

TERMS OF REFERENCE FOR APPOINTMENT OF A PANEL OF TECHNOLOGY MANUFACTURERS/ASSEMBLERS TO SUPPORT THE IMPLEMENTATION OF ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT PROJECTS IN MUNICIPALITIES FOR A PERIOD OF THIRTY-SIX (36) IN THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY

1. BACKGROUND

- 1.1 The Energy Efficiency and Demand Side Management (EEDSM) grant programme provides a subsidy, through schedule 5 of the Division of Revenue Act to municipalities to implement Energy Efficiency and Demand Side Management measures within municipal infrastructure that are aimed at reducing electricity consumption and improve energy efficiency. The implementation of the programme involves the procurement of Energy Efficiency (EE) technologies for the purposes of retrofitting old in-efficient technologies with new efficient ones. The targeted municipal infrastructure includes public lighting, buildings and wastewater treatment plants (WWTPs).
- 1.2 The municipal EEDSM grant programme forms part of the broader energy efficiency and demand side management programmes led by the Government, Eskom, and the business community amongst others. This initiative is aimed at contributing significantly towards the national energy efficiency targets as stipulated in the National Energy Efficiency Strategy (NEES).
- 1.3 In the past, challenges with individual procurement processes followed by municipalities participating in the programme have created implementation delays and different prices for the same energy-efficient technologies which have led to inefficiencies and projects not being completed on time. These challenges have been the subject of concern to the Department and to the Auditor General's office.
- 1.4 It is for these reasons that the Terms of Reference (ToR) is therefore prepared for the technology manufacturers and manufacturers market to supply the government with specific and required EE technologies for the purposes of improving energy efficiency in the government infrastructure. The procurement and installation of these technologies will be funded through the government's Division of Revenue Act grant and implemented in the municipal infrastructure. The manufacturers and manufacturers of these technologies will be pre-qualified to form part of the National Department of Mineral Resources and Energy panel of technology manufacturers/manufacturers that will support the implementation of the Municipal Energy Efficiency and Demand Side Management projects by supplying energy-efficient technologies.

- 1.4 The successful technology manufacturers/manufacturers will be appointed based on technical strength and demonstrable ability to undertake the supply of energy-efficient technologies including public lighting luminaires, motor system optimization, HVAC and Buildings lights, Solar PV systems and Battery energy storage systems (BESS). Consequently, it is important that each technology manufacturer indicates the technologies to be offered by completing and submitting the checklist in **Annexure A**.

2. CONTRACT PERIOD

- 2.1 Successful bidders will form part of the panel of technology manufacturers for the Department for a period of thirty-six (36) months. In line with the Division of Revenue Act (DoRA) framework a Service Level Agreement (SLA) will be entered in to with a successful technology manufacturer/s after sourcing of quotation from panel of technology manufacturers/assemblers by municipalities.
- 2.2 Successful bidders will be required to provide the Department with unit prices per technology.

3. OBJECTIVE

- 3.1 The main of objective is to pre-qualify or pre-select technology manufacturers/assemblers for energy-efficient technologies.
- 3.2 This is to ensure the standardisation of technology quality and provide a basis for the evaluation and selection of the required technology.

4. SCOPE OF WORK

Successful technology manufacturers or assemblers shall be required to provide EE technologies as outlined below.

- 4.1 **Public lighting:** Public lighting retrofits involve the replacement of conventional fittings or High-Intensity Discharge (HID) lamps with efficient energy-saving fittings in the form of light-emitting diode (LED) fittings on both high masts and streetlighting fittings. Public lighting retrofits make up the majority of EEDSM projects implemented by participating municipalities. Of all the EEDSM grant projects implemented by municipalities each year, around 80 % are public lighting retrofit projects split between high masts and streetlighting fittings. It is against this background that successful technology manufacturers or manufacturers will as and when required be requested to

supply quality energy-efficient lighting replacement luminaires for project implementation to municipalities participating in the programme.

4.2 **Buildings:** Building light retrofits are implemented in municipal buildings as part of the EEDSM grant interventions. Typically, energy savings and improved lighting levels are achieved through retrofitting building lights from fluorescent tubes/bulbs and down lights to energy-efficient LED fittings. Heating, Ventilation, and Air Conditioning (HVAC) systems are highly energy-consuming systems within municipalities' buildings and as such are targeted for retrofits under the EEDSM grant programme. Therefore, successful technology manufacturers or manufacturers will as and when required be requested to supply quality energy-efficient lighting replacement building lights, HVAC systems/units, solar PV systems and BESS.

4.3 **Wastewater Treatment Plants (WWTPs):** Besides area lighting and building lights, motor system optimization through the replacement of in-efficient motors and installation of variable speed drives (VSDs) or variable frequency drives (VFDs) has been identified as one of the EEDSM strategies to reduce energy consumption in municipal WWTPs. As such, pre-qualified technology manufacturers or manufacturers will as and when required be requested to supply quality energy-efficient motor system optimization technologies.

