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SAMPLE CONSULTANT
TERMS OF REFERENCE

Municipal Public-Private Partnership Framework

06

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Notes on Using this Module

This Terms of Reference is provided only as a sample document. It must be adapted to fit the unique circumstances and needs of each particular Municipality and project for which its use is intended. National and local laws, regulations, policies and practices may prescribe a different approach to procuring project-level consulting services.

The Terms of Reference used in a particular project should clearly articulate all the requirements of the consulting services to be provided and expectations of the contracting authority.

The consulting services covered in this sample Terms of Reference include the completion of a pre-feasibility study, market sounding and feasibility study, as well as the provision of transaction advisory services from the project's bidding preparation through financial close.

For any particular project, the Municipality must consider what type of outside consulting services are needed, as well as the adequacy and convenience of contracting all the services from the same contractor. In some cases, the Municipality may not require all the services included in this sample document (e.g., where the Municipality chooses to proceed directly to a full feasibility without first completing a pre-feasibility study). In some jurisdictions, the type and content of project preparatory work may be defined by law or regulation.

Furthermore, the Municipality should be aware that contracting for the provision of all project preparatory services from only one vendor may a cause conflict of interest (see Guidance Note section 4.3 on Hiring an Adviser).

Accordingly, this sample document will need to be adjusted to fit the particular needs of the Municipality in relation to a specific project. To this end, the sample Terms of Reference has been drafted to be modular, such that the Municipality may readily delete or amend the activities and deliverables, as required in the context of a particular project.

2.0 Introduction

[Summarize the Municipality's underlying rationale for procuring outside consulting services and any contextual information that helps explain the need for such services. Note that the precise headings and organization of the Terms of Reference should be adjusted to reflect the applicable procurement rules, standards and practices that prevail in the Municipality's jurisdiction. For example, some jurisdictions may combine all the information in the "Introduction," "Background" and "Description & Scope of the Project" sections into a single section of the Terms of Reference. Sample introductory language is provided below, for demonstration purposes.]

Priority PPP projects have been identified through a project screening and prioritization process, to rank the PPP projects in the short-list for funding purposes, among which include *[name of project]*, hence the issuance of this Terms of Reference.

Sample Document, Adapt as Appropriate

3.0 Project Background

[Describe the basis and rationale for the project, including identified need, intended location, social, economic and/or environmental benefits of the project, which development plan the project originated from, as well as considerations that explain why the project was considered as a potential PPP by the Municipality. Also indicate if any prior studies have been done that relate to the project and, if so, describe the prior study/ies undertaken (i.e., what was the scope of the study, how long ago was it done, what were the key findings, etc.).]

Sample Document, Adapt as Appropriate

4.0 Description & Scope of the Project

[To the extent known, which will vary depending on the stage of the project cycle at which the consultant is being procured and the type of the consulting services to be provided, summarize the main objective(s) that the project wants/aims to achieve, as well the planned scope of the PPP project and anticipated PPP contracting modality—i.e. design, build, finance, maintain operate a facility, etc. Identify the quantifiable outputs of the project, in terms of facilities built, services provided, etc. (e.g. size of facility constructed, number of people or households served, amount of clean water or electrical power supplied, kilometers of road built). As applicable, describe any performance parameters that need to be followed by the private sector partner during operation (e.g., 24/7 availability of water supply for all households within a defined jurisdiction, public accessibility of facilities (bus terminals, parking areas), etc.). Indicate the estimated project cost and anticipated revenue sources for the project (e.g., payments or subsidies from the government (national, state/provincial, municipal), fees paid by end-users, payments from an off-taker, additional revenue sources such as sale of advertising space, commercial leases).]

Sample Document, Adapt as Appropriate

5.0

Objective & Key Outputs of the Consulting Assignment

The objective of this assignment is to support the delivery of a well-structured, bankable PPP that ensures value for money to [the contracting authority], is acceptable for the relevant stakeholders, and is affordable and manageable for [the contracting authority].

