

Request for Proposals APSR (268/2021)



هيئة تنظيم الخدمات العامة
Authority for Public Services Regulation

**Economic Support for Price Control Review of:
Oman Electricity Transmission Company (TD-PCR6); and
Oman Power and Water Procurement Company (PWP-PCR5)**

October 2021

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1 INTRODUCTION

The Authority for Public Services Regulation, ("the Authority") wishes to retain an experienced and well-qualified economic/financial Consultant to assist in setting new RPI-X type price controls for Oman Electricity Transmission Company ("OETC") and Oman Power and Water Procurement Company ("PWP").

Oman Electricity Transmission Company

The Oman Electricity Transmission Company SAOC ("OETC") is a monopoly provider of transmission services to the Main Interconnected System and the Dhofar Power System and as 'system operator' is responsible for the central dispatch of production facilities connected to the MIS and DPS. OETC operates under RPI-X type price controls implemented by the Authority. These controls are applied through Charge Restriction Conditions in its Transmission and Dispatch licence. OETC's existing price controls have been in place since 1 January 2018 and are due to expire on 31 December 2022. The Authority will therefore implement new Transmission and Dispatch price controls that will come into effect from 1 January 2023.

Oman Power and Water Procurement Company

The principal duties of the PWP are to bulk supply electricity to licensed suppliers and bulk supply desalinated water to water companies. The PWP's scope has recently expanded to include a Market Operator function as part of the spot market that is being introduced in the MIS. The PWP recovers the costs of its Procurement Business through approved cost reflective electricity and water bulk supply tariffs, subject to a revenue limit determined by its price control formula, which includes a margin on the value of power and water purchase costs to compensate for procurement related risks.

Details of the Sultanate's electricity and Related Water market structure, the licensing and regulatory regimes, and the functions and duties of entities to which assignments in this RfP relate can be found in the Authority's Annual Reports (available for download in the Authority's website (www.apsr.om/en)).

2 SCOPE OF WORK

The Consultant will review economic and financial aspects of the existing OETC and PWP price controls and assist the Authority establish new RPI-X type price controls for OETC and PWP. The Consultant's scope of work will include the following:

- i. review and update the current price control proforma (including guidance notes) to facilitate the submission of information to the Authority. The Authority has an established price control proforma from its previous reviews in addition to Annual Information Submissions ("AIS") that cover historical/outturn costs. The proforma will be required to be updated as necessary in order to present historic data and 5-year projections for each Business/activity. The Consultant will ensure the consistency of the proforma with the Regulatory Accounting Guidelines;
- ii. reviewing demand forecasts submitted by the Licensees to confirm their reasonableness and that the forecasts provide a robust basis for future capex and opex requirements;
- iii. operating expenditure analysis: the Consultant will review and assess the reasonableness of the Licensees' opex projections over the price control period. Having reviewed OETC's and PWP's opex submission, the Consultant will make recommendations for appropriate adjustments (if required) to the opex projections. The Consultant's opex review will be supported with detailed written analysis and scrutiny of Licensees' costs (Direct costs, staff costs etc.), including (i) scrutiny of the use of allowances in the *current* price control period and (ii) the use of benchmarking analysis where appropriate;
- iv. updating estimates of the of the cost of capital, including estimating the cost of equity and debt in conjunction with capital structure assumptions;
- v. undertaking analysis to inform an appropriate return for PWP's activities;
- vi. modelling the regulated asset base (including establishing an appropriate opening regulated asset value for the start of the new price control);
- vii. efficiency analysis to inform possible values for X in the RPI-X formulas of Licensees;

- viii. modelling the company's price control against benchmark financial metrics agreed with the Authority to inform the financial stability and viability of proposed price control allowances;
- ix. modification of OETC's and PWP's licence to reflect changes to price control parameters;
- x. preparation of price control consultation letters (including all request letters, proposals and responses to Licensees) and working papers to facilitate discussions with the Authority;
- xi. participating in all price control review consultation meetings, including the preparation of all minutes of meetings;
- xii. conducting workshops for the Authority, Licensees and other stakeholders as may be necessary;
and
- xiii. other analysis required to support the setting of new price controls (such as review of the form, structure and duration of the price controls).

