

# **Terms of Reference**

## **EGAS Energy Efficiency project**

**Consultant for the Project Implementation Unit**

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## 1. BACKGROUND

The European Bank for Reconstruction and Development (the “EBRD” or the “Bank”) intends to provide a sovereign loan up to USD 200 million to the Arab Republic of Egypt to be on-lent to Egyptian Natural Gas Holding Company (“EGAS”) and its subsidiary Egyptian Natural Gas Company (“GASCO”, or the “Company”), established under the investment law no. 230 of year 1989 amended by law 72 of year 2017 and their amendments, collaboratively the sole operator of the natural gas system in Egypt. The proposed project consists of energy efficiency investments in the Egyptian gas pipeline infrastructure fully consistent with the Bank’s Green Economy Transition Approach (“GET”), thereby contributing to the enhanced sustainability of the gas transmission market and to the expansion of the ongoing policy dialogue effort in energy efficiency in the oil and gas sector (the “Project”).

The Project intends to focus on energy efficiency investments comprising of waste heat recovery from compression stations at gas processing plants, including the Dahshour compression station. Subject to agreement between GASCO and EBRD additional components may be included in the project during the implementation phase.

## 2. OBJECTIVE

GASCO now intends to create a Project Implementation Unit (“PIU”) and engage a consulting firm (the “Consultant”) to provide organisational and technical assistance to the Company to ensure the successful completion of the Project in accordance with the Project Implementation Plan (“PIP”) and with all EBRD requirements stipulated in the Loan Agreement (the “Assignment”).

## 3. PROJECT COMPONENTS

The services required under the ToR are to be rendered by the Consultant for the following components of the project to be financed by the Bank (*tentative list subject to changes*):

- (a) Dahshour Compression Station - Lot1 Compression Trains, including O&M and spare parts,
- (b) Dahshour Compression Station - Lot2 WHRU and ORC technologies, including O&M and spare parts,
- (c) Dahshour Compression Station - Lot3 Grid Connection, including O&M and spare parts, and
- (d) Dahshour Compression Station - Lot 4 Balance of plant Instrumentation and Control, including O&M and spare parts.
- (e) Project Implementation Unit (**PIU**) Consultancy services to assist GASCO with selected project activities (stated in this *Terms of Reference*).

## 4. SCOPE OF WORK

*Inter alia*, the PIU Consultant shall include the following tasks:

### 4.1 Support in the finalisation of the technical documentation of the Project to ensure compliance with EBRD's Procurement Policies and Rules (PP&R)

- (a) The Consultant shall provide the necessary support to the Company in the review and finalisation of procurement documents to ensure compliance with EBRD's Procurement Policies and Rules (PP&R) and available standard formats. A particular focus shall be on the technical specifications, of the various investment components being procured to the level of detail required for the preparation of the tender documents.

### 4.2 Development of PIU Operating Procedures

- (a) Prepare the Company Project Implementation Plan (PIP) and update in the EBRD formats as necessary according to EBRD or Gasco requirements during Project implementation.
- (b) When the PIU is established the consultant shall ensure that the required administrative procedures (classification system for documents and correspondence, arrangement and documentation of meetings, approval procedures, etc.) will be implemented according to EBRD requirements. All procedures should be prepared and documented in a full but simple Project Procedures Manual by the consultant. An initial manual should be prepared at the start of the assignment. This should be amended as required to reflect practical experience during the project.
- (c) Review & monitor Projects' schedules, by which all relevant parties are made aware and reminded regularly of the existence and timing of important milestones and events. The project schedule should be regulatory monitored and properly updated by the PIU, with the assistance of the consultant.
- (d) Project Quality Assurance: the aim of project quality assurance is to prevent quality deficits and to adapt quality standards, which are applied to both the work of the PIU and the work of the contractors. The consultants should assist the PIU to elaborate relevant quality assurance guidelines for all steps of the project.

### 4.3 Support during the Procurement Process

The Consultant will provide support to the PIU throughout the procurement process. To this end, the Consultant will, *inter alia*:

- (a) The Consultant shall provide the necessary support to the Company to prepare tender documents for the Contracts under the Project (the tender documents shall be prepared in

accordance with the Bank's Procurement Policies and Rules and the Bank's Standard Tender Documents shall be used as templates).

