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MINISTRY OF WATER AND ENERGY
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MINISTRY OF WATER AND ENERGY

TERMS OF REFERENCE

Prepared to hire

Consultancy Services for Independent Verification of

DLR #5.19: Minimum Entry Conditions maintained during period July 8, 2023, through July 7, 2024, and internal and external procurement audits completed by January 7, 2025.

Additional Financing for Ethiopia Electrification Program AF-ELEAP P 178895)

Nov, 2024



1. Background

Energy is one of the most important areas for Ethiopia's economic growth and development, and it is predicted to grow significantly over the medium term. The Ethiopian energy sector has seen a major turnaround over the last decade. The Ethiopian government (GoE) has made significant progress in improving its generation capacity. Already, the available generation capacity, primarily based on hydropower, has reached 5,200 MW. The GoE wants to become East Africa's electricity export powerhouse. Power exports to Sudan, Djibouti, Kenya, and Tanzania are expected to improve the country's export revenue potential by the end of the decade, reaching up to US\$ 600 million per year. Meanwhile, the country's current hydroelectric systems have been producing below their capacity in compared with the demands of the country.

In the context above, the Government of Ethiopia, with the World Bank's support has launched in November 2017 the National Electrification Program (NEP), a comprehensive plan to reach universal access to electricity by 2025 through grid and off-grid solutions, and 96 percent on-grid access by 2030. The Program was approved on March 1, 2018, for an original amount of US\$375 million equivalent, with a closing date of July 7, 2023, to achieve this, the NEP takes a coordinated approach combining both grid and off-grid solutions, with a focus on last-mile service delivery to consumers.

As the parent program project time nears to end the government of Ethiopia (GoE) has requested Additional Financing (AF) in the amount of SDR 188.2 million (US\$250 million equivalent) to increase the Program's development impact on the ground on the letter dated February 24, 2023. Based on it, the Executive Directors of the bank approves an additional credit of SDR 188.2 million (equal to US\$250 million) for the continuation of the Ethiopia Electrification Program (ELEAP, P160395) project with The Program Development Objective (PDO) of increasing access to electricity in Ethiopia and to



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enhance institutional capacity for planning and implementation of the Government's electrification program.

The Program will concentrate on three key results areas:

- a) increase access to on-grid electricity in areas covered by the power grid
- b) Increase access to off-grid electricity
- c) strengthen sector capacity and institutional reform. . The AF builds the strengths of the parent Program focusing on enabling more on-grid connections and strengthening the capacity of the sector by investing in the critical need to strengthen capacity to supervise and monitor the social and environmental impacts of the Program

Disbursements under the proposed AF-ELEAP program will be governed by a set of Eight DLIs: (1) DLI 1: Establish on-grid electricity connections; (2) DLI 2: Establish off-grid electricity access; (3) DLI 3: Strengthen sector institutional capacity; (4) DLI 4: Strengthen sector planning capacity; (5) DLI 5: Strengthen fiduciary systems; (6) DLI 6: Improve gender and citizen engagement (CE) systems; (7) DLI 7: Strengthen safeguards systems and DLI 8: Strengthen operational and financial performance of the utility). Technical requirements for achieving the DLIs have been included in the Program Action Plan as well as the Program Operation Manual. IDA Credit proceeds will be disbursed against submission, to the World Bank, of the Independent Verification of Results (IVA's) Program Results Verification Report (RVR) on the achievement of the DLIs. The DoE will present the Program RVR to the World Bank within three months of the end of each fiscal year. In line with the World Bank's verification agencies (IVAs) on terms of reference (ToRs) acceptable to the World Bank to verify the achievement of DLI results.

Therefore, this ToR is prepared for the procurement of consultancy services of an independent verification agency that confirm the result associated with DLR #5.19: Minimum Entry Conditions maintained during period July 8, 2023 through July 7, 2024 and internal and external procurement audits completed by January 7, 2025.



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II. Objective of the assignment

The objective of the assignment is to verify results under the Program, DLR 5.19 Minimum entry condition maintained during period July 8, 2023 through July 7, 2024 and internal and external procurement audit completed by January 7, 2025.

III. Implementation Arrangements

The Program is implemented by the three procurement centers of main EEU, UEAP and MoWE. The following table presents the procurement functions of the three procurement centers.

