



TENDER NOTICE No (2/2018)

Invites interested consultants to tender for a review of key regulatory issues relating to the use of electric vehicles in the Sultanate of Oman

Project details:

1. A review and assessment of international best practice in terms of electricity sector regulatory frameworks and how they have evolved in relation to the challenge of supporting EVs;
2. A review of key developments in the market for electric vehicles that may impact on the future design of regulatory frameworks;
3. Specific recommendations for the standards that should be adopted for EV chargers (considering practices in neighbouring countries, metering, connection designs and public safety);
4. Observations on tariff evolution (and related metering requirements) that might better enable the development of EVs in the Sultanate of Oman and their potential impacts on Government subsidy levels to the electricity sector.

Requirements

It is anticipated that the Consultant and the Consultant's team should each have an understanding of at least the following areas:

1. The development, operation and regulation of electricity distribution networks in a number of leading international markets
2. The development, connection, installation, metering and operation of electric vehicle charging facilities, including:
 - A. Residential "plug and play" and separately or sub-metered facilities
 - B. Multi-occupancy residential, work and leisure based charging facilities in car parks (both free of cost and on a paid for basis)
 - C. On the road "fast charging" systems, for example at petrol stations (both free of cost and on a paid for basis); and.
 - D. Commercial "battery-swap" facilities.
3. Customer preferences and behaviours in respect of electric vehicle operations, both commercial fleet and privately-owned vehicles
4. Pricing mechanisms designed to influence customer behaviour and maximise the efficient use of electricity systems and their impact
5. Electrical safety and technical standards requirements related to electric vehicle charging systems and their use

Proposal Submission Deadline

Interested Consultants are asked to provide an electronic copy of their assignment proposal by email before 9am Oman time (GMT+4) on Monday 23 April 2018 to: enquiries@aer-oman.org

If the consultant would like to submit a hard copy of their proposal, this should be submitted by the same time to the following address

Authority for Electricity Regulation, Oman**P.O.Box 954****PC 133****Al-Khuwair****Sultanate of Oman****Selection**

The Authority expects to be able to confirm its intention to award a contract by 9 May 2018. The Consultant shall commence the assignment by 30 May 2018, the specific date to be mutually agreed with the Authority

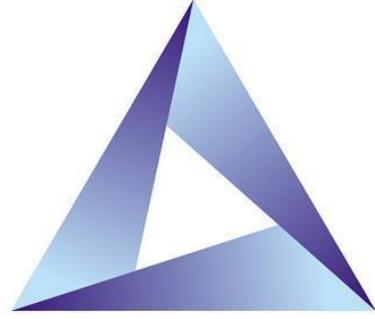
About Authority for Electricity Regulation

Established in August 2004, The Authority for Electricity Regulation (AER) is a financially and administratively independent organization in charge of regulating the electricity sector in Oman. Beyond its role as a regulatory body, AER protects the interests of electricity customers, electricity companies, and the Government. The Authority's vision is to ensure the electricity sector operates efficiently and economically, benefiting the Sultanate and its people.

For more information on the Authority for Electricity Regulation, please visit our website at: www.aer-oman.org

- Ends -

Request for Proposals (AER 002/2018)



هيئة تنظيم الكهرباء - عمان
AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Review of key regulatory issues relating to the use of electric vehicles
in Oman

March 2018

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1 INTRODUCTION

The electricity and related water sector in the Sultanate of Oman was extensively restructured following the implementation of the law for the regulation and privatisation of the electricity and related water sector ("the Sector Law"), promulgated by Royal Decree 78/2004.

The Sector Law established the Authority for Electricity Regulation, Oman ("the Authority") and imposed on the Authority, amongst other things, the duties to secure and develop the safe, effective and economic operation of the electricity sector and to secure that licensees are able to meet all reasonable demands for electricity.

In the publication of its Forward Work Plan for 2018 the Authority announced that it "intends to carry out a review of international best practice in relation to the regulatory framework to support the introduction of Electric Vehicles (EV – meaning both fully battery operated and plug-in hybrid electric vehicles) including, but not limited to "potential capital costs from development of public EV recharge stations, network and connection issues, safety issues, metering costs and the required licence and Code modifications." To this we should add potential impacts on tariff subsidies and consideration of pricing signals designed to encourage efficient use of electricity.

As an initial step, the Authority wishes to retain experienced consulting advisors to undertake a high-level review of international best practice and to assess the extent to which those approaches could be adapted, given the specific circumstances in Oman. This initial work will make specific recommendations for steps that the Authority should

consider immediately to facilitate the use of Electric Vehicles in Oman, together with broader recommendations for future studies.

1.1 Background

The Sector Law established that the distribution and supply of electricity are licensed activities and created a number of regional integrated distribution and supply licensees, of which there are now five.

