The UNITED REPUBLIC OF TANZANIA has received a loan from the African Development Bank (ADB) and the African Growing Together Fund (AGTF), towards the cost of the improvement of Water Supply and Sanitation System in Arusha City and Some Parts of Arumeru District and intends to apply part of the agreed amount for this loan to payments under the contract for **Consultancy Services for Tariff and Affordability Study and Awareness** for the Arusha Urban Water Supply and Sanitation Authority.

The services included under this project are:-

1.1 Review of current tariffs and related aspects including:
- The regulatory and policy environment.
- The AUWSA current tariff structures, customers categories, expenses and revenues.
- The viability of current tariffs and their impact on revenues at different levels of collection efficiency.
- Costs of services related to the tariffs.
- Affordability of current tariffs, and their social impacts including customer ability to pay within different socio-economic groups and customer categories, including assessment of average income and water consumption of poor households (poverty study) and calculation of the maximum combined annual per capita water and wastewater charge, that is affordable to average and to poor households according to international
standards (5% of the net income) and compare to the adjusted operation and maintenance costs of AUWSA.

- Any cross subsidies, their cost and suitability.

1.2 Examination of the AUWSA commercial performance and implications on tariff revenue including:
   - Evaluation of records of billing and collection from different customer categories and geographical areas.
   - Evaluation of effectiveness of meter reading and volumetric bills, customer account adjustments and any initiatives that have been launched in the past to improve billing and collection.
   - Proposals for improvements to commercial practices including equipment, metering, staffing and skills, or outsourcing arrangements—such improvements and related targets should then be used in evaluating the impact of different tariff scenarios.

1.3 Develop tariff scenarios
   - Based on regional and International experience develop tariff scenarios for water and sewerage, including scenarios that will cater for full cost recovery and advise on their applicability for implementation in AUWSA circumstances.

1.4 Develop tariff model
   - Create a financial model that can be used as a tool to calculate and demonstrate the relative impact of different scenarios to tariffing on the financial viability of AUWSA.
   - The tool should provide for progression and variations in achievement of targeted performance efficiency (e.g. electricity, NRW, billing and collection) and improvements identified in the cost of services review in section 2.1 above.

The estimated project duration is Four (4) months.

The Arusha Urban Water Supply and Sanitation Authority (AUWSA), the Executing Agency of the project, now invites eligible consultants to indicate their interest in providing these services. Interested consultants must provide information indicating that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, evidence of joint venture if applicable etc.). Consultants may constitute joint-ventures to enhance their chances of qualification.

Eligibility criteria, establishment of the short-list and the selection procedure shall be in accordance with the African Development Bank’s “Rules and Procedures for the use of Consultants” dated May, 2008, revised July, 2012, which is available on the Bank’s website at www.afdb.org. Borrowers are under no obligation to shortlist any consultant who expresses interest.

Interested consultants may obtain further information at the address below during office hours from 0800hrs – 1600hrs, Monday to Friday except on public holidays.
Expressions of interest must be delivered to the address below by 23rd December, 2016 at 1000 local hrs and mention “Consultancy Services for Tariff and Affordability Study and Awareness” for the Arusha Urban Water Supply and Sanitation Authority.

Attn: The Secretary, Tender Board,
Arusha Urban Water Supply and Sanitation Authority,
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