

## Request for Expressions of Interest (REoI)

Date: 06/07/2022

**Country:** INDIA

**Project:** PARTIAL RISK SHARING FACILITY for ENERGY EFFICIENCY (PRSF) PROJECT

**Grant No.:** TF019308 (GEF Number) and TF019230 (CTF number)

**Project Nos.:** P128921/ P132620

**Assignment Title:** Hiring of an agency for performing Measurement & Verification (M&V) activities under PRSF project

**Procurement Plan Reference No. :** IN-SIDBI-875-CS-QCBS -A

Small Industries Development Bank of India (SIDBI) has received financing from the World Bank towards the cost of the **Partial Risk Sharing Facility for Energy Efficiency (PRSF) Project**, and intends to apply part of the proceeds for consulting services.

The consulting services ("the Services") include measurement and verification of energy savings achieved and to conduct due diligence of the guarantee claims raised by PFIs post implementation of Energy Efficiency sub-projects through Energy Service Companies (ESCOs) under PRSF Project.

Request for Expression of Interest (REoI) document along with indicative Terms of Reference (ToR) can be viewed and downloaded from: <https://www.sidbi.in/en/tenders/>, <http://prsf.sidbi.in/tenders>, <https://eprocure.gov.in/epublish/app>.

The duration of assignment will be for 12 months which may be extended based on requirement and performance of the agency.

SIDBI now invites eligible consulting firms ["Consultants"] to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

The expressions submitted will be evaluated for shortlisting of best qualified and experienced firm for submission of Technical and Financial proposal based on following criteria:

- a. The firm should be in the business/ registered in India for the last three years.  
[Registration / incorporation certificate to be enclosed]
- b. The firm must have completed five measurement and verification assignments for energy efficiency during last three years.  
[Project details with copies of completion or acceptance certificate(s) to be enclosed]
- c. The firm should have a minimum average annual turnover of Rs. 60 lakh during three financial years of FY 2020-21, FY 2019-20 and FY 2018-19 or FY 2021-22, FY 2020-21 and FY 2019-20.  
[Certificate from the statutory auditors/ Chartered Accountant to be enclosed]
- d. The firm should have positive net worth during two financial years of FY 2020-21 and FY 2019-20 or FY2021-22 and FY 2020-21  
[Certificate from the statutory auditors/ Chartered Accountant to be enclosed]

Expressions of interest (EoI), prepared by firms' shall be containing all relevant information but not limited to:

- i. Introductory letter on letter head (with contact details – name of contact person, address, telephone, fax, email etc.) explaining how the firm is best to deliver the task.
- ii. Organization profile and branches/ offices within the country.
- iii. Information regarding fulfillment of shortlisting criteria listed above with relevant supporting document, proposal without the supporting documents may be rejected.
- iv. Availability of key professionals with desired qualification and experience as per ToR, however there is no need to submit CVs at this stage.

Interested consultants should not have any unsatisfactory track record resulting in adverse action taken by any Government Department (Centre/ State) / CPSU / SPSU / Banks / Autonomous Bodies / Statutory Bodies in India). Further, if selected for the assignment, the firm will need to provide their valid Permanent Account Number (PAN)/ TAN and Goods and Services Tax (GST) Number.

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank's Guidelines: Selection and Employment of Consultants by World Bank Borrowers [January 2011, Revised 2014] ("Consultant Guidelines")<sup>1</sup>, setting forth the World Bank's policy on conflict of interest.

A Consultant will be selected in accordance with Quality and Cost Based Selection (QCBS) method set out in the Consultant Guidelines of the World Bank.

Consultants may associate with other firms in the form of a joint venture [with joint and several liability] or a sub-consultant to enhance their qualifications. Such association must be clearly stated as either Sub-consultant or Joint Venture. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected. Expression of Interest in written form to be submitted at the address given below (in person, or by mail, or by e-mail) on or before **29/07/2022 by 16:00 hrs.**

The sealed envelope containing the submission should include the name and address of the firm and shall be clearly marked "**Expression of Interest – Measurement & Verification Agency**".

To,  
General Manager  
Green Climate & Energy Efficiency Centre  
Small Industries Development Bank of India  
10th floor, Atmaram House, 1, Tolstoy Marg  
New Delhi - 110001

Phone-011-23448300  
Email: [sidbi\\_prsf@sidbi.in](mailto:sidbi_prsf@sidbi.in)

Further information can be obtained at the above address during office hours [1000 to 1700 hours].

