



United Nations Industrial Development Organization

Terms of Reference

**FOR PROVISION OF SERVICES AND PREPARATION OF HCFC
PHASE-OUT MANAGEMENT PLAN IN THE TRANSPORTATION
REFRIGERATION AND AIR-CONDITIONING
MANUFACTURING SECTOR IN INDIA**

Project No. MP/IND/08/009

Vienna

20 May 2009

1. GENERAL INFORMATION AND BIDDING REQUIREMENTS

The present Terms of Reference shall be used for the preparation of a proposal for the supply of a complete package of services required for the preparation of an HCFC Phase out Management Plan (HPMP) in the transportation refrigeration and air-conditioning manufacturing sector in India. The proposal should include national, sector and enterprise level survey, information and data collection, data analysis, identification and formulation of the priority interventions required to meet the 2013 freeze and 2015 10% reduction targets of India in the consumption of HCFCs in the above sector. Preparation of the respective HPMP component is to be done in close collaboration with the Ozone Cell, Ministry of Environment and Forests, expert(s) of UNDP (Lead Agency) and UNIDO. This TOR identifies and specifies the basic scope of services, as well as the obligations and responsibilities of the Contractor in terms of the implementation of the project.

UNIDO, as one of the Implementing Agencies of the Multilateral Fund for the implementation of the Montreal Protocol, is providing technical and financial management and monitoring of this project through its various technical, contracting, financial and other staff and services. The Contractor will execute the required services. UNIDO will enter into a contractual arrangement with the Contractor, act as project manager on behalf of the Multilateral Fund for the Implementation of the Montreal Protocol (MFMP) and pay for the services from the financial resources approved by the Executive Committee of the MFMP and transferred to a designated account of UNIDO.

The offer should contain:

1. Description of the Company, its staffing, sphere of expertise and experience; and the demonstration of its basement in India.
2. Overall approach proposed for the preparation of the HPMP Stage 1 component in the respective sector;
3. Detailed description of proposed services and every major steps;
4. Detailed and itemised cost breakdown;
5. Detailed time schedule;
6. List, qualification and brief description of experience of the experts to be assigned to the project and their role in the project;
7. Approximate duration of work-assignment of each expert within this project;
8. Indication of options (if any), which are not included in the TOR;
9. List of reference activities especially in relation to Montreal Protocol interventions and knowledge of the Indian HCFC consuming in transportation refrigeration and air-conditioning manufacturing sector.

Items, which are not included in the scope of supply and/or in the price of the offer but required/recommended by the supplier, should be explicitly listed, indicated and budgeted wherever appropriate.

All deviations from the Terms of Reference should be clearly indicated and explained in the offer. Partial and/or not binding offers will be rejected.

The commercial and other general requirements of UNDO are specified separately.

2. BACKGROUND & OBJECTIVE

2.1 Background

On the 19th Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer held in Montreal in 2007, the Parties agreed under Decision XIX/6 on the “Adjustment to the Montreal Protocol with regard to Annex C, Group I substances (HCFCs)” to “accelerate the phase-out of production and consumption of hydro chlorofluorocarbons (HCFCs)”, thus calling for urgent action towards the phase-out of HCFCs. In this connection, draft guidelines for the preparation of HCFC Phase-out Management Plans (HPMP) incorporating HCFC surveys were approved by the 54th meeting of the ExCom on 7-11 April 2008 and subsequently, the Executive Committee on its 55th Meeting (14-18 July 2008) approved funds for the preparation of HPMP in A5 countries. A5 countries have been requested by the ExCom to adopt a staged approach to the implementation of their HPMPs (relevant documents are attached: 54/53, 54_L.1_Corr.1, 55/47 and Decisions 55/13 and 56/16 of the ExCom).

In accordance with the ExCom Decision 56/25, India is eligible for the maximum funding of US\$ 595,000 for the preparation of HPMP. It has been decided that UNDP (Lead Agency) will be responsible for the development of components for Stage 1 of the HPMP pertaining to refrigeration, air-conditioning, foam, fire fighting and solvent sectors as well as for the formulation of the HPMP overarching strategy till 2030. The latter will be implemented in collaboration with UNIDO, UNEP (Cooperating Agencies) and Germany (Bilateral Agency),

2.2 Objective

It was agreed with the Government of India and the above Implementing Agencies that UNIDO will be responsible for the preparation of a component for Stage 1 of the HPMP pertaining to the transportation refrigeration and air-conditioning manufacturing sector. Thus, the objective of this project is to provide the respective technical assistance and relevant input to the Government and the Lead Implementing Agency (UNDP) in the preparation of HPMP for the above sector.

