

Request for Proposals (AER 06/2017)



هيئة تنظيم الكهرباء - عمان
AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Price Control Technical Audit of Oman Electricity Transmission Company

October 2017

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1. INTRODUCTION

The Authority for Electricity Regulation, Oman ("the Authority") wishes to retain an experienced and well-qualified Consultant to conduct a Price Control Audit of the Oman Electricity Transmission Company (OETC).

The price controls implemented on 1 January 2016 provided OETC with significant resources to support major capital expenditures over the following 3 years. The primary objective of the audits is to test whether price control resources (and in particular capital expenditure) are being deployed efficiently and used only for the purposes for which they are intended.

1.1 Background

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 provided for the horizontal and vertical unbundling of the electricity and related water sector by companies that undertake activities designated in Article (3) of the sector law as regulated activities. Any Person seeking to undertake a regulated activity is required to be authorised by the Authority to do so. Authorisations granted by the Authority can take the form of a Licence or Licence Exemption.

In Salalah, prior to 1st January 2014, electricity was supplied by the Dhofar Power Company, which operated a vertically integrated electricity concession. The Salalah Concession Agreement was terminated on 1st January 2014, when the Salalah Power System was functionally separated into Generation, Transmission, Distribution and Supply businesses, with the Transmission business in Salalah being transferred to OETC.

More information about the licensees is provided in the Authority's annual reports, which are available on the Public Register page of the Authority's website, <http://www.aer-oman.org>.

Other regulatory documentation available for download includes the Sector Law (English translation), all licences granted by the Authority and Oman Industry Codes (Grid Code and Distribution Code).

1.2 Price Controls

OETC operates under a RPI-X type price control. During the course of 2015, the Authority conducted a price control review for OETC and set in place a new three year control, effective from 1 January 2016. The Authority will conduct a further price control review in 2017/2018 to establish a new price control that will have effect from 1 January 2019. The audits included in this assignment will inform the setting of the new price control.

The current price control provided OETC with significant resources to enable them to implement capital expenditure plans approved by the Authority. Details of approved capital expenditure plans and operating costs of each licensee will be provided to the Consultant retained for the assignment.

1.3 Requirements for Assignments

The Authority wishes to appoint an experienced and well-qualified Consultant for the assignment. The Consultant will have experience of auditing and reviewing utility capital and operating cost expenditures and internal process of implementation (for example pre-investment appraisals, procurement process, internal and external tendering procedures and the efficiency of project implementation). The Consultant shall propose a clear methodology to ensure a detailed and rigorous audit of the issues set out in the Scope of Work in Section 2 of this document.

Consultants shall demonstrate to the satisfaction of the Authority that they have no commercial relationship with OETC that may lead to any concern, real or perceived, as to the independence of the consultant or team members proposed. Where the consultant has any ongoing assignment with OETC then this should be identified and the consultant should declare any overlap of team members and extent of their involvement in such other projects. The consultant should clearly state the working procedures enforced by the company in relation to potential conflict of interest situations. This should be signed by an officer of the company.

The Consultant will need to clearly state that the team members proposed for this assignment are those that will be deployed by the appointed Consultant.

Experience and qualifications of team members proposed by the Consultant will be afforded significant weight in the evaluation and selection criteria. Any Consultant or team members that do not have the necessary experience will not be considered for the assignment.

The Authority will not be obliged to accept the lowest cost bid but will appoint the Consultant that offers the best value for money in terms of relevant experience, support to the Authority and cost.

2. SCOPE OF WORK

The Consultant shall conduct comprehensive price control audit of OETC as follows:

A. Cost Evaluation

- i. Review unit cost data used by OETC to check for reasonableness and consistency. Based on international equipment price trends and Omani factors, provide commentary on whether any significant price changes would be expected over the period of the price control review;
- ii. Undertake an assessment of the OETC procurement process to identify if it is sufficient to drive efficiency in unit costs.
- iii. Provide, where possible, a comparison of project specific costs approved in the pre investment appraisal documentation and outturn costs of procured projects; and
- iv. Evaluation of outturn expenditure by OETC against forecast expenditure, and to estimate the likely expenditure to have been completed by 31 December 2018.