The Authority has issued a separate RfP to appoint technical consultants to support its technical review of costs and capital expenditure requirements for OETC. Consequently, reviews of capital expenditure do not form part of this Request for Proposals, but the Consultant retained for this assignment will be required to utilise output from the technical review and, in so far as is necessary, coordinate with the technical consultant.

Deliverables

The primary deliverables for this assignment are:

- i. price control information proforma in line with items (i) and (ii) in the “Scope of Work” section of this Request for Proposals;
- ii. preparing an Initial Consultation paper setting out the main issues for the OETC and PWP price control reviews, in line with the “Scope of Work” section of this Request for Proposals;
- iii. preparing Initial Price Control Proposals for OETC and PWP, which will include documentation of items i-xiv listed in the “Scope of Work” section of this Request for Proposals;
- iv. preparing Final Price Control Proposals for OETC and PWP, which will include, among others, documentation of items i-xiv listed in the “Scope of Work” section of this Request for Proposals;
and
- v. drafting responses to all letters and preparing working papers relating to the respective price control reviews over the course of the assignment.

Requirements for Assignments

The Authority wishes to appoint an experienced and well-qualified Consultant for the assignment. The appointed Consultant will have experience of price control reviews (assisting a regulator or regulated company) and be familiar with the analysis required by such reviews (including the development and operation of spreadsheet models, cost of capital analysis and assessments of opex requirements).

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 individuals without the necessary experience will not be considered for the assignment. Consultants retained by the Authority in the past for similar assignments had team members that generally consisted of a project director, a project manager, a financial expert, senior economic and financial consultants and the support of two to three junior analysts.

The Authority expects to work extensively in collaboration with the Consultant and therefore the Consultant would be required to be present in the Authority's office particularly during periods of extensive analysis, prior to publication of Initial and Final Proposals as well as for consultation meetings, to conduct workshops and as may be deemed necessary by the Authority¹.

The Consultant will be required to draft letters and other documents to a high standard. A sample of written work (such as price control consultation documents and letters) is required for evaluation.

Consultants shall demonstrate to the satisfaction of the Authority that they have no commercial relationship with any of the Licensees that are the subject of this price control review that may lead to any concern, real or perceived, as to the independence of the consultant or team members proposed. Where the consultant has any ongoing assignments with Licensees then these should be identified and the consultant should declare any overlap of team members and extent of their involvement in such other projects. The Consultant should clearly state the working procedures enforced by the company in relation to potential conflict of interest situations. This should be signed by an officer of the company.

¹ Depending on the status of COVID-19 pandemic outbreak developments and taking into consideration the restrictions on international travellers.

Timetable

The Consultant shall commence the assignment within fourteen days of being notified of the contract award.

The assignment is expected to last through to the completion of the price control review process (expected by December 2022). The Consultant will not be required to be present in Oman for the duration of the assignment, but will be expected to be available in Oman at certain points in time for meetings with Licensees, the Authority and other stakeholders².

An indicative timeline for the price control review process is set out below:

November 2021	Appoint economic advisers
January 2022	Issue Key Issues Consultation document and Transmission Connection and Use of System methodology statement
January 2022	Issue price control proforma
June 2022	Issue Initial Price Control Proposals
October 2022	Issue Final Price Control Proposals
December 2022	Completion of the Price Control Review process

Any time extensions agreed with the Authority (due to, for example, rejection of final price control proposals, or to undertake additional unanticipated work) would be based on the daily fees outlined in the Consultant's proposal.

² Depending on the status of COVID-19 pandemic outbreak developments and taking into consideration the restrictions on international travellers.

Information to be provided by the Client

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 relevant licenses and existing price controls;
3. Audited Financial Statements and Regulatory Accounts of Licensees; and
4. Previous price control consultation papers.

The Consultant will be expected to develop a good understanding of the Sector Law and relevant licenses, and the general approach of the Authority to setting Transmission and Dispatch and PWP price controls.

