

Tender document

**Competition of the Public Procurement Act and the
Regulations relating to public procurement part I
and II (NOK 500 000 - 1 000 000)**

for

**Consultancy Services for
Electricity Market Monitoring Assistance to EWRC**

Reference number: 200806287/33025

Submission date:
20.04.2016
12:00 p.m.

Contract period:
May 23 – August 20, 2016

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1 GENERAL DESCRIPTION

1.1 *Client*

The Norwegian Water Resources and Energy Directorate (NVE) is a directorate under the Ministry of Petroleum and Energy. NVE's mandate is to ensure an integrated and environmentally sound management of the country's water resources, promote efficient energy markets and cost-effective energy systems and contribute to efficient energy use.

For more information about NVE, visit our website www.nve.no

1.2 *General introduction*

The Norwegian Water Resources and Energy Directorate (NVE) has the pleasure to invite interested consultancy firms to submit technical and financial proposals for consultancy services for Euro Electricity Market Study in Bulgaria.

The EEA Grant is supporting a predefined project, where NVE will assist Bulgarian authorities in implementing a national day ahead electricity market coupled with neighboring electricity markets

The Services of the Consultant will be a subcontract to NVE's contract with the Energy & Water Regulatory Commission (EWRC) in Bulgaria.

The full description of the Assignment is given in the enclosed Terms of Reference (TOR). EWRC will be invited to participate in the evaluation of the bids.

Please note that the cost of preparing the proposal, including any visits to Bulgaria, and of negotiating the contract, will not be reimbursable under the contract.

The FIDIC (White Book) standard contract will apply for the assignment. The contract will be a lump sum contract with payment due to agreed milestones.

No pre-proposal meeting or visit to Bulgaria will be organised by NVE/SEWRC. Any supplementary information given by NVE and/or EWRC will also be distributed to the other bidders. The Consultants expenses for such visits shall be borne by the Consultant.

The contract will have a budget ceiling of 60 000 EURO, exclusive VAT. Proposals exceeding the budget limit will be rejected.

Transport and accommodation should be included.

1.3 *Partial Tenders*

Partial tenders will not be accepted

1.4 *Period of contract*

The services shall be carried out from 23.05.2016 – 20.08.2016 (tentatively).

1.5 *Announcement*

The competition is announced in the MERCELL, DOFFIN and TED database.

1.6 *Time schedule*

Preliminary time schedule for the process:

Activity	Time
Announcement in Mercell	01.04.2016
Submission deadline	20.04
Duration of tenders commitment	3 months after submission dead line
Evaluation	Week 16-18
Selection of bid and information to bidders	Week 18
Deadline for filing complaints	7 days after selection of successful bidder
Signing of contract	Week 19/20

Dates after submission of qualification request are tentative.

2 COMPETITION RULES

2.1 Procedure

Competition of the Public Procurement Act of 16 July 1999 No. 69 as amended, see also the Regulations relating to public procurement, laid down by Royal Decree on 7 April 2006 No 402.



2.2 Secrecy

The Client shall treat all bids and their contents in line with the Norwegian Public Administration Act § 13 and Royal Decree on 7 April 2006 No 402, concerning secrecy.

2.3 Confirmation of interest

Follow guidance given in the Merccell-database

2.4 Communication during the tender process

All communication during the process shall be routed via the Merccell-portal, **www.merccell.no**. This is to assure that all communication will be logged. When you are logged on to the competition, chose the flag marked "Communication", click on the symbol  "New message". Enter the information to the authority and then click send . The authority will then receive your message. If the question regards all bidders, the authority will answer the inquiry anonymously by giving the answer as additional information. Additional information is available under the flag "Enquiry", then the flag "Additional information". You will also receive an e-mail with a link to the additional information.

Requests received later than 5 working days prior to the deadline for the offer will not be answered.

2.5 Supplements or changes to the tender documentation

The Client reserves the right to supplement or change the tender documentation before the deadline for presenting tenders. If the changes are of a nature materially changing the scope of work or other important aspects, an extension of deadline will be announced.

Any changes in the tender documentation will be published in the Merccell-database. The changes will take precedence over previous versions of the tender documentation.

If the supplier becomes aware of lack of information or ambiguities in the tender document that may affect the implementation of the assignment, pricing etc., the Client shall be made aware of this immediately.

2.6 Cancellation of competition

The Client may cancel the competition or reject all bids if adequate reasons are found to be existent.

2.7 Sub-contractors

There shall be one main contractor responsible for the assignment.

The main contractor may use sub-contractors for parts of the assignment. In such case, the tender shall include information regarding which sub-contractors will be used for which parts of the work.

If the Consultant intends to sub-contract any part of the assignment, the Client will require documentation of the agreement, either in the form of a signed letter of intent, or a copy of a signed contract between the Consultant and any sub-contractor.

The main contractor is fully responsible to the Client for the sub-contractors engaged and for committing them contractually to fulfil the requirements in the standard agreement.

