**ANNEXURE I - LRPS NO 2024-9191537 - TERMS OF REFERENCE (TOR) FOR INSTITUTIONAL CONSULTANCY**

**Socio-Economic Study to Develop a Tariff Proposal and Application**

**for Garissa Water and Sewerage Company**

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| **Summary** | | |
| Purpose of Assignment | To support Garissa Water and Sewerage Company (GAWASCO) to carry out a full socio-economic study in its service area to develop a tariff proposal and file a tariff application with the Water Services Regulatory Board (WASREB) | |
| Programme Output | Output 1.9: Ministry of Water, County Water Departments, their partners, and Water Service Providers are better able to provide inclusive, climate change-adaptive and gender-responsive safely managed drinking water in urban and rural communities in priority counties, including in emergencies. | |
| Location of Assignment | Garissa Municipality, Garissa County, Kenya | |
| Duration of contract | 2 months | |
| Start date | From: 15th August 2024 | To: 15th October 2024 |

**Background**

Kenya has progressive water sector reforms triggered by the National Water Policy of 1999, and the Water Act 2002 (Act) with the objective of improving water resources management to meet growing demand for water services and attract more professionals into the sector, attract greater investment, and create a modernized sector that is more robust and more capable of responding to the emerging challenges of climate change and urbanization. The key features of the reforms are the separation of policy formulation, regulation, and services provision function; increased user participation and enhanced pro poor orientation; introduction of socially responsible commercialization in the provision of water supply services.

In 2010, Kenya promulgated a new constitution – the Constitution of Kenya 2010 (CoK 2010) which created two levels of government: the national government and devolved governments (County governments). The role of the two levels of governments with respect to water and sanitation are defined under 4th schedule of the constitution and can be summarized as

* National government assigned role of Ownership of national public works, Regulation of water resources and Regulation of water services
* County governments assigned role of Water service provision, Sanitation management, Catchment protection and County public works
* Shared functions are Planning, Monitoring and enforcement, Development of infrastructure, Storage and Flood control

The Water Act 2016 aligned the Water Act 2002 to the constitution of Kenya 2010 and provided for regulation, management and development of water resources, water and sewerage services, and other connected purpose. It also improved the institutional arrangements for service delivery where water utilities are now fully owned by the county governments.

According to the IMPACT report of the water services sector in Kenya in the Financial Year 2022-2023 released by the regulator in June 2024[[1]](#footnote-2), although water coverage for areas served by regulated utilities increased from 62 per cent to 65 per cent, the sector performance is still poor across several key indicators. For instance, the revenue collection efficiency declined from 95 per cent to 93 per cent while the Operation and Maintenance[O+M] Cost coverage that measures the economic efficiency of Utilities marginally dipped from 96 per cent to 95 per cent against the target of 150 per cent for full cost recovery. This is mainly due to costs increasing at a higher proportion compared to revenues, a situation that can be attributed to a higher proportion of utilities not having justified tariffs. Non-Revenue Water (NRW) level marginally declined from 45 per cent to 43 per cent and is still far from the National Water Services Strategy [NWSS] 2019 - 20230 target of less than 30 per cent and Vision 2030 goal of less than 25 per cent. The IMPACT report notes that the indicator for NRW which is critical for operational sustainability of water Utilities has not recorded significant improvement despite the commercialization of services.

The Kenya National Water Sector Master Plan 2015-2030 estimates that Kenya requires KES 100 billion annually to achieve Vision 2030 for Universal access to water and sanitation but the Government together with the development partners can provide only KES 40 billion which means a shortfall of 60% of the requirements. There is therefore urgent need to increase self-financing of the sector to guarantee sustainability of services through improved efficiency, cost reflective tariffs and improving credit worthiness to attract repayable funds. A credit worthiness assessment conducted by WASREB in FY 2022-2023 revealed a significant improvement where 49 out of the 92 regulated WSPs have a rating of at least BB and are eligible for repayable finance while 35 scored B rating which indicates material default risk exists but have potential for growth. The service area coverage of Regulated water Utilities across the country has progressively improved and now stands at 55 per cent while the rest is covered by unregulated Small Scale Service Providers (SSSPs)or self-supply by households. According to the WHO/UNICEF, JMP 2023 projections only 63 per cent of the Kenya population have access to at least basic water consisting of 86.4 per cent of the urban population and 53.3 per cent of the rural population.

