

REQUEST FOR EXPRESSIONS OF INTEREST (CONSULTING SERVICES – FIRMS SELECTION)

COUNTRY: Federated States of Micronesia

NAME OF PROJECT: Federated States of Micronesia Maritime Investment Project (P163922)

ASSIGNMENT TITLE: Individual Ports Strategic Development Plans and Chuuk Lagoon Maritime Access

REFERENCE NO.: FM-DOTCI-206001-CS-QCBS

The Federated States of Micronesia has received financing from the World Bank toward the cost of Maritime Investment Project, and intends to apply part of the proceeds for consulting services.

The consulting services (“the Services”) include:

- Preparation of Ports Strategic Development Plans (PSDP) for the main international ports in the states of Chuuk, Yap, Kosrae, and Pohnpei.
- Preparation of the Chuuk Lagoon Maritime Access Concept Plan (CLMACP), which is a proposed conceptual model for organized intra-lagoon maritime transportation services within the 2,130 sq. km. Chuuk Lagoon.

The PSDP will provide a clear strategic direction to improve the efficiency, productivity, safety, and profitability of maritime infrastructure and port operations in FSM. The CLMACP is intended as a vital first step to realizing a viable matrix of passenger and vehicle ferry services, along with inter-island maritime freight service that will catalyze mobility among the Chuuk Lagoon Islands. The ultimate goal is to stimulate development that will lead to an increase in economic activity within the Chuuk Lagoon. The assignment objective will be achieved through the following outputs:

Output 1: Updated demand assessment and 25-year forecast

Output 2: Review and optimization of existing port facilities and operations

Output 3: Institutional, financial, and sustainability assessment for each State’s Port Entity

Output 4: Updated Port Vision and Strategy, 20-Year Investment Plan and 5-year Implementation Plans

Output 5: Chuuk Lagoon Maritime Access Concept Plan for Weno, Tonoas, Fefan, Faichuk, Udot, and Uman.

It is expected that this assignment will take twelve months to complete and will require a total of sixteen (16) person-months input by key experts to complete.

The detailed Terms of Reference (TOR) for the assignment are attached to this Request for Expressions of Interest (REOI).

The Department of Transportation, Communication and Infrastructure (DoTC&I) now invites eligible consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are:

- i. Experience in the preparation of Ports Strategic Development Plans (PSDP) and that of conceptual models for organized inter-island, or other types of, scheduled maritime transportation services (a minimum of 10 years' experience will be required).
- ii. Experience on similar assignments as per the Terms of Reference (at least 3 similar assignments over the past 10 years).
- iii. Proof of technical, managerial and financial capacity of the firm.
- iv. Experience in developing countries, particularly in the Pacific or other similar environments will be an advantage.

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank's "Procurement Regulations for IPF Borrowers" July 2016 revised November 2017 and August 2018 ("Procurement Regulations"), setting forth the World Bank's policy on conflict of interest.

Consultants may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

A Consultant will be selected in accordance with the Quality and Cost Based Selection Method (QCBS) set out in the Procurement Regulations.

Further information can be obtained at the address below during office hours 0900 to 1700 Pohnpei Time (Local Time).

Expressions of interest must be delivered in a written form to the address below (in person, or by mail, or by fax, or by e-mail) by Friday, January 22, 2021.

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Central Implementation Unit

Terms of Reference for Federated States of Micronesia Ports Strategic Plan and Chuuk Lagoon Maritime Access

Background

The Federated States of Micronesia (FSM) consists of the four main island states of Chuuk, Kosrae, Pohnpei, and Yap, with a total land area of 700 km² scattered over a total ocean area of 1,600,000 km² between Palau and Kiribati. The population of FSM is estimated at about 105,000. Each state has its own geography, ecology, language, history and culture with 17 local languages used across the four states.