3 QUALIFICATION REQUIREMENTS

Requirement	Supporting documentation
<p>If the supplier is a company, proof of establishment must be submitted.</p>	<p>Norwegian companies: Company registration certificate. Foreign companies: Confirmation that the company is registered in a trade or business register as prescribed by the law of the country where the supplier is established.</p>
<p>The supplier shall have experience from a minimum of 2 equivalent contracts. Minimum 5 years of relevant experience from market monitoring tasks. The consultant must have very good knowledge about EU-regulations within this area; REMIT, CACM and others.</p>	<p>Brief presentation of the background, experience, capability and capacity of the firm and any sub-consultants with respect to relevant similar assignments. (Maximum 10 pages -further pages will not be considered in the evaluation. Annual Reports may be appended in addition.)</p> <p>Reference assignments (max 5 assignments and max one A4-page for each assignment further pages will not be considered in the evaluation). Majority of the reference assignments should be from relevant projects in Europe.</p> <p>Presentation of the firm and firms/institutions to be subcontracted, with latest annual report (Maximum 3 pages, further pages will not be considered in the evaluation).</p>

<p>It is required that the supplier fulfils its obligations with respect to payment of taxes and value added taxes.</p>	<p>Required documentation from government agencies</p> <p>The following documents must be included together with the offer:</p> <p>Tax return certificate(s) issued by the tax authorities in the company's country of origin with proof that the company's organization fulfils its obligations with respect to tax return and social security if applicable, or in any other way can certify compliance to the local taxation rules of the bidder's country of origin.</p> <p>The certificate shall not be older than 6 months.</p> <p>This tax return certificate may also include verification of paid value added taxes (VAT) according to local regulations. The certificate shall not be older than 6 months.</p>
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From the 1st of July 2012 all Norwegian state entities shall demand electronic invoices from their suppliers.

4 SELECTION CRITERIA

Criteria	Weight	Documentation requirements
Financial proposal	15 %	<p>Complete Financial proposal shall include:</p> <ul style="list-style-type: none"> • Fee rates of all personnel • Specified budget with input of all personnel and other expenses (travels, per diems, equipment etc). • Financial Proposals should be denominated in EURO.
Technical proposal	85 %	<p>The Technical Proposal shall include, but not necessarily be limited to:</p> <ul style="list-style-type: none"> • Comments on TOR (Maximum 3 A4-pages further pages will not be considered in the evaluation) • Methodology, work plan, scope of the analysis, time schedule, milestones etc. (Maximum 12 A4 pages further pages will not be considered in the evaluation) • List of personnel with input (man-hours) and role in the assignment. (Maximum 2 pages further pages will not be considered in the evaluation) • CVs of all personnel (signed by the person of the CV or person responsible for the proposal). Each assignment listed shall include role and duration in man-months. Maximum 3 CVs should be presented maximum CV length strictly 3 A4-pages only-further pages will not be considered in the evaluation.

The technical score will be based on the following weighting:

Sub-criteria	Weight
The principal consultant Competence for position, particularly broadness and length of experience from similar engagements and East European area	40
Other professional personnel – back stopping and QA team Competence for position/content and length of experience from similar engagements and from the region	15
Methodology and Work Plan	30
Appreciation of assignment	15

Firms will be ranked using a combined technical/financial score, giving 85 % weight (T) on the Technical Proposal and 15 % weight (F) on the Financial Proposal

The lowest Financial Proposal (F_m) will be given a financial score (S_f) of 100 points. The financial scores of the Proposals will be computed as follows: $S_f = 100 \times F_m / F$. (F = amount of Financial Proposal converted in the common currency, EURO).

Proposals will finally be ranked according to their combined technical (S_t) and financial (S_f) scores using the weightings indicated herein: $S = S_t \times T\% + S_f \times F\%$

The Proposals will be evaluated by an evaluation committee headed by NVE.EWRC will be invited to participate in the evaluation committee.

5 SUBMISSION OF TENDER

Special information for overseas Suppliers:

All tenders shall be submitted electronically via the Mercell portal, **www.mercell.no** by the tender deadline. Tenders delivered after the deadline will not be accepted. (The system does not permit tenders to be sent electronically via Mercell after the tender deadline.)

If you are not a Mercell customer, or you have questions regarding how the application functions, e.g. how to submit a tender, please contact Mercell Support at tel +47 21 01 88 60, or by e-mail to support@mercell.com. It is recommended to submit the tender in adequate time before the deadline. A minimum of 1 hour before the deadline is suggested.

If the authority should provide additional information that results in you wanting to change your tender before the deadline, you can access your offer, open it, make the necessary changes and send it again right up to the deadline. The last submitted tender will be regarded as the final one.

The tender requires an electronic signature when it is submitted. When sending the tender electronically, an electronic signature will be requested to confirm that you are the actual bidder who has submitted the tender. An electronic signature can be obtained at www.commfides.com, www.buypass.no or www.bankid.no.

We would like to remind you that it can take some days to acquire an electronic signature, and therefore recommend that this process be initiated as soon as possible.