The Consultant will be expected to develop and present the following outputs in a well-defined manner:

[Note: Depending upon the requirements of each project and contracting authority, the expected outcomes will vary. Please adapt to the particulars of the project by deleting or adding required outputs, as applicable]

- *[Pre-feasibility study: The objective of the preliminary study is to assess the viability of the project(s) prior to conducting detailed feasibility studies.]*
- *[Marketing Sounding: The objective of this exercise is to assess the market appetite for the project as well as ensure that the PPP project is likely to attract quality bids by responding to the market needs.]*
- *[Feasibility study: A comprehensive feasibility study is intended to assess the viability of the project as a PPP and its different modalities, demonstrate affordability for the full project cycle, propose an optimal value for money solution as well as the most appropriate implementation strategy for [the contracting authority] to achieve the desired outcomes.]*

- *[Bidding documents and draft contract: Request for Qualification (RFQ) (if needed); Request for Proposals (RFP); Draft PPP Agreement.]*
- *[Transaction implementation assistance through financial close: Facilitation of successful tender of the Project through provision of transaction support services during the bid process and through signing of the PPP Agreement (i.e. contract close). Delivery of RFQ final evaluation report- List of Pre-qualified bidders; RFP final evaluation report to help identify successful bidder(s); negotiations report (if any); final negotiated contract; and financial close report.]*

6.0 Scope of Work

[Describe in general terms the services the consultant is expected to provide (e.g., technical, financial and/or legal advisory services) and the stage(s) of the project cycle through which the consultant is expected to provide assistance. For demonstration purposes, sample language is provided below, assuming the procurement of a single contractor for all project advisory services, beginning with the completion of a pre-feasibility study and continuing through financial close. This language should be adapted to fit the particular needs of the Municipality in relation to a specific project. More detailed descriptions of the different types of project advisory services a consultant may be procured to provide are set forth in separate sections, below. These sections must also be adjusted to suit the Municipality's individual needs.]

Broadly, the services of the Consultant shall comprise technical (including social and environmental aspects), financial, legal and procurement services, including management of the bidding process and PPP contract negotiation through the project's financial close.

The services shall cover the different stages of project preparation and implementation including: project due diligence, carrying out detailed project financial modeling to support the commercial and

financial structuring (develop project term sheet), managing the PPP bidding process, including bid document preparation, assisting in contract award and providing advisory services until the financial close of the project.

The Consultant is expected to work closely with *[the contracting authority]*, *[the local PPP unit / project team, if any]* and any other government agencies as may be required during the assignment. *[The contracting authority]* shall have an oversight role during the project development and procurement process.

The Consultant shall be expected to carry out the services described but will not be limited to them. It shall also be responsible for other aspects of the project, as needed, to successfully develop and bring to commercial close a well-structured, bankable PPP project.

The scope of the services is described below.

[Note: *The following provides a summary description of the scope of work for a Consultant to deliver the pre-feasibility study, market sounding, feasibility study and transaction advice for a project through to financial close. It will need to be adapted to the specific requirements of the project.]*

A. Preliminary Feasibility Study

[Note: *The contents of the pre-feasibility study will vary by project and jurisdiction. In some countries, for example, the applicable legal and regulatory framework may set out the required contents for this type of assessment. National or regional entities (e.g., national PPP office) may also provide guidelines or toolkits on project preparation. Sample language regarding the scope and content of the pre-feasibility study is provided below. It will need to be adjusted in view of the applicable PPP framework, if any, and the project type (e.g., sector, anticipated project structure, funding modality, expected outputs, etc.)]*

The objective of the preliminary study is to assess the viability of the project prior to conducting detailed feasibility studies. The Consultant shall be expected to:

- Review and assess the Project Concept Note (see Module 3: Project Concept Note) and determine the adequacy of available information in relation to the requirements of the study. If found inadequate, provide the required data through research from other sources, preferably by reference to similar projects in comparable jurisdictions.
- Conduct a review of global best practice on project management in the *[insert relevant*

sector, e.g.: transport, water, housing, school, street lighting] sector and indicate how to apply global best practice into the project.

