# ANNEX I - INSTRUCTIONS FOR APPLICANTS

## Contents


1. Subject ..... 2
2. Project Reference ..... 2
3. Purpose ..... 2
4. Time table ..... 2
5. Content of Proposals ..... 2
6. Submission of Proposals ..... 3
7. Evaluation of Proposals ..... 4
8. Notification and Signature ..... 4
9. Conditions ..... 5
10. Payment ..... 5
11. Questions ..... 5

## 1. Subject

This tender is specifically designed for the development and launch of a report on the Liberalisation of the Electricity market in South Africa.

The Tender Dossier includes:

| | |
|---|---|
| **ANNEX I** | Instructions For Applicants |
| **ANNEX II** | Terms of References |
| **ANNEX III** | Evaluation Criteria |
| **ANNEX IV** | Tender Submission Form |
| **ANNEX V** | Checklist |

## 2. Project Reference

R4A/2025/SA/01

## 3. Purpose

The services required are described in depth in the Terms of Reference, set out in Annex II of this tender dossier.

## 4. Time table

| PHASE | DATE AND TIME |
|---|---|
| Publication of the call for Tender | **Tuesday, 15th April** |
| Deadline for requesting clarification from the contracting authority | **Thursday, 17th April** |
| Last date for the contracting authority to issue clarification | **Tuesday, 22nd April** |
| Deadline for submitting tenders | **Monday, 28th April** |
| Completion date for evaluating technical offers | **Tuesday, 6th April** |
| Notification of award and transmission of the contract | **Wednesday, 7th April** |
| Contract signature | **Monday, 12th May** |
| Expected start date | **Tuesday, 13th May** |

## 5. Content of Proposals

The tendering Service Provider shall submit its Proposal in three folders, named:
"[ADMINISTRATIVE DOCUMENTS_Folder A]"
"[TECHNICAL OFFER_Folder B]"
"[ECONOMIC OFFER_Folder C]"

**Folder A - Administrative documentation**

The following documents shall be included:

- Non bankruptcy proof

- Anti-corruption policy
- Code of Ethics
- A valid chamber of commerce Service Provider registration for the Service Provider (produced in original format and in any case, in English).

Moreover

- The Tender Submission Form must be signed by the legal representative of the Service Provider, with a copy of his identity document attached; the Form may also be signed by another legal representative and, in this case, a certified copy of the attorney must be attached.

**Folder B - Technical offer**

The Technical offer must Include the following documents

I. **Organization and Methodology**: the applicant shall provide a detailed description of how the activities will be performed and the estimated duration of each task.
II. **Work plan**: the applicant shall provide a detailed description of the estimated time to perform the services, indicating specifically the different stages, and, for each stage, indicating the relevant timetable (e.g. GANTT or similar). The timetable should follow the GANTT proposed in the Terms of Reference.
III. **Key Experts**: list of the professional human resources the applicant will use to perform the service with the relevant CVs.
IV. **Previous experience on the subject of the contract** – the tenderer must include all information considered relevant to assessing previous qualifications, experience and skills in the field covered by the invitation to tender, taking into account the award criteria and procedures.
V. **Previous experience with RES4Africa** - the tenderer must specify and attach any previous studies or collaborations with RES4Africa Foundation.

**The Technical offer shall not include any economic information. Any violation of this requirement will determine the exclusion of the tenderer from the bidding procedure.**

The use of a specific format for the technical offer is not required.

**Folder C – Economic Offer**

The cost of the work including VAT, taxes, expenses, contributions and other due fiscal charges, according to the applicable law of the Service Provider, shall be indicated in EURO.
The Economic offer shall be signed by the legal representative of the Service Provider, with a copy of their ID attached; the offer can also be signed by a solicitor of the legal representative and, in this case, a certified copy of the attorney has to be attached.
The applicant should provide a separate quotation for each single lot (if more than one) indicated in the tender, plus the total amount of the quotation (sum of the lots).

