

Request for Proposals (AER 02/2019)



هيئة تنظيم الكهرباء - عمان
AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Scheduling & Dispatch Audit of Oman Electricity Transmission Company SAOC

JULY 2019

Table of Contents

1. INTRODUCTION	3
1.1 Background	3
1.2 Licence Obligations and Grid Code.....	4
1.3 Requirements for Assignments.....	4
2. SCOPE OF WORK	6
2.1 Deliverables.....	8
2.2 Timetable	8
2.3 Information to be provided by the Authority	10
3. SUBMISSION OF PROPOSAL	11
ANNEX A: FORM OF BID.....	13
ANNEX B: FORM OF BID BOND.....	15
ANNEX C: CONTRACT TERMS AND CONDITIONS.....	16
ANNEX D: NON-DISCLOSURE AGREEMENT	32

1. INTRODUCTION

The Authority for Electricity Regulation, Oman ("the Authority") wishes to retain an experienced and well-qualified Consultant to conduct an Audit of the Scheduling and Dispatch activities performed by the Oman Electricity Transmission Company SAOC (OETC).

Under the terms of the Transmission and Dispatch Licence issued to OETC by the Authority in May 2005, OETC acts as the Transmission System Operator for the Main Interconnected System (MIS) in the north of Oman and the Dhofar transmission system in the south of Oman and is responsible for operating a system of central dispatch.

1.1 Background

The electricity and related water sector in the Sultanate of Oman was extensively restructured following the implementation of the law for the Regulation and Privatisation of the Electricity and Related Water Sector ("the Sector Law"), promulgated by Royal Decree 78/2004.

The Sector Law provided for the horizontal and vertical unbundling of the electricity and related water sector by companies that undertake activities designated in Article (3) of the sector law as regulated activities. Any Person seeking to undertake a regulated activity is required to be authorised by the Authority to do so. Authorisations granted by the Authority can take the form of a Licence or Licence Exemption.

In Salalah, prior to 1st January 2014, electricity was supplied by the Dhofar Power Company, which operated a vertically integrated electricity concession. The Salalah Concession Agreement was terminated on 1st January 2014, when the Salalah Power System was functionally separated into Generation, Transmission, Distribution and Supply businesses, with the Transmission business in Salalah being transferred to OETC.

More information about the licensees is provided in the Authority's annual reports, which are available on the Authority's website, <http://www.aer-oman.org>.

Other regulatory documentation available for download includes the Sector Law (English translation), all licences granted by the Authority and Oman Industry Codes (Grid Code and Distribution Code).

1.2 Licence Obligations and Grid Code

The licence that defines the Regulated Activities undertaken by OETC contains the following conditions that are particularly relevant to this assignment:

- Condition 3: Implementation of and compliance with Grid Code;
- Condition 8: Co-operation with and provision of information to the Oman Power and Water Procurement Company (OPWP);
- Condition 11: Co-operation with Water Departments;
- Condition 17: Purchase of Ancillary Services and Economic Purchase duty;
- Condition 26: Security standards and efficient and economic system;
- Condition 28: International Interconnections; and
- Condition 31: Central scheduling and Dispatch.

In addition to the duties defined in the licence, the Grid Code defines activities to be undertaken by both OETC and other parties with respect to Scheduling and Dispatch.

1.3 Requirements for Assignments

The Authority wishes to appoint an experienced and well-qualified Consultant for the assignment. The Consultant will have experience of auditing and reviewing scheduling and dispatch decisions and internal process of implementing and recording such decisions (for example evaluation of transmission constraints, evaluation of scheduling an optimal plant mix that takes account of “must run” generation, and evaluating spinning reserve requirements). The Consultant shall propose a clear methodology to ensure a detailed and rigorous audit of the issues set out in the Scope of Work in Section 2 of this document.

The Consultant retained for this assignment shall demonstrate and confirm (by way of a written undertaking) to the satisfaction of the Authority that they have no commercial relationship with OETC that may give rise to any concern, real or perceived, as to the independence of the Consultant or team member proposed. This should be signed by an officer of the company.

The Consultant will be required to confirm and ensure that the team members proposed for this assignment are those that will be deployed by the appointed Consultant. The experience and

qualifications of team members proposed by the Consultant will be afforded significant weight in the evaluation and selection criteria. Any Consultant or team members that do not have the necessary experience will not be considered for the assignment.