B. Project Development

- i. Confirm the completion of pre investment appraisal documentation for all investments during the present price control. It is not the role of the auditor to review all appraisals developed by OETC, rather to identify projects that have not had pre-investment appraisals fully signed off by OETC;
- ii. Confirm, for 5 completed investments the satisfactory completion of appraisal documentation (including project closure appraisal documentation). The Consultant is required to:
 - a) Confirm that a project-closure appraisal has been completed;
 - b) Confirm that all project delivery documentation is available for review, and that it has been properly completed;
 - c) Confirm that the financial outturn section of the project close appraisal has been properly completed; and
 - d) In the event that project-closure documentation was not completed in accordance with the methodology required by the Authority, determine the level of RAV that should be attributed to the project based on the actual outturn capex compared to the approved capex.
- iii. Confirm that in implementing the investments listed above the company complied with the requirement of their licence, specifically with respect to compliance with the Transmission

System Security Standards, the Economic Purchase obligation, and its requirement to cooperate with other licensees; and

- iv. In the event that any element of the project planning or implementation was considered inadequate, provide an initial quantification of the likely impact on the efficiency of the company capital expenditure and on-going operational expenditure. Where the Authority requires the Consultant to provide greater detail on the impact of any deficiency then this will be discussed during the assignment.

C. Operation & Maintenance contracts

Include detailed scrutiny of OETC operation and maintenance contracts. This will include an assessment of the robustness of such contracts and the ability of OETC to gain operational efficiency and benefits through them. The assessment will seek;

- i. How asset management is being employed by OETC to ensure operational and maintenance efficiency;
- ii. Undertake efficiency analysis related to direct costs such as spares & consumables, transmission lines repairs and other direct costs;
- iii. Identify any shortfalls and required remedies in substation maintenance contracts and the performance of contractors, and where possible indicate further improvements that would reasonably be possible.

D. Use of Consultants

- i. Review the use of external engineering consultants since 2016. This review should consider what types of services have been provided, how OETC managed the services provided by the consultant, the extent to which OETC sought to gain benefit from the consultancy support, and how the costs and benefits of the consultancy are evaluated by OETC.
- ii. Based on the outcome of the above, comment on the reasonableness and efficiency of procuring similar type of consultancy services for the next price control period.

E. Training

Review technical training provided to staff in OETC since 2016. This review should consider how training needs are identified, what training has been provided at what cost and to whom, how and where the training was delivered, and the extent to which the effectiveness of the training has been evaluated by the business.

F. Review of Common Assets investments¹

A detailed review of how Common Assets investments are managed and quantified considering the extent to which efficiency and continuity of OETC business are used to inform investment plans. A review of common asset investments should include an assessment of the validity of the assumptions (Cost/Benefits Analysis) to support the business cases.

G. SCADA/EMS

A review of the progress made implementing a new SCADA/EMS project against their plans, including an assessment of the reasons for any delays and identification of any credible barriers to the process. This review should include an evaluation of the steps taken to ensure that the benefits used to justify the investment will be realized fully.

H. Spinning Reserve

Assessment of the methodology used by OETC to produce the constrained and unconstrained schedules to inform dispatch instructions. The review shall include the extent to how OETC ensure compliance with operational policies, the calculation and reporting of spinning reserve requirements pertaining to the (Spinning Reserve) Dispatch Incentive mechanism². This is not intended to be a full dispatch audit but rather a focused review of the aspects of dispatch described above.

¹Common Assets are costs related to investments that are considered to provide a common service to aid the operation of the business. Examples of common assets include buildings, IT infrastructure, vehicles and office equipment

² Please Refer to the Authority's Annual Report 2015 available at www.aer-oman.org which provides a section about the Incentive mechanism

I. Transmission losses

A review of how transmission losses are being estimated by OETC. The consultant shall review and provide details of the measures that have been taken by OETC to reduce losses and the actions that are proposed for the future. This shall also include a review of technical and economic calculations undertaken by OETC to inform operational and economic efficiency and a commentary on the current estimated losses; and where possible indicate further improvements that would reasonably be possible.

The overriding objective of the audits will be to confirm price control resources are being used in an efficient manner and for the purpose for which they are intended.

