



ST. VINCENT ELECTRICITY SERVICES LIMITED



TERMS OF REFERENCE

ENTERPRISE RISK MANAGEMENT (ERM) CONSULTANT



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BACKGROUND

St. Vincent Electricity Services Limited (VINLEC) serves over 46,000 customers, with electricity accessible to 98% of the population of St. Vincent and the Grenadines. Electricity is generated at the Company's diesel power stations located at Cane Hall, Lowmans Bay, Bequia, Union Island, Canouan, and Mayreau. Additionally, approximately 18-20% of annual electricity is produced at hydro plants in Cumberland, Richmond, and South Rivers, while solar farms account for approximately 2% of annual production. VINLEC's network spans approximately 350 miles of 33kV, 11kV, 400V, and 230V lines.

The Company employs over 300 staff across eight departments: Generation, Transmission and Distribution, Planning, Finance, Human Resources and Administration, Customer Services, Information Systems, and Internal Audit.

Section 4.4 of the recently amended Audit Committee Charter mandates the Committee to oversee the formulation of an Enterprise Risk Management (ERM) Framework for Board approval. This Terms of Reference (TOR) is a significant step in implementing the ERM project at VINLEC.



INTRODUCTION

VINLEC is seeking the services of an Enterprise Risk Management Consultant to guide management and the Board in aligning enterprise strategy, business objectives, and risk appetite. The consultant will facilitate the identification and management of key risks affecting the achievement of strategic goals to enhance company value.

The consultancy will involve assessing the potential impact and likelihood of top risks, evaluating the effectiveness of current response strategies, and introducing new ones where necessary. It will also educate ERM programme participants on key risk management concepts, empowering them to cascade meaningful ERM initiatives throughout the workforce.

Using the ERM framework, the consultant will provide actionable analyses of top risks and response strategies to inform strategic decision-making. This risk-informed methodology will enhance an ERM programme that is:

- **Strategic:** Accounting for how risks affect strategy and performance.
- **Balanced:** Equally considering opportunities and threats.
- **Integrated:** Embedded into company strategies and operations.
- **Customised:** Reflecting VINLEC's business requirements, industry standards, and cultural characteristics.

ERM is envisioned as a journey towards prioritising resources to address top risks effectively.



OBJECTIVE OF CONSULTANCY

The objective of this consultancy is to institutionalize and integrate Enterprise Risk Management (ERM) strategies, practices, and competencies into VINLEC's management structures. This will not only ensure adherence to the ERM Policy but also guarantee compliance with the legal mandates set forth by the Electricity Act and related regulations. Furthermore, it will emphasize the critical role of management in overseeing the ERM process, reinforcing their accountability and leadership in fostering a proactive risk management culture across the organization.

The primary outcome is embedding risk management into strategic planning and day-to-day operations. This will be achieved through:

1. Implementation of a Risk Management Programme.
2. Development of a Change Management and Communication Programme to support the Risk Management Programme.

SCOPE OF CONSULTANCY

The consultancy will integrate ERM into VINLEC's strategies and performance processes. Key activities include:

1. Assessing existing risk management practices.
2. Recommending an ERM functional structure aligned with VINLEC's ERM policy.
3. Developing and delivering training programmes for the ERM strategy.
4. Holding consultations with key stakeholders to ensure buy-in.
5. Guiding comprehensive risk assessments across all operations, including organisational, technical, financial, and environmental risks.
6. Supporting ERM integration into strategic planning and internal controls, including methodologies and templates for:
 - o Risk registers.
 - o Risk evaluation and prioritisation.
 - o Assessment of risk appetite.
 - o Development of response strategies.
7. Assisting in documenting risk appetite statements and aligning risk registers accordingly.
8. Training and mentoring staff in risk matrix methodologies.
9. Engaging training institutions for sustainability.
10. Conducting readiness and culture change assessments.
11. Providing change management training for key stakeholders.
12. Identifying and addressing resistance to change.



13. Collaborating with the Communications Section to plan internal ERM communication campaigns.
14. Preparing and disseminating communication materials.
15. Presenting risk management plans to management.
16. Preparing a detailed project plan and work schedule for two years.
17. Submitting monthly progress reports.
18. Providing closeout recommendations for company-wide ERM rollout.

METHODOLOGY

The Consultant will deliver services to the highest professional standards and international best practices, adhering to the ERM policy and legislative framework. Activities will involve:

- Collaboration with VINLEC stakeholders.
- Consultative processes with staff and key process owners.
- Submission of outputs as specified in these TOR.

DELIVERABLES

Key deliverables include:

1. An ERM functional structure for VINLEC.
2. Guidelines for risk assessment and risk appetite definition.
3. ERM training programmes and materials.
4. A comprehensive change management plan.
5. An ERM communications plan and materials.
6. Monthly status reports.
7. A final project closeout report with recommendations.

Sign-off Procedure: Deliverables will be reviewed by the Audit Committee and authorised by the Project Manager. Payments will be contingent on approval by the Board of Directors.

Variations: Changes to the TOR will be subject to mutual agreement and Audit Committee advice.



CONDITIONS

Performance will be monitored through:

- Achievement of objectives and outputs.
- Timely submission of deliverables.
- Quality of reports.

The Consultant must maintain confidentiality and use appropriate tools and equipment to execute tasks.

CHARACTERISTICS OF THE CONSULTANCY

Type of Consultancy: Firm (local, regional, or international).

Contract Duration: 18 months.

Place of Work: VINLEC-provided office space and meeting rooms, with the Consultant responsible for necessary equipment.

Contract Type: Fixed Price Contract.

Activity Costs: VINLEC is responsible for assignment-related expenses.

REQUIRED COMPETENCIES

Firm Qualifications:

- 10+ years of experience in risk management and internal controls.
- Proven expertise in ERM implementation.
- Testimonials from two similar assignments in the past five years.

Key Team Members:

- **Risk Management Specialist (Project Lead):** 10+ years of experience, Master's degree, risk management certification.
- **Risk Management Specialist:** 7+ years of experience, Bachelor's degree, risk management certification.
- **Change Management Specialist:** 5+ years of experience, Bachelor's degree, change management certification.
- **Communication Specialist:** 5+ years of experience, degree in Communications.



- **Project Administrator:** 3+ years of experience, Bachelor's degree, project management expertise.

All team members must demonstrate strong analytical, communication, and organisational skills.

PROPOSAL SUBMISSION TIMELINE

To ensure a high-quality response to this TOR, the following timeline applies:

- **Release of TOR:** January 15, 2025
- **Deadline for Questions or Clarifications:** January 22, 2025
- **Submission of Proposals:** February 26, 2025
- **Evaluation and Shortlisting of Proposals:** March 21, 2025
- **Consultant Selection and Notification:** April 11, 2025

Late submissions will not be considered. All proposals must adhere to the format and requirements outlined in the TOR. For queries or further information, please contact: Email - gmatthias@vinlec.com or Telephone - 1-784-4561701 Ext. 292.