The viability of water utilities in Kenya is undermined by low O&M cost coverage due to inefficiencies including energy utilization, revenue collection, staff productivity, non-revenue water levels and is a major focus of the National Water and Sanitation Investment Plan (NAWASIP) 2023 to 2030. In the urban areas NAWASIP aims for 100 per cent piped water coverage, 40 per cent sewerage coverage and 60 per cent non sewered coverage through tax revenue and unlocking additional finance through tariff revenue, and as such calls for three major reforms:

1. Operational efficiency reforms: Counties continue to manage WSPs as commercial entities and ring fence water revenues, reduce NRW to 25% and increase revenue collections to 97 per cent, increase labor productivity and implement cost containment measures.
2. Tariff efficiency reforms**:**Increase tariffs to cover 150 per cent operation and maintenance cost overage, sewerage services levy to finance urban sewerage and WSTF levy to finance rural water supply.
3. Capital efficiency reforms*:* Borrow against projected future cash flows for appraised and approved viable projects, prioritize expanding connections where investment in bulk water is not required and allow WSPs to utilize capex for service extension for last mile connectivity and rehabilitation.

WASREB has developed new tariff guideline 2023[[2]](#footnote-3) to support utilities to conduct socio-economic studies to inform tariff proposal and tariff application on regular basis.

**Garissa Water and Sewerage Company (GAWASCO)**

GAWASCO was incorporated under the Company’s Act (Cap 486) as a public company limited by shares in 2006 to provide water and sewerage services. The utility has mandate to serve Garissa township and its environs covering a total of 64 km2. The operating license and tariff for GAWASCO which was held under the former Northern Water Services Board (NWSB) expired in 2012 and has since not been renewed. The mandate GAWASCO to provide reliable and safe water and sanitation services to consumers in the service area embodies the following responsibilities:

(i) Water Supply: GAWASCO is responsible for providing a reliable and safe supply of clean water to the residents of Garissa Township and its environs. This involves sourcing water from various natural sources, treating it to meet quality standards, and distributing it through a network of pipelines to homes, businesses, and public institutions.

(ii) Sewerage Management: GAWASCO manages the collection, treatment, and disposal of sewage and wastewater from households, commercial establishments, and industrial facilities within its jurisdiction. This includes the operation and maintenance of sewerage infrastructure such as trunk sewer lines, treatment plants, and pumping stations to prevent environmental pollution and public health risks.

(iii) Minor Infrastructure Development and Maintenance: The company is tasked with the consumers last mile connectivity (Pipe extensions), and maintenance of water supply and sewerage infrastructure, including pipelines, pumping stations, rehabilitation of storage tanks, & minor rehabilitations. This ensures the reliability and sustainability of water and sewerage services over the long term.

(iv) Compliance with Regulatory Standards: GAWASCO is expected to operate in accordance with national and local regulations governing water supply and sanitation services, including quality standards, environmental and catchment management regulations, submission of regulatory levies, and meet national health and safety requirements. Compliance ensures that the services provided are safe, reliable, and environmentally sustainable.

(v) Customer Service and Engagement: The utility is responsible for engaging with customers, addressing their concerns, and ensuring their satisfaction with the quality and reliability of services. This includes billing, metering, customer inquiries, and customers outreach programs aimed at promoting water conservation and hygiene practices.

