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# TERMS OF REFERENCE

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## REQUEST FOR PROPOSALS:

INDEPENDENT SERVICE PROVIDER TO SUPPORT THE INDEPENDENT  
POWER PRODUCER PROCUREMENT OFFICE (IPP OFFICE) IN  
REVIEWING AND ESTABLISHING THE BEST FIT OPERATING MODEL AND  
STRUCTURE FOR THE IPP OFFICE.

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## 1. INTRODUCTION

The Department of Mineral Resources and Energy (DMRE), National Treasury (NT) and the Development Bank of Southern Africa (DBSA) established the IPP Office with the primary mandate to procure electrical energy from the private sector for renewable and non-renewable energy sources through the implementation of the Independent Power Producer Procurement Programme (IPPPP).

The IPP Office is also mandated to undertake Contract Management, Compliance Monitoring and Evaluation of the Implementation Agreements signed between the DMRE and IPPs in respect of their commitments and obligations to contribute towards broader Economic and Socio-Economic Development objectives of the IPPPP.

A further mandate of the IPP Office extends to energy advisory services to the DMRE and energy sector.

The IPP Office operates as a specialised and specific project office. It is in the process of being institutionalised. In the interim, the IPPO utilises the DBSA's policies, processes and practices to manage the office.

## 2. PURPOSE

The purpose of the terms of reference ("TOR") is to appoint an independent service provider to support the IPP Office in reviewing and establishing the best fit operating model and structure for the IPP Office.

It is likely that clarity on the institutional future of the IPP Office will take longer to achieve, given the requirements for government-wide consultation around the future energy market structure. Until such time as agreement is reached on its institutional form, it has been agreed that the current MoA will remain in place. This establishes longer-term sustainability and security for the IPP Office to pursue a properly informed operating model. However, the medium-term operating model for the IPP Office will need to be cognisant of future options and therefore it is imperative that an implementation plan is developed that talks to transitional arrangements, and that the selected operating model is "future-proof" to flexibly adjust and transition as the institutional arrangements are confirmed.

## 3. SCOPE OF WORK

The requirements listed below are for guidance on the project's scope and are not exhaustive. It is envisaged that the assignment will be completed over two phases, as follows:

### **Phase 1 (Indicative time-frame: 3 to 6 months)**

- a) Review the proposed operating model and organisational structures to ensure best fit and support for the execution of IPPO's medium to long term strategy/ies.
- b) Align and recommend operating model changes where necessary using appropriate methodologies and benchmarks.
- c) Establish and validate the number of headcount required for the required structure
- d) Revise, design and propose an appropriate organisational structure based on the approved strategy and operating model – all layers from N-1 to the lowest level.

- e) Determine key roles, reporting relationships, span of control, managerial added value, relationships in job size and job shape.
- f) Prepare job profiles for all job roles required; (1) clearly defined job accountabilities as well as technical and behavioural competencies (2) watch for gaps, overlaps and interdependencies between roles.
- g) Conduct job evaluation and job grading for all job roles required upon approval of the job profiles.
- h) Determine the cost implications of the recommended organisational structure.
- i) Prepare recommendations, submissions, presentations for the required stakeholder approvals.
- j) Recommend an implementation plan including change management, communication and the people/employee implication and processes.
- k) Provide implementation support to implement the approved Operating Model & Structure.
- l) Close out report upon completion of the above.

**Phase 2 (Indicative time-frame: 3 to 6 months)**

- a) Develop and recommend an appropriate Human Capital Strategy & Framework for the IPPO, including addressing relevant elements such as an employment equity plan.
- b) Develop and recommend the Remuneration Policy for the IPPO taking into consideration the State-Owned Enterprises (SOE) Remuneration Guidelines, DBSA policy and best practice.
- c) Conduct a bespoke salary survey to inform the appropriate pay ranges per job / grade taking into consideration the size of the IPPO, National Market and the SOE entities.
- d) Prepare recommendations, submissions and presentations for the required stakeholder approvals.

