

REQUEST FOR PROPOSAL FOR PROJECT MANAGEMENT SERVICES

A. BACKGROUND

Africa Resource Consultancy Ltd (ARC), Kenya Innovative Finance Facility for Water (KIFFWA), Energiecotel (ECTL) and ATM Engineering (ATM) are co-developing a grid based 3.34 MW run-of-the-river small hydropower station (“Lihanda Small Hydropower station” or “Project”) at Lihanda, Gem Sub County, Siaya County, western Kenya. The proposed Lihanda Small Hydropower station shall use River Yala to generate electricity. The Project’s co-developers have formed a project company (“Lihanda Power Company Limited”) to facilitate implementation of the Project. Lihanda Power Company Limited (LPC) was registered as a private limited company on 30th June 2021. ARC and ECTL are the Project’s lead developers.

The Project has secured preliminary approvals from the Ministry of Energy, National Environment Management Authority, Water Resources Users Association and Water Resources Authority (Authorization to Construct Works for Use of Water). As prerequisites for Power Purchase Agreement (PPA) negotiations, feasibility and grid connection studies were completed in December 2021. These studies were submitted to the relevant regulatory bodies for review and approval. The Project is almost ready for implementation subject to issuance of a Commercial Operation Date (COD), PPA and Generation license.

Land rights over the entire Project site have been secured and involve 11 different land parcels that are being cooperated in the Project through official leases and easements. The entire Project site measures 6.75 hectares (16.68 acres). An 8-kilometre transmission line will be developed to evacuate power to the Nyamnina substation. Rights of way shall be secured by routing the transmission line along an existing Kenya Power distribution network.

The Project will be beneficial to the national grid by reducing transmission losses through distributed generation; reducing dependence thermal power by introducing renewable energy; introducing quality and reliable power to the grid; introducing competitive tariffs; introducing additional baseload power and promoting new electricity connections in the Project area.

The Project’s main objectives are to unlock affordable and quality electricity, catalyze sustainable rural development through renewable energy, contribute to Climate Change mitigation by lessening reliance on non-renewable energy resources and to contribute positively towards United Nations Sustainable Development Goals by improving the livelihoods of rural communities. The developers have formed a Project Management Committee (PMC) tasked with

managing and overseeing all the activities under the Project's Development Programme and keeping the Parties apprised of all material aspects of, and developments in connection with the Project.

LPC is seeking the services of a Project Manager (PM) who shall oversee the remaining development activities of the Project and effectively bring the Project to Financial Close (FC). The Project shall be ready for the construction and subsequent operations, management and maintenance (OMM) phases at FC when the required financial resources for the Project's construction shall be secured signifying readiness to commence with implementation of the Project.

B. ASSIGNMENT GOAL

To ensure that the Project reaches FC within allocated timelines and that all project documentation meets international bankability standards.

C. ASSIGNMENT OBJECTIVES

- i. Ensure the Project fully complies with all legal and regulatory requirements
- ii. Implementation and coordination of all remaining Development Programme activities ("Activities") which includes securing all remaining Project permits, licences and approvals ("Approvals")
- iii. Implementation of specific Project management related activities under the direction and guidance of the PMC
- iv. Mitigation of all risks associated with workflow delays and/or bureaucracies by ensuring that all Project Approvals are secured within designated timelines and allocated budgets
- v. Mitigation of all risks associated with workflow delays and/or bureaucracies by ensuring that all Project activities are finalized or completed within designated timelines and allocated budgets

D. SCOPE OF WORKS

Under the immediate supervision of the PMC, the PM shall be responsible for ensuring that all remaining Project activities are concluded within designated timelines leading the Project to FC. The PM shall also ensure that all financing conditions precedent (CPs) are fulfilled. Given the changing dynamics in the Kenyan energy sector, the PM is expected to keep abreast of pertinent regulatory changes including changes in law that could affect the Project and advise the PMC accordingly. The PM will play a significant and important role in addressing the Project's

development phase risks. This will mainly be achieved through risk mitigation measures and other risk management tools. The PM is expected to fully implement all PMC directives.

