

## IPP TRANSACTION ADVISOR TERMS OF REFERENCE

Terms of reference for transaction advisor services to the Government of [ ] for the  
[*insert description of the project*] (the “Project”).

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### 1. Introduction

The Ministry of [ ] (MINISTRY) has identified the need [*describe project*], to [*describe objectives*]. This project is also in line with the institution's strategic vision of [*describe strategic vision*].

The MINISTRY wishes to explore the feasibility of this project as a public-private partnership (PPP) in terms of [LEGISLATION]. The MINISTRY thus intends to procure the services of a consortium of experienced transaction advisors to assist it through the phases of the PPP project cycle. These terms of reference invite proposals from a transaction advisor representing a team of suitably qualified and experienced financial, technical and legal advisors to help the MINISTRY:

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**Phase 1:** Undertake a comprehensive feasibility study for the Project.

**Phase 2:** If required afterwards, provide advisory services for the procurement of the project.

The scope of work is divided into these two parts. The transaction advisor needs to submit a single bid, in the formats prescribed in these terms of reference. (Reference to 'the transaction advisor' includes the entire advisory team, or relevant members, under the management of a single lead advisor who shall contract with the MINISTRY.)

## 2. Scope of work

This is the first [independent power project] (“IPP”) to be implemented under [LEGISLATION]. It is intended to be used as a model for future project development. Therefore, when performing the following scope of work, the transaction advisor shall provide its services in a manner propitious to replication by the MINISTRY for other projects.

### 2.1 PART 1: FEASIBILITY STUDY

The transaction advisor will be required to produce a comprehensive feasibility study for the Project using a public sector comparator and PPP reference models. This must enable the MINISTRY to determine:

- full project cycle costs
- affordability limits
- risks and their costs
- optimal value-for-money methods of delivery.

Section 4 below sets out the deliverables required of the transaction advisor for the feasibility study.

### 2.2 PART 2: PPP PROCUREMENT

If, on the basis of the feasibility study, a PPP solution is decided on, and if the MINISTRY requires it, the transaction advisor will provide the necessary technical, legal and financial advisory support for the procurement of a private partner. This must be in compliance with all elements of [LEGISLATION] and all implementing regulations.

The procurement deliverables are set out in Section 5.

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### 3. Background

#### 3.1 MANDATE

The MINISTRY 's mandate is [*describe mandate*].

#### 3.2 OBJECTIVES

The objectives for this project are [*describe objectives*].

#### 3.3 BACKGROUND DOCUMENTATION AND PREPARATORY WORK

The transaction advisor will have to become familiar with all background documentation and preparatory work conducted to date and shall be responsible for carrying out initial technical, financial and legal framework reviews that are deemed necessary for a successful completion of the transactions, including, but not limited to:

- Relevant existing reports, studies, audits, etc. necessary to become familiar with the [geothermal and ]electricity sectors in [COUNTRY].
- All information pertaining to electricity market structure.
- Existing financial forecasts, historical financial performance and technical operating history for [POWER UTILITY] and existing [power generation] arrangements in [COUNTRY].
- Existing Electricity Laws and regulatory functions.
- Responsibilities and relationships of MINISTRY and [POWER UTILITY] with other government entities at different levels .
- The reports annexed to this ToR.

A preliminary needs analysis (pre-feasibility study) has been undertaken, establishing [*describe what the needs analysis has established, including any initial costings*]. The MINISTRY has identified the following challenges which it faces in pursuing the project: [*list challenges*].

The legal and policy framework for the project is [*describe legal and policy framework*].

#### 3.4 PROJECT BUDGET

The base-line budget currently available for operating expenditure for the project has been identified as [*insert amount*] in the [*insert year*] financial year, escalating by CPI[X]. In addition, a capital budget of [*insert amount*] for expenditure over the [three] years [*insert years*] has been secured.

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### 4. PPP feasibility study deliverables

The transaction advisor is required to produce, in close liaison with the MINISTRY, a comprehensive feasibility study for Project. The feasibility study needs to clearly demonstrate affordability for the full project cycle and propose the optimal value-for-money solution for the MINISTRY to achieve its desired outcomes.