Implementing agency	Procurement Functions	Remark
MoWE	■ Coordinate implementing agencies and Bank ■ Review and compile procurement plans and contract registers ■ Monitor and supervise all procurement processes and support procurement performance capacity building for implementing centers. ■ Assist ICB Contract procurements to assure quality ■ Oversee and support NCB contracts ■ Develop procurement tracking and contract administration formats ■ Regularly monitor and report all procurement implementation ■ Develop strategies for sector reform and institutional capacity building ■ Procure facilities for the establishment of the new department and other capacity building	



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	consultancy services.	
EEU including UEAP	▪ Revised procurement policy and procedures ▪ Prepare and update procurement plans and contract registers. ▪ Execute ICB and NCB procurement and contract administration processes. ▪ Regularly report on procurement implementation to MoWIE ▪ Supervise and support Regional procurements	
Regional EEU	▪ Execute NCB including shopping and restricted procurement activities within the threshold limit of Regional EEU¹ ▪ Prepare and update procurement plans and contract registers.	
Regional UEAP	▪ Execute NCB including shopping and restricted procurement activities within the threshold limit of Regional UEAP	

IV. Scope of the Services

Based on the procurement result achieved submitted for verification, the IVA consultant shall verify the above implementing agencies whether timely, adequate, and smooth implementation of the procurement policies, procedures and methods, and guidelines identified in the POM are adhered. The consultant also ensures that all implementing centers have fulfilled their responsibilities. The IVA consultant verifies whether the procurement procedures identified for the implementation of ELEAP are implemented, internal and external audits are carried out, technical assistance and capacity building have been provided to transfer skills to EEU and MOWE. The IVA consultant shall also ascertain if the



procurement centers have promptly tackled administrative or issues of different kind, should they arise, with the overall goal of ensuring timely and adequate procurement of goods, works and services, and complains handling during the procurement process.

The assessment will be conducted in accordance to the provisions of the Financing Agreement, and procedures and criteria detailed in the Program Operations Manual, and Federal and EEU Procurement laws, directives, policies and procedures.

The activities to be carried out by the Consultant in the verification of DLRs #5.19 will include but not necessarily limited to: -

- Before each annual verification, submit detailed methodology, work schedule and cost breakdown to the Client for review and approval;
- Prepare the template for the RVR;
- Kick-off meeting to confirm the workplan, methodology, and the Program Results Framework of EEU, UEAP and MoWE;
- Conduct a Wrap-Up working session. The Consultant will take minutes of this meeting and will subsequently obtain the Client Coordinator's confirmation as to the accuracy and completeness of these minutes.
- Develop an assessment spreadsheet and simple computerized model into which the Consultant will enter the (draft and final) scoring data resulting from the Verification of DLRs #5.19.
- Conduct verification of results indicators based on the performance indicators and allotted scores included in the Financing Agreement and Program Operations Manual (POM). The criteria are attached as Annex I for ease of reference;
- Preparation of draft Program Results Verification Reports (RVR) satisfactory to the, MOWE, EEU and World Bank on results achieved.

The report shall cover all the three procurement centers;



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- Conduct a one-day workshop on the verification report including major findings on the system and recommendations for improvement. The cost of the workshop will be covered by the Client, MOWIE;
- Final Program Results Verification Reports (RVR) incorporating the comments of EEU, MOWE, World Bank and workshop participants;

Performance Indicators, Sampling Procedures, Data Collection Tables and other relevant guidance are provided in Appendices 1-4 and Annexes 1-7.



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	DLR #5.19: Minimum Entry Conditions maintained during period July 8, 2023, through July 7, 2024, and internal and external procurement audits completed by January 7, 2025.	EEU to submit a letter to the WB attesting the establishment of minimum entry conditions. EEU sends additional documents for minimum entry conditions i-v; EEU to hire an external auditor for procurement; EEU to submit internal and external procurement audit report to the WB by the deadline.			IVA to verify: (a) establishment of minimum entry conditions through: (i) submission by EEU to the WB of letter attesting the establishment of minimum entry conditions, (ii) submission of the following additional documents by EEU as detailed in the Verification Table, (a) revised Standard Bidding Document endorsed by the World Bank (b) Revised and standardized Technical specification and design manual (c) Revised procurement policy and procedure manual (d) Reestablished and strengthened bid endorsing committee (e) Revised compliant handling procedure consistent with the Federal Public Procurement compliant handling procedure iii) completion of the internal procurement audit report as per the agreed ToR and submitted to the World Bank by January 7,2025 (iv) Completion of the external procurement audit report as per the agreed ToR and submission to the World Bank by January 2, 2025.
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V. Timeframe/ Duration

The year of performance is between period of July 8, 2023 through July 7, 2024 the minimum entry condition maintained and internal and external procurement audit completed by January 7, 2025. . The draft Independent verification report shall be submitted to MOWE and the Bank within 2 months and the final report by 3 months (incorporating the verification of procurement audit, based on the achievement deadline for this DLI and related DLRs, as outlined in the POM

VI. Consultant's Team and Qualification

The Consultant shall present evidence of adequate practical experience of the firm in conducting verification assignments related to electrification programs. Personnel in the Consultant's team should together have demonstrably proven in-depth experience in addressing the full range of functional and technical expertise outlined in this TOR, to successfully undertake this assignment and on a timely basis:

Team Leader

The Team leader shall have a master degree in Procurement, Procurement & Supply Chain Management, Public Procurement & Asset Management, Commerce, Marketing Management, Business Administration, Economics, Engineering, Law, Accounting, Financial Management or related disciplines with 15 years of professional experience out of which 5 years shall be experience as senior procurement specialist , procurement specialist , auditor or contract management specialist in the public sector and also the team leader should have at least 3 years' experience as team leader or supervisory role of procurement activities. The consultant should be familiar with Ethiopian Government procurement laws, directives, guidelines & procedures. Procurement experience in the power sector and development partner funded projects/programs including the World Bank will be an added advantage. Having experience in procurement auditing,

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verification and monitoring of result-based programs; including World Bank Program-for-Results will also be an added advantage.

Senior Procurement Specialist:

The Senior Procurement Specialist shall have a Bachelor degree in Procurement, Procurement & Supply Chain Management, Public Procurement & Asset Management, Commerce, Marketing Management, Business Administration, Economics, Engineering, Law, Accounting, Financial Management or related disciplines and 10 years of professional experience out of which 5 years shall be experience in senior procurement specialist, procurement auditor in the public sector. The consultant should be familiar with Ethiopian Government procurement laws, directives, guidelines & procedures. Procurement experience in the power sector and development partner funded projects/programs including the World Bank will be an added advantage. Having experience in procurement auditing, verification and monitoring of result-based programs; including World Bank Program-for-Results will also be an added advantage.

Procurement Specialist:

The Procurement Specialist shall have a Bachelor degree in Procurement, Procurement & Supply Chain Management, Public Procurement & Asset Management, Commerce, Marketing Management, Business Administration, Economics, Engineering, Law or related field and 7 years' work experience out of which 5 years shall be experience in experience in procurement specialist, procurement auditor in the public sector. The Specialist or auditor should be familiar with Ethiopian Government procurement laws, directives, guidelines & procedures. Procurement experience in the power sector and development partner funded projects/programs including the World Bank will be an added advantage. Having experience in procurement auditing, verification and monitoring of result-based programs; including World Bank Program-for-Results will also be an added advantage.

The professionals required with qualification and experience requirement and man-month allocated to accomplish the tasks listed in the table.



No	Position/ title	Minimum Requirement	Educational	No.	Indicative Man-month	Minimum Experience in Years	Required Relevant Experience
1	Team leader	Master degree in Procurement, Procurement & Supply Chain Management, Public Procurement & Asset Management, Commerce, Marketing Management, Business Administration, Economics, Engineering, Law, Accounting, Financial Management or related disciplines		1	3	15	- With 15 years of professional experience out of which 5 years' experience as senior procurement specialist, procurement specialist, procurement auditor or contract management specialist in the public sector and also the team leader should have at least 3 years' experience as team leader or supervisory role of procurement activities. - The consultant should be familiar with Ethiopian Government procurement laws, directives, guidelines & procedures. Procurement experience in the power sector and development partner funded projects/programs including the World Bank will be an added advantage. - Having experience in procurement auditing, verification and monitoring of result-based programs; including World Bank Program-for-Results will also be an added advantage.
2	Senior procurement specialist	a Bachelor degree in Procurement, Procurement & Supply Chain Management, Public Procurement & Asset Management, Commerce, Marketing Management,		1	3	10	5 years experience in procurement in the public sector. - The consultant should be familiar with Ethiopian Government procurement laws, directives, guidelines & procedures. Procurement experience in the power sector and development partner funded

		Business Administration, Economics, Engineering, Law, Accounting, Financial Management or related disciplines				- projects/programs including the World Bank will be an added advantage. - Having experience in procurement auditing, verification and monitoring of result-based programs; including World Bank Program-for-Results will also be an added advantage.
3	Procurement Specialist:	a Bachelor degree in Procurement, Procurement & Supply Chain Management, Public Procurement & Asset Management, Commerce, Marketing Management, Business Administration, Economics, Engineering, Law or related field	2	3	7	5 years shall be experience in procurement in the public sector. - The Specialist should be familiar with Ethiopian Government procurement laws, directives, guidelines & procedures. Procurement experience in the power sector and development partner funded projects/programs including the World Bank will be an added advantage. Having experience in procurement auditing, verification and monitoring of result-based programs; including World Bank Program-for-Results will also be an added advantage.