(vi) Catchment conservation and protection: In collaboration with Water Resources Authority, support the conservation and protection of water catchment areas to reduce contamination including from open defecation practices, harmful agricultural practices, and siltation by implementing water safety planning as a license condition.

(vii) Emergency Response and Disaster Management: GAWASCO plays a critical role in disaster preparedness and mitigation measures related to water supply and sanitation, such as addressing water shortages, pipe bursts, sewage overflows, and other incidents that may disrupt service delivery or pose health and safety risks to the public.

Valid approved tariff is one of the main requirements for renewal of utility operating license. It ensures the consumers are protected while the utility can raise enough revenue to meets its O&M cost coverage progressively reaching full cost recovery that ensures long-term sustainability where in addition to covering O&M Costs, the utility can cover debt service, investments, and asset renewal. GAWASCO gets its water from river Tana through conventional treatment systems that provides 80 per cent of its water production while 20 per cent is obtained from several boreholes drilled along the river with a daily production of 12,654m³. The WASREB IMPACT report released in 2023 estimates that the utility has 145, 591 people in its service area where 78 per cent are reached with safe water while the rest are served by unregulated small private water vendors.

**Objectives of the assignment**

The overall objective of the assignment is to support GAWASCO to carry out a full socio-economic study to develop a water and sewerage tariff proposal and facilitate the utility to file and present a tariff application with the regulator, the Water Services Regulatory Board (WASREB). The specific objectives of the consultancy are:

1. Assess the water production capacity, daily production, water distribution efficiency, consumer categories and consumption patterns and water demand forecast in GAWASCO service area for the next five years.
2. Conduct detailed Cost Analysis and Total Revenue Requirement of the utility to meet full O&M cost overage as per the WASREB sector performance benchmarks.
3. Conduct customers’ Willingness and Ability to Pay for Water and Sewerage services survey for the different class of consumers in GAWASCO service areas, Affordability Analysis considering a pro-poor approach, and its implications for the design of full O&M cost coverage tariff.
4. Review the current GAWASCO tariff for viability against the water demand projections, water production capacity, costs analysis and revenue requirements as well as affordability analysis and propose a justified Tariff Structure options and Tariff Schedule to sustainably run the water utility on a commercially viable basis, preferably to full O&M cost coverage level and facilitate public participation.
5. Facilitate to file and present a regular tariff review application (RTA) to WASREB for consideration and follow up for approval.

**Description of the Assignment**

Under the supervision of the WASH section, the consultancy firm will:

1. **Water production and demand Forecast -** Assess the water production capacity, water distribution efficiency, consumer categories / class and consumption pattern and water demand forecast in GAWASCO service area for the next five years.
2. **Cost Analysis and Total Revenue Requirement -** Conduct detailed Cost Analysis and Total Revenue Requirement of the utility to meet full O&M cost overage as per the WASREB sector performance benchmarks.
3. **Affordability Analysis -** Conduct customers’ Willingness and Ability to Pay for Water and Sewerage services survey for the different class of consumers in GAWASCO service areas, Affordability Analysis considering a pro-poor approach, and its implications for the design of full O&M cost coverage tariff.
4. **Proposed Tariff Structure and Tariff Schedule -** Review the current GAWASCO tariff for viability against the water demand projections, water production capacity, costs analysis and revenue requirements as well as affordability analysis and propose a justified Tariff Structure options and Tariff Schedule (rates and charges) to sustainably run the water utility on a commercially viable basis, preferably to full cost recovery.
5. **Facilitate to file and present a tariff review application to WASREB for approval -** Facilitate to file and present a regular tariff review application (RTA) to WASREB for consideration and follow up for approval.

