REQUEST FOR EXPRESSIONS OF INTEREST

FOR

TRANSACTION ADVISORY SERVICES TO THE LUSAKA WATER SUPPLY AND SANITATION COMPANY LIMITED FOR THE PROPOSED LUSAKA WEST WATER SUPPLY PPP PROJECT

1. Background

1.1. Private Infrastructure Development Group Limited ("PIDG Ltd") is an innovative infrastructure project development and finance organization that mobilizes private investment in sustainable and inclusive infrastructure in Africa and south and south-east Asia. Domiciled in the UK, PIDG Ltd is funded by six governments (the UK, the Netherlands, Switzerland, Australia, Sweden, Germany) and the International Finance Corporation (IFC). PIDG Ltd investments promote socio-economic development within a just transition to net zero emissions, combat poverty and contribute to Sustainable Development Goals (SDGs). Since 2002, PIDG Ltd has committed US$5.2bn to support 211 infrastructure projects to financial close, mobilizing US$40bn, of which US$25bn is from the private sector. PIDG continues to work with public and private partners to bridge financing gaps, directing capital and expertise into projects that promote climate resilience, social inclusion and positive gender impacts to ensure sustainable growth.

1.2. The Lusaka Water Supply and Sanitation Company Ltd (LWSC) has been mandated to supply potable water to Lusaka City, and is keen to explore partnerships that support the preparation of bankable and impactful projects to help meet the city's water demand. , LWSC has originated the Lusaka West Water Supply Project (LWWSP) and has since received the approval from the Ministry of Finance and National Planning's PPP Council, to pursue its development as a PPP project.

1.3. LWSC has entered into a Memorandum of Understanding with PIDG Ltd (the "MoU") to provide technical assistance support in relation to the initiative to provide sustainable and climate resilient water supply in the western parts of Lusaka City through the Lusaka West Water Supply Project. As part of the technical assistance, PIDG Ltd will fund the engagement of a consultant to undertake feasibility studies, transaction structuring and advise in the procurement of a private party. (the "Project").

2. Objectives

2.1. LWWSP will be made up of three project components:

2.1.1. A bulk water supply PPP project. This is the component covered by the transaction advisory services.

2.1.2. Reduction of non-revenue water (NRW). LWSC distribution system suffers water losses of at least 60% from NRW through leakages in the pipeline network or through lack of effective billing to end users. This component will be funded through traditional, public-sector procurement.

2.1.3. New house connections, distribution centers and kiosks to ensure that local households benefit from LWWSP and for other water supply from LWSC, to provide LWWSP with social license. This component will be funded through traditional, public-sector procurement.

2.2. PIDG Ltd will engage a transaction adviser (the "Transaction Adviser") under a services agreement (the "Agreement") to analyse, design and support the execution of the Project by way of a PPP arrangement.

3. Scope of the Assignment

3.1. The Transaction Adviser will be tasked under the terms of the Agreement to undertake the following tasks:

3.1.1. Phase 1: Undertake a comprehensive feasibility study for the Project. This will include: i) needs assessment and economic analysis; (ii) technical due diligence including the preparation of technical reference designs and concepts; (iii) PPP viability assessment; (iv) developing a financial model for the project and water tariff structures, (v) environmental and social due diligence including the preparation of an ESIA; (vi) developing PPP structures and procurement strategies; (vii) preparation of risk matrices, (viii) legal due diligence and (ix) market sounding.

3.1.2. Phase 2: If the Project is deemed to be feasible and it progresses to the next stage, the transaction advisor will provide advisory services for the procurement of the private party for the project and support up to financial close. This will comprise, among other tasks: (i) providing assistance in obtaining regulatory approvals; and (ii) preparing marketing and procurement documentation such as Request for Quotations (RfQs), Request for Proposals (RfPs), bidding documents and project documentation. The transaction advisor will be required to support the LWSC in identifying preferred and reserve bidders and negotiating contract terms with a preferred bidder and steps to commercial and financial close.

3.2. The Transaction Advisor will also be tasked with undertaking know how transfer/capacity building towards the LWSC team.

4. Duration of the assignment

4.1. The overall duration of the Project is estimated at eighteen (18) to twenty-four (24) months. A detailed breakdown of the duration of each phase of the assignment will be outlined following the shortlisting stage.

5. Desired qualifications

5.1. PIDG hereby 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 (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff etc.). The shortlisting criteria are as follows:

5.1.1. Core business of the firm and years in business.

5.1.2. Specific experience in successfully implementing similar assignments within the last ten (10) years in the area of PPP appraisal (feasibility assessment), structuring and transaction advisory services or implementation up to financial close. (For specific experience, provide project name, location, year, contract value and summary of services provided. A minimum of 3 and a maximum of 7)

5.1.3. Experience in bulk water systems globally and in Sub-Saharan Africa specifically will be of additional merit.

5.1.4. Technical and managerial organization of the firm or firms in the case of a consortium (provide only the structure of the organization, general qualification and number of key staff). The local presence of the firm (or a firm in the case of a consortium) will be of additional merit. Do not provide CVs of key staff. Key experts will not be evaluated at the shortlisting stage.

5.1.5. Consultants may associate with other eligible consultants to increase their chances of qualification. In such cases, teaming agreements or letters of association should be provided in the EOI.

5.2. Please note that for purposes of this Project, all bidders are required to partner with legal counsel in Zambia. An independent Expression of Interest will be released for international counsel at a later stage and will form a separate engagement. The consortium lead will however remain the designated coordinator for all transaction advisory consultants.

5.3. The shortlisting procedure will be on Quality Based Selection Method (QBS), and a shortlist of up to six (6) firms shall be drawn up after the expression of interest.

6. Obtaining Further Information

6.1. Interested consultants can obtain further information at the e-mail addresses mentioned below during working hours: 09:00 to 16:00 (Central African Time) on working days: PIDGTAPROCUREMENT@PIDG.ORG. Queries must be submitted no later than 15 days prior to the EOI submission deadline.

7. Submission of Expressions of Interest

7.1. Expressions of interest must be written in English and delivered by email to the following email address: PIDGTAPROCUREMENT@PIDG.ORG, not later than 8th April 2024 at 16:00 (Central African Time) and must be clearly marked: "**TRANSACTION ADVISORY SERVICES TO THE LUSAKA WATER SUPPLY AND SANITATION COMPANY LIMITED FOR THE PROPOSED LUSAKA WEST WATER SUPPLY PPP PROJECT**".

8. Participation of Local Firms

8.1. Local and Citizen bidders in Zambia are encouraged to participate.

9. Late Submissions

9.1. Late submissions shall not be accepted.