## 6. Submission of Proposals

Tenders must be sent to the contracting authority before 28th of April 2025 at 12:00 (CET). Tenders must include the requested documents in point 5 above and be sent by mail to:

marianna.petrosillo@res4africa.org
lorenzo.vilona@res4africa.org
lamberto.daipra'@res4africa.org
info@res4africa.org

This email shall have as object: "Proposal R4A/2025/SA/01"

**Contacts:**

| | | |
|---|---|---|
| Marianna Petrosillo | +27 722118074 | marianna.petrosillo@res4africa.org |
| Lamberto Dai Prà | +39 3291215342 | lamberto.daipra'@res4africa.org |
| Lorenzo Vilona | +39 3519379411 | lorenzo.vilona@res4africa.org |

## 7. Evaluation of Proposals

The proposals will be evaluated as detailed in Annex III. Specifically, the proposals will go through the following passages:

1) Administrative Check: the submission of all the requested documents is mandatory for being admitted to the following evaluation of the Technical and Economic proposal. **Failing in this phase of evaluation automatically excludes applicants from being evaluated on the following phases.**

2) Technical and Economic Evaluation

| EVALUATION ELEMENTS | | Evaluation % |
|---|---|---|
| **1** | **TECHNICAL OFFER** | 70 |
| **2** | **ECONOMIC OFFER** | 30 |
| **TOTAL** | | **100** |

In the case of one or more missing documents, the company can send an official explanation note that will be reviewed by the judging committee that will evaluate the legitimacy of the explanation. It must be presented within the deadline for submission.

## 8. Notification and Signature

The successful applicant will be informed in writing that their tender has been accepted.

The successful applicant shall then confirm the availability or unavailability of their key experts within the signature of the contract.

The selected applicant shall sign and date the contract and return it to the contracting authority within 7 consecutive days from the receipt of the contract already signed by the contracting authority. In case of questions from the awarded applicant concerning the contract, the period of 7 consecutive days is considered suspended until the contracting authority provides due explanations.

**Failure of the selected applicant to comply with this requirement may constitute grounds for annulling the decision to award the contract**. In this event, the contracting authority may award the tender to another applicant or cancel the tender procedure.

## 9. Conditions

The conditions, to be observed by the awarded applicant, are the following:

a) The social security, the insurance obligations and all other expenses that might incur, are to be covered by the awarded applicant.

b) The time required to execute and complete the works is hereby established in maximum 24 weeks as of the date of signature of the contract. In any case, not later than Friday, 31st October 2025.

c) The company hereby confirms possessing all requisites, craftsmanship, personnel and equipment, in order to carry out the works.

d) The Company formally engages itself to execute and complete the works described in the offer, within the above specified period of time and in respect of all relevant labor and commercial laws and regulations of the Country.

**Failure of the selected applicant to comply with these conditions may constitute grounds for annulling the decision to award the contract.** In this event, the contracting authority may award the tender to another applicant or cancel the tender procedure.

## 10. Payment

The amount payable by RES4Africa shall be provided as follows:

- 10% of pre-financing after the signature of the contract.
- 20% upon completion and positive evaluation of Milestone 1 (See Annex II, point 4).
- 20% upon completion and positive evaluation of Milestone 2 (See Annex II, point 4).
- 25% after the completion of Milestone 3 (Phase 2, see Annex II, point 4).
- 25% after the completion of Milestone 4 (Phase 2, see Annex II, point 4).

Each of the aforementioned installments will be paid within 60 days of completing the corresponding Milestones.

## 11. Questions

It is possible to send clarifications requests by the 17th of April 2025 by 12:00 CET. Any request after this date will not be considered.

The present document does not commit RES4Africa in any respect.

# ANNEX II – TERMS OF REFERENCE

**Title of the Project:** Report on Creating a Competitive Electricity Market in South Africa

**Reference Number:** R4A/2025/SA/01

**Title of the Initiative:** Creating a Competitive Electricity Market in South Africa

## Contents


1. Background Information ..... 2
1.1 Contracting Authority ..... 2
1.2 Context ..... 2
2. Objective of the initiative ..... 2
2.1 Geographic area ..... 3
3. Purpose of the tender ..... 3
4. Scope of Work ..... 3
4.1 Activities ..... 3
4.2 Intellectual Property ..... 4
4.3 Confidentiality ..... 4
4.4 Masterplan of activities ..... 4
5. Logistic and Timing ..... 4
5.1 Location ..... 4
5.2 Start date and period of implementation ..... 4
6. Budget ..... 5
7. Requirements ..... 5
7.1 Eligibility ..... 5
7.2 Staff, Key Experts and previous experience ..... 5