The Authority reserves the right to ask the Consultant and/or the Project Team of the Consultant to sign a Non-Disclosure Agreement. A copy of the wording is available in Annex D.

The Authority is not obliged to accept the lowest cost bid but will appoint the Consultant that offers the best value for money in terms of relevant experience, support to the Authority and cost.

2. SCOPE OF WORK

The Consultant shall conduct a comprehensive scheduling and dispatch audit of OETC that will include the following:

1. With particular reference to the Grid Code, review and critically assess the operational procedures used by OETC to schedule and dispatch electricity and related water facilities as follows:
 - a. How the terms of contracts between the Oman Power and Water Procurement Company SAOC and providers of contracted capacity are used in scheduling and dispatch;
 - b. How OETC takes account of the inter-relationship of electricity and water production in dispatching co-generation and single purpose plant;
 - c. How transmission costs/losses are estimated and taken into account in the scheduling and dispatch decision;
 - d. Assessment of the methodology used by OETC to calculate required spinning reserve and produce the constrained and unconstrained schedules to inform dispatch instructions. The review shall include the extent to how OETC ensure compliance with operational policies, the calculation and reporting of spinning reserve requirements pertaining to the (Spinning Reserve) Dispatch Incentive mechanism¹.
 - e. The development of OETC's short-term (next day) demand forecasts (and associated margins);
 - f. OETC's assessment of transmission constraints, and all other constraints and factors which impact scheduling and dispatch decisions (the Consultant should prepare a comprehensive list of such factors and evaluate OETC's assessment of them and comment on whether the way such factors influence scheduling and dispatch decisions is justified);

¹ Please refer to the Authority's Annual Report 2015 available at www.aer-oman.om which provides a section about the Incentive mechanism. Some amendments made in 2018 with effective date from January 2019.

- g. The procedures for follow-up by OETC of compliance with dispatch instructions; i.e. are generators following dispatch instructions and what does OETC do when they don't; and
 - h. Comment on whether the provisions of the Grid Code are adequate to meet the requirements of economic scheduling and dispatch.
2. The consultant shall identify what scheduling and dispatch arrangements are being undertaken by OETC for the utilization of the GCC interconnector and how the interconnector is considered in OETC's scheduling and dispatch activities. This shall also identify the scheduling and dispatch arrangements with other large non contracted generation capacities.
 3. A review of the changes that OETC foresees in its scheduling and dispatch activities due to the introduction of the spot market and a commentary of any shortfalls or inconsistencies foreseen as required by the grid code.
 4. The Consultant shall meet with relevant licensees, including the OETC, the Oman Power and Water Procurement Company SOAC, and representatives of five of MIS connected production facilities to solicit feedback on OETC's performance of its scheduling and dispatch functions.
 5. The Consultant shall review scheduling and subsequent dispatch decisions taken by the OETC Load Dispatch Centre (LDC) on 5 specific days to be agreed with the Authority, in order to assess consistency with the requirements of economic dispatch.
 6. The Consultant shall as part of the review of 5 days of scheduling and dispatch decisions referred to above, assess the reasons for and impact of deviations from economic dispatch, including where relevant the Consultant's evaluation of transmission constraints identified by OETC as having influenced economic dispatch.
 7. The Consultant will be invited to make recommendations to improve OETC's procedures for scheduling and dispatch and assess whether the resources available to OETC when undertaking these functions are adequate (including the skills and experience of persons issuing dispatch instructions).
 8. The Consultant will be invited to make recommendations to improve the type, form and frequency of information provided to and used by OETC for the economic scheduling and

dispatch of plant. The Consultant shall also review and comment about the quality of reporting framework of the scheduling, dispatch, daily and monthly reporting to the Authority.

9. The Consultant will be invited to make recommendations to improve the effectiveness of the Authority's monitoring of OETC's compliance with its economic scheduling and dispatch obligations, with recommended monitoring arrangements referenced to best international practice.

2.1 Deliverables

The assignment requires the provision of the following deliverables:

- 1) A clear and comprehensive audit methodology (draft to be presented to and approved by the Authority prior to commencement of the audit);
- 2) A separate executive summary of the main audit findings, conclusions and recommendations for each element of the audit outlined in the scope of work;
- 3) A structured audit report presenting the Consultant's detailed findings and recommendations for each element of the audit; and

All deliverables may be presented in softcopy form.

2.2 Timetable

The Consultant shall commence the assignment within fourteen days of being notified of contract award. The Authority expects to start the assignment in September/ October 2019.

