

Request for Proposals (AER 02/2017)



هيئة تنظيم الكهرباء - عمان
AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Operational Audits

May 2017

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1 INTRODUCTION

The Authority for Electricity Regulation, Oman wishes to retain an experienced consultant specialised in electricity utility operations and auditing to perform a review of how the electricity network utilities in Oman undertake their own operational audits.

1.1 Background

Electricity services in Oman have been transformed over the past twelve years since the passing of Royal Decree 78/2004, which restructured the sector on 1 May 2005. The establishment of new companies that operated under licenses issued by the Authority rather than under the control of Government occurred at a time of high economic growth. As a result, the companies completed significant expansion of both assets and staff, and licensees sought to improve performance in the service delivery.

Since its establishment in 2005, the Authority has undertaken a range of audits of licensees. These audits include health and safety, environmental, customer service and also protection capability (which was assessed against the Appropriate Person criteria, as defined in the Sector Law). A common finding of these audits was that there was a lack of routine checking that tasks undertaken were in accordance with what was expected by the licensee, and that the people assigned to perform tasks had not retained the appropriate skills and knowledge to do so safely and effectively. Recommendations in health and safety audits and specific recommendations in the Protection Capability audits were for routine operational audits to be undertaken by licensees, and the Authority has seen evidence that licensees have started to do these.

The purpose of this audit is to review technical operational audits that network licensees are undertaking to ensure that the audits help drive improvements within the businesses.

Requirements for Assignment

The Authority expects this assignment to be undertaken by an expert with sufficient experience and qualifications to undertake the tasks outlined in the scope of work. The experience of the proposed team will be afforded significant weight in the evaluation of proposals and selection criteria. It is essential that the Consultant has relevant operational experience within a regulated electricity utility and experience of undertaking operational audits. Any Consultant or individuals without the necessary experience will not be considered for the assignment.

2 SCOPE OF WORK

The objective of this assignment is to review the operational audit practices of six network licensees (OETC, RAEC, DPC, Majan, Mazoon and MEDC) and the extent to which the audits are appropriate, effective, and embedded within the business practices.

For each licensee the following should be undertaken:

A. Review the audit policies and procedures of each company to assess:

- i) The range of technical activities that are presently covered by operational audits by each licensee;
- ii) the frequency of operational audits; and
- iii) the feedback, reporting and follow-up processes

B. Review results of operational audits

A review of five (where available) sample technical operational audits that have been completed by each licensee to identify

- i) areas of good practice;
- ii) opportunities for improvement;
- iii) effective implementation of audit recommendations; and
- iv) other appropriate constructive comments for development;

C. Observe at least one technical operation

Together with the licensee staff, observe at least one significant operational task being undertaken by each licensee to note the way in which the policies and procedures are implemented in practice.

D. Observations and Recommendations

Based on the review of the licensee policies and procedures, audit reports reviewed and site observations, make recommendations for improvements that may support the technical audit process for each licensee.

2.1 Deliverables

The assignment calls for the following deliverables:

- 1) A clear and comprehensive methodology and plan (draft to be submitted to and approved by the Authority prior to commencement of the work);
- 2) A brief feedback session to each licensee senior management team at the end of the audit to cover the key issues identified in advance of the formal report;

- 3) Concise individual structured reports for each licensee presenting the findings and recommendations on each aspect of the assignment. This shall be submitted in a draft form for comment by the Authority before being issued as a final report;
- 4) A summary report for the Authority that summarises the key findings and any common areas where further development would be beneficial; and
- 5) Presentation of findings to the Authority.

2.2 Timescales

The Consultant shall commence the assignment within 14 days of being notified of the contract award. The Authority expects to be able to confirm its intention to award a contract in July 2017.

The commencement of work will include a kick off meeting, review of documents and agreement of methodology. It is expected that site works would occur in late September/early October 2017.

The assignment shall be completed within 8 weeks of the date of the start of site visits in Oman. Any timetable extension would require the prior written consent of the Authority.

The time schedule will allow time for the Authority to review draft report (10 days). Final report will incorporate the Authority's comments (if any) on the draft reports.

2.3 Information to be provided by the Client

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

- A list of operational audits completed by each licensee;
- Transport to sites within Oman; and
- Support with data collection and all interfaces with licensees.

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 team. The Authority will provide all reasonable guidance and clarification as requested by the Consultant in relation to this assignment.

3 SUBMISSION OF PROPOSAL

The Consultant will provide a detailed proposal providing the methodology for undertaking the assignment and the associated fees. The proposal will include the experience of the consultant and work undertaken on similar assignments.

The consultant shall submit an electronic copy of their assignment proposal by email before 9 am Oman time on 19 June 2017 to the e-mail:

To: technical@aer-oman.org

cc: Richard.Fairbairn@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. An indicative Health and Safety Plan that will be followed by the Consultant for this project;
5. 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;

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.

Full information about the Authority, Standards and Codes can be obtained from the Authority's website www.aer-oman.org

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 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 8 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

It is not required

ANNEX C: 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>