

REPP Procurement Policy and Procedures

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1. Introduction

The REPP is a donor funded facility, initiated by the European Investment Bank and the United Nations Environment Programme, to support small to medium-sized renewable energy projects throughout Sub-Saharan Africa, with an objective to encourage private sector investment in developing the energy sector. The below procurement policy outlines the processes that are required to fulfil the REPP mandate as well as to align with the broader EU Directive guidelines.

The REPP Manager is accountable for the way that funds are spent and is therefore responsible for ensuring that services that are procured by the REPP are procured in a way that is transparent, competitive and fair, without discrimination and that seeks to obtain quality-assured services that are optimally priced.

The REPP is established as a Company Limited by Guarantee and accordingly is not subject to public or administrative law obligations, however, it seeks to maintain a high level of transparency and operate in a manner that is cognisant of its public funding.

The objective of the Procurement Policy is to support REPP's commitment to assisting development of small to medium sized projects to reach financial close, while maintaining international best practice standards and ensuring that monitoring, reporting and verification is integrated throughout the completion of the contract. The Procurement Policy is cognizant of the following standards throughout the completion of any contract undertaken:

- IFC Performance Standards on Environmental and Social Sustainability;
- EIB Environmental and Social Standard No. 10 – Stakeholder Engagement;
- EIB Environmental and Social Standard No. 3 – Biodiversity and Ecosystems;¹
- EIB Transparency Policy;² and the
- World Bank Environmental, Health and Safety Guidelines.

The REPP Manager notes that any deviation from the policy will be subject to the prior approval by the REPP Management Board.

2. Policy Requirements

In the event that the REPP provides money in part or in whole for Technical Assistance as outlined in a Support Proposal, and the project developer procures this Technical Assistance directly, then the REPP Procurement

¹ EIB Standards 3 and 10 to be accessed at:

http://www.eib.org/attachments/strategies/environmental_and_social_practices_handbook_en.pdf

² EIB Transparency Policy to be accessed at: http://www.eib.org/attachments/strategies/eib_group_transparency_policy_en.pdf

Policy and Guidelines should be applied and adhered to. It is expected that any terms of reference drafted for services contracted under REPP, will evaluate the bids and quotations with the following criteria in mind:

- Proven project experience within Africa or international countries with similar economic structures;
- Proven experience in the assignments being completed in that particular technology (especially in hydro plants);
- Proven experience with projects that have reached financial close;
- Adherence to ISO, EIB and IFC standards where applicable in delivering the contracted service (see section 1); and
- Professional indemnity insurance, the value of which to be twice that of the professional fees outlined in the bid or quotation and to cover the period during which the service is being contracted for.

For the avoidance of doubt, the fact that the project developer is receiving support from the REPP will not result in the REPP Procurement Policy applying for all procurement by the developer.

3. Policy

The REPP should ensure its procurement actions are consistent with the EU procurement regime, based on the Treaty for Functioning of European Union³ principles of transparency, non-discrimination, equal treatment, value for money and proportionality. Recognising the role of the EU Procurement Directive as an objective standard, the REPP regards public procurement as though it is a 'contracting authority' as referred to in the Directive. However, the core principles of the Directive will be applied in light of the scale and nature of the REPP.

The procurement policy is a key risk management tool for the REPP, and the REPP Manager will actively manage the drafting of the bidding documentation, the identification of the selected bidders, the evaluation of the bids and monitoring and evaluation of deliverables for any disbursed TA funds. In particular, the REPP Manager's role will be to ensure that all procurement-related processes, interaction and cash disbursement with and to the developer/client, align with the Treaty principles.

Fundamental to an effective procurement policy is differentiation that balances transaction costs against risk management. Accordingly, different rules apply to the way in which contracts are procured, depending on the value and nature of the contract to be awarded to a provider of services.

³ EUR-Lex: Access to European Law. Accessed at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012E%2FTXT>

The procurement of services should align with the thresholds stated in the below table:

Table 1: Procurement method according to value of contract

Value of contract	Procurement method
>€400k	Given the scale of the contract and applicable international standards, an open tender procurement procedure will be followed. The Request for Proposals (RfP) will be publicised on the REPP website and others, including the DECC, EIB and UNEP websites and other relevant media, where appropriate.
€30k-€400k	Within this range there is a need to balance risk management with transaction costs and timeliness and accordingly a competitive tender methodology will be applied. The RfP will be sent to at least five potential providers on the REPP list of preferred contractors as well as be posted on the REPP website. This will provide the necessary conditions for transparency, fairness and price discovery through receipt of multiple bids.
<€30k	A service provider can be selected and a competitive exercise is not required within this threshold. However, the competitive exercise may be carried out in the event that the quotation for services does not incorporate all scopes of works and is not proportional to comparable quotations of similar services with stipulated time periods, costs and benefits. Such an exercise may be undertaken by advertising the opportunity in appropriate media or by inviting specific candidates to submit proposals/bids. Where a competition is carried out, at least three candidates should be invited to take part in the exercise if possible.