



**THE ANGUILLA ELECTRICITY COMPANY LIMITED  
(ANGLEC)**

**REQUEST FOR PROPOSALS (RFP)**

FOR THE PROVISION OF CONSULTANCY SERVICE FOR THE  
DETERMINATION OF FAIR VALUE FOR THE SALE OF 100% HOLDING  
SHARE IN THE WATER CORPORATION ANGUILLA (WCA) TO THE  
ANGUILLA ELECTRICITY COMPANY LTD. (ANGLEC)

**Release Date: 19<sup>th</sup> March, 2021**

**Closing Date: 5<sup>th</sup> April, 2021**

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## LETTER OF INVITATION

I

The Anguilla Electricity Company invites Requests for Proposals (RFP) from interested consultants for valuing of the Water Corporation Anguilla using a discounted cash flow (DCF) method, and to carry out the associated due diligence.

A complete set of RFP documents may be downloaded by interested candidates free of charge at [www.anglec.com](http://www.anglec.com). Those who have downloaded the document from the website may request additional information via email at [peter.lamontagne@anglec.com](mailto:peter.lamontagne@anglec.com).

Completed RFP documents, enclosed in one (1) single sealed envelope, marked:

**“FOR THE PROVISION OF CONSULTANCY SERVICE FOR THE DETERMINATION OF FAIR VALUE FOR THE SALE OF 100% HOLDING SHARE IN THE WATER CORPORATION ANGUILLA (WCA) TO THE ANGUILLA ELECTRICITY COMPANY LTD. (ANGLEC)**

Responses shall be addressed and sent to:

**Anguilla Electricity Company Limited**

P.O Box 400  
The Valley,  
Anguilla

Proposals must be received before 4:00 p.m. on the 5th of April 2021.

The date and time for opening proposals will be 10:00 a.m. on the 7<sup>th</sup> of April 2021.

**Introduction and Background**

The Water Corporation of Anguilla is established with an exclusive right to supply piped water under Part 2 of the Water Corporation of Anguilla Act, 2008. The Corporation is a corporate body with perpetual succession and a common seal and may sue and be sued in its corporate name. It has an exclusive right to the use of its name.

The objects of the Corporation according to Part 2, Section 3 of the Water Corporation of Anguilla Act, 2008 to engage in activities to:

- a) manage and operate a piped water system in such a manner that the public has a supply of potable water that is reliable, efficient and economic;
- b) maintain and from time to time to repair, alter or replace, in whole or in part, the waterworks of the Corporation; and
- c) upgrade and extend the waterworks of the Corporation to all parts of Anguilla to the extent that it is reasonable for the Corporation to do so.

The WCA has fiscal and financial challenges, primarily from a historic lack of investment in its infrastructure. Additionally, due to contractual obligations and the cost of the electricity, the cost to produce and supply water is a significant load. The tariff measures put in place do not fully cover the cost for the production of water. Recently approved tariff increase should, however, improve the WCA's financial stability.

Options are being explored to improve the financial sustainability and provide a means for long term investment. As such, the sale of the WCA to the Anguilla Electricity Company (ANGLEC) to create a single public utility company for both services is being explored.

This consultancy aims to provide a fair valuation and conduct due diligence of the WCA to inform the Government of Anguilla and ANGLEC's decision making.

**Information**

- i. The Consultant selected will be from among those who submitted a proposal for evaluation, in accordance with the required terms of this proposal. The method of selection shall be as indicated by The Client in the herein.
- ii. Consultants are invited to submit a Technical Proposal and a Financial Proposal.
- iii. Consultants must familiarize themselves with local conditions and take them into account in preparing their proposals. To obtain first-hand information on the assignment and on the

local conditions, consultants are encouraged to liaise with the Client regarding any information that they may require before submitting a proposal.

- iv. Please note that:
  - a) the costs of preparing the proposal and of negotiating the Contract, including any visit to the Client are not reimbursable as a direct cost of the assignment; and
  - b) the Client is not bound to accept any of the proposals submitted.

