



EXPRESSION OF INTEREST

**Engineering, Procurement, Construction (EPC) and operation
firm for mini-grids in Ethiopia**

CLOSING DATE: 5th November 2021

General Description

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.

Mercy Corps has been operating in Ethiopia since 2004, working in rural, peri-urban and urban areas in five regional states - Somali, Oromia, Afar, Southern Nations Nationalities and Peoples, Amhara - and the capital city of Addis Ababa. We engage in both development and humanitarian work, and seek to integrate approaches, programs and geographies as much as possible. Our partners include government, academic institutions, development and private sector actors, civil societies and communities.

Powering infrastructure in relief settings, where clinics, offices, communications towers, water pumping stations and other necessary services are commonly fueled by diesel generators, represents a substantial economic burden for humanitarian agencies & for the businesses and households located in refugee settlements and host communities. The expansion of off-grid electricity services above household scale in humanitarian settings is limited by a lack of reliable 'anchor' customers upon which bankable business models can be based. The application of renewable energy in the humanitarian sector is hampered by the initial higher upfront cost of solar and other renewable installations compared with diesel generators, and the perception that any investments must be short-term due to the outdated nature of humanitarian response funding cycles.

Mercy Corps has conducted a feasibility study on energy access in the Somali Region of Ethiopia, which has resulted in the development of a private-led, scalable, replicable model for integrated renewable electrification that would improve operational sustainability for humanitarian organizations while enabling better service delivery for people living in refugee settlements and host communities. Mercy Corps will undertake this effort in collaboration with private sector actors to ensure sustainability of the business model proposed and with the aim to reach scale for access to energy in displacement settings for all segments of the population.

Together with its national and international partners, Mercy Corps has developed the Enter Energy - Ethiopia (EE-E) program, which aims at developing a scalable, sustainable, and market-based model for clean energy access that improves humanitarian operations and living conditions and livelihoods for refugees and host communities in Ethiopia. To pilot and test its model, EE-E is looking to electrify the refugee camp of Sheder, Somali Region, as well as deploy standalone systems for key humanitarian clients in Ethiopia. To achieve the project aims, Mercy Corps and private partners are in the process of incorporating an Ethiopian special purpose vehicle (SPV) to design, install, manage, operate, and scale the assets.

- a. Mercy Corps, therefore, seeks to partner with an experienced firm to carry out EPC and support the national partner to operate the assets sustainably. More specifically: Design: develop a binding proposal - feasibility study and design of viable technical solutions
- b. Build (EPC): implement mini-grid solution

- c. Operate: contribution to design of business model, technical support to the SPV and national operating partner for operations and maintenance and demand activation.

The implementation phase of the project in the Somali region of Ethiopia is contingent on the results of the binding proposal stage with the selected partner and funding availability. The partner shall perform among others the following tasks as part of the design and implementation of the assets.

Scope of Work

Part 1: Design

Using the available data from the surveys and assessments already conducted as well as collecting additional field-level data (if needed), the partner, in collaboration with Mercy Corps/SPV and other project partners shall review the already developed technical and financial proposal for finalization. These are, among others, the tasks to be performed:

- a. **Supply and demand estimation.** The partner shall review the available power supply options and demand of the surveyed facilities to:
 - i. Revalidate the solar PV resource potential of the target facilities, as well as the technical and economic potential for hybridization
 - ii. Reaffirm the land/space options for the target facilities (powerhouse and solar array) for the pilot camp
 - iii. Revalidate the energy demand of humanitarian institution clients that could be supplied with standalone systems
 - iv. Reaffirm the current energy demand as well as aspirational load of households in the pilot camp
 - v. Lead energy assessments for households and small businesses in new camps identified for expansion, subject to funding confirmation.
- b. **Technical Design for Binding Proposal.** Review and confirm the already developed site, demand, and resource assessment, solar micro grid design to ensure that it meets the project size and household and institutions connection requirements. The system should be designed for easy expansion and integration into the national grid (should that become an option in the future).
 - i. Review the optimized generation option and sizing of the various components of the system, including transmission and power distribution to the various loads including a Low Voltage grid (poles, cabling and protections), street lighting, smart meters where required, including households
 - ii. Develop detail Engineering Design and Drawings (of power generation and distribution system), including the Bills of Quantities (BOQ)
- c. **Financial model.** The partner shall review the existing financial model to ensure among others that it covers:
 - i. Detailed cost breakdown and the capital requirements for each target facility

