



MINISTRY OF ENERGY

REQUEST FOR THE EXPRESSION OF INTEREST FOR THE PROVISION OF CONSULTANCY SERVICES TO MANAGE THE UNIFORM PETROLEUM PRICING MECHANISM IN ZAMBIA UNDER THE MINISTRY OF ENERGY

(CONSULTING SERVICES)

1. INTRODUCTION

The Ministry of Energy has received financing from the Government of the Republic of Zambia towards the cost of engaging a qualified and experienced Consulting Firm to manage the Uniform Petroleum Pricing Mechanism nationwide commencing December 2024. The Uniform Petroleum Pricing mechanism is self-financing; however, it should be noted that the engagement of a consultant is an additional cost line that will be paid out of the UPP Fund.

The UPP mechanism entails that the cost of transporting fuel to areas furthest from Government depots be met through a cross-subsidization mechanism seeing that the transport cost was the only variable that brought about a fuel cost differential between urban and rural areas. Therefore, under this scheme, Oil Marketing Companies are compensated for the cost of transporting fuel from urban to rural areas in refunds or claims to enable them to sell petroleum products at the price(s) prevailing in urban areas. It is financed by the consumers with proximity to the depots in the form of contributions to the UPP Fund and the intended beneficiaries are consumers in the far-flung areas who receive refunds in the form of claims. Commercial sales such as supplies to the mines, are not part of the UPP Mechanism.

2. BACKGROUND

Previously, the cost of pricing of petroleum products in Zambia was influenced by the distance from the refinery to the point of consumption, i.e. the pump price was a function of transportation cost. The result was that pump prices of petroleum products varied countrywide with the areas furthest from the Government depots having the highest prices. This situation was of great concern to the Government as rural areas were indirectly deprived of development as high fuel prices were a barrier to increased consumption of fuel in rural areas.

3. SCOPE OF THE ASSIGNMENT

The scope of the assignment for the UPP Manager includes but not limited to the following provision of services:

(a) Verification of Claims and Contributions:

This task involves capturing accurate records for deliveries made to all service stations in the country to compute contributions to the UPP Fund as well as claims from the Fund for the OMCs.

(b) Reporting to the Client:

This task involves issuing monthly and quarterly reports vis-a-vis the available money from the Fund with a view to advising the Client on the adequacy of the Fund to sustain the claims. The UPP Manager will produce monthly, quarterly, annually, and other period reports as required by the Ministry of Energy.

(c) Collection of unpaid contributions:

The Consultant shall liaise or engage with OMCs regarding non-payment of contributions to the UPP Fund to ensure contributions are paid into the fund on a timely basis and claims are paid out of the fund, to ensure the efficient functioning of the UPP mechanism.

(d) Reconciliation of payments of claims and contributions

The UPP Manager shall coordinate the reconciliation of payments of claims and contributions for any OMC that raises a dispute, the reconciliation will be at the cost of the OMC that requests for a reconciliation and will involve all key stakeholders in the mechanism.

4. REQUIREMENTS

The Ministry of Energy now invites eligible consulting firms to express their interest in providing these services. Interested consultants must provide information indicating that they have the required qualifications and relevant experience to perform the services. The following is the shortlisting criteria:

- (i) The participation in the Expression of Interest is restricted to the citizen and local consulting firms.
- (ii) Proof of registration with the Patents and Companies Registration Agency (PACRA) by providing both the PACRA Registration Certificate and the PACRA Computer Print Out.
- (iii) The core business and experience of the consulting firm stating the availability of key staff. (Provide Brochures and/or Company Profiles).
- (iv) Description of similar assignments undertaken by the firm stating the name, scope, and cost of the comparable assignments.

- (v) Provide proof that your firm possess the technical, managerial, and financial capacity to execute the service.
- (vi) Provision of information demonstrating experience in new innovations in undertaking the assignment will be an added advantage.

The selection of the firms shall be in accordance with the Quality Cost Based Selection (QCBS) Method set out in the Public Procurement Act No. 8 of 2020 and the Public Procurement Regulations of 2022.

5. DETAILS FOR SUBMISSION

Expressions of Interest must be deposited in the Tender Box at the Ministry of Energy, Procurement and Supplies Unit, Energy House, Stand No. 1200, Medlands Road, Off Addis Ababa Road, Rhodes Park, Lusaka. Electronic submissions are permitted under this invitation through the following email addresses:

Fidelis.siame@moe.gov.zm and copy to Agness.sakala@moe.gov.zm

Interested firms should submit their Expressions of Interest in clearly marked envelopes “**Expressions of Interest for the Provision of Consultancy Services to Manage the Uniform Petroleum Pricing Mechanism in Zambia**” in One (01) Original and Five (05) copies addressed to:

The Head, Procurement and Supplies Unit
Ministry of Energy
Energy House, Stand No. 1200 Medlands Road
Off Addis Ababa Road, Rhodes Park
LUSAKA

Tel: +260-211-238202

The deadline for submission of Expression of Interest (EOI) is Friday, 28th June 2024 at 10.00 hours local time and the EOI will be opened immediately thereafter.

All other details remain unchanged.

The Head, Procurement and Supplies Unit
For/The Permanent Secretary
Ministry of Energy
P.O. Box 36079
LUSAKA

Dated: 11th June 2024.