Additional details are provided for each main activity area:

1. **Water production, distribution efficiency and demand Forecast**

* Assess and establish the different water sources, their production capacities, current production, and options for increasing production to progressively meet growing demand for water and sanitation services.
* Assess the water production and distribution efficiency, estimating both the physical and commercial losses of produced and treated water released to customers. This includes assessing metering coverage / ratio for the different class of consumers and existing of District metered Areas (DMAs) to help triangulate water losses. In the absence of effective metering system, the consultant will estimate the distribution efficiency through interrogation of the billing system and household size as shall be assessed from the household survey and other secondary data sources. For the boreholes along the river, establish the water loses both physical and commercial along the transmission lines between the boreholes and the treatment tanks. For the conventional treatment plant assess the water production efficiency by comparing the raw water pumped from the intake in the river and to the water produced after the full treatment process, and compare the efficiency over different days, months and seasons to establish the trends and conclusions on how tariff improvements particularly around conditional catchment protection can contribute to improved production efficiency.
* Establish the different uses of water by customers, their consumption level, consumption patterns over the day, month, and seasons
* Assess the historical demand, current demand, future demand assumptions, and demand projections by customer class (domestic / residential, commercial, industrial, government and institutional)
* Compare the water production and demand forecasts and establish quick win efficiency improvement projects to increase production or additional boreholes that can be financed through the tariff to meet the future demand in the next 5 years.

1. **Cost Analysis and Total Revenue Requirement**

* Detailed analysis of the operations costs and financial forecasts of GAWASCO for the next 5 years with clear calculation and identify any gaps that may exists as a result of the current tariff structure.
* Carrying out an analysis of the financial statements for the past three years of GAWASCO and outline any financial gaps or margins that exist as of today.
* Review the billing, revenue collection and staff productivity, possible progress that can reasonably be integrated in the current financial model and make corrections if necessary
* Reviewing the existing and future levels of business size in terms of capacity for water supply, coverage etc. in the existing financial model, their relevance with the sector performance benchmarks and make corrections if necessary. The performance targets for WSPs during tariff evaluation shall include O&M Cost Coverage , Hours of Supply, Volume supplied, Revenue Collection Efficiency, Metering Ratio , Non-Revenue Water, Staff Productivity, Personnel Expenditure as Percentage of O&M Costs , Drinking Water Quality.
* Comprehensive assessment of the current and future financial obligations of GAWASCO including the expansion of water services to unserved areas and the envisaged new customer enrolments.
* The cost calculations shall include but limited to:
* Operation and Maintenance Costs - Staffing Levels and Remuneration, electricity bills, Chemicals, Equipment, Transportation, minor Maintenance, other administrative and general expenses, water abstraction and permitting/bulk water
* New Capital Works Costs - Projected Capital Investments (timing, value, and financing arrangements) debt servicing requirements
* Capital Works Maintenance - Costs Residual asset value, Projected Asset Replacement Requirements (timing and value)
* Regulatory Levy - including for the Water Service Regulatory Board monthly fees, Water Resources Authority conservation fees, NEMA effluent discharge fees, KEBS standard order levy, Kenya Forest Fees and proposed WSTF Levy and any other charges.
* Based on the cost analysis, establish the unit cost of water billed to customers at different O&M cost coverage of between 100 to 149 per cent and at 150 per cent and above.

1. **Affordability Analysis**

* Design a complete socio-economic household questionnaire to conduct a customer survey to establish consumer water consumption levels for the different consumer class and establish their willingness and ability to pay for water and sewerage services in GAWASCO area of jurisdiction
* The assessment would be conducted as per WASREB Template for tariff study and adapted appropriately to include any missing information to enable a complete socio-economic assessment of the customers.
* The assessment shall consider and adopt a pro-poor approach with a clear emphasis on the different segments of the consumer population including the urban poor (in the informal settlements)
* Sampling the socio-economic survey should consider the existing 95 bullas / small settlement units within GAWASCO service areas irrespective of whether they are currently getting reliable water or not.
* The investigation shall include, among other things, any particularities with respect to water supply and sewerage situation, e.g., societal, and religious factors as well as the assessment of needs for hygiene promotion, and livestock kept at home, tree planting and home gardening. The survey shall in particular assess whether the customers are willing to have a meter installed in their water connection to measure the actual consumption and any reasons for not willing to have a meter. In that regard, it would be important to come with measures to identify any myths and taboos around household metering in the survey and measures to demystify such social norms and other cultural practices or that may hinder the effective management of water and sewerage services in the service areas
* Provide an analysis of the findings that can inform the tariff proposal including data that can sufficiently inform the ability and willingness of the different customer classes to pay for water and sewerage services.