- ii. A cost-plus tariff and leasing model for all target facilities, This may include fixed and variable costs, capacity, demand charges etc.
 - iii. Sensitivity analysis. The financial model shall include a sensitivity analysis of key demand and revenue variables.
 - iv. A summary of key assumptions used to create the financial model and explanation why these assumptions were made including but not limited to, the following categories:
 - Capital Expense (CAPEX) Assumptions
 - Import tariff assumptions for applicable parts
 - Operating Expense Assumptions
 - Revenue Assumptions
 - Applicable tax assumptions
 - Project Operating Assumptions
 - Financing Assumptions (cost of capital, interest rate, ROI etc)
 - Financial and economic analysis
- d. **Business/Operating model.** Review the business and operating model already designed by project partners and offer any recommendations that will aid the achievement of a sustainable operating model.
- e. **Risk analysis.** The partner shall review the risk catalogue already developed ensuring the key risks involved in developing, implementing, and operating the project/business are covered with appropriate mitigation plans. Typically, these risks include but are not limited to:
- i. Business Specific Risks: execution & completion risk, counterparty risks, performance risks, local content risk
 - ii. Financial & Economic Risks: cost & revenue risks; interest rate risks; currency rate fluctuation these will affect the economics of the project but may be mitigated against
 - iii. Technology Risks: depending on the project this will impact on project economics and may as well be project threatening
 - iv. Regulatory risks
 - v. Socio-political risks
 - vi. Safety Risks:
 - vii. COVID-related risks
- f. **Implementation work plan.** The partner shall develop an implementation plan giving detail of key activities, contingencies, and timelines for executing the project. The plan will be refined in collaboration with Mercy Corps/SPV and Shell.

Part 2: Build: mini-grid Implementation Phase

Subject to regulatory approvals, key stakeholders' buy-in and secured funding based on the outcomes of Part 1, the partner will lead project implementation in collaboration with the local partners.

- a. **Project Readiness.** The partner shall support Mercy Corps/SPV and partners to undertake key project readiness activities including the following:
 - i. Engage in stakeholders' engagements including discussions with communities and their leaders, key anchor clients, small businesses in the camp and the current diesel generator operators in the camps. Mercy Corps will be the main partner responsible for stakeholder management.
 - ii. Secure the necessary customer/off-taker agreements/PPAs/leasing; securing rights to the project sites; an Environmental and Social Impact Assessment, obtaining the required licenses and permits etc.
 - iii. Design tariff agreements, incorporating the necessary governance structures, user payment systems.

- b. **Engineering, Procurement, Construction and Commissioning.**
 - i. The partner shall lead the project and engineering management of the installations. These include required engineering, procurement, and construction (installation) activities. The installation shall be conducted under the supervision of certified and experienced technicians. Before commissioning, technical tests will be carried out on the facilities (e.g., voltage, frequency, emergency stop) by either an independent party or a combination of the developer and Mercy Corps working together. The commissioning protocol needs to be signed by all parties involved.
 - ii. The partner will be responsible for local and international logistics and transportation required for the system and components such as shipping and road costs. The partner will also be responsible for the storage of equipment (post-delivery and pre-installation).
 - iii. Mercy Corps/SPV will work with the partner to handle customs and import duties and taxes.

Part 3: Operations of facilities

Pending the outcome of the business model and operating model development, the partner would then commit to providing technical assistance for the operation of facilities.