- Carry out a preliminary assessment of the current [insert relevant sector, e.g.: transport, water, housing, school, street lighting] needs, practices and requirements of existing facilities and related projects/business/ services. Particular emphasis should be on the regulatory requirements for the construction and operation of [insert relevant sector, e.g.: transport, water, housing, school, street lighting] facilities.
- Carry out a legal review of the project based on the relevant and applicable international, national and local laws and regulation. The Consultant shall identify legal processes and concerns as well as impediments/ requirements to undertake the implementation of the proposed project under a PPP arrangement.
- Develop the initial technical design of the project in consultation with [the contracting authority] including technical parameters/ standards/ specifications based on best practices.
- Carry out a preliminary market research and demand estimation/ analysis with details on the methods and parameters to be used in the projection and the need for the project.
- Carry out preliminary financial and economic analysis, including value for money (VFM)/ value engineering, based on preliminary cost estimates and proposed cost-recovery mechanism.

- Conduct initial environmental and social/ resettlement/gender assessment and associated risk factors.
- Carry out a preliminary financial, political and legal risk analysis including institutional issues that may impede the implementation of the project and the required government support, if any.
- Preliminarily assess the different public procurement modalities for the project and determine the most adequate PPP options that will provide the best value for money to [the contracting authority].

If at the pre-feasibility stage it is determined that the project is not viable or otherwise cannot or should not be implemented as a PPP, [the contracting authority] shall determine the way forward in implementation of the project.

If the pre-feasibility study shows that the project is viable for PPP implementation, the Consultant will provide all necessary technical, legal and financial advisory support including all necessary approvals in compliance with all elements of [the PPP Act (if any)] and its implementing regulations, and all other applicable laws and regulations.

B. Market Sounding

[Note: *The precise timing of the Market Sounding will vary. It may be done in parallel with or at or near the conclusion of the pre-feasibility or feasibility study, depending on the circumstances of the individual project or program of projects, including the amount of detailed project information that is needed to conduct a successful market sounding and the existence of any other evidence of strong market appetite for a particular project or type of project. What is essential is evaluating the interest in the project from potential investors and identifying the project structure that is most attractive to those investors before proceeding to procurement, to ensure that a sufficient number of credible bids for the project are received.*]

The Consultant shall conduct a market sounding in consultation with [the contracting authority] to assess the private sector interest for undertaking the project on PPP principles. This exercise will help to

determine the market appetite for the project as well as ensure that the PPP project will attract quality bids by responding to the market needs.

To further, enable the preparation of a responsive Feasibility Study Report, the market sounding exercise shall include the following tasks:

- Prepare a Market Sounding document that will include a Project Information Memorandum (which will cover the objectives of the Project, an overview of the Project structure, the process and timetable for procurement, outline Risk Allocation), as well as a summary of the key issues to be discussed with and questions to be asked of the market (i.e. equity investors, debt financiers, contractors and operators), the process of how the market sounding will be conducted, and the proposed list of parties to be approached.

- Provide the project Information Memorandum (indicated above) to the identified private parties and hold discussions with them (real or virtual).
- Organize and participate in workshops with [the contracting authority] and other stakeholders to review findings of the market sounding and determine key areas that will need consideration in preparing the Feasibility Study and/or procurement documents;
- Prepare a Market Sounding Report (which will form an appendix to the Feasibility Study) that will summarize the findings from the exercise and will consist of, but is not limited to, the following information:
 - o Market sounding objective;
 - o Key issues that needed to be considered;
 - o List of reputable firms, financiers, PPP arrangers etc. consulted both locally and internationally with experience in undertaking PPP's or major housing/infrastructure projects;
 - o List of questions with answers from the one-on-one sessions;
 - o Summary findings and matters to be considered in the detailed Feasibility stage.

C. Feasibility Study

[Note: The contents of the feasibility study will vary by project and jurisdiction. In some countries, for example, the applicable legal and regulatory framework may set out the required contents for this type of assessment. National or regional entities (e.g., national PPP office) may also provide guidelines or toolkits on project preparation. Sample language regarding the scope and content of the feasibility study is provided below. It will need to be adjusted in view of the applicable PPP framework, if any, and the project type (e.g., sector, anticipated project structure, funding modality, expected outputs, etc.).]