The Authority shall appoint Economic/Financial consultants to undertake reviews of costs, revenues and other price control variables such as estimates of cost of capital, capital structure and so on. Consequently, such elements of price control reviews do not form part of this Request for Proposals, but the Consultant retained for this assignment will be required to coordinate with the economic/financial consultant, in so far as is necessary.

2.1 Deliverables

The assignment calls for the following deliverables:

- 1) A clear and comprehensive audit methodology (draft to be presented to and approved by the Authority prior to commencement of the audit);
- 2) A brief but robust report for each task A-I identified in the Scope of Work that presents the consultant findings and recommendations; and
- 3) A separate executive summary report that summaries the main audit conclusions and recommendations on each aspect of the audit.

All deliverables may be presented in softcopy form only.

2.2 Timetable

The Consultant shall commence the assignment within fourteen days of being notified of the contract award. The Authority expects to start the project in **January 2018**.

The Consultant will have a teleconference kick off meeting with the Authority prior to visiting Oman. The Consultant will provide the Authority with a briefing on the initial findings as soon as possible following the site visits.

The assignment shall be completed within sixty working days from the date of appointment. Any timetable extension would require the prior written consent of the Authority.

2.3 Information to be provided by the Authority

The Authority will provide the Consultant with the following information prior to commencement of the assignment

- 1) Copy of the Sector Law;
- 2) Copies of the relevant licenses;
- 3) Assistance where deemed necessary with engagement with the Licensees; and
- 4) Details of capital expenditure projects and operating costs approved in OETC
- 5) Price controls.

The Authority has already issued an initial data request to OETC, the response to which will be made available to the Consultant at the commencement of the project. As part of their proposal Consultants are invited to review the data request, which is included as Annex D to this RfP, and to identify any additional data they would expect to need to commence the assignment.

Throughout the assignment the Consultant will be expected to work closely with the Authority's team, and any works required outside Muscat will be done with support and transportation provided by the Authority. The Authority will provide all reasonable guidance and clarification as requested by the Consultant in relation to audit activities.

The Consultant will be expected to familiarise itself with the Sector Law and relevant licenses. The Authority will provide additional data (such as demand forecasts and company capex programmes) required for the assignment following appointment of the Consultant.

3. SUBMISSION OF PROPOSAL

The Consultant shall submit an electronic copy of their assignment proposal by **23rd November 2017 at 9 am by email to:**

E-mail: technical@aer-oman.org

Copy E-mail: mahmoud.alhabsi@aer-oman.org

If the consultant wishes to also submit a hard copy of their proposal, this should be submitted to,

Director of Technical Regulation

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. The proposal 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 project team (including the CVs of each team member) and a description of each member's relevant experience and their expected contribution to specific parts of the assignment;
- 4) The total cost of the assignment, showing separately the costs for completing tasks A to I;
- 5) The financial proposal should show 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.
- 6) Bid Letter in the form provided in Annex A to this Request for Proposal.
- 7) A statement confirming the Consultant is free from any potential conflicts of interest.
- 8) Identification of any additional immediate data requirements in addition to those presented in Annex D.

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 Agreement for Consultancy Services 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 sixty (60) 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 within fourteen (14) days of being notified of the success of its Bid.

[Name of Bidder] will be able to undertake the work and complete project within 12 weeks of the date of commencement of site visits.

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: FORM OF BID BOND

This is not required for this Rfp.

ANNEX C: CONTRACT TERMS AND CONDITIONS



Authority for Electricity Regulation, Oman

AND

[-----]

Agreement for Consultancy Services

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Appendix A – Consultancy Services [RFP can be herein attached]

Appendix B – Time Schedule

Appendix C – Remuneration

Appendix D – Project Team

This Agreement together with all Appendixes attached hereto, (the “**Agreement**”) is made and entered into in Muscat in the Sultanate of Oman on the ----- day of ----- 2017.

Between

- (1) The Authority for Electricity Regulation, Oman (the “**Authority**”) having its postal address at PO Box 954, Postal Code 133, Al Khuwair; and,
- (2) [Insert the name of the appointed consultant] (“**the Consultant**”).

