



MINISTRY OF ENVIRONMENT AND ENERGY

MALE' REPUBLIC OF MALDIVES

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Development of procurement process based on life-cycle costing

[05th April 2018]

Prepared by:

Project Management Unit

Strengthening Low Carbon Energy
Island Strategies (LCEI) Project



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1. Introduction & Background

The Republic of the Maldives is highly dependent on imported fossil fuel to meet its energy needs. Further as a Small Island Developing State, it also relied on fossil-fuel based transport for the imports that provide the needs and wants of the population. As a result, the cost of energy generation and energy dependant appliances can be both high and unreliable, causing financial constraints on national budget and individual finances.

The existing policies and regulations lack provisions to encourage adoption of energy efficient design and the use or integration of efficient appliances, including incentives (or ‘push’) for existing building stocks to retrofit towards energy conservation and energy efficiency. The existing policies do not include energy efficiency guidelines or standards for building material and design, and building construction. Energy efficiency can be promoted under other names - good lighting, natural ventilation, preventing solar heat gain - to achieve EE outcomes. Although there is some awareness within the building design and construction industry of the basic design and construction methods for energy efficiency in buildings, there is room for substantial improvement through the preparation and implementation of guidelines, standards and possibly codes that focus on energy efficiency measures including energy efficient construction materials for new construction.

The Republic of the Maldives has strongly identified their intention to transition to a low carbon economy. As a result, many interventions have been proposed. On an economy-wide basis, the business as usual scenario for GHG emissions show a growth of 92% to 2.5 Mt CO₂-e by 2020, from the estimate of 1.3 Mt CO₂-e for 2009 (Carbon audit, conducted to IPCC standards in 2009). Electricity generation/consumption accounted for 82% of greenhouse gas emissions in the 2009 estimates. Electricity use and its associated diesel consumption is expected to grow strongly: from 79MW in 2010 to 117 MW in 2020, 48% in 10 years (SARI/Energy study). However, building sector projects focus on social housing and housing needs, not on the energy efficiency of these contributions

The Project “Strengthening Low Carbon Energy Island Strategies Project (LCEI)”, is designed with a goal of market transformation for energy efficient technologies in buildings and the built environment in the Maldives; and promotion of energy efficiency investments in buildings.

The project will not only target energy efficient technologies, but will also promote emerging low carbon energy technologies for the building sector.

LCEI Project is funded by the Global Environment Facility (GEF) and implemented by the MEE with support from UN Environment. The project aims to reduce greenhouse gas (GHG) emissions through energy efficiency in the building sector.

2. Objective

The objective of the assignment is to ensure that the government procurement process for energy consuming equipment are based on life-cycle cost in addition to initial cost.

3. Scope of Assignment

The scope of this assignment is to:

1. Review existing energy efficiency policy and public procurement process i.e. laws, regulations, guidelines etc. and propose necessary amendments to the energy efficiency policy and government procurement process for energy consuming equipment to ensure that the focus of that procurement is on life-cycle cost not on the initial cost.
2. Conduct a one day introductory workshop to government officials on life cycle costing in public procurement.
3. Draft the proposed amendments to the energy efficiency policy and procurement related laws, regulations and etc. which is needed to ensure that the procurement of energy consuming equipment are based on life-cycle cost in addition to initial cost. Where required, these should be developed in Dhivehi language.
4. In discussion with stakeholders and via cost benefit analysis, prioritize energy consuming equipment to which life cycle cost analysis will initially be applied in public procurement.
5. Develop a guide and simple tools for the prioritized equipment (minimum 3 equipment) for applying the life cycle costing method which the procurement officers can utilize. The guide must be prepared with appropriate visualizations and proper layout and design.

6. Based on the amended procurement processes, tools and guide, prepare, design and conduct a short training program on public procurement based on life-cycle cost targeted to be delivered to public procurement officers of government institutions. The course is targeted to be delivered in Dhivehi. The material must systematically cover the course material and which can be used for subsequent reference (copies of slides used, exercises, solutions, manuals, etc.). The manual must include an index where important key words can be looked up. The training materials will also include training brochures, reference materials, slides and other auxiliary training materials.
 - a. The training program must be developed in consultation with Civil Service Training Institute (CSTI), so that the program can be continuously conducted within CSTI's resources.
 - b. A training of trainers must be conducted for CSTI and trainers identified by CSTI
 - c. The training program must be conducted to the first batch (60 pax) of trainees.
 - d. The training material must be developed with appropriate visualizations and proper layout and design