The Sector Law gave each distribution licensee the duty, amongst other things, to operate, maintain, develop and expand its network in a safe and secure manner and to offer terms for connection to the system on a non-discriminatory basis.

In relation to supply charges the Sector Law provided that Supply licensees may only charge customers on the basis of a Permitted Tariff, or a Cost Reflective Tariff, as the case may be.

Until December 2016 only Permitted Tariffs had been approved and these were supported through significant Government subsidies. However, from 1 January 2017 the introduction of a Cost Reflective Tariff was approved for large Government, Industrial and Commercial customers, with an annual consumption of greater than 150,000kWh. For the first time this included time of day, as well as seasonal pricing signals.

At present roughly 10,000 customers are charged on the basis of the new Cost Reflective Tariff and these customers have had their meters upgraded, where necessary. The process of collecting meter reading data from these customers through automated rather than manual processes and routing such data through a central meter data management system (MDMS) has already begun, though it is not yet fully complete.

Permitted Tariffs and Cost Reflective Tariffs must be approved by the Council of Ministers.

At present there are only a very small number of electric vehicle charging facilities installed in Oman, for example in hotels and at the Sultan Qaboos University.

1.2 Requirements for Assignment

It is anticipated that the Consultant and the Consultant's team should each have an understanding of at least the following areas:

- The development, operation and regulation of electricity distribution networks in a number of leading international markets;
 - The development, connection, installation, metering and operation of electric vehicle charging facilities, including:
 - residential “plug and play” and separately or sub-metered facilities;
 - multi-occupancy residential, work and leisure based charging facilities in car parks (both free of cost and on a paid for basis);
 - on the road “fast charging” systems, for example at petrol stations (both free of cost and on a paid for basis); and
 - commercial “battery-swap” facilities;
 - Customer preferences and behaviours in respect of electric vehicle operations, both commercial fleet and privately owned vehicles;
 - Pricing mechanisms designed to influence customer behaviour and maximise the efficient use of electricity systems and their impact; and
 - Electrical safety and technical standards requirements related to electric vehicle charging systems and their use.
-

The project is expected to begin on or before 30 May 2018 (specific date to be mutually agreed with the Authority) and be completed by the end of September 2018, at the latest.

Interested Consultants are asked to provide, by Monday 23 April 2018:

- Details of their relevant experience with similar projects, including individual project summaries, indicating the client, the services provided and the approximate value of the Consultant's contribution to the project;
- Details of the organisation and structure of the proposed consulting team members, with an explanation of the role and man days assigned to each team member;
- Detailed CVs for all proposed team members;
- A workplan and methodology that indicates the Consultant's proposed approach to the project.

Experience of similar consulting assignments internationally is essential and appropriate references to international experience should be a key part of each of the deliverables. In addition, successful relevant consulting assignments in the GCC region and in Oman would be advantageous. Although the project outputs should be provided in the English language an understanding of the Arabic language would also be useful. However, the AER counterpart team will also be expected to assist with understanding relevant documentation available only in the Arabic language.

Consultants shall also demonstrate, to the satisfaction of the Authority, that they have no conflict of interest related to any prospective manufacturer, or supplier, of electric vehicles, or electric vehicle charging facilities. The Consultant should clearly state the working procedures enforced by the company in relation to potential conflict of interest situations.

The experience and qualifications of team members proposed by the Consultant will be afforded significant weight in the evaluation of proposals and selection criteria. Consultants or team members without the necessary experience will not be considered for the assignment.

Unless it is concluded that the existing regulatory framework does not require modification in order to support the successful introduction in Oman of electric vehicles the Authority intends to publish at least the review of international best practice and recommendations for modification of the Omani regulatory framework. It is therefore important that the reports are clearly written and well presented. The Consultant shall provide with their proposal written examples of similar work prepared by, or supervised by, the proposed Project Manager.

2 SCOPE OF WORK

The Consultant is asked to prepare:

- 1) a review and assessment of international best practice in terms of electricity sector regulatory frameworks and how they have evolved in relation to the challenge of supporting EVs;
- 2) a review of key developments in the market for electric vehicles that may impact on the future design of regulatory frameworks;
- 3) specific recommendations for the standards that should be adopted for EV chargers (considering practices in neighbouring countries, metering, connection designs and public safety);
- 4) observations on tariff evolution (and related metering requirements) that might better enable the development of EVs in Oman and their potential impacts on Government subsidy levels to the electricity sector.

For the avoidance of doubt the Consultant is not expected to review building standards and other relevant arrangements that are outside of the regulatory framework, though the need for consistency and further review, if any, should be clearly identified.

Neither is the Consultant expected to review Omani Government transportation sector policies designed to support or subsidise the cost of purchasing, licensing, maintenance, road usage charging, or other related support schemes for EVs, including by private owners, commercial fleet operators, or operators of public service vehicles.

However, a short review of such schemes and the responsible entities and how they operate in tandem with electricity sector regulatory frameworks in the selected international comparator markets should be included.