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:

Completion of the Consultancy Services	the confirmation by the Authority of the achievement of successful and satisfactory completion of the scope of work by the Consultant in accordance with this Agreement;
Consultancy Services	the scope of work and deliverables stipulated in Appendix A to this Agreement and any other work undertaken under this Agreement;
Fixed Fee	has the meaning referred to it in Clause 6.3;
Force Majeure	has the meaning given to it in Clause 12.2;
RFP	the Request For Proposals issued by the Authority on [date]; and
Team Leader	has the meaning referred to it in Clause 15.3.

In this Agreement (including the recitals):

- i. unless otherwise expressly provided to the contrary, all references to days, months or years are references to calendar days, months or years;
- ii. words in the singular include the plural and vice versa and words denoting one gender include the other gender;
- iii. reference to “persons” or “parties” includes natural persons, firms, partnerships, companies, corporations, associations and organisations (in each case whether or not having a separate legal personality);
- iv. any reference in this Agreement to a statute, statutory provision or subordinate legislation includes such legislation as amended and in force from time to time and any legislation which consolidates or re-enacts it;

-
- v. the table of contents and headings are for convenience only and shall not affect the interpretation of this Agreement;
 - vi. unless otherwise provided, reference to clauses, sub-clauses, schedules, annexes and paragraphs are to clauses, sub-clauses, schedules, annexes and paragraphs of this Agreement; and
 - vii. this Agreement incorporates the recitals of and Appendixes to it.

2. Validity of the Agreement

This Agreement shall come into force upon signature by the authorised representatives of the parties. The Agreement shall continue to be valid until the Completion of the Consultancy Services or until it is terminated pursuant to its conditions, without prejudice to the liability of the Consultant as stated in Clause 17 hereof.

3. Language

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

4. Other Advisors Appointed by the Authority

The Authority may appoint other advisors for matters relating to Consultancy Services. The Consultant should work with such other advisors appointed by the Authority in line with the requirements of the Consultancy Services or as instructed by the Authority.

5. 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 Consultant and the Authority.

6. Remuneration of the Consultant

6.1 Consultancy Services

Subject to Clauses 6.2 and 6.5, the remuneration for Consultancy Services shall be the Fixed Lump Sum as set out in Appendix C to this Agreement.

6.2 Remuneration for services

Where additional services are required due to a change in the scope of work requested by the Authority in writing, the Consultant shall calculate the cost of such additional services as may be necessary and propose a lump sum fee for such services on the basis of the man-day rates or any other way as per Appendix C to this Agreement. The additional services or the modified Consultancy Services and the remuneration for such services shall be agreed in writing.

6.3 Inclusive Remuneration

Subject to the provisions of Clauses 6.2 and 6.5 of this Agreement the Fixed Fee (inclusive of the cap regarding expenses) shall be the total remuneration for the Consultant 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 Consultant's 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 Consultancy Services, will only be considered on presentation of supporting documents by the Consultant.

6.4 Limit of Remuneration

The total remuneration for the Consultant 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.

6.5 Reimbursement

Provided that the Authority has given the prior written approval for the travel or other expense requests submitted by the Consultant, the Authority shall reimburse the cost of agreed expenses as detailed in Appendix C.

7. Mode of Payment

7.1 Invoices

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

7.2 Payment

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

8. Currency and Account Details

The remuneration of the Consultant shall be paid in Omani Riyals either by a cheque drawn on a bank in Oman or directly to the account of the Consultant. There shall be no adjustment to remuneration due to fluctuations and variations in the rates of exchange between the Omani Riyals and any foreign currencies or due to the external money transfer.

9. Consultant's Facilities and Equipment

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

10. Copyright

The Copyright (if any) of all documents and all material prepared by the Consultant in connection with the Agreement rests with the Authority. The Authority will own the deliverables and any materials created under this Agreement. The Consultant shall not use the deliverables or other materials prepared or created under this Agreement or resulting from the Consultancy Services without prior written consent of the Authority.

11. Sub-advisors

The Consultant may engage the services of sub-advisors only in necessary cases and with the prior written approval of the Authority.

12. Force Majeure

12.1 Remuneration

If at any time before the completion of the Consultancy Services under this Agreement the viability of the scope of work shall be affected as a consequence of Force Majeure, as defined in Clause 12.2 hereof, occurring within the Sultanate of Oman beyond the control of the Consultant and from unforeseen cause, the Consultant will receive the proportionate remuneration for any additional services which may be required to be provided by them as a result of such Force Majeure.

