



REPUBLIC OF KENYA

**THE NATIONAL TREASURY
STATE DEPARTMENT FOR PUBLIC INVESTMENTS AND ASSETS MANAGEMENT
PUBLIC PRIVATE PARTNERSHIPS DIRECTORATE (PPPD)**

TERMS OF REFERENCE

FOR

**TRANSACTION ADVISORY SERVICES FOR DEVELOPMENT OF A LIQUEFIED
NATURAL GAS FIRED POWER PLANT AT DONGO KUNDU**

MARCH 2026

TABLE OF CONTENT

- 1. INTRODUCTION..... 4**
- 2. BACKGROUND..... 4**
 - 2.1 Sector Context 4
 - 2.2 The Contracting Authority 5
 - 2.3 Rationale for LNG..... 5
 - 2.4 Project Overview..... 6
- 3. TRANSACTION ADVISORY SERVICES..... 6**
 - 3.1 Scope of Work 6
- 4. PHASE 1: PROJECT FEASIBILITY STUDY (PROJECT STRUCTURING) 7**
 - 4.1 Task 1: Technical and Commercial Feasibility 8
 - 4.2 Task 2: Legal and Regulatory Due Diligence..... 9
 - 4.3 Task 3: Environmental and Social Impact Assessment..... 10
 - 4.4 Task 4: Financial, Economic and Fiscal Analysis 11
 - 4.5 Task 5: Risk Analysis and Project Structuring..... 12
 - 4.6 Task 6: Market Sounding..... 12
 - 4.7 Task 7: Feasibility Study Report and Recommendations 13
- 5. PHASE 2: PPP PROCUREMENT..... 15**
 - 5.1 Task 1: Procurement Strategy 15
 - 5.2 Task 2: Preparation of Procurement Documents 15
 - 5.3 Task 3: Procurement Support..... 16
 - 5.4 Task 4: Bid Evaluation Support and Award 17
 - 5.5 Task 5: Negotiation and Commercial Close 18
 - 5.6 Task 6: Financial Close Support..... 19
 - 5.7 Task 7: Support for Monitoring and Contract Management..... 20
- PHASE 3: PROJECT-BASED LEARNING (To run concurrently with Phases 1 and 2)..... 21
- 6. TRANSACTION ADVISOR SKILLS AND EXPERIENCE 21**
 - 6.1 Qualification Requirements of the firm..... 21
 - 6.2 Qualifications Requirements of Key Personnel and Time Input 23
 - 6.3 Non-Key Experts / Short-Term Specialists 27
- 7. DURATION OF THE ASSIGNMENT 28**
- 8. DELIVERABLES OF THE ASSIGNMENT 28**

9. REMUNERATION SCHEDULE AND DISBURSEMENT ARRANGEMENTS	29
9.1 Remuneration schedule.....	29
10. INSTITUTIONAL ARRANGEMENTS AND COUNTERPART ASSISTANCE.....	30
11. BID EVALUATION CRITERIA	31

I. INTRODUCTION

The Public Private Partnerships Directorate (PPPD) at the National Treasury on behalf of and in consultation with the Contracting Authority (CA) namely the State Department for Energy (SDE) seeks to engage a Transaction Advisor (TA or Consultant) to assist in reviewing and updating of existing feasibility studies and the procurement of a Private Party for the development of a Liquefied Natural Gas (LNG) Fired Power Plant (Project).

The TA is expected to advise on the appropriate project structure following a review of the existing feasibility study and conduct commercial due diligence for a new LNG power plant at Dongo Kundu. The Transaction Advisor is to undertake a comprehensive viability assessment of the Project to identify an optimal project structure that will attract private-sector participation under the PPP framework.

2. BACKGROUND

2.1 Sector Context

Kenya's electricity generation mix comprises geothermal, hydro, wind, solar and thermal generation. While significant progress has been made in expanding renewable energy capacity, the system continues to rely on Medium Speed Diesel (MSD) plants for thermal support, contributing approximately 564 MW out of an installed capacity of 3,312 MW. Electricity generated from MSD plants is relatively expensive due to fluctuations in international oil prices and foreign exchange volatility, as the fuel is imported. These costs are passed through to consumers via the Fuel Cost Charge (FCC), contributing to higher electricity tariffs and production costs across the economy. At the same time, Kenya's economic transformation agenda, particularly the development of the Dongo Kundu Special Economic Zone (SEZ) and the expansion of port and industrial infrastructure in the Coastal region, requires reliable, dispatchable and cost-competitive baseload generation to support manufacturing and industrial growth.

LNG Single Cycle Gas Turbines or Combined Cycle Gas Turbine (SCGT/CCGT) generation offers a lower-cost and more environmentally efficient alternative to existing diesel-based thermal generation. It also offers operational flexibility to complement Kenya's growing share of variable renewable energy (VRE) resources.

2.2 The Contracting Authority

The Contracting Authority for this assignment is the State Department for Energy within the Ministry of Energy and Petroleum. The State Department for Energy is mandated to facilitate the provision of clean, secure, sustainable and affordable energy services for socio-economic development while ensuring environmental stewardship. The State Department is responsible for sector policy formulation, planning and oversight of electricity generation, transmission and distribution infrastructure in coordination with sector agencies and regulators, including the Energy and Petroleum Regulatory Authority (EPRA), Kenya Power and Lighting Company (KPLC), Kenya Electricity Generating Company (KenGen) and Kenya Electricity Transmission Company (KETRACO).

For purposes of this assignment, the State Department for Energy shall coordinate with relevant public sector stakeholders, including:

- The National Treasury.
- Kenya Power and Lighting Company (KPLC) as a prospective off-taker.
- Kenya Electricity Transmission Company (KETRACO) for grid integration and power evacuation infrastructure.
- Kenya Ports Authority (KPA), where applicable, in respect of marine and LNG terminal infrastructure interfaces.
- Kenya Electricity Generating Company (KenGen)
- Energy and Petroleum Regulatory Authority (EPRA).
- National Environment Management Authority (NEMA) and
- County Governments of Mombasa and/or Kilifi.