The Consultant is required to prepare a comprehensive Feasibility Study for the project, which needs to clearly demonstrate affordability for the full project cycle and propose the optimal value for money solution for [the contracting authority] to achieve the desired outcomes.

The Feasibility Study should include but it is not limited to:

i. Demand study:

- Assess user requirements and service level to be provided over the project tenure (i.e., kind of service(s) required and comparison of different levels/types of service, service coverage area, necessary assets to deliver required service, standard/quality of service);
- Forecast demand volume (initial and growth rate) and price (willingness and ability of end-users to pay), with clearly stated methodology and assumptions.

ii. Technical study:

- Develop/refine project design configuration and requirements, based on the demand forecast;
- Define output performance specifications and required service levels (i.e., availability and quality requirements, performance indicators to measure compliance, monitoring system for measuring the performance indicators);
- Assess the project site, including compliance with applicable spatial plans, completion of geotechnical survey(s) to determine sizing and capacity, suitability of the land for the project, environmental impact and identification of necessary land preparation and improvement works (e.g., levelling, connection to transportation and utilities);
- Analyse technical options (i.e., cost-benefit comparison of available technical options to address user needs);
- For all relevant technical options, estimate the whole-life project costs (e.g., design, construction, operation and maintenance, etc.);
- Identify ancillary revenues from commercial development potential of the project, if any e.g. shopping centers and schools and any other facility in the project;
- Conclude on the preferred configuration of the Project from a technical and commercial point of view.

iii. Compliance assessment:

- Assist with comprehensive legal due diligence, including the municipal government's legal authority to execute the project and the proposed project's compliance with all relevant laws and regulations;

- Identify the regulatory approvals and permits that must be obtained to implement the project (whether by the municipal government or the prospect private partner);
- Assess and recommend how to address outstanding institutional aspects and legal issues;
- Assess and recommend how to address land acquisition / right of way and other related issues;
- Identify and assess potentially significant environmental impacts of the project, permitting requirements and, as needed, complete an environmental impact assessment and prepare an environmental management plan to address any environmental impacts (prevention, mitigation, compensation);
- Identify and assess social impacts of the project, identify and consult with affected communities, and, as needed, complete a social impact assessment and prepare a plan to address social impacts (e.g., resettlement, compensation for loss of livelihood, etc.);
- Identify how to engage the community impacted by the project and develop a program/strategy/activities to effectively integrate them in the project. (see *Module 18: Community Engagement*);
- Conduct gender analysis and identification of gender issues and gender gaps that can come up in the project and recommend strategies on how to address them. (see *Module 18: Community Engagement*);
- Assess the impact of the project on the relevant poor communities and recommend strategies/activities to integrate them in the project. (see *Module 18: Community Engagement*);
- Recommend changes to the Project's Action Plan, Implementation Schedule and the Municipality's Project Management Plan;

iv. Financial analysis and Project structuring:

- Develop the financial model for the project based on forecasted project cash flows and costs, clearly indicating the sources of data used and assumptions made;
- Develop the details of the payment mechanism / tariff structure, taking into account affordability to end-users;
- Determine the commercial viability and bankability of the project under several scenarios;
- Develop a financing plan including project financing and government support assumptions;

- Conduct a sensitivity analysis to assess the effect of key project risks on the financial feasibility of the project (e.g., increase in construction or operating costs, lower demand, delay in implementation);
- Assess the affordability of the municipal government's contributions, liabilities (including contingent liabilities) and/or commitments to the project by forecasting the potential fiscal impact of the project over its lifetime;
- Develop cost recovery options and alternative revenue generation, to ensure that the project is sustainable.

v. Economic assessment:

- Assess the full economic costs of the project, including identification and description of important costs for which no quantitative estimates can be made;
- Assess the full economic benefits of the project, including identification and description of important benefits for which no quantitative estimates can be made;
- Evaluate the economic feasibility of the project under several (risk-based) scenarios;
- Propose the financing plan and related applications for government support;
- Develop the project term sheet, summarizing the key output and performance requirements, payment and tariff mechanism, risk allocation matrix, government support assumptions, etc.