5. DELIVERABLES OR PROJECT OUTPUT AND OR OUTCOME

5.1 The desired outcome of this programme is to improve energy performance in municipal infrastructure through the supply and installation of standardized, quality, and affordable energy-efficient technologies.

6. COMPANY EXPERIENCE

6.1 The technology manufacturer/assembler should have at least three (3) years of experience in the manufacturing and supply of electrical equipment and machinery used in the energy industry preferably public lighting luminaires, motor system optimization, HVAC and Buildings lights, solar PV systems and BESS.

6.2 The technology manufacturer/assembler should provide letters indicating the company's capabilities in rendering the services from at least three (3) contactable references.

- 6.3 The technology manufacturer/assembler must provide proof that the products supplied meet all NRCS, SABS and all other applicable IEC standards in terms of performance, quality, and safety requirements e.g., LOA, SABS mark, etc.

7 MONITORING REQUIREMENTS

- 7.1 The Department will utilize the DoRA framework as well as the performance agreements entered with the municipalities participating in the EEDSM grant programme as the monitoring tool to establish compliance to the usage of the panel.
- 7.2 Furthermore, during the approval of the business plans, the project costing will be evaluated as per the average product/ equipment prices received from the panel members.

8 WORK PLAN AND METHODOLOGY

- 8.1 The technology manufacturer/assembler will be required to provide a Project Plan detailing the following:
- a) Detailed methodological approach to be deployed in executing stock mobilization.
 - b) Detailed method for supply and delivering the technologies to municipalities participating in the EEDSM grant programme.

9 ROLES AND RESPONSIBILITIES

9.1 ROLES AND RESPONSIBILITIES OF THE DEPARTMENT

- 9.1.1 The Department shall provide the technology manufacturer with such information and/or documentation, as requested by the technology manufacturer in writing, to enable the technology 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.
- 9.1.2 The Department will assist the Technology manufacturer in so far as same is necessary from the municipality to enable the Technology manufacturer to discharge its obligations.

9.2 ROLES AND RESPONSIBILITIES OF THE TECHNOLOGY MANUFACTURER(S)

- 9.2.1 The technology manufacturer shall execute his/her duties as required in terms of sections 4, 5 and 8 of the Terms of Reference and the work plan.
- 9.2.2 The Technology manufacturer shall, during the performance of its duties, provide its own resources.
- 9.2.3 The Technology manufacturer shall adhere to all reasonable requests as may be issued by the Department and or municipalities involved in the EEDSM programme as and when required as per the terms of reference.
- 9.2.4 The Technology manufacturer acknowledges and agrees that it is bound by and will at all times adhere to the applicable government policies.
- 9.2.5 The Technology manufacturer shall ensure that the Services will be of a high standard and will be executed to the satisfaction of the Department.
- 9.2.6 The Technology manufacturer 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.

10 CONFIDENTIALITY OF THE INFORMATION

- 10.1 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 other person without the prior written consent of the other Party and shall take reasonable steps to ensure that such information is not disclosed to another person.
- 10.2 The Department shall become the owner of information and materials derived from the provision of the Services.
- 10.3 The Technology manufacturer shall not use any information or material derived from the provision of the Services for any purposes other than those of the Department.

10.4 The copyright in every work or any part thereof, in which copyright may subsist, created by the Technology manufacturer, or any person performing work on the Technology manufacturer'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 Technology manufacturer or work or part thereof in which copyright already vests in the Technology manufacturer or another person and not created in the execution of the Agreement.

10.5 The Technology manufacturer 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.

11 PAYMENT

11.1 The Department will not make an upfront payment to a successful technology manufacturer/assembler. Payments will only be made in accordance with the delivery of service that will be agreed upon by both parties (Technology suppliers and the municipality) and receipt of an original invoice.

12 TAX CLEARANCE CERTIFICATE

12.1. The potential technology manufacturer/s must ensure compliance with their tax obligations.

12.2. The potential technology manufacturer/s is/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.

12.3 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.

12.4. The potential technology manufacturer may also submit a printed TCS together with the proposal.

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

12.6 Where no TCS is available, but the potential technology manufacturer/s is registered on the central manufacturer database (CSD), a CSD number must be provided.

13 EVALUATION METHODOLOGY

Bids will be evaluated on

- (i) Compliance and technical review
- (ii) Mandatory requirements
- (iii) Functionality and point system.