Notwithstanding the foregoing and given that the Project shall comprise multiple interrelated components, including infrastructure for importation of LNG, gas supply arrangements, marine facilities and power generation assets, the Transaction Advisor shall, as part of the Phase 1 structuring analysis, evaluate and advise on the most appropriate institutional framework and contractual configuration for the Project. The final determination of the institutional framework shall be made by the State Department for Energy following completion of the structuring phase and upon consideration of the Transaction Advisor's recommendations.

2.3 Rationale for LNG

Liquefied Natural Gas (LNG)-to-power Project are increasingly adopted as part of national energy transition strategies, particularly in emerging markets seeking reliable, scalable, and cleaner power generation. The rationale spans energy security, economics, environmental considerations, and system flexibility. LNG reduces overreliance on hydro (climate-vulnerable), heavy fuel oil (HFO), or imported coal. Gas turbines can ramp up or down quickly, complementing intermittent renewables. LNG plants provide dependable backup capacity during low renewable output or droughts affecting hydro. LNG-to-power offers a flexible, relatively fast-to-deploy, and lower-carbon transitional solution that enhances energy security while supporting industrial growth.

2.4 Project Overview

The Ministry of Energy and Petroleum, State Department for Energy (the “Contracting Authority”), is considering the development of an LNG-fired power plant at Dongo Kundu with an ultimate capacity of up to 1,200 MW, to be implemented in phases as follows: 300 MW in 2026; 300 MW in 2028; and 600 MW in 2032. The Project is envisaged for implementation under a Public–Private Partnership (PPP) framework, potentially structured as a BOO (Build-Own-Operate) or BOOT (Build-Own-Operate-Transfer) contractual arrangement. The Contracting Authority is considering the development of infrastructure for the importation of LNG — potentially through a Floating Storage and Regasification Unit (FSRU) and associated marine and pipeline facilities to ensure a secure natural gas supply to the proposed power plant. The Project entails the development of a power generation facility and also the establishment of foundational gas supply infrastructure and associated market arrangements.

3. TRANSACTION ADVISORY SERVICES

3.1 Scope of Work

This section describes the minimum required tasks to be performed by the TA, as an example, without in any way limiting the scope of activities the TA may need to fulfill in order to achieve financial close.

The scope of work is divided into three phases, namely:

Phase 1 – Review and update the existing Feasibility Study Report - Review and update the existing feasibility study focusing for the new LNG Power Plant at Dongo Kundu, propose possible project structures, implementation schedule, conduct

market sounding, and follow-up consultations with the CA and PPP Directorate to decide on project structure options and whether to proceed with the Project.

Phase 2 – Procurement and Project Implementation (subject to approval by CA and PPPD) - Development of procurement documents, guiding the procurement process, tender process organisation, and support on project implementation from contract negotiation through to Financial Close.

Phase 3 – Project Based Learning - Project Based Learning. This entails capacity building for the Project Implementation Team (Contracting Authorities & PPP Directorate), including knowledge and skills transfer. This phase shall be implemented simultaneously with the two other phases.

4. PHASE 1: PROJECT FEASIBILITY STUDY (PROJECT STRUCTURING)

The Transaction Advisor shall review and update the existing feasibility study (to be provided to the selected bidder) and complete the feasibility study to comply with the PPP Act. The feasibility study is intended to determine the commercial viability and PPP suitability of implementing the proposed Project from a technical, economic, social, environmental and financial perspective.

The Consultant shall conduct Affordability assessments, Public Sector Comparator (PSC) and Value-for-Money (VfM) analysis, and Fiscal Commitment and Contingent Liability (FCCL) assessment consistent with PPP best practices and the National Treasury practice to inform PPP Committee approvals

The Consultant shall review existing studies and planning documents, identify data gaps and critical preconditions required for implementation of the Project, and recommend whether such actions should be undertaken in advance or incorporated within the PPP project structure.

The Consultant shall evaluate alternative project configurations — including bundled versus unbundled approaches and recommend the optimal project structure, institutional framework, risk allocation and procurement strategy.

The Consultant shall coordinate closely with the State Department for Energy and relevant stakeholders, including National Treasury, KPLC, KETRACO, KPA (where applicable), EPRA and NEMA, to assess technical, environmental, regulatory and grid integration considerations.

Phase 1 shall conclude upon approval of the feasibility study by the CA and PPP Directorate.

4.1 Task 1: Technical and Commercial Feasibility

The TA shall review the existing Feasibility Studies to determine the Technical and Commercial Feasibility of the Project. The Technical and Commercial Feasibility Study shall assess technical configurations and commercial structuring options for the Project, building upon the existing feasibility work undertaken. The Study shall evaluate projected market demand for the power to be generated, including demand for Contracting Authorities and revenue implications. It shall further undertake a grid stability assessment and examine the implications for the transmission network, including integration requirements and system reinforcement needs. The Study shall culminate in recommendations on the optimal technical configuration, commercial set-up, and appropriate project phasing strategy.

In conducting the Technical and Commercial Feasibility, the Consultant will assess the relevance, accuracy, and completeness of all available studies and data. This includes identifying any limitations or outdated assumptions, flagging inconsistencies, and outlining areas where further analysis or validation is required. The objective is to establish a solid foundation for the feasibility study by building upon previous studies and assessments, relying on them where appropriate, while ensuring their findings remain accurate and relevant. The Consultant shall update or enhance the Feasibility Study to support the Project's bankability, ensure technical robustness, and align with the current scope and intended PPP structure.