vi. PPP Options & Value for Money:

- Describe a range of credible alternative procurement and PPP options including justification for their selection;
- Evaluate various PPP options where funding sources and mix, cost recovery mechanisms, among others, should be considered shall identify necessary risks (i.e. licensing, permitting and other legal risks etc.) that need to be addressed and allocated for each PPP option;
- Indicate whether the PPP project model offers a better price/performance (i.e. better value for money) than other methods of implementing the project, including public procurement, using clearly stated methodology, data and assumptions;
- Recommend which PPP option in his professional judgment is the most viable and bankable, providing a detailed description of the preferred procurement option and PPP Structure, including:
 - o Key Risk Allocation
 - o Outline Payment Mechanism of the project
 - o Indicative Financing Structure and sources

– private sector bank debt, multilateral debt, public sector debt, project bonds, grants (indicate source), developer equity, other (specify).

vii. Risk analysis:

- Develop a risk matrix that identifies all key project risks during all project stages;
- For each risk, provide, in quantifiable terms where appropriate and data permitting:
 - o A description;
 - o Consequences if the risk occurs;
 - o Probability of occurrence (low/moderate/high);
 - o Likely impact on costs/revenues;
 - o Relative grade of the risk based on probability of occurrence and impact;
 - o Proposed mitigation measures for high grade risks;
 - o Proposed allocation between parties;
 - o Review of the extent to which the risks of the project can be underwritten by commercial insurance cover and the likely cost of such cover
 - o Additional information, if any.

Based on the risk analysis, prepare a contingent liability model for *[the contracting authority]* that quantifies the contingent liabilities and how the same shall be managed.

viii. PPP Agreement key terms:

Provide proposed key terms (e.g., material term sheet) for the PPP Agreement, including:

- a. Parties;
- b. Duration;
- c. Responsibilities of the parties;
- d. Rights of the private partner;
- e. Project assets and ownership;
- f. Payment terms;
- g. Performance management framework;
- h. Dispute management framework;
- i. Force majeure events and consequences;
- j. Material government actions and consequences;
- k. Change in law;
- l. Termination and consequences;
- m. Jurisdictional issues;
- n. Liabilities.

D. Management of the PPP Bidding Process and Transaction

[Note: Generally, best practice is to assign the feasibility study to one adviser, and to use an entirely different adviser for transaction advice, who will assist the Municipality in the procurement of the PPP project after the completion of the feasibility study, if the municipality decides to bid out the project. This allows the transaction advisers to review the feasibility study and make sure its recommendations are not too optimistic. In some cases, the assignment of the feasibility study is bundled with that of the transaction advisor. The bundling of both assignments allows the Municipality to save procurement costs and shorten the project preparation process. However, bundling the mandates of the feasibility study adviser and transaction advisor also has drawbacks, such as the possibility of a conflict of interest. The single feasibility study adviser/transaction advisor will be incentivized to find the project to be viable and appropriate for approval. In order to avoid the drawbacks of bundling indicated above, the Municipality must check the work of the adviser and challenge its recommendations.]

Furthermore, note that the consultant's scope of work and deliverables will need to be adjusted to reflect the applicable procurement process (e.g., single versus two-stage bidding).]

- o negotiation with preferred bidder, contract close, financial close, etc.).
- o Acquisition of the required right of way.
- o Audit of existing assets in which rights will be transferred to the winning bidder.
- o Preparation of applications for government support;
- o Obtaining required permits and approvals;
- Identify actions that must be taken by other government entities to implement the project and prepare a plan for obtaining cooperation from these entities;
- Outline the proposed procurement strategy, including procurement method, preferred profile of prospective bidder, and selection/award criteria;
- Assist with implementing the chosen procurement method, bidding process, evaluation, and contract finalization through financial close.
- Develop detailed timeline to undertake an open, competitive, and transparent bidding process and its PPP agreement signing (i.e. implementation and procurement plan), in accordance with applicable procurement rules and procedures and all licensing and permitting requirements, including but not limited to:
 - o Advice on mechanisms to maximize competition while avoiding unrealistic bids and project vulnerability from overly aggressive bidding.
 - o Prepare all necessary bid/tender documents, including: Request for Qualification (RFQ), Request for Proposal (RFP), Draft Contract, bid bulletins, qualification and evaluation criteria, invitation to bid, including all appropriate bid forms such as bid letter, statement of bid, technical bid proposal, financial bid proposal, PPP agreement and other related documents complying with applicable law and other relevant policies and guidelines.
 - o Marketing the project to potential bidders (such as the organization of an investor's conference).
 - o Implementing the various phases of the procurement procedure (pre-qualification, submission and evaluation of bids,