E. TERMS OF REFERENCE

E.1.1 Project Approvals - PM's Duties and Responsibilities

Table 1. Project Approvals – Duties and Responsibilities

	Approval Type	Milestone	Regulatory Authority / Stakeholder	PM's Duties and Responsibilities
1.	Detailed feasibility study approval	Issuance of study approvals	<ul style="list-style-type: none"> ▪ Ministry of Energy and Petroleum ▪ Siaya County Government 	(a) Develop an action plan, work plan and complete status update (b) Follow-up with relevant regulatory authority and stakeholder (c) Ensure associated task is completed and respective milestone is achieved (d) Provide PMC with regular and relevant advisories and updates (e) Ensure relevant approval is issued within designated timelines
2.	Preliminary engineering & architectural designs approvals	Issuance of study approvals	<ul style="list-style-type: none"> ▪ Ministry of Energy and Petroleum ▪ Siaya County Government 	
3.	Grid connection study approval	Issuance of study approvals	<ul style="list-style-type: none"> ▪ Ministry of Energy and Petroleum ▪ Siaya County Government 	
4.	Project land rights	<ul style="list-style-type: none"> ▪ Succession process completion ▪ Land conveyancing process completion ▪ Easement registration ▪ Wayleave acquisition ▪ Lease registration ▪ Issuance of Lease Certificates 	<ul style="list-style-type: none"> ▪ High Court of Kenya ▪ Ministry of Lands ▪ Land Board ▪ Kenya Rural Roads Authority 	
5.	Invitation Letter for Power Purchase Agreement (PPA) negotiations	Fully executed PPA	<ul style="list-style-type: none"> ▪ Ministry of Energy and Petroleum ▪ Energy and Petroleum Regulatory Authority Kenya Power	
6.	Approval to list the Project in the Least Cost	Project listing in the LCPDP	<ul style="list-style-type: none"> ▪ Ministry of Energy and Petroleum 	

	Approval Type	Milestone	Regulatory Authority / Stakeholder	PM's Duties and Responsibilities	
	Power Development Plan (LCPDP)		<ul style="list-style-type: none"> ▪ Energy and Petroleum Regulatory Authority Kenya Power 		
7.	Approval to issue a Commercial Operations Date (COD) to the Project	Issuance of a COD	<ul style="list-style-type: none"> ▪ Ministry of Energy and Petroleum ▪ Energy and Petroleum Regulatory Authority Kenya Power 		
8.	Letter of No Objection	Approval	Siaya County Government		
9.	Physical Planning Approval	Approval	Siaya County Government		
10.	Building and Construction Permit	Permit	Siaya County Government		
11.	Approval to register LPC as an IPP	Completion of IPP registration	<ul style="list-style-type: none"> ▪ Energy and Petroleum Regulatory Authority ▪ Kenya Construction Authority 		
12.	Approval to issue LPC with a Generation license	Issuance of Generation license	Energy and Petroleum Regulatory Authority		
13.	PPP Unit Approval	Approval	Ministry of Finance, Treasury - PPP Unit		
					(a) Develop an action plan, work plan and complete status update (b) Ensure all relevant regulatory and stakeholder requirements are met (c) Follow-up with relevant regulatory authority and stakeholder (d) Ensure associated task is completed and respective milestone is achieved (e) Provide PMC with regular and relevant advisories and updates (f) Ensure relevant approval is issued within designated timelines

E.1.2 Project Activities - PM's Duties and Responsibilities

Table 2. Project Activities – Duties and Responsibilities

	General Activity	PM's Duties and Responsibilities	Stakeholder
1.	PMC level	<ul style="list-style-type: none"> ▪ Act as the focal person for all correspondence and feedback between the PMC and Project regulators, stakeholders, external parties, etc. ▪ Collate Project information and updates ▪ Provide the PMC with regular briefings on various Project related matters ▪ Update the PMC on the achievement of various Project milestones e.g. consultants' progress ▪ Identify gaps affecting the Project and bring these to the attention of the PMC e.g. permit, license and approval issues, renewals, Project compliance/regulatory issues, stakeholder issues, etc. ▪ Implement PMC resolutions ▪ Coordinate and schedule meetings between the PMC and external parties e.g. consultants, stakeholders, etc. 	PMC, Project consultants, Project regulators, stakeholders
2.	Project Data Room - creation and maintenance	<ul style="list-style-type: none"> ▪ Upload Project data to cloud database ▪ Provide privileged access to Project cloud database ▪ Update and maintain cloud database ▪ Maintaining Project data integrity ▪ Secure Project data 	PMC, Project consultants, Project regulators, stakeholders
3.	Project Tracker - update and maintenance	<ul style="list-style-type: none"> ▪ Develop and review Project Tracker ▪ Present Project Tracker ▪ Periodic update of Project Tracker 	PMC
4.	Project partner's expenditure - capture, review and tracking	<ul style="list-style-type: none"> ▪ Track and document Project partner's expenditure ▪ Develop an expenditure tracking system ▪ Inclusion of supporting references in expenditure analysis ▪ Perform expenditure validation 	PMC
5.	Preparation of disbursement requests, resolutions and reconciliations	<ul style="list-style-type: none"> ▪ Prepare and review PMC resolutions ▪ Prepare and review disbursement requests ▪ Perform financial records reconciliation ▪ Maintain of accurate financial records for future disbursements 	PMC, Project consultants
6.	Preparation of travel budgets,	<ul style="list-style-type: none"> ▪ Prepare and review travel budgets ▪ Prepare and review disbursement requests ▪ Perform financial management 	PMC, Project consultants