Specifically, the TA should include:

1. LNG Supply & Contracting Structure - ensure the feasibility analysis covers the full LNG commercial profile, including the choice between long-term and spot LNG procurement strategies, exposure to different price indexation formulas (JKM, TTF, Brent), mechanisms for passing fuel price changes to the off taker, allocation of LNG supply risk, obligations related to minimum send-out (MSO) under FSRU/FSU charters, management of boil-off gas, and alignment of LNG cargo sizes with seasonal power consumption patterns.
2. Full LNG and FSRU/FSU commercial assessment covering the most optimal procurement strategy (long-term vs spot), price indexation (JKM/TTF/Brent),

pass-through mechanisms, LNG supply-risk allocation, MSO obligations, boil-off gas management, and alignment of cargo size with seasonal demand. Also incorporate FSRU/FSU charter economics—Time Charter vs Bareboat vs EPC+O&M, redeployment flexibility, availability guarantees, fuel-gas loss allocation, port and marine service costs, and dredging/navigation risk

The Consultant shall estimate the full lifecycle costs of the Project and determine the tariff regime for the Project. The TA shall assess overall project bankability under alternative structuring scenarios, including optional staple finance with transparent, competitive, and market-tested financial terms, for consideration by private parties. As part of the commercial feasibility assessment, the TA shall identify and evaluate additional revenue streams where possible and commercial development potential capable of enhancing overall project bankability and financial sustainability, including but not limited to climate finance and carbon credits.

4.2 Task 2: Legal and Regulatory Due Diligence

The Consultant shall undertake a comprehensive legal and regulatory due diligence of the Project and provide legal inputs required to support transaction structuring and procurement under the PPP framework.

The Consultant shall:

1. **Legal and Regulatory Framework:** Review and confirm the applicable legal and regulatory framework governing the Project, including the PPP Act, Energy Act, EMCA, maritime/port frameworks (where marine infrastructure is involved), land laws, and applicable EPRA/NEMA requirements.
2. **Permits, Licenses and Approvals:** Identify all permits, licenses, consents and statutory approvals required for implementation of the proposed project.
3. **Land and Interface Rights:** Assess land tenure status, land acquisition requirements, easements/wayleaves, marine access rights, and interface arrangements with KPA or other agencies (where applicable).
4. **Institutional and Contracting Authority Configuration:** Assess legal feasibility of Contracting Authority arrangements and recommend the appropriate legal structure and contracting arrangements across components.
5. **Key Project Agreements:** Propose the optimal contractual arrangement and key provisions for bankability.

6. **Risk Allocation and Legal Protections:** Provide legal input on the allocation of key risks (LNG price, FX, offtake, change in law, termination, force majeure) and propose mitigation mechanisms consistent with Kenyan law and PPP practice.
7. **Regulatory/Policy Gaps:** Identify any legal, policy or regulatory gaps that could affect implementation and recommend actions required to address them before PPP launch.
8. Prepare a Legal Due Diligence Report and develop a permits and approvals schedule.

This assignment shall comply with the PPP Act 2021, the PPP Regulations 2022, and PPP Directorate policies. The TA shall support the Contracting Authority through the following approvals: (i) PPP Committee approval of the Feasibility Study; (ii) clearance of RFQ/RFP and draft Project Agreement before issue; (iii) approval of the Bid Evaluation Report and preferred bidder; and (iv) approval to execute the Project Agreement (Commercial Close).

4.3 Task 3: Environmental and Social Impact Assessment

The Consultant shall undertake a preliminary Environmental and Social Impact Assessment (ESIA) in accordance with:

- Kenyan environmental law and NEMA requirements.
- International lender standards (including IFC Performance Standards and Equator Principles, where applicable); and
- The detailed Environmental, Social and Land Acquisition Studies framework set out in the Terms of Reference for implementation by the successful bidder, which forms an integral part of this assignment.

The preliminary ESIA shall explicitly follow EMCA and ESIA Regulations (scoping, disclosure, licensing) and include marine/coastal studies plus LNG safety studies (QRA, dispersion, thermal radiation, ESD) to satisfy NEMA and international financier expectations.

The consultant shall undertake a review of relevant existing environmental and social assessments and studies related to the Project. Following completion of the preliminary ESIA and comprehensive review of the existing E&S studies, the TA shall

undertake ESIA scoping and develop a detailed TOR for full ESIA implementation by the successful bidder.

4.4 Task 4: Financial, Economic and Fiscal Analysis

The Consultant shall be responsible for undertaking the financial and economic analysis of the Project. This will entail the following:

- Critically reviewing and auditing the input data and their sources, and assumptions of the existing financial model where applicable, verifying them and establishing the final version of the project's financial model.
- Providing additional commercial and financial inputs to the Financial Model wherever necessary, such as terms of debt financing, escalation rates, insurance cost and currency hedging costs, macroeconomic assumptions, as required to ensure a comprehensive and complete Financial Model.
- Providing additional tax and accounting input to the Financial Model to reflect the accurate economics of the Project.
- Estimating the fiscal impact of the Project under different PPP options. This shall include qualitative and quantitative fiscal impact of direct and contingent liabilities.
- Conducting a comprehensive economic analysis (including externalities) of the Project. As part of this analysis, the Consultant shall calculate the Economic Internal Rate of Return (“EIRR”) of the Project along with accompanying justifications and clarifications. Methodology and methods to be used will be made clear (e.g. the least cost methodology, the with-and-without Project methodology, cost-benefit analysis (CBA), contingent valuation, etc.).
- Develop a Public Sector Comparator (“PSC”) and a shadow bid model to undertake a Value for Money (“VFM”) analysis of the Project. The TA shall compute the Fiscal Commitments and Contingent Liability (“FCCL”) impact of the Project.
- Analyze and opine on the affordability of the services of the Project to its users, based on the willingness and ability to pay survey.
- This task aims to reassure the financial, economic and fiscal viability of the Project and allow the CA and PPPD to move on to procurement. Hence, as required, additional analyses (including entities linked to the Project might be

required (including detailed design of the Payment Mechanism/Tariff Arrangement and shadow Bid Model for evaluation) to comprehensively analyze and establish with a high degree of confidence a concrete business Contracting Authority for the Project.

