

REQUEST FOR EXPRESSIONS OF INTEREST CONSULTING SERVICES

Selection #: RG-T3686-P001

Selection Method: Simplified Competitive Selection

Country: Regional

Sector: Energy (ENE)

Funding – TC #: (i) ATN/OC-18008-RG ; (ii) ATN/OC-17534-RG

Project #: (i) RG-T3686 ; (ii) RG-T3490

TC name: (i) Sustainability and Transformation of Public Utilities in LAC; (jj) Latin America and The Caribbean Energy Information and Innovation Platform - Observatorio & ENEsources

Description of Services: Best Practices in the Electricity Sector in the LAC Region

Link to TC document: (i) <https://www.iadb.org/en/project/RG-T3686> ; (ii) <https://www.iadb.org/en/project/RG-T3490>

The Inter-American Development Bank (IDB) is executing the above mentioned operations. For these operations, the IDB intends to contract consulting services described in this Request for Expressions of Interest. Expressions of interest must be delivered using the IDB Portal for Bank Executed Operations (<http://beo-procurement.iadb.org/home>) by: **September 09, 2022, 5:00 P.M.** (Washington D.C. Time).

The consulting services (“the Services”) is to **support the Bank review and improve a preliminary version of the electricity toolkit, which includes best practices and indicators for the main activities and processes run by an electricity utility.**¹ From 16 activities identified, the Bank has already finalized and published a report with two of the activities, therefore no action from the consulting firm will be required for these two activities. For the remaining 14 activities, the work includes a review of the preliminary version and also add new best practices based on the research to be carried out by the consulting firm

Eligible consulting firms will be selected in accordance with the procedures set out in the Inter-American Development Bank: [Policy for the Selection and Contracting of Consulting firms for Bank-executed Operational Work](#) - GN-2765-4. All eligible consulting firms, as defined in the Policy may express an interest. If the Consulting Firm is presented in a Consortium, it will designate one of them as a representative, and the latter will be responsible for the communications, the registration in the portal and for submitting the corresponding documents.

The IDB now invites eligible consulting firms to indicate their interest in providing the services described above in the [draft summary](#) of the intended Terms of Reference for the assignment. Interested consulting firms must provide information establishing that they are qualified to perform the Services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc.). Eligible consulting firms may associate in a form of a Joint Venture or a sub-consultancy agreement to enhance their qualifications. Such association or Joint Venture shall appoint one of the firms

¹ The current version will be made available to firms on the shortlist of this selection.

as the representative.

Interested eligible consulting firms may obtain further information during office hours, 09:00 AM to 05:00 PM, (Washington D.C. Time) by sending an email to: abonzi@iadb.org and eboeckdaza@iadb.org

Inter-American Development Bank

Division: INE/ENE

Attn: Augusto Cesar Bonzi Teixeira

1300 New York Ave, NW, Washington DC 20577, USA

E-mail: abonzi@iadb.org

Web site: www.iadb.org

Draft Summary of TERMS OF REFERENCE

Selection process # RG-T3686-P001

PRELIMINARY TERMS OF REFERENCE

Best Practices in the Electricity Sector in the LAC Region

Regional

(i) RG-T3686 ; (ii) RG-T3490

(i) ATN/OC-18008-RG ; (ii) ATN/OC-17534-RG

(i) <https://www.iadb.org/en/project/RG-T3686>

(ii) <https://www.iadb.org/en/project/RG-T3490>

(i) *Sustainability and Transformation of Public Utilities in LAC*

(jj) *Latin America and The Caribbean Energy Information and Innovation Platform - Observatorio & ENEsources*