# 1. Background Information

## 1.1 Contracting Authority

Born in 2012, RES4Africa (Renewable Energy Solutions for Africa) is a Foundation that **works in support of Africa's just energy transition to achieve the SDG7**, ensuring access to affordable, reliable, sustainable and modern energy for all. It functions as a **bridge between Europe and Africa**: gathering a network of members from all over the clean energy sector from both continents and high-level international partnerships, we ensure constant dialogue between the most relevant energy stakeholders willing to mobilize investments in clean energy technologies.

## 1.2 Context

On the 16th of August 2024, President Cyril Ramaphosa signed the Electricity Regulation Amendment Act (ERA) into Law. The long-awaited bill is the culmination of a series of monumental regulatory changes which have resulted in a much-needed paradigm shift in the country's electricity sector. The bill, among other things, foresees the creation of a Transmission System Operator (TSO) within the next 5 years, allows for the creation of a competitive market for buying and selling electricity, and increases transparency and third-party access to the grid.

Other recent changes in the lead up to this announcement also have been clear indicators of a shift towards a competitive market. The recent unbundling of Eskom Transmission into the National Transmission Company of South Africa (NTCSA) and the removal of the licensing cap (opening the doors for private generation and C&I projects) show that many puzzle pieces are already in place for the competitive market to bloom. However, there are still some crucial steps needed to ensure the transition is smooth.

A competitive market cannot be rushed in to, with many things to consider. Eskom will remain a significant player – both as the interim TSO and as the majority generator and distributor – while NERSA will have its hands full creating a market code, setting new tariff rules and overseeing bilateral trades and PPAs. IPPs will also have to learn how to navigate the new system and aggregators will begin having a substantial role in the system. All this will occur as South Africa will continue to grapple with a difficult energy transition and critical grid issues that a stifling RE growth even without a market present.

The creation of a competitive market must avoid the pitfalls which occur with such drastic change. The removal of the licensing cap in absence of clear rules for new projects to access the grid, for example, inadvertently led to the failure of bid window six of the REIPPPP, as the rush of private projects hogged much needed grid capacity for publicly procured projects. To minimize the possibility of these pitfalls, many examples of competitive markets exist from which inspiration can be drawn.

# 2. Objective of the initiative

The aim of the project is to provide the South African electricity sector with a "guidebook" for a full establishment of a competitive electricity market in South Africa. The project should acknowledge the creation of an open market listing benefits but have a greater focus on the effective implementation of the market and the necessary steps to ensure success. This includes emphasis on the continued but renewed importance of Eskom in the new market, the regulatory milestones (market code, tariff structure, wheeling rules etc) which NERSA must get right, and how the competitive market fits into the country's greater goals of escaping the energy crisis and transitioning away from coal.

### 2.1 Geographic area

The target area for the implementation of this project is South Africa.

## 3. Purpose of the tender

RES4Africa Foundation seeks through this tender to contract a Service Provider to produce a report on the liberalization of the electricity sector.

## 4. Scope of Work

### 4.1 Activities

A written roadmap will be the main output of the project. The report should also draw from two or three examples of well-established competitive markets globally, assessing the situation before and after liberalization. From each case study, one to two pertinent aspects should be drawn as inspiration for the South African case. On top of desk research and analysis, the project should incorporate information from stakeholders involved through interviews. The report should generally follow the subsequent structure:

1. Regulatory Analysis
    a. Detailed assessment of the ERA bill
    b. Analysis of electricity pricing and tariff-related regulations currently
    c. Wheeling regulation
2. Next steps for an electricity market
    a. Definition and creation of market codes
    b. Implementation of a TSO
    c. Electricity Pricing Policy completion and continuation of EPDM
    d. Wheeling clarity
    e. Role of aggregators and IPPs
    f. Management of private PPAs
    g. Balancing Market
    h. Re-financing projects in view of a market/financing future projects
    i. Harmonisation of electricity market, financial market, and carbon market
3. International case studies and benchmarks
4. Roadmap and implementation
5. Recommendations
    a. Policy recommendations
    b. Timeline of necessary regulatory changes/ranking of importance or urgency

The following outputs are expected from this project:

1. A written report delivered in word format.
2. A slide set which summarizes the written report to be used for presentation purposes.
3. A stakeholder engagement meeting for the peer-review of the work done.
4. The launch of the report at an in-person or online event organized by RES4Africa at which the consultant will present the study in-person.