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Appendix 1: Procurement Performance Indicators

Procurement performance indicators are shown below:

I. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
(a)	Annual Procurement Planning, Oversight and Controls Parameters to be assessed ((i) Annual Procurement Plans are prepared and updated (4 pts) ; ((ii) Internal procurement audits are conducted and they are acceptable (3 pts) ;(iii) Follow up and update was done on the action plan for implementation of internal and external audit findings (3 pts))	10	1. (i) Comprehensive and complete Annual procurement plan was prepared for the FY as part of the Connection Role out Plan (CRP) in accordance with the requirements of the procurement procedures and prescribed templates and approved by procurement endorsing committee and management. (ii) Procurement plan was updated as necessary with sufficient justifications. 2. Internal procurement audit reports (submitted by 31st August and the audit planning, execution and reporting are as per accepted internal audit standards) 3. Updated action plan for implementation of internal and external audit findings
(b)	Individual Procurement Transactions	60	The assessment and scoring for individual procurement transactions will be based on a reasonable sample



1. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
			(minimum 20% of all contracts) with a good mixture of low risk-high value, high risk-low value, high risk-high value contracts and different procurement methods and categories. For the samples taken, average of the individual score should be taken. If decimal, round it to the nearest whole number. NB. The IVA Consultant will record and present in a report, the particulars of the reviewed contracts including contract description, contract reference numbers, name and address of awardee, contract amount and implementation status of the contracts that were sampled and reviewed. 1. The IVA Consultant, in carrying out the procurement performance assessment, is required to also use the Procedures for selection of sample contracts. 1. Annual Expenditure summary and Annual Procurement Plan for the prior year and contract registers; 2. Extracts of adverts (as it was advertised) of invitation
	1. <i>Procurement Planning and Bidding Parameters to be assessed</i>	20	



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I. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
	(i) The procurement item is included in the approved annual procurement plan (4 pts); (ii) Proper advertisements are made (4 pts); (iii) Correct standard bidding documents are used (4pts); (iv) Bid floating periods are as per the procedures and acceptable (4 pts); (v) Bid openings are conducted immediately after bid submission and minutes are acceptable (4 pts))		for bid or request for EOI using appropriate public media; 3. Adapted Standard Bidding Documents issued by FPPA; 4. Folders for specific bidding documents issued consisting: IFBs, ITB, BDS, Evaluation and Qualifications criteria, Schedule of requirements (specifications and bill of quantities), bidding forms, General Conditions of Contract, Special Conditions of Contract and other necessary formats for all items procured. Similar documents for Consultancy services selection. 5. Bid opening records/minutes signed by the bid opening committee and bid opening attendance sheet.
	2. <i>Bid Evaluation and Contract Award</i> Parameters to be assessed	20	1. Folders for bid evaluation report and verify if only those selection and qualification criteria stipulated in the issued Bidding Document are applied during bid



1. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
	((i) Bid evaluations are consistent with bidding documents (4 pts); (ii) Contract was awarded to the legitimate bidder within bid validity period (3pts) ; (iii) Bid evaluation results are announced to bidders & public (3 pts); (iv) Procurement complaints properly addressed (3 pts), (v) Contract document contents are complete (3 pts); (vi) Procurement processes are timely (consistent with APP (4 pts))		evaluation for the sampled contract; 2. Check whether the legitimate bidder is awarded the contract 3. (i) Issued bidding document containing the required bid validity and submitted bids containing the same. (ii) Any requests for extension(s) of bid validity and subsequent extension(s) including bid securities. (iii) Letter of Contract Award (iv) Folders for bid evaluation results announcement to bidders and to the general public for all items procured (extracts of advertisements, signed letters issued to bidders) 4. Complaint register file and complaint handling file, procurement folder of the sampled contract.



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I. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
			5. Contract documents containing all the relevant sections indicated in the bidding document to be part of the contract. Check if the minimum contents of a contract agreement are there (form of contract, Special Conditions of Contract, General Conditions of Contract, priced Schedule items /scope of works, specifications, drawings, securities ...) 6. Approved Procurement Plan and procurement folder for the sampled contract. Scoring is done by comparing the original planned dates with the actual dates. Check if procurement process activities are performed <i>consistent with the milestones</i> in the approved Procurement plan (timelines).
	3. <i>Contract implementation and procurement recording</i> Parameters to be assessed	20	1. (i) Approved Annual Procurement Plan, Procurement and Contract Management file including invoices and payment certificates, commencement orders, provisional and final acceptance letters, variation




I. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
	(Contracts implemented (i) in a timely (7 pts) and (ii) cost effective (6 pts) manner (consistent with planning & budgets) and (iii) Availability of adequate auditable procurement records in a secured space (7 pts).		orders, etc. (ii) Check for acceptability of contract management Plan, agreed delivery/work program, timelines, variation orders, cost overruns, etc.) (iii) Check whether the contract objectives are met satisfactorily (whether the delivered results are benefiting the public) 2. Procurement documents (transactions records) for the sample contract for review is kept in a secured space and available and evidenced (procurements documents for current year all key documents from Advertisement up to contract closure or hand over)
(c)	Procurement Outcomes	30	1. The assessment will be done based on the data available in the procurement performance monitoring and measurement database/sheet. The IVA consultant shall verify the consistency of the data base/sheet to rely upon