3. SCOPE OF SUPPLY

The contractor should collect data and information through desk studies and field surveys. The data collected should be analysed and verified and based on them the Contractor should prepare the component for Stage 1 of the HPMP in the transportation refrigeration and air-conditioning manufacturing sector in India.

During the preparation of the above Stage 1 component of the HPMP the Contractor should strictly follow the current guidelines of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol. In this regard, guidance will be provided by UNIDO and the Ozone Cell.

The Contractor should maintain consultation with UNDP (Lead Agency) through the Ozone Cell and UNIDO.

4. CONTENT OF THE HPMP STAGE 1 COMPONENT FOR TRANSPORTATION REFRIGERATION AND AIR-CONDITIONING MANUFACTURING SECTOR

a. General Information

This section should include general information, such as name of country; classification of the country, specify the controlled substances covered by the measures proposed in the plan and the sector covered (e.g., HCFCs used in transportation refrigeration and air-conditioning manufacturing sector), brief country background, brief information summarizing the ratification of the Montreal Protocol and its amendments, brief review of non-investment activities undertaken on CFCs phase-out and brief summary review of projects funded under the Multilateral Fund for ODSs compliance including the implementation of individual and umbrella projects by sector and national CFC phase-out plans, highlights of lessons learned and how these can be used for the phase out of HCFCs. UNIDO should provide the relevant input to this section specifically pertaining to the transportation refrigeration and air-conditioning manufacturing sector.

b. Description of institutional and regulatory framework

This section should include information on the current ODS regulations, including the existing licensing, and whether there are specific regulations for import/export of HCFCs or HCFC-dependent equipment, the existence of a quota system, bans of currently controlled ODSs and ODS-dependent equipment. This section will be prepared by the Lead Implementing Agency (UNEP).

c. Data collection and surveys

In development of HPMP data and information should be collected in order to present an overall view of the HCFC consuming in various sectors. UNIDO's part should cover data and information pertaining to the transportation refrigeration and air-conditioning manufacturing sector only. This information could assist the Ozone Cell to update and validate their current database and use it as a management tool for HCFCs.

The work should be based on the data requirement of the attached UNIDO questionnaire. The contractor is expected to modify the questionnaire in order to get data and information specifically pertaining to the transportation refrigeration and air-conditioning manufacturing sector.

The survey of the transportation refrigeration and air-conditioning manufacturing sector should take account of the methodology and approach for collecting the data, including the name of the involved institutions and the sources of data including the summary of field visits. The survey of the sector should cover all enterprises manufacturing refrigerated lorries (trucks) and vans, reefer ships, refrigerated railcars, refrigerated and air-conditioned merchant ships above 300 gross tons, air-conditioned buses and railcars. The enterprises should be grouped according to their capacity: large, medium scale, small and sector: formal, informal.

Data sources and references should include information from Customs authorities, Ozone Cell, industry, manufacturing enterprises in the transportation refrigeration and air-conditioning manufacturing sector using HCFCs, statistical year-books, etc. The data for the refrigeration, air-conditioning and other sectors will be collected by UNDP and cooperation with the UNDP designated experts is important to ensure consistency of approaches and data.

In general the submitted HCFC data should cover all sectors and include the following information:

- HCFC producer and production for feedstock and controlled applications;
- Imports and list of importers;
- Exports and list of exporters;

- Distributors;
- End users;
- HCFCs consumption in the sector addressed and description of the sector;
- List of Multilateral Fund CFC projects that have been replaced with HCFCs, including the status of the project and contact details of the enterprise.
- Forecasts for HCFC consumption in the sector, including the unconstrained demand up to baseline date, and beyond;
- Domestic availability of alternatives to HCFCs and prices.

UNIDO is to provide relevant data and information pertaining to the transportation refrigeration and air-conditioning manufacturing sector only.

d. Strategy and plan for the implementation of HCFC phase-out

The HPMP should describe the overarching strategy that will be followed to achieve the targets to meet complete phase out of HCFCs. This will include a discussion of policy instruments needed to reduce the supply of HCFCs such as import quotas and price controls on HCFCs, as well as the plan for implementation/enforcement of the short-term alternatives, access to alternative supplies, future ban of import of HCFC containing equipment and for coordinating the plan with the climate change, chemical management, and energy policies.

The steps to be taken to gradually curtail HCFC demand (such as completing the conversions of manufacturing industries to non ODS alternatives while simultaneously planning to address demand in the refrigeration and air-conditioning servicing sector, and legislation with regards to goods containing HCFCs) should also be covered. This section should also identify any national legislation that may prohibit or restrict specific non-HCFC alternatives.

