

Terms of Reference

Consultancy Services for monitoring and quality assurance of the process of Development and Implementation of the Business Planning Model for Water Utilities

1. Introduction

Water Utilities are experiencing greater than ever pressure to improve their overall efficiency and cost-effectiveness. The industry is being regulated at an increasing tempo, while at the same time, funding is becoming more difficult to come by. Water Utilities are left with little choice – as a minimum they will have to improve the quality and reliability of the water they supply; more likely they will be required to become less dependent on external funding and eventually self-sufficient and economically viable.

This is not an easy task with many Water Utilities having an infrastructure that has suffered from years of neglect, with supply systems that have been allowed to deteriorate due to an acute shortage of funds, inefficient over-regulation and/ or mismanagement.

To assist Public Utilities a project titled "Asset management for water and sanitation sector in South-East Europe", funded by the German Ministry of Economic Development and Cooperation (BMZ) and the Government of Switzerland, is implemented by GIZ (ORF MMS) and the Network of Associations of Local Authorities of South-East Europe (NALAS).

The project is focused on introduction of Asset Management methods in order to improve efficiency and transparency in managing water and sanitation infrastructure in SEE, and is implemented within the network of NALAS in Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia.

As part of the project, a Business Planning tool will be developed as a Decision Support tool to enable the Municipalities/ Funding organisations to assess the performance and sustainability of the Public Utility's future operation, including its ability to repay loans, as a result of implementing an Investment Plan made up of interventions proposed through carrying out effective Integrated Asset Management.

To carry out the proposed Investment Plan the Utility will require funding and to be able to raise such funding it should be able to formulate a detailed Business Plan that will convince funding institutions that the Utility's operation is/ will become sustainable and will be able to repay its debts. Such a Business Plan will require input from information on (a) current operations (tariff structures, revenue breakdown, operational costs (fixed & variables) breakdown, debts & repayment schedules, financial statements), (b) from the proposed Investment Plan (c) as well as from other Utility operations such as water auditing and demand forecasting.

NALAS has contracted a Regional IT Company to develop and implement the Business Planning Model for Water Utilities. For assuring the quality of the services delivered by the Regional IT Company, a Consultant with relevant experience and expertise has to be hired to provide additional expertise required for monitoring and controlling of the quality of the provided services.

Therefore, NALAS (hereinafter the Client) invites Companies with relevant experience and expertise to submit proposal for provision of Consultancy Services for monitoring and quality assurance of the process of Development and Implementation of Business Planning Model for Water Utilities.

2. Aim of the Assignment

The objective of the assignment is monitoring and quality assurance of the process of designing, developing and piloting of a comprehensive "Business Planning Model for Water Utilities" that will assess the performance and sustainability of a Water Utility based on its current condition and the effect of various interventions to be carried out through a proposed Investment Plan.

The output includes developed conceptual model and appropriate ICT solution implementing that model in accordance to the ToR for Development and Implementation of the Business Planning Model for Water Utilities and the proposed approach from the Regional IT Company. Several iterations between the initial concept and final products to address feedback and lessons learned from the pilots are foreseen.

3. Assignment Duration

The Consultant will be engaged in the period October 2015 - May 2016 in total of up to 30 working days.

4. Responsibilities and tasks of the Consultant

In the period defined by this ToR, the Consultant will provide technical assistance to the Project Management by delivering the following services:

Activity	Experts days (up to)
<p>1. Preparatory talks with the NALAS staff, the GIZ project staff and the Regional IT Company, referring to clarification of background and target groups, discussion of expectations, roles, tasks and deliverables, and to coordination regarding time planning.</p> <p>The study of relevant documents that includes careful study of the ToR for Development and Implementation of the Business Planning Model for Water Utilities and the proposed approach from the Regional IT Company, as well as, familiarisation with the products already developed within the project: Municipal AM Toolkit, International and Regional Reports on AM Practices.</p> <p><i>Related outputs / deliverables and period of implementation:</i> A brief inception report compiling the main findings of the preparatory talks and the study of documents (October 2015).</p>	2
<p>2. Provision of the overall monitoring and quality assurance of delivered services of the Regional IT Company for Development and Implementation of the Business Planning Model for Water Utilities in accordance with the ToR for Development and Implementation of the Business Planning Model for</p>	16