	General Activity	PM's Duties and Responsibilities	Stakeholder
	resolutions and reconciliations	<ul style="list-style-type: none"> ▪ Organize and coordinate site visits including reservations, car hire services, community activities, etc. ▪ Perform financial records reconciliation and report development ▪ Handle associated correspondence 	
7.	Coordination and management of Project consultants	<ul style="list-style-type: none"> ▪ Perform site visit support and coordination ▪ Provide logistical support ▪ Draft and send follow-up and feedback emails and/or calls ▪ Review consultant's deliverables for compliance and quality 	Project consultants
8.	Engagement of Project stakeholders at national, county and community levels	<ul style="list-style-type: none"> ▪ Directly engage stakeholders ▪ Draft and submit Project progress reports as required ▪ Draft and submit feedback letters or emails as required ▪ Submit relevant Project documents as required ▪ Perform community mobilization as required ▪ Scheduling and attending in-person meetings 	Project stakeholders
9.	Develop comprehensive and elaborate Project plans	<ul style="list-style-type: none"> ▪ Work plan ▪ Action plan ▪ Risk Management plan ▪ O&M plan ▪ Monitoring plan ▪ Business Continuity plan 	PMC, Project consultants, Project regulators, stakeholders
10.	Compliance	<ul style="list-style-type: none"> ▪ Catalogue and detail relevant Project approvals ▪ Identify Project approval gaps ▪ Ensure all Project approvals are current and valid ▪ Provide regular compliance updates to the PMC 	PMC, Project consultants, Project regulators, stakeholders

F. KEY RESPONSIBILITIES

F.1.1 General

1. Develop and implement risk mitigation plans and measures
2. Engage Project stakeholders as required
3. Ensure all project management tasks are delivered as per approved work plans and budgets
4. Ensure all project management tasks are delivered as per designated timelines

5. Ensure all Project studies and approvals are up-to date; where Project studies require updating, the PM will provide the PMC with the necessary guidance
6. Ensure the quality of outputs and results with optimal monitoring mechanisms; establish effective coordination, monitoring, information sharing and reporting systems
7. Evaluate the completeness and quality of all the Project's current and future technical documents
8. Facilitate a harmonious relationship between and among the various Project stakeholders
9. Oversee consultants to ensure timely delivery of services and outputs
10. Perform critical due diligence on external consultants prior to engagement
11. Prepare and review consultant's disbursement requests
12. Prepare comprehensive post-site visit reports, including a financial reconciliation of the site visit budget
13. Prepare detailed Project plans in line with PMC directives
14. Provide direction and leadership in advocating Project objectives and in ensuring that all stakeholders are well informed about the Project

F.1.2 PMC Related

1. Act as PMC Secretary and be responsible for drafting and circulating detailed and accurate meeting agendas, minutes, and resolutions
2. Attend and actively participate in all PMC meetings
3. Compile and present comprehensive progress reports to the PMC
4. Document PMC decisions and action points in official minutes
5. Ensure PMC action points are fully implemented
6. Execute all tasks as per directives from the PMC
7. Propose relevant and timely content for PMC meeting agendas
8. Represent the PMC during stakeholder engagements
9. Schedule and facilitate periodic site visits and prepare budget proposals for site visits for approval by the PMC
10. Under the supervision and guidance of the PMC, solicit and evaluate bids for consultancy services

G. REQUIRED PROFICIENCIES

1. Demonstrate a high level of integrity and professionalism
2. Demonstrate an in depth understanding of renewable energy technologies with a focus on small hydropower

3. Demonstrate an in depth understanding of the Kenyan energy sector and particularly the commercial, regulatory, legal, statutory and policy environments
4. Have provable experience in successfully developing greenfield or brownfield small hydropower projects to international bankable standards
5. Have provable experience in successfully managing and developing multistakeholder projects

H. KEY DELIVERABLES

1. A final report detailing the Project handover upon achieving all milestones
2. A risk management plan and strategy with regular updates
3. Monthly minutes of the PMC meetings
4. Monthly progress reports
5. Project Activities detailed in Table 2
6. Project Approvals detailed in Table 1
7. Regularly updated Project tracker

I. TIMEFRAME

The PM's engagement will cover the remainder of the development lifecycle through to FC, anticipated to last approximately **24 months**.