The feasibility study is to be conducted in compliance with [*applicable standards*].

#### 4.1 COMPONENTS OF THE FEASIBILITY STUDY

The feasibility study must include the following:

- Introduction
  - Covering letter from the accounting officer/authority
  - Executive summary
  - Introduction
  - Project background
  - Approach and methodology to the feasibility study
- Section 1 - Needs analysis, including
  - Institution's strategic objectives
  - Budget
  - Institutional analysis
  - Output specifications
  - Scope of the project
- Section 2 - Solution options analysis, including
  - Options considered
  - Evaluation and assessment of each option
  - Assessing Government role in the proposed PPP project, whether that role corresponds with the Government's legal obligations, maintains sufficient power to protect the Government's interests and corresponds to the proposed corporate structure of the project vehicle and how in practice the Government role will be established in the project vehicle (e.g. voting rights, pre-emption rights, golden shares and the protection of minority shareholders)
  - Developing and providing detail to the legal architecture and design of the transaction, identifying e.g. the (i) type of PPP contract to be used (e.g. concession, BOT or management contract) (ii) investment commitments to

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be required, their nature and management, (iii) investment plan, how, where and when investments will be made (iii) type of public sector support required, including terms and conditions and (iv) corporate structure for the investment and commercial management including nature of the SPV holding the concession, etc.

- Summary of evaluation and assessment of all options considered
  - Review of risk allocation assumptions to assess whether those risks can be allocated (e.g. legally) to the private sector (e.g. land acquisition, collection of tariffs from individual consumers and safety monitoring).
  - Review of project assumptions and whether they are practically and legally viable, e.g. management of staff rights and benefits and whether there might be legal limitations to how staff can be treated.
  - Assess the financial management and accounting structures proposed to identify efficiency gains available through other structural mechanisms, e.g. taxation of revenues and accounting methods for depreciation of assets.
  - Identifying other contractual and commercial relationships in the sector or related to the sector and how those relationships will interface with the PPP project.
  - Assess risk management structures for potential efficiency gains through alternative structures or modifications.
  - Assess the financial feasibility and provide valuation of revenues according to the different options and based on various assumptions used in the forecasts including those of demand and pricing should be stated clearly.
  - Advise on a financial (capital) structure for mobilizing debt.
  - Confirming legality of budgeting assumptions and the management of revenue flows (e.g. are there restrictions on the use of monies collected for use with public services).
  - Assessing risk allocation approaches to ensure that they correspond with private sector appetite and lender requirements. This should be done before bidding to avoid failure of the bidding process and the costly and reputationally damaging recommencement of the tendering process.
  - Assessing chosen approach to PPP and whether any aspect of that approach will conflict with available or required procurement, contracting and financing structures.
  - Recommendation of a preferred option
- Section 3 - Project due diligence, including

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- Legal aspects, including
  - Land access/rights
  - Use rights
  - Regulatory matters
  - Approvals required
  - Vires of grantor
  - Key challenges to risk allocation as law
- Identify licensing, permitting and other legal risks that need to be addressed and allocated under the chosen approach.
- Ensuring all necessary approvals and permissions are obtained for PPP processes before commencement of tender process, in particular to allow the relevant Government entity to sign the tender documents and the PPP contract.
- Site enablement
- Socio-economic and environmental
- Initial market testing
- Section 4 - Value assessment, including
  - PSC model
    - Technical definition of project
    - Discussion on costs (direct and indirect) and assumptions made on cost estimates
    - Discussion on revenue (if relevant) and assumptions made on revenue estimates
    - Discussion on all model assumptions made in the construction of the model, including inflation rate, discount rate, depreciation, and budgets
    - Summary of results from the base PSC model: NPV, FIRR, DSCR
  - PPP reference
    - Technical definition of project
    - Discussion on costs (direct and indirect) and assumptions made on cost estimates
    - Discussion on revenue (if relevant) and assumptions made on revenue estimates
    - Discussion on proposed PPP type