1. **Proposed Tariff Structure and Tariff Schedule**

* Reviewing the current GAWASCO Water and Sewerage tariff for viability considering the best practices on water and sewer tariff particularly in other water service providers in Kenya and other towns where service delivery has been exemplary and full cost recovery has been achieved whilst adopting a pro-poor approach with a clear emphasis on the population of the urban poor (in the informal settlements). In reviewing and proposing a suitable tariff for GAWASCO, the consultant will consider the following five principles as provided for by WASREB in their tariff guideline:
* Access to Safe Water and Adequate Sanitation as a Human Right – tariff should allow for all domestic consumers to have a “life-line tariff”, charging a rate that may be lower than the unit cost of water.
* Financial Sustainability - ensuring the utility operate on a commercially sustainable basis to recover the full cost of providing services to their customers through the tariff.
* Efficiency - the tariff will be linked to the improvement of key efficiency performance indicators.
* Conservation – the tariff shall be structured in such a way that consumers pay more for higher volumes to encourage conservation of the scarce resource.
* Simplicity -The tariff structure applied shall be both easily understood by the customers and easily implemented by the WSP to improve customers’ willingness to pay and minimizes billing errors.
* Tariff structure– the consultant will determine the different consumer categories, consumption blocks and rates applicable including domestic, yard taps, multi-dwelling units, water kiosks and public standpipes, tariffs for commercial, industrial, government and institutional consumers, miscellaneous charges, sanitation levy and bulk supply to others WSPs where available.
* Based on the tariff review, make recommendations on the tariff proposal and most appropriate tariff structure and rates for GAWASCO considering the water production capacity and demand forecasts, the cost analysis, revenue projections and affordability analysis. The proposals shall include:
* Proposed tariff structure (customer classes, rising blocks, fixed/variable charges, etc.)
* Treatment of Metered versus Unmetered Customers.
* Tariff Options.
* Proposed tariffs and revenue forecasts.
* Comparison of options and the preferred option.
* Impact on customers and affordability.
* Public Participation of the proposed tariff **–** support the utility to arrange and organize for public participation of the proposed tariff adjustments in line with the constitution 2010, the Water Act, 2016 and WASREB guidelines. The community meetings shall be held for the different Bullas and can be part of the customers clinics organized by the utility. Meeting will be led by the utility.

1. **Facilitate to file and present a tariff review application to WASREB for approval** – the consultant will assist GAWASCO to file the online tariff application as per WASREB tariff guidelines and make an oral presentation of the submission to WASREB panel leading to tariff approval.

**Deliverables, timeline, and payment schedule**

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| --- | --- | --- |
| **Deliverables** | **Timeline** | **Schedule of Payment** |
| **Deliverable 1. Inception Report** including detailed methodology to deliver the assignment as per TOR including staff to be assigned, assessment questionnaire and workplan. The inception report will be developed based on initial engagement with UNICEF, WASREB and GAWASCO. Inception report will be approved by UNICEF. | One week after contract signature (**5 working days**) | Submission of inception report (**15%**) |
| **Deliverable 2. Tariff study report**  Final tariff study report that has at least the following chapters:   * Executive Summary * Introduction * Water production and Demand Forecast * Cost Analysis and Total Revenue Requirement * Affordability Analysis * Proposed Tariff Structure and Tariff Schedule * Annexes: Minutes of public participation   Th draft Tariff will be presented to GAWASCO, WASREB and UNICEF for review and comments before submission of final report. The report will be in both soft and PDF copy. | Six weeks (42 days) after contract signature (**20 working days)** | Submission of Tariff report (**50%**), |
| **Deliverable 3. Regular Tariff Application and approval by WASREB report**  The tariff application is filed in prescribed WASREB format, orally presented, and follow up done to ensure its approved by the regulator. | At end of the second month (**5 working days**) | Submission of tariff application and approval report **(35%)** |