The activites are divided in to 4 main milestones :

1. Delivery of draft of chapters 1 and 2
2. Delivery of draft chapters 3, 4, and 5
3. Completion of stakeholder engagement peer-review

4. Delivery of final report, powerpoint slides, and launch of the report at an in-person or online event organized by RES4Africa

### 4.2 Intellectual Property

All intellectual property rights to the documents provided by RES4Africa, as well as those prepared or revised by the Service Provider, shall remain with RES4Africa. The Service Provider is not authorized to use these materials for internal purposes or share them with third parties unless expressly agreed upon in writing by both Parties.

### 4.3 Confidentiality

Before disclosing internal documents, or documents that by virtue of their content or the circumstances of their creation or communication must be deemed confidential, the Service Provider shall obtain the express written consent of RES4Africa.

### 4.4 Masterplan of activities

The project will start after contract assignment with a kickoff meeting (online) and will conclude with the launch of the report at an (in-person or online) event organized by RES4Africa.

The project should proceed according to the schedule indicated below. Online meetings will be held under RES4Africa discretionary decision.

Below a tentative schedule of the activities is presented.

## 5. Logistic and Timing

| | May-25 | | | | Jun-25 | | | | Jul-25 | | | | Aug-25 | | | | Sep-25 | | | | Oct-25 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Activity | Wk 1 | Wk 2 | Wk 3 | Wk4 | Wk 1 | Wk 2 | Wk 3 | Wk4 | Wk 1 | Wk 2 | Wk 3 | Wk4 | Wk 1 | Wk 2 | Wk 3 | Wk4 | Wk 1 | Wk 2 | Wk 3 | Wk4 | Wk 1 | Wk 2 | Wk 3 | Wk4 |
| Chapter 1 | | | | | 1 | | | | | | | | | | | | | | | | | | | |
| Chapter 2 | | | | | 1 | | | | | | | | | | | | | | | | | | | |
| Chapter 3 | | | | | | | | | | | | 2 | | | | | | | | | | | | |
| Chapter 4 | | | | | | | | | | | | 2 | | | | | | | | | | | | |
| Chapter 5 | | | | | | | | | | | | 2 | | | | | | | | | | | | |
| Stakeholder peer review | | | | | | | | | | | | | | | | 3 | | | | | | | | |
| PPT Slides | | | | | | | | | | | | | | | | | | | | | | | | |
| Launch event | | | | | | | | | | | | | | | | | | | | | | | | 4 |
| Meetings | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| Milestones | | | | | | | | | | | | | | | | | | | | | | | | |

### 5.1 Location

The final event, if in-person, will be in South Africa. The consultant is not required to be located in South Africa.

### 5.2 Start date and period of implementation

The start date of the service required is expected to be on Tuesday, 13th May 2025, as detailed in "Annex I: Instructions for Applicants". The duration of the whole Assignment is expected to be 24 weeks in total from the start date and is therefore expected to be finalized on Tuesday, 28th October 2025, and no later than Friday 31st October 2025.

## 6. Budget

The budget available for the required service is maximum 30,000 EUR (including VAT, expenses, contributions, and other due fiscal charges). Submissions above this amount shall not be considered.

## 7. Requirements

### 7.1 Eligibility

This consultancy is open to reputable consultancy companies and/or specialized entities (I.e., non-profit organizations, universities, research centers, etc.) having proven experience in similar assignments. Individual consultants' applications will not be taken into consideration.