FSM is highly dependent on imports arriving by sea and has few exports. Exports of marine products, mainly re-export of fish to the USA, Japan and a number of East Asian countries accounts for most export revenue. Economic growth is constrained by FSM's small size, remoteness from markets, and limited transportation links. This is compounded by limited and expensive transportation links, which increase the cost of trade and constrain export competitiveness. As such, the provision of reliable, efficient, and safe ports will improve the country's export competitiveness.

Chuuk State is the most populous of the four FSM states, with a large majority of the State's population located within the 2100 km² Chuuk Lagoon. More so on the island of Weno, where the commercial port and international airport are located. With no organized transportation services between Weno and the other Lagoon islands, most of the economic activity within the Lagoon takes place on Weno, resulting in significant congestion and overcrowding. Many of the docks and piers in the Lagoon islands are in a dilapidated condition and were generally constructed without regard to environmental impacts to adjacent inshore areas. The absence of functional docking facilities on the other Lagoon islands further compounds the problem of restricted development and economic opportunity on the other Lagoon islands. For example, the lack of deep-water piers on the Lagoon islands (with the exception of Weno and Tonoas) is a major hindrance to logistics and planning for upcoming construction of schools and dispensaries. Likewise, the local utility corporation faces similar logistical issues regarding transportation of large equipment required for electrification of the Lagoon islands.

Currently, inter-island travel in the Lagoon is primarily facilitated by small skiffs powered by outboard motors. These open boats serve a range of trip types, including work and school commuter trips, transportation of produce and supplies, medical and recreational trips. There are no organized services and the current ad hoc service itself is characteristically costly, primarily due to the high cost of fuel. Although there are safety regulations for larger boats, there are no safety regulations in place for the smaller skiffs.

The World Bank is providing investment for the FSM Maritime Investment Project (FSMIP), and a Ports Strategic Plan is required to help the provide the Government and individual states to improve their respective port's competitiveness. In addition, the development of the Chuuk Lagoon Maritime Access Concept Plan is a vital first step to realizing a viable matrix of passenger and vehicle ferry services, along with inter-island maritime freight service that will catalyze mobility among the Chuuk Lagoon Islands and thus stimulate development and economic activity.

Objectives and Scope

The objective of the assignment is to develop Port Strategic Development Plans (PSDP) for the main international ports in the states of Chuuk, Yap, Kosrae, and Pohnpei for endorsement by the Government of FSM (GoFSM). The assignment objective, along with the work scope described in Output 1 to Output 4 below, will also take account of the locations within the Chuuk Lagoon identified in Output 5 to develop a conceptual model for organized intra-lagoon maritime transportation services.. The PSDP will provide a clear strategic direction to

improve the efficiency, productivity, safety, and profitability of maritime infrastructure and port operations in FSM. The assignment objective will be achieved through the following outputs:

Output 1: Updated demand assessment and 25-year forecast:

- i) Carry out an assessment of national economic drivers and trade analysis, and the role of each State's port for national economic growth and trade;
- ii) Evaluate the performance and growth potential of key national productive sectors assessed as most reliant on maritime infrastructure, and state, regional and international trade opportunities with consideration of economic and population growth;
- iii) Forecast the impacts on the ports and shipping sector from national development plans, ports master plans, and the Bank's proposed investment for the FSM Maritime Project;
- iv) Identify comparative advantages for domestic and international maritime activities for each port with due consideration of economic, geographic, and other relevant strategic factors;
- v) Using current existing information and data, evaluate the natural environment of each port and assess conditions that may constrain their operation, including prevailing winds, currents, tidal variations, wave action from wind and vessel movement, and sedimentation;
- vi) In consultation with shipping lines and agents, cruise operators, stevedores, logistics providers, and other port users, review existing port traffic at each port, including freight traffic, passenger traffic, vessel traffic, and traffic to outer islands. Freight traffic will be categorized by container, dry bulk, break bulk, liquid bulk, and vehicles. Vessel traffic will be categorized by container vessels, liquid bulk carriers, dry and break-bulk carriers, cruise ships, tourism vessels, local and international fishing vessels, and domestic shipping services;
- vii) Produce a 25-year forecast based on five-year historic data for freight (in the categories identified above) and passenger traffic¹, detailed trade and economic growth projections for the first five years, and macro-economic growth projections for the following 20 years for each port;
- viii) Develop at least three different scenarios including a base case, conservative case, and optimistic case, for the 25-year forecast. Scenarios will be finalized in consultation each State's port management agency, GoFSM, and the Bank, with consideration of economic shocks, climate change and natural disasters, and other external factors that may have significant impacts on port operations.