- Analyze the impact of other alternative financing, such as Climate Finance, Carbon Credits and Concessional Financing, on the Project's financial structure.

4.5 Task 5: Risk Analysis and Project Structuring

The Consultant shall undertake a detailed risk analysis and recommend a structure that is robust and bankable for the Project. This will entail the following:

- Undertake the risk analysis and allocation matrix, payment mechanism, value for money assessment, Public Sector Comparator Model, the Risk Adjusted Public Sector Comparator Model, the PPP Reference Model and the Risk Adjusted PPP Reference Model.
- Preparing a **Detail Risk Register** capturing the different risks of the Project along with recommended approaches for risk avoidance, mitigation and allocation.
- Providing technical, legal, environmental and social, commercial and financial inputs to the risk register.
- Devising a payment mechanism and tariff regime that aligns with the risk analysis and output specifications of the Project while ensuring it is bankable to lenders and viable for the private sector.
- Recommending suitable payment and security mechanisms to improve the Project's bankability.
- Assess if the project will need Viability Gap Funding (VGF) and if need be, conduct a tariff sensitivity analysis to achieve commercial viability from a socially acceptable tariff.
- Analyzing different PPP options suitable for the Project and recommending the preferred option.

4.6 Task 6: Market Sounding

The Consultant shall undertake a Market Sounding exercise that shall include the following tasks:

- i. Prepare a Market Sounding document that will include a Project information memorandum (which will cover the objectives, an overview of the Project, the process and timetable for procurement, outline Risk Allocation), as well as a summary of the key issues to be discussed with and questions to be asked of the market, i.e. equity investors, debt financiers, contractors and operators, the process of how the market sounding will be conducted, the proposed list of parties to be approached;
- ii. Provide the Project Profile to the identified private parties and hold one-on-one discussions with them, either telephonically or if practical and cost effective, face to face.
- iii. Organize and participate in workshops with the Contracting Authority and other stakeholders to review findings of the market sounding and determine key areas that will need consideration in preparing the Feasibility Report.
- iv. Prepare a Market Sounding Report (which will form an appendix to the Feasibility Study) that will summarize the findings from the exercise and will consist of, but is not limited to, the following information:
 - Market sounding objective.
 - Key issues that needed to be considered.
 - List of companies consulted.
 - List of questions and answers; and
 - Summary findings and matters considered in the Feasibility Report.

The TA will organize consultation discussions with potential market participants including, but not limited to, potential developers, operators, equity partners, investors, lenders and guarantors to fulfill the market sounding requirements. The conclusions drawn from these consultation meetings shall be considered in the preparation of the feasibility report and in designing the PPP transaction structure.

4.7 Task 7: Feasibility Study Report and Recommendations

The TA will prepare a comprehensive Feasibility Study (FS) Report based on their in-depth review of the existing report to be compliant with the PPP Act's requirements. The Feasibility Study Report shall incorporate all the reports highlighted in Phase 1, analysis conducted, the conclusions reached and the recommendations. The Project Feasibility will include preferred method of procurement, recommended PPP

structure, as well as legal, regulatory, institutional, financial, funding, tariff, structure, environmental, social and risk allocation recommendations necessary for the successful implementation of the Project.

The Report will also include a detailed Project Implementation Plan, which will set out a clear timetable for the Project Implementation and will cover all tasks required by all parties to procure the Project, identifying: Tasks, Timing, Responsibilities for each task, and the Key approval/decision points and milestones.

The Feasibility Study Report will be submitted, in the first instance, to the Contracting Authority and the PPP Directorate, and subsequently to the PPP Committee through the PPP Directorate. The TA shall assist the Contracting Authority in addressing all PPP Directorate concerns and provide any requested clarifications to facilitate approval by the PPP Committee and any other relevant Government entity, including the Energy and Petroleum Regulatory Authority (EPRA).

5. PHASE 2: PPP PROCUREMENT

5.1 Task 1: Procurement Strategy

The TA shall work with the Contracting Authority and the PPP Directorate to implement the PPP procurement process in accordance with the PPP Act 2021. The Consultant shall develop a procurement strategy that best suits the requirements of the Project. This will entail, but not be limited to, the following:

- Analyzing and recommending the procurement strategy to be followed that best suit the needs of the Project while ensuring it is consistent with the relevant laws and regulations. The Consultant shall consider different facets of a procurement structure, such as a single-stage vs a two-stage process.
- Designing qualification criteria for different stages of the procurement process, i.e. Request for Qualification (RFQ) and Request for Proposal (RFP).
- Recommending that the documents be shared with the potential bidders along with the Tender Documents.
- Recommending an appropriate timeline for the Project's procurement.
- Developing (i) an Evaluation Criteria before the submission of the proposals. The Evaluation Criteria will go through all the requirements (technical, environmental, social, legal/institutional, technological and financial) of the RFQ and the RFP and propose a scoring methodology as objective as possible, reflecting the best international practice; and (ii) a spreadsheet that calculates scores based on such criteria, grading system, and weights per criterion.
- Develop a compliance check to determine whether the proposals are complete, properly signed, and whether all annexes as required in the RFQ and RFP are furnished.

5.2 Task 2: Preparation of Procurement Documents

The Consultant shall lead the preparation of the procurement documents for the Project. This will entail the following:

- Drafting of the procurement documents, including the Request for Qualification (RFQ) and Request for Proposal (RFP) in line with the PPP Act ("Procurement Documents"). This is an iterative process involving multiple rounds of discussions and several versions of the Procurement Documents.

