

Request for Quotation (RFQ)
Expenditure and Revenue Verification for the
Energy Smart Mediterranean Schools Networks
Project
and
BIM for Energy Efficiency in the Public sector
Project

ESMES (A_B.4.3-0123)

&

BEEP (A_B.4.31_0033)

Financed in the framework of the ENI CBC Mediterranean Sea Basin Programme 2014-2020

The enclosed document is prepared by the Lebanese Center for Energy Conservation (LCEC).

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I. Background

A. About ENI CBC MED

1. ENI CBC Med (the Programme) is the largest Cross-Border Cooperation (CBC) initiative implemented by the European Union (EU) under the European Neighbourhood Instrument (ENI). Through calls for proposals, ENI CBC Med finances cooperation projects for a more competitive, innovative, inclusive and sustainable Mediterranean area.
2. The Programme has a budget of € 209 million for the 2014-2020 period and the Managing Authority (MA) is the Autonomous Region of Sardinia in Italy.
3. Some of the main challenges addressed by the projects selected for funding in the framework of the Programme are the creation of innovative start-ups, the development of Mediterranean-wide economic value chains, the diversification of tourism, technological transfer, the inclusion of women in the labour market, better management of waste, water and coastal areas, and the improvement of energy efficiency in public buildings.

B. About ESMES

4. Buildings have high energy consumption and the intervention in public schools is critical, being a relevant part of buildings stock with a low/often unknown energy performance.
5. The Energy Smart Mediterranean Schools Network Project (ESMES), is part of the ENI CBC Med Programme and focuses on the optimization of energy consumption in public schools through innovative, monitoring-based renewable energy and energy efficiency (REEE) pilot actions.
6. ESMES is being implemented in five Mediterranean countries and involving six organizations: The Institute for University Cooperation (ICU) being the Lead Beneficiary, the Lebanese Center for Energy Conservation (LCEC) being the Project Partner in Lebanon, the German Jordanian University in Jordan, the National Agency for Energy Management of Tunisia, the Ribera Consortium of Valencia in Spain, and the Alcamo Municipality in Italy.

7. ESMES is expected to contribute to environmental protection, climate change adaptation and mitigation by considering the below specific objectives:
 - a. Increase civil society awareness and improve energy habits through the cross-border engagement of students in a sustainable use of energy resources in Jordan, Tunisia, Lebanon, Italy and Spain.
 - b. Reduce the energy consumption in a total of 10 public school buildings in the five mentioned countries, through the introduction of cost-effective REEE solutions tailored to buildings energy loads, type and use, and climatic zone.
 - c. Enhance capacities of national, regional and local institutions to plan and realize improved energy rehabilitations for higher energy sustainability of public buildings through cross-border cooperation.
8. ESMES will be implemented over a duration of three years starting September 2019.
9. For more information about ESMES, please visit the following website:
<http://www.enicbcmec.eu/Projects/esmes>

C. About BEEP

10. BIM for Energy Efficiency in Public sector (BEEP) Project aims at strengthening the use of Building Information Modelling (BIM) - a process supported by various tools and technologies involving the generation and management of digital representations of physical and functional characteristics of places - to enhance energy efficiency in buildings. The testing of this emerging technology on built heritage will be performed to demonstrate its scalability to the entire building stock.
11. BEEP will provide public administrations with a powerful method for the energy rehabilitation of public buildings to be supported with private funds through the Energy Performance Contracting.
12. BEEP's main outcome will be an innovative methodology based on the integration of emerging technologies tested on heritage public buildings. The results will streamline the sustainable rehabilitation process and start a virtuous circle where the money saved by public administrations in managing public assets will be used to multiply the interventions on the existing building stock.
13. BEEP pilot actions will contribute to an open, competitive digital market for construction and will encourage wider collaboration between the public and private sectors for further collective action.

14. BEEP will facilitate the wider introduction of Building Information Modelling in the public sector as a strategic enabler and the adoption of an aligned framework for its introduction into the built environment and construction sector. This alignment will accelerate growth and support competitiveness of the construction sector, especially in SMEs.
15. BEEP will be implemented over a duration of three years starting September 2019.
16. For more information about BEEP, please refer to the following website:
<http://www.enicbcmed.eu/Projects/beep>

D. About LCEC

17. The Lebanese Center for Energy Conservation (LCEC) is an independent organization at the Ministry of Energy and Water in Lebanon. It is a technical point of reference specialized in renewable energy and energy efficiency.
18. LCEC works on setting national strategies and action plans to be adopted by the Lebanese Government and on the implementation and quality control of national projects and initiatives in the country. LCEC is also involved in the update and development of the legal and administrative framework needed for the greening of the energy sector.
19. LCEC provides both the public and private sector with expert advice, finance and accreditation, develops energy efficiency standards and labels, and provides national energy database indicators.
20. For more information about LCEC, please refer to the following website:
<http://lcec.org.lb/en/LCEC>

II. Statement of Work

A. Important Notes

21. The objective of this Request for Quotation (RFQ) is for LCEC to select one Financial Auditor for both ESMES and BEEP activities in Lebanon, following the National Procedures of ENI CBC Med.
22. Once selected and before signing the contract, the Financial Auditor has to be endorsed by the Control Contact Point (CCP) of ENI CBC Med in Lebanon.
23. CCPs are appointed in each participating country to support the Managing Authority (MA) in the control tasks related to project expenditure verification.
24. CCPs endorse the Auditors selected by Lead Beneficiary and Partners and check the Expenditure Verification Reports (EVR) if needed.
25. The proposers are invited to carefully read this document along with the Annex.
26. All information included in all the pages of this document and its Annex are an integral part of this RFQ.
27. Throughout the document, ESMES Annex will be referred to as Annex <Reference Number>.A and BEEP Annex will be referred to as Annex<Reference Number>.B.
28. Throughout the document, ESMES and BEEP will be referred to as “the Project” or the “the Projects”.
29. The Grant Contracts foresee three types of reports: Progress, Interim and Final. Each report has a specific goal with a narrative and a financial section.
30. Each of the two Projects submits a "Progress" report each semester (total 3 progress reports), then an “Interim” report each year (total 2 interim reports) and a “Final” report by the end of the Project implementation period (total 1 report). All reports provide narrative and financial information.
31. Only Interim and Final reports (total 3 reports for each Project) are supported by auditor’s reports (Expenditure Verification Reports – EVR).
32. The reports are addressed to the MA and the Joint Technical Secretariat (JTS) via the proper channels.
33. The Joint Technical Secretariat (JTS) is composed of international staff recruited through a public procedure. It operates by the Autonomous Region of Sardinia (Cagliari). The JTS performs a supporting function to assist the MA and other Programme bodies, and

a direct function in coordination with the MA. The JTS is the initial reference for the beneficiaries on Project implementation.

B. Responsibilities

34. The tasks of the Auditor appointed by LCEC would include the following:
- a) Verify that goods and services have been delivered and the works have been performed;
 - b) Verify that the expenditure declared by LCEC relates to the eligible period or previous ones and it has been paid;
 - c) Verify the compliance with applicable rules (including eligibility rules), also including procurement and visibility requirements;
 - d) Verify the compliance of the expenditures with the approved Project and the signed Grant Contract;
 - e) Check the related documents and accounting on avoidance of possible double funding;
 - f) Verify the adequacy of supporting documents;
 - g) Check the registration of the expenditure in the accounting records of LCEC and that the expenditure is determined according to the accounting standards and the usual cost accounting practices applicable to LCEC;
 - h) Check the record-keeping and archiving rules for the documentary evidence related to the implementation of the Project; and
 - i) Notify irregularities and suspicion of fraud or corruption, as the case may be.
35. The selected Financial Auditor will verify the expenses declared in each payment claim under ESMES and BEEP activities independently, according to the Programme rules and procedures and the requirements of the Grant Contracts for each Project, to be issued as an Expenditure Verification Report (EVR) for each Project.
36. EVR is the document issued by the Auditor appointed by LCEC for the verification of expenses.
37. The financial Auditor must ensure to carry out an on site verification as needed and at least once during the verification of each EVR, in order to verify the original supporting documents, the procurement procedures, the outputs of the Project, the evidence of services, works, equipment, goods co-financed through the Projects, the adequacy of

the accounting systems. A list of Project outputs will be produced and signed by the auditors as attachment to the EVR.

38. The expenditure verifications shall be carried out according to formats and checklists agreed with the MA and their outcome will be the EVR that will be attached to each payment request following the initial pre-financing. The Financial Auditor will have to verify the analytical report expenditure by expense, indicating for each individual expense, the compliance or not, the amount of ineligible expenses and the reasons for non-eligibility.
39. The Financial Auditor will have to verify the compliance with the auditing rules and complete all the needed documentation.
40. The Financial Auditor may need to process the model forms online through a Management Information System (MIS), if requested, as a final result of the verification.
41. The Financial Auditor is responsible for performing the agreed-upon procedures described in Annex 2A and Annex 2B with due care and full respect of the Code of Ethics therein indicated, as well as submitting the reports to LCEC with its annexes, according to the templates and procedures established in the Annex.
42. LCEC is responsible for providing the Financial Report, as well as giving access to its accounting, supporting documents and Project documentation and physical investments to the Auditor, so that the procedures described in Annex 2A and Annex 2B can take place in due time and without restrictions.
43. In case of identification of suspected and/or established fraud, the Financial Auditor shall submit the Report on suspected and/or established fraud (Annex 7A and/or Annex 7B) without delay directly to MA. This report shall not be submitted to LCEC.
44. Should the MA, JTS or the CCP have any doubt concerning the findings indicated in the EVR, the Auditor will receive a request for clarification via LCEC, which will be answered in a maximum of 7 calendar days.
45. The MA, the JTS or the CCP may carry out quality control of the work carried out by the Auditor, including the examination of the working papers, at any moment during the execution period of the Grant Contracts.
46. As a result of the quality control, the MA may request the early termination of this contract. Such termination shall be free of charge for LCEC.
47. As a result of the quality control, the CCP may remove the Auditor from the long (or short) list of authorized auditors or, in case of no list, the MA and the respective Lead

Beneficiary of the Project may exclude the Auditor from any work in the framework of the Programme. The MA will immediately inform the CCP of the concerned country in order to take the appropriate actions.

48. The Auditor will attend the specific trainings and meetings for auditors organized by the competent Programme bodies. The MA may request the termination of the contract of the Auditor not attending these events.
49. EVR shall be revised by the MA and JTS after submission by LCEC. The CCP may assist the MA / JTS in the revision of these reports.

C. Implementation of Tasks and Audit Duration

50. The start date for implementation shall be the date of signature of the contract by both parties.
51. The EVR shall be delivered to LCEC within 30 calendar days from submission of the financial report by the LCEC.
52. Only Interim and Final reports are supported by auditor's EVR.
53. The table below shows the deadlines of submission for each of the Projects' EVRs:

Table 1 Projects Reports Deadlines

Type of the Report	Months Covered by the Report – Reporting Period	Deadline for Submission of EVR
Interim	1-12	3 months after the end of the reporting period
Interim	13-24	3 months after the end of the reporting period
Final	25-36	3 months after the end of the reporting period

III. Requirements for Quotation

A. Qualification of the Audit Firm

- 54. The expenditure verification required by ENI Implementing Rules (Article 32) shall be carried out by private external audit firms only.
- 55. The Financial Auditor/Auditing Firm must be registered at the Lebanese Association of Certified Public Accountants according to the requirements set by ENI Implementing Rules (Article 32) and in compliance with the national requirements.
- 56. The Financial Auditor should have experience in at least one Project under ENI CBC Med and/or ENPI CBC Med.

B. Documents to be submitted with the Quotation

- 57. Company profile (short info up to 1 page).
- 58. Copy of Company's Registration Certificate.
- 59. Full reference list demonstrating previous experience in ENI CBC Med Projects and/or ENPI CBC Med.
- 60. The documents shall be signed and stamped by a person duly authorized to bind the Auditor to the contract.

C. Submission Details

- 61. Deadline for the submission of quotation is 22 July 2020 at 2:00 p.m.
- 62. A separate quotation must be submitted to each Project, one for ESMES and another one for BEEP.
- 63. A quotation combining both auditing services under ESMES and BEEP will be rejected.
- 64. Any quotation received after the mentioned date and time will be rejected.
- 65. Submittals must be delivered to the LCEC offices at the following address: Ministry of Energy and Water (MEW), Corniche du Fleuve, 1st Floor, Room 303.
- 66. LCEC may, at its discretion, extend the deadline for the submission of proposals, in which case all rights and obligations of LCEC and the applicants subject to the previous deadline shall thereafter be subject to the deadline as extended.

For all questions, comments, suggestions, and clarifications regarding this proposal, communicate with LCEC **ONLY by email** to: energy@lcec.org.lb.

D. Quotation Details

- 67. The quotation must be submitted in Euro and exclusive of VAT.
- 68. The period of validity of quotation is 90 days and it starts on the submission deadline date.
- 69. In exceptional circumstances, LCEC may request the Proposer to extend the validity of the quotation beyond what has been initially indicated in this RFQ. The Proposer shall then confirm the extension in writing, without any modification whatsoever on the quotation.
- 70. At any time during the validity of the quotation, no price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by LCEC after it has received the quotation.

IV. Evaluation Criteria and Selection of Auditor

- 71. Offers will be reviewed based on the following:
 - a) Completeness and compliance of the quotation with the minimum specifications described above and in the Annex.
 - b) Full compliance to this RFQ requirements and conditions and lowest price.
 - c) Full acceptance to the Contract terms and conditions.
- 72. Once selected and before signing the contract, the Financial Auditor has to be endorsed by the CCP of ENI CBC Med in Lebanon.

V. Contract and Payment

- 73. The contract may be canceled if the delivery/completion by the Auditor is delayed by 30 calendar days.
- 74. As a result of the quality control, the MA may request to LCEC the early termination of this contract. Such termination shall be free of charge for the Project partner.
- 75. The contract will be in Euro.
- 76. All payments under the contract will be made in Euro via a bank transfer from a Lebanese commercial bank to another Lebanese commercial bank (no cash payments will be made; no transfers outside Lebanon will be made).

77. The contract amount shall be disbursed upon achievement and approval of the corresponding milestones for each project separately and independantly from the progress in the other project, in accordance with the below table:

Table 2 Payment Schedule per Project

Milestone	Payment Percentage
Contract Signature	30%
Interim Report 1	20%
Interim Report 2	20%
Final Report	30%

78. The table below shows the processing time needed for some of the Auditor's activities.

Table 3 Key Dates

Activity	Maximum Allowed Processing Time
The contract may be canceled if the delivery/completion of any of the tasks by the Auditor is delayed by 30 calendar days	30 calendar days
The EVRs shall be delivered to LCEC within 30 calendar days	30 calendar days
The Auditor shall respond to any clarification request from LCEC within a maximum of 7 calendar days	7 calendar days

VI. General Terms and Conditions

A. Settlement of Disputes and Applicable Law

79. The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity thereof. In case amicable efforts fail, the settlement of disputes will take place in the courts of Beirut according to Lebanese laws and regulations.

B. Data Protection

80. Any personal data included in the contract shall be processed with the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (GDPR - General Data Protection Regulation) on the protection of individuals with regard to the processing of personal data. The data shall be processed solely for the purposes of the performance, management and monitoring of the contract by the Lead Beneficiary/Project partner without prejudice to possible transmission to the bodies charged with monitoring or inspection in application of EU law. The Auditor shall have the right to access his/her personal data and to rectify any such data.
81. The Auditor shall undertake to adopt technical and organisational measures to address the risks inherent in processing and in the nature of the concerned personal data and limit access to the data to staff strictly needed to perform, manage and monitor this contract.

VII. Annex

A. ESMES

- 1.A - Declaration Form - ESMES
- 2.A - Expenditure Verification Procedure - ESMES
- 3.A - Control Checklist - ESMES
- 4.A - Individual Report - ESMES
- 5.A - Consolidated Report - ESMES
- 6.A - List of Findings - ESMES
- 7.A - Suspected Fraud - ESMES
- 8.A - List of Contracts - ESMES
- 9.A - Template Auditing Contract - ESMES
- 10.A Project Fiche – ESMES

B. BEEP

- 1.B - Declaration Form – BEEP
- 2.B - Expenditure Verification Procedure – BEEP
- 3.B - Control Checklist – BEEP
- 4.B - Individual Report – BEEP
- 5.B - Consolidated Report – BEEP
- 6.B - List of Findings – BEEP
- 7.B - Suspected Fraud – BEEP
- 8.B - List of Contracts – BEEP
- 9.B - Template Auditing Contract – BEEP
- 10.B Project Fiche – BEEP