



ELECTRICIDADE DE MOÇAMBIQUE, E.P

TENDER DOSSIER

PROCUREMENT OF CONSULTING SERVICES

for

FEASIBILITY STUDIES FOR TRANSMISSION GRID EXPANSION

Lot 1 – Metoro – Montepuez – Marrupa Transmission Line

**Lot 2 – Interconnection of Chimuara – Inhaminga – Dondo/Inchope
Transmission Line**

&

Lot 3 – Beluluane – Salamanga Transmission Line

Financed by



CONTENTS

Invitation to Tender

Section 1. Tender Information Sheet (TIS)

Section 2. Instructions to Tenderers (ITT)

Section 3. Standard Forms

Section 4. Terms of Reference (ToR)

Section 5. Draft Contract

Annex I Sida Procurement Guidelines (SPG)

Letter of Invitation

“FEASIBILITY STUDIES FOR TRANSMISSION GRID EXPANSION“

Consultant Services financed by Sida

Electricidade de Moçambique (“the Client”) now invites eligible Tenderers to submit a Tender for the following consulting services (“the Services”) “Feasibility Studies for Transmission Grid Expansion”, as further described in the Terms of Reference (“the TOR”) found in the Tender Dossier. Sida will finance the “Services” by making a necessary budget available.

1. The procurement of the “Services” will be undertaken as Open Tendering in accordance with Sida Procurement Guidelines (SPG) and will follow the procedures described in the attached “Instructions to Tenderers” and “Tender Information Sheet”.
2. The firm selected will be required to enter into a contract with the Client based on the Draft Contract found in the Tender Dossier for all three (3) lots. Tenders must cover all three (3) lots to be considered for evaluation.
3. This Tender Dossier includes the following documents:
 - Letter of Invitation;
 - Section 1. Tender Information Sheet – TIS;
 - Section 2. Instructions to Tenderers – ITT;
 - Section 3. Standard Forms;
 - Section 4. Terms of Reference (ToR);
 - Section 5. Draft Contract;
 - Annex I Sida Procurement Guidelines (SPG), June 2004
4. For information on the general and specific rules and procedures for the preparation and submission of Tenders, please study carefully the Instructions to Tenderers, the Tender Information Sheet and the Checklist attached to Form 3A.
5. Please inform us, if you will submit a tender. Please provide also the name and e-mail address of your contact person, in order to promptly receive any clarifications or amendments to this Tender Dossier.

Yours Sincerely

.....

Carlos Yum

Executive Board Member

Timetable in Summary

<i>Activities</i>	<i>Date and Time</i>	<i>Instructions</i>
Request for Clarifications	No later than 10 days prior to submission date	All requests for clarifications must be presented in writing by e-mail directly to the client's contact person(s) as specified in TIS section 2.1
Pre-Tender Meeting	Not applicable	Not applicable
Deadline for Submission of Tenders	2 nd July 2019 at 10:00 hrs local time	
Planned Time Period for Contract Negotiations	August, 2019	
Planned Commencement Date	December 2019	

SECTION 1. TENDER INFORMATION SHEET (TIS)

The Tender Information Sheet –TIS provides specific tender information to Tenderers related to the preparation and submission of Tenders for the “Services” that supplements the Instructions to Tenderers (ITT). Both sections should be carefully reviewed and read together by the Tenderer in its preparation of the Tender. It must be clearly understood that failure to comply with the detailed requirements of the Tender Dossier may lead to the rejection of the Tender. Tenderers should also closely study the Sida Procurement Guidelines (SPG) adopted in June 2004.

Tender Data

ITT Clause	References	Tender Information Data
1	General Information	
1.1	<i>Name of the Client:</i> <i>Phone:</i> <i>Fax:</i> <i>E-mail:</i> <i>Contact person:</i> <i>Address :</i>	Electricidade de Moçambique, +258 <21353600> +258 <21322074> ines.teixeira@edm.co.mz Ines Teixeira 368 Filipe Samuel Magaia Ave, 1 st Floor Maputo
	<i>Name of the “Services”</i>	Feasibility Studies for Transmission Grid Expansion Lot 1 – Metoro – Montepuez – Marrupa Transmission Line Lot 2 – Interconnection of Chimuara – Inhaminga – Dondo/Inchope Transmission Line & Lot 3 – Beluluane – Salamanga Transmission Line

ITT Clause	References	Tender Information Data
	<i>The "Services"</i>	<p>The Services comprise an assessment of the Technical Feasibility and Economic Viability for:</p> <p>Lot 1 – Metoro – Montepuez – Marrupa Transmission Line</p> <p>Lot 2 – Interconnection of Chimuara – Inhaminga – Dondo/Inchope Transmission Line</p> <p>&</p> <p>Lot 3 – Beluluane – Salamanga Transmission Line</p> <p>The required feasibility study outputs shall be documented in three (3) separate comprehensive feasibility study reports, as a minimum covering the following aspects:</p> <ol style="list-style-type: none"> 1. Executive Summary 2. Project Purpose and description of the Project Areas 3. Demand Forecast and Expected Supply Developments 4. Network Design and Cost Estimates 5. Financial and Economic Assessment including elaboration of the Economic and Financial Internal Rate of Return (EIRR and FIRR) for the Project 6. Environmental and Socio-Economic Impact Assessment (Category A) 7. Implementation Strategy and Indicative Timeframe 8. Risk Assessment and Mitigation, including Political, Project and Implementation / Administrative type of risks 9. Conclusions and Project Recommendation.
	<i>Procurement Guidelines</i>	Sida Procurement Guidelines (SPG), June 2004
	<i>Procurement Method</i>	Open Tendering without pre-qualification
	<i>Selection and Evaluation Variant</i>	Quality and Cost Based Selection (QCBS)
1.2	<i>Eligibility</i>	Open to all firms and individuals from any country with the exception of firms or individuals that are prohibited from participation by any action taken in compliance with a decision of the United Nations (UN) Security Council taken under Chapter VII of the Charter of the UN (SPG 2.2)
1.3	<i>Pre-Tender Meeting</i>	NA

ITT Clause	References	Tender Information Data
1.5	<i>Downstream Work:</i>	No
1.7	<i>Formal Qualification Requirements</i>	The Tenderer shall furnish satisfactory evidence with its Tender that the firm meets all obligations under Clause 1.7 a-d) in the Instructions to Tenderers (ITT – Section 2). Failure to do this may be a ground for rejection of the Tender.
1.8	<i>Minimum Financial and Technical Requirements</i>	<p><u>Minimum Financial Qualification Requirements</u></p> <p>The tenderer must have a solid financial base. The tenderer's latest approved annual accounts must show a liquidity ratio not less than 1 (one) and a solvency ratio not less than 15%.</p> <p>In case lower figures than the required are shown, the tenderer may still be regarded as qualified if the tenderer, in its tender, can present an explanation demonstrating that the tenderer is in a corresponding position of financial and economic stability, e.g. a guarantee issued by a parent company.</p> <p>The tenderer must sign and submit Standard Form 3E and (i) confirm that the above stated requirements are fulfilled and, if not, provide the required explanation, and (ii) confirm that the latest annual accounts (not older than two years) are approved by the auditors. Please note that Form 3E shall be submitted with the Technical Proposal.</p> <p>If a consortium or a joint venture submits a tender, each individual partner must provide the required information or documentation. However, this is not mandatory for sub-consultants.</p> <p>The tenderer shall on request submit the latest approved (not older than two years) annual accounts.</p> <p><u>Minimum Technical Qualification Requirements</u></p> <ul style="list-style-type: none"> - Documented experience of performing similar studies during the past 5 years - Documented Quality Management System - Documented Corporate Code of Conduct - Documented Environmental Policy
2	Clarification and Amendments	
2.1	<i>Request for Clarifications</i>	Requests for Clarifications must be received by the Client by e-mail at the e-mail address stated in Clause 1.1 above no later than 10 days prior to submission date. Response will be given in writing and sent by e-mail to all Bidders.
3	Preparation of Tenders	
3.1	<i>Language of the Tender</i>	English

ITT Clause	References	Tender Information Data
3.3 (iii)	<i>Available budget</i>	Lot 1- SEK 4.5 million Lot 2 – SEK 4.5 million Lot 3 – SEK 4.5 million
3.3 (vii)	<i>Language of Reports</i>	Reports prepared as part of the “Services” must be prepared in the same language as the Tender Dossier.
3.4	<i>Limitation of Number of Pages of the Technical Proposal</i>	The extent of pages should desirably not exceed the following numbers:
(i)	<i>Summary of Technical Proposal</i>	6 pages
(ii)	<i>Bidder’s Organisation and Experience</i>	6 pages
(iii)	<i>Approach and Methodology</i>	10 pages
(iv)	<i>CV’s (each)</i>	3 pages
3.4 (vi)	<i>Distribution of Time Spent between Field Office and Home Office</i>	The main part of the assignment shall be performed in Mozambique. The home office work for the Consultant shall be strictly limited to activities that are necessary for efficiency purposes to be carried out as non-field activities, and that do not have a negative impact on the assignment objectives.
3.4 (ix)	<i>Association Arrangements</i>	The Bidder may associate with sub-consultants (firms) under the conditions specified in 3.4 (ix) provided the proportion of the contract intended to be executed by the sub-consultants does not exceed 30% of the total contract amount. The formation of joint ventures is allowed.
3.6	<i>Local Expenditure</i>	NA
3.7	<i>Currency</i>	SEK
3.10	<i>Tender Validity Period</i>	Tenders shall be kept valid for 180 days beyond the deadline for submission of Tenders.

ITT Clause	References	Tender Information Data
4	Submission, Receipt, and Opening of Tenders	
4.1	<i>Submission Rules</i>	<p>The Technical Proposal and Financial Proposal shall be submitted in one original and three copies, respectively, in the language of the Tender as specified under Clause 3.1 above.</p> <p>The original and the three copies of the Technical Proposal shall be placed in a separate and sealed inner envelope clearly marked "Technical Proposal"; and the original and the three copies of the Financial Proposal shall also be placed in a separate and sealed inner envelope clearly marked "Financial Proposal" and warning "Do not open with Technical Proposal". Complete electronic copies (digital searchable files) of the original signed proposals shall be submitted on a labelled USB stick or CD / DVD (separate devices for technical and financial proposal and in the separately sealed envelopes). All copies of the technical and financial proposals, including the soft copies, shall be made from the signed and initialled original, only. Please note that no information regarding the Financial Proposal shall be included in the envelope containing the Technical Proposal as this will lead to immediate rejection of the tender.</p> <p>Both envelopes shall be marked with the name and address of the Bidder and placed into an outer envelope that shall be sealed and sent to the Client. The outer envelope shall be marked as indicated in 4.2.</p>
4.2	<i>Outer Envelope Marking</i>	<p>The Submission Address is the same as stated in Clause 4.3 below.</p> <p>The outer envelope shall be marked: "Feasibility Study for Transmission Grid Expansion: Lot 1 – Metoro – Montepuez – Marrupa Transmission Line Lot 2 – Interconnection of Chimuara – Inhaminga – Dondo/Inchope Transmission Line & Lot 3 – Beluluane – Salamanga Transmission Line"</p> <p>The name and address of the Bidder shall be written on the outer and the inner envelopes.</p> <p>The outer envelope should be marked: "DO NOT OPEN, EXCEPT IN PRESENCE OF THE TENDER COMMITTEE."</p>

ITT Clause	References	Tender Information Data	
4.3	<i>Deadline for Submission of Tenders</i>	The Tender comprising the separately sealed Technical and Financial Proposals must be received by the Client at the address stated in Clause 1.1 not later than 2nd July 2019 at 10:00 hours local time.	
5 Tender Evaluation Procedure			
5.3	<i>Technical Evaluation System</i>	Technical Evaluation Criteria Firm's Experience (10-20) - Specific experience of the firm related to the assignment during the past 5 years Approach and Methodology (30-40) - Understanding of the requirements - Adequacy of the proposed methodology and time plan Qualifications and competence of the key staff for the assignment in relation to requirements in the ToR (40-60) - Team leader qualifications - Relevant expertise of other proposed experts - Team composition and gender balance - Team members' language skills, familiarity with conditions of countries in Sub-Saharan Africa	Max Points 20 20 40 15 25 40 15 15 05 05
		Total Points:	100
	The rating system is the procedure for calculating number of points for the technical evaluation criteria. For example, a criterion of max. 20 p. evaluated as "Good" will receive $0,8 \times 20 = 16$ points.	<u>Rating System</u> Poor ¹ 0% Not entirely satisfactory ² 40% Satisfactory ³ 60% Good ⁴ 80% Very Good ⁵ 100%	
	<i>Minimum Technical Score</i>	A Technical Proposal shall obtain a minimum of 70 points as a condition for further evaluation	
5.7	<i>Financial Evaluation Formula</i>	Sf = $100 \times Fm/F$, in which Sf is the financial score, Fm is the lowest price and F the price of the Proposal under consideration.	

¹ Not sufficient

² Sufficient in some aspects but not as a whole

³ Sufficient but lacks substantial advantages or has uneven quality

⁴ Adequate and well suited to the purpose

⁵ Gives added value and shows high quality on the whole

ITT Clause	References	Tender Information Data
5.8	<i>Allocation of Weights</i>	Tenders will be ranked according to their combined technical and financial scores using the weights T= [0,80] P= [0,20] (T+P shall be equal to 1)
6 Negotiations		
6.1	<i>Place for Negotiations</i>	Pre-award negotiations are planned to take place at the following address: 368 Filipe Samuel Magaia Ave, 1 st Floor Maputo - Mozambique
7 Award of Contract		
7.2	<i>Commencement of "Services"</i>	The Consultant is expected to commence the "Services" in October, 2019

SECTION 2. INSTRUCTIONS TO TENDERERS (ITT)

1 General information

- 1.1 *"The Client"* named in the **Tender Information Sheet – TIS** will select a firm among eligible Tenderers, for providing the consulting services required for *"the Services"* named in the TIS, in accordance with the *"Procurement Guidelines"* specified in the TIS using the *"Procurement Method"* and the *"Selection and Evaluation Variant"* indicated in the TIS. The Client has applied to Sida (the Swedish International Development Cooperation Agency) for financing of the services, and Sida will provide such financing in accordance with *the Agreement* concluded between Sida and the Cooperation Partner.
- 1.2 *"Eligible Tenderers"*, as specified in the TIS, interested in and qualified to perform the services should submit a Tender consisting of a Technical Proposal and a Financial Proposal based on the information and instructions provided in this Tender Dossier. Failure to submit a Tender in conformity with and containing all the information required in this Tender Dossier may result in the rejection of the Tender. The Tender, if successful, will form the basis for future negotiations and may, ultimately, result in a contract between the selected firm and the Client, based on the Contract Conditions provided with this Tender Dossier.
- 1.3 To obtain more detailed and clarifying information on the *"Services"* and to receive responses to requests for clarifications, Tenderers may be invited, if found appropriate, to attend a *"Pre-Tender Meeting"*, including when possible a site visit. Attending the pre-tender meeting is optional. Tenderers are not allowed to contact the Client in order to arrange an own separate visit between the date of invitation to tender and the deadline for submission of tenders.
- 1.4 Please note (i) that the cost of preparing and presenting the Tender and of negotiating a contract, including any trips, is not reimbursable as a direct cost of the *"Services"*; and (ii) that the Client is not bound to accept any of the Tenders submitted.
- 1.5 Sida policy requires that consultants provide professional, objective, and impartial advice and at all times hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of the Client. Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:
- (a) A firm which has been engaged by the Client to provide goods or works for the Project, and any of their affiliates, shall be disqualified

from providing consulting services for the Project. Conversely, firms hired to provide consulting services for the preparation or implementation of the Project, and any of their affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm's earlier consulting services) for the Project.

- (b) Consultants or any of their affiliates shall not be hired for any assignment which, by its nature, may be in conflict with another assignment of the consultants.

The resulting contract with the selected Tenderer may, when continuity is essential, be extended to include "*Downstream Work*". In such case this possibility shall be indicated in the TIS and the factors used for the selection of the Tenderer should take the likelihood of continuation into account.

- 1.6 Sida requires clients as well as consultants to observe the highest standard of ethics during the selection and execution of consultancy contracts financed by Sida. In pursuance of this policy, Sida requires that all parties concerned take measures to ensure that contracts and purchase orders relating to Sida financing are not used as devices for the transfer of gifts, payments or other benefits to public officials and/or procurement management/staff members with decision making responsibility or influence.

