

TERMS OF REFERENCE

BIDS INVITATION FOR NON-GRID SERVICE PROVIDERS FOR THE SUPPLY, INSTALLATION AND MAINTENANCE OF SOLAR HOME SYSTEMS FOR THE PERIOD OF THREE (3) YEARS

1. BACKGROUND

- 1.1. The Integrated National Electrification Programme is a national programme intended at ensuring electrification access to South African citizens. The electrification is carried out through the grid and non-grid electrification programmes, which aims to address an estimated electrification backlog of 3, 3 million households.
- 1.2. The non-grid electrification programme was established to compliment the roll out of electrification programme on households in areas where grid extension is not possible within the period of three (3) or more years. Through the non-grid electrification programme, more than 120,000 Solar Home Systems (SHS) have been installed and majority of these installations are in the Eastern Cape, Kwazulu-Natal and Limpopo provinces.
- 1.3. It is in the latter provinces where the electricity backlog is high and the majority of these installations will therefore be focused in those provinces. There are currently non-grid service providers that are operating and maintaining Rural Electricity Business in these designated areas and should any other service provider be appointed in these areas, it will be expected that all parties conclude the cooperation agreement which will outline the basis for operations in terms of demarcations etc.
- 1.4. The New Electrification Household Strategy which is in line with the National Development Plan was approved by Cabinet in June 2013; it seeks to address 10% of the electrification backlogs with a high quality Solar Home System or any other technologies which are cost-effective by 2025. The households will be identified across all provinces based on the

need of the SHS by municipalities as well as the Integrated Electrification Plan which is currently on the first Draft.

- 1.5. In order to achieve the set target date, more than **15 243** SHS must be connected annually. It is against this background that the Department needs to conduct the procurement of services of the non-grid service providers to expedite delivery of services to many households that are still not having access to electricity.

2. CONTRACT PERIOD

- 2.1 The contract duration will be for a period of three (3) years. Department will make SHS allocation provision annually to service providers depending on assessed need and funding availability.
- 2.2 After the expiry of the agreement or completion of work whichever comes first, proposed terms for maintenance and warranties will then be monitored.

3. SCOPE OF PROJECT

- 3.1 For 2016/17 financial year, it is expected that 15 243 SHS will be installed and the scope for the two outer years will be determined and communicated to the service providers on the year in which installations will be done.
- 3.2 The service provider is expected to produce the following outputs:
 - a) Supply and install SHS in compliance with the NRS 052-1:2012/SAN959 to areas which will be identified by the Department.
 - b) Commissioning, testing and reporting to the Department on each SHS installed.
 - c) Programme for maintained SHS.

4. REPORTING REQUIREMENTS

- 4.1 The appointed service providers will provide the progress report to the Department's Non-Grid Electrification Planning Manager on a monthly basis from the commencement of the contract.
- 4.2 The Department of Energy will conduct technical audits to verify quality and performance of installed SHS before payment is done.

5. TAX CLEARANCE CERTIFICATE

- 5.1 The bidder 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.

6. SECURITY BACKGROUND CHECKS

- 6.1 The Department through Supply Chain Management (SCM) prescripts reserves the right to conduct Security background checks in respect of the selected bidders, their Directors and staff. Appointment of the successful bidder will be done subject to positive background checks.

7. COMPULSORY INFORMATION SESSION

- 7.1 A compulsory information session will be held at **Ditsong Museum: Conference Hall, 121 Visagie Street, Pretoria** on **04 October 2016 at 10H00.**

8. SITE INSPECTION

- 8.1 Site inspection will be conducted with the shortlisted service providers at their premises to ensure existence of the necessary infrastructure (e.g. offices, storage, vehicles). Should there be no evidence of the necessary infrastructure the appointment of service provider will be rejected.

9. EVALUATION CRITERIA

9.1 Broad-Based Black Economic Empowerment (B-BBEE)

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

9.1.2 Bidders are required to submit original and valid B-BBEE status level Verification to substantiate their B-BBEE rating claims.