Output 2: Review and optimization of existing port facilities and operations

- i) Review existing operations for all operators within each port zone including shipping lines, stevedores, logistics providers, regulatory bodies, and manufacturers. Establish baseline performance of each port, identify areas for optimization and improved port performance, and where appropriate, provide recommendations for immediate improvements to efficiency, safety, environmental risks and productivity;
- ii) Review the efficiency and adequacy of health and safety practices, customs and immigration, quarantine, passenger services, environmental management², search and rescue, and police. Identify bottlenecks through time-release studies and provide recommendations to streamline operations, strengthen compliance, and relax regulatory oversight where appropriate through risk assessment and consensus-building with all port-users;
- iii) Evaluate the adequacy of access to the port, safety of road users, travel distance to areas of distribution, and alignment with each State's urban development plans;
- iv) Review contractual/concession arrangements if any with port operators or stevedores and make recommendations to improve port productivity where appropriate; and
- v) Establish baseline key performance indicators based on the following metrics: berth occupancy, ship queues and waiting times, terminal capacity, yard productivity, and freight dwell times. Compare

¹ Passenger demand analysis should include a social analysis of passenger categories and purpose of travel.

² Including, but not limited to: pollution control, incident response and management of liquid and solid waste.

baselines with benchmarks of similar ports in the region and identify measures to improve performance.

Output 3: Institutional, financial, and sustainability assessment for each State's Port Entity

- i) Review the performance of each State's port management agency with respect to their obligations to international conventions to which they are party to, and identify gaps in compliance and their potential economic, safety, environmental, and operational impacts;
- ii) Carry out an organizational review of each State's port management agency to identify key positions, and draft job descriptions (where they do not exist) for these key positions so that the management agencies can meet their obligations as international port operators;
- iii) Based on actual and budget financials, review financial health of each State's port management entity and identify opportunities to improve revenue generation and optimize costs, based on port benchmarking studies in the region and current service levels;
- iv) Identify further areas to increase revenue generation and optimize costs based on 25-year forecast and port optimization, based on expected improved service levels;
- v) Identify areas for greater private sector involvement such as divestment of non-core operating assets, public-private partnerships, concession agreements, where appropriate;
- vi) Evaluate staff cost allocations and performance management metrics to ensure that adequate incentives are in place to fulfil job descriptions;
- vii) Evaluate cost allocations for recurrent maintenance expenditures to ensure that existing assets are able to achieve their intended design life; and
- viii) Establish the available funding envelope available for capital and recurrent costs, taking into consideration funding sources from own revenue (under different scenario analyses), national budget contributions (if any), commercial credit, and development partner contributions.

Output 4: Updated Port Vision and Strategy, 20-Year Investment Plan and 5-year Implementation Plan

- i) Support each State's port management agency to refine their Port Vision and Strategy, using the 25-year forecast demand (including scenario analyses), and appraisal of existing port facilities, operations and hinterland linkages as a basis for port service level aspirations;
- ii) Identify short, medium, and long-term investment needs, to improve the efficiency, productivity, safety, passenger usability, environmental performance and profitability of the ports based on the appraisal of existing port facilities and the 25-year demand assessment;
- iii) Develop a prioritization framework that includes but is not necessarily limited to efficiency, safety and climate resilient factors and ranks investments consistent with each State's refined Port Vision and Strategy, and structuring them in the following order: (i) ensure current levels of service at the port are maintained and incrementally improved, (ii) meet projected demand under the most realistic scenario; (iii) achieve national aspirations based on forecast demand. The development of the prioritization framework (as well as assessment of needs in point (ii) above) should be based on meaningful consultation with stakeholders, including passengers;
- iv) Based on the prioritization framework, develop a draft 20-Year Investment Plan for each State's port for consultation and finalise the report based on feedback;
- v) For each port, develop 5-year implementation plans for consultation, and finalise the report based on feedback. These implementation plans will detail time-bound actions and milestones for the necessary due diligence, technical assistance and investments that are prioritized in each port's 20-Year Investment Plan.