**Reporting Requirements**

The contractor will be expected to submit an inception report by the end of the first week of the assignment detailing the implementation plan and methodology. The report will be submitted electronically. The consultant will also submit draft reports for review and a Final Tariff study report as well as a report of tariff application and approval by WASREB. Weekly catch-up meetings (30 minutes) to keep track of progress will be maintained throughout the assignment period.

**Location and Duration**

* Starting period: 15th August 2024.
* Duration: 2 months.
* Actual consultancy period: 30 days
* Country of assignment: Kenya.
* County of assignment: Garissa
* Project location: GAWASCO service area (Garissa Township)

Expected timeline is as follows:

| **Result statement** | **Timelines** |
| --- | --- |
| Inception meetings, document gathering, desk reviews, methodology definition and detailed workplan and submission of inception report | One week after singing the contract |
| Socio-economy study for tariff proposal looking at water production and demand forecasts, cost analysis and revenue requirements and affordability analysis that informs recommendation for tariff structure and schedule, with minutes of public participation across GAWASCO service area | six weeks after signing the contract |
| The consultant files a Tariff application in prescribed online platform and format, presents and argues case with the regulator and follows up to obtain tariff approval from WASREB | 60 days after contract signature |

**Qualification Requirements**

UNICEF is looking for a consulting firm registered with the Ministry of Water, Sanitation, and Irrigation (MOWSI) and with the Water Services Regulatory Board with excellent track record of conducting water and sewerage tariff studies for regulated utilities in Kenya. Experience and expertise in analysis of utility performance records to establish water production trends, water production capacity, water consumption trends and water demand forecasting for different consumer class, utility expenditure analysis and costing to determine O&M cost recovery and revenue requirement projections, affordability analysis including the survey of customers’ ability and willingness to pay for services and to develop tariff structure and schedule to achieve performance standards as per sector benchmarks is required.

The institution will propose the team structure and constituent members with expertise in water utility management including a water supply specialist, socio-economic specialist, and financial management specialist in Kenya. The consultant will also propose the time effort for each specialist. Gender balance in the team is desired. The assignment requires field visit consultations and detailed site investigations in the target location.

**Qualifications for the consulting firm:**

* At least ten (10) years of experience in undertaking water sector management consultancy in Kenya.
* Registered with the MOWSI in Kenya as a consultancy firm.
* Thorough understanding of the water sector reforms, the water act 2016, water sector institutions, sector performance benchmarks and the roles of water and sanitation service providers in Kenya.
* Experiences in water utility management and regulatory environment in Kenya including utility licensing, strategic planning for utility turn around, business planning, tariff studies and processing of tariff application with the Water Services Regulatory Board (WASREB) is required.
* Adequate qualified personnel across the water sector dimensions, in particular a water supply specialist, a socio-economic specialist and financial management specialist who are fully experienced and currently involved in supporting performance improvement of water utilities in Kenya.
* Familiarity or prior work experience for the GoK, UN, or international development organizations is a must.