<p>Water Utilities and the proposed approach from the Regional IT Company. The Model is planned to be developed and implement through the following phases:</p> <ul style="list-style-type: none"> - Model and ICT System Specification and Approval; - System Development; - System Testing on Pilot Data; - System Acceptance; - System Installation and Training; - Model Implementation in Public Utilities. <p><i>Related outputs / deliverables and period of implementation:</i></p> <ul style="list-style-type: none"> - Model and ICT System Specification assessed, commented and approved (October 2015); - Monitoring of the ICT System development process, comments and feedback provided (October 2015 – January 2016); - Process of system testing commented and approved (December 2015 – January 2016); - ICT System assessed, approved and accepted (February 2016); - Process of ICT system installation and training assessed, commented and approved (February 2016); - Model process implementation monitored and Pilot reports assessed and approved (February – April 2016); - Monitoring and quality assurance activities documented and reported to NALAS (October 2015 – May 2016). 	
<p>3. Take active participation at the project coordination meetings and events, to provide ICT expertise and opinion, guidance and recommendations.</p> <p><i>Related outputs / deliverables and period of implementation:</i> Meeting minutes and narrative reports from the events (with conclusions and recommendations) (October 2015 – May 2016).</p>	7
4. Unexpected activities	4
<p>5. Preparation of the Assignment Report</p> <p><i>Related outputs / deliverables and period of implementation:</i> Narrative Assignment Report submitted to NALAS (May 2016)</p>	1
Total expert days (up to)	30

The distribution of the working days per activities is presented approximately according to the current planning.

Naturally, a lot of communication and coordination loops are required to undertake the assignment and to carry out the above mentioned set of activities in an aligned manner. Therefore, the Client takes flexible communication and coordination for granted.

5. Instructions to Bidders

5.1 General

5.1.1 The Client reserves the right to modify the terms of the ToR at any time at its sole discretion.

5.1.2 The cost of preparing a proposal and of negotiating a contract, including trips is not reimbursable as a direct cost of the assignment. Short-listed proposals may be asked to make a presentation to the Evaluation Committee, which will be solely at the bidder's expenses.

5.1.3 The Company is requested to hold the proposal valid for 30 days.

5.1.4 The Client may not necessarily accept any proposal. At its sole discretion, the Client reserves the right to reject any or all proposals received and to accept any proposal which it considers advantageous, whether or not it is the lowest priced proposal. The Client is not under any obligation to award a contract, and reserves the right to terminate the request for proposal process at any time, and to withdraw from discussions with all or any of the Companies who have responded. The Client reserves the right to accept the proposed offer in total or in part, to reject any or all offers, to waive any minor informalities, irregularities, or technicalities, and to accept the offer deemed most favourable to the Client.

5.1.5 The Language of the proposal and all correspondence is English.

5.1.6 The Financial Offer must be presented in EUR.

5.2 Preparation of Proposal

5.2.1 The following format and sequence should be followed in order to provide consistency in Companies' responses and to ensure each proposal receives full and fair consideration. All pages should be consecutively numbered.

- a) Cover Page, showing Company's name, address and contact information;
- b) Up to one page Letter of Introduction, signed by an authorized signatory;
- c) Table of Content, including page numbers;
- d) Presentation of the Company and its suitability for the assignment;
- e) A Company Reference List (with references' names and contact details) with at least 3 similar tasks conducted;
- f) Detailed CV of the expert proposed to execute the assignment, along with his/her current employment status with the Company or in case of proposing external expert a pre-contract document specifying availability of the proposed expert;
- g) Appropriate IT- related certification of the proposed expert;
- h) Documents confirming the financial capability of the Company;
- i) A document for registered activity as evidence that the Company is registered as a legal entity for performing the activity related to the subject of the Services or evidence that belongs to appropriate professional association in accordance with the regulations of the country where the Company is registered;
- j) Financial offer that shall contain the total budget for executing of the assignment (per given requirements in chapter 3 and 4). The Financial Offer shall clearly show the expert fee per one working day. The prices should be stated in EUR (gross amount), VAT (or other applicable taxes) shown separately, following the specified Terms of Payment.

The list is not exhaustive, additional sections and further information can be provided by the Company.