For further details Terms of Reference (ToR) enclosed below may be referred:

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<sup>1</sup>  
[http://siteresources.worldbank.org/INTPROCUREMENT/Resources/Consultant\\_GLs\\_English\\_Final\\_Jan2011\\_Revised\\_July1\\_2014.pdf](http://siteresources.worldbank.org/INTPROCUREMENT/Resources/Consultant_GLs_English_Final_Jan2011_Revised_July1_2014.pdf)

## TERMS OF REFERENCE

### Partial Risk Sharing Facility for Energy Efficiency (PRSF) Project

**SIDBI is seeking the services of an agency for performing Measurement & Verification (M&V) activities including Environment & Social Safeguard (E&SS) aspects under PRSF project.**

#### **1. Background**

##### **1.1. About SIDBI**

Small Industries Development Bank of India (SIDBI) was established on April 2, 1990 under an Act of Indian Parliament. It is the principal financial institution for the promotion, financing and development of Micro, Small & Medium Enterprises (MSMEs). In order to improve productivity and competitiveness of MSME sector through energy efficiency (EE) measures, SIDBI has undertaken a number of initiatives which include development assistance and line of credits from The World Bank, Japan International Cooperation Agency (JICA), Kreditanstalt für Wiederaufbau (KfW) and Agence Française de Développement (AFD). Further, SIDBI has setup an Energy Efficiency Centre (EEC) at New Delhi which is implementing various developmental projects in close cooperation with the World Bank, Bureau of Energy Efficiency (BEE), Energy Efficiency Services Limited (EESL), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and few others.

##### **1.2. Energy Efficiency Improvements & ESCOs Role**

Various studies estimates the EE investment potential in India is between Rs. 75,000 Crore and Rs. 150,000 Crore. Despite the prevailing Energy Efficiency potential, most end users are unable to implement EE projects, either due to lack of technical capacity or due to lack of sufficient focus and time for EE investments.

Energy Service Companies (ESCOs) can help Clients in overcoming some of the key EE market barriers. ESCOs provide a range of services, including identification of EE opportunities, close association with equipment manufacturers, design and management, construction, maintenance of the EE technology, and structuring transactions that are based on monetized energy savings, and Measurement and Verification (M&V) of the resulting energy and cost savings.

The innovative policies and regulatory regimes, financing mechanism and business models undertaken by India to address key issues of energy security and climate changes are through implementing Energy Conservation Act 2001 and National Mission for Enhanced Energy Efficiency (NMEEE) launched in 2008. Furthermore, stimulation to the ESCO business in the country has successively come from these policy frameworks wherein the main government initiatives for ESCO market development are defined and implemented. Over 150 ESCOs have been empaneled by Bureau of Energy Efficiency.

The increase and the high volatility of energy prices in India is an important driver of ESCO market development. Nevertheless the ESCO market is made of a few big companies and the market competition is consequently quite low. The big/super ESCOs operating can take greater financial and technical risks in their energy efficiency investments compared to smaller ESCOs which typically have to deal with more challenges in accessing bank financing and in increasing the credibility of their offers to potential clients.

The presence of limited number of active private ESCOs and the absence of competition in the market signals towards various factors and barriers still prevailing and hinder ESCO market development. Apparently, the ESCO market in India is still at a preliminary development stage in terms of total volume of ESCO implemented projects, and important steps need to be undertaken in order to prove the effectiveness of the ESCO concept.

### **1.3. Partial Risk Sharing Facility (PRSF) for Energy Efficiency**

SIDBI as Project Execution Agency (PEA) is implementing a project titled “**Partial Risk Sharing Facility for Energy Efficiency (PRSF)**” with the support of The World Bank, and financed by the Global Environment Facility (GEF) and Clean Technology Fund (CTF)<sup>2</sup>. The objective of the project is to transform the energy efficiency (EE) market in India by promoting increased level of EE investments, through energy service performance contracting (ESPC) modality and implementation delivered through Energy Service Companies (ESCOs). The successful demonstration of ESCO-managed EE subprojects, through PRSF support, is expected to reduce the risk commercial banks perceive in providing credit to EE projects and to help in development of market for the private ESCOs. Energy Efficiency Services Limited (EESL) is the TA partner in PRSF project and Bureau of Energy Efficiency (BEE) provides overall directions as the Co-Chair of the PRSF Advisory Committee.

The PRSF Project is aimed at demonstrating the viability of Energy Service Performance Contract (ESPC) market for scaling up implementation of energy efficiency projects in Micro, Small and Medium Enterprises (MSMEs), large industries, municipalities, and buildings sector in India.