9.1.3 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.

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

B-BBEE Level of Contributor	Status 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

9.2 Company Experience

9.2.1 Service providers should have at least five (5) years experience in providing renewable energy service and should provide proof accompanied by correspondence from three (3) referees indicating that such project was executed as well as their contactable references.

9.3 Team Leader experience

9.3.1 Team Leader must have at least three (3) years in the electrical/renewable energy field and individual Team members must have at least two (2) years in the same field.

9.3.2 Signed CV's of the Team leader and Team members must be attached to the technical proposal as proof.

9.4 The proposal

9.4.1 The business proposal must address the following:

9.4.1.1 Technical requirements

- a) The bidder needs to provide sufficient detail about the proposed system design, performance, warranties applicable, compatible appliances/services, etc.
- b) Overall system design and performance of 95Wp DC system; indicate components, integration, energy management, energy availability, etc.
- c) Battery Management strategy; how battery charge is regulated and battery life protected
- d) Theft prevention reduction; any available technical interventions to reduce likelihood of theft (social sanctions and community centred solutions should also be considered)
- e) System User friendly documentation; adequate user manuals supported by appropriate end user training need to be indicated within the bid document.

- f) Local Content of Supply in Serviced Areas; indicate the extent to which the local value chain that emerges around the supply, installation and on-going technical support incorporates local content (components and/or services).
- g) Innovative technical approaches (mobile payments, etc.); Bidders should indicate the extent to which recent technical innovations and opportunities are integrated into the system and its operating environment. The purpose is to promote efficiency and performance.

9.4.1.2 Operational requirements

9.4.1.21 The bidder's operational plan should ensure that the systems are correctly installed, that sufficient end-user training ensures optimal system usage, that systems are effectively maintained over the determined period and that there is sufficient communication between customers and service providers. Key features of the operational plan should include;

- a) Customer management systems/technologies/approaches (meters, manual systems, etc.). How will the service provider communicate with customers as well as devices?
- b) Character and frequency of engagements with customers (community forums, household visits, SMS contact, etc.)
- c) User training on system operation; [as above] bidders should indicate their approach to end-user training as well as legacy documents such as user manuals, etc.

- d) System maintenance approach; bidders should indicate who will be responsible for on-going maintenance of the installed systems. The bidders may provide such services themselves and/or partner with other entities which will undertake the maintenance duties. The operational plan should include the number of scheduled maintenance visits to each system, the extent to which customers are used for first line maintenance, etc.
- e) Sustainability model; bidders should detail their overall 'business model'. How are the systems going to be maintained, the sources of revenue required (service fees, Free Basic Electricity (FBE), others?), how revenue will be collected, etc.
- f) Local job creation; the number of local jobs created both in the installation phase as well as the maintenance phase. Bidders should indicate the kind of training employees are likely to receive.
- g) Bidders should indicate how component warranties will be exercised.

9.5 Infrastructure

- 9.5.1 It is expected that the preferred service provider possess relevant infrastructure in terms of office, testing equipments, vehicles, etc.
- 9.5.2 Site inspections will be conducted with all short listed bidders.

10. EVALUATION CRITERIA

- 10.1 Bids will be evaluated on 90/10 point system as outlined in the PPPFA of 2011.
- 10.2 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 minimum threshold will be disqualified and will not be evaluated further for price and preference points.

No.	Criteria	Weights
1.	Company Experience ❖ At least five (5) years experience in providing electrical field services. ❖ Proof accompanied by correspondence from three (3) referees.	20 10 10
2.	Team Leader experience ❖ Team Leader must have at least three (3) years in the electrical/energy field and proven experience in installation of SHS. ❖ Individual team members must have at least two (2) years and proven experience in the same field. ❖ Signed CV's of the Team leader and Team members must be attached to the technical proposal as proof.	25 10 10 5
3.	Proposal/Methodology A detailed business proposal must be submitted as outlined in paragraph 9.4. Technical Aspects (20): ❖ System design and performance of 95Wp system ❖ Battery Management strategy ❖ Theft prevention strategy ❖ System User friendly documentation (design) ❖ Local content of supply ❖ Innovative technical approaches Operational Aspects (20): ❖ Quality of proposed customer managements system ❖ Customer engagement strategy ❖ User training on system operation (training) ❖ System maintenance approach ❖ Business model outline ❖ Local job creation/training ❖ Exercising warranties	40 4 4 4 4 2 2 3 3 2 4 4 2 2
4.	Qualifications ❖ The team leader must have Post Graduate Diploma or Degree in a relevant field including Electrical, Electronics, and Project Management etc.	15