Note: The successful bidder must provide a comprehensive project plan for approval post initial consultations with the relevant stakeholders and assessment of the assignment.

**4. TECHNICAL PROPOSAL & EVALUATION CRITERIA**

**4.1 TECHNICAL PROPOSAL:**

Each respondent is required to submit a proposal containing the following information:

- a) A detailed response to the scope of work as indicated under the expected deliverables, including a write up on the proposed bespoke approach and methodology that will be followed. Reputable entities that will be used for job evaluation, grading and benchmarking must be mentioned in the proposal
- b) Provide a project plan that speaks to the scope of work and estimated timeframes, indicating the deliverables, and estimated time required for completion and delivery.
- c) Contactable references of similar exercises conducted by the Service Provider for specifically government business entities, specifying the exact nature of the support provided and outcomes thereof (References on your client's letterhead and signed by client);

- d) Credentials of the lead individuals that will be working on the project and capacity to facilitate this scope of work (CVs of the lead service provider and all other relevant individuals and their roles).

#### 4.2 REQUIREMENTS AND SPECIFICATIONS FOR THE PROJECT:

The service provider must have the following expertise:

- a) At least ten years' (10) years organisational design and stratification experience with medium to large size organisations.
- b) Proven track record in reviewing, aligning and developing best fit operating models and organisational structures specifically for medium to large size organisations (Infrastructure and Consulting Firms, Development Finance Institutions (DFI's), Finance Institutions or State-Owned Entities (SoE).
- c) Demonstrated ability to lead such a project, engage and deal successfully with high level stakeholders of Management, Executives, the Board and Board Sub-Committees.
- d) *Failure to submit the required documents will invalidate the bid***

#### 4.3 COMPULSORY BRIEFING SESSION

A compulsory briefing session will be convened with all prospective bidders on the on-line Microsoft Teams Platform.

#### 4.4 EVALUATION CRITERIA:

Only those Bidders who score [70] points or higher (out of a possible 100) during the functional evaluation will be evaluated during the second stage of the Bid.

Bidders are required to submit supporting documentation evidencing their compliance with each requirement, where applicable.

The Functional Criteria that will be used to test the capability of Bidders are as follows:

Evaluation Area	Evaluation Criteria	Matrix	Weighting	Score										
<p><b>Company Customer Reference</b></p>	<p>Bidders' experience in conducting similar work for similar entities, specifying the exact nature of the support provided and outcomes thereof. Bidder to provide relevant reference letters of similar work completed within the last 6 years on client letterhead and signed by client</p>	<p>Bidders' must provide evidence of at least 5 similar projects conducted for a medium to large size organisation in the past six (6) years. Verifiable reference letters must be provided on the client company letterhead and signed by a duly authorized company representative. References should validate the nature, term/tenure, quality of output and level of success with regard to the assignment.</p> <table border="1" data-bbox="883 449 1243 940"> <thead> <tr> <th>Contactable References</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>5 or more contactable references validating the nature, term/tenure, quality of output and level of success with regard to the assignment</td> <td>20</td> </tr> <tr> <td>3 to 4 contactable references validating the nature, term/tenure, quality of output and level of success with regard to the assignment</td> <td>14</td> </tr> <tr> <td>2 contactable references validating the nature, term/tenure, quality of output and level of success with regard to the assignment</td> <td>10</td> </tr> <tr> <td>1 or no contactable references provided</td> <td>0</td> </tr> </tbody> </table>	Contactable References	Score	5 or more contactable references validating the nature, term/tenure, quality of output and level of success with regard to the assignment	20	3 to 4 contactable references validating the nature, term/tenure, quality of output and level of success with regard to the assignment	14	2 contactable references validating the nature, term/tenure, quality of output and level of success with regard to the assignment	10	1 or no contactable references provided	0	<p>20</p>	
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<p><b>Company Track Record &amp; Experience</b></p>	<p>The service provider must provide a company profile demonstrating the following track record and experience:</p> <ul style="list-style-type: none"> <li>At least 15 years as an organisation providing independent organisational design and development work for medium to large size organisations</li> </ul>	<p>The service provider must demonstrate at least 10 years of experience in providing independent organisational design and development work for medium to large size organisations Provide a company profile.</p> <table border="1" data-bbox="883 1117 1243 1623"> <thead> <tr> <th>Years of experience</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>15 years or more experience as an organisation providing independent organisational design and development work for medium to large size organisations</td> <td>20</td> </tr> <tr> <td>10 to 14 years as an organisation providing independent organisational design and development work for medium to large size organisations</td> <td>14</td> </tr> <tr> <td>Less than 10 years' experience as an organisation providing independent organisational design and development work for medium to large size organisations</td> <td>0</td> </tr> </tbody> </table>	Years of experience	Score	15 years or more experience as an organisation providing independent organisational design and development work for medium to large size organisations	20	10 to 14 years as an organisation providing independent organisational design and development work for medium to large size organisations	14	Less than 10 years' experience as an organisation providing independent organisational design and development work for medium to large size organisations	0	<p>20</p>			
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<p><b>Experience of personnel allocated to this assignment</b></p>	<p>Demonstrated skills and relevant experience in carrying out similar services in medium to large-size organizations exercise specifically in development institutions. The Team Leader should at least have 15 years experience.</p> <p>Attach resume indicating all the names, qualifications, professional bodies, and number of years rendering similar services, specifically providing strong evidence of accomplishments and expertise in delivering similar projects and dealing/working with high level stakeholders.</p> <p>The proposed team submitted in the RFP will be the team expected to deliver the required service, unless otherwise agreed to by the IPP Office</p>	<p>Provide resume of Team Leader that demonstrates at least 10 years' experience of undertaking similar assignments in medium to large organisations Provide resumes of individuals that will be working on the assignment supported by an organogram citing each resource and their role on the team.</p> <p><b>Team Leader Experience</b></p> <table border="1" data-bbox="881 432 1243 600"> <thead> <tr> <th>Years of Experience</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Fifteen (15) years or more</td> <td>15</td> </tr> <tr> <td>Ten (10) to fourteen (14) years</td> <td>10.5</td> </tr> <tr> <td>Less than 10 years' experience</td> <td>0</td> </tr> </tbody> </table> <p><b>Other team resources and organogram</b></p> <table border="1" data-bbox="881 705 1243 873"> <thead> <tr> <th>Years of Experience</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Resumes of other team members and organogram provided</td> <td>5</td> </tr> <tr> <td>No resumes of other resources or organogram provided</td> <td>0</td> </tr> </tbody> </table>	Years of Experience	Score	Fifteen (15) years or more	15	Ten (10) to fourteen (14) years	10.5	Less than 10 years' experience	0	Years of Experience	Score	Resumes of other team members and organogram provided	5	No resumes of other resources or organogram provided	0	<p>20</p>	