- (b) Ensure that the tender documents include the necessary environmental and social ("E&S") provisions, namely the obligation to implement the Project in compliance with (i) any E&S requirement under the legislation of Egypt, and (ii) the EBRD Performance Requirements ("PRs") on environmental and social impacts and issues and the Environmental and Social Action Plan ("ESAP") of the Project.
- (c) The procurement for all EBRD financed components shall be procured as open tenders in compliance with EBRD's Procurement Policies and Rules (PP&R) for public sector operations. It is envisaged that the Banks' standard tender documents for Supply and Installation of Equipment (Two Stage tender) will apply.
- (d) Ensure that all procurement notices are placed in a timely manner in accordance with the EBRD PP&R.
- (e) Ensure that all approvals and no-objections are applied for in a timely manner.
- (f) Advise the PIU in the administration of the tender process according to the bank's PP&R.
- (g) Review the PIU to draft responses to tender enquiries, arrange for approval and issue and record the same.
- (h) Participate, together with the PIU in any procurement & environment meetings or other pre-tender events, and record the same.
- (i) Review the PIU in public tender openings and prepare minutes.

#### **4.4 Support during the Evaluation Process**

The Consultant will provide support to the PIU in the evaluation process. To this end, they will, inter alia:

- (a) Give guidance on the composition of the evaluation committee and to the committee as required.
- (b) Attend meetings of the evaluation committee as an advisor and record these meetings, presenting the minutes for approval by the Project Director.
- (c) To review the drafting of detailed technical evaluation reports for the consideration of the committee, in the EBRD required format, including all technical and financial analysis, records of consultation with external parties by the committee and clarifications requested and received.

- (d) Assist the PIU to ensure that all queries and complaints are promptly attended to as appropriate and copy such inquiries as appropriate to the Bank.

#### **4.5 Support during contract finalisation**

The Consultant will provide support to the PIU during contract finalisation. To this end, the Consultant will, inter alia:

- (a) Assist the PIU by preparing a brief indicating all the items to be resolved in the clarifications pre-contract, if any.
- (b) Attend pre-contract discussions, if any, and document the discussions, updating the contract documents as necessary and seeking all necessary approvals.
- (c) Advise on the validity of performance and other contract-related securities.
- (d) Ensure that the PIU notifies unsuccessful tenderers within the guidelines of the Egyptian law.
- (e) Ensure that all queries and complaints are promptly attended to as appropriate and copy such inquiries and responses as appropriate to the Bank.

#### **4.6 Environmental and Social Action Plan**

The ESAP is an integral component of the Project, and the Consultant should assist the PIU in implementing the ESAP complying with the EBRD guidelines, that is to assist the PIU in planning, organizing, monitoring, and reporting on, the progress achieved in implementing the ESAP. When requested by the PIU or the Company, or when non-compliance risks arise, the Consultant should provide guidance on the ESAP implementation to the PIU and/or to the Company. Before completing its assignment, the Consultant should ensure that the Company has received all the necessary templates, information required to take over the ESAP implementation and reporting over the loan repayment period.

*Specific tasks will include:*

- Review the issues and mitigation measures proposed under the Environmental and Social Analysis and Audit, Stakeholder Engagement Plan (SEP), and the E&S Action Plan (ESAP) and the environmental management practices currently in place to have a good understanding of the current issues;
- Develop an ESAP implementation plan according to EBRD guidelines specifying the responsible persons and where applicable, split each ESAP action into simple steps/tasks bound to a timeline.
- The Consultant will ensure that ESAP, SEP, environmental and social monitoring plan and all other applicable E&S procedures required by the Bank are being adhered to and that the Company is duly informed about the procedures. The Consultant will ensure the sustainability of the Company by continuous transfer of know-how to the Company during the implementation of the assignment.

## 5. TIMETABLE, REPORTING AND DELIVERABLES

The Company will enter into either a lump sum-based Consultancy Contract with the Consultant. *The assignment is expected to take place for a period of around three years until project completion.* The input of the experts is expected to be *intermittent* during this period according to a schedule approved by the company, taking into consideration to inform the consultant 2 weeks prior any of his duties or roles towards the company or the bank according to the scope of work, with a more intensive engagement likely in the early stages of the Project.

The selection process of Consultants will be fully compliant with EBRD's Procurement Policies and Rules, and is intended to follow **Single Stage Open Competitive Selection** under which interested firms or groups of firms are invited to submit a Technical and Financial Proposal.

The Consultant will assist the PIU to prepare and issue the following reports:

### 5.1 Quarterly Progress Reports

To provide continuous information and documentation concerning the Project development, quarterly reports should be prepared and submitted to the Company. The reports shall contain a description of all of the PIU's activities performed within the reporting period.

The format of the quarterly progress reports shall be discussed with the Company and EBRD at the beginning of the Project with recommended table of contents as follows:

- (a) Statement of major activities and events including planned and actual progress status.
- (b) Description of possibly major problems and constraints (current or foreseen) together with recommended solutions.
- (c) Comments on status of procurement activities for the contracts under the Project.
- (d) ESAP implementation status.