For the purpose of this provision, the terms set forth below shall have the following meaning:

"corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official, or the threatening of injury to person, property or reputation in connection with the procurement process or in contract execution in order to obtain or retain business or other improper advantage in the conduct of business; and

"fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Client and includes collusive practices among tenderers (prior to or after submission of tenders) designed to establish prices at artificial, non-competitive levels and to deprive the Client of the benefits of free and open competition.

Sida reserves the right where a client, firm or individual has been found by a judicial process, or an official enquiry undertaken by any of the IFIs or bilateral donors, or by an independent review of Sida, to have engaged in corrupt or fraudulent practices to cancel all Sida financing for such client, firm or individual. In a contract financed by Sida, a provision shall be included requiring firms or individuals to permit Sida to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by Sida.

- 1.7 The Tenderers shall, unless otherwise stated in the TIS, meet the following *Formal Qualification Requirements as listed below*.

A Tenderer is required to include in its Tender evidence in the manner as stated in the TIS, that it:

- a) is registered by a national Registrars of Companies and a Trade Association (Patent och Registreringsverket, PRV or a corresponding national official register for non- Swedish firms);
- b) is registered for declaration and payment of value added tax or a similar sales tax in accordance with national legislation;
- c) has declared preliminary taxes for staff and employee contributions; and
- d) is free from debts regarding taxes and social security contributions.

Failure to furnish such information may be a ground for rejection.

A Tenderer not registered by the PRV or by a corresponding national official register as well as one not registered for declaration and payment of value added tax in accordance with national legislation, when so is required, will be excluded from participation in the tender proceedings.

- 1.8 As indicated in the Letter of Invitation, in case no shortlist is established, any interested firm may submit a Tender. However, only Tenderers who meet the *“Minimum Technical and Financial Qualification Requirements”* as specified in the TIS, will be subject to further evaluation.
- 1.9 A Tenderer may be excluded from the evaluation and the award of a contract, who:
- a) is bankrupt or is being wound up, whose affairs are being administered by court, who has entered into an arrangement with creditors, who has suspended business activities or who is subject of an injunction against running business by court;
 - b) is the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by court, or for an arrangement with creditors or of any other similar proceedings;
 - c) has been convicted of an offence concerning his professional conduct by a court;
 - d) has been found guilty of grave professional misconduct;
 - e) has not fulfilled obligations relating to payments of taxes or social security contributions.

- 1.10 When so mentioned in the Letter of Invitation , Sida may have agreed with the Client to provide procurement assistance in the engagement of the Consultant firm by the retaining of a Procurement Expert Team

2 Clarification and Amendments to the Tender Dossier

- 2.1 Tenderers may request a clarification of any of the documents of the Tender Dossier “*up to the Number of Days*” indicated in the TIS before the Tender submission date. Any request for clarification must be sent in writing by paper mail, fax or electronic mail to the Client’s Address indicated in the TIS. The Client will respond by paper mail, fax or electronic mail to such requests and will send copies of the response to all Tenderers who have announced to the Client their intent to submit proposals. Responses to the Request for Clarifications may also be prepared in conjunction with a Pre-tender Meeting, if arranged.
- 2.2 At any time before the submission of Tenders, the Client may, for any reason, modify the Tender Dossier documents by amendment. The amendment will be sent in writing by paper mail, fax or electronic mail from the Client to all consultants who have announced to the Client their intention to submit Tenders and will be binding on them. The Client may at its discretion extend the deadline for the submission of Tenders.

3 Preparation of Tenders

- 3.1 Tenderers are requested to submit the Tender, composed of a Technical Proposal and a Financial Proposal, written in “*the Language*” indicated in the TIS. The Tender should be concise, written in a clear language, and should not contain excessive material. Tenders, which materially deviate from the guidelines given below, may be rejected. Both the Technical Proposal and the Financial Proposal shall be signed by authorised representative(s) of the Tenderer. In case authority to sign is not by registration, a power of attorney shall be included with the Tender. The original Tender shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the Tenderer itself. Any such corrections must be initialled by the persons or person who sign(s) the Tender. An authorized representative of the Tenderer shall initial all pages of the Financial Proposal.

Technical Proposal

- 3.2 In preparing the Technical Proposal, Tenderers are expected to examine the documents comprising this Tender Dossier in detail. Material deficiencies in providing the information requested may result in rejection of a Tender.
- 3.3 While preparing the Technical Proposal, Tenderers must give particular attention to the following:

- (i) If a Tenderer considers that it does not have all the expertise for the "Services", it may obtain a full range of expertise by associating with individual consultant(s) and/or, when so allowed and stated in the TIS, other eligible firms or entities in a joint venture relationship or sub-consultancy, as appropriate.
- (ii) For assignments on a staff-time basis, "*the Estimated Number of Professional Staff-months*" is indicated in the TIS, when so found appropriate. The Tender shall, however, be based on the number of professional staff-months estimated by the Tenderer.
- (iii) When found appropriate, the *Ceiling Budget* for the "Services" is given in the TIS.
- (iv) It is desirable that the majority of the key professional staff proposed be permanent employees of the Tenderer or have an extended and stable working relationship with it.
- (v) Proposed professional staff must, at a minimum, have the experience indicated in the TOR, preferably working under conditions similar to those prevailing in the country of the "Services".
- (vi) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
- (vii) Reports to be issued by the consultants as part of these "Services" must be in the "*Language(s)*" specified in the TIS.

3.4 The Technical Proposal should provide the following information, using the attached standard forms:

- (i) **Summary of the Technical Proposal**
Description of key features of the Technical Proposal, the special competence provided by the Tenderer, and the main objectives as perceived by the Tenderer. This section should be limited to the "*Number of Pages*" indicated in the TIS.
- (ii) **Tenderer's Organisation and Experience**
A brief description of the Tenderer's organisation and an outline of recent experience on assignments of a similar nature. For each assignment, the outline should indicate, inter alia, the profiles and names of the staff provided, duration of the assignment, contract amount, and Tenderer's involvement. This section should be limited to the "*Number of Pages*" indicated in the TIS, but may be supplemented by reference lists and brochures.

(iii) Approach and Methodology

A short description of the methodology, for each item⁶, by which the Tenderer proposes to execute the services, including any field work, on-the-job training, transfer of know-how or similar activity included. The description should follow closely the structure of the TOR, provide comments (if any) to the TOR and indicate for each item tangible output and its format. For each item, any data, services, and facilities expected to be provided by the Client, shall be listed. This section should be limited to the “*Number of Pages*” indicated in the TIS.

(iv) CV's

CVs of each individual team member in the format specified in Section 3. Standard Forms shall be submitted with the Tender. CVs have to be signed by the proposed staff member and the authorized representative submitting the Tender, when so expressly required by the TOR. Key information should include number of years working for the firm/entity, and degree of responsibility held in various assignments during the last ten (10) years. A letter of willingness and availability to participate on an exclusive basis with the Tenderer for the proposed “Services” is required from all independent consultants, (not employed with the Tenderer). Each CV should be limited to the “*Number of Pages*” indicated in the TIS.

(v) Work Plan/Time Schedule

The work programme should include (i) an organisation chart, (ii) a bar chart of items and sub-items and graphics, or PERT methodology, of the work plan proposed by the Tenderer, where each item should be broken down in sub-items, with start date, completion date, and milestones (e.g. reports) clearly indicated.

(vi) Team Composition

Project management arrangements, the composition of the core team, a description of each individual on the core team, his/her specific responsibility and tasks, and expected local consultants' participation. The team leader should be specifically identified. The members of the support team should also be described to the extent required by the TOR. The Tenderers are encouraged to include both women and men in their team.

(vii) Total Time Input

Estimate of the total staff input of time (core team and support staff) to be provided to carry out the “Services” indicating for each month and each core team member amount of time spent in the country of the “Services” and amount of time spent in the Tenderer’s home country.

⁶ Items = “activities” to be carried out in self-contained assignments such as feasibility studies and project designs; = “tasks” for which the consultants will be responsible in assignment consisting mainly in the provision of specialized staff.

“Time spent” by foreign consultants “in the home office” shall be limited as indicated in the TIS.

(viii) **Eligibility and Minimum Qualification Requirements**

Documentary evidence that the Tenderers comply with the requirements stated in Sub-clauses 1.2 and 1.8.

(ix) **Association Arrangements**

The proposed *Association Arrangements*, if any allowed as indicated in the TIS, shall be clearly indicated in the Tender. A letter of association agreement from an included sub-consultant(s) agreeing to exclusively associate with the Tenderer shall be attached to the Tender.

In case the formation of a joint venture is allowed, as indicated in the TIS, the Tender shall be signed by all partners of the joint venture, so as to legally bind all partners, jointly and severally, and the tender shall be submitted with a copy of the joint venture agreement providing for joint and several liability with respect to the contract, including the nomination of the lead firm of the joint venture.

(x) **Facilities**

If applicable, in addition to the facilities provided by the Client as described in the TOR, the Tenderer shall provide an estimation of requirements for office and other related facilities, staff accommodation requirements, that the consultant will use in the field for carrying out the proposed services and of which would have to be covered by the budget of the contract.

- 3.5 The Technical Proposal shall not include any financial information relating to the cost of the “Services”.

Financial Proposal

- 3.6 The Financial Proposal should follow the financial proposal form attached to the Tender Dossier. It should list all costs associated with the “Services”, including as applicable and indicated in the financial proposal form, (a) remuneration for staff (foreign and local, in the field and at home office), and (b) reimbursable expenses such as subsistence (daily allowances, hotel costs, and housing), transportation (international and local, for mobilization and demobilization), office rent, international telecommunication, insurance, printing of documents, surveys, and training, if it is a major component of the assignment and (c) equipment (vehicles, office equipment, furniture, and supplies). If appropriate, these costs should be broken down by activity and, if appropriate, into foreign and local expenditure. “Local expenditure” incurred by the consultant (not provided by the Client) may, as indicated in the TIS, be eligible with no restriction or up to a certain percent (X %) of the contract amount in accordance with the Agreement. The Consultant shall economize as much as possible with regard to reimbursables, by e.g. using economy class travel when possible, and by avoiding to split activities to be performed

in the country of the "Services". The Consultant shall be responsible for all direct and indirect tax liabilities (if any) arising out of, or connected to, the performance of the services wherever they arise, including but not limited to the country of the "Services".

- 3.7 Costs must be expressed, and will be paid, in SEK (Swedish Kronor), unless any other *currency* in addition to SEK is accepted as specified in the TIS. Costs shall be specified exclusive of VAT.
- 3.8 There shall be no commissions and gratuities, paid or to be paid by consultants and related to the "Services" included in the Financial Proposal.
- 3.9 The Client and Sida will retain the right to audit, both during and after the services, the selected firm's accounts and cost records relevant to the services.
- 3.10 The Tenders shall remain "*Valid for the Number of Days*" after the submission date indicated in the TIS. During this period, the Tenderers are required to keep available the professional staff proposed for the "Services". The Client will make its best effort to complete negotiations within this period. If the Tender validity period is extended, the Tenderers have the right not to maintain the validity of their Tenders.

4 Submission, Receipt, and Opening of Tenders

- 4.1 The Technical Proposal shall be prepared in one original and in the "*Number of Copies*" as indicated in the TIS. The Financial Proposal shall be prepared in one original and in the "*Number of Copies*" as indicated in the TIS. The Proposals should be marked "Original" or "Copy" as appropriate. If there are any discrepancies between the original and the copies of the Proposal, the original governs.
- 4.2 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "Technical Proposal," and the original and all copies of the Financial Proposal in a sealed envelope clearly marked "Financial Proposal" and warning: "Do Not Open with the Technical Proposal." Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the "*Submission Address and Other Information*" indicated in the TIS and be "*Clearly Marked*" as indicated in the TIS.
- 4.3 The completed tender comprising the Technical and Financial Proposals must be delivered at the submission address on or before the "*Submission Time and Date*" stated in the TIS. Any Tender received after the deadline will be returned unopened
- 4.4 The Technical Proposals shall be opened immediately after the closing time for submission of Tenders by a committee of at least three officials in a non-public session. Tender opening minutes shall be prepared. The Financial

Proposals shall remain sealed and deposited in safe custody until the Technical Proposals have been evaluated.

5 Tender Evaluation Procedure

General

- 5.1 From the time the Tenders are opened to the time the contract is awarded, if any Tenderer wishes to contact the Client on any matter related to its Tender, it should do so in writing (paper mail, fax or electronic mail) at the contact address indicated in the TIS. Any effort by the Tenderer to influence the Client in the tender evaluation, tender comparison or contract award decision may result in the rejection of its Tender
- 5.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation, including Sida's review and issuance of a "no objection" letter, is concluded.

Evaluation of Technical and Financial Proposals

- 5.3 The Client will appoint three members to an evaluation committee that will carry out the evaluation of the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the "*Evaluation Criteria and Point System*" specified in the TIS. The technical evaluation should commence with the assessment of the Tenderers' qualifications to determine that the minimum qualification requirements are met, thereby being eligible to participate in the tender proceedings. The preparation and evaluation of Tenders will, if so required by Sida and indicated in the Invitation to Tender and the TIS, be performed with the assistance of a consultant. Each responsive Technical Proposal will be given a technical score (St). A Tender shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the "*Minimum Technical Score*" indicated in the TIS.
- 5.4 The evaluation committee may interview the key experts proposed in the technically compliant tenders, after having established its written provisional conclusions but before concluding the technical evaluation. The date and time of any such *interview*, if any, will be confirmed or notified to the Tenderers in advance and given sufficient notice.
- 5.5 The name of the Tenderer, the quality scores, and the proposed prices shall be recorded when the Financial Proposals are opened. The Client shall prepare minutes of the opening.
- 5.6 The evaluation committee will determine whether the Financial Proposals are formally correct, complete and check for any computational errors. Computational errors will be corrected at the Client's discretion. In case a Ceiling Budget has been specified in the TIS, Financial Proposals that exceed this budget will run the risk to be rejected.

- 5.7 The lowest Financial Proposal (price= F_m) will be given a financial score (S_f) of 100 points. The financial scores (S_f) of the other Financial Proposals will be “*Computed*” as indicated in the TIS. Proposals will be ranked according to their combined technical (S_t) and financial (S_f) scores using the “*Weights*” (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; $T + P = 1$) indicated in the TIS: $S = S_t \times T + S_f \times P$. The Tenderer achieving the highest combined technical and financial score will be invited for negotiations.

6 Negotiations

- 6.1 Negotiations between the Client and the invited firm will be held at the “*Address for Negotiations*” indicated in the TIS. The aim is to reach agreement on all out-standing points and record the agreement reached in the Minutes of Negotiation, which shall be signed by both parties. The representative conducting negotiations on behalf of the consulting firm shall have written authority to negotiate the financial and other terms and to conclude a binding agreement. The agreed Minutes of Negotiation will form part of the Contract.
- 6.2 Negotiations will include a discussion of the Technical Proposal, the proposed methodology, work plan, staffing and any suggestions made by the Tenderer to improve the Terms of Reference. The Client and the firm will record in the Minutes of Negotiation any agreed changes to the Terms of Reference, the proposed staffing, the Work Plan and the proposed Time Schedule. During negotiations, special attention should be paid to optimising the required outputs from the firm within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the “*Services*”.
- 6.3 The financial negotiations will include a clarification of the firm's tax liability in the Client's country (if any), and how it will be reflected in the contract and will reflect the agreed technical modifications in the cost of the services. Tax issues related to Sida's financing shall be addressed in the Agreement concluded between Sida and the Cooperation Partner, but Sida is not liable under any circumstances to the Tenderers for the correct application of tax laws and regulations in the country of the Client. The financial negotiation will review the reimbursables with regard to Clause 3.6 above. The financial negotiations will not, unless there are exceptional reasons, involve the remuneration rates for staff.
- 6.4 During contract negotiations, the Client will require assurances that the proposed experts will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the “*Services*”. If this is not the case and if it is established that key staff were offered in the Tender without confirming their availability, the firm may be disqualified.

- 6.5 The negotiations will conclude with a review of the draft form of the contract. To complete negotiations the Client and the firm will initial the agreed contract. The initialled contract and the Minutes of Negotiation shall be submitted to Sida for its review and “no objection” prior formal signing of the contract may take place between the parties. If negotiations fail, the Client will invite the firm that received the second highest score to contract negotiations.