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I. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
			the data provided in the database/sheet. 2. In order to ensure that the overall performance of the procurement process is acceptable and a system of performance measurement based on agreed KPIs is maintained for increasing performance. The IVA will assess the procurement outcomes based on the procurement performance monitoring and measurement KPIs. A 5% or above increase/reduction on the KPIs on a year on year basis taking the first year as a base year will entitle the full mark allotted for that specific KPI. Below that will be awarded proportional marks.
	1. Procurement efficiency and effectiveness Parameters to be assessed	15	



1. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
	(i)Percentage (by no. and value) of procurement items not included in the original annual procurement plan does not exceed 10% for the second year, 5% for the third year, and 0% for the fourth and fifth years (4 pts)(ii) deviation between original Planned and Actual Procurement cycle time (procurement initiation-contract completion) does not exceed 20% for the second year, 10% for the third year and 5% for the fourth and fifth years (4 pts) (iii) deviation between original pre-tender estimated price and award price does not exceed 10% for the second year and 5% for the third, fourth and fifth years (4 pts) (iv) deviation between contract price and final price (turnout cost) does not exceed 25% for the second year, 15% for the third year and 10% for the fourth and fifth years (3 pts)		Procurement Performance Monitoring and Measurement records/spreadsheet and procurement files/records, for spot verification.
	2.Competitiveness, Fairness and Transparency and Controls (i) Percentage (by no. and value) of procurements	15	Procurement Performance Monitoring and Measurement records/spreadsheet and procurement files/records, for spot verification.



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I. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
	conducted through open bidding procedure is 85% for the second year, 90% for the third year and 95% for the fourth and fifth years (3 pts);(ii) Increase in average number of bids per tender, 5% for the second year and 10% for the third year and onwards (2 pts);(iii) The number of complaints resolved within the standard time frame is 100% (2 pts);(iv) no of complaints from bidders compared to the number of tenders does not exceed 10% in the second year, 5% in the third year and 2% in the fourth and fifth years (2 pts) ; (v) the number of complaints resolved against the Implementing Agencies does not exceed 2% (2 pts) ;(vi) the number of cancelled tenders does not exceed 3% (2 pts) ;(viii) the number of outstanding audit qualifications/ recommendations does not exceed 1% (2 pts)		




Procurement Audit

I. No.	Areas to be Assessed	Scoring (%)	Verification Protocol
(a)	Time Line of Audit (30%) The IVA will verify and score if the procurement audit has been done by the independent Auditor by 30th of November of the year following the performance year.		Procurement Audit with its transmittal letter dated before 31st January of the year following the performance year.
(b)	Quality of Audit (60%) Audit Sampling, Planning, Audit Execution, consistency of Audit findings with Audit qualifications/findings, and Audit Reporting as per the TOR 3-5 key elements including		Audit Planning Sampling, Audit Execution, and Audit Reporting as per the TOR included in the POM • The Audit Planning includes audit schedules, audit entry meeting; timely notification of the auditee on the audit to be conducted; • The Audit staff/consultant



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	reporting template		shall have a minimum of 5 years' relevant experience and BA/BSC Degree in procurement and supply chain management, Economics, Law, Engineering, Management, Accounting or other related fields of study • The selected samples are representative considering the nature, complexity, value, and method of procurement; • The Audit was conducted as schedule without unnecessary disruptions; • The Audit Report is completed enough documenting the auditing
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		procedures followed, audits carried out on all the stages of the procurement and contract management process, audit findings/recommendations, audit report written in a clear language and concise and manner; • Consistency of Audit Recommendations with Audit findings; If 4 out of 6 satisfied, full mark. Scoring: If below, score zero.
(c)	Follow up of implementation of Audit Findings and Recommendations (10%)	Procurement auditors follow up the implementation of previous audit recommendations



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Minimum Entry conditions

(a)	EEU revise the Standard Bidding Documents which is reviewed and endorsed by the World Bank	Pass/fail	The IVA will verify the endorsement of the revised Standard Bidding Document by the World Bank. The revised SBD shall set procedures to specify and assess repeatedly requested requirements such as laboratory tests, manufacturer authorizations, relevant certificates, guaranteed Technical Specifications in the bidding document that will be used as a guide during evaluation; shall include complaint handling procedure in line with the federal procurement directive
(b)	EEU revise and standardize its Technical Specification and design manuals		The IVA will verify if technical specification and design manuals are revised and standardized. Review the manual and confirm areas of changes. Confirm standard technical specifications are issued.



