REQUEST FOR PROPOSAL (RfP)

Review and update of the City of Johannesburg’s existing energy plan

C40 Cities Climate Leadership Group, Inc.
120 Park Avenue, 23rd Floor
New York, NY 10017
United States of America

May 2024
1. C40 Cities Climate Leadership Group Inc. ("C40")

C40 is a network of nearly 100 mayors of the world’s leading cities working to deliver the urgent action needed right now to confront the climate crisis and create a future where everyone, everywhere, can thrive. Mayors of C40 cities are committed to using a science-based and people-focused approach to help the world limit global heating to 1.5°C and build healthy, equitable and resilient communities. We work alongside a broad coalition of representatives from labour, business, the youth climate movement and civil society to support mayors to halve emissions by 2030 and help phase out fossil use while increasing urban climate resilience and equity.

The current co-chairs of C40 are Mayor Sadiq Khan of London, United Kingdom, and Mayor Yvonne Aki-Sawyerr of Freetown, Sierra Leone; three-term Mayor of New York City Michael R. Bloomberg serves as President of the Board. C40’s work is made possible by our three strategic funders: Bloomberg Philanthropies, Children’s Investment Fund Foundation and Realdania.

To learn more about the work of C40 and our cities, please visit our website or follow us on X, Instagram, Facebook and LinkedIn.

2. Supporting South African Cities to Deliver An Energy Secure Future: Accelerating the direct sourcing of renewables in C40 South African Cities

Access to affordable, clean and reliable energy is vital for human well-being and development. Energy security is a key challenge for many South African (SA) cities due to their reliance on the ailing state-owned utility, Eskom, for electricity supply. Electricity sales are an important source of revenue generation for SA municipalities. The ongoing electricity generation issues faced by Eskom pose increased risks of exacerbating poverty, inequality, economic growth, environmental and other social challenges in SA cities. This is largely because SA municipalities distribute and sell electricity bought from Eskom, which is mostly generated from coal plants. Eskom’s
prices, impacted by operational issues in coal plants and a failing grid have increased and it is significantly impacting cities' electricity profits. As a result, cities' income from distribution are declining, and with them goes their budget for subsidies and grid upkeep and upgrades. Recent amendments to national electricity regulations present an opportunity for SA cities to directly address and contribute to energy security concerns and the associated socio-economic issues including national and local government climate action goals related to grid decarbonisation that is just and inclusive.

Through a regional sectoral support project called: “Supporting South African Cities to Deliver an Energy Secure Future”, C40 Cities, with grant funding from ClimateWorks Foundation, seeks to support SA C40 cities to accelerate the direct sourcing of renewable energy capacity in the five SA C40 Cities (Cape Town, Ekurhuleni, eThekwini, Johannesburg and Tshwane).

This project seeks to support SA C40 Cities to advance their climate action and energy supply diversification plans through accelerated direct sourcing of renewable energy capacity from independent power producers (IPP) and subsequently contribute to the reduction of the need to rely on expensive and polluting coal power plants. The below-outlined activities are guided by the following overarching project goals:

1. Cities have been supported in developing comprehensive energy sourcing strategies and roadmaps that align with their Climate Action Plans.
2. Cities make progress towards being able to procure from IPPs.
3. Cities enabling regulatory frameworks and policies enhanced to support other private consumers source renewables from IPPs.
4. Cities follow a just transition pathway for the energy sector through ensuring that their energy strategies help to advance their socio-economic objectives relating to the alleviation of poverty, inequality and unemployment.

3. Summary and Background of the Project
3.1. The City of Johannesburg

The City of Johannesburg (CoJ) has set its sights on becoming a sustainable and smart city of the future by the principles outlined in the Growth and Development Strategy 2040 (GDS2040). The City’s Growth and Development Strategy 2040 (GDS2040) outlines the city's long-term vision and goals for sustainable development and economic growth. The City’s desire to “provide a resilient, liveable, sustainable urban environment, underpinned by smart infrastructure supportive of a low carbon economy” is echoed in its Climate Action Plan (CAP), Sustainable Energy Strategy, Green Building Policy: New Buildings, and other key strategic city documents. To achieve this long-term vision, the City will need to prioritize sustainable practices, such as reducing carbon emissions, promoting renewable energy, and improving public transportation as part of efforts to achieve CoJ’s 2050 net-zero targets.

CoJ developed an energy roadmap in 2008 to sustain its energy supply and management. This process was followed by the approval of an energy plan by the CoJ Council, in 2017. The Energy Plan encompasses various actions and activities that would enable the City to address the trilemma of energy poverty, lack of access, and unsustainable forms. However, the key limitation of the existing energy plan is that it does not reflect recent regulatory and policy developments in the energy sector. The plan does not adequately consider how the municipality can optimally leverage renewable energy technologies, new and amended electricity policy instruments relating the procurement of electricity from independent power producers (IPPs) among others. Furthermore, the plan does not take into account the necessary transitions and adjustments required in the energy sector to reach the net-zero goal by 2050 as outlined in the City’s Climate Action Plan (CAP).