J. REPORTING

The PM shall report to and take direction from the PMC and update the committee regularly on all Project-related developments.

K. PROPOSAL SUBMISSION

Proposals should demonstrate how the PM plans to execute the responsibilities outlined and must include:

1. Methodology and technical proposal for carrying out the project management activities
2. Relevant experience with similar projects
3. Detailed financial proposal and budget within financial constraints
4. Confirmation of availability for the Project duration

L. EVALUATION CRITERIA

The following criteria will be applied when assessing proposals:

1. Proven experience in managing similar projects
2. Detailed methodology and approach to the assignment
3. Alignment with the Project's timeline and objectives
4. Cost-effectiveness
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6. Alignment with the Project's timeline and objectives
7. Cost-effectiveness
8. Detailed methodology and approach to the assignment
9. Detailed technical proposal
10. Proven experience in managing similar projects

M. ACADEMIC QUALIFICATIONS AND PROFESSIONAL REQUIREMENTS

M.1.1 Academic Background

- A Bachelor's degree in Engineering, Project Management, Business Administration, or a related field is required
- Advanced degrees such as a Master's in Business Administration (MBA), Project Management, or Engineering are highly desirable

M.1.2 Professional Qualifications

- Certification in Project Management (e.g., PMP, PRINCE2) is essential
- Additional certifications related to the energy sector or construction management (e.g., Certified Energy Manager, LEED) are advantageous

M.1.3 Experience

- At least ten years of Project management experience, with at least five years in managing infrastructure or renewable energy projects
- Proven track record in leading projects through the entire Project lifecycle, particularly achieving financial close on similar scale projects
- Demonstrated experience in working with multi-disciplinary teams and coordinating with government bodies, financiers, and utility companies
- Prior experience in the hydropower sector and familiarity with Kenyan energy regulations is essential
- Experience working in Western Kenya will be an added advantage

M.1.4 Skills and Competencies

- Excellent leadership and communication skills
- High Proficiency in English (proficiency in Kiswahili is an added advantage)
- Strong financial and commercial acumen
- Proficient in Project management software tools
- Ability to negotiate and manage contracts effectively
- Risk management and problem-solving skills

N. PAYMENT SCHEDULE

	Milestone	Fee Payable
1.	Mobilization upon contract signing	15%
2.	Feasibility study approval – upon issuance of study approval by relevant authorities	5%
3.	Grid connection study approval – upon issuance of study approval by relevant authorities	5%
4.	Engineering and architectural designs approval – upon issuance of study approvals by relevant authorities	5%
5.	<ul style="list-style-type: none"> • Succession process completion • Land conveyancing process completion • Easement registration • Wayleave acquisition • Lease registration • Issuance of Lease Certificates 	15%
6.	Fully executed PPA	10%
7.	Project listing in the LCPDP	10%
8.	Commercial Operations Date (COD) - upon issuance by the relevant authorities	10%
9.	Letter of No Objection - upon issuance by the relevant authority	5%
10.	Physical Planning Approval - upon issuance by the relevant authorities	2.5%
11.	Building and Construction Permit - upon issuance by the relevant authorities	2.5%
12.	IPP registration - upon successful registration with the relevant authorities	5%
13.	Generation license - upon issuance by relevant authority	5%
14.	PPP Unit Approval - upon issuance by relevant authority	5%
	Total	100.00%

O. Additional Allowances

- **Sitting Allowance:** The company shall provide a fixed sitting allowance for each PMC meeting attended by the Project Manager to compensate for the time and contribution during these meetings. This allowance should be competitive and commensurate with the expertise provided.
- **Per Diem for Site Visits:** The company shall provide a per diem allowance for each official site visit conducted by the Project Manager as approved by the PMC. This per diem should cover transport, accommodation, meals, and incidental expenses and ensure that the Project Manager is adequately compensated for Project-related travel.

P. SUBMISSION DEADLINE

All proposals must be submitted to applications@kiffwa.com by close of business, 24th May 2024.