(c) EEU shall revise its procurement policy and procedures manual	The IVA will review the revised procurement policy and manual and confirm that the final authority for approving evaluation report and award recommendation is given to the Bid Endorsing Committee or purchase committee in line with the duties and responsibilities of bid endorsing committee specified in the federal procurement directive
EEU will revise the complaint handling procedure	The IVA will verify if EEU revised its procurement complaint procedure in accordance with the compliant handling procedure in FPPPA. The IVA will check if the revised procedure allows appeal to be submitted to the federal procurement complaint handling board in case the complainant party is not satisfied by the decision of EEU's CEO.,



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- ✓ The weighting for procurement processing and audit performance is 0.70 and 0.30 respectively.
- ✓ The IVA will take sample contracts, review, rate and weight average the scores based on value of the procurements to assess procurement performance.
- ✓ The procurement outcome is average procurement performance for the year under consideration based on the data to be obtained from the procurement and contract monitoring system.
- ✓ The IVA will assess internal and external audit reports; rate and weight average the scores. The weights are 0.4 and 0.6 for internal and external audits respectively. The weighting among entities is 0.45, 0.45 and 0.10 for EEU, UEAP Unit and MOWE respectively

Appendix 2: Procedure for Selection of Sample Contracts for IVA

1. To assist the IVA in selecting the verification sample, the Client (MOWE) will provide to the IVA, at the time of contract signature, comprehensive lists of contracts, if available, for each Procurement Center and copies of the relevant FAs and, Program Appraisal Document (PAD), Integrated Fiduciary Assessment Report (IFA) and audit reports. On the basis of the information provided by the Client and other sources, the consultant will prepare the list of contracts to be verified in each Center.
2. The following criteria and considerations should be used in selecting the sample contracts to be audited:
 - The Consultant shall select and review **20%** of the completed contracts started in the fiscal year under assessment/verification or rolled from the previous year(s). Nature, size and complexity of contracts will be taken into considerations while sampling the **20%** of contracts for detail review. In addition, to the extent possible, the review sample should cover most of the following categories/scenarios:
 - ✓ **Nature:** civil works, goods, service contracts, supply and installation, consulting services;

- ✓ *Complexity*: simple, less complex and complex;
 - ✓ *Value*: high, medium and low;
 - ✓ *Critical items*: Contracts that are necessary for the success of the project;
 - ✓ *Method of Procurement*: Pre-qualification, Single/Two Stage bidding, ICB, NCB, LIB, Shopping Direct Contracting, etc. for goods/works; QCBS, QBS, Least-Cost, Individual etc. for selection of consultants; and
 - ✓ *Contract awards*: contracts awarded to the lowest evaluated bidder which met the qualification criteria; awarded to higher bids as the lowest bidders failed to meet the qualification criteria or for other reasons, etc, awards to national or international firms, awards to single and multiple lots, awards affected by domestic preference.
 - ✓ *Contract Management*: Contract amendments, price revisions, protests/claims during contract execution and bidding stages.
3. The consultant shall review project files with special focus on the following aspects, documentation and procedures:
- Implementing Agency's/Center's Capacity, Adequacy of Staff (availability and skills); Role of Procurement Agents/Consultants; Implementation Arrangements; defined procurement decision roles, maintenance of Minimum Access Conditions;
 - Procurement Plans and Monitoring;
 - Advertising;
 - Pre/Post Qualification;
 - Short listing (for Consultancy)
 - Bidding Documents;
 - RFP (for consultancy);
 - Bid Opening;
 - Evaluation and Awards;





- Technical Proposals Evaluation Report
- Combined evaluation report;
- Bid Validity Extensions;
- Protests or complaints from Bidders/Contractors;
- Signed Contracts;
- Contract Amendments and Change/Variation Orders;
- Delays in payments; actual contract payments vs. contract award amount;
- Securities (for Bid, Performance, Advances, Insurance, Liability, etc.);
- Contractors' Claims/ Contractual Disputes and their Resolution
- Damages and Penalties for Delays, non-compliance with Functional Guarantees, etc.;
- Reasons for Slow Progress of Completion;
- Imports, Customs, etc. if any;
- List of deliverables and completion (date, description, quantity, location of goods or works);
- Other Relevant Matters.

Using the documents and information itemized above and other information collected during the review, the consultant shall compile a comprehensive history of the procurement process for each contract reviewed.

4. Distortions in the procurement process are frequently manifested in one or more of the following situations:
 - low participation of bidders and reduced competition;
 - one or more bidders winning a disproportionate amount of contracts in a project over time;
 - bid prices consistently over cost estimates and/or current market prices;
 - significant number of changes from bid to contract award and to final completion; and
 - significant and recurring increases in the final contract price over the original bid price and/or the original contract price.
 - Significant Variation Orders (change orders);
 - Inordinate delays in procurement decision making;

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- Unjustified cancellation of procurement process;
- Repetitive request for extension of bid validities;
- Rejection of majority of bids and ending up with single qualifier

5. If patterns are identified in a series of contracts, which reflect any of the above distortions, one or more of the contracts in the series should be selected for more detailed review in the review sample.