12.2 Non-default

Notwithstanding Clause 5, 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.

12.3 Circumstances beyond Control

The Consultant 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.

12.4 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 12.2 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 Consultant.

12.5 Termination Notice

If a termination notice is given due to Force Majeure under Clause 12.4 hereof, the termination shall become effective upon seven (7) days following the receipt by Consultant of the Authority's notice to terminate.

13. Termination

13.1 Notice

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. In the event of a termination and upon the giving of the

receipt of such notice the Consultant 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 Consultant shall stop work, terminate all orders relating to the performance of work and deliver to the Authority all documents relating to the Consultancy Services. Payment by the Authority for termination will be made in accordance with Clause 13.3 hereof.

13.2 Notice of Dissatisfaction

The Authority shall promptly notify the Consultant in writing, if the Authority considers that the Consultant 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 Consultant necessary to cure the failure. In the event that the Consultant 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 Consultant.

13.3 Payment for Cancellation

In the event of the whole or any part of the Consultancy Services being cancelled in accordance with Clauses 13.1, and 13.2 hereof, the Authority shall pay to the Consultant all fees and expenses, whether billed or unbilled, relating to Consultancy Services performed by the Consultant up to the effective day of termination of the Consultancy Services.

14. Dispute Resolution

14.1 Amicable Settlement

If a dispute arises out of the contents of this Agreement, the parties shall attempt to resolve it amicably before commencing legal proceedings.

14.2 Law and jurisdiction

The agreement and any dispute arising in relation to it, whether contractual or non-contractual, will be governed by the laws of the Sultanate of Oman and be exclusively subject to the jurisdiction of Omani courts.

15. Duties and Rights of the Consultant

15.1 Care and Diligence

The Consultant shall exercise all reasonable skill, care and diligence in the performance of the Consultancy Services under this Agreement; it is being understood that the Consultant 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 16.1 and 16.2, provided that the Consultant has brought such failure to comply to the attention of the Authority in a timely manner.

The Consultant (and the Project Team of the Consultant) is 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 in 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.

15.2 Confidentiality

The Consultant agree to use the confidential information only in relation to the Consultancy Services, and not to use it in any other assignment or not to disclose it, except where required by law or any court of competent jurisdiction or in cases where such information become generally available to the public.

The Consultant shall treat the details of this Agreement and all documents prepared hereunder as private and confidential and shall not publish or disclose the same or any particulars thereof in any trade or commercial media or elsewhere without the prior written approval of the Authority.

All documents prepared by the Consultant for the Consultancy Services or supplied to them by the Authority shall be confidential.

In Addition, the Authority reserves the right to ask the Consultant and/or the Project Team of the Consultant to sign a Non-Disclosure Agreement.

15.3 Project Team

The Consultant 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 Consultant will be nominated by the Consultant 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.

15.4 Assignment

The Consultant 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 Consultant 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 Consultant”.

15.5 Taxes

The Consultant 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 Consultant and verification of the same by the Authority.

15.6 Visas and Permits

The Consultant 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 Consultant.

16. Duties and Rights of the Authority

16.1 Information to Consultant

The Authority shall furnish all pertinent data and information available to them and shall give such assistance as shall reasonably be required by the Consultant 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 Consultant of necessary information from the Authority in a timely manner.

16. 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 Consultant and in such reasonable time as agreed so as not to delay the performance by the Consultant of their Consultancy Services under this Agreement.

16. 3 Incompatibility of Agreement

The Authority shall safeguard the Consultant 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 Consultant.

16. 4 Replacement of Personnel

Should the Authority request, the Consultant shall arrange to suspend the employment of, or repatriate any of the staff employed by the Consultant 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 Consultant.

16. 5 Authority's Approval

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

17. Liability of the Consultant

17. 1 Errors and Omissions

The Consultant is 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 Consultant disclaims 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, employee, shareholder, controlling person or agent of the Consultant in respect of the Consultancy Services.

The total liability of the Consultant shall not exceed the Consultant's total fee under the present agreement. This limitation shall not apply to actions, claims, losses and damages caused by the Consultant's wilful misconduct or gross negligence.