The Authority' expects the project will require around 80-100 days of consultant input.

The experience and qualifications of the Consultant and of team members proposed by the Consultant will be afforded significant weight in the evaluation of proposals and selection criteria. Any Consultant or team members without the necessary experience will not be considered for the assignment.

The outputs of the project will be:

1. an inception report and confirmation of the work plan and methodology (which must be agreed by the Authority) 3 weeks following commencement of the project;
 2. focussed briefing meetings with the Authority's senior management representatives at least twice during the project, at mutually agreed times;
 3. a high-level review and assessment of international best practice regulatory frameworks;
 4. a high-level review of key developments in the market for electric vehicles that may impact on the future design of regulatory frameworks;
 5. a series of recommended and prioritised high-level modifications of the Omani electricity sector regulatory framework, including specific recommendations with respect to EV charger standards; and
 6. a short separate report setting out the Consultant's observations on tariff evolution (and related metering requirements) that might appropriately support the development of EVs in Oman and their potential impacts on Government subsidy levels to the electricity sector;
 7. a draft final summary report incorporating items 3 to 5 above (inclusive);
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8. presentation of the review and recommendation and the separate observations on the evolution of tariffs to the Authority's Members; and
9. a Final Report that reflects the comments made by the Authority's Project Manager and Members and that is suitable for publication, covering items 3 to 5 above.

The Authority is not obliged to accept the lowest cost bid, but will appoint the Consultant whose proposal offers value for money, in terms of relevant experience, an acceptable methodology, and cost. In addition to the items specified above the Authority may request the preparation of additional or more detailed reports or recommendations on specific aspects of the overall study and the costs per day for each member of the consultant team for such services should therefore be clearly indicated.

The Authority will assess bids on the basis of a 70% weighting for the technical proposal and a 30% weighting for the financial proposal.

Whilst in Oman, the Consultants will be supported by the staff of the Authority's Executive Director's Office, the Technical Directorate, the Economic and Financial Affairs Directorate and the Legal Directorate as appropriate. The Consultant should demonstrate in its proposal how it intends to support the knowledge transfer process.

All outputs will be prepared for the benefit of the Authority, but it must be assumed items 3 to 7 will be presented to the Authority's Members before project completion and that the Final Report will be enhanced to take account of any comments made by the Authority, including during the presentation to Members in September 2018.

The assessment methodology should be agreed in advance with the Authority. Whilst there will be a need for face to face meetings, facilitation of knowledge transfer and a

presentation to the Authority's Members it is not anticipated that the Consultant will need a significant ongoing presence in Oman.

As indicated above the Authority will provide all relevant and available information.

2.1 Timescales

The Authority expects to be able to confirm its intention to award a contract by 9 May 2018. The Consultant shall commence the assignment by 30 May 2018, the specific date to be mutually agreed with the Authority.

The commencement of work will include a kick off meeting, review of documents and agreement of methodology. The presentation to the Members of the Authority is expected to take place during September 2018.

The project should be completed by 30 September 2018.

Any timetable extension and the timescales for further work requested would require the prior written consent of the Authority.

The time schedule for the items specified should allow time for the Authority to review draft reports (two weeks). The Final report will incorporate the Authority's comments (if any) on the draft Final report.

2.2 Information to be provided by the Authority

The Authority will assist the Consultant with all organisational aspects of the assignment, including provision of the following information prior to commencement of the assignment:

- Copies of documents clarifying the present regulatory framework including the Sector Law, Licences and Permitted and Cost Reflective Tariffs;
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- The Grid Code, Distribution Code and Oman Electrical Standards and all other relevant technical standards and documentation.

The Consultant shall identify in their proposal a list of additional information they would require to be provided prior to commencement of the assignment.

Throughout the assignment the Consultant will be expected to work closely with the Authority's counterpart team and to maximise knowledge transfer to the counterpart team. The Authority will provide all reasonable guidance and clarification as requested by the Consultant.

The project will be led by Ian Benfield for the Authority.

3 SUBMISSION OF PROPOSAL

The consultant shall submit an electronic copy of their assignment proposal by email before 9am Oman time (GMT+4) on Monday 23 April 2018 to:

E-mail: ian.benfield@aer-oman.org

If the consultant would like to also submit a hard copy of their proposal, this should be submitted by the same time to

Ian Benfield

Senior Strategy and Policy Adviser

Authority for Electricity Regulation, Oman

P.O.Box 954

PC 133

Al-Khuwair

Sultanate of Oman

We will be pleased to provide clarification of matters covered by the RFP prior to the submission of proposals. To assist the AER with evaluation the Consultant shall separate the proposals into technical and financial proposals.