The strategy should be elaborated and described on the basis of a staged approach. The first phase (**Stage 1**) should be to meet the freeze on HCFCs consumption (average of the national consumption of 2009-2010) in 2013 and the 10 per cent reduction of HCFC consumption and production in 2015. It should include calculation of the itemized cost of priority sub-projects and activities as well as, the total funding required for **Stage 1**; the information for the transportation refrigeration and air-conditioning manufacturing sector is to be provided by UNIDO.

The strategy should describe a time frame for the implementation of the planned activities based on the actual needs and current consumption. This should also include an assessment of how much immediate reduction in HCFC consumption can be achieved with little investment but with targeted institutional activities that may be carried out. Performance indicators should be developed and included in the plan and a time schedule of actions. The relevant input to this part pertaining to the

transportation refrigeration and air-conditioning manufacturing sector should be provided by UNIDO.

For refrigeration and air-conditioning servicing sector the strategy should describe how to reduce the dependence on HCFCs, including measures such as legal and economic incentives and disincentives; training; public awareness activities; import controls and other sector-specific initiatives. This part of the strategy will be prepared by the Lead Agency (UNDP) and Bilateral Agency (GTZ, Germany).

Recovery and recycling initiatives based on previous experience should also be included, with a view to proposing specific activities considering the lessons learned from the past and how the existing system can be used to facilitate HCFC phase-out as part of the overall phase out plan. These plans should also contain a summary review of the implementation of the relevant RMP and TPMP. This part will be addressed by the Lead Agency (UNDP) and Bilateral Agency (GTZ, Germany).

Thus, the overarching strategy of the HCFC Phase-out Management Plan should contain:

- Description of planned activities;
- Institutional activities;
- Priority investment projects;
- Specific activities for the servicing sector;
- Capacity building and awareness raising activities; and
- Timetable for implementation including reductions proposed.

UNDP (Lead Agency) is responsible for the development of the above strategy in cooperation with and assistance of UNEP and GTZ, Germany. Together with UNIDO it has also to provide inputs to the respective components of the strategy for the implementation of the HPMP Stage 1. To achieve consistency in approaches it is important to cooperate with UNDP designated experts while preparing UNIDO's input to the Stage 1 strategy pertaining to the transportation refrigeration and air-conditioning manufacturing sector.

e. Cost calculation

Detailed costing should cover **Stage 1** of the HPMP, as described above.

For the determination of eligible conversion costs, data should be collected and compiled on the number of enterprises in the transportation refrigeration and air-conditioning manufacturing sector, consumption of ODS per enterprise and baseline equipment and technology, date of installation of production capacity.

All available alternatives for conversion of enterprises in the transportation refrigeration and air-conditioning manufacturing sector should be explored and cost and environmental/climate change impact comparisons are to be provided to the greatest extent possible.

Other non-investment activities pertaining to the transportation refrigeration and air-conditioning manufacturing sector and their costs should be considered particularly in the areas of awareness-raising and training, and these activities should be treated as components of the overall phase out management plan. The framework should include an approach to building public awareness through a focus on HCFC stakeholders, such as industry associations, to disseminate information regarding the HCFC phase-out. It is also important to build awareness among, *inter alia*, investors, equipment and building owners, and equipment vendors. Public awareness could be encouraged through national conferences, training workshops, a dedicated website, stakeholder consultations and technical publications.

f. Project coordination and management including monitoring and evaluation

There should be a description of the management structure for the implementation of the HPMP Stage 1 in various sectors including the transportation refrigeration and air-conditioning manufacturing one (to be provided by UNIDO). This should include a clear indication of the roles to be assumed by Government bodies, industry bodies, academic institutions and consultants.

Accountability for the management of the implementation of the plan is of paramount importance. Thus, designation of a government entity to which the management body should be held accountable needs to be indicated, as well as the responsibility and decision-making capacity and reporting responsibilities of the different parts of the management structure should be designed and described.

The involvement of UNIDO should be clearly defined in the management and implementation of the HPMP Stage 1 in the transportation refrigeration and air-conditioning manufacturing sector. This should include the name(s) of national institutions cooperating with UNIDO and their specific roles and responsibilities, and the types and frequency of reporting.

Adequate tools should be designed to ensure independent confirmation of the achievement of the performance targets specified in the plan.

The plan should also account for possible costs of verification of performance targets.

5. REPORTING

The Contractor should submit to UNIDO regular progress reports **in English** according to the following schedule:

a. Progress Report 1

Progress Report 1 should contain the following items:

- a. Results of a desk study on the consumption of HCFCs at the level of transportation refrigeration and air-conditioning manufacturing sector with a breakdown of substances consumed in the sector in the years 2005-2008;
- b. Preparation of unconstrained growth scenarios for the consumption of HCFCs in the sector;
- c. Current prices of HCFCs in India, approximate price levels during the past few years (if available);
- d. HCFC alternatives available in India and their prices, trends.