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- Proposed PPP project structure and sources of funding
- Payment mechanism
- Discussion on all model assumptions made in the construction of the model, including inflation rate, discount rate, depreciation, tax and VAT
- Summary of results from the PPP-reference model: NPV
- Risk assessment
  - Comprehensive risk matrix for all project risks (The following are some of the risks that need to be considered (this is a non-exhaustive list): Technical risk especially hydrology risk and geophysical/geological risk; Market Risk (i.e., demand, cost of alternate sources); Counterparty risk (especially payment risks by [POWER UTILITY]); Completion risk; Operation Risk; Price and tariff risk; Political risk; Legal risks; Fiscal/macroeconomic risks; Regulatory risk; Environmental risks; Force Majeure risks.)
    - identify the risks that the Project would face;
    - who among the stakeholders (governments, investors, IFIs and other financiers) would be negatively affected in the event of the risk materializing;
    - summary of the institution's retained and transferable risks;
    - The NPV of all risks (retained and transferable) to be added onto the base PSC model;
    - The NPV of all retained risks to be added onto the PPP reference model.
  - The review should contain recommendations on the mitigation mechanisms for each of the identified risks to be implemented by the party identified to bear that risk . In doing so, assessment and applicability and economy of various risk mitigation mechanisms should be carried out, including but not limited to: (a) private mechanisms such as commercial insurance; (b) specific developed country mechanisms such as export credit insurance and investment insurance available from national agencies (e.g., Overseas Private Investment Corporation OPIC of US); (c) risk mitigation and insurance mechanisms from IFIs, including partial risk and partial credit guarantee mechanisms; (d) the risk mitigation instruments available from World Bank Group's Multilateral Investment Guarantee Agency (MIGA); and (d) any special mechanisms that have been developed/deployed around the

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world in a high risk contexts and their applicability and adaptation for the current context.

- Risk-adjusted PPP-reference
  - Summary of results: NPV, key indicators
  - Sensitivity analyses
  - Statement of affordability
  - Statement of value for money
  - Recommended procurement choice
- Information verification
  - Summary of documents attached in Annexure 1 to verify information that is the baseline for the feasibility study report
- Section 5 - Economic valuation, including
  - Introduction and evaluation approach
  - Assumptions
  - Valuation results
  - Macroeconomic Impact - This should analyze the: (a) revenues that would accrue to the Government through (i) value-added taxes; (ii) other taxes and levies as contributions to specific funds (e.g- Social Fund); (iii) corporate taxes; (iv) municipal taxes; (v) customs duties and excise levies on equipment and services imported/ purchased; (vi) guarantee/on-lending margins charged by Government; (b) impact on Governments overall debt and debt service position; and (c) employment generation, regional development, betterment of people directly effected etc;
  - Market Analysis\_– Economic aspects of the target markets: demand projections for the length of the project period (minimum [20] years); alternative options to meet the projected demand; the competitiveness of the Project vis-à-vis [COUNTRY]'s marginal cost of generation; the share of the Project in meeting the power capacity demand, and share of the Project in meeting energy demand; and
  - Project Level Analysis\_- Project cost-benefit analysis, including net present value (NPV), financial internal rate of return (FIRR) and economic internal rate of return (EIRR).
- Section 6 - Procurement plan
- Annexure 1: Statements for information verification and sign off from each advisor to the project
- Annexure 2: PSC model



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- Annexure 3: PPP reference model
- Annexure 4: Risk assessment and comprehensive risk matrix
- Annexure 5: Document list (list of all documents related to the project, where they are kept, and who is responsible for ensuring that they are updated)
- Annexure 6: Attach as annexure all other documents that have informed the feasibility study and that are of decision-making relevance to the project.

## **4.2 PRESENTATION OF THE FEASIBILITY STUDY**

The feasibility study, comprising all the above deliverables, must be compiled in a single report in Word format (with relevant annexures), and delivered as both electronic and hard copy documents. All financial models must be in Excel format, and must clearly set out all assumptions made, sensitivity analyses carried out, and model outputs. The financial models must be sufficiently adaptable for use by others at later stages. The feasibility study must be presented with a thorough executive summary and must be accompanied by a PowerPoint presentation that encapsulates all the key features of the study. The executive summary and PowerPoint presentation must be compiled in such a manner that they can be used by the MINISTRY's management for decision-making purposes.