The technical proposal (which shall account for 70% of the evaluation marks) shall include:

1. A description of the methodology proposed by the Consultant for each part of the assignment described in the scope of work, and timescales for the submission of project deliverables;
2. Details of the Consultant's experience of similar assignments, including contact details of previous/existing clients;
3. Details of the Consultant's project team (including the CVs of each team member) and a description of each team member's relevant experience and their expected contribution to specific parts of the assignment;
4. Written examples of assessment reports prepared by or supervised by the proposed Project Manager;
5. Details of the proposals for ensuring knowledge transfer to the AER Counterpart Team.

The financial proposal (which shall account for 30% of the evaluation marks) shall include:

6. A total cost of the assignment, showing separately:
 - a) Fees; including details of the fee of each team member (the hourly/daily fee and the expected contribution in terms of hours/days of each team member), and
 - b) Expenses including flights, hotel costs, and other items;
7. Bid letter in the form provided in Annex B to this Request for Proposal;

The Consultant shall also provide a statement relating to potential conflicts of interest that will or are likely to arise during the execution of the project.

ANNEX A: FORM OF BID

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

P.O BOX 954, PC 133

MUSCAT

SULTANATE OF OMAN

After compliments,

We have examined the Invitation to Submit a Proposal for Consultancy Services and the Contract Conditions for performance of the Works as described therein. We, the undersigned, offer to perform the assignment in accordance with the bid documents and as stated in the appendices attached, in the sum of:

Rials Omani (in words)

R.O..... (in figures), being the Bid Value.

We agree to abide by this bid for a period of forty five (45) days from the date fixed for receiving the same and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

[Name of Bidder] will be in a position to commence work with a fully available team as stipulated in section 2.1 (Timescales) of the Request for Proposals provided we are notified of the success of this Bid at least fourteen (14) days in advance.

[Name of Bidder] will be able to undertake the work and complete the project within the period stipulated in section 2.1 (Timescales) of the Request for Proposals.

In the event of our Bid being accepted and until a formal Agreement is prepared and executed, this Bid, together with your written acceptance thereof, shall constitute a binding obligation upon us.

We understand that you are not bound to accept the lowest or any Bid you may receive.

All relevant materials will be provided in accessible electronic format such as Word, Excel or another pre-agreed format

Dated the _____ day of _____ 2017

Capacity in which signing: _____

Signed: _____ Witnessed by: _____

For: _____

ANNEX B: CONTRACT TERMS AND CONDITIONS

The Authority's standard Contract Terms and Conditions may be obtained through the following link:

<http://www.aer-oman.org/images/rfpcontract.pdf>

DRAFT AGREEMENT BETWEEN

**AUTHORITY FOR ELECTRICITY REGULATION, OMAN
OF THE SULTANATE OF OMAN**

AND

The Consultant

CONTRACT CONDITIONS

FOR

Review of key regulatory issues relating to the use of electric vehicles in Oman

AER 02/2018

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Appendix A – Terms of Reference –Request for Proposal (AER 02-2018)

Appendix B – Time Schedule

Appendix C – Remuneration

Appendix D – Project Team

THIS AGREEMENT together with all Appendices attached hereto and made a part hereof, (the “**Agreement**”) is made and entered into in the city of Muscat in the Sultanate of Oman on the XXth day of May Two Thousand and Eighteen by/and

BETWEEN

- (1) The Authority for Electricity Regulation, Oman (the “Authority”) having its postal address at PO Box 954, Postal Code 133, Al Khuwair of the one part; and,
- (2) The Consultant *insert name.....* (“the Advisors” of the other part)

Now it is agreed as follows:

1: DEFINITIONS AND INTERPRETATION

In construing this Agreement the following expressions shall have the meanings hereby assigned to them except where the context otherwise requires:

“**Advisors**” – means The Consultant, engaged by the Authority to provide consultancy services and to review the key regulatory issues relating to the use of electric vehicles in Oman.

“**Assignment**” - means the scope of the Consultancy Services as provided under this Agreement.

“**Change in Law**” – means a new law, decree or regulation (or amendment to or new officially approved interpretation of the existing Laws of the Sultanate of Oman) promulgated by the Government from the date hereof;

“**Authority**” - means the Authority for Electricity Regulation, Oman.

“**Completion of Services**” – means the confirmation by the Authority of the achievement of completion of the tasks as per this Agreement by the Advisors.

“**Consultancy Services**” - means the Advisory services for which the Authority has engaged the Advisors to provide in connection with the Assignment and which are defined in the Terms of Reference of this Agreement.

“Parties” – means the Authority for Electricity Regulation, Oman one part, and the Advisors on the other part.

“Terms of Reference” – means the terms of reference defining the scope of work of the Advisors specific to this Assignment.

2: GENERAL PROVISIONS

2.1 SINGULAR AND PLURAL

Words importing the singular only also include the plural and vice versa without in either case altering the meaning of this Agreement.

2.2 HEADINGS

The headings shall not limit, alter or affect the meaning of this Agreement.

