
TERMS OF REFERENCE FOR APPOINTMENT OF A PANEL 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 THE PERIOD OF 3 YEARS

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 and traffic lighting, buildings and water supply and treatment infrastructure. The measures are focused towards minimizing 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 and would enable the Department to report credible and verified electricity savings data achieved from the implementation of EE measures within the local government sector. The implementation of these measures 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 suitably qualifying Measurement and Verification Experts to express their interest in

conducting technical audits and measurement and verification of energy savings achieved over a three year period of the implementation of the municipal EEDSM projects.

- 1.5 The selected service providers will be listed on the Department's panel and will be appointed to undertake this function on a need bases. All service providers will be given a fair chance to compete for the work as and when required.

2. OBJECTIVES

The objective of this M&V project is to:

- 2.1 Measure, verify and quantify electricity savings from all municipal projects that will be implemented for the period of 3 years. The required Independent Technical Auditing and Measurement and Verification (M&V) function will ensure standardized approach through compliance to the SANS50010 during the process of conducting verification and quantifying the actual electricity savings achieved in the 3 year period of projects implementation.
- 2.2 In the end, the success of the programme will very much be determined according to the amount of energy or electricity saved over a set period of sustained implementation of EE measures. The energy savings data to be received from participating 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.
- 2.3 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.
 - 3.1.1 Conform to all reporting procedures as determined by the Department.
 - 3.1.2 Attending various Workshops and meetings with Government and Municipalities in

relation to EEDSM programme. Rendering of measurement and verification services for analysis of energy efficiency, load management and related type savings realized by energy efficiency and demand side management or related initiatives.

- 3.1.3 Perform full and detailed investigations regarding energy efficiency and demand side management projects and initiatives.
- 3.1.4 Perform and provide to DoE scoping study and report.
- 3.1.5 Development of M&V plan.
- 3.1.6 Verify and certify electricity baseline data determined by municipalities prior to commencement of the programme and upon consultation with the DoE.
- 3.1.7 Conduct the technical audit of technology retrofit.
- 3.1.8 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.
- 3.1.9 Produce post implementation report showing the details of the implementation of the project and its benefits.
- 3.1.10 Produce a final performance assessment certificate.

4. DURATION OF THE PROJECT

- 4.1 The service provider will be allocated a minimum period of 6 months to complete all the work related to M&V function and will execute the activities in line with SANS50010.

5. PAYMENT

- 5.1 Payment will be based on the achievement of pre-determined milestone and submitted reports. 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. TAX CLEARANCE CERTIFICATE

- 6.1 The potential service provider/s must ensure compliance with their tax obligations.

- 6.2 The potential service provider/s are required to submit their unique personal identification number (pin) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status.
- 6.3 Application for tax compliance status (TCS) or pin may also be made via e-filing. In order to use this provision, taxpayers will need to register with SARS as e-filers through the website www.sars.gov.za.
- 6.4 The potential service provider may also submit a printed TCS together with the proposal.
- 6.5 In proposals where consortia / joint ventures / sub-contractors are involved, each party must submit a separate proof of TCS / pin / CSD number.
- 6.6 Where no TCS is available but the potential service providers is registered on the central supplier database (CSD), a CSD number must be provided

7. REPORTING

- 7.1 The service provider will work closely and report directly to the Programme manager assigned.
- 7.2 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.
- 7.3 All drafts and final reports shall be submitted in full by the end of the project to the Programme Manager. They must be edited, complete and presented in their final versions.

8. PROJECT OUTPUT/ DELIVERABLES

- 8.1 Inception report - the report shall cover project plan with intermediate and final outputs, proposed methodology and identified timeframes/milestones.
- 8.2 Baseline verification report and a certificate
- 8.3 Final M&V report entailing a summary and evaluation of the overall M&V project in each municipality in accordance to the report structure agreed to by the parties.
- 8.4 Issue individual municipal EEDSM M&V certificate.

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

9. COMPULSORY BRIEFING SESSION

9.1 A briefing session will be held on **24 July 2018, at 10H00** DoE offices Head Office (Matimba House, 192 Visagie streets or corner of Paul Kruger and Visagie streets.