17. 2 Insurance Cover

The Consultant shall provide to the Authority a certificate of insurance relating to professional indemnity to cover the Consultant's liability as defined hereinbefore in the minimum amount of 500,000 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 Consultant as contained hereunder.

The Consultant shall also provide to the Authority a bank guarantee in the amount of not less than 10% of contract value RO----- (Riyals Omani -----) as guarantee to proper execution of the contract.

17. 3 Indemnity

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

18. Communications

Any communication including notice, instruction, request, demand, waiver, consent, approval, or other communication which is required or permitted to be given to any party under this Agreement shall be in writing and treated confidentially. Such communications shall be made to the addresses, fax numbers or e-mails set forth below:

If to the Authority:

P.O.BOX 954, Postal Code 133, Al Khuwair, Sultanate of Oman

Attention [●] (As confidential)

Phone: 24609700

Fax No: 24609701

E-mail: [●]

If to the Consultant:

P.O.BOX [●]

Attention [●] (As confidential).

Phone: [●]

Fax No: [●]

E-mail: [●]

Notices shall be deemed given on receipt if delivered to the representative appointed by each party for the purpose of this agreement. Approval of deliverables and instruction and/or approval of any additional services or payments shall be done by the Authority's representative stipulated below.

The Authority appoints [●] holding the position of [●] as its representative and point of contact. The Consultant appoint [●] holding the position of [●] as its representative and point contract.

19. Entire Agreement

The Agreement forms the entire agreement between the parties in relation to the Consultancy Services. It replaces any earlier agreements, representations or discussions.

20. Survival

Any clause that is meant to continue to apply after the termination of the Agreement will do so including, but not limited to Clauses 10, 15.2 and 17.

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 [-----]

Witness: _____

Appendix A

Consultancy Services

[As per the RFP]

Appendix B

Time Schedule

The following Time Schedule shall be adjusted to reflect the actual Contract Award and commencement date of the Consultancy Services.

The Consultancy Services is expected to be completed in [insert the date] with the key activities and milestones as follows:

No.	Activity or Milestone	Timeline
1.		
2		
3		

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 Consultancy Services.

- | | | |
|----|-----------------------------|----------|
| a) | Fixed fee for time charges: | RO ----- |
| b) | Expenses (capped): | RO ----- |
| c) | Total fixed fee | RO ----- |

For avoidance of doubt, the expenses portion of the Total Fixed Fee in (c) above shall be paid based on actual but will be capped at RO-----. All fees shall be in Omani Riyals and there shall be no variations as a result of exchange rate fluctuations and variations between the Omani Riyals and any foreign currency.

The Consultant should evaluate the applicability of taxes for their remuneration. The Authority will not provide any tax exemption.

The payment schedule of the remuneration shall be as follows:

Particulars	Fees (RO)
10% on project launch	
20% on [...]	
40% on [...]	
30% on [...]	

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

Advisors shall raise separate invoices for expenses.

A per diem rate (per 8 hour day) will apply for any additional work requested and agreed to by the Authority and the Consultant. Hotel rates will be paid based on actual but will not exceed RO 120/- per night and will be inclusive of all meals and other miscellaneous expenses. Local transportation will be provided by the Authority. Air fare will be paid at actual but will be limited to RO 800 per return flight International flights other than from GCC Countries and RO 200 within GCC Countries. Business Class air fare will be paid at actual cost but will be limited to RO 1,500 per return flight for international flights other than from GCC Countries. All personnel with Grade of Director or Principal will be entitled to travel Business Class, subject to the caps above.

Personnel	RO per day

Appendix D

Project Team

The leader of the project team is [...]. The leader of the project team is the representative and point of contact for the Consultant.

The project team will consist of:

ANNEX D: INITIAL DATA REQUEST TO OETC

- 1) Unit cost information for main asset categories that is presently being used by OETC in planning its capital expenditure;
- 2) Project status reports for all live projects;
- 3) Copies of the final approved Pre-Investment Appraisal Document, and Interim Appraisal Documents, and all relevant Project Closure Appraisal Documents;
- 4) A list of engineering consultancy assignments awarded since 1 January 2016
- 5) Copies of all current OETC contracts for operation and maintenance services; and
- 6) Details of all training provided to OETC staff since 1 January 2016, detailing the grade of staff trained, the date, location and cost of the training, and what the training was on.