

**TERMS OF REFERENCE (TOR) FOR PROVISION OF CONSULTANCY SERVICES
FOR THE IDENTIFICATION, CODIFICATION, TAGGING, VALUATION AND
PREPARATION OF A FIXED ASSET REGISTER OF REGIONAL RUSUMO FALLS
HYDROELECTRIC PROJECT'S ASSETS**

Kigali City Tower (KCT),
4th and 5th Floor,
Plot 6418, Avenue Du Commerce,
P.O BOX 1248, Kigali, Rwanda
www.nilebasin.org/nelsap

1. BACKGROUND

Rusumo Power Company Limited (RPCL) is a special purpose company incorporated under the laws of Rwanda and was registered with Rwanda Development Board in 2013. It also maintains a certificate of compliance in Tanzania.

RPCL is jointly and equally owned by the Governments of Burundi, Rwanda and Tanzania. RPCL has rights to develop, construct, own, and operate the 80MW Regional Rusumo Falls Hydroelectric Project located on the Kagera river at Rusumo border between Rwanda and Tanzania.

In January 2014, a Project Implementation Support Agreement (PISA) was signed between the project owner, RPCL, and the implementation agency, NELSAP-CU, establishing the relationship between the Implementing Agency and the Owner. NELSAP-CU, as mandated by the three countries through RPCL, is responsible for the overall implementation of the RRFHP during the preparation and construction phase through a Rusumo Project Implementation Unit.

NELSAP-CU (Rusumo Project Implementation Unit) is in the process of handing over the constructed 80MW Power Plant to RPCL to commence operations of the power plant. RPCL wishes to engage a consultant to provide consultancy services of identification, codification, tagging, valuation and preparation of a fixed asset register of regional rusumo falls hydroelectric project's assets

2. OBJECTIVES & SCOPE OF THE ASSIGNMENT

The objective and scope of the consultancy services is identification, codification, tagging, valuation and preparation of a fixed asset register of Regional Rusumo Falls Hydroelectric Project's assets.

The consultant will provide an independent opinion on the values of the assets based on the most appropriate valuation method and in accordance to International Financial Reporting Standards (IFRS) and International Valuation Standards (IVS) for company financial reporting.

The consultancy assignment shall be but not limited to:

- (i) Carrying out the valuation of all Tangible & Intangible Assets and providing a professional and independent opinion on the value of the asset basing on the valuation method adopted for each asset type and class. The assets are located at NELSAP-Rusumo Project offices (Kigali City Tower-3rd & 4th floor, Kiyanzi site-Kirehe District) and Rusumo Power Company Limited (RPCL) premises including Lands owned by RPCL, Powerhouse, Switchyard, Intake area, Administration building and Residential houses (campsite in Rwanda & Tanzania).

- (ii) Identifying, coding and tagging of the assets using asset code format which will be proposed by the consultant and approved by the employer/client.
- (iii) Prepare an electronic/soft and hard copy fixed asset register which shows all assets of the company with all important information of the asset which are but not limited to:
 - Asset type,
 - Asset class,
 - Asset's useful life,
 - Asset's depreciation rate,
 - Asset's Annual Depreciation
 - Asset's Accumulated Depreciation
 - Asset's year of acquisition date,
 - Asset's acquisition cost,
 - Asset's revalued cost,
 - Asset's location,
 - Asset's condition,
 - Asset's specifications (manufacturer, size, capacity, serial number, & any other important information depending on nature of the asset) and,
 - Asset's net book value

3. Expected Deliverables and Timelines:

The assignment will take (50) calendar days and in the cause of execution of the assignment, the Consultant shall prepare and submit the following reports in electronic/soft and hard copy in a format which will be proposed by consultant and approved by the Employer:

a) Inception Report

The Consultant shall submit an Inception Report within (10) calendar days after signing of the contract describing the comprehensive plan of executing the assignment which will include;

- List of Staff allocated to the assignment with their expertise qualifications
- Identifying specific task that will be carried out by each expert involved in the assignment
- The methodology (Technical Approach) that will be adopted to carry out the assignment
- The timelines set to deliver the assignment
- Provide the format/layout of the final valuation report
- Provide the format/layout of the final fixed asset register
- Identified foreseen challenges to be encountered and recommended measures and plans to overcome the challenges

This report will be prepared by the consultant after making preliminary site visit to assess the scope of the assignment and getting preliminary information that will be deemed necessary to be obtained by the consultant.

b) Draft Valuation Report and Draft Fixed Asset Register

Draft Valuation Report

The Consultant shall submit a draft valuation report within (30) calendar days after delivery and acceptance of Inception Report. The draft valuation report shall be prepared in accordance to the International Valuation Standards. The report shall include but not limited to:

- Purpose of valuation,
- Basis of valuation,
- Methodology used in valuation,
- Identity of the valuer,
- Identity of the client,
- Assets being valued (List of all valued assets with all important information as prescribed in *paragraph 2(iii)*),
- The valuation currency,
- Valuation date,
- The nature and source of information upon which the valuer relied,
- Significant assumptions and/or special assumptions and,
- Restrictions on use, distribution, and publication of the report.
- The report shall be attached with the photos/pictures of the valued assets.