The assignment shall be completed within 10 weeks of the date of appointment. Any timetable extension would require the prior written consent of the Authority.

The Consultant will attend a kick-off meeting with the Authority prior to commencing the assignment and interacting with OETC. The principal purpose of the kick-off meeting will be to confirm the assignment timelines and ensure the Consultant has access to the information required to complete the assignment.

The Consultant will provide the Authority with a briefing list of initial findings before submitting the draft audit report for review.

The Authority will review the draft audit report and provide the Consultant with feedback and comments within two weeks of receipt of the draft report. The Consultant shall respond to each of the Authority's comments.

2.3 Information to be provided by the Authority

The Authority will provide the Consultant with the following information prior to commencement of the assignment:

1. Copy of the Sector Law;
2. Copies of the OETC and PWP licenses;
3. Copies of Industry Codes;
4. Copies of monthly dispatch reports; and
5. Assistance where deemed necessary with engagement with licensees.

The regulatory documentation including the Sector Law, all licences granted by the Authority and Oman Industry Codes (Grid Code and Distribution Code) are available for download from the Authority's website, <http://www.aer.om>.

The Consultant will be expected to familiarise itself with the workings of the sector, the responsibilities of different parties, the obligations of OETC as set out in the Law, its licence, industry codes, security standards, operational procedures and other background documentation relevant to this study.

The Consultant shall identify any additional data they would expect to need to commence the assignment. Additional information as reasonably requested by the Consultant will be provided by OETC in response to data requests made by the Authority.

Throughout the assignment the Consultant will be expected to work closely with the Authority's team, and any works required outside Muscat will be done with support and transportation provided by the Authority. The Authority will provide all reasonable guidance and clarification as requested by the Consultant in relation to audit activities.

3. SUBMISSION OF PROPOSAL

The Consultant shall submit two copies of their assignment proposal by **18th August 2019** by email to:

E-mail: technical@aer-oman.org

Copy E-mail: mahmoud.alhabsi@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. The Health and Safety Plan that will be followed by the Consultant for this project;
5. The total cost of the assignment, showing separately:
 - 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

- Expenses; including flights and hotel costs (subject to applicable caps as per the Agreement)
 - A rate for daily living expenses in Oman, (The typical rate used by the Authority is RO25 per person per night).
6. Bid Letter in the form provided in Annex A to this Request for Proposal.
 7. A Bid Bond in the Amount not less than two percent (2%) of the Bid Value valid for ninety (90) days obtained from a locally registered Bank. The wording of the Bid Bond shall be as per the prescribed “Form of Bid Bond” in Annex B to this Request for Proposal.
 8. A statement confirming the Consultant is free from any potential conflicts of interest.

ANNEX A: FORM OF BID

**DIRECTOR OF TECHNICAL REGULATION
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 Agreement for Consultancy Services 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 ninety (90) 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 10 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 _____ 2019

Capacity in which signing: _____

Signed: _____ Witnessed by: _____

For: _____

ANNEX B: FORM OF BID BOND

**DIRECTOR OF TECHNICAL REGULATION
AUTHORITY FOR ELECTRICITY REGULATION, OMAN
P.O BOX 954, PC 133
MUSCAT
SULTANATE OF OMAN**

After compliments,

BID BOND NO: _____

By this bond, we _____ whose address is
_____ hereby guarantee

Messrs. _____ of

_____ and hold at your
disposal the sum of R.O. _____ (Rials Omani _____

_____ being two (2) percent of the Bid
Value from _____ until _____ a total period of ninety (90)
calendar days.

This bond shall be free of interest and payable in cash on your first written demand in the event of the Bidder either withdrawing his Bid within a period of ninety (90) calendar days from the date of receipt of Bids or failing to commence work within fourteen (14) days of acceptance of the Bid whichever date is earlier without any reference to or contestation on behalf of the Bidder. This bond should be returned to us upon its expiry or upon fulfilment of our undertaking whichever is the earlier.