7.0

Consultant Requirements

A. General Requirements

A prospective Consultant should have required experience providing PPP legal advice, project finance advice (financial modeling, analysis, structuring, risk assessment, and other relevant tasks) and sector-specific technical advice. Generally, the international experts should have 10 years and national experts should have 5 years of demonstrated project-relevant experience in the preparation and transaction of at least 3 PPP

projects, with additional merit given to experience with PPP projects in *[insert local region name]*. Likewise, the international sector experts should have 10 years and national sector experts should have 5 years of demonstrated experience in the preparation, development (design & construction), and/or operations and maintenance of 3 projects in the *[name of sector]*.

B. Qualifications of Key Personnel

[Note: The number, type and expertise of the consultants will vary depending on the project and the activities and deliverables for which the consultants will be responsible. The language provided below describes the various types of consultants the Municipality might procure to assist with the delivery of a PPP project, as well as their respective qualifications and responsibilities.]

The team of transaction support Consultants will include qualified experts from specific sectors, public-private partnerships, project preparation and appraisal, project implementation, financial modeling/structuring, investment promotion, economic and financial analysis, risk analysis, procurement, policy and legal issues. The Team shall be composed of Consultants, who shall have extensive technical and country-specific experience that would include extensive knowledge of the sector, regulatory issues involved and government instruments to enhance the development of bankable PPPs.

The team composition and indicative scope of work and deliverables from each Consultant area are as indicated below:

i. Team Leader

The Team Leader will generally be responsible for coordinating all inputs of the team; submission of all reports; facilitating meetings and stakeholder consultations, as required; and liaising with the Municipality, as required. Specific tasks would include, among others, the following:

- Liaise with Municipality and keep all stakeholders apprised of any issues or concerns that could impact project performance and or completion of the consulting assignment;
- Be responsible for drafting inception report, progress reports, and updating the agreed work program, and provision of timely information to Municipality on contract administration issues;
- Manage the team of experts to ensure integrated monitoring of the agreed work program;
- Coordinate the inputs of team members as per the agreed work plan, advise team members of changes to the work plan, and monitor team members' other project commitments to ensure appropriate priority attention is given to the assigned task;
- Ensure outputs of team members are in accordance with the contractual Terms of Reference and the client's quality expectations;
- Ensure smooth implementation of the internal quality assurance mechanism and be ultimately responsible for output quality by reviewing, commenting upon and approving all such outputs;
- Ensure all contracted deliverables are prepared in a timely manner and manage project scheduling; and

- Brief and supervise team members on (a) quality management, and (b) integrity and professional conduct; and keep the team updated on changes in the operating environment or procedures.

ii. Project Finance Expert

The Consultant shall have proven work experience in financial modeling and project structuring of PPP projects. It shall develop a financial model, incorporating an appropriate structuring of the selected PPP modality with detailed capex, opex and revenue (payment mechanism and tariff scheme) assumptions and manage the financial aspects of the transaction preparation and bidding process according to the provisions of the relevant PPP and government support regulations. In doing so, the Consultant will, among others, carry out the following tasks:

- Develop an appropriate project finance model with suitable assumptions, resulting in a set of projected financial statements (balance sheet, cash flow, income statement, key ratio analysis) and sensitivity scenarios;
- Develop the financial / commercial and risk allocation terms of the envisaged PPP modality after assessment of alternative choices including the commercial, legal, and institutional impacts;
- Ascertain the potential acceptability of the recommended PPP structure by the investors and potential lenders;
- Recommend a suitable, bankable financing plan, including appropriate debt equity ratios, loan tenures, rates and cash flow requirements for project viability and bankability, and required government support;
- Identify appropriate funding sources, including private sector funding, government funding and government support. Identify their likely terms and conditions, incorporating them in the project financial model;
- Develop all required due diligence documents for potential lenders;
- Test all key assumptions against financial model outputs, including the financial internal rate of return and debt service coverage ratio, identifying any required policy revisions for project sustainability, including on the revenue model;
- Provide project risk analysis with suitable mitigation strategies;
- Assess contingent liabilities arising from the project;
- Assess project financial management capacity;
- Produce and manage all project and bidding process documentation and post-bid

monitoring frameworks in coordination with the legal Consultant;

- Manage the bidding process, including marketing, pre-bid meetings, identification of potential bidders, bidder query responses, bidder qualification and evaluation criteria development; and
- Provide all required support until the financial close of the project;
- Provide inputs related to taxes, tax exemptions and tax incentives, financial accounting systems.

iii. Legal Expert

The Consultants will develop a legal / regulatory and institutional analysis to take into account the requirements of the selected PPP modality, and assist in the bidding process, project documentation, and evaluation procedures. Specifically, this analysis will include, but not limited to:

- Conducting a policy and institutional assessment to ascertain the validity and viability of the proposed PPP structure for the project;
- Assessment of the Municipality's capacity to manage the project once operational, and recommend required changes and capacity improvement measures as appropriate;
- Recommend institutional measures to improve the governance of the Municipality's with the purpose of ensuring efficient management of project assets after PPP project completion;
- Develop "bankability" measures for the proposed PPP project structure, such as payment and guarantee mechanisms, preconditions for a private operator to fulfill in meeting service obligations, default and risk clauses, and step-in rights;
- In accordance with relevant sector and PPP legislation and associated regulation, assist in the bidding process management through documentation preparation, including Request for Prequalification, request for proposal, contractual agreements between project sponsor and winning bidder, as well as in developing bidder instructions, bid qualification parameters and bid evaluation criteria, bidding process schedules, and undertake stakeholder consultations;
- Providing advice on country-specific legal experience of PPP projects in the sector, judiciary-related, legal and regulatory issues pertaining to the project, legal perspective on special privileges and incentives available for PPP projects and other country-specific legal knowledge;
- Provide all required support until the financial close of the project.

iv. Social Impact Expert

The Consultants will ensure adequate management of project social impacts consistent with the country's social/gende/poverty and safeguard policies. To fulfill this, the Consultant will, among others, do the following:

- Assess the Municipality's capacity and commitment to undertake social impact due diligence, impact monitoring, and mitigation measures implementation (e.g., Land Acquisition and Resettlement Action Plan (LARAP) implementation);
- Ensure proper implementation of LARAP and overall project compliance with the relevant social safeguard and regulatory framework.

- Assist in the project financing modeling, providing project costs (capital expenditures, operations, maintenance), required contingency levels, and any other information as requested;
- Provide all required support until the financial close of the project.

v. Environmental Expert¹

The expert shall support the Municipality with properly implementing the Environmental Management Plan in accordance with the *[insert name of relevant local environmental regulatory authority]*. The support shall consist of:

- Evaluate the Municipality's capacities to implement mitigation measures, and where necessary recommend capacity improvement training programs and measures;
- Seek government environmental clearance, required permits, and approvals; and
- Include environmental management plan in the bidding documents, along with the requirement to comply with mitigation measures therein.

vi. Sector Technical Expert

The Consultant will need to complete the sector-specific technical validation of project design and cost estimates through, but not limited to, implementation of the following tasks:

- Update the technical analysis in the feasibility study to confirm the technical validity/ viability of the project, including verifying assumptions such as *[current and projected demand levels for project outputs, design criteria and standards, capacity, prevailing topographical and other conditions,...]*;
- Produce the technical parts of the RFP / produce the projects output specifications;
- Verify quantities and rates for major civil works, equipment, construction and supervision consulting, and other input items;
- Verify and develop projected operation and maintenance costs for the project on a whole of life basis;
- Review and quantify costs and benefits from the project, and confirm the project design on a least-cost basis in financial and economic terms;

¹ The role of the environmental expert will be less extensive where the project is small and/ or the environmental impacts are expected to be minor.