5.2.2 Minimum organisation and consultancy requirements

A) Consulting Company

- At least 5 years experience in developing information systems.
- The Company has prepared/ executed at least 3 similar assignments.
- The experience of the Company in providing services for water and sanitation sector at local level will be considered as advantage.
- The Company has the necessary financial capacities, presented in the Company's annual financial report for 2014.

B) Staff

Senior ICT Expert

- A Bachelor degree in ICT, management or related fields;
- In-depth knowledge in the field or working experience in ICT software development (at least 7 years);
- Experience in designing and establishing a web-based database and web-based modules with more than 100 internal users (at least 3 relevant projects with similar scope);
- Experience in handling voluminous data (at least 3 relevant projects with more than 100 internal users);
- Sound knowledge and skills of data communications and software integration;
- Proven knowledge of web technologies such as HTML, XML, SQL, .NET and/or .PHP, and experience in working with GIS/GEO systems;
- Experience in development Server Solutions, procurement of hardware and software licenses;
- Strong writing skills including technical reports, general reports;
- Excellent command on both written and spoken English is essential;
- Experience in development of business planning software will be considered as advantage;
- Practical knowledge of asset management in the water and sanitation sector at the local level will be considered as advantage;
- Experience in donor funded projects related to local governments and public utilities, and working in international environment will be considered as advantage;
- Available to participate at regular coordination meetings in NALAS office in Skopje, Macedonia and willingness to travel within the project countries.

5.3 Submission & Evaluation of Proposals, Award and Contract

5.3.1 Closing Date and Location

To be considered, proposals must be received in electronic form not later than 25 of September (Friday) 2015, 16.00 (CET) at info@nalas.eu, with subject: **Offer for Consultancy Services for monitoring and quality assurance of the process of Development and Implementation of Business Planning Model for Water Utilities.**

5.3.2 Enquiries

This ToR can be downloaded from the NALAS websites at www.nalas.eu.

For any questions about the content of this ToR, please contact NALAS Project Manager, Mr. Miodrag Kolić at kolic@nalas.eu

5.3.3 Evaluation of Proposal

- 1) Evaluation of the proposals will be undertaken by NALAS Evaluation Committee.
- 2) The proposal will be evaluated for completeness as well as for conformity to system requirements and will receive a technical score.
- 3) The final score will be calculated based on the following criteria:
 - Company's capacities and relevance (30 %)

- Proposed expert's expertise and experience for fulfilling the tasks under this ToR (40 %)
- Financial offer (30 %).

5.3.4 Negotiations:

The Client reserves the right to negotiate specific terms of the contract with the short-listed companies prior to the final award of the contract. The Client intends to negotiate a contract with the Company, which secures the highest, overall weighted score as a result of the evaluation. Should it not be possible to finalize an agreement with that Company, negotiations will be terminated and the next highest rated Company will be invited. The Client also reserves the right to negotiate specific terms of the contract with the Company as the contract progresses.

5.3.5 Contract:

- 1) The Company appointed for the assignment shall be required to enter into a contract with the Client.
- 2) The Company must propose a schedule of payments that will be discussed and finalised at negotiations.
- 3) The Contract between the Client and selected Company will be signed under the Macedonian Laws.

5.3.6 Terms of Payment

The payment will be based on the actual number of working days (according to the submitted timesheet/s) invested for the development of each deliverable. The payment will be done upon submission and approval of the deliverables listed above, provided and approved timesheet/s and after submission of invoice.

The amount paid shall be gross and inclusive of all associated taxes relevant to the payment. All taxes obligatory under the Macedonian Law will be deducted and paid from the overall amount before transferring.

The assignment-related costs (travel and accommodation costs) will be covered by NALAS or reimbursed according to the NALAS reimbursement rules. All travels have to be endorsed by NALAS prior its realisation.

5.3.7 Reporting:

The selected Consultant shall provide a general Mission Plan that is to be reviewed and approved by the Project Manager, not later than 5 days after the signing of the contract.

A Final Mission Report with all related outputs shall be submitted to the Project Manager for reviewing and approval. The Final Mission Report with all related outputs, shall also state observations on problems/risks encountered and recommendations for improvements/additional activities/risks mitigation actions.

5.3.8 General:

- 1) All documents, including submitted proposals become the property of the Client. However, only the submissions by the successful Company will be used.
- 2) The decision of the Client regarding the choice of a Company is final and is not subject to appeal.
- 3) Once a contract has been awarded, the name of successful Company will be available to the public upon request.