

**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 A PERIOD OF THIRTY-SIX (36) 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 and traffic lighting, buildings and water supply and treatment infrastructure. The measures are focused towards minimizing supply interruptions and to improve efficiency of electricity usage within the local government sector.
- 1.2. The municipal EEDSM 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 and demand side management 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 has 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 Minerals Resources and Energy (DMRE) is inviting competent and suitably qualifying experts to express their interest on becoming a member of panel of service providers for Measurement and Verification services relating to EEDSM programme being implemented in partnership with municipalities over a three-year period.
- 1.5. The successful service providers will be listed on the Department's panel and will be appointed to undertake this function on a need basis. All service providers will be given a fair chance to compete for the work as and when required.

## **2. CONTRACT PERIOD**

- 2.1 Successful bidders will form part of the panel of service providers and enter into an agreement with the Department for a period of thirty-six (36) Months.

## **3. OBJECTIVE**

The objective of this M&V project is to:

- 3.1 Measure, verify and quantify electricity savings from all municipal EEDSM projects that will be implemented for a period of thirty-six (36) months. 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 thirty-six (36) months period of projects implementation.
- 3.2 In the end, the success of the programme will very much be determined in accordance with the amount of energy or electricity saving realized over a set period of sustained implementation of EE measures. The energy savings data to be collected and recorded from participating municipalities will be used in the national energy efficiency monitoring system to assess performance and contribution of this programme to the overall national energy efficiency targets as defined in the national energy efficiency policy. Furthermore, the

performance of the EEDSM programme will be informed by the outcome of the M&V processes and will generally inform government's policy development trajectory.

- 3.3 Support Energy Services Companies (ESCOs) or bodies with required experience towards M&V accreditation by the South African National Accreditation System (SANAS).

#### **4. SCOPE OF WORK**

Successful ESCOs or companies shall be required to conduct the following activities.

- 4.1 Conform to all reporting procedures as determined by the Department.
- 4.2 Attending various Workshops and meetings organized between the Department and participating Municipalities in respect of the implementation of EEDSM programme.
- 4.3 Conducting detailed investigations in accordance with the M&V protocol regarding energy efficiency and demand side management projects and initiatives.
- 4.4 Perform and provide to the Department a scoping study report.
- 4.5 Development of M&V plan.
- 4.6 Verify and certify electricity baseline data determined by municipalities prior to commencement of the projects and upon consultation with the Department.
- 4.7 Conduct full technical audit of technologies deployed and provide separate technical report including compliance to SABS and internationally accepted standard if such standard is not yet adopted locally.
- 4.8 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 market constraints and opportunities inherent to the implementation of this programme.

- 4.9 Produce post implementation report showing the details of the implementation of the project and its benefits.
- 4.10 Produce a final performance assessment certificate.
- 4.11 Conduct at least a 2 -year performance tracking and provide a report

## **5. DELIVERABLES OR PROJECT OUTPUT AND OR OUTCOME**

- 5.1 Inception report - the report shall cover project plan with intermediate and final outputs, proposed methodology and identified timeframes/milestones.
- 5.2 Baseline verification report and certification
- 5.3 Scoping and M&V plan report
- 5.4 Final M&V report entailing individual municipality's performance assessment and a summary of the overall M&V project in each municipality in accordance to the report structure agreed to by the parties.
- 5.5 Provide technical audit and stakeholder survey report
- 5.6 Issue individual municipal EEDSM M&V certificate.
- 5.7 Provide quarterly performance tracking report

## **6. COMPANY EXPERIENCE**

- 6.1 The service provider should have a team leader with at least three (3) years in the electricity industry, energy management, monitoring and reporting, and M&V of energy savings.
- 6.2 The service provider should at least have experience in three (3) projects in the electricity industry, energy management, monitoring and reporting, and M&V of energy savings.
- 6.3 Proof from three (3) contactable referees indicating that similar project/s was/were executed by the Team leader.

- 6.4 The service provider should **start the process of applying for M&V accreditation by SANAS once appointed in the panel of service providers.** Proof of application for SANAS accreditation will be required, as and when the Request for Quotations are issued for measurement and verification of energy savings. **Failure to provide the proof will result in the Service Provider not being considered in the evaluation of the Quotes.**

## **7. QUALIFICATION AND EXPERIENCE OF TEAM LEADER AND TEAM MEMBER**

- 7.1 Team Leader should at least have a degree in Engineering/ Environment, or Economics.
- 7.2 Team Members should at least have a degree in Electrical Engineering/ Environment or Economics.
- 7.3 Copies of certified certificates must be attached to the proposal as proof, **and failure to attach, bidders will forfeit points.**
- 7.4 Team members (**minimum of two (2) members**) should at least have 2 years relevant work experience in at least two (2) projects on electricity, energy management, monitoring and reporting, and M&V as reference.
- 7.5 CVs 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.
- 7.6 Details of the Team Leader and Team Member should indicate their designated responsibilities.
- 7.7 Team Leader should have a Certificate in Measurement and Verification Protocol.