Authorised signatories

(To be issued by a locally registered Bank)

ANNEX C: CONTRACT TERMS AND CONDITIONS



Authority for Electricity Regulation, Oman

AND

[-----]

Agreement for Consultancy Services

Index	Page
1: Definitions and Interpretations	18
2: Validity of Agreement	19
3: Language	19
4: Other Advisors Appointed by the Authority	19
5: Time Schedule	19
6: Remuneration of the Consultant	19
7: Mode of Payment	20
8: Currency and Account Details	20
9: Advisor's Facilities and Equipment	20
10: Copyright	20
11: Sub-Advisors	21
12: Force Majeure	21
13: Termination	22
14: Dispute Resolution	22
15: Duties and Rights of Consultant	22
16: Duties and Rights of the Authority	24
17: Liability of the Consultant	24
18: Notices	25
19: Entire Agreement	26
20: Survival	26

Appendix A – Consultancy Services [RFP can be herein attached]

Appendix B – Time Schedule

Appendix C – Remuneration

Appendix D – Project Team

This Agreement together with all Appendixes attached hereto, (the “**Agreement**”) is made and entered into in Muscat in the Sultanate of Oman on the ----- day of ----- 2019.

Between

- (1) The Authority for Electricity Regulation, Oman (the “Authority”) having its postal address at PO Box 954, Postal Code 133, Al Khuwair; and,
- (2) [Insert the name of the appointed consultant] (“the Consultant”).

Now it is agreed as follows:

1. Definitions and Interpretation

In construing this Agreement the following expressions shall have the meanings hereby assigned to them except where the context otherwise requires:

Completion of the Consultancy Services	the confirmation by the Authority of the achievement of successful and satisfactory completion of the scope of work by the Consultant in accordance with this Agreement;
Consultancy Services	the scope of work and deliverables stipulated in Appendix A to this Agreement and any other work undertaken under this Agreement;
Fixed Fee	has the meaning referred to it in Clause 6.3;
Force Majeure	has the meaning given to it in Clause 12.2;
RFP	the Request For Proposals issued by the Authority on [date]; and
Team Leader	has the meaning referred to it in Clause 15.3.

In this Agreement (including the recitals):

- i. unless otherwise expressly provided to the contrary, all references to days, months or years are references to calendar days, months or years;
- ii. words in the singular include the plural and vice versa and words denoting one gender include the other gender;
- iii. reference to “persons” or “parties” includes natural persons, firms, partnerships, companies, corporations, associations and organisations (in each case whether or not having a separate legal personality);

-
- iv. any reference in this Agreement to a statute, statutory provision or subordinate legislation includes such legislation as amended and in force from time to time and any legislation which consolidates or re-enacts it;
 - v. the table of contents and headings are for convenience only and shall not affect the interpretation of this Agreement;
 - vi. unless otherwise provided, reference to clauses, sub-clauses, schedules, annexes and paragraphs are to clauses, sub-clauses, schedules, annexes and paragraphs of this Agreement; and
 - vii. this Agreement incorporates the recitals of and Appendixes to it.

2. Validity of the Agreement

This Agreement shall come into force upon signature by the authorised representatives of the parties. The Agreement shall continue to be valid until the Completion of the Consultancy Services or until it is terminated pursuant to its conditions, without prejudice to the liability of the Consultant as stated in Clause 17 hereof.

3. Language

The ruling language of this Agreement is the English language. All reports, minutes, correspondence, etc. shall be in the English language.

4. Other Advisors Appointed by the Authority

The Authority may appoint other advisors for matters relating to Consultancy Services. The Consultant should work with such other advisors appointed by the Authority in line with the requirements of the Consultancy Services or as instructed by the Authority.

5. Time Schedule

The Time Schedule for the Consultancy Services shall be as set out in Appendix B, with any modifications to the Time Schedule agreed to by the Consultant and the Authority.

6. Remuneration of the Consultant

6.1 Consultancy Services

Subject to Clauses 6.2 and 6.5, the remuneration for Consultancy Services shall be the Fixed Lump Sum as set out in Appendix C to this Agreement.

6.2 Remuneration for services

Where additional services are required due to a change in the scope of work requested by the Authority in writing, the Consultant shall calculate the cost of such additional services as may be necessary and propose a lump sum fee for such services on the basis of the man-day rates or any other way as per Appendix C to this Agreement. The additional services or the modified Consultancy Services and the remuneration for such services shall be agreed in writing.

6. 3 Inclusive Remuneration

Subject to the provisions of Clauses 6.2 and 6.5 of this Agreement the Fixed Fee (inclusive of the cap regarding expenses) shall be the total remuneration for the Consultant as herein defined and shall be deemed to include all costs, overheads, profits, taxes, duties, charges and all things whatsoever necessary for the performance of the Consultancy Services under the Agreement. No claim will be accepted by the Authority due to the Consultant's lack of knowledge in respect of any matter affecting the level of remuneration in this Agreement or the Consultancy Services to be performed. The effect of any future change of law on the above, which increases the cost of performance of the Consultancy Services, will only be considered on presentation of supporting documents by the Consultant.