- Drafting of the Project Agreements and Schedules includes, but not limited to: Compensation procedure; Payment mechanism, Technical requirements; Services specifications and performance requirements; Insurance requirements; Analysis of all required licenses, permits and approvals, Government Support Measures (GSM); Subcontracts agreement or list of minimum requirements, Independent Expert agreement; Interphase agreement with the operator of the building, users, other facilities; Lenders' direct agreement, any other direct agreement between any public authority and the private party and/or its lenders; Commissioning process and approval; Handover requirements; Conditions precedent and Conditions subsequent.
- Finalising the complete set of procurement documents with the relevant approvals from the relevant authorities. Providing all legal, technical, environmental, social, commercial and financial inputs into the Procurement Documents.
- Providing inputs for defining the technical, financial and legal qualification criteria.
- Finalizing technical specifications, describing the technical aspects of the private sector's obligations under the Project's Agreements, including service levels, quality of output and performance requirements.
- Designing detailed Key Performance Indicators (KPIs) for the payment mechanism
- Drafting provisions related to Environmental and Social requirements.
- Ensuring the PPP structure and Procurement strategy are appropriately reflected in the Procurement Documents.

5.3 Task 3: Procurement Support

The Consultant shall assist the Contracting Authority with the procurement process for the Project. This will entail the following:

- Preparing material for issuing notices as part of the procurement process, such as notices for the launch of RFQ and RFP, amendment notifications, etc.
- Participating in the pre-bid conferences and bidders' meetings, as necessary and responding to queries raised by the participants.

- Preparing the minutes and summary of each meeting with the bidders and consolidating them into a Report on the Meetings with Bidders, as necessary.
- Organisation of the shortlisted Bidders' conferences and meetings
 - Providing the CA and PPPD with logistic organisation
 - Supporting the Contracting Authority and the PPP Directorate in the discussion with the shortlisted bidders in plenary sessions and in individual sessions
 - Assessing the outcome of the Bidders' conference and meetings.
- Updating the Project and Procurement Documents as required and managing the amendment of the Procurement Documents during the procurement process.
- Supporting the issuance of the final RFQ and final RFP.
- Uploading and maintaining appropriate documents on the approved procurement platform for the Project.
- Monitoring the timeline of the Project's procurement and recommending changes to the process in the best interest of the Project, checking and finalising the updated Project and procurement documents.
- Assisting the CA and PPPD in drafting responses to the queries raised by potential bidders.
- Coordinating with the CA and PPPD throughout the procurement process for inputs and approvals.

5.4 Task 4: Bid Evaluation Support and Award

The Consultant shall assist the CA and PPPD in evaluating the bids received in response to the Project's RFP. This will entail the following:

- Assisting the CA and PPPD in opening and evaluating the bids received.
- Assisting the CA and PPPD in preparation of **Evaluation Criteria**.
- Assist the Bid Evaluation Committee in considering each proposal against the tender criteria to assess the strength of the bid, culminating in a summary document on the positions of key issues.

- Before commencing scoring, undertake a high-level review of each bid to make a preliminary assessment of the submission and decide if further information or clarification is required.
- Providing legal, technical, financial and commercial inputs during bid evaluation.
- Assisting the Contracting Authority in seeking clarifications from bidders as required to be able to evaluate the bids received as appropriate.
- Advising the Evaluation Committee on the ranking of the proposals and the selection of the preferred bidders.
- Assist in drafting the **Bid Evaluation Report** for consideration by the PPP Committee.
- Assisting the CA and PPPD in communicating with the bidders as part of the evaluation process.
- Coordinating with the Contracting Authority and the PPP Directorate for the preparation and approval of the evaluation report.
- Assisting the Contracting Authority and the PPP Directorate with the approvals and the issuance of the letter of award.
- Assisting the Contracting Authority and the PPP Directorate in responding to potential appeals in case of legal challenges to the procurement process by bidders.

5.5 Task 5: Negotiation and Commercial Close

The Consultant shall assist the Contracting Authority and the PPP Directorate in its negotiations with the preferred bidder until the signing of the Project Agreements (“**Commercial Close**”). The Consultant will assist with negotiations with the preferred bidder to reach an agreement on the outstanding elements of the Project Agreement. If negotiations are not successful, the Consultant will support the Contracting Authority and the PPP Directorate in negotiations with the reserve bidder (the second-highest-scoring bidder) in the same manner. The Contracting Authority and the PPP Directorate will lead the negotiation process.

The Consultant tasks are the following:

- Draft the **Negotiation Criteria** to guide the Contracting Authority and the PPP Directorate in negotiations with the preferred bidder.

- Evaluating the terms of negotiation proposed by the preferred bidder from the perspectives of impact on the CA and PPPD risk profile and the sanctity of the procurement process.
- Assisting the CA and PPPD in negotiating with the preferred bidder by recommending the positions to take on the terms being negotiated and drafting suitable responses.
- Reviewing and advising on technical, legal, financial and accountable aspects of the Project contractual documentation and other proposals made by the preferred bidder.
- Amending the Project Agreements and any other relevant agreements consistent with the outcome of the negotiations.
- Documenting any agreed changes to the technical provisions arising out of negotiations and implementing them in the final contract documents as appropriate.
- Assisting the Contracting Authority and the PPP Directorate in validating the Project Agreement and Schedules as needed.
- Managing the preparation of the execution versions of the Project Agreements and any other relevant agreements.
- Coordinating with the CA and PPPD throughout the procurement process for inputs and approvals.

5.6 Task 6: Financial Close Support

The Contracting Authority and the PPP Directorate will organize signing of the final documentation and will manage the process.