The Consultant may find it helpful to refer to published Annual Reports of Licensees for further detail of Licensees' respective systems and the price control parameters under which they operate. Another useful reference is the 7-year statement published annually by the Oman Power and Water Procurement Company that presents official electricity demand forecasts for the coming seven years.

3 CONTRACT TERMS AND CONDITIONS

The Authority's standard Terms and Conditions are enclosed as Annex F

4 SUBMISSION OF PROPOSAL

The Consultant shall separate their proposal into technical and commercial proposals. The consultant shall submit an electronic copy of their assignment proposal by **1 November 2021** by email to:

The technical proposal should be sent to: Tender.Technical@apsr.om

The commercial proposal should be sent to: Tender.Commercial@apsr.om

We will be pleased to provide clarification of matters covered by the RFP prior to the submission of proposals. Request for clarifications to be emailed to: kameel.redha@apsr.om or lamya.alkindi@apsr.om

The proposal shall include:

- 1) A description of the methodology proposed by the Consultant for each part of the assignment, including an indication of the time required to complete 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) A copy of the Consultant Health and Safety Policy and Procedures that will be followed by the Consultant for this project;
- 5) The technical proposal shall not include any reference to commercial aspects. For instance, the details of the team members shall be summarize as Table 1. Additional breakdown of team member contribution could be provided separately but the below table should be filled with the overall man-days for each member.

Table 1 Team Member's Contribution

Team Member	A Brief Description of the member's Contribution in the assignment	No. of working Days in Oman	No. of working Days out of Oman

- 6) The commercial proposal should show separately:

- a. Fees: including details of the fee of each team member (the hourly/daily fee and the expected contribution in terms of man-days of each team member) as shown in Table 2;

Table 2: Team Fees and Member's Contribution

Team Member	A Brief Description of the member's Contribution in the assignment	Daily Rate (RO)	No. of working Days in Oman	No. of working Days out of Oman	Total (RO)

- b. Expenses: including flights and hotel costs (subject to applicable caps as per the Agreement) as shown in Table 3:

Table 3: Flight and Hotel Expenses

Expenses	Total No. of item	Unit Cost (RO)	Total (RO)
Flight tickets			
Hotels			

- c. Daily living expenses in Oman as Table 4 shows, (The typical rate used by the Authority is RO25 per person per night).

Table 4: Daily Living Expenses

Team Member	No. of Working Days in Oman	Daily Living Expense (Fixed at 25 RO/person/night)	Total (RO)
		25	

- 7) Bid Letter in the form provided in ANNEX B: FORM OF BID to this Request for Proposal.
8) A signed statement confirming the Consultant is free from any potential conflicts of interest.

Bidders shall check the completeness of their bids submission by completing the form in ANNEX E: COMPLETENESS FORM.



Any Proposal missing the required information in ANNEX E: COMPLETENESS FORM will be considered incomplete.

5 ANNEX A: TECHNICAL EVALUATION

Economic Advisors for Price Control Review against Oman Electricity Transmission Company Price control 6 and Oman Power and Water Procurement Company 5

No	Technical Criteria	Max Score
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General Comments		
1	Basic understanding of the RfP and primary objective of the PCR	5%

Approach, Methodology and Appropriateness of man-days allocated		
2	Clear description of steps to be taken considering all parts in the scope of work	20%
3	Consultant's knowledge and Experience with energy sector and price control reviews	15%
4	Man-days reflect consistency with time line for the assignment	10%

Project Team Organization & Experience		
5	Composition of team	10%
6	Team experience should cover all aspects of the scope of work	40%
Maximum Bidder Score:		100%

6 ANNEX B: FORM OF BID

PROCUREMENT DEPARTEMENT
AUTHORITY FOR PUBLIC SERVICES REGULATION
PO BOX 954, POSTAL CODE 133
AL KHUWAIR
MUSCAT
SULTANATE OF OMAN

After compliments,

We have examined the Request to Submit a Proposal for Consultancy Services and the Contract Conditions 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 sixty (60) 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 the timeframe articulated in section 2.2 of this RfP.

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 _____ 2021.