7 Award of Contract

- 7.1 Following successful negotiations and subject to the issuance by Sida of its “no objection” to the draft contract, the contract shall be duly signed by both parties. After the contract has been signed, the Client will promptly notify in writing other Tenderers who submitted Tenders that they were unsuccessful and attach for their review the tender evaluation report.
- 7.2 The firm is expected to commence the “Services” on the “*Date and at the Location*” specified in the TIS.
- 7.3 *Payments* under the resulting contract will be made in accordance with the procedures and under the conditions specified in the draft Contract in conformity with the provisions of the Agreement or as otherwise determined by Sida as indicated in the TIS.

8 Confidentiality

- 8.1 Information relating to evaluation of Tenders and recommendations concerning awards shall not be disclosed to the Tenderers who submitted the Tenders or to other persons not officially concerned with the process, until Sida’s “no objection” to the contract has been obtained. In case Sida being the contracting party the tender evaluation process from the date of issuance of the invitation to tender up to the award of contract is confidential.

9. Client’s right to accept or to reject any tender

- 9.1 The Client reserves the right, subject to Sida’s “no objection”, to accept or reject any tender, and to cancel the tender process and reject all tenders at any time prior to award of the contract, without thereby incurring any liability to the affected tenderer or tenderers.

SECTION 3. STANDARD FORMS

The following standard forms shall be used by the Tenderers in their preparation of the Tenders:

Technical Proposal

- Form 3 A. Technical Proposal Submission Form, including checklist for fulfilment of minimum formal, financial and technical qualification requirements
- Form 3 B. Information on Reference Assignments for which your firm, either individually or as one of the major companies within an association, was legally contracted.
- Form 3 C. Composition of team, staff time
- Form 3 D. Curricula Vitae of Proposed Professional Staff
- Form 3 E. Minimum Financial Qualification Requirements

Financial Proposal

- Form 3 F. Financial Proposal Submission Form
- Form 3 G. Financial Proposal Form

Form 3A. Tender Submission Form

To: [Name and address of Client](#)

[Location, Date](#)

Ladies/Gentlemen:

Consulting Services: [Name of the Assignment, Contract Number](#)

We, the undersigned, offer to provide the consulting services for the above mentioned project in accordance with your Invitation to Tender, and our Tender. We are hereby submitting our Tender, which includes this Technical Proposal and a Financial Proposal sealed under a separate envelope.

We, the undersigned, confirm that the firm and any associates are not in any position subject to or guilty of any of the issues specified in ITT clause 1.9 a) – e).

If negotiations are held during the period of validity of the Tender, i.e., before [state date](#) we undertake to negotiate on the basis of the proposed staff. Our Tender is binding upon us and subject to the modifications resulting from contract negotiations.

We understand you are not bound to accept any Tender you receive.

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Firm:

Address:

Attachment:

Checklist for Fulfilment of Formal and Minimum Qualification Requirements

Checklist for Fulfilment of Formal and Minimum Qualification Requirements

Please indicate in the right column where in your proposal that the evidence of fulfilment of the minimum qualification requirements can be found.

Ref.	Documents and information included in the Technical Proposal	Page number(s) in the Technical Proposal
Form 3A	Tender Submission Form (completed and signed)	
ITT 1.7 a)	Copy of registration by a national Registrars of Companies and a Trade Association or similar in accordance with national legislation	
ITT 1.7 b)	Copy of registration for declaration and payment of value added tax or a similar sales tax in accordance with national legislation	
ITT 1.7 c)	Evidence that the Tenderer has declared preliminary taxes for staff and employee contributions	
ITT 1.7 d)	Evidence that the Tenderer is free from debts regarding taxes and social security contributions	
ITT 1.8	Form 3E: Minimum financial qualification requirements (ticked as appropriate and signed)	
ITT 1.8	Evidence that the Tenderer has documented experience of performing similar studies during the past 5 years	
ITT 1.8	Documented Quality Management System	
ITT 1.8	Documented Corporate Code of Conduct	
ITT 1.8	Documented Environmental Policy	

Form 3B. Firm's ReferencesFirm's Name: [state name](#)Ref. no: [state ref.](#)**Relevant Services Carried out in the Last Five (5) Years That Best Illustrate Qualifications**

ASSIGNMENT NAME:	COUNTRY:
state name	state country
Name of Client: state name	Location: state location
Client's contact person: state name	Phone: state phone no. Fax: state fax no.
Narrative Description of Project: describe	
Description of Actual Services Provided by Your Firm: describe	Value of Services: state Start date: state date Completion date: state date No of Staff-Months: state
Professional Staff Provided by Your Firm (list profiles): state	List no of Staff-Months: state
Name of Associated Consultants, if any: state	List no of Staff-Months Provided by Associated Consultants: state
Name of Senior Staff (Project Director/Coordinator, Team Leader) involved and functions performed: state	

3 C. Composition of Team, Staff Time

1. CORE TEAM			
Name	Position/Task assignment	No. days field work	No. hours home office work
2. SUPPORT STAFF			
Name	Assignment	No. days field work	No. hours home support

3D. Format of Curriculum Vitae (CV) for Proposed Professional Staff

Proposed Position:

Name of Firm:

Name of Staff:

Profession:

Date of Birth:

Years with Firm/entity:

Nationality:

Membership in Professional Societies:

Detailed Tasks Assigned:

Key Qualifications Relevant to the Assignment:

[Give an outline of staff member's professional experience most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Years. Give types of activities performed and client references, where appropriate. Use about three-quarters of a page.]

Education:

[Summarize college/university, other specialized education and training of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every employment held, giving dates, names of employing organizations, positions held/work performed, and locations of assignments. Use about one quarter of a page]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor; in speaking, reading, and writing]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience, and that I will be available to work on the assignment as indicated in the Proposal if it will be successful.

Date:

Signature of staff member

Signature of authorized representative of the Firm

3 E. FORM FOR MINIMUM FINANCIAL QUALIFICATION REQUIREMENTS

(To be included in the envelope with the Technical Proposal!)

We hereby confirm that

Name of company	VAT No.

Please mark relevant box(es)!

- the part of the company comprising the activity within the range of this procurement has a liquidity ratio (Current assets/Short term liabilities) of not less than 1 and a solvency ratio (Share holders equity +(0.7 x Untaxed reserves)/Total assets) not less than 15% and that the basis of the calculation is the figures accounted for by the latest approved annual accounts.
- the company does not account for the figure requested for, due to the reason **<specify>** and that the company is in the possession of corresponding financial and economic stability.
- the auditor's report reflects that the annual accounts have been prepared in accordance with applicable law and give a true and fair view of the company's financial position and results of operations and in accordance with generally accepted accounting principles. The auditor's report also contains a recommendation that the members of the Board of Directors and the Managing Director be discharged from liability.

Place and date	
Signature	
Name in block letters	
Position	

Form 3 F. Financial Proposal Submission Form

To: [Name and address of Client](#)

[Location, Date](#)

Ladies/Gentlemen:

Consulting Services: [Name of the Assignment, Contract Number](#)

We, the undersigned, offer to provide the consulting services for the above-mentioned project in accordance with your Invitation to Tender, and our Tender (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of [state sum and currency](#) (excluding VAT and Withholding Tax).

[state amount in words and figures](#), excluding VAT and Withholding Tax.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from contract negotiations, up to expiration of the validity period of the Proposal, i.e. [state date](#).

We understand you are not bound to accept any Tender you receive.

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Firm:

Address:

3 G. Financial Proposal Form

1. Fees (Remuneration)

Consultants

Currency SEK

Name of Expert	Job Title	Weeks in the Field	Weekly rate	Total fee in the Field	Hours in the Home Office	Hourly rate	Total fee in the home office	Total
Total								0.00

REIMBURSABLE EXPENSES

2. Daily Allowance

Name/Place	Per Day	N° of Days	Total
	288		
Total			0.00

3. Accommodation Costs: hotel costs and/or housing costs

Name/Place	N° of Nights	Cost per Night	Total
Total Accommodation Cost			0.00

4. Air Travel: (Economy Class Fare or Equivalent)

Name/Routing	Fare	No of Flights	Total
Total Air Travel			0.00

5. Local Travel: (Travel from home to departure airport and return, and reasonable local travel when abroad.)

Routing / Place	Mode of transport	Distance	Rate	Total
Total Local Travel				0.00

5. Miscellaneous:

Visas	0.00
Reports	0.00
Communications	0.00
Other Miscellaneous Expenses (to be specified if applicable)	0.00
Miscellaneous Total	0.00
TOTAL REIMBURSABLE EXPENSES	0.00

TOTAL MAXIMUM PAYMENT net of Contingencies	0.00
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5. 6.Contingencies:

(utilisation only after prior approval in writing by the Client)	0.00
TOTAL MAXIMUM PAYMENT incl. Contingencies	0.00

SECTION 4. TERMS OF REFERENCE

Feasibility Studies for Transmission Grid Expansion For

Lot 1 – Metoro – Montepuez – Marrupa Transmission Line

**Lot 2 – Interconnection of Chimuara – Inhaminga – Dondo/Inchope
Transmission Line**

&

Lot 3 – Beluluane – Salamanga Transmission Line

1. INTRODUCTION AND BACKGROUND

The National Development Strategy (2015-2035), approved in July 2014, defines the Government of Mozambique's (GoM) main development strategic lines in order to achieve the goal of "raise the population's life quality through the structural transformation of the economy and the expansion and diversification of the production base".

An essential objective in the Government's development agenda includes promotion and the development of renewable energies, diversification of the national energy matrix, contributing to the achievement of the objectives defined in the Integrated Master Plan and in the National Electrification Strategy. This includes achieving the target of universal access to energy by 2030 and positioning Mozambique as a regional energy hub.

A core development challenge as for Electricidade de Moçambique, E.P (EDM) is to provide quality electricity to expand generation, distribution and transmission capacity to meet growing demand, promote industrial development and widen access to rural and peri-urban areas.

EDM is planning to reinforce transmission grid in Mozambique with the addition of the Metoro – Montepuez – Marrupa Transmission Line (Lot 1), Interconnection Chimuara – Inhaminga – Dondo/Inchope Transmission Line (Lot 2) and Beluluane – Salamanga Transmission Line (Lot 3) Project.

A suitably qualified consultant is required to provide expert services to Electricidade de Moçambique (EDM) for the Feasibility studies of the development of the above-mentioned Projects.

These Terms of Reference (“ToR”) sets out the scope of work and requirements applicable to the transmission grid expansion feasibility studies to be carried out by the selected Consultants, with the feasibility study conclusions and recommendations to be used to assist the Client in securing external funding for implementation of the transmission grid infrastructure as per the recommended technical solution in the feasibility studies and to guide implementation of the grid strengthening in the northern, central and southern area.

2. ASSIGNMENT SCOPE AND OBJECTIVES

The main objective of the feasibility studies is to elaborate an independent bankable feasibility report for a high-voltage transmission system for each of the four lots mentioned above, including the necessary integration with the existing transmission systems in areas, demonstrating an effective cost solution.

The bankable feasibility studies shall be capable of being used as the basis for EDM seeking financing from international development financing agencies to implement the recommended grid expansion and strengthening projects.

The following aspects shall be covered by each feasibility study:

- a) Confirmation of the recommended technical solution, line routing and identification of substation sites for grid development on each of the sites included in this assignment, including recommended voltage level for design and initial energization of the upgraded and expanded system, as well as solution for integration with the distribution system along the line route;
- b) Preparation of conceptual design and specifications for the recommended technical solution in compliance with the Mozambique grid code and existing EDM design standards and specifications for high-voltage transmission lines and substations, supportive of future procurement processes to be undertaken by EDM.

The transmission line design shall generally be in accordance with, but not limited to, the latest issues of the following applicable standards:

- IEC International Electrotechnical Commission Publications

60826 Design Criteria of overhead transmission lines

- ISO International Standards Organization

9001 Quality System Model for Quality Assurance in Design / Development, Manufacture and Testing

9002 Quality System Model for Quality Assurance in Production, Installation and Servicing

- CENELEC The European Committee for Electrotechnical Standardization

EN50341-1 Overhead electrical lines exceeding AC 45 kV

- EDM Standard

In terms of substations, ratings, characteristics, tests and test procedures, etc. for the electrical equipment shall generally comply with provisions and requirements of the standards and recommendations of the International Electrotechnical Commission (IEC). The rules of CEE (International Commission for the approval of electrical equipment) and the standards of CENELEC (Comite Europeen de Normalisation Electrotechnique) may also be applied in some circumstances.

The conceptual design and specifications shall be prepared with due consideration of:

- i. Design criteria;

- ii. Climatic conditions;
 - iii. Conductor selection;
 - iv. Earth wire and optical fibre ground wire (OPGW) requirements;
 - v. Insulator selection;
 - vi. Necessary fittings and hardware;
 - vii. Tower design, including foundation requirements;
 - viii. Construction requirements;
 - ix. Environmental protection requirements; and
 - x. Clearing of mines and explosives.
- c) Preparation of feasibility level budget cost estimates for the recommended grid development solution, including costs of supply, erection and commissioning of transmission lines and substations, engineering and project management, environmental and social mitigation, physical and price contingencies, at sufficient level of detail to support engagement with prospective financiers, as well as proposed implementation arrangements and project schedule;
- d) Economic analysis of the recommended grid development solution, demonstrating that the recommended strengthening represents a least cost solution to power system development in northern central and southern region of Mozambique, with due consideration of demand forecasts and alternative power generation and supply options indicated by EDM and GoM plans and initiatives;
- e) Proposed implementation strategy, with due consideration of labour requirements, operational considerations, project schedule and recommended financing arrangements;
- f) Risk assessment covering political, project and administrative risks and mitigation options; and

- g) Environmental and Social Impact Assessment (“**ESIA**”) in compliance with Mozambique and international best practise requirements (Category A).

3. SCOPE OF WORK

The selected consultant should prepare four bankable Feasibility studies for help EDM seeking for financing for implementation the following sub-projects:

Lot 1 – Metoro – Montepuez – Marrupa Transmission Line

This Lot 1 will consist of:

Phase I:

- Construction of 110km of 220kV transmission OH line, 2xCondor (477MVA), from Metoro to Montepuez substations to initially operate at 110kV;
- Extension of Metoro substation;
- Installation of 1x110kV additional line bay, single busbar at Metoro substation;
- Installation of 2x40MVA, 110/33kV Power Transformer at New Montepuez substation;
- Installation of 1x110/33kV Transformer bay at New Montepuez substation;
- Installation of 1x110kV first line bay, single busbar at New Montepuez substation;
- Installation of new 33kV switchgears (5 panels+ 2 spars), relays, AD/DC rectifier, DC batteries bank and busbar protections;
- Auxiliary Transformer 33/0.4kV, 315KVA.

Phase II:

- Construction of 147km of 220kV transmission OH line, 2xCondor (477MVA), from Marrupa to Montepuez substations to initially operate at 110kV;
- Extension of Marrupa substation;
- Installation of 1x110kV additional line bay, single busbar at New Montepuez substation;

Section 5. Terms of Reference

- Installation of 1x110kV additional line bay, single busbar at Marrupa substation.



Figure 1 EdM Northern Transmission Network illustrating Phase I and Phase II

Lot 2 Chimuaru – Inhaminga – Dondo/Inchope Transmission Line route

This Lot 2 will consist of:

- Construction of 125 km of 400 kV Over Head Transmission line from Chimuaru to Inhaminga, operated initially at 220 kV;
- Construction of 140 km of 400 kV Over Head transmission line from Inchope to Inhaminga, operated initially at 220 kV;
- Construction of 130 km of 220 kV Over Head Transmission line Dondo – Inhaminga;
- Installation of 1x 220 kV line bay at Chimuaru Substation;
- Installation of 3x 220 kV lines bays at Inhaminga Substation;
- Installation of 1x 220 kV line bay at Dondo Substation;
- Installation of 1x 220 kV line bay at Inchope Substation;

- Construction of new 220/110 kV Inchope Substation;
- Installation of 2x80 MVA, 220/110 kV Power Transformer at Inchope Substation;
- Installation of 220/110 kV Transformer bay at Inchope Substation;
- Installation of 3x110 kV line bays at the existing Inchope substation;
- Construction of 5 km of 110 kV line to interconnect the existing to the new Inchope substations;
- Conversion of the existing T-off to In-and-Out substation at Inchope.



Figure 2 Chimuara – Inhaminga – Dondo Line route

Lot 3 – Beluluane – Salamanga Transmission Line

This Lot 3 will consist of:

- Construction of 90 km 275 kV Transmission Line from Beluluane to Salamanga;
- Installation of 275kv line bay in Beluluane and Salamanga Substation;
- Installation of 66kV line bay in Belluane and Salamanga Substation.