The Project Consultant shall assist the CA and PPPD until the signing of the financing agreement(s) for the Project (“**Financial Close**”). This will entail the following:

- Monitoring the obligations of the CA and PPPD under the Project Agreement and recommending actions to the CA and PPPD to ensure they are met.
- Assisting the CA and PPPD in evaluating requests, if any, raised by the private counterpart that are meant for achieving Financial Close and recommending suitable responses.

- Supporting the Contracting Authority and the PPP Directorate in the discussions about the Lenders' Direct Agreement (legal and financial) and eventual amendments to the Project Agreement.
- Assisting the Contracting Authority and the PPP Directorate in the finalization of all financial documentation necessary to reach, in a timely manner, the financial closure of the project and, in the discussions with the concessionaire and its potential creditors, advising the Contracting Authority for the CA's best interest to preserve the general balance of risks and responsibilities.
- Coordinating with the other advisors as required, if any, managing the achievement of Conditions Precedent and making sure that the Contracting Authority has met all conditions precedent that must be satisfied prior to financial close and preparing **Conditions Precedent Report**.
- Reviewing the preferred bidder's financial model and verifying that the adjustment required in payments is fair and that the process of adjustment is followed. The financial model will be updated and adjusted at financial close/signing of financing agreements with the relevant data, such as the latest macroeconomic values and long-term swap rate, wherever necessary and appropriate. An audit of the successful bidder's financial model is not expected.
- Coordinating with the CA and PPPD throughout the procurement process for inputs and approvals.
- Further to the tasks listed above, the Consultant shall provide the following additional services to facilitate the Financial Close process:
 - Opinion on the project and finance documents; and
 - On-site support for the Contracting Authority on the day of the financial close and for an efficient and orderly closing.

The consultant will be required to submit reports during the period leading up to Financial Close.

5.7 Task 7: Support for Monitoring and Contract Management

After Commercial Close and before the Financial Close phase, the Consultant shall prepare a Contract Management Framework.

PHASE 3: PROJECT-BASED LEARNING (To run concurrently with Phases 1 and 2)

To ensure knowledge and skills transfer between the Contracting Authority and the PPP Directorate, the TA will be required to provide classroom-based and on-the-job capacity-building to a cohort of at least 30. Public officials comprising the Contracting Authority and the PPP Directorate (Project Implementation Team) are involved at critical points in the project preparation process.

All bidders are therefore expected to enumerate a clear and deliberate approach, as to how knowledge and skills will be transferred to the Project Implementation Team and any other Project Teams that would be tasked to carry out various roles in the course of the preparation and implementation of the project to effectively manage the PPP contract and supervise the Project Company post Financial Close. In particular, the Project Implementation Team will shadow the respective TA expert teams at every stage of the PPP project preparation and structuring, i.e. inception stage, feasibility study stage, pre-tender stage, tender and project closeout stage.

6. TRANSACTION ADVISOR SKILLS AND EXPERIENCE

The Transaction Advisor (“TA”) shall comprise firms and individuals with proven capability to deliver end-to-end feasibility/structuring and implementation support for the gas-to-power Project, including LNG import infrastructure (FSRU/FSU and/or onshore terminal), from procurement through commercial and financial close.

6.1 Qualification Requirements of the firm

The Consultant shall comprise either a single firm or a consortium of firms, led by a Technical Advisor. The lead firm shall be responsible for the overall coordination, integration of deliverables, and quality assurance across all workstreams. The firm or consortium collectively) shall demonstrate the following skills and experience:

- i. Experience in project structuring, financial analysis, financial advisory, procurement, and negotiations of PPPs or project-financed projects in the energy sector with evidence of having led Transaction Advisory assignments on at least three (3) PPP/project-financed projects, with at least two (2) financially closed projects. Significant merit will be given for a BOO/BOOT/concession-type IPP/PPP Project. Additional credit will also be given for experience in Africa.

- ii. Experience in engineering, planning, technical designs, construction supervision and procurement for LNG-to-power or gas-to-power projects (FSRU/FSU and/or onshore terminal, gas pipeline and SCGT/CCGT) (only experience in the last 15 years will get credit, with preference given for more recent experience); Additional credit will be given to experience in emerging markets, including feasibility, technical due diligence and transaction structuring.
- iii. Experience in the preparation of operations and maintenance schedules or experience in consultancy for operation and maintenance for LNG-to-power or gas-to-power Project (FSRU/FSU and/or onshore terminal, gas pipeline and SCGT/CCGT). (Only experience in the last 15 years will get credit, with preference given for more recent experience) Additional credit will be given for experience in Africa.
- iv. Experience in commercial and contract law in undertaking legal feasibility studies, drafting PPP contractual agreements and other related documents/agreements for PPPs
- v. Experience in carrying out Environmental and Social Impact Assessments (ESIA), Environmental and Social Management Plans (ESMPs), Resettlement Action Plans (RAP) and related safeguards studies for at least two LNG-to-power or gas-to-power projects (FSRU/FSU and/or onshore terminal, gas pipeline and SCGT/ CCGT). Additional credit will be given to projects in emerging markets.
- vi. Demonstrate experience in structuring financing for infrastructure projects from institutional capital providers, such as pension funds or debt instruments in capital markets. Additional credit will be awarded for experience in Sub-Saharan Africa.

NB: Under each experience criterion, firms are expected to clearly state the relevant projects or transactions for the required experience, the country where the project was done, and the stage in the PPP project cycle at which the firm reached with the project. This should be supported by relevant documentation (TA contract award letters, completion certificates, letters of recommendation, or relevant sections of the consultancy contracts, etc.).

Given the field-intensive nature of the assignment, the Consultant shall demonstrate the capacity to maintain a continuous and effective operational presence in Kenya throughout the assignment. This requirement may be satisfied through an existing operations office in Kenya or through a formal association with a Kenyan consulting

firm (joint venture or sub-consultancy) with the relevant technical capability and experience sufficient. Evidence of such arrangements shall be provided by the bidders in the proposal.