## **4.3 SUBMISSION REQUIREMENTS FOR THE FEASIBILITY STUDY REPORT**

If the MINISTRY decides to pursue a PPP solution for the Project, the feasibility study must be of a standard that will be accepted by relevant authorities for the purposes of the MINISTRY obtaining approval. The transaction advisor is therefore advised to be fully familiar with the requirements of the relevant authorities.

## **5. PPP procurement deliverables (if applicable)**

If the MINISTRY decides on a PPP procurement solution, the transaction advisor is required to work with the MINISTRY to manage the procurement process for securing contracts with a private party. All this needs to be in accordance with the systems and standards set out for PPPs in relevant laws and regulations.

The transaction advisor will then have to deliver the following:

### **5.1 APPROVAL AND ADMINISTRATION OF THE BIDDING PROCESS**

The transaction advisor must prepare a complete set of procurement documents, complying with public sector procurement law, policies and guidelines, and in accordance with the tendering systems of the MINISTRY. The documentation must be consistent with the results of the feasibility study and enable the MINISTRY to obtain relevant approvals.

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The transaction advisor must also give the MINISTRY all the necessary drafting, bidder communication and administrative support necessary for the entire procurement process to be conducted in accordance with law and policy, and to the highest standards of efficiency, quality and integrity.

#### (a) Detailed procurement plan

The transaction adviser will design a complete procurement plan and process, Based on applicable procurement requirements, including

- Advice on mechanisms to maximize competition while avoiding unrealistic bids and project vulnerability from overly aggressive bidding.
- Reviewing information to be provided by the Government to bidders to manage liabilities.
- Technical review, including
  - review of general functional/technical solutions,
  - assessment of the estimated capital and operating costs
  - review the proposals and compare them with current best practice, highlighting areas where the proposed solutions will increase risk (and therefore price) and making suggestions for changes in current proposals.
  - Capacity of the site, and appropriateness for the technology and performance required of the Project,
  - weather conditions, status of land availability, status of permissions and permits, traffic
  - management and construction management constraints etc.
  - service levels and operating costs
  - preparation of all alignment drawings and specifications (to the extent not provided in the feasibility study)
  - review of project data, including ground conditions and geotechnics.
  - review of capital cost estimates from feasibility study, benchmarking against out turn costs /published cost estimate data on other projects.
  - review of operability of scheme in relation to technical specification, infrastructure, off-take demand and required levels of output, availability and safety.
  - commentary on integration with - and linkages to network
  - environmental impact assessments and proposed mitigation measures.
- Designing pre-qualification and bidding procedures

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- Designing key aspects of the tender procedure, for example deciding whether and to what extent to accept variant and non-conforming bids, how many bidders must bid before the process is valid, what rules to set in relation to the assessment of bids (scoring regimes, timing of bids and rejecting of excessively low bids) and how to maximize competition without sacrificing quality of bids.
- Outlining tender documentation
- Outlining the PPP contract (including all annexes) that implements the chosen PPP approach:
  - applying the risk matrix developed during the feasibility study, but updated to address all project issues and market context,
  - developing and implementing a detailed financial model and developing the contract to fit the requirements of the model,
  - explaining to the Government whether and to what extent certain provisions could be amended without disturbing the key risk allocation goals of the Government,
  - The Government may need to obtain debt or provide a loan to the project company or to provide some other financial instrument (e.g. guarantee or subsidy) to make the PPP project financial viable or more cost effective. The transaction adviser will provide advice on structuring of such instruments, their drafting, negotiation and implementation (e.g. setting up trusts and escrow accounts, arrangements with security sharing and management and other aspects of financial management and ensuring compliance with financial covenants).
- All advice compliant with applicable law and considering any constraints or opportunities associated with applicable law.
- A 2 day ‘workshop’ with Government, [POWER UTILITY] and MINISTRY officials to discuss policy decisions and risk transfer issues, followed by 1 further more extensive ‘workshop’ to agree final project design.

