify any bidder in circumstances where a conflict of interest exists or is perceived to exist or where a bidder has failed to disclose any conflict of interest or any other material information that may have affected the award of the bid.

13.7 A service provider may be considered to have a conflict of interest with one or more parties in this process if:

13.7.1 they have controlling partners in common; or

13.7.2 they receive or have received any direct or indirect subsidy from any of them; or

13.7.3 they have the same legal representative for purposes of this proposal; or

13.7.4 they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about, or influence on, the proposal of another bidder or to influence the decisions of Department of Energy regarding this process; or

14 COST

14.1 The service provider will be requested to provide a detailed quote regarding the work to be undertaken for this project.

14.2 The total cost must be VAT inclusive and should be quoted in South African currency (i.e. South African Rands).

15 DECLARATION ON AGREEMENT ON DEPARTMENT OF ENERGY CONDITIONS OF CONTRACT

15.1 The bidding party must **explicitly** state in its proposal whether any terms and conditions of the Department of Energy, or those of this Terms of Reference, are in conflict with its offering.

15.2 The bidding party must also **explicitly** state in its proposal whether any item of the scope of work would not be delivered.

16 BROAD BASED BLACK ECONOMIC EMPOWERMENT

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

16.2 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.

16.3 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.

16.4 In a case of Exempted Micro Enterprise, the following documents **MUST** be submitted:

16.4.1 Verification agencies accredited by SANAS

16.4.2 Registered auditors approved by IRBA

16.5 Bidders who qualify as EMEs

16.5.1 Accounting officers as contemplated in the CCA; or

16.5.2 Verification agencies accredited by SANAS; or

16.5.3 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).

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

B-BBEE Status Level of Contributor	Number of points (90/10 system)
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

17 EVALUATION CRITERIA

Bidders are required to present their proposal on meeting requirements of the Terms of Reference in the **Template document supplied**. An outline of the various compulsory sections of the proposal is given in the subsections below.

17.1 Company Experience

17.1.1 At least one of the organisational members of the consortium should demonstrate at least five (5) years recent experience in nuclear industrialisation and localisation, particularly in advisory in supply chain

development. At least one member should also have experience in economic assessment of nuclear localisation and industrialisation.

17.1.2 Service providers should clearly indicate the role played by their consortium partners at their involvement in the abovementioned assignments, including the duration and size of the teams deployed.

17.1.3 The Service provider through its consortium partners must have at least three (3) years' experience in the South African electricity sector at advising on supply chain management and localisation.

17.2 Qualifications and Experience of Team Leader and Team Members

17.2.1 Team leader must possess at least a postgraduate degree in economics or nuclear engineering related disciplines, preferably in combination. Other team members must also have at least a graduate degree or equivalent in the fields above. At least one postgraduate degree in economics and nuclear engineering is required amongst all team members.

17.2.2 The team leader must have at least five (5) years of experience in the nuclear power sector, more-especially in the field of nuclear manufacturing, construction, or other industrial supply chain activities. Other members of the team should have at least 5 years of similar experience, with at least two team members having 5 years' experience in localisation economic modelling.

17.2.3 Curriculum Vitae's of the team leader and team members must be attached to the technical proposal. **Certified copies of all qualifications at graduate level and upwards must be attached to the proposal.** Failure to submit will result in forfeiting of points in this entire section.

17.2.4 Availability of team members must specified by the role, location and commitment of each member in the team for this project. Being based locally for extended periods would be an advantage. Increased

commitment of highly experienced and qualified team members is a further advantage.

17.3 Global Experience

17.3.1 The bidding consortium should demonstrate that the team members have a broad experience in the global nuclear industrialisation. A well balanced team with cross-continental experience (East and West) would count in their favour, especially if members have been involved directly with leading successful nuclear localisation programmes.

17.4 Fundamental Understanding

17.4.1 In order to demonstrate understanding of the requirements of the work, and the level of the target audience, the proposal must include clear and concise definitions, and nuclear relevant examples of all the following terms that would be used in the study: direct employment, indirect employment, induced employment, contribution to GDP, premium cost of localisation, effect on balance of payment, impact on fiscal return, Additionality, leakage, substitution.

17.5 Project Plan and Adherence to Scope of Work

17.5.1 A detailed project plan indicating resources and time of delivery of each Phase of the Scope of Work would be completed for initial review and feedback from the Department of Energy.

17.5.2 A detailed explanation of how each Phase on the Scope of Work would be done.

17.5.3 It is vitally important that all Phases of the Scope of Work are covered by the service provider. The service provider is required to explicitly state which Phases (and aspects) of the Scope of Work will not be provided as this will be factored into the evaluations.

18 EVALUATION PROCESS

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

The proposals will be evaluated in two phases:

18.2 **Phase 1:** Bidders will be evaluated based on functionality. The minimum threshold for functionality is 60 out of 100 points. Bidders who fail to meet minimum threshold will be disqualified and will not be evaluated further for price and preference points for B-BBEE.