6.2 Qualifications Requirements of Key Personnel and Time Input

Bidders are free to propose their own team structure and Key Personnel; they are advised that the Contracting Authorities expect, as a minimum, to see the following Specified Key Personnel.

Bidders may propose the same individual and CV for more than one position if that individual is qualified for more than one position, but they must explicitly state this to ensure the individual is evaluated against each position. Bidders may also propose two complementary (not alternative) CVs for a single position if they do not have personnel with the full range of expertise required for that position. Bidders must indicate clearly that this is what they are doing.

The Bidder’s proposed Specified Key Personnel will be evaluated against the Expertise Expectations set out in the table below.

No.	Position	Expertise Expectations
1.	<p>PPP Expert/ Transaction Structuring Expert -Team Leader</p>	<ul style="list-style-type: none"> • A university degree in Finance, Management, Economics, Engineering, Law or any other relevant field. • Postgraduate qualifications in PPP, Infrastructure Finance or Project Finance shall be an added advantage. • A minimum of 10 years demonstrated experience in infrastructure project management and development, with at least 7 years providing PPP transaction advisory services/ development of large infrastructure projects on a PPP basis, including extensive experience in project structuring and risk analysis, allocation and management; project agreements; bid process management, including preparation of bidding

No.	Position	Expertise Expectations
		<p>process documentation and post-bid process monitoring.</p> <ul style="list-style-type: none"> • Successful preparation of PPP/project finance or IPP projects with at least three (3) financially closed projects, of which one (1) should be in the water sector. • Relevant qualifications and experience in power infrastructure development, operation & maintenance projects in general, and in developing countries in particular. • Experience in LNG Power Plant development, construction, production/generation projects will be an additional merit. • Good English communication and writing skills, especially in report writing, are essential.
1.	LNG / FSRU/FSU & Gas Infrastructure Expert	<ul style="list-style-type: none"> • Bachelor’s degree in mechanical, Chemical or Petroleum Engineering (or related field). • A postgraduate qualification in Gas Engineering, LNG Infrastructure, or Energy Systems will be an added advantage. • Minimum ten (10) years’ experience across the LNG value chain, including LNG importation, regasification, transmission and gas-to-power integration Project. • Demonstrated hands-on experience in the design and engineering of LNG import infrastructure (FSRU/FSU and/or onshore terminal), regasification systems, high-pressure gas pipelines, pressure reduction and metering stations, and associated balance-of-plant facilities. • Proven experience in FSRU configuration (charter vs ownership), marine infrastructure interfaces (mooring systems, jetty/offloading, dredging coordination), and integration with downstream SCGT/CCGT facilities.

No.	Position	Expertise Expectations
		<ul style="list-style-type: none"> • Strong knowledge of LNG procurement strategies (spot vs long-term contracts), supply logistics, pricing dynamics, and allocation of LNG supply and price risk within PPP/IPP structures.
2.	LNG Power Plant Technical Expert	<ul style="list-style-type: none"> • Bachelor's degree in mechanical or electrical engineering (or related discipline). • Minimum ten (10) years' experience in the power and gas-to-power sector, including significant involvement in the design, construction and/or operation of LNG power plants and associated gas infrastructure. • 10+ years in LNG plant development (concept to commissioning preferred). • Experience with plant sizing/phasing, heat rate and availability assumptions, lifecycle O&M. • Owner's engineer experience for LNG plants in IPP/PPP contexts.
3.	Grid Integration / Transmission Expert	<ul style="list-style-type: none"> • Bachelor's degree in electrical engineering (Power Systems specialisation preferred). • 10+ years in transmission planning and grid interconnection studies. • Experience with load flow, short circuit, and stability analysis (e.g., PSS@E, Dig SILENT, ETAP). • Familiarity with grid code compliance and transmission utility coordination.

No.	Position	Expertise Expectations
4.	PPP Financial Expert	<ul style="list-style-type: none"> • A relevant university degree in Finance, Economics, Engineering or a relevant technical field • A postgraduate qualification in Finance is an added advantage • At least 7 years of professional experience in PPPs and project finance transactions including demonstrated experience in large-scale energy Project, financial modelling including LNG-to-power and/or gas-fired generation Project IPPs, with a proven track record in financial evaluation and financial modelling of PPP Project including value for money, Public Sector Comparator analysis, affordability and fiscal impact assessment, economic viability assessments, etc. • Demonstrated project finance, financial modelling, and audit skills in dealing with project finance structures and products • Experience in economic viability analysis and familiarity with tariff setting in the power and/or water sectors • Experience in at least two (2) PPP or Independent Power Producer (IPP) transactions that reached financial close, each with capex exceeding USD 100 million • Good English communication and writing skills, especially in report writing, are essential.
5.	PPP Legal Expert	<ul style="list-style-type: none"> • Bachelor of Laws (LL. B) degree. • Admission to practice law in a recognised jurisdiction. • Postgraduate qualifications in commercial law, project finance, energy law, or PPP shall be an added advantage.

No.	Position	Expertise Expectations
		<ul style="list-style-type: none"> • At least ten (10) years of professional experience with a minimum of five (5) years of specific experience in PPP or project finance transactions. • Participation in at least two (2) infrastructure PPP/IPP transactions. Demonstrated experience drafting and negotiating PPP/Concession/Project Agreements. Experience advising public sector entities. • Good English communication and writing skills, especially in report writing, are essential.
6.	Environmental & Social Safeguards Expert	<ul style="list-style-type: none"> • Bachelor's degree in social sciences, Development Studies, Sociology, or related discipline. • 8+ years preparing RAPs (census, valuation, livelihood restoration, GRM). • Experience in linear infrastructure (pipelines/wayleaves/transmission corridors). • Familiarity with Kenyan land laws and lender safeguard standards.