With the efforts made under the PRSF project, significant strides have been made in convincing many Banks / NBFCs / FIs (collectively, Participating Financial Institutions or PFIs under PRSF) to finance ESCO projects. Out of the all empanelled PFIs under PRSF (see Annex), most have already financed ESCO projects, in addition to SIDBI’s own financing, with support from PRSF. A total of 46 ESCO sub-projects have been supported through PRSF partial credit (loan) guarantees as of June 2022. More information about PRSF is available at <http://prsf.sidbi.in>.

## **2. Objective of the Assignment**

The objective of hiring Measurement & Verification Agency (MVA) is to, a) measure and verify the energy savings achieved including due diligence of the Guarantee Claims raised, if any by

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<sup>2</sup> Project Appraisal Document : <http://documents.worldbank.org/curated/en/968091468048913492/pdf/PAD9800P1289210R2015000020100OUO090.pdf> & Operational Guidelines: [http://prsf.sidbi.in/assets\\_user/docs/Operating%20Guidelines\\_PRSF.pdf](http://prsf.sidbi.in/assets_user/docs/Operating%20Guidelines_PRSF.pdf)

PFIs for the Energy Efficiency (EE) sub-projects guaranteed under PRSF Project, b) compliance with Environment and Risk Management Framework (ERMF) including assessment of environmental and social co-benefits derived under PRSF Project.

### **3. Scope of Services and Expected Deliverables**

Measurement & Verification (M&V) & Environmental & Social Safeguard (E&SS) Aspects activities are an important aspect of the PRSF project and SIDBI, as Project Executing Agency (PEA) is mandated to get M&V and E&SS aspects conducted on a sample basis through the third party agency for the purpose. The agency will be required to refer Project Appraisal Document, Operations Manual & ERMF of PRSF project. The broad scope of the services under this assignment is listed under two categories as given below:

#### **I. Measurement & Verification (M&V) Audit:**

- i. The agency's scope under M&V will be to measure and verify the energy savings achieved through implementation of Energy Efficiency (EE) sub-projects implemented under Energy Service Companies (ESCO) model in Host (the entity where EE project is implemented) facilities.
- ii. The agency will conduct Measurement and Verification (M&V) of ten (10) Energy Efficiency (EE) sub-projects out of 46 sub- projects guaranteed under PRSF Project till date. The list of 46 sub-projects is given at Annexure 1.
- iii. The agency will prepare a bigger list of sample sub-projects out of 46 sub-projects for carrying random M&V audits including E&SS aspects during the tenure of this assignment. The random sampling will prioritize cases according to following criteria:
  - ✓ List of sub-projects shall be proportionately representing the sectors covered under PRSF
  - ✓ The list shall be evenly distributed to represent geographical locations
  - ✓ The list shall also represent the judicious mix of EE technologies involved
- iv. The agency in consultation with PEA, SIDBI will finalise the ten (10) sub-projects for carrying out M&V audit and E&SS aspects out of the bigger list prepared as describe above before submission of 'Inception Report'.
- v. The agency will provide strategic work plan with time line for conducting M&V including E&SS aspects of these 10 sub-projects in the 'Inception Report' to be submitted as first deliverable.
- vi. The agency will be required to visit the Host facilities for collection of data and conducting M&V.
- vii. The agency will prepare a template for carrying out M&V in consultation with PEA and submit draft reports for two sub-projects based on the agreed template within first three months of contract signing.
- viii. The final report for these two sub-projects will be prepared after acceptance of the draft report by PEA within first four months of contract signing.
- ix. The agency is also expected to include a summary report of major findings and suggest any corrective measures (if any) to be taken by PEA for future projects in the M&V report.

- x. After submission and acceptance of first two sub-projects, the agency will conduct M&V remaining sub-projects within the 12 months. However, atleast one report shall be submitted to the PEA every month after first four months of the contract.
- xi. The agency will furnish final M&V report for each of 10 sub-projects separately containing verification of the achievements of the project outcome indicators against stipulated targets in project appraisal document, adherence with ESPC, technical & financial appraisal, robustness of the detailed project report, functioning of the sub-project and adherence to reporting guidelines etc.
- xii. The agency may be given additional task for conducting M&V audits including due diligence of guarantee as described in below paragraph for more sub-projects after completion of initially identified 10 sub-projects. For this purpose, the agency is required to mention rate for carrying out one M&V audit in its financial proposal.