<i>Evaluation criteria (detailed in section 17 above). Note "at least" refers to minimum criteria to be met, scores of Average are allocated for meeting the criteria.</i>	Weight
<p><i>Company Experience</i></p> <ul style="list-style-type: none"> • At least one of the organisational members of the consortium should demonstrate at least five (5) years recent experience in nuclear industrialisation and localisation, particularly in advisory in supply chain development. At least one member should also have experience in economic assessment of nuclear localisation and industrialisation. • The Service provider through its consortium partners must have at least three (3) years' experience in the South African electricity sector at advising on supply chain management and localisation 	<p>15</p> <p>10</p> <p>5</p>
<p><i>Qualifications and Experience Team Leader and Team Members</i></p> <ul style="list-style-type: none"> • Team leader must possess at least a postgraduate degree in economics or nuclear engineering related disciplines, preferably in combination. Other team members must also have at least a graduate degree or equivalent in the fields above. At least one postgraduate degree in economics and nuclear engineering is required amongst all team members. • The team leader must have at least five (5) years of experience in the nuclear power sector, more-especially in the field of nuclear manufacturing, construction, or other industrial supply chain activities. Other members of the team should have at least 5 years of similar experience, with at least two team members having 5 years' experience in localisation economic modelling. • Availability of team members must specified by the role, location and commitment of each member in the team for this project. Being based locally for extended periods would be an advantage. Increased commitment of highly experienced and qualified team members is a further advantage. 	<p>20</p> <p>6</p> <p>6</p> <p>8</p>

Evaluation criteria (detailed in section 17 above). Note “at least” refers to minimum criteria to be met, scores of Average are allocated for meeting the criteria.	Weight
<p>Global Experience</p> <ul style="list-style-type: none"> The bidding consortium should demonstrate that the team members have a broad experience in the global nuclear industrialisation. A well balanced team with cross-continental experience (East and West) would count in their favour, especially if members have been involved directly with leading successful nuclear localisation programmes. 	10
<p>Fundamental Understanding</p> <ul style="list-style-type: none"> In order to demonstrate understanding of the requirements of the work, and the level of the target audience, the proposal must include clear and concise definitions, and nuclear relevant examples of all the following terms that would be used in the study: direct employment, indirect employment, induced employment, contribution to GDP, premium cost of localisation, effect on balance of payment, impact on fiscal return, Additionality, leakage, substitution. 	10
<p>Project Plan and Adherence to Scope of Work</p> <ul style="list-style-type: none"> A detailed project plan indicating resources and time of delivery of each Phase of the Scope of Work would be completed for initial review and feedback from the Department of Energy. An explanation of how each Phase on the Scope of Work would be done. It is vitally important that all Phases of the Scope of Work are covered by the service provider. The service provider is required to state which Phases of the Scope of Work will not be provided as this will be factored into the evaluation. The service provider is to confirm in writing adherence to the Scope of Work as detailed in this Terms of Reference, Section 4. Phases of the Scope of Work to be elaborated in terms of the above are weighted as indicated below 	45
<ul style="list-style-type: none"> International Benchmarking 	5
<ul style="list-style-type: none"> Data Collection 	10
<ul style="list-style-type: none"> Calculation Model Development 	15
<ul style="list-style-type: none"> Calculation and Analysis 	5
<ul style="list-style-type: none"> Results 	5
<ul style="list-style-type: none"> Recommendations 	5

18.3 Phase 2: Price and B-BBEE

<i>Evaluation criteria</i>	<i>Weight</i>
Price	90
B-BBEE Compliance	10

18.4 **Optional Phase 3:** The Department will at its discretion require an interview to be conducted with up to three of the highest scoring service providers. This will include a brief presentation of the Project Plan by the service providers.

19 FORMAT AND SUBMISSION OF THE PROPOSAL

19.1 All official forms (SBD) must be completed in all respects by bidders. Failure to comply will invalidate a bid.

19.2 In addition, bidders are required to present their proposal on meeting requirements of the Terms of Reference in the Template document supplied.

19.3 Bidders are requested to submit two (2) copies: 1 original plus 1 copy of the proposal and bid documents.

20 INFORMATION REQUESTED FROM THE DEPARTMENT OF ENERGY

20.1 Any information requested by the service provider in order to perform the services will be subject to discretion of the Department of Energy to provide such information.

20.2 The Department of Energy will inform and provide the service provider with any material or information that it deems relevant during the service period.

20.3 Bidders should base their proposal on the grounds that no further information from the Department of Energy, other than the previous studies that were done, or related entities would be necessary to perform the service.

21 CLOSING DATE

21.1 Proposal must be submitted on or before **07 March 2014** at the Department of Energy, 192 Visagie Street, Corner of Visagie and Paul Kruger Street, Pretoria in the Bid Box marked Department of Energy. **No late bids will be accepted.**

22 ENQUIRIES

22.1 All technical enquiries to be directed in writing to Mr Jeetesh Keshaw

Tel: 012 406 7621

Email: jeetesh.keshaw@energy.gov.za

22.2 All bid enquiries to be directed to Ms Rachel Moerane or Ms Daisy Maraba

Tel: 012 406 7747/ 7748

Email: rachel.moerane@energy.gov.za or daisy.maraba@energy.gov.za