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Appendix 3: Checklist of Data and Documents to be Made Available by the Client to the Procurement Auditor for each implementing agency

Credit Agreement, Guarantee Agreement, Program/Project Agreement (the legal documents).

All amendments to the legal documents.

Agreed Program Action plans,

Program/Project Operational Manual

Annual Performance Assessment Guideline (APAG)

Annual/semi-annual reports from the Implementing Agencies/Centers, as available.

Appendix 4: Checklist of Documentation to be provided by the Implementing Agencies/Centers

For All Contracts in the Review Sample:

1. Updated Procurement Plan, including list of all contracts.

2. Publications in National Press and other Trade Journals.

3. National Competitive Bidding (NCB) procedures:

4. Consultant Contracts:

i. Request for Expressions of Interest (consultants), if applicable:

➤ date and publication.

ii. Request for Proposals and Short List (consultants):

Evaluation of proposals (consultants):

Minutes of Negotiations and Signed Contract (consultants):

5. Goods, works, non-consulting services contracts:

i. Invitation for pre-qualification, if any:

➤ date and publication.

ii. Prequalification Documents, if any:

➤ Clarification requested and issued; and

➤ Addenda issued.

iii. Prequalification Evaluation, if any:

➤ Clarification requested and received; and



iv. Invitation for Bids:

➤ date and publication.

v. Bidding documents:

➤ Clarifications requested and issued;

➤ Addenda issued;

➤ Minutes of pre-bid and site meetings.

vi.

Bid Evaluation Report:

➤ Minutes of bid opening;

➤ Clarifications requested and received;

➤ Complaints received and responses;

vii.

Notification of Award/Letter of Acceptance

viii. Signed Contract:

ix. Contract Amendments, if any.

6. Any other relevant information/documentation required by the consultant relating to contracts reviewed.

1. Deliverables:

The assignment deliverables shall comprise the following:

a. Inception Report:

This will describe the methodology, scope of verification and work plan with detailed budget. Submit detailed methodology, work schedule and cost breakdown to the Client for review and approval;



of

b. Draft verification Reports:

These will comprise the draft audit reports of the results

c. Final verification Reports:

These will contain the detail audit reports with recommendation for the improvements of the results and MoWE. In the final submission of the audit report the consultant is expected to present the finding to relevant stakeholders and the main points to be present are:-

- i. The consultant will present audit findings and ensure objectivity in reporting.
- ii. The consultant will also prepare the minutes of such meetings and ensure that all the findings and recommendations are agreed upon.
- iii. Claims Review Report per Recipient, which will include a financial report and a narrative report with recommendations
- iv. Primary and secondary data collected during the assignment
- v. Power point presentations summarizing the overall verification exercise and audit findings



8. Consultant's Service Administration

The consultant firm is accountable to the Ministry of Water and Energy, The Electrification and Energy Information Lead Executive has responsible to monitor & support the consultant throughout the assignment period.

9. Budget:

The budget for this consultancy shall cover all costs associated with conducting the verification, including travel expenses, data collection, and reporting.

10. Client's Input for the Service

- ❖ Access to documentation in the Ministry of Water and Energy
- ❖ will assign counterpart staff for the assignment; and
- ❖ Shall send out communications to all stakeholders informing them of the consultant's appointment and requesting them to facilitate the verification in the respective wordas/villages.
- ❖ Support the consulting firm team throughout the performance of the service.
- ❖ The Ministry team (EBILE) of experts for review of the deliverables, for timely feedback and submission of respective final reports by the firm.

11. Reporting Procedures

Consultant will report to MoWE and provide copies of the Annual Results Verification Report (RVR) and the DLR-specific reports. The Ministry will be in charge of follow-up of the activities of the consultants

Remark:-

- All reports are submitted in 3 hard and soft copies in CD.
- The consultant is required to communicate with the Ministry throughout the process.
- The consultant is required to undertake the assignment as per the requirement of this ToR and acceptable verification practices with its entirety.



of

12. Annex

A1 – Financing Agreement

A2 – Program Paper

A3 – Program Operation Manual



Annexes 1-7-Additional formats for the collection of data

Annex 1. Qualification and experience of procurement staff of the implementing Agency/Centre

S.No.	Name of procurement staff of the implementing Agency/Centre	Educational qualification and area of specialization (B.A in Management, etc)	Number of Years of experience in Procurement	For how many months was the position filled in the past fiscal year (EFY ===)	For how many months was the position vacant in the past fiscal year (EFY ===)	Is staff familiar with legal procurement documents? Yes or No

[Handwritten signature]



Annex 2. Identifying Sample Procurements

Procurement Method	Planned			Executed			Sample Size			Total
	Works	Goods	Consultancy	Works	Goods	Consultancy	W	G	C	

[Handwritten signature]



Annex 3. List of Sampled Procurements (EFY -----)

S / N	Contract Description	Contract Reference No.	Contract Amount (Br.)	Proc. Method and Type	Name and Specific Address of the Awarded	Contract Status
1.						
2.						
3.						
4.						
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24.						
25.						