- i. The partner will be responsible for providing oversight and technical support to the local partner for the operations and management of the micro-utility for a 12 to 24-month period. The role of the partner shall include:
 1. Local operations and maintenance support - customer service, revenue collection, schedule maintenance
 2. Health and safety - training, security
 3. Corporate management support - strategy, accounting, legal and compliance, personnel recruitment and management, outreach, data management, marketing, and sales

4. Demand activation especially for productive uses of energy mainly focused on cereal (wheat) milling and small retail businesses.

Required Expertise of Partner

- a. Proven experience in the following areas:
 - i. Mini-grid feasibility studies
 - ii. Financial modelling for mini-grids
 - iii. Site survey and customer acquisition
 - iv. Design of the power generation, transmission, and distribution networks
 - v. Project Management, Supply Chain, Construction
 - vi. Operations and Maintenance
 - vii. Customer and Asset Management
 - viii. Demand stimulation
- b. Proven experience as mini-grid owner and operator in sub-Saharan Africa. Additional experience in humanitarian settings is a plus.
- c. Willingness to take a supporting role in the operation of the micro-utility

Additional Eligibility Criteria

Applicants may not apply, and will be rejected as ineligible, if they:

- Are not registered companies
- Are bankrupt or in the process of going bankrupt
- Have been convicted of illegal/corrupt activities, and/or unprofessional conduct
- Have been guilty of grave professional misconduct
- Have not fulfilled obligations related to payment of social security and taxes
- Are guilty of serious misrepresentation in supplying information
- Are in violation of the policies outlined in Mercy Corps Anti Bribery or Anti-Corruption Statement
- Applicant (or applicant's principals) are on any list of sanctioned parties issued by; or are presently excluded or disqualified from participation in this transaction by: The United States Government or United Nations by the United States Government, the United Kingdom, the European Union, the United Nations, other national governments, or public international organizations.

Past performance will be given due consideration in pre-qualifying applicants. Previous contracts in line with this Expression of Interest requirement will be considered.

Other Terms and Conditions

- A legal advisor will be available to provide Technical Assistance on legal issues as per an existing engagement.
- The implementation and operation phases are contingent on project feasibility and availability of funding (which is currently being negotiated with funders).
- The partner will be contracted for Part 1 of the scope of work (as above) through a subaward mechanism in line with Mercy Corps' Subaward procedures and the donor's relevant funding provisions. Prior to engaging, Mercy Corps will carry a due diligence

assessment including full partner's financial capacity. Part 2 and 3 would be through a service contract with the SPV.

Submission of Proposals

Mercy Corps will accept Proposals by email prior to 5:00 p.m. Pacific time, on the Due Date set forth in the "Timeline" section of this EOI at the following address: tenders@mercycorps.org. Please title your email "*Expression of Interest – Design and Implementation of mini-grids in Ethiopia*".

Request for clarifications regarding this Expression of Interest should be sent to Eaziebor@mercycorps.org by 5PM on the date listed in the "Timeline" section. All responses to questions received will be consolidated and uploaded on the Mercy Corps' website by 5PM on the date listed in the "Timeline" section.

Proposals shall follow the requirements and format described in this EOI. Applicants shall submit one electronic copy of the Proposals in Adobe Acrobat (.pdf) format. All text should be in ENGLISH. Any other information shall be presented with a readable format. All signatures must be accompanied by a printed name, title, and date.

Any Proposal that fails to meet the deadline, format, or delivery requirement may be rejected and returned without having been opened, considered, or evaluated.

The Proposal shall contain only the sections listed below, separated by dividers, and shall respond fully to all requirements of the EOI. See below for required sections and page limits. The prequalification application forms which are not filled out completely and submitted in the prescribed manner will not be considered. All the documents that form part of the proposal must be written in English and be indelible.

a. Executive Summary – Cover Letter (1-page limit):

Submit an Executive Summary Narrative which generally familiarizes reviewers with the company's understanding of and ability to achieve the stated scope of work. The intent of the Executive Summary is to give a brief introduction to the company's general capabilities, experience, and interest in performing the work. The executive summary should also identify and explain (if any) any legal claims asserted by or against the company within the past five years (not negotiated change orders considered normal course of business). Describe any labor disputes within the past five years.

b. Proposal

Submit the information as required below. Where forms are provided, they should be used. The absence of any required submittal information may disqualify the Applicant.