4. Deliverables

Deliverable	Delivery Date*
1. Report on review and proposed amendments to the energy efficiency policy and public procurement process for energy consuming equipment to ensure that the focus of that procurement is on life-cycle cost not on the initial cost. 2. One day workshop on life cycle costing analysis in the procurement energy consuming equipment, targeted to procurement officers of government institutions	2 months
3. Report of the drafted amendments to the energy efficiency policy and procurement related laws, regulations and etc	4 months

4. Report of prioritized energy consuming equipment to which life cycle cost analysis will initially be applied in public procurement.	6 months
5. Guide for public procurement officers which includes the simple tools for procuring the prioritized energy consuming equipment	
6. Training program for public procurement officers on procurement focused on life-cycle cost analysis.	8 months
7. All finalized documents, training materials and report of all trainings conducted.	9 months

* **From the date of contract signing**

5. Duration of the Consultancy

Duration of the assignment is 9 calendar months upon signing the contract.

6. Reporting Requirements

Consultants are expected to work closely with the LCEI Project Management Unit (LCEI-PMU) of Ministry of Environment and Energy.

The consultants will report directly to LCEI Project Manager.

The consultants shall attend progress meetings once every 3 weeks with the LCEI-PMU. Team members in post(s) under [section 7](#) (Requirements for Experience and Qualification) must participate in the progress meetings. Team members in post(s) under [section 7](#) who are not in Maldives at the time of the meeting shall participate via Skype. Team members in post(s) under section 7 are required to be present in person for the following:

- Inception
- One day workshop (scope #2)
- Stakeholder consultations

For meetings held under this consultancy, the Minutes of Meeting must be provided to the LCEI-PMU within 2 days of the meeting.

7. Requirements for Experience and Qualifications

In executing this TOR, the proponent is expected to meet the following eligibility criteria and should provide CVs and commitment letters of team member(s) meeting the following requirements:

#	Post	Nos
1	National procurement expert (Team Leader)	1
1	Energy efficiency expert	1
2	Training expert	1

Details of any other support persons and positions must be included in Standard Forms 3 and 4.

1) National procurement expert (Team leader)

- Academic qualification
 - Must have Bachelor's degree in Economics, Finance, Business, Management, or any other related field; relevant higher qualification will score higher points
- Professional experience
 - Minimum five (5) years work experience
 - Sound knowledge and understanding of Government's Procurement Regulations/Act
 - Specific experience related to the Government procurement rules and regulation will be an added advantage
 - Must have demonstrated ability to write precise reports
 - Must have demonstrated experience and abilities to pro-actively lead and coordinate a team, including strong interpersonal skills with ability to multi-task and maintain effective work relationships with diverse range of institutional partners and undertake complex assignments.
 - Must demonstrate experience via samples of similar work previously conducted
 - Must have excellent speaking, reading, report writing and presentation skills in Dhivehi and English

2) Energy Efficiency Expert

- Academic qualification
 - Must have Bachelor's degree in Energy Economics, Energy Engineering, Business administration, or any other related field; relevant higher qualification will score higher points
 - Professional qualifications related to energy efficiency in buildings.
- Professional experience
 - Minimum five (5) year work experience
 - Must have demonstrated extensive experience on life-cycle costing
 - Must have experience in the application of life cycle costing in public procurement
 - Must have demonstrated involvement in the development of at least one procurement programme focusing on life-cycle costing.
 - Must have demonstrated experience and abilities to work well in a team, including strong interpersonal skills with ability to multi-task and maintain effective work relationships with diverse range of institutional partners and undertake complex assignments.
 - Must demonstrate experience via samples of similar work previously conducted
 - Must have excellent speaking, reading, report writing and presentation skills in English

3) Training Expert

- Academic qualification
 - A minimum of Bachelor's Degree in Education, Business Management, Finance, Energy, Climate Change, or a related area. Relevant higher qualifications will score higher marks.
- Professional experience
 - Demonstrated experience in developing short training programmes and training material in English and Dhivehi.
 - Demonstrated experience in developing training material and advocacy material in English and Dhivehi
 - Knowledge in energy efficiency and related greenhouse gas emission reductions is an asset
 - Must have experience in working with different stakeholders
 - Must have excellent presentation and report writing skills.
 - Must have excellent written and oral communication skills in both Dhivehi and English

8. Evaluation and comparison of proposals

9.1 Preliminary Examination

The Client will examine the proposals to determine whether they are complete, the documents have been properly signed and the proposals are generally in order, and all the documents stated in [Section 11 \(Application\)](#) have been included in the proposal.