In light of this constraint, the obligations associated with reaching the CAP 2050 net-zero target, and the legislative advancements in the energy domain, the City has commenced the process of reviewing and revising its energy plan. The four components of this process are interconnected (see annexure 1), and C40 aims to assist CoJ with the energy system modelling portion - (item no.2 under Annexure 1: Develop a Revised Plan for the City).
3.2. Objectives and deliverables of the assignment

The overall objectives of this assignment are to:

● Conduct an energy system modelling (with the focus on the electricity sector) that will be included in CoJ’s updated energy plan.

● Provide a comprehensive report on present and projected future electricity supply and demand in the City. The report must take note of critical factors such as:
  ○ Population growth
  ○ Anticipated cost of electricity
  ○ Technology costs (especially the question of what the investment costs for city generated or procured renewable energy will be in the years to come, etc.)
  ○ Provide practical recommendations within the purview of relevant electricity and other related regulations.
  ○ Practical ways in which the City can take advantage of the revised energy regulations that make provisions for purchasing energy directly from Independent Power Producers (IPPs).

● Conduct an assessment of the implications of different possible future development pathways for the electricity sector in the city using a suitable energy systems model.

The above process must take into account the targets committed under the City’s climate action plan energy.

3.3. Project Scope

The service provider is expected to perform the following tasks:

a. Develop a baseline of current energy use patterns, with an emphasis on electricity. The service provider will need to use different methods to collect data from various sectors and energy users. This is to ensure that the requirements of the tasks are met, including document analysis and interviews with relevant city officials and other individuals. Ensure detailed energy data collection builds on previous work carried out.
b. Identify and propose suitable energy system models that should be used for this assignment. Undertake the modelling work based on the system preferred by CoJ.

c. Compile at least three potential scenarios/pathways based on the modelling data. The assessment of the energy landscape of a City requires a holistic approach that considers various factors, including but not limited to socio-economic circumstances, the existing energy landscape, the city’s plans and strategies, the emissions landscape, and the infrastructure required to drive specific energy technologies. These pathways/scenarios should explore the energy trilemma (i.e., poverty, lack of access, and unsustainable forms) and analyse trade-offs. These should also look at how the City can prioritize sustainable practices, such as reducing carbon emissions, demand-side management, promoting renewable energy, and cost-effective measures for the security of supply. It is important to highlight the potential challenges to model electricity at a municipal level for each scenario given the structure and nature of electricity supply in South Africa (that the City mostly relies on the electricity generated by Eskom - the state-owned utility).

d. Compile a comprehensive report detailing the findings of the above tasks, key to the outputs must include amongst others:
   - How the city can optimise its supply side options and associated costs and socio-economic implications,
   - Demand profile and energy efficiency interventions,
   - Explore electricity generation technologies that could be deployed in the city and their limitation,
   - What kind of opportunities are available for the City to increase the share of renewable energy technologies/sources in the future energy supply mix?

e. Based on the modelled and analysed scenarios the service provider will recommend the most feasible and cost-effective scenario which will then be adopted as an Electricity Roadmap for the city. The service provider must further provide a clear rationale for the recommended approaches. The revised Energy Plan must include a set of targets and an action plan outlining
specific measures and initiatives to be implemented to achieve the targets identified in the plan with clear timeframes. The service provider must include an annexure to the plan that outlines the requirements to enable implementation. These requirements will include, among others, recommended policy changes, key role players, incentives, funding requirements, governance structures to drive implementation, financing mechanisms, required partnerships, and infrastructure development requirements.

The service provider shall coordinate engagements between all relevant stakeholders from C40 team, CoJ teams and also facilitate calls and meetings as part of the outlined tasks.

All project deliverables, including data and models, reports and documentation, content and intellectual property will be owned by CoJ and C40.

3.4. Project management
The appointed service provider will be responsible for the project management of the entire project. It is expected that the service provider holds an inception meeting with C40 and CoJ during which the project timeline, ways of working and initial work plan will be agreed upon and finalised. The contractor must attend regular (bi-weekly) progress meetings and produce regular progress reports in line with the project deliverables and timelines. C40 and CoJ will arrange all stakeholder engagements and meetings.

The project will require close collaboration and excellent communication with C40 and CoJ as well as the stakeholder groups. The following additional project management meetings are proposed:

- Longer 1-hour project management meetings with the full project team at each milestone. This should include a presentation accompanied by a detailed report outcome.
- Ad-hoc project team meetings as needed to resolve issues and review deliverables.
● Project close-out meeting

The service provider should allocate sufficient time to prepare for, attend and minute these meetings.