## **8. REPORTING REQUIREMENTS**

- 8.1 The service provider will work closely and report directly to the Project Manager assigned to the programme.

- 8.2 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 color. The reporting language is English. All documents and copyrights, including data and databases developed during the process, will remain the intellectual property of the DMRE.
- 8.3 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.

## **9. WORK PLAN AND METHODOLOGY**

- 9.1 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.
- 9.2 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

## **10 ROLES AND RESPONSIBILITIES**

### **10.1 ROLES AND RESPONSIBILITIES OF THE DEPARTMENT**

- 10.1.1 The Department shall provide the Service Provider with such information and/or documentation, as requested by the Service Provider in writing, to enable the Service Provider to fulfil its obligations as per the terms of reference. The Department shall only be obliged to provide that information and/or documentation which is relevant and as per the terms of reference which is in the possession of the Department.

10.1.2 The Department will assist the Service Provider in so far as same is necessary from the municipality to enable the Service Provider to discharge its obligations.

## **10.2 ROLES AND RESPONSIBILITIES OF THE SERVICE PROVIDER(S)**

10.2.1 The service provider shall execute his/her duties as required in terms of sections 4, 5 and 8 of the Terms of Reference and the workplan.

10.2.2 The Service Provider shall, during the performance of its duties, provide its own resources.

10.2.3 The Service Provider shall adhere to all reasonable requests as may be issued by the Department as and when required as per the terms of reference.

10.2.4 The Service Provider acknowledges and agrees that it is bound by and will at all times adhere to the applicable government policies.

10.2.5 The Service Provider shall ensure that the Services will be of a high standard and will be executed to the satisfaction of the Department.

10.2.6 The Service Provider shall ensure that the person or persons who provide the Services as per the terms of reference are suitably qualified, experienced, and able to carry out the work required.

## **11 CONFIDENTIALITY OF INFORMATION**

11.1 A Party shall treat information furnished by the other Party or another person for purposes of the execution of the scope of work as detailed in the terms of reference, as confidential. Subject to confidentiality, the Party so furnished with information shall not disclose such information to any another person without prior written consent of the other Party and shall take reasonable steps to ensure that such information is not disclosed to another person.

11.2 The Department shall become the owner of information and materials derived from the provision of the Services.

11.3 The Service Provider shall not use any information or material derived from the provision of the Services for any purposes other than those of the Department

11.4 The copyright in every work or any part thereof, in which copyright may subsist, created by the Service Provider, or any person performing work on the Service Provider's behalf, shall vest in the State and such works or part thereof, may only be reproduced, or disclosed to another person, with the written consent of the Department. The term "works or any part thereof", shall not be interpreted to include the systems and processes of the Service Provider or a work or part thereof in which copyright already vests in the Service Provider or another person and not created in the execution of the Agreement.

11.5 The Service Provider may use any experience or learning acquired in the execution of his duties relating to the scope of work detailed in the terms of reference, provided that such use may not be to the detriment of the Department.

## **12 PAYMENTS**

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

## **13 TAX CLEARANCE CERTIFICATE**

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

13.2 The potential service provider/s are required to submit their personal Identification number (pin) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status.

13.3 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](http://www.sars.gov.za).



13.4 The potential service provider may also submit a printed TCS together with the proposal.

13.5 In proposals where consortia / joint ventures / sub-contractors are involved, each party must submit a separate proof of TCS / pin / CSD number.

13.6 Where no TCS is available but the potential service providers is registered on the central supplier database (CSD), a CSD number must be provided

## 14 EVALUATION METHODOLOGY

Bids will be evaluated on the 80/20 preference point system as outlined in the PPR of 2017. The proposals will be evaluated in two phases.

### 14.1 Phase 1: Compliance and Technical Review:

14.1.1 Each submission is checked for compliance. The following documents are compulsory

A valid Tax Clearance Certificate	
A valid B-BBEE Certificate	
Signed SBD forms	
Proof of CSD registration	
<b>Disqualification criteria (if available, e.g. registration with professional body)</b>	

14.1.2 Service providers will be evaluated based on functionality. The minimum threshold for functionality is 65 out of 100 points. Service providers who fail to meet the minimum threshold will be disqualified and will not be evaluated further for price and preference points for B-BBEE.