Prior to the detailed evaluation, the Client will determine the substantial responsiveness of each proposal to the Terms of Reference (TOR).

If a proposal is determined as incomplete or as not substantially responsive, Client has authority to reject the proposal. Criteria for determining completeness and substantial responsiveness is given in [Annex 2](#).

9.2 Evaluation of Proposals

A two-stage procedure is utilized in evaluating the proposals.

The Technical Evaluation will be completed at the First Stage of the evaluation. The proposals which pass the minimum technical score of **80%** of the obtainable score of 1000 points in the technical evaluation will be considered in the Second Stage of the evaluation.

Financial Proposal will be evaluated in the Second Stage. The proposal with the Lowest Financial Quote (Fq) will get the maximum Financial Score (Sf) of 100 points. The Financial Scores (Sf) of the other Financial Proposals will be computed according to the following formula:

$Sf = 100 \times Fq / F$, in which Sf is the financial score, Fq is the Lowest Financial Quote received and F is the price of the proposal under consideration.

Proposals will be ranked according to the combined Technical Score (St) and Financial Score (Sf) using the weights (T = the weight given to the Technical Proposal; P = the Weight given to the Financial Proposal; T+P = 1) and will be computed according to the following formulae.

$S = St \times T\% + Sf \times P\%$, in which S is the combined score,

Where T% = 70% and P% is 30%

MEE reserves the right to undertake a post-qualification exercise aimed at determining to its satisfaction, the validity of the information provided in the proposal. Such post-qualification shall be fully documented and, among those that may be listed in the Annex 2, may include, but need not be limited to, all or any combination of the following:

- a) Verification of accuracy, correctness and authenticity of information provided by the proponent on the legal, technical and financial documents submitted;
- b) Validation of extent of compliance to the TOR requirements and evaluation criteria based on what has so far been found by the evaluation team;
- c) Inquiry and cross-checking with other previous clients on the quality of performance on ongoing or previous contracts completed;

9. Payment

Payments will be made in accordance with the schedule specified below:

	REQUIREMENT	ALLOCATION
1	<ul style="list-style-type: none"> Submission and acceptance of the Report on review and proposed amendments to the energy efficiency policy and public procurement process for energy consuming equipment to ensure that the focus of that procurement is on life-cycle cost not on the initial cost. Conduction of a one day workshop on life cycle costing analysis in the procurement energy consuming equipment, targeted to procurement officers of government institutions 	10%
2	Submission and acceptance of <ul style="list-style-type: none"> Report of the drafted amendments to the energy efficiency policy and procurement related laws, regulations and etc 	20%
3	Submission and acceptance of <ul style="list-style-type: none"> Report of prioritized energy consuming equipment to which life cycle cost analysis will initially be applied in public procurement. Guide for public procurement officers which includes the simple tools for procuring the prioritized energy consuming equipment 	20%
4	Submission and acceptance of <ul style="list-style-type: none"> Training program for public procurement officers on procurement focused on life-cycle cost analysis. 	20%
5	Submission and acceptance of <ul style="list-style-type: none"> All finalized documents, training materials and report of all trainings conducted. 	30%
Total		100%

10. Additional Information

The LCEI-PMU of MEE has overall responsibility for the management of the contract and contractual reporting obligations.

Documents and data provided by the government for the purpose of this assessment which is not of public nature shall be considered confidential and should not be disclosed to any other party.

All outputs and materials produced as part of this TOR shall be handed over to the LCEI-PMU at the end of the contract and will become the sole property of MEE.

Obtaining any necessary visa and documents are the responsibility of the proponent. MEE will only provide a visa facilitation letter if necessary.

For the workshops & trainings: invitations, catering and venue will be financed directly by the project. This cost should NOT be included in the price quotation.

11. Application

Registered entities under Maldives Inland Revenue Authority (MIRA) can apply for this consultancy

Interested international firms who are not registered under MIRA may apply to this consultancy service through local consultancy firms.

Proponent should submit their proposals containing the following (Standard forms provided in Annex 1):

- Completed proposal submission form ([FORM-1](#))
- Completed financial breakdown form ([FORM-2](#)).
- Brief description of the proponent and an outline of recent similar consultancy services provided along with references.
- A description of the approach, methodology and work plan for performing the assignment covering the following subjects: technical approach and methodology, work plan, and organization and staffing schedule. Guidance on the content of this section is provided in [FORM-3](#). The list of the proposed professional staff team, the positions they would be assigned, and their tasks ([FORM-4](#)). A summary of the work plan must be presented in the format in Work Schedule ([FORM -6](#)) showing in the form of a bar chart the timing proposed for each activity.
- Demonstrations of required experiences listed in this TOR along with detailed CVs of the experts signed by the expert themselves and **letter of commitment from each member to undertake the project** ([FORM -5](#)).