### 7.2 Staff, Key Experts and previous experience

The tenderer must include all information considered relevant to assessing previous qualifications, experience and skills in the field covered by the invitation to tender, considering the award criteria and procedures. In particular, expertise and experience in technical and vocational training related to the energy sector, as well as any relevant skills aligned with the program, are considered assets. Experience in a similar project in Africa and/or with a local institution will be considered an advantage.

The tenderer must specify and attach any previous studies or collaborations with RES4Africa Foundation.

# ANNEX III – EVALUATION CRITERIA

**Title of the Project:** Report on Creating a Competitive Electricity Market in South Africa

**Reference Number:** R4A/2025/SA/01

**Title of the Initiative:** Creating a Competitive Electricity Market in South Africa

### The criteria for the evaluation will be as follows:

The submission of all the requested documents is mandatory to be admitted to the following evaluation of the Technical and Economic proposal. RES4Africa reserves the right to ask for documental integration if necessary.

| **Administrative check** |
|---|
| Folder A - Administrative documents<br>- Non Bankruptcy proof<br>- Anti-corruption Policy<br>- Code of Ethics<br>- Valid chamber of commerce Service Provider registration for the Service Provider (produced in original format and in any case, in English)<br>- The Tender Submission Form (Annex IV) – signed and stamped |
| Folder B – Technical Offer<br>- Organization and Methodology<br>- Work Plan<br>- Key Experts<br>- Previous experience on the subject of the contract<br>- Previous experience with RES4Africa |
| Folder C – Economic Offer |

The quality of the Technical and Economic offers will be evaluated in accordance with the award criteria and the associated weighting as detailed in the evaluation grid below.

| **Evaluation elements** | | **Evaluation %** |
|---|---|---|
| 1.1<br>1.2 | TECHNICAL OFFER | 70 |
| 2 | ECONOMIC OFFER | 30 |
| **TOTAL** | | **100** |

| Technical Evaluation | Max score | Weight |
|---|---|---|
| **1.1-Quality of technical offer (ET1)** | **100** | **40%** |
| Explicit and detailed description of the methodological approach to be implemented. | 40 | |
| Detailed time schedule of the work | 20 | |
| Project Management | 40 | |
| **1.2 - Previous experience with the contract (ET2)**<br>All information considered relevant to assessing previous qualifications, experiences and skills in the field, including experience with RES4Africa | **100** | **30%** |

| Economic Evaluation | Max score | Weight |
|---|---|---|
| **2 - Quality of Economic Offer (ES)** | **30** | **30%** |

The formula for the evaluation of the Economic Offer is:

**ES = 0,30 x CP/EO x 100**

where ES is the Economic Score, CP is the value of the Cheapest Economic Offer and EO is the value of the Economic Offer under consideration.

The Total evaluation score is:

**ET = 0,40 x ET1 + 0,30 x ET2 + ES.**

The contract will be awarded to the tenderer offering the best value for money, considering the awarding criteria listed above. No award criteria

and sub-criteria other than those detailed above will be used to evaluate the tender. The tenderer obtaining the highest combined technical and economical score will a draft contract according to the Italian law.

# ANNEX IV - TENDER SUBMISSION FORM

**Title of the Project:** Report on Creating a Competitive Electricity Market in South Africa

**Reference Number:** R4A/2025/SA/01

**Title of the Initiative:** Creating a Competitive Electricity Market in South Africa

## SUBMITTED BY

| | **Name(s) and address(es) of legal entity or entities submitting this tender** |
|---|---|
| **Leader** | |
| **Member** | |
| **Etc.** | |

## CONTACT PERSON

| | |
|---|---|
| **Name** | |
| **Organisation** | |
| **Address** | |
| **Telephone** | |
| **e-mail** | |

## DATE AND SIGNATURE

# ANNEX V – CHECKLIST

The applicants who are submitting their proposals are requested to check the following items to ensure the completion of all requested documents at this stage.

| Document | Note (if any) | Check |
|---|---|---|
| **Instructions for Applicants (Annex I)** | | |
| **Terms of Reference (Annex II)** | | |
| **Evaluation Criteria (Annex III)** | | |
| **Tender Submission Form (Annex IV)** | | |
| **Checklist (Annex V)** | | |

**Contact Person Name**

**Company Name**

**Date of Submission**

**Signature and Stamp**