**Required Key Personnel proposed for the assignment are:**

1. **Project Coordinator / Team Leader:** A qualified water Utility management specialist with at least Master`s degree in engineering (civil, water supply, mechanical) or finance and over 10 years’ experience in the feasibility studies for socio-economic assessments, conducting willingness to pay assessments, tariff studies and review, and in setting up business plans to strengthen systems and improve efficiency of operation and maintenance of water Utilities, tariff review and application and renewal of licensing with good collaboration with the Water Services Regulatory Board
2. **Socio-economic specialist**- a qualified specialist with at least masters degree in sociology, economics or related field and overs 10 years’ experience in socio-economic surveys and affordability analysis for urban utility customers leading to tariff proposals and regular tariff applications. Familiarity in facilitating tariff approvals with the regulator including defending tariff proposals and adjusting as proposed by the regulator is required.
3. **Financial management specialist** – a certified public accountant with at least masters degree in Finance and CPAIII and overs 10 years’ experience in utility financial management, cost and expenditure analysis, revenue projections and affordability analysis leading to tariff proposals and regular tariff applications. Familiarity in facilitating tariff approvals with the regulator including defending tariff proposals and adjusting as proposed by the regulator is required.

The consultancy firm will propose time slots for the different specialists in the methodology

**Evaluation process and methods**

* **Technical Proposal**: The consultancy firm is expected to provide a technical proposal detailing understanding of the context and assignment, proposed methodology and timeline, expected challenges and mitigation measures, references for similar assignments for the last 5 years (note that this should include the name of clients; the names of projects; the duration of projects; links to reports if they are publicly available) and detailed CV(s). The proposal should not exceed 20 pages.
* **Financial Proposal:** The financial proposal will be all-inclusive and will provide a detailed budget covering consultant fees (daily rate of each team member assigned) and subsistence costs (daily rate for travel), transport refunds for travel, and other expenses to be incurred for this assignment (may include cost of data from government agencies required for the work and any applicable Government fees for assessment and design approvals). Note that UNICEF or GAWASCO will cover costs of any meetings planned to present the study recommendations, and this should not be included in the financial proposal.
* **Only those proposals that score 49 points or more out of 70 will be shortlisted for the financial assessment stage.**
* **Weighted ratio between the technical proposal and the financial proposal criteria: (70 /30)**

**Technical Proposal**

|  |  |  |
| --- | --- | --- |
| **Item** | **Technical Evaluation Criteria** | **Max. Points Obtainable** |
| 0 | **Mandatory Criteria**  *Corporate Profile including legal statement* | **Fail/ Pass** |
| **1** | **Overall Response** e.g. the understanding of the assignment, alignment of the proposal submitted with the ToR and its completeness | **10** |
| 1.1 | Completeness of response to the proposal | 5 |
| 1.2 | Overall concord between the TOR requirements and proposal | 5 |
| **2** | **Profile of institution** | **20** |
| 2.1 | Range and depth of organizational experience with similar assignments – Provide references of past experiences, particularly with Utilities, NGOs, World Bank and UN; compliance with prevention against sexual exploitation and abuse (PSEA) | 5 |
| 2.2 | Demonstrable experience in developing socio-economic survey, tariff reviews and proposals | 10 |
| 2.3 | Experience in filing tariff application including online submission in Kenya and facilitating tariff approval processes. | 5 |
| **3** | **Key personnel** | **20** |
| 3.1 | 1) Key personnel must include at least: Assigned experts must have appropriate educational qualifications and be fluent in written and spoken English. The expertise must include:   * **Project Coordinator / Team Leader:** A qualified water Utility management specialist with at least Master`s degree in engineering (civil, water supply, mechanical) or finance and over 10 years’ experience in tariff review and application and approval with the regulator * **Socio-economic specialist**- a qualified specialist with at least masters degree in sociology, economics or related field and overs 10 years’ experience in socio-economic surveys and affordability analysis for tariff proposals and regular tariff applications. * **Financial management specialist** – a certified public accountant with at least masters degree in Finance and CPAIII and overs 10 years’ experience in utility financial management, cost and expenditure analysis, revenue projections and affordability analysis leading to tariff proposals and regular tariff applications.   \*All relevant, up-to-date curriculum vitae and detailed organigram with clear roles and responsibilities required | 20 |
| **3** | **Proposed Methodology and Approach**  Description how the bidder will address each item outlined in the description of the assignment and deliverables of this TOR, including outlining the methodology, quality assurance framework, applicable tools, and standards outputs, such as intermediary and final reports. | **20** |
| 3.1 | Proposed approach and work plan of implementation of the tasks as per the ToR, including approximate durations, on-site and off-site meetings/ key milestone and key deliverables | 5 |
| 3.2 | Implementation strategies, monitoring and evaluation, quality control mechanism | 5 |
| 3.3 | Technologies used including during field surveys and analysis of findings, financial analysis etc | 5 |
| 3.5 | Quality assurance mechanism in submission of final reports and risk mitigation measures | 5 |
| **TOTAL TECHNICAL SCORES** | | **70** |
| **Minimum technical required: 70% out of 70 points (49 points)** | | |