1. Company's Background and Performance (5-page limit) as per the scope of work and qualification
 - a. Describe the organizational structure, lines of responsibility, and roles within the company.

- b. Provide a brief description of representative projects performed within the past five years which are relevantly similar in scale, type, and complexity to this Program; include a client reference for each listed.
 - c. An overview of the mini-grids that the applicant owns and operates, possibly with a reference could be contacted. Include the following information on some (if not all) of the mini grids that the partner currently operates: Uptime rate, Customer satisfaction scores, Payment rates or default rates for customers, remote monitoring technology being used. This information (d) could be annexed to the technical proposal.
 - d. With a focus on the knowledge, resources, and capabilities, describe any unique expertise or advantages of the company which would benefit the overall success of off-grid solar photovoltaic energy projects.
 - e. Describe the company's current commitments to other projects; how will the company manage resources to ensure timely performance of activities.
 - f. Proven experience in displacement settings in Sub-Saharan Africa. Evidence attached/included in the proposal.
 - g. Describe and list supply partnerships for major components such as the solar panels and BESS
 - h. Describe the company's willingness and ability to work in Ethiopia
 - i. Briefly describe the management approach or methodology to coordinate and prioritize assessment, design, procurement, installation, and quality management of this assignment.
2. Key Personnel CV's (2–3-page total limit/CV): Based on the type of Activities described under the scope of work, propose a project team structure that might be allocated for this project to cover a) Design, EPC, b) Financial modeling, c) Operating support (12-24 months). These roles will substantially contribute to the evaluation of the company.
 3. Provide the daily billing rates for staffs (Executive, Senior Manager, Manager, Senior Associate, Associate) who may be working on the project
 4. Complete and submit the form in Annexes A and B.

Evaluation of Proposals

Confidentiality

Information relating to the Applications, their evaluation and result shall not be disclosed to Applicants, or any other persons not officially concerned with the Expression of Interest process until the PASS/FAIL notification of Expression of Interest results is made to all Applicants.

Evaluation of applications

A selection committee will evaluate proposals from eligible companies. Mercy Corps reserves the right to accept or reject any or all proposals and to accept the offer(s) deemed to be in the best interest of Mercy Corps. Mercy Corps will not be responsible for or pay for any expenses or losses which may be incurred by any Applicant in the preparation of their proposal. Evaluations will be conducted as described in the following subsections:

Mercy Corps Selection Committee will conduct a technical evaluation which will grade technical criteria on a weighted basis (each criterion is given a percentage, all together equaling 100%).

Proposals should consist of all required technical submittals so a Mercy Corps committee can thoroughly evaluate the technical criteria listed herein and assign points based on the strength of a technical submission.

Each individual criteria have been assigned a weighting prior to the release of this Expression of Interest based on its importance to Mercy Corps in this process. Applicants with the best score will be accepted as the winning offeror(s), and subject to the additional due diligence and interview. When performing the Scoring Evaluation, the Mercy Corps Selection committee will assign points for each criterion based on the following scale:

Point Rationale

- 0 Not acceptable; has not met any part of the specified criteria
- 1-4 Has met only some minimum requirements and may not be acceptable
- 5 Acceptable
- 6-9 Acceptable; has met all requirements and exceeds some
- 10 Acceptable; has exceeded all requirements

Evaluation Criteria	Weight (%)	Possible Points (1 to 10)		Weighted Score (A*B)
	A	B		
Evidenced organizational experience in energy access, with specific focus on mini-grids feasibility, design and Engineering, Procurement, Construction and Commissioning. Project evidence attached/included in the proposal.	25%			
Evidenced experience with operating mini-grids. List of relevant projects in the past 5 years with applicable operating (business) models and acceptable operating indicators.	25%			
Proven experience in displacement settings in Sub-Saharan. Evidence attached/included in the proposal.	5%			
Qualification and experience of the team that would be assigned to the assignment (mini-grid feasibility, design experience, off grid project experience, etc.) along with their role and responsibility	20%			
Methodology for executing the binding proposal	10%			
Competitiveness of billing rates for key staffs	15%			
Total	100%			

Timelines

The following is a schedule of timelines; all dates are subject to change.