Draft Fixed Asset Register

The Consultant shall submit a draft fixed asset register within (30) calendar days after delivery and acceptance of Inception Report. The draft fixed asset register shall show all assets of the company with all important information of the asset which are prescribed in *paragraph 2(iii)*

c) Final Valuation Report and Fixed Asset Register

The Consultant shall submit the final valuation report and a fixed asset register within (10) calendar days receiving and attending all comments from RPCL on the Draft Valuation Report and Draft Fixed Asset Register. The report shall be submitted in both hard and soft/electronic copies.

4. Data and Facilities to be provided by Employer

The employer will facilitate the consultant with all the necessary asset data and access to the assets. The employer will dedicate two officers (Financial Accountant and IT Officer) to assist with all the information or clarification they may need under the guidance of the employer's Finance team.

The employer will provide logistical arrangements to facilitate the consultant to visit all locations of the assets for verification and valuation of all assets.

5. Qualification of the Consultant:

The Consultant team shall comprise of at least six (5) key personnel with the specialization and experience listed below:

(i) Project Manager

The Project Manager shall be a team leader of the consulting firm in place and shall be a Senior Professional official who will be an independent professional with strong organizational skills with a minimum of Master's degree or its equivalent in either of the following disciplines: property valuation, estate management, land valuation, accounting, land economics, building economics and engineering. The Project Manager must have extensive knowledge of international best practices in valuation of assets etc. The Manager should also have a proven track record of successfully managing and coordinating as a team leader a diverse group of professionals in accomplishing the assignment regarding valuation of assets of similar nature and complexity to this assignment. A minimum of 6 years of working experience in implementation of assignments related to valuation of fixed assets is desired. Also, the Manager must have excellent communication skills, fluent in written and spoken English and a computer literacy.

(ii) Electrical Engineer

The Electrical Engineer must have undergone education or training in electrical power engineering or its equivalent at a minimum of Bachelor's degree level, coupled with at least 5 years of working in property valuation assignments. The Engineer should be conversant with valuation of assets and management issues. Extensive knowledge of International best practices in assessment and valuation of assets is highly desired. The Engineer must also have excellent communication skills, fluent in written and spoken English and a computer literacy.

(iii) Mechanical Engineer

The Mechanical Engineer must have undergone education or training in mechanical engineering or its equivalent at a minimum of Bachelor's degree level, coupled with at least 5 years of working in property valuation assignments. The Engineer should be conversant with valuation of assets and assets management. Extensive knowledge of International best practices in assessment and valuation of assets is highly desired. The Engineer must also have excellent communication skills, fluent in written and spoken English and a computer literacy.

(iv) Civil Engineer

The Civil Engineer must have undergone education or training in civil engineering or its equivalent at a minimum of Bachelor's degree level, coupled with at least 5 years of working in property valuation assignments. The Engineer should be conversant with valuation of assets and assets management. Extensive knowledge of International best practices in assessment and valuation of assets is highly desired. The Engineer must also have excellent communication skills, fluent in written and spoken English and a computer literacy.

(v) Accountant

The accountant must have undergone education or training in finance and accounting or its equivalent at minimum of Bachelor's degree level, coupled with at least 5 years of working in Financial Management and should be conversant with Accounting Standards (IFRS). The accountant should be conversant with valuation of assets and assets management. Extensive knowledge of International best practices in assessment and valuation of assets is highly desired. The accountant must also have excellent communication skills, fluent in written and spoken English and a computer literacy.

Terms of Payment:

The payment schedule shall be as follows;

- 20% of the contract price shall be paid upon acceptance of the draft inception report
- 40 % of the contract price shall be paid upon submission of Draft Valuation Report and Draft Fixed Asset Register
- 10% of the contract price shall be paid upon submission by the consultant of an approved revised Draft Valuation Report and Draft Fixed Asset Register
- 30% of the contract price shall be paid upon submission by the consultant of the Final Valuation Report and Fixed Asset Register