#### Preparation of Technical Proposal

- i. The Consultants proposal shall be written in English language.
- ii. In preparing the Technical Proposal, consultants are expected to examine the documents constituting this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.
- iii. While preparing the Technical Proposal, consultants must ensure that:
  - (a) They have adequate resources to complete the task; and
  - (b) All persons who may be involved in the job are adequately trained and have the requisite and relevant training.
- iv. The Technical Proposal shall provide the following information using the attached forms.
  - (a) A brief description of the firm's organization and an outline of recent experience on assignments of a similar nature. For each assignment the outline should indicate inter alia, the profiles of the staff proposed, duration of the assignment, contract amount and firm's involvement.
  - (b) Any comments or suggestions on the Terms of Reference, a list of services and facilities to be provided by the Client.
  - (c) A description of the methodology and work plan for performing the assignment.
  - (d) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member and their timing.
  - (e) Estimates of the total staff input (professional and support staff time) needed to carry out the assignment supported by bar chart diagrams showing the time proposed for each professional staff team member.
  - (f) A detailed description of the proposed methodology.
- v. If a firm considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other firms or

entities in a joint venture or sub-consultancy as appropriate. Any firms associating in contravention of this requirement shall automatically be disqualified.

#### Preparation of Financial Proposal

- i. In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions outlined in this RFP. The Financial Proposal should follow the forms the Standard Forms in Section 4.
- ii. The Proposal shall list all costs associated with the assignment including:
  - (a) remuneration for staff (in the field and at headquarters), and.
  - (b) reimbursable expenses such as subsistence (per diem, housing), transportation (international and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys, and training, if it is a major component of the assignment. If appropriate these costs should be broken down by activity.
- iii. Consultants shall express the costs of their services in American Dollars.
- iv. The Proposal must remain valid for 120 days after the submission date. During this period, the consultant is expected to keep available, at his own cost, the professional staff proposed for the assignment. The Client will make his best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the consultants shall agree to the extension

#### Submission, Receipt and Opening of Proposal

- i. The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "TECHNICAL PROPOSAL," and the original and all copies of the Financial Proposal in a sealed envelope clearly marked "FINANCIAL PROPOSAL". Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address.
- i. The completed Technical and Financial Proposals must be delivered at the submission address on or before the time and date.
- ii. After the deadline for submission of proposals, proposal shall remain closed until the day of opening.

#### Evaluation of Technical Proposal

The evaluation committee, appointed by the Client shall evaluate the proposals on the basis of their responsiveness to the Terms of Reference. Add scoring criteria and indicate a proportion of technical to financial eg 80/20, 70/30 or 60/40.

Technical	Maximum Marks	Comments
Experience of company conducting utility valuations	20	Marks will be awarded based on the experience that the company has conducting valuation exercises in utility companies. Extra marks will be provided for Caribbean regional experience
Qualifications and Experience of proposed team	30	10 marks will be applied against each member of the proposed team – CV's showing skills, experience and qualifications (copies of qualifications to be attached)
Work plan and approach	30	
Financial		
Price	20	20 marks will be awarded to the lowest qualifying bidder, deductions will be applied proportionately against the submitted price and lowest bid. Bids where prices are higher than the amount stated in the RFP will not be considered.

#### Award of Contract

- i. The Contract will be awarded following negotiations. After negotiations are completed, the Client will promptly notify other consultants on the shortlist that they were unsuccessful and return the Financial Proposals of those consultants who did not pass the technical evaluation unopened.
- ii. The parties to the contract shall have it signed within 14 days from the date of notification of contract award unless there is an administrative review request.

- iii. The Client may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.
- iv. The Client shall give prompt notice of the termination to the tenderers and on request give its reasons for termination within 14 days of receiving the request from any tenderer.
- v. To qualify for contract awards, the tenderer shall have the following:
  - a) Necessary qualifications, capability experience, services, equipment and facilities to provide what is being procured.
  - b) Legal capacity to enter into a contract for procurement
  - c) Shall not be insolvent, in receivership, bankrupt or in the process of being wound up and is not the subject of legal proceedings relating to the foregoing.
  - d) Shall not be debarred from participating in public procurement.