### 5.2 Project Completion Report

The Consultant should assist the PIU in the preparation of a Project Completion Report which should be submitted not later than one (1) month after the completion of the consultancy services.

All reports specified under this document should be made available in hard copy (three copies for Company) and in electronic format (in Word and Excel as well as in pdf-format) in the English language.

All tender documents shall be based on approved templates to be provided by the Bank.

All correspondence to be forwarded to the Bank and documents required for each of the Bank's reviews of the tender processes will be prepared in English language.

All written communication between the Consultant and the Bank and the Company will be in English language.

## **6. IMPLEMENTATION ARRANGEMENTS**

The Consultant will be responsible for all out of pocket expenses incurred in undertaking the Assignment, including, but not limited to; communication, travel, local & international transportation, accommodation, translation services and other requirements, all in accordance with the agreed budget.

The implementation of the project assignment will require the services of a multidisciplinary international firm of consultants and is expected to procure the services of both international and local experts qualified for this assignment.

The Consultant is expected to have relevant expertise and experience in preparing and implementing engineering works for natural gas projects including compression substations.

The Consultant will be provided with access to all relevant information by the Company and access to the Project sites during the whole assignment within the privacy & confidential limits of the Company.

The Company will provide suitable and experienced counterpart staff as part of the PIU.

It is the Consultant's responsibility to take into account a potential delay in the construction for its proposal.

## **7. CONSULTANT PROFILE**

### **7.1 General**

The following requirements are to be considered as the minimum experience and expertise required for this assignment.

The team should be made up of experienced experts (preferably being permanent staff members of the Consultant). Other team members (if associates) shall preferably have had long-term relationships with the Consultant.

Experience from similar projects is extremely important and should be demonstrated in the proposal.

The Consultant is requested to submit with the technical proposal an appropriate methodology explaining how he intends to fulfil these ToR, thus contributing to the objectives of the Project.

The Consultant should dispose of sufficient project management, planning and implementation knowledge based on good practice principles to lead his own staff and to advise the Company managing the Project accordingly to ensure the Project success.

The Consultant shall submit an estimation of allocated working days per key expert (indicating if they are staff members or associates) and for the non-key and local experts as a part of the proposal.

### **7.2 Consultant Staffing**

The Consultant is expected to possess appropriate experience in supporting Company in similar types of projects comprising of providing support throughout the entire procurement process, which include preparation of tender documents, tender evaluation reports and finalisation of contracts. In addition, the Consultant is expected to demonstrate adequate experience in monitoring of an Environmental and Social Action Plan (ESAP). The Consultant should demonstrate reasonable project management, planning and implementation knowledge based on good practice principles to lead the expert team and to advise the Company managing the Project accordingly, to ensure the Project's success.

Appropriate procurement experience to include tender preparation under EBRD's procurement rules or with another International Financial Institution (IFI) would be considered crucial. Previous experience in North Africa / Middle East, and Egypt, would be beneficial.

The Consultant is expected to provide a team of experts with necessary qualification and skills to deliver the above-mentioned services timely and within budget.

III. Special Conditions of Contract

The Consultant's expert team is expected to include **Key Experts** as follows:

1. **The Team Leader (TL)** preferably with at least 15 years' experience in construction or rehabilitation of natural gas projects, including compression substations. The TL should have proven experience of leading a team of experts and be able to demonstrate adequate Project Management skills, Managerial Skills, Team Leader Experience, Planning and Advising to ensure the Project success. The TL shall also possess excellent knowledge of English for coordination and report writing purposes;
2. **Lead Technical Expert** preferably with at least 10 years' experience in leading engineering tasks of natural gas projects, including compression substations, waste heat recovery from gas turbines and other relevant experience in the oil & gas sector. Past experience in Egypt/North Africa region would be considered an advantage.
3. **Procurement Expert** preferably with at least 15 years of experience in procurement of projects in oil and gas sector with appropriate experience with the projects as well as experience of procurement based on IFI rules (EBRD, WB and similar).

**Non-key experts** are expected to include the following:

**Short Term Expert(s) for Environmental and Social measures** preferably with 10 years' experience from similar projects.

**Local Experts** (as required) with preferably 5 years' proven experience in:

1. Natural gas projects, including compression substations.
2. Environmental, safety and social matters.

*Note that intermittent inputs are expected from the key experts.* The Consultant should propose a suitable organisation staffing with anticipated input (man-months) from the key experts in a staffing schedule and work plan approved by the company Gasco.