

Terms of Reference (ToR)

Preparation Business Plan of Simrutu Khola and Giri Khola Mini Hydro Subprojects in Rukum and Jumla Districts

1. Introduction

The Renewable Energy for Rural Livelihood (RERL) is a joint project of Alternative Energy Promotion Centre (AEPIC), Ministry of Energy, Water Resources, and Irrigation (MoEWRI) and United Nations Development Programme (UNDP). RERL is providing technical support to AEPIC to implement the Asian Development Bank (ADB) funded South Asia Subregional Economic Cooperation (SASEC) Power System Expansion Project Off-grid Component. SASEC is promoting 4.3 MW mini-hydropower projects (MHP) and 0.5MW Solar/Solar-Wind Hybrid Minigrids (SMG) to increase access to electricity in rural areas for improving the livelihoods of people by promoting economic activities.

2. Background

UNDP/RERL is supporting AEPIC/SASEC in pipeline 9 mini-hydro (MHP) subprojects and to date, Simrutu Khola Jal Bidhyut Sahakari Sanstha Limited west Rukum (200kW) and Giri Khola Jalpadevi Grameen Jalbidhyut Cooperative Limited Jumla (200 kW) have been installed and provided electricity service to more than 3100 households.

Mini hydro subproject needs to be capacitated institutionally and economically so that they can manage their system sustainably. A business plan is a very important strategic tool for entrepreneurs and organizations. A good business plan not only helps entrepreneurs to focus on the specific steps necessary for cooperative to make business ideas to succeed, but it also helps them to achieve both of short-term and long-term objectives. Business plans are also important for attracting investors so they can determine if your business is on the right path and worth putting money into. Furthermore, it supports to avoid the risk of investment and optimization of resources as well.

In this backdrop, this ToR has been prepared to seek consulting service for the preparation business plan of Simrutu Khola MHP and to conduct a Business opportunities Assessment (BoA) and business plan preparation of Giri Khola MHP in west Rukum and Jumla districts, respectively.

3. The objective of the Assignment

The overall objective of the assignment is to prepare a business plan for Simrutu Khola MHP and to conduct a Business opportunities Assessment (BoA) and preparation of business plan of Giri Khola MHP.

4. Scope of work

The assignment shall include but not limited to:

- Desk study
- Detailed Feasibility Study (DFS) Report
- Project Completion Report
- Business Opportunities Assessment Report (BoA) of Simrutu Khola MHP
- Operational Guidelines of MHPs
- Cooperative by-laws/Bidhan

Regarding the Business Opportunities Assessment in Giri Khola MHP, the consultant shall include but not limited the following:

- a) Design and develop questionnaire and checklist for field study to conduct BOA in the catchment area of Giri Khola MHP
- b) Conduction of field visit, discussions/meeting with rural municipalities, individual meeting, key informant/intellectual persons and information collection of available resources, market potential, and business potential for related Renewable Energy Technologies (RETs)
- c) Coordinate with energy/RETs related business organization, private sector, Companies, suppliers, business development service provider's organizations (BDSPO) and other stakeholders for secondary information.
- d) Explore and analysis of local market/business center in the catchment area for growth potential of the market and potential services that can render to the local community.
- e) Identification and prioritization of major stakeholders and key players for sustainable business promotion of RETs.
- f) Preparation of list of potential entrepreneurs mentioning potential business and RETs
- g) During field visit a special focus should be given on female led enterprises and their skills, as well as identifying the business potential of RETs especially for disadvantage groups. This should include considering the potential of RETs for commercial activities associated with or accessible for women and disadvantaged groups, as well as the specific needs of women and disadvantaged groups.
- h) Design and drafting of BOA report and collect feedback from AEPC/RERL
- i) Seek feedback from RERL and SASEC during information analysis, verification and field coordination

Regarding the business plan preparation of Simrutu and Giri Khola MHPs

- a) Communication with Executive Committee and Sub-committees of cooperative and project manager and operator to get information about the technical and overall operation and management of the system.
- b) Consultative meeting with AEPC/RERL/SASEC staffs, private service providers, and other service providers for preparing a business plan
- c) Verify the information and data from the business opportunities assessment report of Simrutu Khola MHP.
- d) Prepare the table of content of the business plan and approval from RERL
- e) Prepare draft business plans and conduct one-day orientation on a business plan to Executive Committee/Sub-Committee, Entrepreneurs, women groups, local government representative, and project staff in both MHPs
- f) Finalize business plan after taking inputs after orientation from concerned stakeholders
- g) Submit the final business plans to RERL in Nepali language

4 Inputs from AEPC/RERL

The following inputs will be made available for completing the assignment:

- Budget to carry out the assignment, relevant AEPC documents, and other available information.