2.3 VALIDITY OF AGREEMENT

This Agreement shall come into force upon the Parties authorised signature of the Agreement. Provision of Consultancy Services shall commence on 30 May 2018 and be completed by 30 September 2018, and the Agreement shall continue to be valid until the payment of the final account, without prejudice to the liability of the Advisors as stated in Article 19 hereof.

2.4 NOTICES

Any notice required under this Agreement should be given in writing and will be deemed to have been given if delivered by one of the following means:

- personal delivery to the designated representative of each of the Parties when so delivered;

 - email delivery to the designated representative of each of the Parties when so delivered;
-

- by fax upon sending, subject to confirmation of uninterrupted transmission as set out in the transmission report, confirmation by telephone by an employee of the recipient that fax was received and provided that a hard copy is promptly dispatched to the recipients in the manner provided below ;

- by post or courier seven (7) Omani business days after posting or courier but subject to proof of posting or courier.

3: LANGUAGE

The ruling language of this Agreement is the English language. All reports, minutes, correspondence, etc. shall be in the English language.

4: SCOPE OF CONSULTANCY SERVICES

The Scope of Consultancy Services shall be in accordance with the Terms of Reference given in Appendix A to this Agreement.

5: OTHER ADVISORS APPOINTED BY THE AUTHORITY

The Authority may appoint other Advisors for matters relating to any other matters of a specialist nature. The remuneration for such Advisors will be agreed separately between the Authority and the separate Advisors, and shall not form part of the overall fee of the Advisors. The Advisors

should work with such other Advisors appointed by the Authority in line with the requirements of the Terms of Reference.

6: TIME SCHEDULE

The Time Schedule for the Consultancy Services shall be as set out in Appendix B, with any modifications to the Time Schedule agreed to by the Advisor and the Authority, but under no circumstances should it exceed 90 days from the time the Scope of Work commences.

7: REMUNERATION OF THE ADVISORS

7.1 CONSULTANCY SERVICES

Subject to Clauses 7.2 and 7.5, the remuneration for Consultancy Services shall be the Fixed Lump Sum set out in Appendix C to this Agreement.

7.2 REMUNERATION FOR MODIFIED TERMS OF REFERENCE

Where additional Consultancy Services are required due to a change in the Terms of Reference requested by the Authority in writing then the Advisors shall calculate the cost of such additional Consultancy Services as shall be necessary on the basis of the man-day rates as per Appendix C to this Agreement. The Advisors shall propose a lump sum fee for such additional work in line with the man-day rates and after agreement with the Authority this shall be the subject of a written Amendment to the Agreement.

7.3 INCLUSIVE REMUNERATION

Subject to the provisions of Clause 7.2 and 7.5 of this Agreement the Fixed Fee (inclusive of the cap regarding Expenses) shall be the total remuneration for the Advisors as herein defined and shall be deemed to include all costs, overheads, profits, taxes, duties, charges and all things whatsoever necessary for the performance of the Consultancy Services under the Agreement. No claim will be accepted by the Authority due to the Advisors' lack of knowledge in respect of

any matter affecting the level of remuneration in this Agreement or the Consultancy Services to be performed. The effect of any future change of law on the above, which increases the cost of performance of the Assignment will only be considered on presentation of supporting documents by the Advisors.

7.4 LIMIT OF REMUNERATION

The total remuneration for the Advisors for Consultancy Service shall constitute their only remuneration in connection with the Agreement and neither they nor their personnel shall accept or benefit from, whether directly or indirectly, any gratuity or commission in respect of any service or article used, or any commission, discount, allowance or indirect payment or other consideration in connection with or in relation to the Agreement or to the discharge of their obligations there under.

7.5 REIMBURSEMENT

Provided that the Authority has given the prior written approval for the travel requests and other reasonable expenses submitted by the Advisors then the Authority shall reimburse the cost of agreed expenses as detailed in Appendix C.

8: MODE OF PAYMENT

8.1 INVOICES

The Authority shall pay to the Advisors against presentation of invoices the portions of the remuneration for Consultancy Services as stated in Appendix C to this Agreement.

8.2 PAYMENT

Remuneration shall be paid to the Advisors within 60 days after submission of the invoices unless the Authority disputes the invoices for material variations/inconsistencies.

9: CURRENCY AND ACCOUNT DETAILS

The remuneration of the Advisors shall be paid either by a cheque drawn on a bank in Oman or directly to the account of the Advisors in accordance with the specific provisions set out in Appendix C to this Agreement. All fees and expenses will be paid in US\$ as specified in Appendix C.

10: ADVISOR'S FACILITIES AND EQUIPMENT

All facilities, equipment and materials required by the Advisors shall be provided by themselves in Muscat and elsewhere as required.