13.1 Phase 1: Compliance and Technical Review:

13.1.1. Each submission is checked for compliance. The following documents are required:

| | |
|--|--|
| A valid Tax Clearance Certificate/ Pin | |
| Signed SBD forms | |
| Proof of CSD Registration | |
| Copy of ID's Company Directors | |
| Copy of ID's Project Team | |
| CIPC Company Registration certificate | |

13.1.2 The following are **mandatory requirements**, failure to attach mandatory documents will invalidate your bid.

| | |
|--|--|
| The technology manufacturer/assembler must provide proof that the products supplied meet all NRCS/SABS/IEC standards applicable in terms of performance, quality, and safety requirements e.g., LOA, SABS mark | |
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The following industries, sectors and sub-sectors have so far been designated for local production with minimum local content thresholds. As such the technology manufacturer/assemblers are therefore required to adhere to these requirements.

| Industry/sector/sub-sector | Minimum threshold for local content |
|---|---|
| Residential Electricity Meter: <ul style="list-style-type: none"> • SMART Meters | <ul style="list-style-type: none"> • 50% |
| Solar PV Components: <ul style="list-style-type: none"> • Laminated PV Modules • Module Frame • DC Combiner Boxes • Mounting Structure • Inverter | <ul style="list-style-type: none"> • 15% • 65% • 65% • 90% • 40% |
| Pumps, Medium Voltage (MV) Motor and Associated Accessories | <ul style="list-style-type: none"> • 70% |

13.1.3 Technology manufacturers will be evaluated based on functionality. The minimum threshold for functionality is 60 out of 100 points. Technology manufacturers who fail to meet the minimum threshold will be disqualified and will not be evaluated further for price and specific goals.

| NO | CRITERIA | SCORING | WEIGHTS |
|----|---|---|-----------|
| | Company Experience: (i) The technology supplier/manufacturer should have at least three (3) years of experience in the energy industry, supply energy-efficient technologies for public lighting, Buildings, and industry | 5 years or more = 5 points 4 years = 4 points 3 years = 3 points 2 years = 2 points 1 years or less = 1 point | 30 |

| | | | |
|---|---|---|---------------------|
| | (ii) Proof from three (3) contactable references indicating the company's capabilities in rendering the services | 5 letters or more = 5 points 4 letters = 4 points 3 letters = 3 points 2 letters = 2 points 1 letter or no letter = 1 point | 10 |
| 2 | <p>Work Plan and Methodology:</p> <p>(i) Detailed methodological approach to be deployed in executing stock mobilization.</p> <p>(ii) Detailed method for supply and delivery of the technologies to municipalities participating in the EEDSM grant programme</p> | <p>Detailed Methodology outlining the management of the project including stock mobilization and availability = 5 points</p> <p>Methodology outlining adequate management of project = 4 points</p> <p>Methodology with only description of technologies to be supplied = 3</p> <p>The methodology provided without the required services = 2 points</p> <p>Methodology not provided = 1 point</p> <p>Detailed Methodology outlining the methodology to be used in delivering the required technologies = 5 points</p> <p>Methodology outlining the adequate method of delivery of technologies= 4 points</p> | <p>30</p> <p>30</p> |

| | | | |
|--------------|--|--|------------|
| | | <p>Methodology with only a brief description of how technologies will be delivered = 3</p> <p>The inadequate methodology provided without the required services = 2 points</p> <p>Methodology not provided = 1 point</p> | |
| Total | | | 100 |

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

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

14. CONDITIONS OF THE CONTRACT

- 14.1 The General Conditions of Contract must be accepted as these are issued by National Treasury and are non-negotiable.
- 14.2 The technology manufacturer will sign a confidentiality agreement regarding the protection of DMRE information that is not in the public domain.
- 14.3 No state information may be furnished/ communicated to the public or news media by the security technology manufacturer or any of their employees.
- 14.4 The technology manufacturer shall ensure that the contract is executed in line with the scope of work.
- 14.5 The technology manufacturer will be subjected to security screening by the State Security Agency
- 14.6 The DMRE reserves the right to verify the authenticity of the information submitted, any falsified information may result in the disqualification or cancellation of the contract.

15 FORMAT OF SUBMISSION OF PROPOSAL

- 15.1 Technology manufacturers are requested to submit two (2) copies of technical proposals plus the original.
- 15.2 Technology manufacturers are requested to index their proposals for easy reference.

16 PRE-BID MEETING / BRIEFING SESSION DETAILS-

- 16.1 A non-compulsory briefing session will be held on 26 October 2023, Department of Minerals Resource and Energy, at 192 Matimba Building, Corner Visagie and Paul Kruger Streets, Pretoria.

Alternatively depending on the circumstances Microsoft Teams or Zoom may be used to conduct briefing sessions.

17. CLOSING DATE

- 17.1 Proposals must be submitted on or before **10 November 2023, 11:00** at the Department of Mineral Resources and Energy, at 192 Matimba Building, Corner Visagie and Paul Kruger Streets, Pretoria in the bid box marked in the bid box marked Department of Minerals Resource and Energy. **No late bids will be accepted.**

18. ENQUIRIES

- 18.1 All general enquiries relating to bid documents should be directed to:**

Mr Samuel Msiza

Tel No: (012) 406 7910

E-mail: Samuel.msiza@dmre.gov.za

- 18.2 Technical enquiries can be directed to:**

Maphuti Legodi

Tel: 012 406 7645

Email: maphuti.legodi@dmre.gov.za