#### **(b) Pre-qualification**

The transaction advisor must design and administer a pre-qualification (request for qualification (RFQ)) process with the intention of:

- ensuring that the MINISTRY 's exact interest is communicated clearly to the market
- determining the extent and nature of interest in the private sector
- pre-qualifying a competitive number of competent consortia in an equitable and transparent way.

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The desired result is that every pre-qualified bidder is capable of providing the facilities and services required by the MINISTRY. The transaction advisor must:

- prepare all the necessary RFQ documentation, including advertising material;
- set up and administer the process by which the MINISTRY can pre-qualify the parties, including responding to questions and interfacing with bidders; and
- help the MINISTRY evaluate and pre-qualify bidders.

As part of this process, the transaction advisor shall develop a tightly focused promotional campaign for the Project, including short press briefings, advertisement inserts to be published in international trade publications and business newspapers, followed up by the targeted marketing of the selected generation and distribution companies through organizing Road Shows and Seminars for potential investors as well as initiating direct communications with them.

#### (c) Bid evaluation criteria and bid process design

The transaction advisor must:

- set up a bid evaluation system and criteria;
- design a suitable bid process that will ensure comparable bids;
- devise effective systems for communicating with bidders; and
- inspire market confidence.

If appropriate, a system that allows for variant bids may be designed.

#### (d) Request for proposals (RFP)

The transaction advisor must prepare an RFP document in accordance with best industry practice and applicable laws and regulations, consistent with the results of the feasibility study. The RFP must concisely set out:

- the output specifications of the MINISTRY
- requirements for compliant bids
- a risk profile as established in the feasibility study
- the payment mechanism
- the bid process
- evaluation criteria
- bidder communication systems.

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**(e) A draft PPP agreement**

The transaction advisor must prepare a draft PPP agreement, in close liaison with the MINISTRY management, implementing the risk allocation regime and using best practice to maximize competition and keep pricing low, while protecting the MINISTRY's interests with a view to project implementation and manageability over the term of the project. The agreement will include all necessary annexes and subsidiary documentation, e.g. performance specification, project scope, client's requirements, technical specification, Project performance monitoring regime, code of construction practice, requirements for network integration, etc.

**(f) MINISTRY Approval**

The transaction advisor must compile all the documentation necessary for the MINISTRY to obtain necessary approvals to enable the procurement process to begin.

**(g) Administration of the bidding process**

The transaction advisor is to provide all necessary administrative support to the MINISTRY for the efficient and professional management of the bidding process. This includes managing a data room and other dissemination of project data to bidders, facilitating structured engagement between the MINISTRY and bidders, helping the MINISTRY communicate effectively with bidders, including responding to bidder queries, managing bidder conferences and responding to communications with bidders to manage Government liabilities, and receiving bids.

**5.2 EVALUATION OF BIDS, DEMONSTRATING VALUE FOR MONEY [WHERE POSSIBLE UNDER PROCUREMENT RULES]**

**(a) Evaluation of bids**

The authorized staff of the MINISTRY, helped by the transaction advisor, must evaluate bids.

A best and final offer (BAFO) process may be required. When costing this phase of work the transaction advisor must allow for the possibility of administering BAFO processes. If there is no BAFO process, the transaction advisor's remuneration will be adjusted accordingly.

**(b) The value-for-money report and approval**

Value for money must be demonstrated by comparing the net present value (NPV) of the bids received with the NPV of the PSC for [describe the project], with a suitable adjustment for risk assumed.

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The results of the bidding and evaluation of bids must be presented in a single value-for-money report (with relevant annexes) that demonstrates clearly how value for money will be achieved with the preferred bidder. The report must clearly indicate the preferred and second-ranked bidders and provide motivations.

The value-for-money report must be in a suitable format and of a suitable standard for the MINISTRY to get necessary approvals.