11: COPYRIGHT

The Copyright (if any) of all documents and all material prepared by the Advisors in connection with this Agreement rests with the Authority. In the event the Authority wishes to publish or make available to third parties the content or any part thereof of the Advisor's report that is not verbatim and/or in a language other than the one in which it was written, the Authority will endeavour not to associate the contents of such report or parts thereof with the Advisor without the Advisor's prior written consent which shall not be unreasonable withheld.

12: SUB – ADVISORS

The Advisors may engage the services of sub-Advisors only in extreme cases of requirement and with the prior approval of the Authority. Such approval must be in writing.

13: FORCE MAJEURE

13.1 REMUNERATION

If at any time before the completion of the Consultancy Services under this Agreement the viability of the Assignment shall be affected as a consequence of Force Majeure, as defined in Clause 13.2 hereof, occurring within the Sultanate of Oman beyond the control of the Advisors

and from unforeseen cause, the Advisors will receive the proportionate remuneration for any additional Consultancy Services which may be required to be provided by them as a result of such Force Majeure.

13.2 DEFAULT

Notwithstanding Clauses 2.3 and 6, neither party shall be considered in default in the performance of its obligations hereunder as the result of Force Majeure, which shall include Acts of God, war (declared and undeclared), riots, civil commotion, revolution, hostilities, strikes, epidemics, blockades, nuclear hazards, extreme weather conditions, acts of any Government causing a political embargo or other political restraint adversely affecting the freedom to transact business with or in the Sultanate of Oman, and any other cause similar to the kind herein mentioned or of equivalent force occurring within the Sultanate of Oman which is beyond the control of the parties, unavoidable and which could not reasonably be foreseen and which renders impossible the fulfilment of a particular term of this Agreement.

13.3 CIRCUMSTANCES BEYOND CONTROL

The Advisors or the Authority shall as soon as is reasonably practical promptly notify the other in writing of any situation or event occurring within the Sultanate of Oman or elsewhere arising from any circumstance beyond their control, which is unavoidable and which could not reasonably be foreseen and which makes it impossible or illegal for the party to carry out in whole or in part its obligations under this Agreement.

13.4 DELAY IN PERFORMANCE

If the performance of any obligations or responsibilities of any party is delayed due to Force Majeure for more than sixty (60) days, the terms of this Agreement shall either be extended for such period or this Agreement may be terminated at the Authority's choice. In the event that the performance of the Consultancy Services is prevented in whole or in part due to an occurrence contained in Clause 13.2 hereof, then the Authority shall have the option at any time after the

commencement of such occurrence to terminate this Agreement by giving written notice to the Advisors.

13.5 NOTICE OF TERMINATION

If a termination notice is given due to Force Majeure under Clause 13.4 hereof, the termination shall become effective upon seven (7) days following the receipt by either Party of the other Party's notice to terminate.

14: TERMINATION OF THE AGREEMENT

14.1 NOTICE OF INTENT

The Authority shall have the right to terminate this Agreement in whole or in part at any time upon the giving of thirty (30) days prior written notice of intent. In the event of a termination and upon the giving or the receipt of such notice the Advisors shall take immediate steps if requested to do so by the Authority to bring the Consultancy Services to a close and to reduce expenditure to a minimum. Upon the expiration of the said period of notice, the Advisors shall stop work, terminate all orders relating to the performance of work and deliver to the Authority all Documents relating to their Consultancy Services. Payment by the Authority for termination will be made in accordance with Clause 14.3 hereof.

14.2 NOTICE OF DISSATISFACTION

The Authority shall promptly notify the Advisors in writing, if the Authority considers that the Advisor is not satisfactorily discharging its obligations under this Agreement. The notification shall state the reasons for the Authority's dissatisfaction and set forth the proposed actions of the Advisors necessary to cure the failure. In the event that the Advisors does not respond to such notice or take effective action to rectify such failure within fifteen (15) days, the Authority may terminate this Agreement by written notice to the Advisors.

14.3 PAYMENT FOR CANCELLATION

In the event of the whole or any part of the Consultancy Services being cancelled in accordance with Clauses 14.1, and 14.2 hereof, the Authority shall pay to the Advisors all fees and expenses, whether billed or unbilled, relating to Consultancy Services performed by the Advisors up to the effective day of termination of the Consultancy Services.

15: LAW OF THE AGREEMENT

This Agreement shall be governed by and construed in accordance with the Laws and Regulations for the time being in force in the Sultanate of Oman.

16: SETTLEMENT OF DISPUTES

Any dispute or difference arising out of the contents of this Agreement, including those considered as such by only one of the parties, shall be settled by amicable settlement, failing which shall be settled by an arbitrator appointed by both the Parties or failing agreement on the appointment, by a professional arbitrator appointed by the Chairman of the Commercial Court of the Sultanate of Oman. Such arbitration shall be governed by the rules of conciliation and arbitration of the International Chamber of Commerce. The Arbitration shall be conducted in the City of Muscat in English. The place of Arbitration shall be the Sultanate of Oman. The Arbitrator's decision shall be final and binding on both parties. The resulting award shall be in lieu of any other remedy.