Confidentiality

Information relating to evaluation of proposal and recommendations concerning awards shall not be disclosed to the consultants who submitted proposal to other persons or consultants. The winning consultant will be notified at the end of the process.

**TECHNICAL PROPOSAL**

**III**

In preparing the technical proposal, the consultant is expected to examine all terms and information included in the RFP. Failure to provide all requested information shall be at the consultant's own risk and may result in rejection of the consultant's proposal.

The technical proposal shall provide all required information and any necessary additional information and shall be prepared using the standard forms provided in this Section. The Technical proposal shall not include any financial information.



**Technical Proposal Submission Form**

[\_\_\_\_\_ Date]

To: \_\_\_\_\_ [Name and address of Client]

We, the undersigned, offer to provide the consulting services for

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ [Title of consulting services]

in accordance with your Request for Proposal dated \_\_\_\_\_ [Date] and our Proposal.

We are hereby submitting our Proposal, which includes this Technical Proposal, [and a Financial Proposal sealed under a separate envelope]. We understand you are not bound to accept any Proposal that you receive.

Yours sincerely,

[Authorized Signature]: \_\_\_\_\_

[Name and Title of Signatory]: \_\_\_\_\_

[Name of Firm]: \_\_\_\_\_

[Address:] \_\_\_\_\_

## Comments and Suggestion of Consultants

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2.

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3.

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4.

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5.

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### **Description of Methodology**

- i. The Client is seeking an experienced company to value of the Water Corporation Anguilla using a discounted cash flow (DCF) method, and to carry out the associated due diligence.
- ii. Proposals must give all additional information and full description of the methodology used.

## **Work Plan and Time Schedule**

Provide the work plan in the form of a bar chart of means to conduct the work to be done. Include the dates for report submission, status updates, Report Draft One, Report Draft 2 and Final Report Submission.



**Professional Composition**

*A copy of the form below must be submitted for each member of the team.*

Proposed Position: \_\_\_\_\_

Name of Team Member: \_\_\_\_\_

Profession: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Years with Firm: \_\_\_\_\_ Nationality: \_\_\_\_\_

Membership in Professional Societies: \_\_\_\_\_

Detailed Tasks Assigned: \_\_\_\_\_

**Key Qualifications:** [Give an outline of member’s experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by member on relevant previous assignments and give dates and locations].

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Education:** [Summarize college/university and other specialized education of member, giving names of schools, dates attended and degree[s] obtained.]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Employment Record:** [Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments.]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Certification:**

I, the undersigned, certify that the information provided accurately describes me, my qualifications and experience.

Full name of member: \_\_\_\_\_

\_\_\_\_\_

[Signature of member]

Date: \_\_\_\_\_

Full name of Authorized Representative: \_\_\_\_\_

\_\_\_\_\_

[Signature of Authorized Consultancy Representative]

Date: \_\_\_\_\_

## **FINANCIAL PROPOSAL**

## **IV**

1. The Financial proposal prepared by the consultant should list the costs associated with the assignment. These costs normally cover remuneration for staff, subsistence, transportation, services, and equipment, printing of documents, surveys etc. as may be applicable.
2. The costs should be broken down to be clearly understood by the Client.
3. The financial proposal shall be in American Dollars only and shall take into account the tax liability and cost of insurances specified in the request for proposal.
4. The financial proposal should be prepared using the Standard forms provided in this part.



**Financial Proposal Submission Form**

Date: \_\_\_\_\_

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We, the undersigned, offer to provide consulting service for \_\_\_\_\_  
\_\_\_\_\_

in accordance with the Request for Proposal dated \_\_\_\_\_.

Our attached Financial Proposal is for the sum of \$ \_\_\_\_\_  
inclusive of taxes.