1. Background and Justification

- 1.1.** Established in 1959, the Inter-American Development Bank ("IDB" or "Bank") is the main source of financing for economic, social, and institutional development in Latin America and the Caribbean. It provides loans, grants, guarantees, policy advice and technical assistance to the public and private sectors of its borrowing countries.
- 1.2.** The Energy Division (ENE) specializes in conceptualizing, preparing, and executing financing and technical support operations for the Latin America and the Caribbean (LAC) energy sector in various areas, including electricity, oil & gas, and petrochemicals, energy efficiency and institutional strengthening, among others. Core activities in generating technical value-added include in-house development and implementation of research projects to back its long-term interventions and to provide inputs for public policy decision-making.
- 1.3.** The new scenario after COVID-19 on Latin America and the Caribbean (LAC) are being severe, with impacts on population health, productivity, employment, and the economy of countries. During the pandemic, and after the state of emergency is completed, it is essential that the electricity supply continues. The three major challenges for electricity distribution companies in the short term are to ensure: (i) the continuity of electricity service in all health centers at all times; (ii) the affordability of the service; and (iii) the sustainability of the sector in the short and medium term. There are some countries in LAC that have large participation of public utilities, and these entities have operational and financial challenges. The main problem for state-owned enterprises is their financial performance, where 40% of state-owned enterprises result in losses arising from inefficiencies that translate into high operating and financial costs against regulated revenue
- 1.4.** Public electricity service providers in the region have a great opportunity to: (i) provide better quality services to their customers; (ii) optimize its operational management (including preparation of contingency plans to deal with future crises); (iii) increase resource efficiency; (iv) innovate with new digital technologies (smart networks) and offer new services; and (v) improve its financial sustainability by applying tariffs that reflect the efficient costs of service. In particular, two of these opportunities are very relevant to LAC: (i) improving the quality of services is a priority considering its positive impacts on the competitiveness of countries; and (ii) improving financial sustainability and cost-effective rates are critical for the country's end consumers and competitiveness.
- 1.5.** The Inter-American Development Bank (IDB) is seeking a firm to contribute to the identification and development of best practices among utilities and therefore support the development of a Toolkit for power sector utilities in the LAC region.

1.6. The Toolkit concept and its main areas are described in a IDB publication² and include a total of 16 activities identified which are common to most electric utilities: (1) Electricity loss reduction; (2) Management of O&M costs; (3) Quality of the Technical Service; (4) Attention to the client; (5) Access to service; (6) Efficiency and execution of the investment plan and asset management; (7) Financial management and sustainability; (8) Commercial management; (9) Autonomy, decision making, controls, and transparency; (10) Strategic planning, organizational structure and Human Resources (HR); (11) Climate change mitigation; (12) Environmental and social aspects; (13) Resilience and emergency planning; (14) Technology, digitalization and cybersecurity; (15) Modernization and vision of the future; and (16) Innovation Initiatives.

2. Objectives

2.1. **The objective of the consultancy is to support the Bank review and improve a preliminary version of the toolkit.**³ From 16 activities identified, the Bank has already finalized and published a report with two of the activities, therefore no action from the consulting firm will be required for these two activities. For the remaining 14 activities, the work includes a review of the preliminary version and also add new best practices based on the research to be carried out by the consulting firm.

3. Scope of Services

3.1. This consultancy will have as part its scope 14 of the 16 activities mapped, namely: Management of O&M costs; Attention to the client; Access to service; Efficiency and execution of the investment plan and asset management; Financial management and sustainability; Commercial management; Autonomy, decision making, controls, and transparency; Strategic planning, organizational structure and Human Resources (HR); Climate change mitigation; Environmental and social aspects; Resilience and emergency planning; Technology, digitalization and cybersecurity; Modernization and vision of the future; and Innovation Initiatives

3.2. The consulting firm should use as a reference the two activities already finalized and published by the IDB: Electricity loss reduction⁴ and Quality of the Technical Service⁵

3.3. Data and indicators on companies and countries, when available, will be made available by the IDB or when they are public, the IDB will indicate the sources that should be used

4. Key Activities - The activities will be structured in two parts of approximately the same level of effort, each one containing 7 of the 14 activities identified.

4.1. *Part A -- Development of best practices and indicators of 7 activities*

- Review and improve the 7 activities in the Toolkit: Management of O&M costs; Attention to the client; Access to service; Efficiency and execution of the investment plan and asset management; Financial management and sustainability; Commercial management; Autonomy, decision making, controls, and transparency;

² Electrokit: Power Utility Toolkit-The Overview: Best Practices in Electric Power Distribution Companies in the Latin America and Caribbean Region. <http://dx.doi.org/10.18235/0003764>

³ The current version will be made available to firms on the shortlist of this selection.

