



**TERMS OF REFERENCE FOR PREQUALIFICATION OF CONSULTANCY FIRMS FOR THE
DEVELOPMENT OF MINI-GRIDS IN THE CENTRAL SERVICE TERRITORY UNDER KYEGEGWA
RURAL ELECTRICITY COOPERATIVE SOCIETY**

1. Background

Kyegegwa Rural Electricity Cooperative Society Limited (KRECS) is a registered cooperative society (Reg. No. 9899/RCS) that is Regulated and Licensed by the Electricity Regulatory Authority under the Electricity Act to distribute power in the rural areas within the central rural electrification service territory. To- date, the society has 9,290 customers connected on the grid of which 107 are three phase customers with 03 KVA customers in the Districts of Kyegegwa, Kyenjojo, Mubende, Kasanda, Mityana, Buikwe and Kayunga. One of the society's key performance areas under the Electricity Distribution license is to increase energy access within its service territory.

The Uganda Development Bank Limited (UDBL) is a Development Finance Institution focused on accelerating socio-economic development through sustainable financial interventions in line with the country's development priorities.

UDBL has provided KRECS with a Facility to enable the Cooperative Society undertake Project Preparation activities necessary for increasing and enabling energy access to households and businesses through mini-grid solutions.

2. Purpose

Uganda's current electrification rate is estimated at 26% according to statistics published by the Ministry of Energy and Mineral Development.

Urban electrification rates stand at 57% while rural electrification rates are estimated at 18%. In the Kyegegwa Rural Electricity Cooperative Society Limited service (KRECS) territory, the average electrification rate at 20% is slightly above the national rural electrification average.

The most dominant economic activity in the territory is agriculture in the spheres of maize, rice, animal husbandry among others. It is notable that due to the sparse population settlement patterns in this area, it is not economically feasible to extend lines to serve many of the 80% un-served consumers - some of whom have capacity to commercially add value to their produce.

Mini-grids therefore present a commercially viable option for the electrification of many villages within the KRECS' territory. The Uganda Development Bank Limited is partnering with KRECS in a bid to support the implementation of such mini-grids so as to enable value addition to agricultural produce (both crop and livestock), thereby greatly improving and impacting the quality of lives of beneficiaries.

KRECS is interested in procuring the services of a qualified team of multi-disciplinary expert consultants to assist in project preparation activities for the proposed design, procurement and supply of stand-alone electricity generation and distribution units within the KRECS service territory. The firm will work closely and with direct support from Uganda Development Bank Limited (UDBL).

3. Scope of work

The key tasks are as outlined below:

a) Identification of Project sites

KRECS has identified 20 potential mini-grid sites / villages within its service territory. The key criteria that was used for the identification of the proposed sites was potential for productive use / value addition – this potential was premised on the basis of the economic activity in the area. Typical activities include crop and animal husbandry as well as businesses such as trade for the case of trading centers or small towns.

Another key determinant that was used in the determination of potential sites was the distance from the National Grid – in order to avoid arrival of the National Grid prior to the recovery of the investment.

The consultant shall be required to review the identified potential sites and highlight and document their key characteristics.

b) Technical Evaluation and Ranking of project sites

Ranking shall be undertaken in order to make a final selection of the most suitable projects and rank such projects based on their technical and financial parameters. Ranking shall also firmly determine the required level of equity, debt and grant financing. In addition, productive use and financial requirements for such initiatives shall be determined at this stage. The initial studies that shall be done to enable ranking of the sites include:

- I. Identification of existing commercial / potential productive use customers.

- II. Identification of potential beneficiary households and social institutions.
- III. Preliminary socio-economic surveys in the areas proposed to be electrified under the proposed project.
- IV. Preliminary technical and financial assessments of the projects.

Upon conclusion of the ranking, the following detailed studies shall be undertaken:

- V. Mapping of existing commercial / potential productive use customers.
- VI. Mapping of potential beneficiary households and social institutions.
- VII. Detailed socio-economic surveys for the selected projects.
- VIII. Designing and sizing appropriate power generation systems and standardized distribution networks.
- IX. Assessment of environmental and social issues as well as their proposed mitigations.
- X. Designing the most appropriate revenue-collection method.
- XI. Preparing a detailed Operation and Maintenance plan.
- XII. Assessment of the most optimal level of manpower and qualifications to run the projects.
- XIII. Recommendation of the desired / required training for the project human resource and entrepreneurs whose businesses shall be powered by the project.
- XIV. Detailed project financial Analysis and determination of the applicable tariffs.
- XV. Detailed project risk assessment.
- XVI. Proposed level of equity, debt and grant financing required to ensure financial sustainability and demand growth.

c) Productive Use of Energy activities

Productive use of energy shall be at the core of the proposed mini-grid projects. Productive use shall ensure that the implemented projects are financially sustainable – while also ensuring economic transformation for the beneficiary communities through supporting activities such as agro-processing, increasing shelf life for milk and milk products, supporting carpentry and welding activities, supporting trade, improving social services such as health and education among others. Financing for productive use initiatives shall be undertaken through the following proposed structure:

- I. Analysis of the role that can be played by Kyegegwa Rural Electricity Cooperative Society SACCO in the Productive Use agenda.