Section 5. Terms of Reference



Figure 3 Map illustrating the proposed line route

Table with GPS coordinate for all the Substation mentioned in the scope above

Substation	Latitude	Longitude
Metoro	-13.07	39.77
Montepuez	-13.19	39.04
Marrupa	-13.17	37.51
Chimuara	-17.76	35.40
Inhaminga	-18.48	35.02
Dondo	-19.62	34.73
Beluluane	-25.89	32.39
Salamanga	-26.44	32.64

4. PROGRAMME IMPLEMENTATION

The first stage will consist of discussions with EDM and field visits to the study areas involved to collect data to inform preparation of peak demand and energy forecasts for the relevant areas and guide the technical and ESIA work to be undertaken, namely:

- Collect and review relevant technical information and statistics, such as statistics on peak demand, situation of generation, network asset information, standards, planning and design criteria, inputs to social study, biophysical characteristics and environmental impact assessment, etc.;
- Visit the present supply areas as well as areas covered by ongoing electrification projects in order to prepare the demand forecast;
- Visit the proposed sites already identified by EDM if is the case for all new substations and the existing ones for identification of necessary extensions, including upgrading of the respective power system control and protection in order to accommodate connection of all new lines, etc.;
- Identification and evaluation of preliminary line routes or alternatives for the line routes.

The second stage will focus on using the data and information collected in the field surveys during the first stage to undertake the necessary technical and economic analysis and prepare bankable feasibility study conclusions and recommendations, including among others:

- Prepare a demand forecast, taking into consideration the in site findings in the study area;
- Consider future developments in Mozambique as indicated in the newly completed Masterplan which could impact on the system design characteristics and routing of the transmission line;
- Assess the technical situation and condition of the existing transmission and distribution network;
- Undertake a technical evaluation of various high voltage (HV) line options utilizing established engineering practices and standards, including an assessment of EDM's ability to technically operate the various options;
- Determine the proposed least-cost line routing based on available land-use and topographical maps and satellite imagery, verified by GPS enhanced field surveys;
- Determine the conductor sizes for the recommended transmission line route considering environmental and social considerations;
- Recommend a technical design solution including the type, quantity and location of any reactive compensation equipment as well as optimisation of substations capacity including transformers;
- Detail the required protection, control and communication requirements on the grid interconnections and integration with the remainder of the EDM grid, including specifying the design of fibre optic communication line and the related communication equipment at the respective substations;
- Prepare detailed budget cost estimates for lines and substations, including physical and prices contingencies, with break-down of costs in local and foreign component;

- Undertake techno-economic analysis of potential design solutions with the view to determine a recommended least-cost solution;
- Present economic and financial analysis of the recommended transmission grid expansion option to demonstrate viability and sustainability of the solution;
- Provide recommendations for organisational and implementation aspects to be considered related to construction and O&M of the grid interconnections; and
- Present an assessment of EDM training needs relevant to ensure sustainability of the transmission grid from an operational and maintenance perspective.

The required feasibility study outputs shall be documented in a comprehensive feasibility study report as a minimum covering the following aspects:

1. Executive Summary
2. Project Purpose and description of the Project Areas
3. Demand Forecast and Expected Supply Developments
4. Network Design and Cost Estimates
5. Financial and Economic Assessment including elaboration of the Economic and Financial Internal Rate of Return (EIRR and FIRR) for the Project
6. Environmental and Socio-Economic Impact Assessment (*refer next section for details*)
7. Implementation Strategy and Indicative Timeframe
8. Risk Assessment and Mitigation, including Political, Project and Implementation / Administrative type of risks
9. Conclusions and Project Recommendation.

5. Environmental and Social Impact Assessment (ESIA)

The ESIA work to be undertaken by the Consultant shall conclude with the publication of a separate report that includes a detailed Environmental Management Plan (“**EMP**”) and its associated costs. The ESIA should be conducted as a separate, but related, activity to the techno-economic feasibility study. The ESIA shall be conducted to comply with both Mozambique standards and requirements and applicable international best practise requirements as set out in relevant World Bank and IPC performance standards and guidelines.

The main objectives of the ESIA work are to identify and assess positive and negative impacts likely to result from the proposed grid expansion and strengthening project including:

- Direct, indirect and cumulative effects on ecologically sensitive areas and/or protected areas, internationally or domestically recognized, including habitats for endangered species;
- Effects on physical environment and land use including areas of land to be acquired for use by the project;
- Effects on the local economy and society;
- Effects on cultural and/or archaeological properties;
- Potential need for resettlement compensation and/or relocation and expected number of households/persons to be relocated (if resettlement and/or relocation is expected), these impacts should be minimized through a proper selection of the Right of Way for the transmission line;
- Effects on various sectors of production;
- Effects on various social sectors, including effects on the family unit;
- Potential number of consumers that may benefit from the supply of energy arising from the project;

- Potential socio-economic effects of the project (e.g. through direct and indirect employment, income generation opportunities, better social services such as education and health, etc.);
- Potential effects of the project on poverty reduction and gender.

Mitigation measures will be recommended for potential negative environment and socio-economic impacts. These should be accompanied by, where possible, strategies for community gain and poverty alleviation as a result of project implementation.

The ESIA study should be documented in a concise report which evaluates issues consistent with their relative significance. The Consultant should carry out public consultation with people in the project area, local NGOs, state government and other relevant stakeholders as required by Mozambique law and regulations. A chapter on public consultation should be included in the ESIA report and the minutes of the public consultation meetings should be included as an annex to the ESIA report.

The ESIA report should include a detailed analysis of alternatives, specifically an analysis of the different options for the Right of Ways.

The ESIA report should include a detailed EMP that outlines the mitigation measures required for the project during the design, construction, and operation phases of the transmission line.

6. Expertise Required from the Consultant

Project Manager

A graduate (preferably a registered professional electrical engineer) with at least 15 years of experience in project management, and, especially, in planning, designing and preparing pre-feasibility and final feasibility studies for high voltage power systems involving transmission lines at 220kV and higher voltage levels.

In demonstrating the professional experience, the Project Manager is expected to prove to have been involved in at least 5 (five) projects of similar nature based in international contracts. In addition, the Project Manager shall be a person with good

oral and written communication skills and should be able to demonstrate a high level of organizational skills.

Transmission/ Engineer

The Transmission engineer shall be registered professional electrical engineer with not less than 10 years of experience in Feasibility Studies and design of transmission lines of the same nature, size and complexity compared this assignment. Knowledge and experience with EDM design standards and requirements will be an advantage.

Substation Design Engineer

The substation design engineer shall be registered professional electrical engineer with not less than 10 years of experience in designing of high voltage substations including control and SCADA systems of the same size and complexity compared to the present assignment. Knowledge and experience with EDM design standards and requirements will be an advantage.

Power System Engineer

Power system engineer with not less than 10 years of experience in Feasibility Studies and design of transmission systems of the same nature, size and complexity compared this assignment. Knowledge of the EDM power system will be an advantage.

Civil / Mechanical Engineer

Civil/Mechanical engineer with not less than 5 years of experience in design of transmission systems of the same nature, size and complexity compared this assignment, including experience with transmission tower foundation design.

Land Surveyor

Surveyor with not less than 5 years of experience surveying transmission lines of the same nature and complexity compared to this assignment.

Environmental Specialist

Environmental Specialist with at least 10 years' experience in ESIA preparation and possibly other experiences required for the preparation of the ESIA, e.g.

biodiversity, social scientist. Prior knowledge and experience with Mozambique laws and regulations is highly advantageous.

Social Specialist

Social Specialist with at least 5 years' experience in ESIA preparation and possibly other experiences required for the preparation of the ESIA, e.g. biodiversity, social scientist. Prior knowledge and experience with Mozambique laws and regulations is highly advantageous.

Economist

Economist with not less than 10 years of experience in Feasibility Studies of transmission systems of the same nature, size and complexity compared this assignment.

Telecommunication expert

Telecommunication expert with not less than 5 years of experience in design of transmission systems of the same nature, size and complexity compared this assignment.

7. Reporting Requirements

Timeline completion and submission of required reports during execution of the feasibility study is of critical importance. Due to the size of Lot 1, separately report and time schedule should be issue. Draft and final reports shall be submitted in a number of hard copies and in electronic form to the Client as specified in the table below. After incorporating necessary modifications to draft reports as a result of Client comments, final reports shall be submitted to the Client no later than two weeks after receipt of comments to draft reports.

The reports shall be written in English. For the ESIA report, a Portuguese translation of the executive summary shall be included.

All the necessary documentations that according to Mozambican legislation is deemed to be in Portuguese language should be translated.

Report	Draft		Final	
	Number of Hard copies	Electronic format (e-mail)	Number of Hard copies	Electronic format (CD or memory stick)
Inception Report	-	Yes	8	8
ESIA Report (Summary in both English and Portuguese)	7	Yes	8	8
Electricity Market Survey & Demand Report	5	Yes	5	5
Preliminary Line Route	5	Yes	5	5
Preliminary Design	-	Yes	8	8
Draft Bankable Feasibility Study	-	Yes	8	8
Final Bankable Feasibility Study	-	Yes	10	10

The format of the technical reports will be discussed and agreed upon with the Client as part of formalising a contract for the feasibility study.

In addition to the technical reports, brief monthly progress reports shall be provided to the Client, demonstrating progress against an agreed feasibility study project plan to be included as part of the contract with the Consultant.

Inception Report

At the end of Stage One of the works (the data collection mission), the consultant shall submit an Inception Report. The Inception Report shall set out preliminary

observation and views, approach and work plan to be followed by the Consultant's team. The Inception Report shall be submitted within one (1) month of conclusion of the data collection mission.

Draft Report

A draft report for each main study areas (lines route, technical design, economic and ESIA) shall be submitted during the presentation of the draft feasibility study/project document. It shall be a detail report outlining the results of the various studies undertaken, and shall comprise an Executive Summary, a Main Feasibility Report and Appendices. The milestone date for delivering of the draft Feasibility Study is eight (8) months after commencement date of the feasibility study.

ESIA Report

Two separate reports with executive summaries in English and Portuguese for the ESIA shall be prepared by the consultant and submitted to the Client and the Mozambique authorities. It shall be a detailed report outlining the results of the various studies undertaken in accordance with applicable legal and regulatory requirements and as otherwise defined in these ToR.

Final Feasibility Report

The Final bankable feasibility report shall for each study area, in addition to the main section, include an executive summary and appendices sections. The milestone for delivering of the Final Bankable Feasibility Report is twelve (12) months after commencement date of the feasibility study.

8. Cross-Sectorial Issues

Environmental and social

The work should be carried out at all stages in accordance with ESIA guidelines of the Ministry for the Coordination of Environmental Affairs (MICOA), the Southern

African Power Pool Environmental Guidelines, as well as the following World Bank Safeguard Policies: Environment Assessment Operation Policies (OP 4.01), Natural Habitats (OP 4.04), Physical Cultural Resources (OP 4.11), Involuntary Resettlement (OP 4.12), and Pest Management (OP 4.09).

The ESIA project team should be fully involved in the Right of Way selection in order to avoid sensitive ecosystems and protected areas and to minimize impacts on villages, houses and other property.

HR, equality and gender

Consideration should be given to the impact that availability of electricity will bring out in terms of changes at household level in support of empowerment of women.

The Perspective of the poor – focus and impact on poverty

The effects of rural electrification and reliable electricity services on poverty reduction are multidimensional, and both tangible and intangible. Electricity provides a safe and clean source of heat, light, and power and plays an important role in the fulfilment of key economic, social and cultural rights, such as the right to housing, the right to education and the right to health. The study should aim at identifying and quantifying such impacts where applicable.

9. Project Administration and Liaison

EDM will establish a Project Implementation Unit (“**PIU**”) in Maputo for the overall coordination of the feasibility study. The PIU will be headed by a Project Manager who will be assisted by Project Engineer.

The PIU shall serve as a liaison between the Consultant, the various stakeholders and Governmental departments associated with or interested in the project. The Consultant shall be given unhindered access to the relevant agencies and territories in order to carry out the assignment. The Consultant shall, however, be fully responsible for collecting data and information from these agencies (after paying necessary charges where applicable).

EDM shall provide the Consultant with copies of all data and the latest reports available, which it considers relevant to the execution of the consultant's work, including but not limited to:

- (i) Electricity Master Plan;
- (ii) EdM Project Document;
- (iii) EdM Annual Statistical Reports;
- (iv) EdM Technical Quality of Transmission Network Services; and
- (v) EdM's standards for Transmission Lines.

The Consultant's team should arrange their own office while working in Maputo as well it is expected that the Consultant will provide his own transport and telecommunication facilities.

All information provided to the Consultant and information to be included in the various reports to be produced shall be treated as confidential, as shall any communications taking place between EDM and the Consultant. No information shall be provided to any external parties without EDM's consent.

The procurement process followed for selection of the Consultant to undertake the feasibility study shall be in accordance with SIDA Procurement Guide lines.

In rendering the services, the consultant shall make regular reference through written task reports as described above and briefings to EDM to advice on the progress and status of the study. Tenderers are encouraged to point out items missing or under- and over- emphasized in the professional opinion of the Tenderer.

SECTION 5. DRAFT CONTRACT

Contract no.
Contract no.
Reg. no.
Reg. no.
Decision no.
Decision no.

CONTRACT FOR CONSULTING SERVICES

PARTIES

a) Electricidade de Moçambique (hereinafter referred to as the Client)

Attention : <name>
Address: Electricidade de Moçambique,
<Address>
VAT no.: 600000063
Telephone: +258 <number>
E-mail: name@edm.co.mz

b) State name of consultant (hereinafter referred to as the Consultant)

Pnr/Org.nr: Org. no.
Attention: Attention
Address: Address
VAT no.: VAT no.
Telephone: Telephone]
Fax: Fax
E-mail: E-mail

(1) FORM OF CONTRACT

This CONTRACT (hereinafter called the “Contract”) is made between, on the one hand, the Client and, on the other hand, the Consultant.

WHEREAS

- (a) the Client has requested the Consultant to provide certain consulting services as defined in Appendix A attached to this Contract (hereinafter referred to as the “Services”);
- (b) the Consultant has agreed to provide the Services on the terms and conditions set forth in the Contract;

Section 5. Terms of Reference

- (c) an agreement between the Government of Sweden and the Government of Moçambique on General Terms and Conditions for Development Cooperation, has been signed 8 June 2015.
- (d) the Government of Sweden and the Government of Moçambique have in an agreement signed 11 December 2017 agreed that Sweden, represented by the Embassy of Sweden shall finance the Services.

NOW THEREFORE the parties hereto hereby agree as follows:

The following documents attached hereto shall be deemed to form an integral part of the Contract. The documents shall be regarded as complementary, but in case of discrepancies, they shall, unless it is obviously contrary to the purpose of the Contract, take precedence in the order set out below:

- (a) The Special Conditions of Contract;
- (a) The General Conditions of Contract;
- (b) The Appendices stated in the Special Conditions of Contract, in that order.

Place and date

For and behalf of the Client

Place and date

For and behalf of the Consultant

Signature

Name and title in block letters

Signature

Name and title in block letters

(2) GENERAL CONDITIONS

§ 1 Definitions

Unless the context otherwise requires, the following terms whenever used in the Contract shall have the following meanings:

- a) "Country" means the Country where the Client is situated;
- b) "Counterpart Personnel" means personnel hired by the Client as employees;
- c) "Expatriate Personnel" means such persons hired by the Consultant or any Subconsultant who at the time of being so hired had their domicile outside the Country
- d) "GC" means the General Conditions of the Contract;
- e) "Government" means the Government of the Client's country;
- f) "Party" means the Client or the Consultant, as the case may be, and "Parties" means both of them;
- g) "Personnel" means persons hired by the Consultant or any Subconsultant, as the case may be, as employees and assigned to the performance of the Services;
- h) "Local Personnel" means such persons hired by the Consultant or any Subconsultant who at the time of being so hired had their domicile inside the Country
- i) "SC" means the Special Conditions of the Contract
- j) "Subconsultant" means any person or entity to whom/which the Consultant subcontracts any part of the Services
- k) "Third Party" means any person or entity other than the Government, the Client, the Consultant or a Subconsultant.

§ 2 Authorized Representative

Any actin required or permitted to be taken, and any document required or permitted to be executed under the Contract by the Client or the Consultant may be taken or executed only by the authorized representatives specified i the SC §2.

§ 3 Modification

Unless otherwise agreed, modification of the terms and conditions of the Contract, including any modification of the scope of the Services, may only be made by written agreement between the Parties and shall not be effective until Sida's written "no-objection" has been obtained.