6. 4 Limit of Remuneration

The total remuneration for the Consultant for Consultancy Service shall constitute their only remuneration in connection with the Agreement and neither they nor their personnel shall accept or benefit from, whether directly or indirectly, any gratuity or commission in respect of any service or article used, or any commission, discount, allowance or indirect payment or other consideration in connection with or in relation to the Agreement or to the discharge of their obligations there under.

6. 5 Reimbursement

Provided that the Authority has given the prior written approval for the travel or other expense requests submitted by the Consultant, the Authority shall reimburse the cost of agreed expenses as detailed in Appendix C.

7. Mode of Payment

7. 1 Invoices

The Authority shall pay to the Consultant against presentation of invoices the portions of the remuneration for Consultancy Services as stated in Appendix C to this Agreement.

7. 2 Payment

Remuneration shall be paid to the Consultant within 60 days after submission of the invoices unless the Authority disputes the invoices for material variations/inconsistencies.

8. Currency and Account Details

The remuneration of the Consultant shall be paid in Omani Riyals either by a cheque drawn on a bank in Oman or directly to the account of the Consultant. There shall be no adjustment to remuneration due to fluctuations and variations in the rates of exchange between the Omani Riyals and any foreign currencies or due to the external money transfer.

9. Consultant's Facilities and Equipment

All facilities, equipment and materials required by the Consultant shall be provided by themselves in Muscat and elsewhere as required.

10. Copyright

The Copyright (if any) of all documents and all material prepared by the Consultant in connection with the Agreement rests with the Authority. The Authority will own the deliverables and any materials created under this Agreement. The Consultant shall not use the deliverables or other materials prepared or created under this Agreement or resulting from the Consultancy Services without prior written consent of the Authority.

11. Sub-advisors

The Consultant may engage the services of sub-advisors only in necessary cases and with the prior written approval of the Authority.

12. Force Majeure

12.1 Remuneration

If at any time before the completion of the Consultancy Services under this Agreement the viability of the scope of work shall be affected as a consequence of Force Majeure, as defined in Clause 12.2 hereof, occurring within the Sultanate of Oman beyond the control of the Consultant and from unforeseen cause, the Consultant will receive the proportionate remuneration for any additional services which may be required to be provided by them as a result of such Force Majeure.

12.2 Non-default

Notwithstanding Clause 5, neither party shall be considered in default in the performance of its obligations hereunder as the result of Force Majeure, which shall include acts of God, war (declared and undeclared), riots, civil commotion, revolution, hostilities, strikes, epidemics, blockades, nuclear hazards, extreme weather conditions, acts of any government causing a political embargo or other political restraint adversely affecting the freedom to transact business with or in the Sultanate of Oman and any other cause similar to the kind herein mentioned or of equivalent force occurring within the Sultanate of Oman which is beyond the control of the parties, unavoidable and which could not reasonably be foreseen and which renders impossible the fulfilment of a particular term of this Agreement.

12.3 Circumstances beyond Control

The Consultant or the Authority shall as soon as is reasonably practical promptly notify the other in writing of any situation or event occurring within the Sultanate of Oman or elsewhere arising from any circumstance beyond their control, which is unavoidable and which could not reasonably be foreseen and which makes it impossible or illegal for the party to carry out in whole or in part its obligations under this Agreement.

12.4 Delay in Performance

If the performance of any obligations or responsibilities of any party is delayed due to Force Majeure for more than sixty (60) days, the terms of this Agreement shall either be extended for such period or this Agreement may be terminated at the Authority's choice. In the event that the performance of the Consultancy Services is prevented in whole or in part due to an occurrence contained in Clause 12.2 hereof, then the Authority shall have the option at any time after the commencement of such occurrence to terminate this Agreement by giving written notice to the Consultant.

12.5 Termination Notice

If a termination notice is given due to Force Majeure under Clause 12.4 hereof, the termination shall become effective upon seven (7) days following the receipt by Consultant of the Authority's notice to terminate.