Annex 4. Use of Proper Media, SBD for Advertising and Floating Period

S. No	Contract Reference Number	Was procurement item included in the approved annual procurement plan? Yes or No	Required advertisement that needed to be used as per the law	Actual advertisement used	Were correct standard bidding documents used? Yes or No	Bid floating periods as provided in the law	Actual bid floating periods for the contract	Was bid openings conducted immediately after bid submission? Yes or No	Were minutes taken during bid openings acceptable? Yes or No
1.									
2.									
3.									
4.									
5.									
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9.									
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25.									
26.									



Annex 5. Bid Evaluation and Contract Award

S/N	Contract Reference Number	Is Bid Evaluation consistent with bidding documents?	Bid Validity Period	Duration of award of contract from bid opening to award	Is the bid awarded to the legitimate bidder within bid validity period?	Is the Bid Result Communicated to: (Mention the media)		Are Contract document contents complete or incomplete?
						Bidders?	Public?	
1.								
2.								
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Annex 6. Implementation of procurement within planned time and contract

S/ N	Contract Reference Number	Original planned procurement cycle Time		Actual completi on (Accepta nce)	Price		Is there Time and/or Price Variance ?	Are adequate auditable procurement records available in a secured space?
		Planned initiation	Planned completion		Contract price	Final (turnout) Price- Paid		
1.								
2.								
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Annex 7. Procurement Efficiency, Effectiveness, Competitiveness, Fairness and Transparency and Controls

Description		Number	Remark
Number of Procurement Items not Included in Original APP			
1. Number of procurement items not included in the original annual procurement plan			
2. Number of procurement items included in the original annual procurement plan			
3. Percentage of the number/value of procurement items not included in the original annual procurement plan			
Value of Procurement Items not Included in Original APP			
1. Value of procurement items not included in the original annual procurement plan			
2. Value of procurement items included in the original annual procurement plan			
3. Percentage of the value of procurement items not included in the original annual procurement plan			
Average deviation between original Planned and Actual Procurement cycle time (procurement initiation-contract completion)			
1. Total sum of deviations (procurement initiation-contract completion)			
2. Total number of procurements used for deviation measurement			
3. Average deviation between original Planned and Actual Procurement cycle time (procurement initiation-contract completion)			
Deviation between original price in the procurement plan and award price			
1. Total sum of deviations between original price in the procurement plan and award			
2. Total number of procurements used for deviation measurement			
3. Average deviation of Original price planned Vs award price			
Deviation between contract price and completion price (turnout cost)			
1. Total sum of deviation between Contract price and completion price			
2. Total number of procurements used for deviation measurement			
3. Deviation between contract price and completion price (turnout cost)			
Number of procurements conducted through open bidding procedure			
1. Number of procurements conducted through open			
2. Total Number of procured items			



3. Percentage of the number procurements conducted through open bidding procedure		
Value of procurements conducted through open bidding procedure	Amount	Remark
1. Value of procurements conducted through open and non-open bidding procedure		
2. Value of procurements conducted through open bidding procedure		
3. Percentage of Value procurements conducted through open bidding procedure		
Complaints resolved within the standard time frame	Number	Remark
1. Total number of procurement related complaints resolved		
2. Total number of complaints that were resolved within the standard time frame		
3. Percentage of complaints that were resolved within the standard time frame		
No of complaints from bidders compared to the number of tenders	Number	Remark
1. Number of total tenders		
2. Number of tenders with complaints		
3. Percentage of complaints compared to number of tenders		
The number of complaints resolved against the Implementing Agencies	Number	Remark
1. Number of total complaints		
4. Number of complaints resolved against the implementing Agency (Procurement Center)		
5. Percentage of complaints resolved against the implementing Agency (Procurement Center)		
Number of cancelled tenders	Number	Remark
1. Total number of procurements in the original approved Procurement Plan		
2. Total number of cancelled tenders/procurements		
3. Percentage of Cancelled tenders/procurements compared to total number of procurements in the original approved Procurement Plan		
Percentage of action taken from the previous procurement audit qualifications/ recommendations	Number	Remark
1. Number of previous procurement audit qualifications/ recommendations		
2. Number of actions taken from the previous procurement audit qualifications/ recommendations		
3. Percentage of action taken from the previous procurement audit qualifications/ recommendations		