Capacity in which signing: _____

Signed: _____ Witnessed by: _____

For: _____

7 ANNEX C: NON-DISCLOSURE AGREEMENT

CONFIDENTIALITY AND NON-DISCLOSURE UNDERTAKING

This Confidentiality and Non-Disclosure Undertaking is given to the Authority for Public Services Regulation (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 (**Economic Support for Price Control Review against Oman Electricity Transmission Company Price control 6 and Oman Power and Water Procurement Company Price Control 5 – RfP 268/2021**).

I acknowledge that as part of my engagement with the Authority for Public Services 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 Public Services Regulation.

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 Public Services Regulation.

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 Public Services 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

8 ANNEX D: SCHEDULE OF THE PROJECT

Activity	Date
Release of RFP	11/10/2021
Deadline for Submission of RFP	2/11/2021
Announcement of Winning Vendor	23/11/2021
Commencement of Works	7/12/2021

9 ANNEX E: COMPLETENESS FORM

General Completeness Form			
No	Category	Yes	No
Submission of Proposal:			
1	1.1 Submitted by 1 November 2021	<input type="checkbox"/>	X
Description of methodology provided for each part of assignment:			
2	A. Review and amend Price Control proforma template (ensuring consistency with RAGs)		
	B. Preparation of Price Control consultation letters and papers		
	C. Review demand forecasts		
	D. Opex analysis		
	E. Update estimate of cost of capital		
	F. Undertake analysis to inform margin for the procurement business		
	G. Modelling RAB		
	H. Modelling companies' Price Control against benchmark financial metrics		
	I. Modification of Licences		
	J. Other issues - e.g. review of form, structure and duration of Price Control		
	K. Participating in all Price Control Review consultation meetings including prep of notes of meetings		
	L. Conducting workshops		
Timescales:			
3	3.1 Consultant will commence assignment within 14 days of award		
	3.2 Assignment will be completed within timeline articulated in the RfP		

General Completeness Form			
No	Category	Yes	No
Details of Consultant's Experience:			
4	4.1 Experience of similar assignments by the bidder;		
	4.2 Contact details of previous & existing clients.		
Details of Project Team:			
6	6.1 CV of each team member		
	6.2 Description of each team member's relevant experience		
	6.3 Description of each team member's contribution		
Total cost of assignment:			
7	7.1 Each team member & days contribution as mentioned in the RfP table 1.		
	7.2 All fees each team member & days contribution as mentioned in the RfP table 2.		
	7.3 Expenses including flights, hotel costs and other items as mentioned in the RfP table 3.		
	7.4 Daily living Expenses as mentioned in the RfP table 4.		
8	Bid letter is provided as in Annex B to RfP		
9	Declaration of no potential conflict of interest		

10 ANNEX F: CONTRACT TERMS AND CONDITIONS

Authority for Public Services Regulation

AND

[-----]

Agreement for Consultancy Services

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

Between:

- (1) The Authority for Public Services Regulation having its postal address at P.O Box 954, Postal Code 133, Al Khuwair (**Authority**) and;
- (2) [Insert the name of the appointed consultant] having its postal address at [insert address] (**Consultant**).

Now, for and in consideration of the mutual covenants and agreements herein set forth, the Parties hereto agree as follows:

1. Definitions and interpretations

- “**Change in Law**” – means a new decree, law, or regulation (or amendments to or new officially approved interpretation of the existing Laws of the Sultanate of Oman) promulgated by the Government from the date hereof;
- “**Completion of Consultancy Services**” – means the approval by the Authority of the successful and satisfactory completion of the Scope of Work by the Consultant as listed in the Appendices of this Agreement.
- “**Consultancy Services**” - means the services for which the Authority has engaged the Consultant to provide in connection with the Scope of Work attached to this Agreement and any other work undertaken under this Agreement.;
- “**Deliverables**”- means the work to be prepared, delivered or submitted by the Consultant, and/or its Project Team, in performing the Scope of Work attached to this Agreement.
- “**Scope of Work**” - means the description of work to be performed by Consultant as set forth in the Request for Proposal No. (245/2021) issued by the Authority and any amendments or any work or tasks agreed between the Parties thereto.
- “**Fixed Fee**” - has the meaning referred to it in Clause 7.3;
- “**Force Majeure**”- has the meaning given to it in Clause 13.2;
- “**Parties**” – means the Authority for Public Services Regulation one part, and the Consultant on the other part.
- “**RFP**”- the Request for Proposal No. (245/2021) issued by the Authority on [date];
- “**Team Leader**”- has the meaning referred to it in Clause 16.3.