13. Termination

13.1 Notice

The Authority shall have the right to terminate this Agreement in whole or in part at any time upon the giving of thirty (30) days prior written notice. In the event of a termination and upon the giving or the receipt of such notice the Consultant shall take immediate steps if requested to do so by the Authority to bring the Consultancy Services to a close and to reduce expenditure to a minimum. Upon the expiration of the said period of notice, the Consultant shall stop work, terminate all orders relating to the performance of work and deliver to the Authority all documents relating to the Consultancy Services. Payment by the Authority for termination will be made in accordance with Clause 13.3 hereof.

13.2 Notice of Dissatisfaction

The Authority shall promptly notify the Consultant in writing, if the Authority considers that the Consultant is not satisfactorily discharging its obligations under this Agreement. The notification shall state the reasons for the Authority's dissatisfaction and set forth the proposed actions of the Consultant necessary to cure the failure. In the event that the Consultant does not respond to such notice or take effective action to rectify such failure within fifteen (15) days, the Authority may terminate this Agreement by written notice to the Consultant.

13.3 Payment for Cancellation

In the event of the whole or any part of the Consultancy Services being cancelled in accordance with Clauses 13.1, and 13.2 hereof, the Authority shall pay to the Consultant all fees and expenses, whether billed or unbilled, relating to Consultancy Services performed by the Consultant up to the effective day of termination of the Consultancy Services.

14. Dispute Resolution

14.1 Amicable Settlement

If a dispute arises out of the contents of this Agreement, the parties shall attempt to resolve it amicably before commencing legal proceedings.

14.2 Law and jurisdiction

The agreement and any dispute arising in relation to it, whether contractual or non-contractual, will be governed by the laws of the Sultanate of Oman and be exclusively subject to the jurisdiction of Omani courts.

15. Duties and Rights of the Consultant

15.1 Care and Diligence

The Consultant shall exercise all reasonable skill, care and diligence in the performance of the Consultancy Services under this Agreement; it is being understood that the Consultant shall not

be responsible for delays, errors or other adverse results directly attributable to the Authority's failure to comply with its obligations under this Agreement, including without limitation of Clauses 16.1 and 16.2, provided that the Consultant has brought such failure to comply to the attention of the Authority in a timely manner.

The Consultant (and the Project Team of the Consultant) is required to work diligently and honestly and use their professional knowledge and skill as a faithful agent of the Authority in the performance of their professional duties in compliance with the applicable laws in the Sultanate of Oman. They shall act in a manner to afford and enhance the honour, integrity and dignity of the Advisory profession, and they shall respect the laws, regulations and customs of the Sultanate of Oman.

15. 2 Confidentiality

The Consultant agree to use the confidential information only in relation to the Consultancy Services, and not to use it in any other assignment or not to disclose it, except where required by law or any court of competent jurisdiction or in cases where such information become generally available to the public.

The Consultant shall treat the details of this Agreement and all documents prepared hereunder as private and confidential and shall not publish or disclose the same or any particulars thereof in any trade or commercial media or elsewhere without the prior written approval of the Authority.

All documents prepared by the Consultant for the Consultancy Services or supplied to them by the Authority shall be confidential.

In Addition, the Authority reserves the right to ask the Consultant and/or the Project Team of the Consultant to sign a Non-Disclosure Agreement.

15. 3 Project Team

The Consultant shall identify and nominate a Team Leader. The Team Leader shall be responsible for the co-ordination of all activities relating to the Assignment. The Project Team shall consist of the personnel as detailed in Appendix D of this Agreement. Other personnel as are required to perform the duties of the Consultant will be nominated by the Consultant in consultation with the Authority as the need arises subject to the approval of the Authority in writing. All inter communications between the Authority and the Project Team will be co-ordinated by the Team Leader who will also be the primary point of contact with the Authority.

15. 4 Assignment

The Consultant shall not assign or transfer the benefit or obligations of this Agreement or any part thereof without the prior written approval of the Authority. However, the Consultant shall be entitled at any time to take into partnership another partner or partners (or directors) and he or they shall be deemed to be included in the expression "the Consultant".

15. 5 Taxes

The Consultant shall be responsible for the payment of all taxes including income tax, customs or import duties, and all other levies that are enforced within the Sultanate of Oman for the time being. Any effect of a Change in Law promulgated after the signing of this Agreement on the above will only be considered by the Authority on presentation of supporting documents by the Consultant and verification of the same by the Authority.

15.6 Visas and Permits

The Consultant shall be responsible for obtaining all visas and permits required in the performance of this Agreement. The Authority may assist in obtaining such visas and permits. The cost of such arrangement of visas and permits shall be borne by the Consultant.

