



**United States Energy Association**

**Request for Proposal: Local Electricity Sector Expert Support – Afghanistan Electricity Sector Governance and Management Assessment – Afghanistan**

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## **REQUEST FOR PROPOSAL – Local Electricity Sector Expert Support – Afghanistan Electricity Sector Governance and Management Assessment – Afghanistan**

**Closing date of RFP: February 1, 2019**

**Implementing Agency: United States Energy Association (USEA)**

**Funding Agency: United States Agency for International Development (USAID)**

The United States Energy Association is inviting prospective organizations or individuals through this Request for Proposal (RFP) to submit proposals for providing local expert support to a team of international energy consultants deployed to Kabul, Afghanistan, to assess the country’s electricity sector. The project will be for 6 weeks in the Spring 2019.

Proposals are due by 17:00 hours EST of the closing date. Please submit all proposals with a read receipt to Ms. Marina N. Barnett, Senior Program Coordinator, at [mbarnett@usea.org](mailto:mbarnett@usea.org). Proposals must be in digital format (PDF).

As this is a USAID-funded program, the RFP follows USAID Procurement Regulations and Laws. All bidder details will be kept confidential.

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### **I. INTRODUCTION**

The United States Energy Association, headquartered in Washington, DC, is an association of public and private energy-related organizations, corporations, and government agencies. USEA represents the broad interests of the U.S. energy sector by increasing the understanding of energy issues, both domestically and internationally.

Through a cooperative agreement with the USAID Bureau for Economic Growth, Education and Environment (E3), USEA implements the Energy Utility Partnership Program (EUPP), available to all USAID-assisted countries and USAID Missions. EUPP supports the efforts in USAID-assisted developing countries to increase environmentally sustainable energy production and to improve the operational efficiency and increased financial viability of their utilities and related institutions, with the goal of increasing the access of these countries to safe, reliable, affordable and environmentally sound energy services.

### **II. SUMMARY**

Lack of reliable, and affordable power is a fundamental constraint to economic growth in Afghanistan. Data from the 2017 World Bank Doing Business Report shows that Afghanistan gets the lowest possible score on “reliability of supply and transparency of tariff” (a score of 0 out of 8) and for “quality of supply” (0 out of 8).

The primary contributors to Afghanistan’s power sector challenges are insufficient supply to meet growing demand, a financially weak utility, and inadequate sector governance and management. Among USAID’s chief priorities is to “build the capacity of Da Afghanistan Breshna Sherkat (DABS) to operate as an effective, financially sustainable, and transparent national utility.”

To respond to these challenges USEA will deploy a team of international energy consultants to develop an assessment of Afghanistan’s energy sector, focusing on governance and management issues. The assessment will also include recommendations for improving the country’s energy sector institutions and processes to support the large-scale private investment and improved commercial performance needed to power the country’s economic growth.

The purpose of this RFP is to solicit proposals from various candidate organizations or individuals, conduct a fair evaluation, and select two (2) local Electricity Sector Experts deemed most suitable to provide support to USEA and its team of consultants deployed to Afghanistan within the framework of this activity.

### **III. IMPLEMENTATION AND APPROACH**

USEA will contract with several international energy consultants, through a separate RFP, to conduct studies as described below:

- The Power Sector Governance and Management Assessment will identify, analyze, and provide actionable and prioritized recommendations for future USAID programming along two work streams to improve (1) DABS corporate governance oversight and senior management performance, and (2) electricity sector governance and regulatory framework of the sector.
- In this RFP, “governance” refers both to DABS corporate governance (as defined below) and to broader electricity sector governance. These recommendations should address governance<sup>1</sup> and senior management<sup>2</sup> actions that will lead to improvements to utility operations, management, and business processes resulting in increased electric reliability, reduced losses, improved capital planning and management, and increased profitability.
- The analysis should assess challenges related to adherence to current sector and corporate governance obligations. The analysis will also assess the current senior management organizational structure and Board of Directors oversight responsibilities and qualifications. In addition, the analysis should comment on the role and status of the new regulator to improve sector electricity sector performance and governance. Ultimately, USAID’s goal is to help create a viable energy sector, where DABS can meet the country’s rapidly growing electricity demand with reliable, affordable service.
- This assessment should result in actionable, prioritized governance and senior management team recommendations for future USAID programming. The assessment should focus on the DABS Board of Directors (the Board), other DABS governance boards (audit, appointment, procurement, etc.) and DABS senior management positions, with recommendations related to senior management performance improvements in operational, financial and strategic planning. The full range of best practices to improve governance and senior management performance should be considered, including potential private sector participation in utility management and service delivery. The recommendations should consider the political willingness and potential

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<sup>1</sup> Governance refers in this RFP to the standard utility industry concepts of the governance arrangements, procedures and actions associated with a public utility. Key features establishing governance regimes for utilities include articles of incorporation, shareholders agreements, corporate bylaws, national companies laws. In addition, boards of directors play a central role in utility governance by holding and exercising the authority to establish corporate objectives, approve strategic actions, and appoint senior management for a utility.

<sup>2</sup> Senior management in this RFP refers to the officers appointed by the board of directors. These are usually the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Chief Commercial officer of a utility.

commitment from DABS senior management, the Board of Directors, the Ministry of Energy, the Ministry of Finance and other sector stakeholders.