Milestone	Date
Issue EOI	22 Oct 2021
Deadline for submission of Questions	28 Oct 2021
Responses to Questions (to be published on Mercy Corps website)	01 Nov 2021
Deadline for Submission	05 Nov 2021
Interviews with Shortlisted Applicants	10 Nov 2021 – applicants should plan for this in advance
Announcement of selected partner	12 Nov, 2021
Part 1 of Scope of Work:	Expected to be completed by 31 December 2021
Part 2 and 3 of Scope of Work	Expected to commence Q1 2022 subject to funding availability and meeting regulatory requirements

Mercy Corps' Anti-Bribery and Anti-Corruption Statement

Mercy Corps strictly prohibits:

- Any form of bribe or kickback in relation to its activities

This prohibition includes any request from any Mercy Corps employee, consultant, or agent for anything of value from any company or individual in exchange for the employee, consultant or agents taking or not taking any action related to the award of a contract or the contract once awarded. It also applies to any offer from any company or individual to provide anything of value to any Mercy Corps employee, consultant, or agent in exchange for that person taking or not taking any action related to the award of the contract or the contract.

- Conflicts of interests in the awarding or management of contracts

If a company is owned by, whether directly or indirectly, in whole or in part, any Mercy Corps employee or any person who is related to a Mercy Corps employee, the company must ensure that it and the employee disclose the relationship as part of or prior to submitting the offer.

- The sharing or obtaining of confidential information

Mercy Corps prohibits its employees from sharing, and any applicants from obtaining, confidential information related to this solicitation, including information regarding Mercy Corps' price estimates, competing applicants, or competing offers, etc. Any information provided to one offeror must be provided to all other applicants.

- Collusion between/among applicants

Mercy Corps requires fair and open competition for this solicitation. No two (or more) companies submitting Statements of Qualifications can be owned or controlled by the same individual(s). Companies submitting offers cannot share prices or other offer information or take any other action intended to pre-determine which company will win the solicitation and what price will be paid. Violations of these prohibitions, along with all evidence of such violations, should be reported to integrityhotline@mercycorps.org

Mercy Corps will investigate allegations fully and will take appropriate action. Any company, or individual that participates in any of the above prohibited conduct, will have its actions reported to the appropriate authorities, will be investigated fully, will have its offer rejected and/or contract terminated, and will not be eligible for future contracts with Mercy Corps. Employees participating in such conduct will have his/her employment terminated.

Violations will also be reported to Mercy Corps' donors, who may also choose to investigate and debar or suspend companies and their owners from receiving any contract that is funded in part by the donor, whether the contract is with Mercy Corps or any other entity.

Certification Regarding Terrorism

It is Mercy Corps' policy to comply with humanitarian principles and the laws and regulations of the United States, the European Union, the United Nations, the United Kingdom, host nations, and other applicable donors concerning transactions with or support to individuals or entities that have engaged in fraud, waste, abuse, human trafficking.

Annex A - Applicant Information Form

The information provided will be used to evaluate the Company for Eligibility to contract with Mercy Corps. Please complete all fields.

Company Name	
Any other names company is operating under (Acronyms, Abbreviations, Aliases)	
Previous names of the company	
Address	
Website	
Phone/Fax Numbers	Phone: _____ Fax: _____
Primary Contact	Name: Phone Number: Email Address:
# of Staff	
# of Locations	
Avg. Value of Equipment and Materials on Hand (USD)	
Government - owned (yes/no)	
Name(s) of Board of Directors if any	
Name(s) of Company Owner(s)	
Parent companies, if any	
Subsidiary or affiliate companies, if any	
Licensed and registered to operate in Ethiopia?	