### **Due diligence of Guarantee claims raised by PFIs:**

This part of the assignment is uncertain and dependent on receiving of guarantee claims by PEA, SIDBI from PFIs. The guarantee claim may be raised by PFIs in case of default of payments by ESCO/ Host against the loan availed for the EE sub-project covered by PRSF guarantee. The agency will conduct technical and financial due diligence of the guarantee / the guarantee claim (if any) raised by PFIs during the period of assignment by conducting audit of the Host facilities and prepare report for making decision of the admissibility of the guarantee / the guarantee claim (if any) raised by PFIs as per the requirements defined in Operations Manual of PRSF project. The scope will involve:

- i. The agency will carry out verification of the risk claim (if any), including the reasons for default, possible collusion between the project stakeholders, and energy savings at the beneficiary premises.
- ii. The agency will make assessment of the Guarantee Claim (if any) submitted by PFIs / SIDBI (as lender) by conducting detailed audit (Techno-commercial) of the Host premises.
- iii. The agency will prepare a template in consultation with PEA and submit draft due diligence report within 20 days of assigning the services.
- iv. After complying with the comments received on draft report, the agency will prepare final report and submit the same to PEA for making a decision on the admissibility of the Guarantee Claim within 30 days of the getting assignment for carrying due diligence of guarantee claim.
- v. Depending on the report of the MVA and if found appropriate; PEA will release eligible claim (if any) payment to PFIs/ SIDBI (as lender) and in case of any dispute, appropriate dispute resolution procedures will be followed.
- vi. The final report shall contain result of due diligence, achievements of the project outcome indicators against stipulated targets in project appraisal document, analysis of ESPC, technical & financial appraisal of project, robustness of the detailed project report, functioning of the sub-project and adherence to reporting guidelines, compliance with ERMF guidelines, etc.

### **II. Environmental & Social Safeguard (E&SS) Aspects:**

- i. The agency's scope under E&SS will be to assess the Environment and Social co-benefits from the sub-projects and verify their compliance with Environment and Risk Management Framework of the PRSF Project for Energy Efficiency (EE) sub-projects



implemented under Energy Service Companies (ESCO) model in Host (the entity where EE project is implemented) facilities.

- ii. The agency will prepare report on Environment & Social Safeguard (E&SS) aspects for ten (10) Energy Efficiency (EE) sub-projects selected as described above out of 46 sub-projects guaranteed under PRSF Project till date. The list of 46 sub-projects is given at Annexure 1.
- iii. Verifying adherence to the environment and social practices including mandatory compliance as provided in the Environment and Social Due Diligence reports provided at the time of appraisal by ESCO.
- iv. Additionally, the consultant is required to provide details on any other applicable E&S related requirements with an objective of meeting conditions of Environment and Risk Management Framework (ERMF) document and the World Bank Guidelines on E&S aspects.
- v. Monitor and documenting the Environment and Social co-benefits as an outcome of implementation of sub-projects; the agency is expected to prepare a summary report of major findings and suggest any corrective measures (if any) to be taken by Unit/ ESCO/ PFI and PEA for future projects.
- vi. Assessing the existing mechanism for monitoring and reporting on E&S aspects by Implementing unit/ ESCO and PFI related with the sub-projects and suggest improvement measures.
- vii. The agency will prepare template for preparing E&SS report in consultation with PEA and submit draft reports on E&SS aspects for two sub-projects based on the agreed template within first three months of contract signing. These reports are separate from the M&V audit described above.
- viii. The final report for these two sub-projects will be prepared after acceptance of the draft report by PEA within first four months of contract signing.
- ix. After submission and acceptance of report for first two sub-projects, the agency will prepare report for remaining sub-projects within the 12 months. However, atleast one report shall be submitted to the PEA every month after first four months of the contract.
- x. The agency will furnish final E&SS report for each of 10 sub-projects separately containing assessment of the Environment and Social co-benefits derived from the sub-projects and compliance with Environment and Risk Management Framework of the PRSF Project including other aspects agreed to be covered during finalization of framework for report.
- i. The agency may be given additional task for preparing E&SS reports for more sub-projects after completion of initially identified 10 sub-projects. For this purpose the agency will be required to provide its unit rate for preparing E&SS report in the financial proposal.

#### **4. Duration of the Assignment**

The duration of assignment is 12 months which may be extended based on project requirement and performance.

#### **5. Team Composition & Qualification Requirements for the Key Experts**

SIDBI will assess the demonstrated experience and capacity of Agency and the selected Agency is expected to deploy sufficient manpower to successfully deliver the required outputs. An indicative manpower requirement of key professionals with desired qualification and experience is given in the table below.