Output 5: Chuuk Lagoon Maritime Access Concept Plan for Weno, Tonoas, Fefan, Faichuk, Udot, and Uman

- i) Carry out a condition assessment of the existing maritime facilities specific to intra-lagoon access on the above-named islands within the Chuuk Lagoon. Weno, Tonoas, Fefan, Udot, Uman, and the closely conglomerated Faichuk group (Tol, Polle and Paata) are effectively the six largest and most populous of the Chuuk Lagoon islands. The assessment will consider the functionality of existing facilities, along with inherent environmental, social (including passenger serviceability), health and safety risks and impacts.
- ii) Review locations of existing docks and jetties and identify optimal locations for improved infrastructure, based on the ambient physical and environmental conditions, environmental and social risk screening (including a review of land ownership and arrangements for secure land access for the facilities), existing and projected demographic and economic activity (with and without improved transportation connections – considering baseline data and targeted improvement), and any available socio-economic data garnered from Outputs 1 through 4. Any specific aspects on the transportation needs of women, elderly, disabled and youth should be screened, particularly in relation to safety, market access, access to education and work and provision of health services and supplies. Identify and highlight key issues and areas for more detailed examination/analysis at a later stage of project development (including environmental and social risk management).
- iii) Undertake stakeholder consultation meetings, present the findings of the condition assessment and discuss the structural integrity and utility of Lagoon maritime infrastructure with representatives of port authorities, government maritime departments, private sector, school principals, communities in Weno and selected lagoon islands and other relevant stakeholders. Additionally, the transportation needs assessment and outputs from the location studies for Lagoon maritime facilities will be presented for discussion.
- iv) Based on the identified optimal dock locations, and working with local authorities, use available data, including depth charts, to identify and develop a preliminary routing map (with proposed AtoN locations) for future intra-lagoon ferry and freight service.
- v) Perform a technology and equipment review of vessels for passenger and vehicle/freight ferry services and develop a long-list of potentially viable equipment for more detailed evaluation and selection at a later stage of project development.
- vi) Examine and develop preliminary business model and organizational options for operations and oversight of a proposed Chuuk Lagoon inter-island maritime access service. This should include an analysis and comparison of socio-economic impacts (e.g. gender impacts and labor force impacts) and benefits of various options. Present the results for discussion in stakeholder consultation meetings.

Analysis, outputs and outcomes should be consistent with the safeguard policies of the World Bank, the FSMIP Environmental and Social Management Framework, and FSM's National Infrastructure Plan and Coastal Management Framework.

Health and Safety

The consultant is expected to prepare a Health and Safety Plan, which demonstrates ability to undertake risk assessments, plan to avoid or mitigate risk and the ability to perform the work in question safely.

Key Expertise Requirements

A consulting firm will be engaged through Quality and Cost-Based Selection (QCBS) in accordance with the Bank's Procurement Policy and Procurement Regulations, following submission of full technical and financial proposals

The total length of the assignment is expected to be twelve months. Proposing entities will determine the number and the nature of experts they will require to achieve the objectives of the contract, in accordance with their proposed approach and methodology. However, the assignment requires a minimum of the following five key

experts, one of which will be expected to act as Team Leader, with at least five years of experience in a management role in addition to the minimum qualifications as described in Table 1 below. Experience with Bank-financed operations or operations with other multi-lateral IFIs will be an advantage. In addition, experience in developing countries, particularly in the Pacific or other similar environments will be an advantage.