**FINANCIAL EVALUATION (30 points)**

Only those financial proposals for bidders which have been technically accepted according to the above criteria will be opened. The Financial proposal will be weighted based on the clarity and appropriateness.

The price should be broken down for each component of the proposed work. The total amount of points allocated for the price component is 30. The maximum number of points will be allotted to the lowest price proposal that is opened and compared among those invited firms/institutions which obtain the threshold points in the evaluation of the technical component. All other price proposals will receive points in inverse proportion to the lowest price; e.g.:

                                                     Max. Score for price proposal \* Price of lowest priced proposal

Score for price proposal X =         ---------------------------------------------------------------------------

  Price of proposal X

The Contract shall be awarded to a bidder obtaining the highest combined technical and financial scores. Proposals not complying with the terms and conditions contained in this ToR, including the provision of all required information, may result in the Proposal being deemed non-responsive and therefore not considered further.

**Project Management**

The consultancy firm will work under the WASH Specialist (Water Governance), with overall guidance by the Chief of WASH section.

UNICEF and the selected contractor will always coordinate with both Garissa Water and Sewerage company and the Water Services Regulatory Board to ensure compliance with government directives.

A Technical team comprising of UNICEF, the County Government of Garissa, GAWASCO and WASREB as well as other partners as necessary will provide technical inputs progressively for the different deliverables of the assignment through written email and virtual consultation meetings.

**Risks and mitigation measures**

| Risk | Probability | Mitigation Strategy | Risk Influence |
| --- | --- | --- | --- |
| **Duty of Care** | | | |
| Staff Security Risk: Risk of Project staff being killed, abducted or injured or otherwise harmed. | Medium | * UNICEF security manager will provide briefing to consultants during the kick off meeting. * The selected comany will be intrdouced to and work closely with the Zonal office in Garissa to get security updates regularly. * The consultants to make use of UN cleared Hotels in the project location * The public participation for the tariff will be led by the utility company who will take full responsibility | Medium |
| **Programmatic risks: Risk of failure to achieve Project aims and objectives. Risk of causing harm through intervention.** | | | |
| Political Interference | Medium | * Ensure national and county government buy-in through consultation and engagement throughout the various stages of the study. Public participation of the assignment outcome is palnned with beneficiaries and stakeholders and minutes of meeitng shared with the regulator | Medium |
| **Accountability to beneficiaries: Risk of harm to project beneficiaries and partners** | | | |
| Sexual exploitation and abuse while conducting the study in the community and with utility staff | Medium | * UNICEF will conduct orientation on PSEA for the key staff proposed for the assignment. | Medium |

**Any other Information**

* The consultancy firm will provide its own office space, stationery, and materials (hardware and software)
* All payment must be within the contract agreement.
* No contract will commence unless the contract is signed by UNICEF and the consultancy firm.

-END-

1. <https://wasreb.go.ke/impact-reports-issue-no-16/>  [↑](#footnote-ref-2)
2. <https://wasreb.go.ke/wp-content/uploads/2023/08/Tariff-Guidelines.pdf> [↑](#footnote-ref-3)