16. Duties and Rights of the Authority

16.1 Information to Consultant

The Authority shall furnish all pertinent data and information available to them and shall give such assistance as shall reasonably be required by the Consultant for the carrying out of their duties and obligations under this Agreement. The Authority will handle all arrangements for liaison with concerned government parties. Target dates are based on receipt by the Consultant of necessary information from the Authority in a timely manner.

16.2 Decisions

The Authority shall give its decision in writing on all relevant reports, recommendation and documents properly referred to it in writing by the Consultant and in such reasonable time as agreed so as not to delay the performance by the Consultant of their Consultancy Services under this Agreement.

16.3 Incompatibility of Agreement

The Authority shall safeguard the Consultant against the consequences of any incompatibility between the provisions of this Agreement and such Laws of the Sultanate of Oman as may be issued after signature of the Agreement and have a retrospective effect, unless such provisions had been accepted in writing by the Consultant.

16.4 Replacement of Personnel

Should the Authority request, the Consultant shall arrange to suspend the employment of, or repatriate any of the staff employed by the Consultant under the provisions of this Agreement, if in the opinion of the Authority such suspension or repatriation is desirable for any reason whatsoever. All such costs, charges, expenses, financial consequences or liability arising from such suspension or repatriation shall be the responsibility of the Consultant.

16.5 Authority's Approval

The Authorities' approval in writing is required prior to any increase in the scope of work for the Consultancy Services or disbursements which the Consultant believe will create a liability for the Authority to pay over and above the remuneration agreed, or to incur any liability to pay.

17. Liability of the Consultant

17.1 Errors and Omissions

The Consultant is liable for all the consequences of negligent acts, errors and omissions on their part or on the part of their employees, agents, Sub-advisors or assignees. The Consultant disclaims any liability for errors or omissions in information provided to them by the Authority or their employees, representatives or agents. The Authority confirms that in no circumstances will any proceedings be taken by the Authority against any director, supervisory board member,

officer, employee, shareholder, controlling person or agent of the Consultant in respect of the Consultancy Services.

The total liability of the Consultant shall not exceed the Consultant's total fee under the present agreement. This limitation shall not apply to actions, claims, losses and damages caused by the Consultant's wilful misconduct or gross negligence.

17.2 Insurance Cover

The Consultant shall provide to the Authority a certificate of insurance relating to professional indemnity to cover the Consultant's liability as defined hereinbefore in the minimum amount of 500,000 Omani Riyals and such certificate shall be issued in accordance with the laws of Sultanate of Oman. The provision of such certificate shall not lessen or reduce the liability of the Consultant as contained hereunder.

The Consultant shall also provide to the Authority a bank guarantee in the amount of not less than 10% of contract value RO----- (Riyals Omani -----) as guarantee to proper execution of the contract.

17.3 Indemnity

The Authority hereby indemnifies the Consultant against any claims by bidders or other third parties in connection with the bidding process except where the Consultant have acted with wilful misconduct or gross negligence.

18. Communications

Any communication including notice, instruction, request, demand, waiver, consent, approval, or other communication which is required or permitted to be given to any party under this Agreement shall be in writing and treated confidentially. Such communications shall be made to the addresses, fax numbers or e-mails set forth below:

If to the Authority:

P.O.BOX 954, Postal Code 133, Al Khuwair, Sultanate of Oman

Attention [●] (As confidential)

Phone: 24609700

Fax No: 24609701

E-mail: [●]

If to the Consultant:

P.O.BOX [●]

Attention [●] (As confidential).

Phone: [●]

Fax No: [●]

E-mail: [●]

Notices shall be deemed given on receipt if delivered to the representative appointed by each party for the purpose of this agreement. Approval of deliverables and instruction and/or approval

of any additional services or payments shall be done by the Authority's representative stipulated below.

The Authority appoints [●] holding the position of [●] as its representative and point of contact.
The Consultant appoint [●] holding the position of [●] as its representative and point contract.

19. Entire Agreement

The Agreement forms the entire agreement between the parties in relation to the Consultancy Services. It replaces any earlier agreements, representations or discussions.

20. Survival

Any clause that is meant to continue to apply after the termination of the Agreement will do so including, but not limited to Clauses 10, 15.2 and 17.

In Witness Whereof parties have executed this Agreement on the day and year first above written.