2. General Provisions

- 2.1** Unless otherwise expressly provided to the contrary, all references to days, months or years are references to calendar days, months or years;

- 2.2** Words in the singular include the plural and vice versa and words denoting one gender include the other gender without in either case altering the meaning of this agreement;
- 2.3** 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);
- 2.4** 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;
- 2.5** The table of contents and headings are for convenience only and shall not limit, alter or affect the interpretation of this Agreement;
- 2.6** Any notice required under this Agreement should be given in writing and will be deemed to have been given if delivered by one of the following means:
- 2.6.1** personal delivery to the designated representative of each of the Parties when so delivered;
- 2.6.2** email delivery to the designated representative of each of the Parties when so delivered;
- 2.6.3** by fax upon sending, subject to confirmation of uninterrupted transmission as set out in the transmission report, confirmation by telephone by an employee of the recipient that fax was received and provided that a hard copy is promptly dispatched to the recipients in the manner provided below;
- 2.6.4** by post or courier seven (7) Omani business days after posting or courier subject to proof of delivery;
- 2.7** 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
- 2.8** This Agreement incorporates the recitals of and Appendices to it.

3. Validity of Agreement

- 3.1** This Agreement shall come into force upon the Parties authorised signature of the Agreement.
- 3.2** Provision of Consultancy Services shall commence on [date] and be completed by [date], and 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 18 hereof.

4. Language

The ruling language of this Agreement is the English language. All reports, minutes, correspondence, etc. shall be in the English language. In the event of any conflict between the provisions of the documents (including the Agreement) and a translated document, the documents in English language shall prevail.

5. Other Consultants Appointed by the Authority

The Authority may appoint other consultants for matters relating to Consultancy Services or any other matters of a specialist nature. The remuneration for such consultants will be agreed separately between the Authority and the other appointed consultants, and shall not form part of the overall fee of the Consultant. The Consultant should work with such other consultants appointed by the Authority in line with the Scope of Work as in of the Appendices to this Agreement or as instructed by the Authority.

6. 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, which should not exceed 90 days from the time the Scope of Work commences. The Consultant shall not be entitled to remuneration for the extended period due to any delay contributed to by the Consultant's failure to complete the Consultancy Services under this Agreement within the agreed time schedule stated in Appendix (B).

7. Remuneration of the Consultant

7.1 Consultancy Services

Subject to Clauses 7.2 and 7.5, the remuneration for Consultancy Services shall be the [lump sum of/ payment on Deliverables] as set out in Appendix (C) to this Agreement.

7.2 Remuneration for Additional 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 Consultancy services as may be necessary and the Parties shall mutually agree a Fixed Fee for such additional services on the basis of the man-day/hourly rates or any other basis as per Appendix (C) to this Agreement. The additional services and the remuneration for such services shall be agreed in writing.

7.3 Inclusive Remuneration

Subject to the provisions of Clauses 7.2 and 7.5 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 under this Agreement. The effect of any future Change in Law on the above, which increases the cost of performing the Consultancy Services will only be taken into consideration upon submission of supporting documents by the Consultant.

7.4 Limit of Remuneration

The total remuneration for the Consultant for Consultancy Service shall constitute their only remuneration in connection with this 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 thereunder.

7.5 Reimbursement

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

7.6 Delay or Failure

In case of the Consultant's failure without just cause to provide the Consultancy Services or any part of it, the Authority reserves the right to penalise the Consultant by deducting 1% of the Fixed Fee for each week subject to a maximum of 20% of the Fixed Fee.

