

**REQUEST FOR EXPRESSIONS OF INTEREST  
(CONSULTANT SERVICES – FIRMS SELECTION)**

**Nigeria**

**Nigeria Electricity & Gas Improvement Project (NEGIP)**

**Credit No: 46200 UNI**

**Assignment Title: Forensic Review of Distribution Companies**

**Reference No.: NGP-QCBS-TC14**

**DATE: 15<sup>th</sup> January, 2018**

**EXPRESSIONS OF INTEREST**

The Federal Government of Nigeria (FGN) has received a credit facility from the International Development Association (IDA) towards the cost of Nigeria Electricity and Gas Improvement Project (NEGIP) and intends to apply part of the proceeds of this credit to payments under the contract for **Forensic Review of Distribution Companies (DISCOs)**.

The FGN has prepared a Power Sector Recovery Program (PSRP) that was approved by the Federal Executive Council (FEC) on March 23<sup>rd</sup>, 2017. The PSRP is a series of policy actions and operational and financial interventions with the objective of attaining financial viability of the Nigerian Electricity Supply Industry (NESI).

In 2012, an overhaul of the tariff methodology (MYTO 2) carried out by the Nigeria Electricity Regulatory Commission (NERC) provided a framework for cost-reflective tariffs that mobilized private sector participation in the operations and management of the DisCos on 1<sup>st</sup> November 2013. MYTO 2 was followed by two revisions (MYTO 2.1 in January 2015 and MYTO 2015 in February 2016).

Several key parameters with significant economic and financial impacts on DisCos have evolved differently from what was envisaged in the period following takeover of DisCos by their private owners. As such, NERC needs to conduct major review of MYTO 2015 and fully update the values of the parameters defining the conditions for the distribution business for a new multi-year tariff period and assess the Revenue Requirement (RR) for each DisCo. The term “RESET” is being used among stakeholders in Nigeria to describe the point at which the results of the next MYTO Major Review will kick-in. A separate consultancy “**Assistance to NERC in Determination of Revenue Requirement for a New Multi-Year Tariff Period (RESET) for the Eleven Electricity Distribution Companies (DisCos)**” supports NERC in the RESET process.

While the RESET process for all DisCos is being implemented, NERC will also conduct a detailed “ex-post” forensic review of the performance of DisCos in key business areas in the period from takeover by private owners to 31<sup>st</sup> December 2017. The objective of this request for Expression of Interest (EoI) is to receive applications from qualified consulting firms interested in providing support to NERC on Forensic Review.

The primary objective of the Forensic Review is to conduct an independent and impartial assessment of billing and revenue assurance, operating and capital expenditures, regulatory assets, source and application of loan facilities, procurement processes and practices, compliance with license terms and conditions, Commission's Orders and Regulations, performance agreements, technical service/operations and maintenance agreements, laws of the Federal Republic of Nigeria, operations/corporate governance frameworks and practices, performance of DISCOs in the period from takeover by private owners on 1<sup>st</sup> November 2013 to 31<sup>st</sup> December 2017.

The total duration of the consultancy shall be ninety 90 days.

The assignment shall be conducted simultaneously in all the Eleven (11) Electricity Distribution Companies.

Specific tasks to be carried out by the Consultant for each DisCo include:

- Review of Billing and Revenue Assurance including cash collection, remittances and disbursement; Operating and Capital Expenditures embarked upon by the distribution licensees with a view to ascertaining appropriateness, relevance and value for money to justify recovery from the rate payers through the end-user tariffs
- Review and ascertain compliance with Terms & Conditions of the License, NERC Regulations/Orders/Rules and Industry Agreements, Technical Services/Operations & Management Agreements, Corporate Governance Practices and applicable laws of the Federal Republic of Nigeria.
- Assessment of regulatory assets upon takeover, additional assets deployed and retired, disposed or written off
- Review of sources and applications of loan facilities
- Review of procurement policies and practices relating to acquisition and disposal of regulatory assets; consultancy services and related parties transactions

The Project Management Unit for the Nigeria Electricity and Gas Improvement Project (NEGIP) now invites eligible consulting firms ("**Consultants**") to indicate their interest in providing the consultancy services. The Consultancy will be managed by NERC.

Interested Consultants (firms may associate) should provide information demonstrating that they have the requisite qualifications and cognate experience to perform the forensic review. The criteria for short listing shall include:

- The general experience and overall competence, including managerial and technical capacity, of the firm's relevance to the assignment under consideration;
- The extent of specific experience in carrying out legal and forensic reviews of performance of electricity utilities.

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank's *Guidelines: Selection and Employment of Consultants [under IBRD Loans and IDA Credits & Grants]* by World Bank [Guidelines: Selection and Employment of Consultants \[under IBRD Loans and IDA Credits & Grants\]](#) by World Bank Borrowers January, 2011 ("Consultant Guidelines"), setting forth the World Bank's policy on conflict of interest.

Consultants may associate with other firms in the form of a consortium to enhance their qualifications.

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

Further information can be obtained at the address below during office hours *i.e. 0800 to 1700 hours*.

Adamawa Plaza  
Plot 1099 First Avenue  
Off Shehu Shagari Way  
Central Business District  
Abuja, FCT.  
shuaibu.abubakar@nerc.gov.ng

Expressions of interest must be delivered in a written form to the address below (in person, or by mail, or by e-mail) by 26<sup>th</sup> January, 2018

***Transmission Company of Nigeria – Project Management Unit (TCN-PMU)  
Conference Room 1,***

**Attention: Engr. A. A. Gwadabe - Project Manager (WBP)**

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