<b>S. N.</b>	<b>Key Experts</b>	<b>No.</b>	<b>Area of Specific Expertise Desired</b>	<b>Minimum Qualification</b>	<b>Person months</b>
i.	Project Manager	01	At least 10 years of work experience in the field of energy efficiency/ energy audits/ carrying out M&V activities etc.	B.E./ B. Tech. or equivalent qualification	8
ii.	Energy Efficiency Expert	01	At least 5 years of working experience in the field of energy efficiency / energy audits/ carrying out M&V activities etc.	B.E./ B. Tech. or equivalent qualifications with preferably BEE certified energy auditor	4
iii.	Financial Expert	01	At least 5 years of experience in project appraisals, financial management of projects for lending by Financial Institutions	CA or equivalent qualifications	4
iv.	M&V Expert	01	Certified M&V professional with at least 5 years of working experience in the field of energy efficiency / energy audits / carrying M&V activities etc.	Certified M&V professional or equivalent qualifications	6
v.	Environment & Social Expert	01	At least 7 years of experience working on environment and social aspects related to industrial/ infrastructure projects focusing risk assessment and due-diligence activities; knowledge about E&S guidelines of the World Bank will be an added advantage	Post Graduate in Environment/ Social /other relevant stream	6
Total					28

## 6. Deliverables and Payment Terms

<b>S. N.</b>	<b>Deliverables</b>	<b>Duration from contract signing</b>	<b>Payment w.r.t. contract price</b>
i.	Submission of Inception Report outlining strategic work plan with timeline for 10 selected	Within 1 month	5%



	EE sub-projects for M&V including E&SS and acceptance of report by PEA, SIDBI		
ii.	Submission of draft M&V report and E&SS report prepared separately for two sub-projects and acceptance of reports by PEA, SIDBI	Within 3 months	5%
iii.	Submission of final M&V report and E&SS report for two sub-projects and acceptance of reports by PEA, SIDBI	Within 4 months	10%
iv.	Submission of M&V report and E&SS report prepared separately as per agreed framework for remaining eight sub-projects and acceptance of reports by PEA, SIDBI	Within 12 months of the project	80% <sup>#</sup>
	<b>Total</b>		<b>100%</b>

# The agency may raise invoice's against services performed after acceptance of reports by PEA, SIDBI on bi-monthly basis after acceptance of first two reports. The payment will be made on pro rata basis for each M&V and E&SS report completed during the preceding two months. The unit rate of the each report will be derived after dividing the total contract price by no. of sub-projects selected i.e. 10.

The payments for additional task for preparing M&V/ E&SS reports for more sub-projects after completion of initially identified 10 sub-projects shall be over and above the contract price. For this purpose the agency will be paid as per agreed unit rate.

## **7. Client's Inputs including Counterpart Personnel, Data and Facilities to be provided by the Host**

SIDBI will support the Consultant by sharing relevant documents and information needed for completion of activities as per ToR.

## **8. Composition of review committee and review procedure to monitor Consultancy firm work**

- The deliverables will be reviewed and accepted by committee constituted by SIDBI.
- The report will mention gist of all activities under taken, corrective action taken by SIDBI for future project.
- The Consultancy firm work may be reviewed from time to time by Executive Committee and Advisory Committee members of the PRSF Project.
- The World Bank may also review the reports/ deliverables on a selective basis.

## PRSF Project Stakeholders

Empanelled PFIs	ESCOs	The Client	Executing Agencies	Implementing Agency	Funding Agencies	Monitoring/ Advisory Agencies
0 All SIDBI Branches 1. SBI 2. Union Bank of India 3. Canara Bank 4. Bank of Maharashtra 5. Bank of Baroda 6. Yes Bank 7. HDFC Bank 8. IndusInd Bank 9. Federal Bank 10. PTC India Fin Services 11. IREDA 12. Tata Cleantech 13. Electronica Finance	1. eSmart, 2. Energized, 3. GA Infra, 4. EIPL, 5. Yantra, 6. Smart Joules, 7. Suveg, 8. Yajna Fuel, 9. Alien, 10. Briller, 11. Smaru Tech 12. PRESPL 13. Sri Manju Electricals 14. Pamidi Projects 15. Etan Power 16. Beerengas	1. Municipal Corporations 2. MSME units 3. Large Industry 4. Hospitals 5. Hotels 6. Office Buildings 7. DISCOMs	1. SIDBI 2. EESL	The World Bank	1. Global Environment Facility 2. Clean Technology Fund	1. Bureau of Energy Efficiency (BEE) 2. Department of Economic Affairs (DEA)

**Note:** The above mentioned stakeholders like NBFCs/FIs/Banks/ESCOs/The Client are subject to change.

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