8. Mode of Payment

8.1 Invoices

The Authority shall pay to the Consultant against presentation of invoices of the proportionate remuneration for Consultancy Services and expenses as stated in Appendix (C) to this Agreement.

8.2 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 or inconsistencies.

9. Currency and Account Details

The remuneration of the Consultant shall be paid either by a cheque drawn on a bank in Oman or directly to the account of the Consultant in accordance with the specific provisions set out in Appendix C to this Agreement. All fees and expenses will be paid in Omani Rials (OMR) as specified in Appendix C. 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.

10. 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.

11. Copyright

The Copyright (if any) of all documents and all material prepared by the Consultant in connection with the Agreement rests with the Authority. As the Consultant may have pre-existing copyrights over certain materials and content, the Consultant grants to the Authority a non-exclusive, irrevocable, royalty free licence to use such content used in deliverables created under this Agreement. The Authority will own the Deliverables, documents 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. In the event the Authority wishes to publish or make available to third parties the content or any part thereof of the Consultant's Deliverables that is not verbatim and/or in a language other than the one in which it was written in, the Authority will endeavour not to associate the contents of such Deliverables, documents and materials or parts thereof with the Consultant without the Consultant's prior written consent which shall not be unreasonably withheld.

12. Sub- Advisors

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

13. Force Majeure

13.1 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 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 additional services. In the case of a reduction in the Scope of Work, the Consultant will only receive the proportionate remuneration for the amended Scope of Work.

13.2 Default

Notwithstanding Clauses 3 and 6 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.

13.3 Circumstances beyond Control

The Consultant or the Authority shall as soon as 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.

13.4 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 13.2 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.

13.5 Termination Notice

If a termination notice is given due to Force Majeure under Clause 13.4 hereof, the termination shall become effective upon seven (7) days following the receipt by Consultant of the Authority's notice to terminate.

14. Termination of the Agreement

14.1 Notice of Termination

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 14.3 hereof.

14.2 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 with immediate effect.

14.3 Payment for Cancellation

In the event of the whole or any part of the Consultancy Services being cancelled in accordance with Clauses 14.1, and 14.2 hereof, the Authority shall pay to the Consultant all fees and expenses, whether billed or unbilled, relating to Consultancy Services satisfactorily performed by the Consultant and which are accepted by the Authority up to the effective day of termination of the Consultancy Services.

15. Dispute Resolution

15.1 Amicable Settlement

Any dispute arising from or in connection with this Agreement shall be notified in writing by the Party to the other. Both Parties shall use their respective reasonable endeavours to settle the dispute on an amicable basis within 30 days from the date of receipt of notification before commencing legal proceedings.

15.2 Law and jurisdiction

This Agreement shall be governed by the Laws and Regulations in force in the Sultanate of Oman, and the courts of Sultanate of Oman shall have exclusive jurisdiction to settle any dispute which may arise from or in connection with it.

16. Duties and Rights of the Consultant

16.1 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 17.1, 17.2 and 18.1, 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 are required to work diligently and honestly and use their faithful and professional knowledge and skill 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 consultancy profession, and they shall respect the laws, regulations and customs of the Sultanate of Oman.

16.2 Confidentiality

The Consultant shall treat the details of this Agreement and all information and documents provided by the Authority, as well as documents prepared hereunder as private and confidential. All confidential information provided by the Authority hereto shall be used by the Consultant solely for the purpose of this Agreement and, except as may be necessary for carrying out this Agreement; the Consultant shall not publish or disclose any confidential information provided by the Authority to any third party without the prior written consent of the Authority.

The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement.

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.

16.3 Project Team

The Consultant shall identify and nominate a Team Leader. The Team Leader shall be responsible for the co-ordination of all work and activities relating to the Scope of Work. 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.

16.4 Meetings

16.4.1 The Authority or their nominated representative shall chair all meetings. The Consultant shall prepare an Agenda and review material required for each meeting in advance of such.

16.4.2 Minutes of meetings shall be dated and number consecutively all action items discussed and/or agreed during the meeting and shall indicate the party to take the required action by a due date.