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<p><b>Project Management Approach</b></p>	<p><i>Bidder must submit a maximum 20 page Proposal duly signed and dated by the Tenderer, that responds to the Scope of Work and articulates the following:</i></p> <ol style="list-style-type: none"> <li><i>Project Management Capabilities,</i></li> <li><i>Stakeholder Management Approach and Methodology and</i></li> <li><i>Change Management Approach and Methodology.</i></li> </ol> <p><b>a) Project Management Capabilities</b></p> <p>Proposal must outline the project methodology for conducting such an assignment. Reputable entities that will be used for job evaluation, grading and benchmarking must be mentioned in the proposal</p> <p>Include a project plan that speaks to requirements and indicative timeframes in the Scope of Work, with project milestones and timeframes for each task completed</p>	<p>Bidders' Proposal includes a bespoke project methodology and a detailed project plan that speaks to each of the deliverables in the scope of work, and estimated time-frame required for completion and delivery. Reputable entities that will be used for job evaluation, grading and benchmarking must be mentioned in the proposal</p> <table border="1" data-bbox="881 1213 1292 1570"> <thead> <tr> <th>Approach</th> <th>Score</th> <th>Bidders Understanding of the SOW</th> </tr> </thead> <tbody> <tr> <td>Excellent</td> <td>20</td> <td>Proposal speaks to the requirements of the scope of work and outlines a project methodology and a project plan specifying deliverables and estimated timelines</td> </tr> <tr> <td>Good</td> <td>14</td> <td>Proposal outlines a generic methodology and project plan</td> </tr> <tr> <td>Poor or no response</td> <td>0</td> <td>The methodology is not articulated and the project plan is not specific or tailored to address the requirements</td> </tr> </tbody> </table>	Approach	Score	Bidders Understanding of the SOW	Excellent	20	Proposal speaks to the requirements of the scope of work and outlines a project methodology and a project plan specifying deliverables and estimated timelines	Good	14	Proposal outlines a generic methodology and project plan	Poor or no response	0	The methodology is not articulated and the project plan is not specific or tailored to address the requirements	<p>20</p>			
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	<p><b>b) Stakeholder Management Approach and Methodology</b></p> <p>Bidders' proposal must articulate a stakeholder management approach and methodology that addresses the intended steps to successfully carryout this assignment.</p>	<p>Bidders' Proposal articulates a customised stakeholder management approach and methodology.</p> <table border="1"> <thead> <tr> <th>Approach</th> <th>Score</th> <th>Bidders' Understanding of the SOW</th> </tr> </thead> <tbody> <tr> <td>Excellent</td> <td>10</td> <td>Proposal articulates a customised stakeholder management approach and methodology that addresses the requirements of the Scope of Work</td> </tr> <tr> <td>Good</td> <td>7</td> <td>Proposal articulates a generic stakeholder management approach and methodology</td> </tr> <tr> <td>Poor- or no response</td> <td>0</td> <td>No stakeholder management approach and methodology provided</td> </tr> </tbody> </table>	Approach	Score	Bidders' Understanding of the SOW	Excellent	10	Proposal articulates a customised stakeholder management approach and methodology that addresses the requirements of the Scope of Work	Good	7	Proposal articulates a generic stakeholder management approach and methodology	Poor- or no response	0	No stakeholder management approach and methodology provided	10	
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	<p><b>c) Change Management Approach and Methodologies</b></p> <p>Bidders' proposal must articulate a customised change management approach and methodology, and address the intended steps to successfully implement change management across all levels of the organisation. Bidder must include an approach to risk management.</p>	<p>Bidders' Proposal articulates a customised change management approach and methodology, and approach to risk management.</p> <table border="1"> <thead> <tr> <th>Approach</th> <th>Score</th> <th>Bidders' Understanding of the SOW</th> </tr> </thead> <tbody> <tr> <td>Excellent</td> <td>10</td> <td>Proposal articulates a customised change management approach and methodology including a risk management approach</td> </tr> <tr> <td>Good</td> <td>7</td> <td>Proposal articulates a generic change management approach and methodology</td> </tr> <tr> <td>Poor- or no response</td> <td>0</td> <td>No relevant change management approach and methodology provided</td> </tr> </tbody> </table>	Approach	Score	Bidders' Understanding of the SOW	Excellent	10	Proposal articulates a customised change management approach and methodology including a risk management approach	Good	7	Proposal articulates a generic change management approach and methodology	Poor- or no response	0	No relevant change management approach and methodology provided	10	
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<b>Total Weighting</b>				<b>100</b>												
<b>Minimum of 70 must be achieved.</b>				<b>70</b>												

## 5. PRICING AND BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)

Each proposal with a functionality score of **70** points and more, will be on equal footing to proceed to this final round of evaluation.

The proposed price and BBBEE compliance are the only aspects taken into account in this round. The final evaluation score is calculated on an 80/20 principle. The bidder that scores the highest in this round will be awarded the tender.



CRITERIA	WEIGHT
Project cost	80
B-BBEE Status level contributor	20

## 6. DELIVERABLE ACCEPTANCE CRITERIA

Payment will be made upon completion of each phase subject to approval by the Head: IPP Office & GE: Project Preparation.