Table 1: Key Experts Required

Position	Minimum Qualifications Requirement
Port Institutions and Operations Specialist	Degree in engineering, transport planning, or other relevant discipline. At least 5 years of experience in port and harbor planning and design, port operations, and port management.
Transport Planner/Economist	Degree in transport planning, transport economics or other relevant degree. At least 5 years of experience in carrying out economic analysis in the transport sector. Experience in the maritime sector transportation planning will be preferred.
Finance Specialist	Degree in finance or related field. At least 5 years of experience in financial analysis, financial management assessment, and business model development.
Assessment Engineer	Degree in civil / structural / marine engineering. At least 5 years' experience in design, supervision and/or assessment of marine structures in tropical settings
Social specialist	Degree in social science, anthropology, geography or other relevant qualification. At least 10 years' experience of social impact assessment in infrastructure development and / or transportation planning in small island States, including experience in conducting consultations. Specialist expertise in land tenure and access under World Bank Policies and in the Pacific would be an advantage.

In addition to the above required key experts, proposing entities should also include non-key experts in their technical proposal, in the personnel work plan and in their financial proposal. All other “non-key experts” required in accordance with their proposed approach and methodology should be thus identified and included. As a minimum the team should include an environmental specialist.

Duration and Level of Effort

It is expected that this assignment will take twelve months to complete and will require a total of sixteen (16) person-months input by key experts to complete.

Timeline of Deliverables

Upon engagement, the firm will be required to submit the following deliverables according to the following timeline:

Table 2: Schedule of Deliverables

Deliverable	Report	Expected (months commencement)	Completion after
1	Inception Report		1
2	Output 1: Updated demand assessment and 25-year forecast		3
3	Output 2: Review and optimization of existing port facilities, operations, and hinterland linkages		4
4	Output 3: Institutional, financial, and sustainability assessment for each State's Port Entity		4
5	Output 4: Updated Port Vision and Strategy, 20-Year Investment Plan and 5-year Implementation Plan		8
6	Output 5: Chuuk Lagoon Maritime Access Concept Plan		9
7	Draft Final Report		10
8	a) Chuuk, Pohnpei, Kosrae, and Yap Port Strategic Master Plan (Combined and Readable format of Outputs 1-4) b) Chuuk Lagoon Maritime Access Concept Plan (Separate Readable format of Output 5)		
9	Final Report		12

Procedure for Review and Acceptance of Outputs

Each deliverable will be reviewed by representatives nominated by the Government (including officials from Department of Transport, Communications, and Infrastructure (DTC&I), and State government officials) with support from the World Bank (WB). Deliverables will be provided as soft-copies in MS Word format. Hardcopies of the Final Report will be provided to GoFSM and the WB.

Terms of the Assignment

Ideally, key experts would travel to Chuuk, Kosrae, Yap, and Pohnpei to carry out studies, surveys, and meaningful consultations with the Government and all stakeholders in preparing the project outputs. However, due to the current international and domestic travel restrictions in place for the COVID-19 pandemic, it is expected that this assignment will be initially conducted remotely with no travel to FSM (at least through the Inception Phase). The Consultant will be provided with relevant reports and data relating to the assignment and will be able to conduct consultations and key informant meetings with Federal and State government representatives.

For field work to be conducted, GoFSM will provide the Consultancy with office space and internet access, and access to equipment, such as printers, fax machines and photocopiers. The Consultancy will provide its own computers, software and data backup facilities.

Implementation Arrangements

The counterpart GoFSM agencies are the Department of Transport, Communications, and Infrastructure and officials from State Governments who will provide counterpart staff. The firm's contract will be administered by the Department of Transport, Communications and Infrastructure. The consulting firm will mobilize promptly after signing the contract agreement, and will compile, prepare and submit all required reports within the timelines mentioned in the terms of reference.