\$ \_\_\_\_\_ represents the total financial cost of our proposal.

Yours sincerely,

[Authorized Signature]: \_\_\_\_\_

[Name and Title of Signatory]: \_\_\_\_\_

[Name of Firm]: \_\_\_\_\_

[Address:] \_\_\_\_\_

**Summary of Costs Per Activity**

Please provide prices for each item separately.

<b>ITEM</b>	<b>COST</b>
<b>TOTAL</b>	



## **TERMS OF REFERENCE**

**V**

### **FOR THE PROVISION OF CONSULTANCY SERVICE FOR THE DETERMINATION OF FAIR VALUE FOR THE SALE OF 100% HOLDING SHARE IN THE WATER CORPORATION ANGUILLA (WCA) TO THE ANGUILLA ELECTRICITY COMPANY LTD. (ANGLEC)**

The objective of this assignment is to determine a fair value at which the Government could sell its 100% shareholding in the Water Corporation Anguilla to ANGLEC.

#### **Scope of Work**

The scope of this assignment is to:

1. Gather and review the WCA's financial statements and all other relevant information.
2. Prepare a financial model to value the WCA using a discounted cash flow method.
3. Carry out the associated due diligence of the WCA.
4. Prepare a valuation and due diligence report with detailed recommendations and next steps.
5. Provide advice whether a tariff review should be conducted to better inform future economic regulation of the WCA.

#### **Methodology**

The value of the Government's shareholding in the WCA using a discounted cash flow (DCF) approach must be conducted. Using the DCF approach requires developing a financial model for forecasting the expected revenues and costs of the company.

#### **Outcome**

An explanation of the assumptions and steps used to value the company according to the DCF method and determine a value for the company detailing why this is the most appropriate method of valuation.

#### **Proposed Steps for Consultancy Completion**

Step 1 – Review Documents:

Review all relevant documents before traveling to the Anguilla (this would include the most current audited financial statements of the WCA to identify key issues and begin developing the financial model.

### Step 2 – Prepare Financial Model:

Prepare the financial model with the data and information gathered in Step 1. Value the company using a discounted cash flow DCF approach.

### Step 3 – Onsite Data Collection:

Mission to Anguilla for up to three members of the team for 3-4 days for data collection and discussions with the Government, WCA and ANGLEC. Consideration could be given to reducing the requirement for on-island resource if a plan can be provided demonstrating how this would not be required - particularly as it relates to the inspection and valuation of physical assets. Before traveling to Anguilla provide a detailed information request identifying any additional information required from the WCA or ANGLEC and forward to the CEO's of each entity including the Government of Anguilla (GOA).

### Step 4 – Prepare report:

Following the trip, produce and send a draft report to the Government, WCA and ANGLEC. After receiving comments on the report from the stakeholder, and any necessary discussions by phone, proceed to finalize and issue the final report.

Step 5 – Provide explanations as required to assist in any due diligence required by the potential acquirer.

### **Proposed budget for carrying out the assignment**

The proposed budget for performing this assignment is US\$60,000 that covers all fees, expenses and incidental costs.

Based upon the proposed work plan and the specified outputs, the total estimated level of effort is Team Leader (10 days), Water Engineer (10 days), and Financial Analyst (18 days).

### **Proposed Payment Schedule**

<i>Milestone</i>	<i>Percent of Contract Value</i>
Contract signing	30%
Submission of draft for final report	50%
Submission of final report	20%

Address of Procuring Entity

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This is to notify that a contract for the provision of consultancy service for the determination of fair value for the sale of 100% holding share in the Water Corporation Anguilla (WCA) to the Anguilla Electricity Company Ltd. (ANGLEC) has been awarded to you.

Please acknowledge receipt of this letter of notification signifying your acceptance.

The contract/contracts shall be signed by the parties within 30 days of the date of this letter but not earlier than 14 days from the date of the letter.

You may contact the officer(s) whose particulars appear below on the subject matter of this letter of notification of award.

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