- II. Assessment of the possible synergies that can be developed between Uganda Development Bank Limited and the KRECS SACCO to enable members of mini-grid beneficiary communities acquire the desired productive use assets.
- III. Proposing of risk mitigation measures that shall cover the portfolio of funds borrowed to acquire productive use assets.
- IV. Identification of potential sources of grant financing for Productive Use equipment.

d) Preparation for Project Implementation.

Project Implementation shall be undertaken by competent and experienced firms that shall be procured through an open and competitive process in line with acceptable international standards. The consultant shall be required to:

- I. Prepare an overall construction plan and implementation schedule.
- II. Develop construction methodologies and procedures.
- III. Design of operator housing / office facilities, other related facilities.
- IV. Outlining the critical activities and the critical path of activities in the project implementation schedule.
- V. Preparation of tender documents for project implementation contractors – these shall include the Designs, specifications, BOQs and any other relevant documentation.

4. Key Deliverables:

The following are the consultants expected key deliverables:

- I. **Deliverable 1: Inception report:** The consultant shall provide an inception report on the assignment. The inception report will include a detailed activity plan, time schedule, a list of key literature to be reviewed, a list of key stakeholders to be consulted, schedule of stakeholder meetings, project areas to be assessed and methodology that shall be followed in sourcing additional project areas as well as the table of contents of the project reports.
- II. **Deliverable 2: Project Identification and Ranking report:** The report shall provide an overview of the 20 initially selected project sites. This shall indicate the location and size of communities, customer segments, electricity demand potential, productive uses of energy, an estimated energy load profile, alternative energy sources, ability and willingness to pay, risk assessment, risk mitigation strategy, existing opportunities and any other relevant information. Ranking of the project sites shall also be done based on the parameters. The

preliminary report shall focus on the items outlined in the scope of work section under 3 (b) i – iv above.

- III. **Deliverable 3: Preliminary Design Report:** A preliminary design report shall be prepared for the selected sites. These shall be a minimum of ten (10) in number. The report shall focus on items outlined in the scope of work section under 3 (b) v - xvi above.
- IV. **Deliverable 4: Promotion of Productive Use of Energy:** In an effort to ensure the financial sustainability of the proposed projects, Productive Use of Energy shall be emphasized. A report in line with the components outlined under scope of work section 3(c) above shall be prepared.
- V. **Deliverable 5: Preparation for Implementation Report:** This report shall provide details which shall enable KRECS implement the proposed project. This report shall include the items elaborated under scope of work section 3(d) above.

5. Eligibility

The evaluation criteria shall be based on the following main areas:

a) General Eligibility

- i. A copy of the Memorandum and Articles of Association or its equivalent. A separate list of Directors/Partners/Proprietors should be attached. A joint venture agreement should be attached where applicable.
- ii. A certificate of registration issued by PPDA for bidders currently registered with the PPDA or A copy of the Bidder's Trading license for 2021 or equivalent
- iii. A copy of the Bidder's Certificate of Incorporation/Registration or equivalent for bidders not currently registered with the PPDA;
- iv. Income Tax Clearance Certificate addressed to Kyegegwa Rural Electricity Cooperative Society Limited(KRECS) for this particular purpose. The Entity shall only accept original income tax clearance certificates. For foreign bidders, the bidder shall attach an equivalent showing status of their tax compliance.
- v. A Power of Attorney which if signed in Uganda shall be registered; or if signed outside Uganda shall be notarized authorizing signature of the bid on behalf of the Bidder.
- vi. Evidence of fulfillment of obligations to pay social security contributions where applicable.

- vii. A statement in the Bid Submission Sheet that the bidder meets the eligibility criteria stated in ITP 2.3.1;
- viii. A declaration in the Bid Submission Sheet of nationality of the Bidder;
- ix. A declaration in the Bid Submission Sheet that the Bidder is not under suspension by the Authority (PPDA).
- x. Signed Ethical Code of Conduct in Business
- xi. Curriculum Vitae (CVs), academic transcripts and registration certificates from appropriate registration bodies of key staff.
- xii. Audited books of accounts for the last 3 years.
- xiii. The bidder should provide certificates to evidence works completed.
- xiv. Return of allotment of shares; and
- xv. Copies of National Identity Cards or Passports for majority shareholders

For a Joint Venture, the documentation above shall be required for each member of the Joint Venture partners and the following additional documentation shall be required:

- I. A certified copy of the Joint Venture Agreement or letter of intent to enter into such an agreement, which is legally binding on all partners, showing that:
 - All partners shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms.
 - One of the partners will be nominated as being in charge, and receive instructions for and on behalf of any and all partners of the joint venture; and
- II. the execution of the entire Contract, including payment, shall be done exclusively with the partner in charge.