Annex B - Applicant Self-Certification of Eligibility

Company certifies that:

It, its affiliates and subsidiaries, owners, officers, directors and key employees (to the best of its knowledge) are not the subject of any government's sanctions, designations, donor rules or prohibitions, or laws prohibiting transactions with it/them. It is not the subject of any donor government investigation into its misconduct with any other recipient of that donors funding.

1. It, its affiliates and subsidiaries, owners, officers, directors and key employees have not and do not engage in any form of terrorism or attacks on civilians and do not provide any form of material support or financial resources for individuals or organizations that do engage in any form of terrorism or deliberate attacks on civilians.
2. It, its affiliates and subsidiaries, owners, officers, directors and key employees have not and do not engage in weapons or drugs manufacture, transport, sale or distribution.
3. It is not in default on any material credit agreement, bankrupt or being wound up, are having its affairs administered by the courts, have entered into arrangements with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations.
4. It is has not been determined to be in breach of a material contract by any legal body anytime within the past 2 years.
5. It pays taxes as and when due and is not currently the subject of any investigation or proceeding related to back-owed taxes.
6. It provides workers compensation insurance to its workers in accordance with the laws of the countries where it operates.
7. It pays social security obligations as required in the countries where it operates.
8. It, its owners, officers and directors have not been convicted of an offense concerning its professional conduct and has not engaged in grave professional misconduct.
9. It, its affiliates and subsidiaries, owners, officers, directors and key employees have not been the subject of criminal investigation or judgement for fraud, corruption, human trafficking, spying, weapons transport or smuggling, sexual exploitation or abuse, involvement in a criminal organization or any other criminal activity.
10. It treats its employees with dignity and respect and maintains social operating standards, including:: working conditions and social rights: avoidance of child labor, bondage, forced labor, human trafficking or exploitation; assurance of safe and reasonable working conditions; freedom of association; freedom from exploitation, abuse, and discrimination; protection of basic social rights of its employees and Mercy Corps beneficiaries.
11. To the best of its knowledge, no Mercy Corps employee, officer, consultant or other party related to Mercy Corps has a financial interest in the Company's business activities, nor is any Mercy Corps employee related to any owner, officer, director or employee of the company, and, if so, it will ensure that the relationship is disclosed to Mercy Corps and will not used for improper influence. Discovery of an undisclosed Conflict of Interest will result in immediate revocation of the Company's Prequalified status and disqualification of Company from participation in future Mercy Corps procurement.
12. It understands that attempting to or agreeing to provide anything of value to any Mercy Corps employee, agent or representative for the purpose of encouraging that person to award Company a contract or take or not take any action related to any contract will result in immediate termination of any agreement. Company certifies that it does not engage in such conduct..

13. It understands that Mercy Corps seeks fair and open competition and the fairest price available and that any attempt by company to subvert fair and open competition, including working with other bidders to fix prices, working to exclude competition, seeking confidential information from Mercy Corps or other bidders, using multiple related or controlled companies to give the appearance of competition, or any similar activity, will result in termination of any agreement. Company certifies that it does not engage in such conduct.
14. It understands that Mercy Corps prohibits any of its partners or suppliers from bribing public officials and certifies that it does not do so.
15. It is not conducting business under other names or aliases that have not been declared to Mercy Corps.

If the Company cannot certify to any of the above it should explain why not. Mercy Corps may take the individual circumstances into account for some situations. However, any false certification could be grounds for immediate disqualification and termination of any future agreement.

By signing the Applicant Information Form you certify that your Company is eligible to supply goods and services to major donor funded organizations and that all of the above statements are accurate and factual.

Company Name: _____

Name of Representative:

Title:

Signature:

Date: