



SCOPE OF WORK
TECHNICAL ASSISTANCE OF BUSINESS PLAN PREPARATION
FOR REGIONAL WATER SUPPLY OF MAMMINASATA
IN SOUTH SULAWESI PROVINCE
March – September 2021

A. Back Ground

The USAID Indonesia Urban Water, Sanitation and Hygiene, *Penyehatan Lingkungan Untuk Semua* (IUWASH PLUS) program is a five year-and-eight-month initiative designed to assist the Government of Indonesia (GOI) in increasing access to water supply and sanitation services as well as improving key hygiene behaviors among urban poor and vulnerable populations. USAID IUWASH PLUS works with governmental agencies, the private sector, NGOs, communities and others to achieve the following "high level" results:

1. An increase of 1,100,000 people in urban areas with access to improved water supply service quality, of which at least 500,000 are from the poorest 40% of the population (also referred to as the "Bottom 40%" or "B40"), vulnerable groups or Indonesia's eastern provinces; and
2. An increase of 500,000 people in urban areas with access to safely managed sanitation.

To ensure that improvements in access to WASH services are sustained, USAID IUWASH PLUS is guided by a development hypothesis that focuses on strengthening service delivery systems, so they can more effectively reach the poorest and most vulnerable segments of the population. In order to achieve this at scale, the program undertakes activities through four interrelated components, including: 1) improving household WASH services; 2) strengthening city WASH institutional performance; 3) strengthening the WASH financing environment; and 4) advancing national WASH advocacy, coordination and communication. In support of these components, USAID IUWASH PLUS also implements a Local Sustainability and Innovation Component (LSIC) that is designed to stimulate WASH innovations that strengthen community, private sector and government WASH service provision.

B. Activity Summary

The Mamminasata Metropolitan Area is an urban National Strategic Area (KSN) located in South Sulawesi Province, which consists of 1 city and 3 districts that are Makassar City, Maros Regency, Gowa Regency, and Takalar Regency as stipulated by Presidential Decree No. 55 of 2011. The plan to fulfill drinking water services in the area is called the Mamminasata Regional SPAM, where the 4 districts / cities are the recipients of Regional SPAM bulk water (oftaker). This plan is in line with the 2020-2024 RPJMN (Presidential Decree 18/2020).





To support the growth of the Mamminasata Metropolitan Area, it is necessary to prepare an urban infrastructure network system, one of which is the drinking water supply system, especially the availability of drinking water supply for urban areas in the Mamminasata area.

The study which supports the drinking water supply system that has been prepared is the Feasibility Study (FS) of the Mamminasata Regional SPAM. Meanwhile, the institution that will manage the supply of raw water for the Mamminasata Regional is still in the process of being established. Currently the agency that is temporarily responsible to manage the Mamminasata Regional SPAM is the Perseroda of South Sulawesi Province (PT Sulsel Citra Indonesia) as BUMD of South Sulawesi Province. The coordination is carried out with the builder agencies, namely the Public Works and Spatial Province Of South Sulawesi, Infrastructure and Settlement Regional Office of South Sulawesi and the Directorate of Drinking Water (Dit.AM) of the Ministry of PUPR.

In line with the establishment of this institution, USAID IUWASH PLUS will provide assistance in the preparation of a business plan to the institution which will provide and manage the bulk drinking water for drinking water providers in each district city of the Mamminasata Metropolitan Area.

USAID IUWASH PLUS plans to assist develop a business plan of regional drinking water supply of the Mamminasata Regional SPAM which will become as the guideline for the Perseroda of South Sulawesi Province. The objective of the business plan is to compile a program for the development of infrastructure and facilities for supplying drinking water and absorption plans for each operator / PDAM / Perumda in the Mamminasata Metropolitan Area for the next 5 (five) years, namely 2022 - 2026.

The Business Plan document will cover all planning that include technical aspects, financial aspects, and human resources aspects. All programs or plans in the business plan need to be adjusted / synchronized with the business plans of each operator or PDAM Kota / Kabupaten as an off-taker of the Mamminasata Regional SPAM. Therefore, this arrangement needs to be discussed and agreed by all the local government of Mamminasata area as the off-taker and the provincial government as the manager of the Regional SPAM.

C. The Objective of Activity

The main objective of this SOW is to prepare a Business Plan for the Perseroda of Mamminasata Regional SPAM which will then become a reference both for the Perseroda South Sulawesi Provincial and for drinking water providers (PDAM/Perumda Air Minum) in the Mamminasata area to increase service coverage by increasing air supply.

Furthermore, for USAID IUWASH PLUS, these activities will contribute to the following IUWASH PLUS results:

- HR-I Increased access to water supply services through additional water availability from SPAM Regional Mamminasata

D. Location of Activity



The process of preparation of Business Plan will undertake in the office the Perseroda of South Sulawesi Province located in Makassar city. Visiting or discussion to the cities will also be conducted that include Gowa Regency, Maros Regency and Takalar Regency.

E. Task

The preparation of the Mamminasata Regional SPAM business plan document consists of the following tasks:

1. Task I : Preparation

- a. Compilation of Workplan and discuss with IUWASH PLUS team
- b. Arranging coordination meeting and discussion, related to scope of work, methodology, preliminary information/data of Mamminasata Regional SPAM and consensus of the institution that will be responsible to manage the Mamminasata Regional SPAM, between Tim IUWASH Plus with representative of Dinas PUTR Provinsi Sulawesi Selatan, BPPW Sulawesi Selatan, DITAM Kementerian PUPR and other related institutions.

2. Task II : Review of Technical Scheme of Mamminasata Regional SPAM

- a. To facilitate to establish the team that will responsible on the process of business plan preparation
- b. To collect whole documents and data related to Mamminasata Regional SPAM plan
- c. To compile and review the technical scheme of Mamminasata Regional SPAM based on existing documents of technical scheme/technical reviewed/Feasibility Study and other data that have been composed by related party/institution
- d. Support and provide input to Directorate of Drinking Water of Ministry of Public Works and Public Housing in encouraging approval on a technical scheme of Mamminasata Regional SPAM with related stakeholder
- e. To establish the Technical Scheme agreed by the Directorate of Drinking Water of the Ministry of Public Works and Public Housing with related stakeholders becomes the basis for the preparation of the Mamminasata Regional SPAM Business Plan.

3. Task III : Support The Review Calculation of Bulk Water Tariff for Mamminasata Regional SPAM (This activity will be carried out jointly and completed by the IUWASH PLUS Team)

- a. Discuss with the Finance Specialist IUWASH PLUS related to support needed
- b. To collect data needed to review calculation of bulk water tariff, both data related to Mamminasata Regional SPAM and data required from PDAM off taker Mamminasata Regional SPAM, such as
 - i. The existing Tariff Decree on PDAM off taker
 - ii. Financial statement and Performance Audit Report each PDAM off taker on 3 years historical
- c. To Analyze the tariff ability of each PDAM off-taker and formulate a strategy to match the tariff for bulk water and the tariff ability of the PDAM

4. Task IV: Preparation of Business Plan of Mamminasata Drinking Water Perseroda



- a. Identify an overview of the Mamminasata Regional SPAM area
- b. Together with the Business Plan Team to prepare a strategic plan for the sale of bulk water to off takers
- c. Conduct a financial feasibility analysis
- d. Develop a program implementation schedule
- e. Present Business Plan to Perseroda management
- f. Carry out a Business Plan Workshop by inviting all stakeholders
- g. Getting commitment from each local government to implement the program in accordance with the approved Business Plan

5. Task V : Finalize Documents

- a. Preparation of The final revision of the Technical Scheme agreed by stake holder
- b. Report of data and information needed to support tariff analysis
- c. Preparation of Final Document of Business Plan
- d. Preparation of Final Progress Report of Assistance Activity

F. Parties Involved

The parties will be involved on the activity are :

1. Sub. Dit. Wilayah III - Direktorat Air Minum, DJCK, Kementerian PUPR
2. Sub. Dit Wilayah III – Direktorat Air Tanah dan Air Baku, DJSDA, Kementerian PUPR
3. BPPW Provinsi Sulawesi Selatan
4. BBWS Pompengan - Jeneberang
5. Dinas PUTR Provinsi Sulawesi Selatan
6. Perseroda Provinsi Sulawesi Selatan – BUMD Provinsi Induk (PT Sulsel Citra Indonesia)
7. Dinas PU Kota Makassar
8. Dinas PUPR Kab. Maros
9. Dinas PUPR Kab. Gowa
10. Dinas PUPR dan Perkim Kab. Takalar
11. Perumda Air Minum Kota Makassar
12. PDAM Kabupaten Maros
13. PDAM Kabupaten Gowa
14. PDAM Kabupaten Takalar
15. Tim Penyusunan Rencana Bisnis
16. USAID IUWASH PLUS

The activities will be conducted through a participatory process through regular meetings with stakeholders, Focused Group Discussions (FGDs), etc. The model aims to ensure the highest degree of stakeholder ownership and buy-in the plan has been set.

G. Timing and Activity Schedule:

The duration of the whole program is around 7 months, which can roughly be divided as follows:

- Task I: 0.5 months ;





- Task 2: 2.5 months ;
- Tasks 3: 1 months ;
- Task 4: 3 months ;
- Task 5 :1 months

Task 3 on collect data phase and Task 4 can be carried out simultaneously, so that the total implementation time required is 7 (seven) months.

Each bidder is expected to provide a detailed (monthly) activity and staffing plan in their technical proposal.

H. Implementation Team

The personnel required to perform the 5 tasks above are as follows:

- a. 1 (one) Environmental Engineering Expert who also act as a Team Leader, with qualifications of experience as an environmental engineering expert for at least 8 years
- b. 1 (one) financial expert with experience qualifications as a financial expert for at least 6 years
- c. 1 (one) junior environmental engineer with a minimum qualification of 3 years of experience..

I. Estimated Budget

The budget allocation provided by USAID IUWASH PLUS is around IDR 474,550,000. This budget includes as least the following items:

- a. All cost for project expert team, include remuneration, travel, accommodation, per diem when required
- b. Meeting packet for the FGD and Workshop
- c. Reports

J. Deliverables

The deliverables must be submitted to USAID IUWASH PLUS and Perseroda regularly as part of progress report of the activity as follows:

- a. The final revision of the Technical Scheme agreed by stake holder
- b. Report of data and information needed to support tariff analysis
- c. Final Document of Business Plan
- d. Final Progress Report of Assistance Activity

K. Payment Schedule

No	Payment Deliverables	Description Report	Due date	Payment Schedule (% of Contract)
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1.	Initial Report	Task 1	14 days after contract	10%
2.	Progress Report 1	Task 2	End of 3 rd month	30%
3.	Progress Report 2	Task 3 and 4	End of 6 th month	40%
4.	Draft & Final Report	Task 5	End of 7 th month	20%

L. Proposed Mechanism

Proposed mechanism of the activity will be implemented through fixed price subcontract.

M. Evaluation Criteria

The Service Provider will be selected based on tender result and using full and open competition. The candidates must provide a proposal which consists of a Technical Proposal (background of the program, tasks to be conducted, methodology, schedule & CVs) and Cost Proposal.

The proposal will be evaluated based on:

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|---|---|----------|
| a. Methodology | : | 30 point |
| b. Qualification of personnel | : | 50 point |
| c. Company experience in similar activity | : | 20 point |

N. Bid Process

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|----------------------------------|------------------------|
| a. RFP Issued | January 27, 2021 |
| b. Pre-bid meeting | February 5, 2021 |
| c. Submission of Proposal | February 12, 2021 |
| d. Evaluation of bids by IUWASH | February 15 - 18, 2021 |
| e. Negotiation and Clarification | February 19, 2021 |
| f. Award Notification | February 24, 2021 |
| g. Contract Signing | February 26, 2021 |

O. Environmental Compliances

This activity is to prepare a study that has no pronounced effect on the natural or physical environment. So there is no need for an initial environmental examination, environmental analysis and an environmental impact statement. Based on USAID environmental policies and procedures, this activity is categorized as Categorical Exclusion.