17: DUTIES AND RIGHTS OF THE ADVISORS

17.1 CARE AND DILIGENCE

The Advisors shall exercise all reasonable skill, care and diligence in the performance of the Consultancy Services under this Agreement; it being understood that the Advisors shall not be responsible for delays, errors or other adverse results directly attributable to the Authority's failure to comply with its obligations under this Agreement, including without limitation of Clauses 18.1, 18.2 and 19.1, provided that the Advisors has brought such failure to comply to the attention of the Authority.

The Advisors are required to work diligently and honestly and use their professional knowledge and skill as a faithful agent of the Authority in the performance of their professional duties in compliance with the applicable laws, including the Laws of the Sultanate of Oman. They shall act in a manner to afford and enhance the honour, integrity and dignity of the Advisory profession, and they shall respect the Laws, Regulations and customs of the Sultanate of Oman.

17.2 CONFIDENTIALITY

All documents are to be kept as follows:-

- a) The Advisors shall treat the details of this Agreement and all Documents prepared hereunder as private and confidential (save in so far as may be necessary for the performance of his duties hereunder) and shall not publish or disclose the same or any particulars thereof in any trade or commercial media or elsewhere without the previous consent in writing of the Authority.
- b) All Documents prepared by the Advisors for the Assignment or supplied to them by the Authority shall be confidential.

17.3 INFORMATION REQUIREMENTS

Written information is to be submitted or copied to the Authority upon prior request at such intervals as are appropriate.

17.4 PROJECT TEAM

The Advisors shall identify and nominate a team leader. The Team Leader shall be responsible for the co-ordination of all activities relating to the Assignment. The project team shall consist of the personnel as detailed in Appendix D of this Agreement. Other personnel as are required to perform the duties of the Advisors will be nominated by the Advisors in consultation with the Authority as the need arises subject to the approval of the Authority in writing. All inter communications between the Authority and the Project Team will be co-ordinated by the Team Leader who will also be the primary point of contact with the Authority.

17.5 ASSIGNMENT

The Advisors shall not assign or transfer the benefit or obligations of this Agreement or any part thereof without the prior written approval of the Authority. However, the Advisors shall be entitled at any time to take into partnership another partner or partners (or directors) and he or they shall be deemed to be included in the expression “the Advisors”.

17.6 TAXES

The Advisors shall be responsible for the payment of all taxes including income tax, customs or import duties, and all other levies that are enforced within the Sultanate of Oman for the time being. Any effect of a Change in Law promulgated after the signing of this Agreement on the above will only be considered by the Authority on presentation of supporting documents by the Advisors and verification of the same by the Authority.

17.7 VISAS AND PERMITS

The Advisors shall be responsible for obtaining all visas and permits required in the performance of this Agreement. The Authority may assist in obtaining such visas and permits. The cost of such arrangement of visas and permits shall be borne by the Advisors.

18: DUTIES AND RIGHTS OF THE AUTHORITY

18.1 INFORMATION TO ADVISORS

The Authority shall furnish all pertinent data and information available to them and shall give such assistance as shall reasonably be required by the Advisors for the carrying out of their duties and obligations under this Agreement. The Authority will handle all arrangements for liaison with

concerned Government parties. Target dates are based on receipt by the Advisors of necessary information from the Authority in a timely manner.

18.2 DECISIONS

The Authority shall give its decision in writing on all relevant reports, recommendation and documents properly referred to it in writing by the Advisors and in such reasonable time as agreed so as not to delay the performance by the Advisors of their Consultancy Services under this Agreement.

18.3 INCOMPATIBILITY OF AGREEMENT

The Authority shall safeguard the Advisors against the consequences of any incompatibility between the provisions of this Agreement and such Laws of the Sultanate of Oman as may be issued after signature of the Agreement and have a retrospective effect, unless such provisions had been accepted in writing by the Advisors.

18.4 REPLACEMENT OF PERSONNEL

Should the Authority request, the Advisors shall arrange to suspend the employment of, or repatriate any of the staff employed by the Advisors under the provisions of this Agreement, if in the opinion of the Authority such suspension or repatriation is desirable for any reason whatsoever. All such costs, charges, expenses, financial consequences or liability arising from such suspension or repatriation shall be the responsibility of the Advisors.

18.5 AUTHORITY'S APPROVAL

The Authorities' approval in writing is required prior to any increase in the scope of the Terms of Reference for Consultancy Services or disbursements which the Advisors believe will create a liability for the Authority to pay over and above the remuneration agreed, or to incur any liability to pay.