6.3 Non-Key Experts / Short-Term Specialists

The Consultant shall mobilize additional short-term specialists as required, including but not limited to the following expertise:

- N-1 Position - Land Valuer / Valuation Expert
- N-2 Position – Hydraulic Engineer
- N-3 Position - Geotechnical Engineer
- N-4 Position – Local Capital Markets Expert/Financial Markets Expert
- N-5 Position – Financial Modeler / Analyst
- N-6 Position – Marine Expert
- N-7 Position - Communication and stakeholder Engagement Expert
- N-8 Position - Net metering and/or a Monitoring Information System Expert

The preceding description of the non-key experts is not prescriptive but is provided as a guide for bidders' consideration.

7. DURATION OF THE ASSIGNMENT

The duration of the assignment shall be twelve (12) calendar months from the date of commencement of services. The assignment may be extended, at no additional cost, for up to twelve (12) additional months where required to accommodate the completion of procurement processes, negotiations, statutory approvals, or the achievement of Financial Close.

Bidders are expected to provide a comprehensive and detailed Project Implementation Plan, preferably using Microsoft Project or equivalent software, that indicates all key tasks, deliverables, milestones, responsibilities, timetables, and the critical path for successful project implementation.

This detailed plan will be discussed and agreed with the Contracting Authority and the PPP Directorate before the contract is signed.

8. DELIVERABLES OF THE ASSIGNMENT

The project's general deliverables are shown in the table below. Bidders are expected to include anticipated delivery dates in their proposals.

The TA shall submit an Inception Report including an updated, detailed work plan for project implementation, covering tasks and responsibilities of all parties involved, not just the TA's personnel. Every two weeks thereafter and every week during Phase 2, the TA will hold progress meetings with the Contracting Authority and PPPD to discuss any key constraints encountered by the TA, work planned for the subsequent period, inputs and support needed from the Contracting Authority and PPPD and other parties and will update the work plan accordingly.

All reports shall be submitted to the Contracting Authority and PPPD in electronic format as an MS Word document (latest version) and in printed form in 5 copies. Models and workflow, process and data diagrams shall be submitted electronically in their appropriate dynamic application files.

The TA, in close coordination with the Contracting Authority, shall conduct quality reviews to obtain feedback on all draft deliverable versions as appropriate. The TA

shall make presentations to the Contracting Authority on each deliverable (e.g. draft Feasibility Study), with the team’s key experts present.

9. REMUNERATION SCHEDULE AND DISBURSEMENT ARRANGEMENTS

The Transaction Advisor will be paid in a lump sum in a freely convertible currency acceptable to the Contracting Authority.

Bidders must submit bids in the formats prescribed in this RFP. Bidders should specify a fixed amount in an acceptable currency to the Contracting Authority for each of:

- i. Phase 1 (the “Phase 1 Amount”) – 45% of the Contract Amount
- ii. Phase 2 (the “Phase 2 Amount”) – 55% of the Contract Amount

After Phase 1, the State Department for Energy will decide whether to proceed with Phase 2. If the State Department for Energy decides not to proceed with Phase 2, the contract with the TA will be terminated.

9.1 Remuneration schedule

The following remuneration schedule applies to each phase of the contract. Bidders should keep these in mind when writing their proposals.

No.	Milestone / Deliverable	Payment (% of Relevant Phase Amount)	Duration
1	Delivery and approval of Inception Report	10%	2 weeks
2	Delivery of Reviewed and Updated Draft Feasibility Study	15%	6 weeks
4	Delivery & Acceptance of the Final Feasibility Study	20%	2 weeks
	Total - Phase 1	45%	10 weeks
5	Delivery of Procurement Documents	10%	4 weeks

No.	Milestone / Deliverable	Payment (% of Relevant Phase Amount)	Duration
6	Delivery of RFQ and RFP, bid evaluation criteria, draft PPP Agreement and related agreements	25%	20 weeks
8	Completion of negotiations and execution of the PPP Project Agreement and related agreements (Commercial Close)	10%	4 weeks
9	Achievement of Financial Close and delivery of the Close-Out Report and Case Study	10%	12 weeks
	Total - Phase 2	55%	40 weeks
	Grand Total - Phase 1 & 2	100%	50 weeks

* Phase III shall be implemented simultaneously with phases I and II.

All reports shall be submitted to the contracting authorities in electronic format, as an MS Word document, and in printed form in 6 copies. Models and workflow, process and data diagrams shall be submitted electronically in their appropriate dynamic application files.

The TA, in close coordination with the Project Implementation Team, composed of representatives of, shall conduct quality reviews to obtain feedback on all draft versions of deliverables as appropriate. The TA shall make presentations to the Project Implementation Team on each deliverable (e.g. draft Feasibility Study), with the team's key experts present.

10. INSTITUTIONAL ARRANGEMENTS AND COUNTERPART ASSISTANCE

The National Treasury will sign the contract (lump sum) with the selected firm for providing transaction advisory services. The Transaction Advisor shall then work closely with the State Department for Energy and other Government agencies as may be required during the assignment.

SDE shall provide the Transaction Advisor with all available pertinent data and any previous studies useful to the Project. SDE will liaise with other agencies to ensure the TA has access to all required information, subject to Kenyan law.

The TA will be responsible for providing all necessary facilities and logistical support for its staff, including office space, vehicles, miscellaneous transportation, office equipment (computers, printers, telephone, and internet services), survey and investigation equipment, communications, utilities, office supplies and other miscellaneous costs for carrying out the services as per the requirements of the TOR. Further, the TA will need to provide all the administrative, technical, professional, and support staff needed to carry out their services, including market/demand survey teams, social surveys teams, etc., as deemed necessary.

11. BID EVALUATION CRITERIA

The selection method shall be quality and cost-based. The evaluation committee shall evaluate the proposals on the basis of their compliance and responsiveness to ToR's.