Signed:

For and on behalf of the Authority for Electricity Regulation, Oman: _____

Witness: _____

For and on behalf of [-----]

Witness: _____

Appendix A

Consultancy Services

[As per the RFP]

Appendix B

Time Schedule

The following Time Schedule shall be adjusted to reflect the actual Contract Award and commencement date of the Consultancy Services.

The Consultancy Services is expected to be completed in [insert the date] with the key activities and milestones as follows:

No.	Activity or Milestone	Timeline
1.		
2		
3		

Appendix C

Remuneration

Financial Proposal

Fee rates and expenses shall be as follows and includes all travel and miscellaneous charges and payable upon completion of the Consultancy Services.

- a) Fixed fee for time charges: RO -----
- b) Expenses (capped): RO -----
- c) Total fixed fee RO -----

For avoidance of doubt, the expenses portion of the Total Fixed Fee in (c) above shall be paid based on actual but will be capped at RO-----. All fees shall be in Omani Riyals and there shall be no variations as a result of exchange rate fluctuations and variations between the Omani Riyals and any foreign currency.

The Consultant should evaluate the applicability of taxes for their remuneration. The Authority will not provide any tax exemption.

The payment schedule of the remuneration shall be as follows:

Particulars	Fees (RO)
10% on project launch	
20% on [...]	
40% on [...]	
30% on [...]	

Should there be any delay in reaching the activity / milestone as per the time schedule mentioned in Appendix B above, then the Authority reserves the right to delay the payment of the pro-rata invoices until the activity / milestone is reached.

Advisors shall raise separate invoices for expenses.

A per diem rate (per 8 hour day) will apply for any additional work requested and agreed to by the Authority and the Consultant. Hotel rates will be paid based on actual but will not exceed RO 90/- per night. Per day living allowance of RO 25/- which covers all meals and other miscellaneous expenses will be paid. Local transportation will be provided by the Authority. Air fare will be paid at actual but will be limited to RO 800 per return flight International flights other than from GCC Countries and RO 200 within GCC Countries. Business Class air fare will be paid at actual cost but will be limited to RO 1,500 per return flight for international flights other

than from GCC Countries. All personnel with Grade of Director or Principal will be entitled to travel Business Class, subject to the caps above.

Personnel	RO per day

Appendix D

Project Team

The leader of the project team is [...]. The leader of the project team is the representative and point of contact for the Consultant.

The project team will consist of:

ANNEX D: NON-DISCLOSURE AGREEMENT

CONFIDENTIALITY AND NON-DISCLOSURE UNDERTAKING

This Confidentiality and Non-Disclosure Undertaking is given to the Authority for Electricity Regulation, Oman (the Authority) based on the Agreement between (**Name of consultancy company**) and the Authority and my engagement on (**Name of consultancy company**) assignment with the Authority concerning (Project Name –RfP XX/2019)

I acknowledge that as part of my engagement with the Authority for Electricity Regulation, I have been provided with information that is of confidential, commercially sensitive, personal and/ or proprietary nature, for example: confidential or sensitive information related to Licensees and/or customers or to staff, projects, contracts or other matters of the Authority for Electricity Regulation, Oman.

Confidential Information shall include all information in whatever form (including, but without limitation, in written, oral, visual or electronic form, or on tape or disk) relating wholly or partly to transactions, projects, contracts, employees, financial information, systems, licensees and customers and confidential or sensitive information of the Authority for Electricity Regulation, Oman.

I hereby undertake that:

1. I hold all confidential information in trust and strict confidence at all times. It shall not be disclosed to any third party at any time;
2. The information will be used solely and exclusively for the purposes of (**Name of consultancy company**) engagement by the Authority and will not be used for any other purposes;
3. Upon Termination or at the end of (**Name of consultancy company**) engagement by the Authority any confidential information obtained shall not be disclosed to third party or other person;
4. I maintain the absolute confidentiality of personal, confidential and proprietary information in recognition of the privacy and proprietary rights of others at all times; and
5. I comply with all privacy laws and regulations, which apply to the collection, use and disclosure of confidential information.

Based on the (**Name of consultancy company**) engagement with the Authority and other confidentiality obligations, including between me and (**Name of consultancy company**), I understand that a breach of confidentiality or misuse of information could result in a legal action against (**Name of consultancy company**) and I fully understand and accept responsibilities set above relating to personal, confidential and/or proprietary Information of the Authority for Electricity Regulation or any relevant party.

The Authority agrees that any claim for damages in relation to breach of the above undertaking shall only be taken against **(Name of consultancy company)** and not against the individual named above

Name and Signature

Date