19: SCOPE OF LIABILITY OF THE ADVISORS

19.1 ERRORS AND OMISSIONS

The Advisors are liable for all the consequences of negligent acts, errors and omissions on their part or on the part of their employees, agents, Sub –Advisors or assignees. The Advisors disclaim any liability for errors or omissions in information provided to them by the Authority or their employees, representatives or agents. The Authority confirms that in no circumstances will any proceedings be taken by the Authority against any director, supervisory board member, officer, and employee, shareholder, controlling person or agent of the Advisors in respect of the Consultancy Services

19.2 TOTAL AGGREGATE LIABILITY

The advisors' total aggregate liability arising by reason of or in connection with any claim of any kind resulting from this Agreement shall be limited to 150% of the remuneration set out under Appendix C.

19.3 INSURANCE COVER

The Advisors shall provide to the Authority a Certificate of insurance relating to Professional Indemnity to cover the Advisor's Liability as defined hereinbefore in the minimum amount of two hundred and fifty thousand Omani Riyals and such certificate shall be issued in accordance with the Laws of Sultanate of Oman. The provision of such certificate shall not lessen or reduce the liability of the Advisors as contained hereunder.

19.4 INDEMNITY

The Authority hereby indemnifies the Advisors against any claims by Bidders or other third parties in connection with the bidding process except where the Advisors have acted with wilful misconduct or gross negligence.

IN WITNESS WHEREOF parties have executed this Agreement on the day and year first above written.

Signed:

For and on behalf of the AUTHORITY FOR ELECTRICITY REGULATION, OMAN:

_____ **Witness:** _____

For and on behalf of The Consultant

_____ **Witness:** _____

Appendix A

Terms of Reference

The Scope of Work shall be as set out in the attached request for proposal number AER 02-2018, the Advisors' proposal dated March 2018.

Appendix B

Time Schedule

The Schedule shall be adjusted to reflect the actual Contract Award and commencement date of the Advisory Services. The Advisory Services are assumed to commence on 30 May 2018.

The Advisory Services are expected to be completed by 30 September 2018.

The Time schedule shall be as set out in the workplan submitted by the Advisors in their proposal dated XX April 2018. This may be modified, subject to the agreement of the Authority, following submission of the Inception Report.

Appendix C

Remuneration

Financial Proposal

Fee rates and expenses shall be as follows and includes all travel and miscellaneous charges and payable upon completion of the Advisory Services.

- a) Fixed fee for time charges: US\$ XX,XXX.00
- b) Expenses (capped): US\$ XX,XXX.00
- d) Total fees US\$ XX,XXX.00

The breakup of the costs is provided below:

	Man Days/ Flights	Unit Charge (US\$)	Total (US\$)
Fees			
XXXXXXXXXX	XX	XXXX	XX,XXX
YYYYYYY/ZZZZZZ	YY	YYYY	YY,YYY
Total Fees			ZZ,ZZZ
Expenses			
Flights, Transfers, Visas	XX		XX,XXX
Hotel Stays, Subsistence, Communications & Local Transport	YY	YYY per day	YY,YYY
Total Expenses			ZZ,ZZZ
Total	ZZ,ZZZ		

For avoidance of doubt, the expenses portion of the Total Fixed Fee in (c) above shall be paid based on actual expenses, supported with bills / vouchers, but will be capped at US\$ZZ,ZZZ.

Any additional work agreed will be paid based on actual man day spent as agreed between the Authority and the Advisor.

All fees and US\$ expenses shall be paid in US\$.

The Advisor should evaluate the applicability of taxes for their remuneration. The Authority will not provide any tax exemption. In the event that there is a change in relation to the Advisors' tax liability in Oman during the course of the project this will be treated as per paragraph 17.6 above.

The payment schedule of the remuneration shall be linked to the submissions of the main deliverables of the assignment as follows:

Particulars	Amount (US\$)
Completion and submission of the Inception Report and high level reviews (<i>outputs 1,3 and 4 of the RFP</i>) (30%)	XX,XXX
Submission of recommendations and draft final report (<i>outputs 5 and 7 of the RFP</i>) (50%)	XX,XXX
Submission of observations on tariff evolution (<i>output 6 of the RFP</i>) (20%)	XX,XXX
Total fees	<i>ZZ,ZZZ</i>

Should there be any delay in reaching the activity/milestone as per the time schedule mentioned in Appendix B above and as modified by the agreed Inception Report, then the Authority reserves the right to delay the payment of the pro-rata invoices until the activity/milestone is reached.

The Advisors shall raise separate invoices for expenses.

The Schedule of Rates for daily professional services is as shown above. Daily Living Expenses, including the cost of hotel stays, communications, local transportation, meals and other subsistence costs whilst Working Away From Home Office all contained in this Appendix will be applied for any additional work requested and agreed between the Authority and the Advisor.

Additional air fares will be paid at reasonable actual costs, subject to prior written approval by the Authority.

Appendix D

Project Team

Personnel

Consultant to list team members