- The assessment should determine the degree to which the Executive Board of the Board of Directors and its constituent shareholders are willing to establish key performance objectives for the DABS senior management team, and to use their legal authority to monitor and take necessary actions in achievement of DABS key performance goals. This reflects the traditional role of a board of directors in appointing senior managers, establishing high level business objectives, and monitoring achievement of these objectives. The assessment should also consider capacity building related to governance and the senior management team that the Government of Afghanistan (GOA), the Board and DABS need to strengthen corporate governance oversight and senior management performance. The assessment should also determine the degree to which the Executive Board is structured and functions in a manner that meets best practices for public power utilities.
- In addition to the objectives stated above, USAID also intends to use this assessment to determine what steps related to corporate and sector governance can be taken to increase private sector participation in Afghanistan's electricity sector.

The selected international energy consultants will be industry experts but might not understand local institutions, contacts, history and norms. The two local electricity sector experts selected in this RFP will work with these industry experts to provide that local knowledge and facilitate interactions with key Afghanistan people in the government, electric industry and private sector. They should be knowledgeable of electric industry history, so they can provide background information on political, governance and operational issues. They should have sufficient stature in the industry, so they can quickly gain access and arrange appointments with key people in the government, industry and private sector.

#### **IV. SCOPE OF WORK**

##### **Duties and Responsibilities**

The local Electricity Sector Experts will provide support to USEA and its team of consultants deployed to Afghanistan, as follows:

- Provide technical input on Afghanistan electricity sector political economy, management, and governance;
- Support organizing interviews and discussions with senior Afghan power industry officials by providing necessary contacts, making introductions and providing insight into the power sector;
- Support conducting interviews and discussions with senior Afghan power industry officials to obtain information related to the current corporate and sector governance situation.

The team of deployed energy consultants and local electricity sector experts will be assisted by a local logistics and administrative support specialist. Interpreters will also be provided to assist with meetings, interviews and discussions.

##### **Reporting**

The local Electricity Sector Experts will report to USEA.

##### **Schedule**

The overall period of this assignment will be between April 1, 2018 and June 30, 2019. The actual duration of the assignment will be six (6) weeks.

These tentative assignment dates are provided solely for information purposes and the benefit of bidders. Modification of these assignment dates will not constitute a change in scope.

## V. CANDIDATE QUALIFICATIONS AND SKILLS

Successful candidates will have the following qualifications:

- A Bachelor’s degree in a relevant field (engineering, law, business administration) is required; a Master’s degree is preferred;
- A minimum of five (5) years of experience with the GOA is required; experience in working for DABS and/or the Ministry of Energy and Water is strongly preferred;
- Alternatively, a minimum of five (5) years of experience in the Afghanistan private energy sector is required;
- Complete mastery of Dari and Pashto are required;
- Working knowledge of English language is required, fluency is strongly preferred.

## VI. PROPOSAL CONTENT

The proposal must contain the following:

- a) A cover letter to the proposal, including:
  - Statement of qualifications;
  - A bidder’s Data Universal Numbering System (D-U-N-S) number and proof of a current registration in the System of Award Management (SAM);
  - Names and contact information for a minimum of three (3) professional references.
- b) A technical proposal, including:
  - CV/Resume highlighting relevant experience within the past 10 years;
  - Demonstration of an understanding of the issues to be addressed under the proposed scope of work (not to exceed 1 page).
- c) A financial proposal, including a detailed justification (i.e. line item budget).
- d) Completed USAID Contractor Employee Biographical Data Sheet forms for each employee proposed for this project (<https://www.usaid.gov/forms/aid-1420-17>)

## VII. EVALUATION CRITERIA

All bidders are required to provide a DUNS number and maintain a current SAM registration. Proposals without a DUNS number or proof of SAM registration will not be considered.

Selection of an offer for a contract award will be based on an evaluation of proposals against qualifications, subject matter expertise and budget justification. Proposals shall first be evaluated from a technical standpoint (qualifications and subject matter expertise) without regard to proposed budget justification. For those proposals determined to be technically acceptable, budget justification will be evaluated.

Evaluation Criteria:      40%:    Qualifications (education and relevant experience)  
                                     40%:    Subject matter expertise  
                                     20%:    Cost

## **VIII. CONTRACT MANAGEMENT/OVERSIGHT**

A subcontract agreement between USEA and the winning bidder shall be subject to all USAID Special Terms and Conditions, including all mandatory FAR Flow-Down clauses, where applicable, and the provisions included in 2CFR200 and 2CFR700. All bidders are strongly encouraged to review these provisions prior to submitting a proposal.

- Standard Provisions for U.S. Nongovernmental Organizations:  
<https://www.usaid.gov/sites/default/files/documents/1868/303maa.pdf>
- 2CFR200: <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>
- 2CFR700: <https://www.gpo.gov/fdsys/pkg/CFR-2015-title2-vol1/pdf/CFR-2015-title2-vol1-part700.pdf>

Subcontract agreement management, oversight, and payment will be carried out by USEA.

## **IX. QUESTIONS AND CLARIFICATIONS**

For all questions and clarification requests please contact Ms. Marina N. Barnett, Senior Program Coordinator, at [mbarnett@usea.org](mailto:mbarnett@usea.org). All questions and answers will be provided to all prospective bidders.

**END OF RFP**