NO	CRITERIA	SCORING	WEIGHTS
1	<b>Company Experience:</b> (i) Service Provider should at least have	5 Projects or more = 5 points 4 Projects = 4 points	<b>20</b> 5

NO	CRITERIA	SCORING	WEIGHTS
	<p>experience in three (3) projects in electricity industry, energy management, monitoring and reporting, and M&amp;V of energy savings</p> <p>(ii) Service Providers should have a Team leader with at least three (3) years of experience in electricity industry, energy management, monitoring and reporting, and M&amp;V of energy savings</p> <p>(iii) Proof from 3 contactable referees indicating that similar projects were executed should be attached.</p>	<p>3 Projects = 3 points 2 Projects = 2 points 1 Project or less = 1 point</p> <p>5 years or more = 5 points 4 years = 4 points 3 years = 3 points 2 years = 2 points 1 years or less = 1 point</p> <p>5 letters or more = 5points 4 letters = 4 points 3 letters = 3 points 2 letters = 2 points 1 letter = 1 point</p>	<p>10</p> <p>5</p>

NO	CRITERIA	SCORING	WEIGHTS
2	<p><b>Team members:</b></p> <p>(i) Individual team members should at least have two (2) years relevant experience and at least two (2) projects on electricity, energy management, monitoring and reporting, and M&amp;V as reference.....</p> <p><b>CV's must be attached as proof.</b></p>	<p>4 or more years and more 4 projects = 5 points</p> <p>3 years and 3 projects = 4 points</p> <p>2 years and 2 projects = 3 points</p> <p>1 years = 2 points</p>	<p><b>15</b></p> <p><b>15</b></p>
3.	<p><b>Qualifications:</b></p> <p>(I) Team Leader should at least have a bachelor's degree in Electrical Engineering/ Environment, or Economics.</p> <p>(II) Certificate in measurement and verification Protocol and Energy Management.</p>	<p>Masters and above = 5 points</p> <p>Honours degree = 4 points</p> <p>Degree = 3 points</p> <p>Diploma = 2 points</p> <p>No Degree = 1 point</p> <p>Certificate in measurement and verification Protocol and Energy Management. = 3 points</p> <p><b>No certificate = 1 point</b></p>	<p><b>25</b></p> <p><b>10</b></p> <p><b>5</b></p>

NO	CRITERIA	SCORING	WEIGHTS
	<p><b>NB: Copies of certified certificates must be attached to the proposal as proof.</b></p> <p>(III) Team Members (minimum of two (2)) should at least</p> <p>(IV) have a degree in Electrical Engineering, or Environment studies</p> <p><b>NB: Copies of certified certificates must be attached to the proposal as proof.</b></p>	<p>Masters and above = 5 points</p> <p>Honour's degree = 4 points</p> <p>3- year Degree = 3 points</p> <p>Diploma = 2 points</p> <p>Matric = 1 point</p>	<b>10</b>
4	<p><b>Project Plan:</b> Detailed Project/ Execution Plan and Management should be attached.</p>	<p>Detailed project plan with project deliverables and detailed logistics plan, milestones, scope, schedule, cost , resources &amp; change management plan =5 points</p> <p>Detailed project plan with project deliverables logistical plan, milestones, scope, schedule, cost &amp; resources = 4 points</p> <p>Project plan with project deliverables inadequate</p>	<b>40</b> 15

NO	CRITERIA	SCORING	WEIGHTS
	<p><b>Proposed Methodology-</b> indicating how the project will be implemented, resource and task allocation, and the key stakeholders to be considered.</p>	<p>logistical plan, milestones, scope, schedule, cost &amp; resources = 3 points</p> <p>Inadequate Project Plan and logistical plan and with project deliverables, milestones, scope, schedule, cost &amp; resources = 2 points</p> <p>No Project and logistical plan=1 point.</p> <p>Methodology outlining description of services, project implementation and management approach = 5 points</p> <p>Methodology without description of services and implementation or management approach = 3 points</p> <p>Methodology not provided = 1</p>	15
	<p><b>Skills transfer plan –</b> indicating the process on how the skills will be transferred, and who will be targeted,</p>	<p>Detailed plan indicating the approach and the targeted audience to transfer skill to =5 points</p>	10

NO	CRITERIA	SCORING	WEIGHTS
		Plan with inadequate plan detailing the approach = 2 Non submission of detailed plan of transfer skill not provided=1 point	
<b>Total</b>			<b>100</b>

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

<b>1=</b>	<b>Very poor</b>	Does not understand the requirements
<b>2=</b>	<b>Poor</b>	Will not be able to fulfil the requirements
<b>3=</b>	<b>Average</b>	Will partially fulfil the requirements
<b>4=</b>	<b>Good</b>	Will be able to fulfil the requirements
<b>5=</b>	<b>Excellent</b>	Will fully fulfil the requirements

## **14.2 PHASE 2: PRICING AND BBBEE**

14.2.1 Bids will be evaluated on the 80/20 preference point system as outlined in the Procurement Preferential Regulation of 2017. Bidder that scores the highest points in this phase will be awarded the tender.