- Inputs to assist the consultant in different stages of the assignment from AEPC/SASEC project and RERL team
- Provide related documents and reports

5 Key Deliverables

Key deliverables of the consulting services are:

- Inception report with action plan of the assignment
- Preparation of business opportunities assessment report of Giri Khola MHP
- Prepare realistic business plans for both subprojects
- Conduct orientation to the management committee and sub-committees and other concerned stakeholders
- Prepare final business plan after taking inputs from orientation and submit plan to RERL in the Nepali language

6 Terms of Payment

30% after signing the agreement

70% after completing the final report

7 Time and Budget

8.1 Timing

The duration of this task shall be three months from the date of signing the contract agreement with AEPC/RERL

9. Human Resource Requirement

9.1 Team Leader/Consultant

- The Team Leader/Consultant will be responsible for complete the assignment mentioned in this ToR. The team leader should have Minimum Master's (or equivalent) in Business Administration, Economics, Business Studies, Management, Rural Development or any other relevant field, and 10 years of working experience in the business development sector. S/he should have extensive knowledge and skill in business research analysis, business plan preparation, private sector promotion, and institutional development. S/he should also have a strong working orientation on rural enterprises and market system development. The team leader will be responsible for hiring relevant expert, if necessary.

10. Selection/Evaluation Process

The selection will be followed based on Quality and Cost Based Selection (QCBS). The financial proposal will be open after obtained the minimum score from the technical proposal of firm/individual. Criteria for technical selection has been given in Annex I.

Documents to be submitted by the Firm (Eligibility Criteria)

SN	Documents
1	Copy of Company/Firm Registration Certificate with updated renewal
2	Copy of VAT Registration Certificate
3	Copy of TAX Clearance Certificate of F. Y. 2075/76
4	Latest Signed Resume of resource persons (as per ToR)
5	Financial Proposal with signed cover letter including VAT (as per given format)

11. Acceptance of Proposal

All rights are reserved with AEPC/RERL either to approve or disapprove any proposal without giving any reasons whatsoever. If needed, the consultant will be asked for modifications and presentations of the proposal before approval.

12. Force Majeure

Without prejudice to their rights the Government and the service provider shall not be held responsible nor suffer any financial loss should the performance of the contract be delayed or prevented by an event of Force Majeure, which shall include, but not limited to strikes, riots, civil commotion, fire accident or any other incident beyond the control of either party hereto which neither party was aware of or could have foreseen at the time of signing of this contract. In event of an occurrence of the Force Majeure, either party shall notify the other of the event, or during such event, the rights and obligations of either party shall automatically be suspended.

13. Submission of Technical and Financial Proposal Address

Alternative Energy Promotion Center/ Renewable Energy for Rural Livelihood Programme,
Khumaltar

For further queries - Subas.kunwar@aepec.gov.np

Annex I Selection/Evaluation Criteria

Method of Selection: Quality & Cost Based Selection

The following will be the marking of the technical and financial proposals.

A. Technical Proposal	80%
B. Financial Proposal	20%

A. Technical Proposal

A score of 80 marks is considered as total mark for the Technical Proposal. The basis for the evaluation of the technical proposals will be as mentioned below.

1. Relevant experience of firm	10
1.1 General Experience of firm.....	5
1.2 Experience of firms particularly on proposed task	5
2. Approach Methodology to carry out the proposed tasks	30
2.1 Approach/Methodology to carry out the task	15
2.2 Innovative approaches for the task.....	10
2.3 Manning and work schedule	5
3. Composition of team proposed for the task	40
3.1 Qualification of the personnel	15
3.2 Experiences of the personnel in similar tasks.....	25
Total marks	80

B. Financial Proposal

Only those firms whose marks of the technical proposal are above 60% would be considered pass and considered for the evaluation of their financial proposal.

C. Selection

The technical and financial marks are added and the firm obtaining highest score would be awarded the contract.

Total score= Technical score+ financial score=max 80+ max 20