§ 4 Entire Agreement

The Contract contains all covenants, stipulation and provisions agreed by the Parties. No agents or representative of either Party has authority to make, and the Parties shall not be bound by or liable for, any statement, representation, promise or agreement not set forth herein.

§ 5 Consultants Personnel

The Consultant shall employ and provide such qualified and qualified and experienced Personnel as are required to carry out the Services. The Consultant, subject to the Contract, has complete charge of Personnel performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

§ 6 Consultant's Standard of Performance

The Consultant shall perform the Services and carry out its obligations hereunder with all due diligence efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to the Contract, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Subconsultants or Third Parties.

§ 7 Consultant Not to Benefit from

The remuneration of the Consultant pursuant to the Contract shall constitute the Consultant's sole remuneration in connection with the Contract. The Consultant shall not accept for its own benefit any trade commission, discount or similar payment in connection with activities pursuant to the Contract or in the discharge of its obligations hereunder, and the Consultant shall use its best efforts to ensure that any Subconsultants similarly shall not receive any such additional remuneration.

§ 8 Prohibition of Conflicting Activities

The Consultant shall not engage and shall cause any Subconsultants not to engage, either directly or indirectly, during the term of the Contract, in any business or professional activities in the Country which would conflict with the activities assigned to them under the Contract.

§ 9 Liability of the Consultant

If the Consultant, Subconsultants or Personnel or any other subject that the Consultant is liable for, violates any provision of the Contract or otherwise causes the Client any loss or damage, the Consultant shall indemnify the Client for any such loss or damage. The Consultant's liability may be limited, except for violations due to gross negligence or wilful misconduct, in accordance with the article on Limitation of Liability in the SC.

§10 Accounting, Inspection and Auditing

The Consultant shall keep accurate and systematic accounts and records in respect of the Services, in accordance with internationally accepted accounting principles in such form and details as will clearly identify all relevant time charges and costs, and the bases thereof. The Consultant shall permit the Client and Sida or their designated representatives periodically, and up to five (5) years from the termination of the Contract, to inspect the accounts and records and make copies thereof as well as to have them audited by auditors appointed by the Client.

§ 11 Adherence to Applicable Law

The Consultant shall perform the Services in accordance with the applicable law determine in the SC and with any mandatory legislation in the Country, and shall take all practicable steps to ensure that the Personnel and any Subconsultants, do the same and that they respect local customs, the culture and traditions of the Country. If, after the date the Contract has entered into force, there is any change in the law of the Country with respect to taxes and duties which substantially increases or decreases the costs incurred by the Consultant in performing the Services, the Parties shall renegotiate the remuneration to the Consultant. The Parties shall immediately inform Sida of any such negotiations. GC §3 shall apply to any modification of the Contract due to such negotiations.

§12 Subconsultants and Transfer of Contract

Any Subconsultants listed in the Contract are hereby approved by the Client.

The Consultant may not assign or transfer the Contract, or any part thereof, to anyone, or engage any Subconsultants to perform any part of the Services, without the prior approval of the Client and Sida's written "no-objection". The Client's approval of the assignment or transfer of any part of the Contract, or of the engagement of Subconsultants, shall not relieve the Consultant of any of its obligations under the Contract. The Consultant shall be liable for the work performed by any Subconsultants. Compensation to any Subconsultants shall be agreed upon between the Parties. Unless otherwise agreed, and in such case with Sida's written "no-objection", the Consultant shall, at its own expense, be responsible for the payment of any Subconsultants and shall not be entitled to any compensation for administrative costs for any Subconsultants.

§ 13 Approval and Replacement of Personnel

The core team Personnel listed in the Contract are hereby approved by the Client.

Except as the Client may otherwise agree, no changes shall be made in the core team Personnel. If, for any reasons beyond the reasonable control of the Consultant, it becomes necessary to replace any of the core team Personnel, the Consultant shall immediately provide as a replacement a person of equivalent or better qualifications.

The Consultant shall immediately inform the Client and Sida of any replacement or need for additional core team Personnel.

In respect of additional or replacement of core team Personnel, the Consultant shall submit to the Client for review and approval a copy of the biographical data of such Personnel. If the Client does not object in writing within twenty (20) days from the date of receipt of such data, the core team Personnel shall be deemed to have been approved by the Client.

If the Client finds that any of the Personnel has committed serious misconduct, or has been charged with having committed a criminal action, or has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the Client's written request specifying the grounds therefor, promptly provide as a replacement a person with qualifications and experience acceptable to the Client.

Except as the Client may otherwise agree, and in such case with Sida's written "no-objection", the Consultant shall bear all additional costs arising out of or incidental to any removal or replacement of Personnel.

The remuneration shall not exceed the remuneration which would have been payable for the Personnel replaced.

§ 14 Confidentiality

The Consultant, Subconsultants and Personnel shall not, either during the term or within three (3) years after the termination of the Contract, disclose any information relating to the Services, the Contract or the Client's business or operations without the prior written consent of the Client.

§ 15 Obligations of the Client

Any agreement between the Parties concerning services, facilities, Counterpart Personnel, access to land and other obligations of the Client, shall be included in an Appendix to the Contract.

§ 16 Notices

Any notice, request or other communication shall be written in the English language, sent to the addresses stated on the first page of the Contract, and deemed to be duly given

- a) if delivered by hand, the same day,
- b) if sent by e-mail, on the day of dispatch of a confirming fax (provided there is a receipt confirming the fax transmission) or a confirming letter sent by courier mail,
- c) if sent by fax, the day of dispatch (provided there is a receipt confirming the fax-transmission),
- d) if sent by courier mail, the day after dispatch.

Any communication to Sida shall be sent to the following address: The Embassy of Sweden, 1128 Av. Julius Nyerere, Maputo, Mozambique, to the person indicated by the Embassy of Sweden.

(3) SPECIAL CONDITIONS

Contents

§ 1 Appendices

The following Appendices attached hereto shall be deemed to form an integral part of the Contract:

Appendix A: Minutes of Pre-award Contract Negotiations

Appendix B: Terms of Reference

Appendix C: Composition of Team (including work schedule and hours of work)

Appendix D: Budget (including fees and reimbursable expenditures)

Appendix E: The Consultant's Technical Proposal

§ 2 Authorized Representative

The following person, or his/her designated representative, shall be the authorized representative for the Client: Carlos Yum

The following person, or his/her designated representative, shall be the authorized representative for the Consultant: name

§ 3 Resident Team Leader

The Consultant warrants that, at all times during the Consultant's performance of the Services in the Country, a resident Team Leader, acceptable to the Client, shall take charge of the performance of the Services.

§ 4 Adjustment of Hours of Work and Leave

Any adjustment of hours of work and leave by the core team Personnel may only be made with the written approval of the Client.

§ 5 Budget and Ceiling Amounts

An estimate of the remuneration to the Consultant is laid down in the Budget, Appendix D.

Except as may be otherwise agreed between the Parties, and with the written approval of Sida, payments under the Contract shall not exceed the following Ceiling Amounts:

Ceiling Amount for Fees: amount in SEK or other currency.

Ceiling Amount for Reimbursable Costs amount in SEK or other currency.

The Consultant shall immediately inform the Client and Sida in writing if the Consultant foresees that the Services cannot be completed within the Ceiling Amounts. The Parties and Sida shall promptly discuss the situation and agree on appropriate actions to take.

§ 6 Mode of Billing and Payment

a) Currency of Payment

Fees shall be paid in SEK. Reimbursement for costs shall be paid in SEK.

b) Valuation of Currencies

Whenever necessary to determine the value of another currency in terms of SEK, the value shall be calculated on the basis of the market selling rate in Stockholm on the date of the transaction, or, if no such rate has been established, at such rate as the Client, or if Sida is paying the invoices, Sida, shall reasonably determine after consultations with the Consultant.

c) Mode of Billing

Invoices shall contain the following: the date and number of the invoice, the number of the Contract to which it refers, the name and address of the bank to which payment shall be made, the account number, the account holder, clearing number, SWIFT-code, and VAT number of the Consultant.

The invoice shall state the relevant currencies and contain a cost summary indicating the total budget for the Services, the accumulated invoiced amounts and the balances outstanding.

d) Lump sum invoices for fees shall be sent according to the following payment schedule:

Payment Schedule			
%	Lot 1	Lot 2	Lot 3
10%	Advance payment against bank guarantee	Advance payment against bank guarantee	Advance payment against bank guarantee
	Inception Report	Inception Report	Inception Report
	Draft Final Report	Draft Final Report	Draft Final Report
25%	Final Approved Report	Final Approved Report	Final Approved Report

e) Separate invoices for reimbursable expenses shall be submitted to the client at the same time as each lump-sum invoice for fees, covering expenditures incurred during the performance of the services covered in the lump-sum fee invoice.

Copies of all receipts to verify all reimbursable cost claims shall be attached to each invoice.

Invoices shall be sent not later than fifteen (15) day after the end of each calendar quarter during the term of the Contract.

Costs shall be expressed in the following currency: SEK

The Consultant shall send invoices with one original and one copy to the Client.

d) Mode of Payment

The Client shall cause the payment of the invoices within sixty (60) days of receipt of the invoice. Any part of the invoice that is not satisfactorily supported may be withheld from payment. Interest shall become payable as from the time stated above on any amount not paid in due time without due cause.

The interest rate is: LIBOR +2%.

§ 7 Fees

a) Mode of Calculation

The Consultant is only entitled to payment for approved deliverables as defined in the payment schedule for fees and only for Personnel and Subconsultants identified in the Contract.

The fees cover all such salaries and allowances as the Consultant has agreed to pay to the Personnel as well as factors for social charges and overhead etc.

§ 8 Price Adjustment

Fees shall be fixed for the duration of the assignment.

§ 9 Reimbursable Expenditures

The Consultant is only entitled to reimbursable expenditures actually and reasonably incurred by the Consultant under the Contract.

The Consultant is entitled to a daily allowance for time spent in the Country by the Expatriate Personnel at a daily rate of SEK 288⁷. The Consultant is entitled to a per diem allowance for time spent by the Local Personnel in the Country but away from the home office at a daily rate of SEK 288.

The Consultant is entitled to reimbursement for the cost of accommodation and transportation of the Personnel for transportation necessary for the performance of the Services. Daily transportation to and from the office is not reimbursable. Only the

⁷ Swedish Tax Authority rate for 2019, revised annually.

most appropriate means of transport and the most direct practicable route is reimbursable. In case of air travel, it shall be by the least expensive IATA fare.

Reimbursable expenditures are included in the Budget, Appendix D.

§ 10 Limitation of Liability

The Consultant's liability according to the GC is limited to the value of the contract.

§ 11 Insurance

The Consultant shall take out and maintain, and shall cause any Subconsultants to take out and maintain, at its own (or at the Subconsultants', as the case may be) cost, but on the terms and conditions approved by the Client, insurance covering the following issues:

- a) Professional liability insurance
- b) Employer's liability in respect of the Personnel, including any such life, health, accident, travel or other insurance as may be appropriate.
- c) Insurance against loss of or damage to equipment purchased with funds provided under the Contract, the Consultant's property used in the performance of the Services, and documents prepared by the Consultant in the performance of the Services.
- d) Third Party liability insurance
- e) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Country by the Consultant, its Personnel and any Subconsultants and their Personnel.

§ 12 Procurement

If the Consultant, as part of the Services, shall perform procurements, the following procurement rules shall apply: Sida Procurement Guidelines, June 2004.

§ 13 Taxes and Duties

Unless otherwise agreed, the Consultant, Subconsultants and Personnel shall pay such taxes, duties, fees and other impositions as may be levied under the applicable law.

§ 14 Intellectual Property

Unless otherwise agreed, the Client shall be the sole owner of all work, materials and results which have been prepared by the Consultant under the Contract, including drawings, specifications, designs, reports and software (hereinafter referred to as the Result). The ownership does not embrace development tools and methods which have been used in the performance of the Services and which are owned by the Consultant or a Third Party. The Client shall be the sole owner of any copyright, patent rights and other industrial and intellectual property rights connected with the

Result. The Client is entitled to carry out alterations, modify and transfer the Result. The Consultant undertakes to hold the Client harmless against any claims for infringement of industrial and intellectual property rights as stipulated above, resulting from the use of the Results in accordance with the Contract. The foregoing shall apply even when the Contract has ceased to be in force. The Client shall immediately inform the Consultant if any infringement claim is raised against the Client. The Consultant is not entitled, without the prior written approval of the Client, to use the Result. Any supporting documents handed over to the Consultant by the Client or which belong to a Third Party, shall, as the case may be, remain the property of the Client or the Third Party. The Result shall, not later than upon termination of the Contract, be delivered to the Client, together with a detailed inventory thereof.

§ 15 Ownership of Goods and Equipment

Goods and equipment supplied by the Client shall remain, at all times, the property of the Client. Goods and equipment owned by the Consultant shall remain the property of the Consultant. Unless otherwise agreed between the Parties, goods and equipment purchased by the Consultant under the Contract with funds provided by Sida or the Client, shall become the property of the Client, not later than upon termination of the Contract.

§ 16 Force Majeure

The Parties shall not be liable for delays in performing or failure to perform its obligations, if the delay or failure results from any cause beyond the control of the Parties, such as, outbreak of hostilities, riot, civil disturbance, acts of terrorism, fire, explosion, flood, statutory restraints, amendments of legislation, decisions by a court of law, the government or governmental agency. A Party that is of the opinion that a force majeure situation is at hand, shall immediately inform the other Party and Sida thereof in writing. The Parties and Sida shall discuss if, and in such case agree on what measures need to be taken. If a force majeure situation remains more than forty-five days (45) either Party shall, by written notice of termination, be entitled to terminate the Contract with immediate effect.

§ 17 Remedy

The Client may, by written notice, with a copy to Sida, request the Consultant to, at its own expense, remedy any breach of contract. Such notice shall be sent within thirty (30) days after the Client became aware of the breach. Unless otherwise agreed, the Consultant shall remedy the breach within thirty days (30) from having received the notice. If the breach of contract is not remedied in due time, the Client is entitled to a reasonable reduction in price. The Client's right to price reduction does not deprive the Client from its right to claim damages and to take other measures due to the breach of contract.

§ 18 Duty to inform

Each Party shall inform the other Party in writing, with a copy to Sida, of any breach of contract on the other Party's side within six (6) months after the Party became aware of the breach, and in no case later than three years after the expiry of the Contract. Each Party shall inform the other Party in writing of any indemnification

claim at the latest six (6) months after the other Party was informed of the breach of contract. However, the time limitations stated above do not apply if the breach of contract is due to gross negligence or wilful misconduct. Each Party shall always be entitled to raise counterclaims if the other Party initiates any legal proceedings.

§ 19 Dispute Settlement Procedure

Any dispute, controversy or claim arising out of or in connection with the Contract, or the breach, termination or invalidity thereof, which cannot be settled amicably, shall be finally settled by arbitration in accordance with the Rules of the Arbitration Institute of the International Chamber of Commerce. The number of arbitrators shall be three. The place of arbitration shall be South Africa and the language used in the arbitral proceedings shall be English.

The parties shall send a copy of any request for arbitration to Sida.

§ 20 Applicable Law

The Contract shall be governed by the substantive laws of Mozambique without regard to its conflict of laws rules.

§ 21 Suspension of Payment

In addition to what is stated in the above article named "Remedy", the Client may, by written notice of suspension, immediately suspend, in whole or in parts, payment to the Consultant, if the Consultant is in breach of contract, provided that such notice specifies the nature of the breach and requests the Consultant to remedy the breach within a specific time, however, not less than thirty (30) days.

The notice of suspension shall be sent to the Consultant with a copy to Sida.

§ 22 Termination of the Contract

a) By the Client

The Client may terminate the Contract if any of the following events should occur:

- 1) with thirty (30) days written notice of termination, if the Consultant has not remedied the breach referred to in the above article named "Remedy" or the above article named "Suspension of Payment", within the time specified by the Client, or,
- 2) with immediate effect on written notice of termination, i) if the Consultant is in material breach of contract, ii) if the Consultant becomes bankrupt, enters into an agreement with its creditors for relief of debt, suspends its payments, goes into liquidation, or otherwise is deemed to be insolvent, iii) if the Consultant submits to the Client any statement which has a material effect on the rights, obligations or interests of the Client and which the Consultant knows to be false, iv) or if the Consultant, in the judgement of the Client, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract, or,

- 3) with sixty (60) days written notice of termination, if the Client, at its own discretion decides to terminate the Contract.

In case the Contract is terminated in accordance with 1) and 2) above, the Client shall be entitled to indemnification. In case the Contract is terminated in accordance with 3) above, the Consultant shall take immediate steps to terminate the Services in a prompt and orderly manner, to reduce any losses and to keep further costs to a minimum. The Consultant is entitled to, in addition to full reimbursement before the termination becomes effective, reimbursement for reasonable costs for terminating the Services. However, such reimbursement is limited to a maximum period of fifteen (15) days from the date the termination became effective. The Consultant shall, in order not to forfeit its rights, inform the Client in writing of any claim for reimbursement as described above, no later than two months after the expiry of the Contract.

The notice of termination shall be sent to the Consultant with a copy to Sida.

- b) By the Consultant

The Consultant may terminate the Contract if any of the following events should occur:

- 1) with thirty (30) days written notice of termination, i) if the Client or Sida, as the case may be, has not made payments, not subject to dispute, within the due dates and such default has not been remedied within thirty (30) days of the Consultant's written notice thereof to the Client or Sida, ii) or if the Client is in material breach of contract and has not remedied the same within thirty (30) days of the Consultant's written notice thereof to the Client.

In case the Contract is terminated in accordance with 1) ii) above, the Consultant is entitled to indemnification.

The notice of termination shall be sent to the Client with a copy to Sida.

§ 23 Extension of the Contract

The Parties may agree that the Contract shall be extended twice with unaltered conditions for a period of twelve (12) months for each extension. The extension shall be made in writing and signed by both Parties while the Contract is still in force. The extension shall not become effective until Sida's written "no objection" has been obtained. The Consultant is not entitled to any compensation, should an extension not be agreed.

§ 24 Effectiveness of the Contract

The Contract shall enter into force after Sida's written "no- objection" to the Contract and after the Contract has been signed by the Parties, and, if applicable, after Sida has signed the undertaking referred to in the above article named "Mode of Billing and Payment". The Contract shall remain in force until **<date>**.

Bank Guarantee for Advance Payment

_____ [Bank's Name, and Address of Issuing Branch
or Office]

Beneficiary: _____ [Name and Address of Client]

Date: _____

ADVANCE PAYMENT GUARANTEE No.: _____

We have been informed that [name of Consulting Firm] (hereinafter called "the Consultants") has entered into Contract No. [reference number of the contract] dated [insert date] with you, for the provision of [brief description of Services] (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum of [amount in figures] ([amount in words]) is to be made against an advance payment guarantee.

At the request of the Consultants, we [name of Bank] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [amount in figures] ([amount in words])¹ upon receipt by us of your first demand in writing accompanied by a written statement stating that the Consultants are in breach of their obligation under the Contract because the Consultants have used the advance payment for purposes other than toward providing the Services under the Contract.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the Consultants on their account number _____ at [name and address of Bank].

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Consultants as indicated in copies of certified monthly statements which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of the monthly payment certificate indicating that the Consultants have made full repayment of the amount of the advance payment, or on [date]² whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

¹ The Guarantor shall insert an amount representing the amount of the advance payment and denominated either in the currency(ies) of the advance payment as specified in the Contract, or in a freely convertible currency acceptable to the Client.

² Insert the expected expiration date. In the event of an extension of the time for completion of the Contract, the Client would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Client might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Client's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

Section 5. Terms of Reference

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458.

[signature(s)]

Note: All italicized text is for indicative purposes only to assist in preparing this form and shall be deleted from the final product.

Annex1: Sida Procurement Guidelines (SPG)

Sida Procurement Guidelines (SPG)

The purpose of SPG is to define the procurement policies and rules to be applied by Co-operation partners or by Sida in Sida financed operations. A prerequisite for applying SPG as regulatory framework is however the existence of an agreement between the governments of Sweden and the country of the co-operation partner or between Sida and the co-operation partner.

June 2004



Swedish International Development Cooperation Agency
Division for Legal Services and Procurement Advice

TABLE OF CONTENTS		Page
1	INTRODUCTION.....	3
2	PRINCIPLES AND CONSIDERATION	5
3	PROCUREMENT METHODS AND COMMON RULES APPLICABLE TO ALL CONTRACTS.....	8
4	PROCUREMENT OF GOODS AND WORKS.....	14
5	PROCUREMENT OF CONSULTANT SERVICES.....	18
6	SIDA’S REVIEW OF PROCUREMENT DECISIONS	25

1 INTRODUCTION

1.1 Preamble

These Procurement Guidelines (SPG), enters into force on June 1, 2004 and will thereby replace the previous version of the Procurement Guidelines⁸.

The SPG serve as an instrument for undertaking efficient and sound procurement in projects/programmes financed by Sida, whilst at the same time ensuring a strong degree of transparency, fairness and integrity in the procurement and contract management process.

In terms of guiding principles and basic tendering procedures, these SPG essentially follow the World Bank and The European Bank for Reconstruction and Development's (EBRD) Procurement Guidelines, the European Directives on public procurement, and consequently also the Swedish Public Procurement Act (LOU), as well as the World Trade Organisation (WTO)/Government Procurement Agreement (GPA). If a question is raised how to interpret SPG in matters not addressed in SPG, a comparison with LOU shall be done. If there exists an established LOU legal interpretation for a corresponding situation, this interpretation shall be also be applicable for SPG.

1.2 The Purpose

These Sida Procurement Guidelines (SPG) set out the procurement policies and rules to be followed in Sida-financed operations, when so agreed in the Agreement, for contracts covering goods, works and consultant services between Sida and the Co-operation Partner.

Sida adopts a variety of financing and co-operation instruments in its development co-operation assistance. Those instruments should, whenever appropriate, address the procurement issue as well as define the relevant procurement policy framework and the specific provisions to be applied for the procurement of contracts subject to Sida- financing.

Unless Sida has otherwise agreed, procurement shall not be initiated before there is an effective Agreement concluded between Sida and the Co-operation Partner.

1.3 Definitions and Terminology

For the purpose of clarity and simplicity these SPG apply the following definitions:

- a) The term **Co-operation Partner** is used throughout the SPG as a common expression for the party, which enters into the Agreement with Sida and is thereby responsible under the Agreement for the correct application of these SPG.
- b) Sida's **Representative** is the common expression for a staff member of Sida's organisation who is granted the authority to issue a "no objection" in respect of the various steps and components in the procurement and contract administration process.
- c) With **Firms** means all suppliers of goods, works and services.

⁸ SPG was first adopted on 24 September 2002 by the Director General of Sida and entered into force on 15 January 2003. The present revision was adopted in May 2004.

- d) **Agreement** is used throughout the SPG as a common expression for the various financing and co-operation agreements and instruments applied by Sida in its development co-operation work.
- e) The term “**No objection**”, whenever used in the SPG, constitutes Sida’s written communication to the Co-operation Partner that Sida’s review of tendering procedures and contract management concludes that agreed procedures have been followed as required by SPG and the Agreement.
- f) “**Procurement**”: the purchase, leasing, rental or hire-purchase of goods, works or services.
- g) with “**Contract document** means the basic documentation for either “Tender Dossier” (services) or “Tender Documents” (goods and works).

These SPG apply British English terminology using terms and expressions that are based on the vocabulary practised within the EBRD and WTO/ Government Procurement Agreement (GPA). Co-operation Partners are requested to use the same terminology in procurement documentation to be used for prequalification or tendering.

1.4 Applicability of the SPG

Subject to an effective Agreement established with the Co-operation Partner, these SPG, unless otherwise agreed, shall be applied in the following circumstances:

- a) The Co-operation Partner undertakes the procurement and is the party to the contract;
- b) The Co-operation Partner is the party to the Agreement, but another entity under a sub-agreement with the Co-operation Partner undertakes the procurement and concludes the contract;
- c) The Agreement specifies that Sida may undertake procurement and conclude contracts subject to financing under the Agreement for the purpose of efficiently serving or monitoring the project.

1.5 When Sida applies the SPG

With reference to Clause 1.4 Applicability para c), Sida shall apply these SPG, when so agreed in the Agreement, on the same condition as the Co-operation Partner but with the following exceptions:

- The word Co-operation Partner shall be replaced by Sida where applicable
- Clause 2.2 second paragraph on eligibility will not apply
- Clause 2.7 Procurement Secrecy and 5.13 on Confidentiality will not apply since the Swedish Secrecy Act will apply;
- Clause 3.14, second paragraph on Pre-Tender meeting will not apply;
- Clause 3.16.1 and 3.16.2 on Tender Opening: (b) will apply and (a) will not apply.
- Clause 3.14 fourth paragraph on Submission of tenders in separate envelopes is optional for Sida
- Clause 3.19 regarding Appeal will not apply
- Section 6 regarding Review of procurement decisions will not apply

2 PRINCIPLES AND CONSIDERATION

2.1 Basic Principles

Open and fair competition is the foundation for good procurement practice. In addition to economy, efficiency and to ensure that procurement decisions are based on commercial grounds only, Sida requires transparency and accountability in conjunction with the use of its financing of projects and programmes. This will affect the choice of procurement method and the documents and procedures that are used and Sida, therefore, requires its Co-operation Partners and own organisation, in all appropriate cases, to undertake the procurement of goods, works and services through competitive tendering procedures in accordance with the rules outlined in these SPG.

2.2 Eligibility

Procurement of goods, works and services for contracts financed by Sida shall be open to all firms and individuals from any country.

Where another rule on eligibility restricting participation is considered for a certain project or contract as a result of a decision by the Swedish government, the applicable rule should be clearly addressed in the Agreement. The relevant eligibility rule to be applied should also be stated in the invitation to tender or to prequalify (Letter of invitation or/and publication notice) irrespective of the procurement method used.

Sida shall not finance a contract or make payment to firms or individuals that are prohibited from participation by any act taken in compliance with a decision of the United Nations (UN) Security Council taken under Chapter VII of the Charter of the UN

2.3 Co-operation Partner Responsibilities

Co-operation Partners are responsible for implementing Sida financed projects and contracts, including all aspects of the procurement process from the stage of planning through to the award of contracts, as well as the administration of the contracts themselves.

The rights and obligations of the Co-operation Partner vis-à-vis tenderers for goods, works and services to be furnished will be governed by the tender documents issued by the Co-operation Partner and not by these SPG.

2.4 Sida Responsibilities

Sida conducts reviews, in accordance with Section 6 Sida's Review of Procurement Decisions, to ensure that the tendering process has been carried out in accordance with agreed procedures, as required in the Agreement. Sida is responsible for procurement contracts concluded by itself.

If at any time in the procurement process (even after the award of contract) Sida concludes that the agreed tendering or contract administration procedures were not substantially followed in any material respect, Sida may declare that the contract is no longer eligible for financing. Sida will also declare a contract ineligible for financing if it determines that its "no objection" was based on incomplete, inaccurate or misleading information furnished by the Co-operation Partner.

2.5 Ethics in Procurement

It is a requirement of Sida that the Co-operation Partners, as well as tenderers, suppliers, contractors, and consultants under Sida-financed contracts observe the highest standards of ethics during the procurement and execution of such contracts. In pursuance of this policy, Sida requires that all parties concerned take measures to ensure that contracts and purchase orders relating to Sida financing are not used as devices for the transfer of gifts, payments or other benefits to public officials and/or procurement management/staff members with decision making responsibility or influence.

For the purpose of this provision, the terms set forth below shall have the following meaning:

"corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official, or the threatening of injury to person, property or reputation in connection with the procurement process or in contract execution in order to obtain or retain business or other improper advantage in the conduct of business; and

"fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Co-operation Partner and includes collusive practices among tenderers (prior to or after submission of tenders) designed to establish prices at artificial, non-competitive levels and to deprive the Co-operation Partner of the benefits of free and open competition.

Sida reserves the right where a Co-operation Partner, firm or individual has been found by a judicial process, or an official enquiry undertaken by any of the IFI (International Financial Institutes) or bilateral donors, or by an independent review of Sida, to have engaged in corrupt or fraudulent practices to cancel all Sida financing for such Co-operation Partner, firm or individual. In a contract financed by Sida, a provision shall be included requiring firms or individuals to permit Sida to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by Sida.

2.6 Conflict of Interest

No affiliate of the Co-operation Partner shall be eligible to tender or participate in a tender in any capacity whatsoever unless it can be demonstrated that there is not a significant degree of common ownership, influence or control between the Co-operation Partner and the affiliate.

Where a firm, its affiliates or parent company, in addition to consulting, also has the capability to manufacture or supply goods or to construct works, that firm, its affiliates or parent company normally cannot be a supplier of goods or works on a project for which it provides consulting services and vice versa, unless it can be demonstrated that there is not a significant degree of common ownership, influence or control. The only exceptions would be turn-key, single responsibility, public works concessions or similar undertakings where design, supply and construction activities are an integral part of the contract or where certain critical items of equipment are an essential part of the process design.

A tenderer may submit or participate in any capacity whatsoever in only one tender for each contract. Submission or participation by a tenderer in more than one tender for a contract (other than alternatives, which have been expressly permitted or requested by the Co-operation Partner) will result in the disqualification of all tenders for that contract in which the party is involved. However, this does not limit the inclusion of the same subcontractor in more than one tender.

Consultants shall provide professional, objective and impartial advice and at all times hold the Co-operation Partner's interests paramount, without any consideration for future works, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants or any of their affiliates shall not be engaged for any assignment which, by its nature, may be in conflict with another assignment of the consultant. Sida may accept the participation of a consultant in a tender that has been engaged in the preparation of a project if it can be demonstrated that no unfair advantage is given to the consultant and that the tendering process offers equal opportunities to all tenderers.

2.7 Procurement Secrecy

The procurement process, generally, is confidential from the time of receipt and opening of tenders to the notification of the award. The handling of the issue of confidentiality may differ depending on whether it is the Co-operation Partner who undertakes the procurement or Sida itself. The invitation to tender or the instructions to tenderers shall state the applicable rule for the specific tender.

2.8 Green Procurement – Environmental considerations

The sustainable use of natural resources and the protection of the environment belong to the fundamental objectives of Swedish development cooperation.

The Co-operation Partner shall give preference to environmentally sound products and/or services⁹ and shall follow the requirements stated in Sida's Policy for Green Procurement for Co-operating partners¹⁰ and where appropriate, special requirements stipulated in the Agreement. Environmental demands shall be clearly stipulated in the tender documents.

Procurement undertaken by Sida shall also take into consideration the environmental demands stated in the Guideline for Ecologically Sustainable Public Procurement which is a tool developed by The Committee for Ecologically Sustainable Procurement¹¹.

2.9 Social Considerations

Sida requires Co-operation Partners and tenderers to respect and safeguard human rights as defined in the Conventions of International Labour Standards of ILO (International Labour Organisation)¹².

⁹ Such independent services that may not be procured in accordance with section 5.

¹⁰ www.sida.se/partnerpoint

¹¹ www.eku.nu

¹² Freedom of Association and Protection of the Right to Organize Convention, (No. 87 and 98), Forced Labour Convention, (No. 29 and 105), Minimum Age Convention, (No. 138 and 182), Equal Remuneration Convention, (No. 100 and 111)

3 PROCUREMENT METHODS AND COMMON RULES APPLICABLE TO ALL CONTRACTS

3.1 Procurement Planning

Sound and efficient planning of procurement is crucial for the successful outcome of a project. The Co-operation Partner must determine what goods, works and services, including such independent services that may not be procured under Section 5, are required to carry out the project, when they must be delivered, what standards and other considerations are needed, and which procurement and contracting procedure is most suitable for each contract. Sida's requirement of a procurement plan shall be specified in the Agreement.

I. PROCUREMENT METHODS

The following procurement methods, under the rules and conditions described below, shall be used in the procurement of contracts for goods, works and services, including consultant services that are financed by Sida.

3.2 Open Tendering

Open Tendering procedures are those procedures under which all interested firms are given adequate notification of contract requirements and all *eligible* tenderers are given an equal opportunity to submit a tender. The Co-operation Partner must give sufficient public notification of tendering opportunities for potential tenderers to determine their interest and to prepare their tenders. Open Tendering may be conducted with or without prequalification proceedings.

Open Tendering is the principal method for procurement when the individual contract value in Swedish Kronor (SEK) exceeds:

	<u>SEK</u>
Goods	2,000 000
Consultant Services	2,000 000
Works	10,000 000

Co-operation Partners are also encouraged to apply Open Tendering below the above thresholds, but may use other methods where the conditions specified further in this section are met.

3.2.1 Open Tendering with Prequalification

Co-operation Partners may require potential tenderers to prequalify when that is justified by the nature of the contracts and all tenderers that meet the prequalification criteria should be invited to submit tenders. The notification for prequalification and the evaluation procedure shall be consistent with those for Open Tendering in these rules. In the procurement of consultant contracts, the prequalification proceedings correspond to the request for "Expressions of Interest" and the short-listing of qualified firms. The prequalification criteria, which shall be specified in the prequalification documents or in the invitation to prequalify, shall be based entirely upon the capability and resources of the prospective tenderers to perform the particular contract satisfactorily and they shall be in the form of pass/fail criteria as regards contracts for goods and works.

Prequalification or shortlisting for consultancy services will use another methodology as further described in 5.9.

3.2.2 Negotiated Procedure

If no tenders or no appropriate tenders are submitted subject to a notification under open tender procedure, the Client may initiate a Negotiated Procedure without further publication of a Procurement Notice provided the contract terms originally laid down in the contract documents have not been substantially altered. Such procedure shall, with the exemption of notification, be carried out in accordance with the procedure stated for Open Tendering, and subject to “No-objection” from Sida.

3.3 Selective Tendering

Selective Tendering procedures are similar to those for Open Tendering, except that qualified firms are preselected for each tender and invited in writing by a direct invitation. In order to ensure sufficient competition, the number of invited tenderers, normally, should not be less than three (3) firms. A tender from a firm, which is not pre-selected, shall be treated in the same way as a tender from an invited firm.

Selective Tendering may be used for awarding contracts when the value of the contract is less than:

	<u>SEK</u>
Goods	2,000 000
Consultant Services	2,000 000
Works	10,000 000

Selective Tendering includes the preparation of a complete set of tender documents and the use of formal opening procedures.

3.4 Simplified Tendering

Simplified Tendering is a procedure where prospective tenderers are invited by direct invitation in writing and the formal requirements are less strictly set compared to the procedures for Open and Selective Tendering. It may be used when the contract value is less than:

	<u>SEK</u>
Goods	300 000
Consultant Services	300 000
Works	1,000 000

Simplified Tendering should be used in cases where a Co-operation Partner will carry out procurement for readily available off-the shelf items or products and services of a similar nature, and will include the following features:

- the invitation, normally to not less than three (3) firms,
- the tender and contract documentation can be prepared in a simple format;
- no public or formal opening of tenders is required;
- tenders can be submitted by fax or electronic mail.

3.5 Single Source Procurement/Selection

Single source procurement for goods or Single Selection for consultant services may be used in exceptional cases or when the contract value is less than:

	<u>SEK</u>
Goods	100 000
Consultant Services	300 000

Single source procurement, when the above thresholds are exceeded, may be justified in the following cases:

- a) The extension of an existing contract awarded in accordance with the procedures for Open or Selective Tendering for additional goods, works or services of a similar nature would clearly be economic and efficient and where no advantage would be obtained by further competition. In the case of a consultant contract, the contracts maximum value shall not exceed 50% of the original contract, unless otherwise agreed with Sida.
- b) A product or consultant services can only be provided by a single firm because of exclusive capabilities, exceptional worth for the assignment or proprietary rights;
- c) Standardisation with existing equipment is determined to be important and justified, and compatible goods cannot be provided by other suppliers;
- d) It is a case of extreme urgency not foreseeable or attributable to the Co-operation Partner.

II. OTHER RULES

3.6 Valuation of Contracts and Thresholds

For the purpose of determining the applicable procurement method, Co-operation Partners shall ensure that the estimation of the contract value is made correctly and cover all costs related to the specific contract, whether it is a so called one-off contract or a time-based contract for a certain period of time.

No procurement requirement for a given quantity or input of a contract may be split-up with the intention of avoiding the application of a formal procurement method.

3.7 Notification and Advertising

Timely notification of tendering opportunities is essential in competitive tendering. For this purpose, Sida requires Co-operation Partners under Open Tendering to publish invitations to prequalify or to tender and to make known the requirements to the public in the following manner:

- a) Whenever applicable, in at least one newspaper of national circulation in the country of the Co-operation Partner;
- b) The Co-operation Partner shall submit a "Procurement Notice"¹³ to Sida for publication.
- c) For large contracts, when so required by Sida, in one or more of the following publications; publication in the UN publication Development Business, the Tenders Electronic Daily (TED) of the Official Journal of the European Communities, and the DAC's Internet Procurement Bulletin Board. Publication of notices in international technical magazines and newspapers of wide circulation is encouraged.

¹³ www.sida.se/partnerpoint

The invitation to prequalify or tender may be sent by fax or electronic mail and shall contain all information necessary to guide the prospective tenderers about the requirements, the means and the cost, if any, of obtaining the tender documents, and the place and deadline for submission of tenders.

Only a nominal fee should be charged for the tender documents, solely to cover the costs of reproduction and of despatching the documents by courier.

3.8 Time Limits

Prescribed time limits for the preparation and submission of applications to prequalify or tenders shall be sufficient for all tenderers to prepare and submit applications or tenders. The following minimum time limits apply from the date of publication:

- a) Open Tendering with Prequalification
 - Prequalification/ "Expressions of Interest" 30 days
 - Submission of Tender 30 days
- b) Open Tendering 30 days
- c) Selective Tendering 30 days
- d) Simplified Tendering 15 days

For large and complex contracts, the time limits under Open Tendering should be extended considerably, normally to not less than 90 days.

3.9 Language

Tender documentation, including all published procurement notices, shall be prepared in English, French or Spanish. The chosen and governing language shall be stated in the Agreement between Sida and the Co-operation partner. In addition, the Co-operation Partner may prepare a further set of the tender documentation in other languages in order to assist local firms in tendering. However, the English, French or Spanish text and the interpretation thereof govern the tender documentation. A text in another language than the governing language is to be regarded only as a translation and as a guide to local firms.

3.10 Qualification of Tenderers

In tenders where a prequalification of tenderers has not been carried out, the Co-operation Partner shall assess the qualifications of a tenderer as part of tender evaluation in order to determine whether it is capable of performing a possible contract satisfactorily.

The qualification of tenderers may be undertaken as a post-qualification in the final step of the tender evaluation for goods and works. Alternatively, the assessment of tenderer qualifications may take place during the preliminary examination of tenders. The qualification of tenderers for consultant contracts should always be undertaken before the detailed technical evaluation of tenders is initiated.

The tender documents for goods and works and the tender dossier for consultant services should state the minimum qualification requirements that have to be met by the tenderers in order to qualify for the award of contract. Such minimum requirements may cover the following aspects, as appropriate:

- a) Necessary professional, technical and organisational capacity, financial resources and other required facilities to perform a contract;

- b) Proven experience, including the satisfactory completion of similar contracts;
- c) Legal capacity to enter into a contract.

To satisfy itself that the firms are qualified in accordance with the criteria referred to in the above section, the Co-operation Partner may, as appropriate, require the tenderers to provide the necessary documentary evidence or other information it may deem useful. The requirements specified shall be relevant for the particular procurement and be based on objective grounds. References shall, where possible, be made to European or international standards, such as EN 2900 and ISO 9000.

Consequently, the evaluation of the qualifications of the tenderers must be carried out in accordance with the criteria and procedures laid down in the tender documents, and nothing else.

3.11 Grounds for Disqualification

A firm may be excluded from the evaluation and the award of a contract, who:

- f) is bankrupt or is being wound up, whose affairs are being administered by court, who has entered into an arrangement with creditors, who has suspended business activities or who is subject of an injunction against running business by court;
- g) is the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by court, or for an arrangement with creditors or of any other similar proceedings;
- h) has been convicted of an offence concerning his professional conduct by a court;
- i) has been found guilty of grave professional misconduct;
- j) has not fulfilled obligations relating to payments of taxes or social security contributions.

3.12 Verification of Qualifications

In addition to the verifications necessary to determine a firm's qualifications according to the various requirements set out above, prior to contract award, the Co-operation Partner, unless deemed unnecessary, shall ensure that a tenderer meets formal requirements as stipulated under national law. A tenderer would normally be required to include in its tender evidence that it:

- e) is registered by a national Registrars of Companies and a Trade Association (Patent och Registreringsverket, PRV or a corresponding national official register for non-Swedish firms);
- f) is registered for declaration and payment of value added tax or a similar sales tax in accordance with national legislation;
- g) has declared preliminary taxes for staff and employee contributions; and
- h) is free from debts regarding taxes and social security contributions.

In case of a request to the tenderer for the information referred to above, it shall be stated in the tender document/tender dossier, the procurement notice or letter of invitation in what

manner the tenderer must provide such information. Failure to furnish such information may be a ground for rejection.

A firm not registered by the PRV or by a corresponding national official register as well one not registered for declaration and payment of value added tax in accordance with national legislation will be excluded from participation in the tender proceedings.

3.13 Clarifications

3.13.1 Clarification of Contract Documents

Tenderers shall have the right to seek clarifications on any aspect of the Contract documents and receive responses from the Co-operation Partner in good time before the deadline for submission of tenderers, normally not less than 14 days prior to the deadline. The responses prepared by the Co-operation Partner shall be sent to all firms that have received the Contract Documents at the same time and without disclosing the names of the prospective tenderers.

3.13.2 Clarification of Tenders

The Co-operation Partner may also request clarification or amplification of a tender, if this can take place without risk of preferential treatment or limitation of competition.

The Co-operation Partner may also request for clarification or amplification of a certificate, written proof or other documentation that has been submitted as laid down in Clauses 3.10, 3.11 and 3.12

3.14 Submission of Tenders

Tenders shall be submitted in writing, unless otherwise determined by SPG. The Co-operation Partner shall allow enough time for the consultants to prepare their tenders. The time allowed shall depend on the assignment but shall never be less than the minimum time limits set out in Clause 3.8.

For more complex procurements, it may be appropriate to arrange a pre-tender meeting between the invitation and the deadline for submission. This should be stated in the invitation to submit tenders and all firms that have declared their intention to submit a tender shall be invited to attend.

If necessary, the Co-operation Partner may extend the deadline for submission of tenders. If such a decision is taken, the tenderers shall be informed of the decision to extend the deadline, not less than 7 days before the deadline for submission of tenders.

When the procurement relates to consultant services, technical and financial proposals shall be submitted at the same time but in separate envelopes.

3.15 Validity of Tenders

The period of validity of the tender should be specified in the tender documents and be sufficient to enable the Co-operation Partner to complete the evaluation of tenders and conclude a contract with the successful tenderer, including receiving Sida's "no objection" when so required. This would normally be in the range of 60 - 90 days. In exceptional circumstances, the Co-operation Partner may request the tenderers to extend the validity of their tenders, subject to Sida's "no-objection".

3.16 Tender Opening

3.16.1 Goods and Works

Tenders solicited under Open and Selective Tendering procedures for goods and works shall be received and opened under procedures and conditions guaranteeing the regularity of the opening as well as the availability of information from the opening. The following procedures will apply:

a) Tenders opened under procedures where the Co-operation Partner is responsible for the procurement.

h) At the time and place stated in the tender documents, the Co-operation Partner will open all tenders that have been received before the deadline for submission of tenders. Tenders shall be opened in the presence of the tenderers or their representatives that choose to attend. The name of the tenderers and the total price of each tender shall be read aloud and recorded when opened. Minutes of the tender opening shall be distributed to all tenderers that have purchased the tender documents as well as to Sida.

i) Sida shall have the right to nominate an observer to attend the meeting

A non-public procedure may be used by the Cooperation Partner for opening of tenders under Simplified Tendering and Single Source Procurement.

Tenders received after the deadline for submission will be rejected and returned unopened, see Clause 5.10, fourth paragraph.

b) Tenders opened under procedures where Sida is responsible for the procurement.

Opening of tenders shall be carried out in a non-public meeting the second day after the deadline for submission of tenders and all tenders shall be recorded in a protocol issued and signed by two persons appointed by Sida.

3.16.2 Consultant services

a) Tenders opened under procedures where the Co-operation Partner is responsible for the procurement

The technical proposals shall be opened as soon as possible after the closing time for the submission of the tenders by a committee of at least three officials in a non-public session. The financial proposals shall remain sealed until the technical evaluation has been completed and thereafter opened, provided they meet the minimum technical score, and recorded in accordance with the same procedure as for the technical proposals above. Tender opening minutes shall be prepared. Any tender received after the closing time for submission shall be returned unopened.

A non-public procedure may be used by the Cooperation Partner for opening of tenders under Simplified Tendering and Single Source Procurement.

b) Tenders opened under procedures where Sida is responsible for the procurement

Opening of tenders shall be carried out in a non-public meeting the second day after the deadline for submission of tenders and all tenders shall be recorded in a protocol issued and signed by two persons appointed by Sida.

3.17 Rejection of All Tenders

Rejection of all tenders shall only be done in exceptional circumstances. It may be justified when there is a lack of effective competition, where the budget is extensively exceeded, or where there is a lack of responsive tenders.

3.18 Joint Ventures

The formation of joint ventures is allowed in tendering for Sida-financed contracts when so stated in the pre-qualification or Contract Documents. Any tender shall be signed by all partners of the joint venture, so as to legally bind all partners, jointly and severally, and any tender shall be submitted with a copy of the joint venture agreement providing for joint and several liability with respect to the contract, including the nomination of the lead firm of the joint venture. The Co-operation Partner may request the successful joint venture tenderer to establish a special judicial form as a condition for contract execution.

3.19 Appeal

Tenderers with the view they have been harmed by an error or irregularity during the award process may file a complaint with the Co-operation partner directly.

The Co-operation Partner shall immediately inform Sida of such complaint and must respond to the complainant within a reasonable time as well as send a copy to Sida.

If the outcome of above procedure does not satisfy the complainant, the tenderer may have recourse to procedures established under the Co-operation partner's national legislation.

4 PROCUREMENT OF GOODS AND WORKS

In this section, a number of areas related specifically to the procurement of goods and works will be addressed including such independent services that may not be procured in accordance with section 5.

4.1 Tendering Procedures

The selection of procurement methods to be used in the procurement of goods and works are laid down in Section 3. Procurement methods and common rules applicable to all contracts, including the thresholds applicable for the various procurement methods and rules on advertising and time limits.

4.2 Tender Documents

The tender documents are the focal point in the tendering process and shall furnish all information necessary for a prospective tenderer to prepare a responsive tender for the goods and works to be provided. While the detail and complexity of these documents may vary with the size and nature of the tender package and contract, they generally should include:

- a) Invitation to Tender;
- b) Instructions to Tenderers;
- c) General and Special Conditions of Contract;
- d) Technical Specifications;
- e) Schedule of Requirements;
- f) Tender Form;
- g) Contract Form;
- h) Appendices.

Tender documents shall be drafted so as to permit and encourage the widest possible competition. They shall clearly define the scope of works, goods and associated services to be supplied, the rights and obligations of the purchaser and of suppliers and contractors, and the conditions to be met in order for a tender to be declared substantially responsive, and they shall set out fair and non-discriminatory criteria for selecting the winning tender.

4.3 Standards and Specifications

Standards and technical specifications referred to in tender documents shall promote and allow the broadest possible competition, while assuring the critical performance or other requirements for the goods and/or works under procurement. Co-operation Partners should use European (EN) and international standards (ISO) and specifications wherever these are available and appropriate. The use of performance related specifications are encouraged and may be appropriate to include when full comparability for evaluation purposes between the tenders can be achieved. The use of brand names and similar references should be avoided. If it necessary to quote a brand name of a particular manufacturer to clarify an otherwise incomplete specification, the words "or equivalent" shall be added after such reference.

4.4 Domestic Preferences

Sida does not allow the inclusion of domestic preferences for local firms in the tender documents for evaluation purposes.

4.5 Tender Securities

A tender security, in the amount specified in the tender documents, affording the Co-operation Partner reasonable protection against irresponsible tenders may be acceptable, but it shall not be set so high as to discourage tenderers and the amount would normally fall within the range of 2-5% of the estimated contract price.

4.6 Evaluation Criteria

The Co-operation Partner shall accepted either the tender, which is:

- a) the economically most advantageous in consideration of the given evaluation criteria, such as price, operating costs, quality, aesthetic and functional characteristics, service and maintenance, environmental impact etc. or
- b) the lowest price

Only one of these two evaluation principles may be given in the Contract Documents.

4.6.1. *The economically most advantageous tender*

Tender documents, in the relevant section of the Instructions to Tenderers, shall specify the relevant factors in addition to price to be considered in the tender evaluation and in the manner in which they will be applied for the purpose of determining the most advantageous tender. Factors, which may be taken into consideration, include, inter alia, the time of completion of the construction or delivery, the operating costs, the efficiency and compatibility of the equipment, and the availability of service and spare parts.

Factors other than price to be used for determining the most economically advantageous tender should be quantifiable and expressed in monetary terms, or where that is not practicable, given a relative weight in the evaluation provisions of the tender documents.

4.6.2. *Tender with the lowest price*

This method may be appropriate for goods and works of a standard or routine nature where well established specifications and standards exist. Under this method, a minimum of technical points for quality is established. Those tenders securing the minimum threshold are determined qualified. Thereafter the firm with the lowest price shall be selected.

4.7 Award of Contract

The Co-operation Partner shall award the contract to the tenderer whose tender has been determined to be substantially responsive and has been determined to be the most favourable tender, provided further that the tenderer is determined qualified to perform the contract satisfactorily. The award decision must be made in writing in an evaluation report and the report shall be distributed to all Tenderers.

4.8 Evaluation Procedure

The following steps and considerations should normally be followed and made in the examination and evaluation of tenders:

- a) Prior to the detailed evaluation, the Co-operation Partner will examine each tender to determine whether it is complete, the documents are properly signed, it is substantially responsive to the tender documents and any computational errors have been made;
- b) The Co-operation Partner may at this stage undertake an examination of the tenderer's qualifications in accordance with the qualification requirements specified in the tender documents in order to determine whether the tenderer is qualified to perform the contract satisfactorily. Alternatively, the determination of a tenderer's qualifications may be made when the evaluation is completed as a post-qualification of the tenderer whose tender has been determined the lowest evaluated;
- c) A substantially responsive tender is one that conforms to all the terms, conditions and specifications of the tender documents, without material deviation, reservation or omission. A material deviation, reservation or omission is one (i) which affects in any substantial way, the scope, quality or performance of the goods, (ii) which limits in any substantial way the rights and obligations under the contract, or (iii) the rectification of which would affect unfairly the competitive position of the other tenderers;
- d) The Co-operation Partner may waive any minor informality, non-conformity or irregularity, provided that such waiver does not prejudice or affect the relative ranking of any tenderer;
- e) If a tender is not substantially responsive, it will be rejected and may not subsequently be made responsive by any correction of the tender;
- f) The Co-operation Partner shall thereafter analyse the price and costs for those tenders determined substantially responsive, and the award shall be made to the tenderer that has submitted the most favourable tender

4.11 Negotiations

Negotiations on price are not permitted with tenderers prior to the award decision, other than in connection with Negotiated Procedure or single source procurement. Clarifications in writing in respect of a tender may be sought by the Co-operation Partner during the evaluation process.

In the course of concluding a contract with the successful tenderer, the Co-operation Partner may invite the winner for a meeting in order to discuss and agree on outstanding issues related to the contract to the extent that no substantial change is made to the basis on which the award decision was made.

4.10 Contract Models

Unless otherwise agreed, all contracts shall be concluded directly between the Co-operation Partner and the selected supplier or contractor. Co-operation Partners may use appropriate international contract models for the delivery of goods and works with associated services, such as the World Bank's sample contracts for goods and works as well as the various FIDIC (the International Federation of Consulting Engineers) contract formats appropriately adapted to Sida's requirements as set out in the Agreement.

5 PROCUREMENT OF CONSULTANT SERVICES

5.1 Introduction

The main concern when selecting consultants should be the quality of the services that are provided. The concept of quality in this context covers the entirety of factors subject to evaluation of the technical proposals, such as the qualifications of the consultant's team and the suitability of the approach and methodology indicated by the tenderer in its tender. The procedures for selecting consultants and contracting for their services should be competitive and transparent to ensure that assignments can be efficiently executed in a cost-effective way with high standards of performance, while providing the necessary degree of accountability.

5.2 Tendering Procedures

The selection of consultants will fundamentally rest on the same principles and basically follow the same procurement methods as laid down in Section 3. Procurement methods and common rules applicable to all contracts, including the thresholds applicable for the various procurement methods and rules on advertising and time limits. However, there are some significant features associated with the procurement of consultant services which generate the need to design and adopt special procedures to be used in order to ensure the quality of the firms to be retained as well as to secure the observation of requirements of objectivity and transparency in the evaluation and award of contracts. The term "Tender" as used in the following is normally composed of a Technical and Financial Proposal.

The following procurement procedures should be used:

a) Open Tendering with prequalification

This procedure should normally be used for large and complex consultant contracts where it is necessary to limit the number of tenderers for evaluation purposes.

The first step is the publication of an invitation notice where firms are invited to submit "Expressions of Interest" in order to establish a formal short list of qualified firms. The next step is to determine which firms are to be included in the short list based on the criteria stated in the invitation and thereafter invite those firms short-listed (in the range 3-6 firms) to submit a Tender based on the tender dossier issued by the Co-operation Partner.

b) Open Tendering

The invitation to tender, which may be combined, with a direct invitation of pre-identified firms, shall be made by the publication of a contract notice.

Since no formal short list is prepared, all eligible firms are invited to submit a tender. However, the invitation to tender and the tender dossier should state the minimum qualification requirements needed in order to determine which firms are qualified to perform the contract satisfactorily. Those firms not meeting the minimum qualification requirements will be rejected as non-responsive and excluded from further participation.

c) Selective and Simplified Tendering

This involves a direct invitation, normally not less than three firms chosen on objective grounds.

d) Single Source Selection

A qualified consultant firm or individual may be selected directly, when so justified (see Clause 3.5 Single source procurement/Selection), without the requirement to prepare a short list. The firm shall be asked to prepare a technical and financial proposal on the basis of a ToR furnished by the Co-operation Partner and acceptable to Sida, which may then be negotiated.

5.3 Selection and Evaluation Variants

The selection and evaluation of tenders will be conducted on the basis of the following variants which will govern the design of the tender dossier, in particular the instructions to tenderers with the application of the evaluation criteria and procedure, and the choice of contract conditions:

a) Quality and Cost- Based Selection (QCBS)

This process takes into account both the quality of the technical proposal and the cost of the services in the selection of a successful firm. The relative weight to be given to the quality and cost shall be determined for each case depending on the nature of the assignment. Quality must be measurable.

The budget and funds available for the assignment may be stated in the tender dossier, where appropriate.

Normally, Quality and Cost- Based Selection shall be the guiding basis for procurement of consultant services financed by Sida.

b) Least-Cost Selection

This method may be appropriate for assignments of a standard or routine nature (audits and engineering design of non-complex works, and so forth) where well-established practices and standards exist. Under this method, a minimum of technical points for quality is established. Those tenders securing the minimum threshold are determined qualified. Thereafter the firm with the lowest price shall be selected.

5.4 The Procurement Process

The procurement process for consultants under Open and Selective Tendering normally involves the following steps:

- a) Preparation of Terms of Reference (ToR) by defining the scope, objectives and deliverables, as well as determining the selection method and evaluation basis to be followed;
- b) Preparation of cost estimate and the budget;
- c) Preparation of the complete Tender Dossier normally comprising:
 - a. Invitation to Tender,
 - b. Instructions to Tenderers,
 - c. Terms of Reference (ToR),
 - d. Draft Contract;

- d) Advertising and/or the preparation of a short list of qualified firms (which varies with the selection method chosen);
- e) Receipt of Tenders (Technical and Financial Proposals);
- f) Evaluation of Technical Proposals;
- g) Evaluation of Financial Proposals;
- h) Preparation of complete Tender Evaluation Report;
- i) Negotiations and award of contract to the selected firm.

When Simplified or Single Source Procurement is used all the steps as listed in the above process are not needed.

5.5 Terms of Reference (ToR)

The ToR shall clearly and comprehensively describe the background, including objectives and scope of the project supported, the objectives, including intended longer-term effects, the scope of the assignment, the tasks to be performed and the time schedule for them, the deliverables, as well as the reporting requirements and other implementation arrangements.

Full harmonisation between objectives, tasks, deliverables and time schedule should be obtained.

The scope of the services described in the ToR shall be compatible with the available budget.

5.6 Cost Estimate (Budget)

Preparation of a realistic cost estimate is essential for the financial planning and Sida's allocation of resources to a project and for the specific assignment and contract. Costs shall be divided into two broad categories (a) fees and (b) reimbursables.

5.7 Tender Dossier

The Tender Dossier should furnish all information necessary for a prospective tenderer to prepare a responsive and competitive tender for the services to be provided. While the detail and complexity of these documents will vary with the size and nature of the proposed contract, they shall include:

- a) The Invitation to Tender which shall state the intention of the Co-operation Partner to enter into a contract for the provision of consulting services, the type of tendering method used, eligibility requirements, the source of funds (Sida), the details of the Co-operation Partner, any qualification requirements, the date, time and address for submission, and the required validity period of the tenders. The validity period shall be sufficient (normally 60-90 days) to enable the Co-operation Partner to complete the comparison and evaluation of tenders, and to allow for Sida's review and "no objection".
- b) The Instructions to Tenderers which shall contain all necessary information that would help the consultants prepare responsive tenders, and shall bring as much transparency as possible to the selection procedure by providing information on the evaluation

process and by indicating the evaluation criteria and factors and their respective weights and the minimum passing quality score.

- c) The Tender Dossier, which shall normally include a draft contract proposal, that takes into account the special conditions and provisions applicable under Sida financing. The Co-operation Partner may use Sida's Contract for Consulting Services¹⁴ or other appropriate international contract models, such as those issued by the World Bank or others acceptable to Sida. Any changes or amendments to the general conditions should be introduced as special conditions of contract, with the general conditions remaining unchanged.

5.8 Advertising

Invitations to tender for consultancy contracts shall be done in accordance with the notification and advertising rules and procedures laid down in Clause 3.7. Notification and Advertising.

In case no formal short list of consultants is prepared, as being the case under Open Tendering without prequalification, the invitation to tender instead shall state the minimum qualification requirements that will be applied to the tender. Tenderers that fail to meet these minimum qualification requirements will be excluded from further participation and evaluation.

5.9 Preparation of Short Lists of Consultants

The formal short-listing of qualified firms to be invited to submit a tender is the first step under Open Tendering with prequalification and requires the publication of a notice for "Expressions of Interest".

Formal short lists of consultants should normally include no less than three and no more than six qualified and experienced consultants.

All relevant expressions of interest and other information on consultants should be collected that would be considered for short-listing. The short-listing criteria should be worked out in advance, preferably in the form of short-listing grids. The three to six consultants having received the highest score then constitute the short list.

When the short-listed consultants have been invited to submit proposals, the other firms shall be informed in writing that they were not short-listed this time.

A short list of firms is also established in connection with the use of Selective Tendering and Simplified Tendering but without the publishing of an invitation notice. Instead, the short-listing will be based on market knowledge of qualified consultant firms and available lists of firms that have declared their interest with Sida or the Co-operation Partners to participate in tenders for certain areas of contracts.

¹⁴ see model at "Partner Point - Business Opportunities" - www.sida.se

5.10 Evaluation of Tenders under Quality and Cost- Based Selection

The evaluation of tenders shall be carried out in two stages: first the quality and then the cost. Evaluators of the technical proposals shall not have access to the financial proposals until the technical evaluation is concluded. Financial proposals shall be opened only after the technical evaluation has been completed. The combined evaluation of cost and quality shall be carried out in full conformity with the tender dossier.

The Co-operation Partner shall evaluate each technical proposal, taking into account several criteria such as: the consultant's experience, the quality of the methodology, the qualifications of key staff, and other factors as needed, all in accordance with the tender dossier. The Co-operation Partner shall further evaluate each proposal on the basis of its responsiveness to the ToR. A proposal shall be rejected at this stage if it does not respond to important aspects of the ToR or if it fails to achieve a minimum technical score as specified in the tender dossier. In the absence of a formal short listing of the tenderers, the Co-operation Partner shall conclude at this stage whether the tenderers meet the minimum qualification requirements as stated in the tender dossier.

At the end of the process, the Co-operation Partner shall prepare a technical evaluation report of the quality of the proposals. The report shall substantiate the results of the evaluation, describe the relative strengths and weaknesses of the proposals and indicate the technical scores of each proposal.

The Co-operation Partner shall open, under the procedures indicated above, the financial proposals of those proposals that met the minimum technical score, the other financial proposals to be returned unopened see Clause 3.16.1 a) and 3.16.2 b). The name of the consultant, the technical score, and the proposed total contract price (including fees and reimbursable costs) shall be recorded. The total score shall be obtained by weighting the quality and cost scores and adding them. The weighting principles for technical and financial merits shall be as specified in the tender dossier and, normally, the weight for cost shall be in the range of 20 – 40 points out of a total score of 100 points.

Evaluation procedures that include hearings or the presentation of tenders by the tenderers during this phase should not normally be practised, except for cases where it is determined necessary to conduct interviews with key members of the proposed team to determine their suitability for the positions.

The Co-operation Partner shall prepare a final evaluation report and the firm obtaining the highest total score shall be invited for negotiations.

5.12 Negotiations and Award of Contract

Negotiations may include discussions of the ToR, the methodology, staffing, Co-operation Partner's input, tax liability and special conditions of contract. These discussions shall not alter the original ToR or the terms of the contract, lest the quality of the final product, its cost, and the relevance of the initial evaluation be affected. The final ToR and the agreed methodology shall be incorporated as an attachment to the contract. Normally, proposed unit rates for fees shall not be negotiated, since these have already been a factor of selection in the cost of the financial proposal.

The selected firm shall not be allowed to substitute key staff, unless both parties agree. If it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified and the process continued with the next ranked firm. The key staff proposed for substitution shall have qualifications equal to or better than the staff initially proposed.

If the negotiations fail to result in an acceptable contract, the Co-operation Partner shall terminate the negotiations and invite the next ranked firm for negotiations. The Co-operation Partner shall consult with Sida before taking this step. Once negotiations are commenced with the next ranked firm, the Co-operation Partner shall not reopen the earlier negotiations.

Negotiations with all firms meeting the requirements on technical scoring are not acceptable.

The award decision must be made in writing in an evaluation report and the report shall be distributed to all unsuccessful Tenderers.

5.13 Confidentiality

Information related to evaluation of tenders and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the award of contract is notified to the successful firm, except as provided in the above paragraph.

Tenders and information concerning tenderers shall be regarded as classified until a contract has been signed or the procurement finalised in another fashion. The Co-operation Partner shall ensure that its employees, its consultants and their personnel and any other person involved respect the provisions regarding confidentiality set out in these SPG.

6 SIDA´S REVIEW OF PROCUREMENT DECISIONS

Sida reviews the procurement process for the procurement of goods, works and services with respect to its fiduciary responsibility to ensure that tendering and contract management are carried out in accordance with agreed procedures as required by Sida Procurement Guidelines and the Agreement. Sida will communicate the result of its review in the form of either a “no objection” or a statement that Sida is not in a position to issue a “no objection”.

1) *Sida´s prior review is mandatory in the following manner for all SPG procurements with a contract value over the threshold value SEK 500.000 unless otherwise agreed in the Agreement*

A. Goods and Works

- Prior to an invitation to prequalify or tender, the Co-operation Partner shall submit the complete draft set of prequalification or tender documents to Sida for its review;
- Use of Negotiated Procedure in accordance with 3.2.2;
- Prior to finalising a prequalification list or awarding a contract, a detailed prequalification or tender evaluation report setting forth the specific reasons on which the recommendation to prequalify or award the contract is based shall be submitted, to Sida for its review;
- The Co-operation Partner shall submit the draft final contract and any amendments to Sida for its review.

B. Consultant Services

- Prior an invitation to prequalify or tender, the Co-operation Partner shall submit the complete draft set of prequalification or tender documents to Sida for its review;
- Use of Negotiated Procedure in accordance with 3.2.2;
- Prior to finalising a prequalification list a detailed prequalification evaluation report setting forth the specific reasons on which the recommendation to prequalify is based shall be submitted, to Sida for its review;
- Prior to opening the financial proposal, a detailed technical evaluation report shall be submitted to Sida for its review;
- Prior to inviting a selected firm for negotiations, a complete tender evaluation report setting forth the specific reasons on which the recommendation to select the successful firm is based, shall be submitted to Sida for its review;
- The Co-operation Partner shall submit the final draft contract and any amendments to Sida for its review.

2) *In addition, Sida may require the following prior review actions regarding all types of contracts (goods, works and services):*

Section 5. Terms of Reference

- Use of Single source procurement;
- Extension of period of tender validity;
- Rejection of all tenders;
- The modification or waiver of the terms and conditions of a contract or granting a material extension of the stipulated time for performance or issuing any change.