### **5.3 PPP AGREEMENT NEGOTIATIONS, PPP AGREEMENT MANAGEMENT PLAN**

The transaction advisor must assist the MINISTRY in final negotiations with the preferred bidder. This will involve

- preparing suitable negotiations teams,
- categorizing issues appropriately, developing timelines for completion,
- planning negotiation tactics,
- reviewing proposed sub-contracts, in particular with the construction contractor and operator, to the extent forms of these contracts have not been included in the PPP contract or the tender documents,
- advising on proposed changes to the agreed form sub-contracts,
- review of preferred bidder satisfaction of the conditions precedent to the PPP contract, often including the validity of licenses and permissions obtained by the preferred bidder, formation of corporate vehicles in the form required, financial close of the project financing, and implementation of the commercial requirements for performance of the project,
- relationship with second and third place bidders, including managing bid bonds and on-going discussions to prepare for the eventual withdrawal of the preferred bidder,
- processes for reaching agreement,
- the above will normally involve a second set of negotiations with the lenders arguing similar points as those raised by the preferred bidder during the tender process and new issues often focused on financial covenants and protections. This may involve extended discussions of Government financial participation to protect the lenders from specific risks. The legal service providers should be involved in these discussions,
- review and negotiation of the financial documentation which will often have a direct effect on the rights and obligations of the Government,
- legal opinion that transaction is binding on its terms,
- legal opinion on security and financial management structure, and

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- legal opinion on revenue structure and current regulatory mechanism.

The transaction advisor must ensure that all agreements reached are incorporated into all the financial, commercial and legal documentation, and must assist with drafting the necessary and related correspondence.

The final terms of the agreement, each as negotiated with the preferred bidder, must be submitted by the MINISTRY, along with the PPP agreement management plan for the Project, for approval. The transaction advisor is responsible for compiling the necessary submissions for the MINISTRY to obtain this approval, including a comprehensive legal due diligence of the accounting officer/authority has been completed. This will relate to legal compliance, competence and capacity to enter into the PPP agreement.

#### **5.4 PPP AGREEMENT SIGNATURE, CLOSE-OUT REPORT AND CASE STUDY, AND FINANCIAL CLOSURE**

The transaction advisor must help the MINISTRY with all functions related to signing the final agreement through to financial close. The transaction advisor must also compile a comprehensive close-out report and case study, and must incorporate any additional factors that may be required by the MINISTRY. The close-out report will be a confidential document of the MINISTRY. The case study will become a public document, made available on various government websites.

The transaction advisor must, in close liaison with the MINISTRY, draft a comprehensive PPP management plan for the MINISTRY, in accordance with the provisions of the PPP agreement, to help the MINISTRY in the management of the Project and its risks, rights and obligations after financial close. The management plan will be delivered no later than 20 days before financial close. This will be followed by a 5 day ‘workshop’ with MINISTRY project team to discuss project implementation and management of MINISTRY rights and obligations over the term of the Project, followed by 1 further ‘workshop’ as follow-up.

Financial closure signifies that all the procurement deliverables have been successfully completed, and that the transaction advisor's work is finished, if applicable.

## **6. Transaction advisor skill, experience, remuneration and management by the MINISTRY**

### **6.1 NECESSARY TRANSACTION ADVISOR SKILLS AND EXPERIENCE**

The transaction advisor will comprise a team, managed by a single lead advisor. The members of the team will have the skill and experience necessary to undertake the range of tasks set out in this terms of reference. Each individual on the team must be personally available to do the work as and when required. The lead advisor will be held accountable, in terms of the transaction advisor contract, for ensuring project deliverables and for the professional conduct and integrity of the team.

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The skills and experience required in the transaction advisory team are as follows:

- financial analysis, with relevant PPP and project finance experience through to financial close
- PPP procurement and structuring
- legal, with relevant law and experience in the drafting and negotiating of PPP agreements
- technical due diligence and advice on PPP structuring and contracts
- Project planning management
- Project facilities management
- relevant expertise in [geothermal exploration], power generation and IPPs
- negotiations
- contract management
- project management.