- Required experiences and other experiences relevant to this TOR must be specified separately or highlighted in their respective CVs.
- Copy of Company/Institution Registration
- Copy of GST Registration certificate issued from Maldives Inland Revenue Authority
- Tax Clearance Report issued from Maldives Inland Revenue Authority
- CD containing a soft copy of the proposal

12. Queries

For any queries please email to procurement@environment.gov.mv and CC to low.carbon@environment.gov.mv before 2359hrs on 11th April 2018. Answers will be provided to all the queries received before the deadline and will be made available via the Ministry website (www.environment.gov.mv) and Ministry Facebook page (<https://web.facebook.com/environment.gov.mv/>) on 12th April 2018.

13. Submission

Bid submission	On or before 24th April 2018 at 1100 hours local time
Bid opening	24th April 2018 at 1300 hours local time Proposals will be opened in the presence of the proponents' representatives who choose to be present at the address below at the time of proposal opening.
Submission instruction	Proposals must be delivered in sealed envelopes titled <i>“Do not Open Before (insert date and time of bid opening) - Development of procurement process based on life-cycle costing”</i> and the submitting party's name and address Electronic submission is not permitted. Late proposals will be rejected.
Submission address	Procurement Section Ministry of Environment and Energy Green Building, Handhuvaree Hingun, Maafannu Male', 20392, Republic of Maldives procurement@environment.gov.mv

ANNEX 1: STANDARD FORMS

1. STANDARD FORMS

FORM -1: PROPOSAL SUBMISSION FORM

[Location, Date]

To: [Name and address of Client]

Dear Sir/Madam:

We, the undersigned, offer to provide the **“Development of procurement process based on life-cycle costing”** in accordance with your Terms of Reference dated [Insert Date] and our Proposal. We are hereby submitting our Proposal; our financial offer is for the sum of **[Insert amount(s) in words and figures (Should quote the amount in Maldivian Rufiyaa)]** which is inclusive of the all applicable taxes.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

Proposal validity is for a period of **[Insert number of days, 60 days minimum]** days. If negotiations are held during the period of validity of the Proposal, we undertake to negotiate on the basis of the methodology and proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We undertake, if our Proposal is accepted, to initiate the services and fulfil the requirements of the terms of reference.

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

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: _____

Name and Title of Signatory: _____

Name of Company: _____

Address: _____

FORM-2: FINANCIAL BREAKDOWN

	Description	MVR
	Total :	
	GST/Applicable tax :	
	Total with GST/Applicable tax:	

Indicate the total cost with detail cost to be paid in Maldivian Rufiyaa.

Note: The total contract price should be quoted inclusive of Goods and Services Tax (GST) or any applicable Maldivian taxes as per the Tax Legislation and must be shown in the breakdown.

*For the workshops & trainings: invitations, catering and venue will be financed directly by the project. This cost should NOT be included in the price quotation.

FORM-3: DESCRIPTION OF APPROACH, METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

Technical approach, methodology and work plan are key components of the Technical Proposal. You are suggested to present your Technical Proposal divided into the following three chapters:

- a) Technical Approach and Methodology,*
- b) Work Plan, and*
- c) Organization and Staffing,*

a) Technical Approach and Methodology. In this chapter you should explain your understanding of the objectives of the assignment, approach to the services, methodology for carrying out the activities and obtaining the expected output, and the degree of detail of such output. You should highlight the problems being addressed and their importance, and explain the technical approach you would adopt to address them (including details of any instruments, software, technical formulae, and information files and file formats where applicable). You should also explain the methodologies you propose to adopt and highlight the compatibility of those methodologies with the proposed approach.

b) Work Plan. In this chapter you should propose the main activities of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by the Client), and delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing understanding of the TOR and ability to translate them into a feasible working plan.

c) Organization and Staffing. In this chapter you should propose the structure and composition of your team. You should list the main disciplines of the assignment, the proposed professional staff responsibility.

FORM-4: TEAM COMPOSITION AND TASK ASSIGNMENT

Name of Staff	Position Assigned	Task Assigned

FORM-5: Letter of Commitment

[*Date*]

[Company Name]

[Road Name]

Male'

Maldives

Re: Development of procurement process based on life-cycle costing , Ref no:

Dear Sir/Madam,

I am writing to confirm my availability to provide services as _____ to the **Development of procurement process based on life-cycle costing** for the Ministry of Environment and Energy between May 2018 and February 2019.