4. Proposal Guidelines

This Request for Proposal represents the requirements for an open and competitive process. Proposals will be accepted until 23:59 SAST, 3 June 2024. Any proposals received after this date and time will not be accepted. All proposals should include clear timetables, how you will work with C40, clear costs and details on experience in this area.

The proposal should give C40 evaluators all the information they need to assess your bid. Please clearly indicate where applicable:

● A summary of your understanding of the project and scope of work.
● Description of your proposed approach to the scope of work, including a proposed methodology for conducting the energy system modelling.
● Information about the organisation’s commitment to equity, diversity and inclusion and ethical alignment with C40 (including B-BBEE rating and certificate).
● List of key personnel who would be working on the contract, their job titles and responsibilities on the project. Please include relevant experience and expertise and limit CVs to a maximum of one page per person.
● Brief description of technical expertise and experience on relevant topics – specifically energy/renewable energy, waste, climate change, local government and just transition.
● Examples of previous relevant work in relation to energy plans, strategies roadmaps and related work.
● Tax compliance certificate
● Risk analysis and mitigation plan
● Timeframe for your tasks and completion of the project

A full, detailed project budget breakdown of deliverables and costs inclusive of taxes and hours allocated to tasks per project team member and daily rates of the project team needs to be included in the submission.
Please note: Proposals should be written in English, saved in pdf format and should not exceed 12 pages of text. Reference material may be placed in annexes.

5. Supplier Diversity
C40 is committed to supplier diversity and inclusive procurement through promoting equity, diversity and inclusivity in our supplier base. We believe that by procuring a diverse range of suppliers, we get a wider range of experiences and thoughts from suppliers and thus are best able to deliver to the whole range of our diverse cities and the contexts that they operate within.

We strongly encourage suppliers (individuals and corporations) that are diverse in size, age, nationality, gender identity, sexual orientation, majority owned and controlled by a minority group, physical or mental ability, ethnicity and perspective to put forward a proposal to work with us.

Feel welcome to refer to C40’s Equity, Diversity and Inclusion Statement as supplier diversity and inclusive procurement is one element of applying equity, diversity and inclusion to help the world limit global heating to 1.5°C and build healthy, equitable and resilient communities.

6. Contract
Please note this is a contract for professional services and not a grant opportunity. Organisations unable to accept contracts for professional services should not submit bids. The work will be completed on the C40 Standard Service Provider Agreement.

These terms and conditions are non-negotiable. Organisations unable to accept them as drafted should not submit bids in connection with this opportunity.

If C40 is unable to execute a contract with the winner of this competitive process, we reserve the right to award the contract to the second highest Potential Supplier.
7. Subcontracting

If the organisation submitting a proposal needs to subcontract any work to meet the requirements of the proposal, this must be clearly stated. All costs included in proposals must be all-inclusive of any outsourced or contracted work. Any proposals which call for outsourcing or contracting work must include a name and description of the organisations being contracted.

8. RfP and Project Timeline

RfP Timeline:

<table>
<thead>
<tr>
<th>RFP Timeline</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>Request for Proposals sent out</td>
<td>May 06, 2024</td>
</tr>
<tr>
<td>Questions submitted to C40</td>
<td>May 17, 2024</td>
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<tr>
<td>C40 responds to questions</td>
<td>May 21, 2024</td>
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<tr>
<td>Deadline for receiving Offers</td>
<td>June 3, 2024</td>
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<tr>
<td>Evaluation of Proposal</td>
<td>June 4 - 7, 2024</td>
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<tr>
<td>Successful Suppliers notified of outcome</td>
<td>June 19, 2024</td>
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<tr>
<td>Inception meeting</td>
<td>June 26, 2024</td>
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<tr>
<td>Agreed scope and methodology</td>
<td>July 01, 2024</td>
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### Project timeline

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Timeframe</th>
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<tbody>
<tr>
<td>Inception workshop</td>
<td>Two (2) weeks after project inception followed by a stakeholder meeting two (2) weeks later.</td>
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<tr>
<td>Draft inception report</td>
<td>Two (2) weeks after the inception workshop</td>
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<tr>
<td>Final inception report</td>
<td>Three (3) weeks after an inception workshop</td>
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<tr>
<td>Progress report on the the energy systems modelling</td>
<td>Three (3) Months after the project's inception.</td>
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<tr>
<td>Draft final report.</td>
<td>Five (5) Months after the Project Inception.</td>
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<tr>
<td>Final report reflecting input and feedback from C40 and CoJ.</td>
<td>Six (6) Months after the Project Inception.</td>
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**Assignment timelines: 26 June 2024 – 13 December 2024**

Reporting requirements:
- Inception report
- Progress report
- Final project report

**9. Proposal Evaluation Criteria**

Proposals will be evaluated against the following criteria and weighting:

Upon receipt of proposals, C40 and the Municipality team will evaluate the proposals against the following criteria. The contract will be offered to the bidder with a high score and demonstrable professional experience.
Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
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<tbody>
<tr>
<td>Project delivery approach proposed, including project management approachability to</td>
<td>20%</td>
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<tr>
<td>deliver outputs on time and quality</td>
<td></td>
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<tr>
<td>Interpretation of brief including project methodology and approach</td>
<td>30%</td>
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<tr>
<td>Expertise and experience of personnel across relevant topics and focal geography.</td>
<td>30%</td>
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<td>Value for money</td>
<td>10%</td>
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<tr>
<td>Equity and ethical alignment considerations: C40 is looking to appoint an organisation</td>
<td>10%</td>
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<td>that shares our values and is grounded in the context of the local community.</td>
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<tr>
<td>Consideration will focus on:</td>
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<tr>
<td>● location of organisations (preference will be given to locally based organisations),</td>
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<td>● organisations with black ownership (as defined in the B-BBEE Act)</td>
<td></td>
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<tr>
<td>● organisations with women and youth ownership</td>
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10. Project Budget

The proposal should indicate a cost break-down structure, outlining the costs for each component of the analysis (based on the break-down of deliverables in Section 3). All costs included in the proposal must be all-inclusive, including any VAT, copyright or bank fees, transportation, venue charges, translation etc. Costs should be stated as one-time or recurring costs. C40 does not pay contractors more frequently than once per month. A budget of R400 000.00 is available including all taxes and other ‘hidden’ costs. Bids must not exceed this value.
Milestone one | Inception report | 30%
---|---|---
Milestone two | Progress report task | 30%
Milestone three | Final project report | 40%

All proposals must include proposed costs to complete the tasks described in the project scope, including all VAT and taxes. Costs should be stated as one-time or non-recurring costs or monthly recurring costs. Pricing should be listed for each of the following items in accordance with the format below. All costs incurred in connection with the submission of this RfP are non-refundable by C40.

11. C40 Policies
C40 expects third parties to able to abide by these C40 policies:

- Non-Staff Code of Conduct Policy [here](#)
- Equity, Diversity and Inclusion Policy [here](#)
- C40 Non-Staff Travel and Expenses Policy - if applicable - [Here](#)

12. Submissions
Each Potential Supplier must submit 1 copy of their proposal to the email address below by 3 June 2024 at 23:59 SAST:

Hlengiwe Radebe
Renewable Energy Technical Adviser
hradebe@c40.org

CC:
Mankurwana Mahlase
Manager, 24/7 Carbon Free Energy
mmahlase@c40.org

Anonymised responses to questions will be provided here (link) when the Q&A period closes.

13. Disclaimer

C40 will not accept any liability or be responsible for any costs incurred by Potential Suppliers in preparing a response for this RFP.

Neither the issue of the RFP, nor any of the information presented in it, should be regarded as a commitment or representation on the part of C40 (or any of its partners) to enter into a contractual arrangement. Nothing in this RFP should be interpreted as a commitment by C40 to award a contract to a Potential Supplier as a result of this procurement, nor to accept the lowest price or any tender.
Annexure 1

1. Policy Review
   - Preparatory and scoping work.
   - Collect, identify, and analyse important points from relevant policies, strategies, and plan reports such as 2019 & draft IRP 2023, RE Strategy, GDS, CAP, hydrogen roadmap, NDP, post-2015 NEES, Green Transport Strategies, Green building Policy, etc.
   - Perform gap identification and analysis (data, capacity, policy) related to energy plan, strategy /roadmap development.

2. Develop a Revised Plan for the City
   - Conduct an energy system modelling (with the focus on the electricity sector) that will be included in CoJ’s updated energy plan.
   - Provide a comprehensive report on present and projected future electricity supply and demand in the City. The report must take note of critical factors such as:
     - Population growth
     - Anticipated cost of electricity
     - Technology costs (especially the question of what the investment costs for city generated or procured renewable energy will be in the years to come, etc.)
     - Provide practical recommendations within the purview of relevant electricity and other related regulations
     - Practical ways in which the City can take advantage of the revised energy regulations that make provisions for purchasing energy directly from Independent Power Producers (IPPs).
   - Conduct an assessment of the implications of different possible future development paths for the electricity sector in the city using a suitable energy systems model.

3. Conduct multi-stakeholder consultations to solicit input on the revised Plan.
● Facilitate consultation meetings with key stakeholders for the revision of the Energy Plan / Strategy / RoadMap development.
● Revise the draft Roadmap based on the results of the consultation and validation processes.

4. Final Energy Plan
● Revise and finalize the Energy Plan(strategy)/ Roadmap based on the results of the consultation process.
● Submit the final Roadmap.
● The final update plan shall have a stand-alone executive summary and a main report.