CRITERIA	WEIGHT
Price	80
B-BBEE Status level contributor	20

## **15. COST / PRICING (Standard)**

15.1 The service provider will be requested to provide a quoted proposal regarding the work to be undertaken, including a 2-year performance tracking.

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

15.3 The service provider should provide hourly rates as prescribed by Department of Public Service and Administration (DPSA), Auditor- General (AG) or the body regulating the profession of the consultant.

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

- i) Hotel Accommodation – R1550 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 South Africa.

## **16. BROAD-BASED BLACK ECONOMIC EMPOWERMENT**

16.1 Provisions of the Preferential Procurement Policy Framework Act (PPPFA) of 2000 and its regulation of 2017 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 A trust, consortium or joint venture must submit a consolidated B-BBEE status level verification certificate for every separate bid.

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

- a) For bidders other than EMEs:
- b) Verification agencies accredited by SANAS
- c) Registered auditors approved by IRBA

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

<b>B-BBEE Status Level of Contributor</b>	<b>Number of points (80/20 system)</b>

1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

## **17. CONDITIONS OF THE CONTRACT**

### **17.1 INTERPRETATION OF AGREEMENT**

The law of the Republic of South Africa shall govern the interpretation of the Agreement.

### **17.2 JURISDICTION OF COURTS**

If any legal proceedings arise from the provisions of the Agreement, both Parties submit to the jurisdiction of the courts of the Republic of South Africa.

### **17.3 ENTIRE CONTRACT**

The Agreement and the Annexures attached hereto constitute the entire contract between the Parties.

### **17.4 VARIATION**

No amendment, alteration, addition, or suspension of any provision of the Agreement shall be of any force, unless reduced to writing and signed by both Parties.

### **17.5 WAIVER**

No waiver of any right in terms of the Agreement shall be binding for any purpose unless expressed in writing and signed by the Party concerned and such waiver shall be effective only in the specific instance and for the purpose given. No failure or delay on the part of either Party in exercising any right



precludes any other or further exercise thereof or the exercise of any other right.

#### **17.6 CESSION**

A Party may not cede any right or obligation in terms of the Agreement to another person without the other Party's written consent.

#### **17.7 INVALID PROVISIONS**

If any provision of the Agreement contravenes any provision of the law, that provision shall be deemed to be void or the scope of the provision shall be deemed to have been limited to exclude such contravention, provided that if any Party—

- (a) can establish in a court of law that it is adversely affected or prejudiced thereby; or
- (b) unsuccessfully relies on that provision in any legal proceedings, that Party may terminate the Agreement immediately.

#### **17.8 INTERVENING CHANGES IN LAW**

If any change in the law renders any material provision of the Agreement illegal or void, either Party may terminate the Agreement immediately.

#### **17.9 SEVERABILITY**

If any provision of the Agreement is or becomes invalid or unenforceable, such provision shall be divisible and be regarded as pro non scripto and the remainder of the Agreement shall be regarded as valid and binding unless materially affected

### **18. FORMAT OF SUBMISSION OF PROPOSAL**

- 18.1 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.

## **19. PRE-BID MEETING / BRIEFING SESSION DETAILS-**

19.1 Compulsory briefing session will be held on **20 January 2023 at 10h00 am**, at the Department of Minerals Resources and Energy (DMRE) offices, Head Office (Matimba House, 192 Corner Visagie and Paul Kruger Street on the date to be announced

**19.2 A compulsory briefing session certificate will be issued after the briefing session to confirm attendance. Failure to submit fully completed original compulsory briefing session certificate with your proposal will invalidate your bid.**

## **19. CLOSING DATE**

19.1. Proposals must be submitted on or before **06 February 2023 at 11H00**, at the DMRE 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**

## **20. ENQUIRIES**

20.1 All general enquiries relating to bid documents should be directed to:

Ms. Rachel Moerane or Mr Samuel Msiza

Tel: 012 406 7747/7910

Email: [rachel.moerane@dmre.gov.za](mailto:rachel.moerane@dmre.gov.za) or [samuel.msizai@dmre.gov.za](mailto:samuel.msizai@dmre.gov.za)

20.2 Technical enquiries can be directed to:

Maphuti Legodi

Tel: 012 406 7645

Email: [maphuti.legodi@dmre.gov.za](mailto:maphuti.legodi@dmre.gov.za)