I undertake, if this proposal is accepted, to complete and deliver the whole of the services assigned to me in the scope of services.

I undertake, if this proposal is accepted upon receipt of the Ministry of Environment and Energy's notice, to commence performance of the services with due expedition and without delay.

Yours sincerely,

Name: _____

Passport /ID card No: _____

Date: _____

Signatory: _____

FORM-6: WORK SCHEDULE

[illegible]

ANNEX 2: EVALUATION OF PROPOSALS

<p>Criteria for Preliminary Examination of Proposals</p>	<p><u>Document pre check</u></p> <ol style="list-style-type: none"> 1. Proposal is received on or before the date and time specified 2. Proposal is properly sealed / un-tampered 3. Proposal bears the (i) name of the submitting entity and (ii) title of the Contract outside the envelope 4. Completed Form-1: Proposal Submission is included in the proposal 5. Completed Form-2: Financial Breakdown is included in the proposal 6. Completed Form-3: Description Of Approach, Methodology And Work Plan For Performing The Assignment is included in the proposal 7. Completed Form-4: Team Composition And Task Assignment is included in the proposal 8. Completed Form-5: Work Schedule is included in the proposal 9. Completed Form-6: Letter of commitment for all the experts as described in section 8 of the TOR is included in the proposal 10. Signed CVs of the key staff is included in the proposal 11. Minimum 60 days proposal validity provided 12. All the standard forms are included (i.e. no standard contents deleted, no reservations added) 13. Proponent's Profile (not more than 15 pages) 14. Copy of Company/Institution Registration 15. Copy of GST Registration certificate issued from Maldives Inland Revenue Authority 16. Tax Clearance Report issued from Maldives Inland Revenue Authority 17. CD containing a soft copy of the proposal <p><u>Technical pre check</u></p> <ol style="list-style-type: none"> 1. Is the proponent's understanding of the objective of the assignment explained? 2. Is the proponent's understanding of the objective consistent with the objective of the assignment? 3. Is the proponent's approach and methodology explained in detail? 4. Does the approach and methodology address the full scope of requirements of the assignment? 5. Are the problems being addressed through this assignment, identified and their importance explained? 6. Is there an explanation of the technical approach that the proponent will undertake to address the problems 7. Does the work plan include the main activities and their content of the assignment? 8. Does the work plan show phasing, interrelations and milestones of the activities, and delivery dates of reports? 9. Are the work plan and proposed approach and methodology consistent with each other and the TOR? 10. Is the structure and composition of the team explained?
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	11. Does the proposed team members' qualification and experience meet the minimum requirements? 12. Are the main activities and tasks assigned to members of required qualification/experience? 13. Are the tasks assignment and the proposed methodology consistent with each other? 14. Proposal is strictly for the full scope of requirements (i.e. partial offer is not allowed) 15. There are no exceptional conditions stated that are unacceptable to MEE
Criteria for Essential Eligibility/Qualification of key personnel	Refer to Section 7 of this TOR
<p>Note:</p> <p>1. If proponents do not meet any of the above listed criteria, their proposal may not be considered for further evaluation.</p> <p>2. Proponents meeting above listed criteria are required to submit evidences (details / documents) in support – otherwise proposal may be disqualified.</p>	

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable
1.	Proposed Methodology, Approach and Work Plan	50%	600
2.	Personnel	50%	600
	Total		1200

Technical Proposal Evaluation		Points Obtainable
Form 1		
Proposed Methodology, Approach and Work Plan		
1.1	To what degree does the proponent understand the task mentioned in this TOR?	100
1.2	Did the proposal address in sufficient detail the important aspects of tasks listed?	120
1.3	Are the different components of this TOR planned to be implemented in a cohesive manner?	100
1.4	Is the conceptual framework adopted appropriate for the task?	90
1.5	Is the scope of task well defined and does it correspond to the TOR?	90
1.6	Is the responsibilities of the key personnel addressed clearly in line with the methodology described	100
	Total	600

Technical Proposal Evaluation Form 2			Points Obtainable
Personnel			
2.1	National Procurement Expert (Team Leader)		200
	- Academic qualification	50	
	- Professional Experience	150	
2.2	Energy Efficiency Expert		200
	- Academic qualification	50	
	- Professional Experience	150	
2.2	Training Expert		200
	- Academic qualification	50	
	- Professional Experience	150	
	Total		600