16.4.3 Notwithstanding any specific other arrangement or agreement between the Parties, progress review meetings between the parties will be held weekly, or as requested by the Authority, for the purpose of:

16.4.3.1 Keeping all parties fully informed of all aspects of the project or works;

16.4.3.2 Reviewing progress, status, scheduling and other aspects of the project or works.

16.4.4 Minutes of each meeting shall be prepared by the Consultant and forwarded to the Authority within one (1) working day following the day of the meeting. The minutes shall be reviewed and agreed by both parties.

16.4.5 The Consultant shall maintain a record of all meetings and their minutes.

16.5 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” subject to the Authority’s approval.

16.6 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. 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.

16.7 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 visas, permits and arrangements shall be borne by the Consultant.

16.8 Omani Nationals

The Consultant shall appoint, where and when available, qualified Omani nationals for the execution of this Agreement.

17. Duties and Rights of the Authority

17.1 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.

17.2 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.

17.3 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 issued after signature of the Agreement and have a retrospective effect unless such provisions had been accepted in writing by the Consultant.

17.4 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.

17.5 Authority's Approval

The Authority's 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.

18. Liability of the Consultant

18.1 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 or any other Persons, in respect of the Consultancy Services. Nevertheless, the Consultant disclaims any liability for errors or omissions in information provided to them or their employees, representatives or agents by the Authority.

18.2 Insurance Cover

The Consultant shall provide to the Authority a certificate of insurance relating to professional indemnity to cover the Consultant's liability 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 hereunder.

18.3 Performance Bond

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

19. Communication

Any communications, including provisions of notice, instruction, request, demand, waiver, consent, approval, or other communications which are 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, as set forth below:

If to the Authority:

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

Attention [Representative Name] holding the position of [Position Held] (as confidential)

Phone: [●]

Fax No: 24609701

E-mail: [●]

If to the Consultant:

P.O.BOX [●]

Attention [●].

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

20. Entire Agreement

This Agreement together with its appendices thereto constitutes the entire understanding and agreement between the Parties in relation to the Consultancy Services and it shall supersede any earlier agreements, representations or discussions.

21. 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 (3), (10), (16.2) and (18).

IN WITNESS WHEREOF the Parties have executed this Agreement on the day and year first above written.

Signed:

For and on behalf of the AUTHORITY FOR PUBLIC SERVICES REGULATION:

Witness: _____

For and on behalf of [CONSULTANT]

Witness: _____

Appendix A

Consultancy Services

The Scope of Work shall be as set out in the RfP attached.

Appendix B

Time Schedule

The Schedule shall be adjusted to reflect the actual contract award and commencement date of the Consultancy Services.

The Consultancy Services are agreed to commence on [date].

The Consultancy Services are expected to be completed by [date].

The Time schedule shall be as set out in the agreed work plan submitted by the Consultant in [.....] dated [], 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 charge: RO -----
 b) Expenses (capped): RO -----
 c) Total Fee RO -----

Personnel	RO per day

For avoidance of doubt, the Expenses portion in the Total Fee in (b) above shall be paid based on actuals but will be capped at RO [-----].

Hotel rates will be paid based on actuals but will not exceed RO 90/- per night. In addition, a per-day living allowance capped at RO 25/- will be paid, which should cover all meals and other miscellaneous expenses.

Local transportation for purposes of Consultancy Services will be provided by the Authority unless otherwise agreed.

Airfare will be paid at an actual cost limited to RO 800 per return flight for International flights other than from GCC Countries, and RO 200 within GCC Countries.

Business Class airfare will be paid at an actual cost 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.

The payment schedule of the remuneration shall be linked to the satisfactory submissions of the main Deliverables of the Scope of Work accepted by the Authority, as follows:

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

In case of any additional work requested and agreed to by the Authority and the Consultant, A per diem rate (per 8-hour day) on actual man day spent as agreed between the Parties shall apply.

Additional air fares and expenses will be paid at reasonable actual costs, subject to prior written approval by the Authority.

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

Consultant shall raise separate invoices for expenses.

Appendix D

Project Team

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

The project team will consist of:

1. Name, position held
2. Name, position held
3. Name, position held
4. Name, position held