A Power of Attorney from each member of the JV nominating a Representative in the JV and a Power of Attorney from the JV nominating a representative who shall have the authority to conduct all business for and on behalf of any and all the parties of the JV during the bidding process and, in the event the JV is awarded the Contract, during contract execution.

b) Historical Contract Performance

- i. **History of non-performing contracts:** Declaration that Non-performance of a contract did not occur within the last 3 years prior to the deadline for application submission, based on all information on fully settled disputes or litigation.
- ii. **Pending litigation:** Indicate any pending litigation against the bidder if any or indicate if there is no pending litigation against the bidder.

c) Experience

- i. Specific Consultancy experience: Participation as main consultant, in at least five electricity projects within the last Five (5) years. The projects should have been successfully and substantially completed (at least 70 percent complete).
- ii. Specific Project Completion Experience: Demonstration of completion of a minimum of three (3) energy projects within the last five (5) years.

6. Payment for the assignment

The consulting firm will be paid, upon timely submission of agreed deliverables. Payments shall be split as follows:

Deliverable	Percentage Payment
Inception report	10%
Project Identification and Ranking report	20%
Preliminary Design Report:	30%
Promotion of Productive Use of Energy report	15%
Preparation for Implementation Report	15%

7. Qualification And Experience of Key Personnel

a) Team Leader

- I. Minimum MSc. in Engineering / Finance / Business Administration from a recognized institution.
- II. At least 12 years of relevant experience.
- III. Registered with relevant professional body and with a valid practicing license.
- IV. Should demonstrate expertise in carrying out feasibility and detailed design studies for energy projects
- V. Should have project management skills.

b) Two Electrical Engineers

- I. Minimum BSc. in Electrical engineering or related course from a recognized institution.
- II. At least 8 years of relevant experience.
- III. Registered with relevant professional body and with a valid practicing license.
- IV. Expertise in design of energy projects.

c) Two Socio-Economists

- I. Minimum BSc. in Social Work and Social Administration or related course from a recognized institution.
- II. At least 8 years of relevant experience.
- III. Demonstrated experience in carrying out socio-economic assessments of similar nature.

d) Two Business Development Experts.

- I. Minimum BSc in Business studies from a recognized institution.
- II. At least 10 years of relevant experience
- III. Expertise in supporting the development of small businesses and initiatives aimed at ensuring their continued sustainability and enhanced business processes.

e) Financial Analyst / Economist.

- I. Minimum B.Sc in Finance / Economics or related field.
- II. At least 8 years of relevant experience
- III. Expertise in developing financial models for infrastructure projects.

f) ESIA Expert:

- I. B.Sc in Environmental Management/Science or related field.
- II. At least 8 years of relevant experience.
- III. Registered with relevant professional body and with a valid practicing license.
- IV. Expertise in preparing environmental and social management plans.

g) Quantity Surveyor

- I. Minimum B.Sc in Quantity Surveying.
- II. At least 7 years of relevant experience.
- III. Registered with relevant professional body and with a valid practicing license.
- IV. Expertise in preparation of cost estimates, bills of quantities and tender documents.

8. Submissions

Expressions of interest, prepared in English which shall include one (1) original plus three (3) copies and one (1) soft copy in a sealed envelope clearly Marked "**PREQUALIFICATION OF CONSULTANCY FIRMS FOR THE DEVELOPMENT OF MINI-GRIDS IN THE CENTRAL SERVICE TERRITORY UNDER KYEGEGWA RURAL ELECTRICITY COOPERATIVE SOCIETY**" must be delivered to KRECS offices in Kyegegwa Town at Rwebembera House along Kampala – Fort Portal Highway by 03.00PM, on November 22nd, 2021.

9. Timelines

The procurement schedule is as follows.

ACTIVITY	DATE
Publish Bid Notice	12 th November 2021
Expression of Interest Closing Date	22 nd November 2021
Evaluation Process	29 th November 2021
Display of successful applicants from the EoI process	01 st December, 2021

10. Selection of Applicants

The applications will be reviewed by an evaluation committee against the minimum requirements stated in this Terms of Reference.

11. Further Information

Further information may be obtained from:

KRECS offices in Kyegegwa Town at Rwebembera House along Kampala – Fort Portal Highway November 12th to 22nd, 2021 or:

Uganda Development Bank Limited offices, Rwenzori Towers, Plot 06, Nakasero road from 12th to 22nd November 2021