10. EVALUATION METHODOLOGY

10.1 BROAD-BASED BLACK ECONOMIC EMPOWERMENT

- a) Provisions of the Preferential Procurement Regulations (PPR) of 2017 will apply in terms of awarding points.
- b) 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.
- c) 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.
- d) A trust, consortium or joint venture must submit a consolidated B-BBEE status level verification certificate for every separate bid.
- e) The B-BBEE status level verification certificates submitted must be issued by the following agencies:
 1. 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 (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non Compliance contributor	0

10.2. COMPANY EXPERIENCE

- a) 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.
- b) Proof from three (3) contactable referees indicating that similar project/s was/were executed.

10.3 TEAM LEADER AND TEAM MEMBERS' EXPERIENCE

- a) 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.
- b) Team members must have at least a minimum of 3 years relevant work experience in at least three (3) M&V projects as reference.
- c) 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.
- d) Details of the team leader and team member should indicate their designated responsibilities.

10.4 QUALIFICATION OF TEAM LEADER AND TEAM MEMBERS

- a) Team Leader must have a degree in Engineering, Environment, or Economics with a certificate in Measurement and Verification Professional and Energy Management.
- b) 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.

- c) Copies of certified certificates must be attached to the proposal as proof, failure to attach, bidders will forfeit points.

10.5. PROJECT PLAN

10.5.1 The service provider will be required to provide a Project plan detailing the following:

- a) the intermediate and final outputs, timeframes and milestones.
- b) Methodological approach to be deployed in executing the task and
- c) the overall project management structure related to management of activities related the execution of the project.

10.6 MUNICIPAL ALLOCATION PER SERVICE PROVIDER

- a) Municipalities will be allocated in to groups or regions depending on the total number of municipalities participating in the financial year. Each service provider will be allocated one group although the Department reserves the right to allocate more than one group per service provider.

11. EVALUATION CRITERIA

11.1 Bids will be evaluated on the **80/20 preference point system** as outlined in the PPR of 2017.

11.2 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 BBBEE points.

No	Criteria	Weights
1	<p>Company Experience:</p> <ul style="list-style-type: none"> i. 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. ii. The contents should be supported by proof from 3 contactable referees indicating that similar project was executed. 	<p>15</p> <p>10</p> <p>5</p>
2	<p>Team leader and team members:</p> <ul style="list-style-type: none"> i. 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; ii. 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 iii. 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>20</p> <p>10</p> <p>5</p> <p>5</p>
3	<p>Qualifications:</p> <ul style="list-style-type: none"> i. 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. ii. Team Members must have a minimum of three (3) years qualification in Electrical Engineering Environment or Economics. iii. Copies of certified certificates must be attached to the proposal as proof, failure to attach, bidders will forfeit points. 	<p>15</p> <p>8</p> <p>5</p> <p>2</p>

3.	Project Plan:	50
	i. Project plan with intermediate and final outputs, Timeframes and milestones.	15
	ii. Proposed Methodology.	20
	iii. Management of the project.	15
Total		100

For the purpose 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	Will be able to fulfil the requirements
4	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 80/20 point system as outlined in the PPR of 2017.

Price	80
B-BBEE status	20

12. FORMAT AND SUBMISSION OF PROPOSAL

12.1 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.

13. COMPULSORY BRIEFING SESSION

13.1 Compulsory briefing session will be held on **24 July 2018, @ 10:00** at the Department of Energy offices, Head Office (Matimba House, 192 Corner Visagie and Paul Kruger Street on the date to be announced.

14. TERMS AND CONDITIONS

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

15. CLOSING DATE

Proposals must be submitted on or before **03 August 2018, @ 11H00,** 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.**

16. ENQUIRIES

16.1 All technical enquiries to be directed in writing to:

Maphuti Legodi

Tel: 012 406 7645

Email: Maphuti.Legodi@energy.gov.za

16.2 All bid enquiries to be directed to:

Ms. Rachel Moerane/Ms. Daisy Maraba/Ms. Leah Mnguni

Tel: 012 406 7747/7748/7742

Email: Rachel.Moerane@energy.gov.za/Daisy.Maraba@energy.gov.za/Leah.Mnguni@energy.gov.za