⁴ Electrokit: Power Utility Toolkit-Electricity Loss Reduction. <http://dx.doi.org/10.18235/0003781>

⁵ Electrokit: Power Utility Toolkit-Quality of Technical Service. <http://dx.doi.org/10.18235/0003782>

- Evaluate the data made available/indicated by the IDB for each activity
- For each activity, write a a technical note using as a reference the model of the technical notes published on Electricity loss reduction and Quality of the Technical Service, considering best practices, indicators and an overview of each activity worldwide and especially Latin America and the Caribbean (LAC)
- Workshop with specialists (defined by the IDB) with the results of this activity.
- Include feedback received in the workshop in the deliverable of this activity.
- The 7 final technical notes result of the work carried out in this item, considering the feedback received

4.2. Part B -- Development of best practices and indicators of 7 activities

- Review and improve other 7 activities in the Toolkit: Strategic planning, organizational structure and Human Resources (HR); Climate change mitigation; Environmental and social aspects; Resilience and emergency planning; Technology, digitalization and cybersecurity; Modernization and vision of the future; and Innovation Initiatives;
- Evaluate the data made available/indicated by the IDB for each activity
- For each activity, write a a technical note using as a reference the model of the technical notes published on Electricity loss reduction and Quality of the Technical Service, considering best practices, indicators and an overview of each activity worldwide and especially Latin America and the Caribbean (LAC)
- Workshop with specialists (defined by the IDB) with the results of this activity.
- The 7 final technical notes result of the work carried out in this item, considering the feedback received

5. Expected Outcome and Deliverables

The consulting firm should provide to the IDB the following products:

- 5.1. Methodology, work plan with schedule and details of activities, including feedback from an initial review of the preliminary version of the 14 activities
- 5.2. Draft report with development of the 7 activities included in Part A - activity 4.1
- 5.3. Final report with development of the 7 activities included in Part A - activity 4.1
- 5.4. Draft report with development of the 7 activities included in Part B - activity 4.2
- 5.5. Final report with development of the 7 activities included in Part B - activity 4.2

6. Project Schedule and Milestones

Deliverables	Date of delivery
1. Deliverable 5.1	10 days after signing the contract
2. Deliverable 5.2	60 days after signing the contract
3. Deliverable 5.3	90 days after signing the contract
4. Deliverable 5.4	120 days after signing the contract
5. Deliverable 5.5	150 days after signing the contract

7. Reporting Requirements

- 7.1. All reports must be submitted in Microsoft Word in English, in an editable file, including annexes, spreadsheets, references, and other required material.
- 7.2. All deliverables will be accompanied by an internal presentation to the Bank. Presentations will be in Spanish and/or English.
- 7.3. All reports will be confidential.

8. Acceptance Criteria

- 8.1. The products will be accepted for payment once they have the written approval of the IDB team.
- 8.2. Partial products or products that are not accepted will not be paid

9. Other Requirements

9.1. *Work Team: The consultancy must present a minimum work team in its proposal with 3 key staff, considering the following specialties:*

- **Project Manager.** Degree in engineering, economics, or related areas, with specialization, master's or doctorate in related areas. At least 15 years of general experience, 10 years of specific experience in the power sector, fluently in Spanish and English. Experience in Latin America and the Caribbean is desirable.
- **Specialist in the Power sector.** Degree in electrical engineering or related areas, with a master's or doctorate in energy planning, power sector or related subjects. With specific experience of at least eight (8) years in the power sector, with fluency in Spanish and English. Experience in Latin America and the Caribbean is desirable.
- **Economist:** Degree in economics, business, administration, law, or finance, with a master's or doctorate in economic or financial disciplines. With the specific experience of at least eight (8) years in the development of economic or financial studies for the structuring of infrastructure projects in the power sector, with fluency in English and Spanish. Experience in Latin America and the Caribbean is desirable.
- **For the three members of the project team, actual and practical experience working in an electricity/power utility to be considered very beneficial.**

10. Supervision and Reporting

10.1. The consulting firm will work under the supervision of Augusto Cesar Bonzi Teixeira, Sector Specialist (INE/ENE), and Eric Daza, Consultant (INE/ENE)

11. Schedule of Payments

11.1. Payments will be made through the approval of the products listed in section 5, according to the conditions mentioned in section 8.

Payment Schedule	
<i>Deliverable</i>	%
1. Deliverable 5.1	20%
2. Deliverable 5.2 and Deliverable 5.3	40%
3. Deliverable 5.4 and Deliverable 5.5	40%
TOTAL	100%