	Total	100
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For purposes of evaluating functionality, the following values will be applicable:

1=	Very Poor	Will not be able to fulfil the requirements
2=	Poor	Will partially fulfil the requirements
3=	Average	The bidder will be able to fulfil the requirements
4=	Good	The bidder will be able to fulfil better in terms of the requirements
5=	Excellent	Fully fulfil in terms of the requirements

Phase 2:

Price	90
B-BBEE compliance	10

NB: Schedule for pricing is attached as annexure “A”

10.3. Department reserve the right to appoint more than one service provider

11. FORMAT AND SUBMISSION OF THE PROPOSAL

11.1 All the official forms (SBD) that are included in the bid document must be completed in all respects by bidders. Failure to comply will invalidate a bid.

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

12. CLOSING DATE

- 12.1 Proposals must be submitted by **14 October 2016 at 11H00** at 192 Visagie Street, Pretoria, in the bid box **marked** Department of Energy.

13. ENQUIRIES

- 13.1 All general enquiries relating to bid documents should be directed to:
Daisy Maraba/ Leah Mnguni/ Mateboho Molakeng
Tel No: (012) 406 7748/ 7703/7743
E-mail: daisy.maraba@energy.gov.za/
leah.mnguni@energy.gov.za/
mateboho.molakeng@energy.gov.za
- 13.2 Technical enquiries can be directed to:
Serame Moeketsi
Tel No: (012) 406 7683
E-mail: serame.moeketsi@energy.gov.za

95 Wp SHS PRICING "ANNEXURE A"					
Item	Description	Unit	Quantity	Amount	Total
1	95 Wp Solar Panel	Each	100		
2	96-100Ah Lead acid battery	Each	100		
3	SHS Meter complete with enclosure	Each	100		
4	Set of lights internal with switches	Each	600		
5	Bulkheads exterior with switches	Each	200		
6	Solar Lanterns	Each	100		
7	LED light bulbs	Each	800		
8	Surfix White flat AX 4mm2 2C+ E (Sheathed)	m	1000		
9	Surfix White flat AX 2.5mm2 2C+ E (Sheathed)	m	3500		
10	Surfix White flat AX 1.5mm2 2C+ E (Sheathed)	m	4000		
11	Surfix Black flat AX 1.5mm2 2C+ E (Sheathed)	m	2500		
12	Illumination cable 2.5mm2 2 core (Black) external	m	1000		
13	DC Plugs	Each	100		
14	Cellphone charger adaptor	Each	100		
15	DC plug cables	Each	200		
16	Junction boxes	Each	1000		
17	Cable connectors	Each	1000		
18	Cable clips	Each	30000		
19	Wall screws	Each	1600		
20	Galvanized mounting brackets	Lot	100		
21	Cable ties	Each	1000		
22	Filing	Lot	100		
23	Seal	Each	200		
24	Lugs	Each	1000		
25	Customer manual	Each	100		
Item 1	Equipment costs				
Item 2	Delivery to site/installation/inspections				
26	Transportation and insurance	Each	100		
28	Storage	Lot	100		
24	Labour (sub-contractor)	Lot	100		
25	Audit	Lot	100		
Item 3	Development costs/software and project				
26	Customer management software/reporting		100		
Item 4	TOTAL INSTALLED COSTS				
	Profit Margin 10% allowed				
Item 5	GRANT TOTAL				