#### 6.2 REMUNERATION SCHEDULE AND DISBURSEMENT ARRANGEMENTS

The total sum budgeted by the MINISTRY for remuneration of professional services under these terms of reference is [*insert amount*]. Bidders are advised to bid within this figure, and to allocate resources according to the remuneration schedule below. Remuneration of the transaction advisor will be payable in [*Rupiah*], on a fixed price for each of 2.1 and 2.2 above (corresponding to PPP Feasibility Study and Procurement of the project cycle). The procurement portion of the work may or may not transpire at the end of the feasibility study, and should be costed accordingly.

##### (a) Remuneration schedule

The following remuneration schedule is set for each part of the contract. Bidders should adhere to these in their proposals, within the total budget given. Deliverables completed per the remuneration schedule will be approved by the project officer, after which invoices may be submitted for payment as per the remuneration schedule. The MINISTRY will pay within 30 days of receiving the approved invoice.

<b>Task</b>	<b>Date</b>	<b>Fee</b>
Feasibility study, draft delivered to MINISTRY		
Feasibility study, final version delivered to MINISTRY		



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<b>Task</b>	<b>Date</b>	<b>Fee</b>
Commence pre-qualification		
Pre-qualification announced		
Bidding commenced		
Bid submitted		
Preferred bidders selected		
BAFO submission		
Award		
Financial close		

#### **(b) Disbursement arrangements**

Out-of-pocket expenses will be paid by the MINISTRY at cost within an agreed ceiling. All claims for travel and other legitimate disbursement expenditure must be pre-approved by the project officer before they are incurred. An email system for these approvals will be set up when the transaction advisor contract is signed. Pre-approved project expenditure on international travel, related reasonable accommodation costs, expenditure on document reproduction, translation and interpreter services or any other legitimate pre-approved project disbursement expenditure will be reimbursed at cost. Other legitimate Project costs such as telephone, fax, photocopies and internet access will be reimbursed at cost. Payment will be made within 30 days of the MINISTRY receiving approved and substantiated invoices, and does not form part of the remuneration schedule. Bidders are required to propose a ceiling for such disbursements. This ceiling will not be evaluated as part of the price proposal.

### **6.3 MANAGEMENT OF TRANSACTION ADVISOR BY THE MINISTRY**

The transaction advisor will be appointed by the MINISTRY. A project officer has been appointed by the MINISTRY to take full responsibility for managing the transaction advisor's work and for ensuring delivery on the project. The project officer is [*insert name of project officer*], and can be contacted at [*insert contact details*].

The project officer has established a project team to engage regularly with the transaction advisor for efficiently completing the various delivery items. The project team will meet at least monthly and the transaction advisor will report progress at these meetings, as instructed by the project officer.

The project officer will confirm that the transaction advisor has satisfactorily completed each deliverable before invoices can be submitted to the MINISTRY for payment.

THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSES OF THE  
**PPP IN INFRASTRUCTURE RESOURCE CENTER FOR CONTRACTS, LAWS AND REGULATIONS.**  
 IT IS FOR GENERAL GUIDANCE PURPOSES ONLY AND SHOULD NOT BE USED AS A SUBSTITUTE  
 FOR SPECIFIC LEGAL ADVICE FOR A PROJECT.

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The Activities are anticipated to take place between [ ] and [ ]. The Activities will be carried out in [LOCATION]. It is anticipated that the team-leader and co-team leader of the Consultant’s team will be located in [LOCATION] for the vast majority of the duration of the contract.

Within 20 working days of the signing of the contract, the transaction advisor shall submit an Inception Report giving a detailed work plan and assignments for each individual in the team.

The transaction advisor shall submit Interim Reports each two weeks describing progress of work, updated work schedule, and any key constraints encountered by the transaction advisor in the performance of the activities.

**Proposed Implementation Schedule**

<b>Task</b>	<b>Date</b>
Feasibility study, draft delivered to MINISTRY	
Feasibility study, final version delivered to MINISTRY	
Commence pre-qualification	
Pre-qualification announced	
Bidding commenced	
Bid submitted	
Preferred bidders selected	
BAFO submission	
Award	
Financial close	