Due date of submission: 2 months after signature of the contract.

b. Progress Report 2

Progress Report 2 should contain the following items:

- a. Results of sector and enterprise level HCFC consumption data;
- b. List of major HCFC distributors;
- c. Analysis, verification and consolidation of data collected from various sources;
- d. Selection of priority areas of policy and conversion interventions for **Stage 1**;
- e. Recommendation for public awareness and training activities

Due date of submission: 3 months after signature of the contract.

c. Progress Report 3

Progress Report 3 should contain the following items:

- a. Preparation of cost calculations related to the implementation of **Stage 1** in the transportation refrigeration and air-conditioning manufacturing sector based on various scenarios and available alternatives;
- b. Review climate and other environmental implications of the various

- scenarios (alternatives);
- c. Recommendation on the most cost effective scenario for the transportation refrigeration and air-conditioning manufacturing sector, which ensures compliance until 2015 with great deal of confidence and acceptable overall environmental impact;

Due date of submission: 5 months after signature of the contract.

d. Final Report

- a. HPMP Stage 1 for the transportation refrigeration and air-conditioning manufacturing sector prepared in accordance with the present TOR.

Due date of submission: 6 months after signature of the contract.

6. LANGUAGE REQUIREMENTS

Local language for the application of interviews with companies and with good drafting and reporting skills in English.

QUALIFICATION REQUIREMENTS AND EVALUATION CRITERIA

I. QUALIFICATION REQUIREMENTS

OPERATIONAL

Certificate of Incorporation

The Candidate should be registered as a legal entity authorized to enter into contracts for provision of services and goods. As a proof, the Candidate should provide a certified copy of Certificate of Incorporation or other documents setting forth the legal basis of the company.

It is highly recommended to register as UN User at the United Nation Global Marketplace (www.ungm.org) prior to submitting the offer.

Licenses/ Authorizations

The Candidate should provide a copy of relevant licenses and/or authorizations, where applicable, enabling the company to perform the required services/work required under the Request for Proposal (RFP).

International scope of operations

The invitee should provide, if available, information on operations outside the country of origin and/or working with international organizations.

EXPERIENCE

Years in business

The Candidate should justify at least three (3) years of experience in the field of services/works. The Candidate shall list those previous experiences in fulfilling contracts of nature similar to the subject RFP for the private sector and for UN agencies.

MANDATORY FINANCIAL QUALIFICATION REQUIREMENTS

A certified copy of the Financial Statements has to be provided and the Candidate shall meet the following basic financial criteria:

Profitability

Profit Margin Ratio or Return on Assets Ratio should be in excess of 1%

Solvency ratio

A solvency ratio (ration of current assets to current liabilities) of more than 1 is required.

Turnover

The average annual turnover for the past 3 years (or for whatever period of time the contractor has been in business for, if it has not yet reached 3 years) should be at least four times more than anticipated value of the contract.

Litigation in progress

The impact of any pending claims, arbitration and other pending legal action should not exceed 50% of total assets of the contractor.

II. EVALUATION CRITERIA

PRICE/COST

Total cost

Total price i.e. total sum of unit prices as per cost breakdown required.

Note: While price is an important factor, however, it shall not be the primary consideration in evaluating responses to this RFP.

Proposed payment terms

Requirement for advance payment, progress payments plan, etc. evaluated versus UNIDO's normal requirements indicated in the Model Contract.

CONTRACTUAL

- 1) Agreement to the UNIDO contractual terms and conditions
- 2) Acceptance of UNIDO's Model Contract and Conditions of Contract
- 3) All other statements as required in paragraph 3 of the RFP

TECHNICAL

Compliance with the Terms of Reference.

Experience with Montreal Protocol activities.

Knowledge of Indian industry using HCFCs

Information on HCFC alternatives

Familiarity with the Indian legislation and ODS management structure.

Excellent local and English language skills

Management

- Contractor's organization, structure and experience with special attention to facilities and resources available in India;
- Contractor's facilities and resources available for this contract within India;
- Proposed subcontracting effort in connection with obtaining additional resources;
- Adequacy of management organization and plan to satisfy requirements.

Guarantee Terms and Conditions

Adequacy of proposed guarantee terms and conditions in comparison with those defined in the TOR.

Personnel qualifications

Technical experience of principal personnel related to the performance of the requirement;

Education qualification related to the performance of the requirement should be provided in CV's.