8.0

Outputs of the Assignment

[Note: *The particular deliverables produced by the consultant will need to be revised based on the Scope of Work, as adjusted by the Municipality to meet its needs in relation to a specific project.]*

The general deliverables of the project are as represented in the table below. Bidders are expected to include, as a part of their proposal, anticipated dates of delivery. It is estimated that the above services would require a period of about *[estimated time]* from the date of commencement of the services until the financial close of the project or a period of *[estimated time]* from the effective date of the contractual agreements signed with the private party, whichever is earlier.

No	Deliverables	Date of completion (after contract signing)
1	Pre-feasibility Study
2	Market Sounding
3	Feasibility Study Report including PPP Implementation Plan
4	Pre-qualification Document (RFQ) preparation, issuance and Evaluation Reports
5	Bidding documents, including RFP, draft PPP Project agreements, Design Criteria and Performance Specifications, evaluation criteria, including any other relevant bid documents
6	Complete Tender Evaluation Reports
7	Negotiations and Financial close
8	Close-out Report

The Consultant, in close coordination with *[the contracting authority]*, shall conduct quality reviews to obtain feedback on all draft versions of deliverables as appropriate. The Consultant shall make presentations to *[the contracting authority]* on each deliverable (e.g. draft Feasibility Study), with the team's key experts present.

9.0 Evaluation Criteria

[Note: Sample language for evaluating proposals submitted by prospective consultants is provided, below. The Municipality may need to revise this section to suit its own requirements and preferences, particularly in light of national and local procurement rules, policies and practices.]

The evaluation committee appointed by [the contracting authority] shall evaluate the proposal on the basis of their legal standing and responsiveness to TOR's as outlined in the table below:

No	Evaluation Criteria for Technical Proposal	Scoring Criteria
A	Preliminary Screening (Mandatory requirements)	Yes/No
A1	Legal status of the lead consultant/consortium member and any firm engaged including practicing licenses.	
A2	If a consortium, signed joint consortium agreement by all consortium members to be provided.	
NB	<i>A bidder who scores NO in the mandatory criteria shall not proceed to the technical evaluation stage.</i>	
B	Technical Evaluation	Points
B1	Specific experience of the consultant/consortia related to the assignment.	
B2	Adequacy of the proposed work plan and methodology in responding to the terms of reference.	
B3	Qualifications and competence of the key staff for the assignment (Relevant education, training, experience in the sector/similar assignments).	
B4	Suitability to the transfer of Technology Program (Training)-Relevance of approach and methodology.	
B5	Proof of involvement of local staff in the assignment.	
	TOTAL	100
NB	<i>A firm/consortium that attains a PASSMARK of St 70 Points and above shall proceed to the last stage of Financial evaluation.</i>	

10.0

Terms of Payment

The Consultant will be paid on a lump sum basis. The total fees shall be paid based on specific milestones achieved. The Municipality shall accord this approval after ensuring that the outputs delivered by the Consultant conform to the regulatory requirements.

The indicative milestones for payment are shown below.

1. Submission of Pre-feasibility Study (10%) – *indicate due date;*
2. Submission of first draft of the Feasibility Study (10%) – *indicate due date;*
3. Submission of final draft of the Feasibility Study (15%) - *indicate due date;*
4. Approval of implementation and procurement plan (including RFQ documents, RFP documents and draft PPP agreement) (15%) – *indicate due date;*
5. Pre-Qualification of applicants (10%) – *indicate due date;*
6. Completion of bid evaluation and determination of winning bidder (20%) – *indicate due date;*
7. Signing of PPP agreement with the prospective private partner and financial close (20%) – *indicate due date.*

Sample Document, Adapt as Appropriate