The request for qualification shall be structured according to the structure presented below, accompanied with a signed cover letter.

The supplier is solely responsible for answering all questions and that all criteria are answered and/or reviewed.

The application shall have the following structure:

1. Acceptance of terms. If the supplier has reservations regarding parts of the tender documentation, required specifications or other tender documents, it shall be clearly stated in the qualifying application. Any reservations must be specified, including consequences for performance, prices or other conditions. The same applies to non-conformity. Reservations and non-conformities shall be stated precisely and unambiguously. They shall be stated in the bid letter in such a manner that the contractor can evaluate them without it being necessary to contact the supplier, cf. Section 20-3 of the Public Procurement Act. Substantial reservations, and reservations or non-conformities that can result in uncertainty regarding evaluation of the bid compared to other bids, will result in the bid being disallowed, cf. Section 20-13(1) of The Public Procurement Act.

If the supplier's reference to standardized terms of delivery, or something similar, deviates from existing tender or contract provisions, it will be regarded as a reservation.

2. Documents proving fulfilment of the Qualification Requirements.
3. Documents proving fulfilment of the Selection Criteria (bid).
4. Documentation of contracts/agreements with sub-contractors
5. Self declaration form on salary and working conditions

Annex 1- Project specification

ToR for a Consultancy - Euro Electricity Market in Bulgaria, Assistance to EWRC

Background for the project

The EEA Grant is supporting a predefined project, where NVE will assist Bulgarian authorities in implementing a national day ahead electricity market coupled with neighbouring electricity markets.

The main goal of the pre-defined project “Implementation of Euro Electricity Market in Bulgaria –phase II” is:

- Further liberalization and integration of RES (Renewable Energy Systems) to the power market in Bulgaria
- Successful implementation of the day-ahead market
- Creation of the necessary grounds for a stepwise coupling of the Bulgarian electricity market with the neighbour markets and with the regional markets of Continental Europe, at a later stage.

The project was planned as an 18 months project from October 2014 to April 2016, but it is seriously delayed and has therefore been granted a 6 months no cost extension.

IBEX (Independent Bulgarian Energy Exchange) was established January 2014, as a fully-owned subsidiary of the Bulgarian Energy Holding. IBEX holds a 10-year license by the Bulgarian regulator: The Energy and Water Regulatory Commission. During 2014 and 2015 IBEX worked to establish and develop a day-ahead market for electricity in Bulgaria based on transparent and non-discriminatory principles. IBEX has chosen Nord Pool as a service provider and IBEX and Nord Pool launched January 19 the IBEX day ahead market for the Bulgarian electricity market. IBEX is designated as a nominated electricity market operator for the territory of Bulgaria in accordance with Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management, for four years period.

The traded volume of electricity for the delivery day March 7, 2016 was 9144MWh with average power of 381MW. The day a head in February amounts to 6-10% of the total physical electricity consumption in Bulgaria. The number of market participants is more than 30.

IBEX is responsible for having a fully-functioning market surveillance system; REMIT says “shall establish and maintain effective arrangements and procedures to identify breaches of Article 3 or 5”. EWRC will need to build up their capacity and competence to supervise and follow up the power exchange in this respect. EWRC will also need to work systematically to get an overview of the electricity market operations and be able to supervise and follow up the electricity market.

The project has contributed to this by organising workshops in Sofia in February about REMIT - Regulation of wholesale energy market integrity and transparency. The topics day 1 and 2 were:

- Market Manipulation
- Regulatory Point of view
- Inside Information
- Reporting of Orders and Transactions
- CACM (Capacity Allocation and Congestion Management)
- Detailed discussion of REMIT Article 15
- Internal routines
- Practical issues

The topics day3 were:

- Short introduction to REMIT
- The role of ACER
- The role and responsibilities of the NRA
- Market surveillance – Obligations of Persons Professionally Arranging Transactions (PPAT)
- Market surveillance – possibilities
- Discussions of possible further work within the Predefined Market Project

EWRC has also slowly started working together with ACER by participating in regulator meetings etc. This will hopefully be enforced in the future.

RfP Consultancy International Experts

Due to the complexity and urgency of this task, the project has decided to tender for international experts who will provide needed assistance in reaching realistic targets for capacity building within EWRC within October 2016.

NVE will during the second quarter of 2016 organize a study tour for relevant EWRC staff to relevant regulator(s) in Europe and ACER (Agency for the Cooperation of Energy regulators). This may entail a visit to E- Control in Vienna, ANRE (The Romanian Regulatory Authority for Energy) in Bucharest and ACER in Ljubljana.

The terms of reference for the international expert is as follow:

Objective

The objective of the consultant is to advise EWRC staff regarding market surveillance tasks for EWRC as the regulator, and also contribute to capacity building within EWRC in this area.

Scope of Work

The consultant shall:

- Accompany the ERWC delegation to Vienna, Bucharest and Ljubljana. *(This may require permission/authorization from the regulators we are going to visit which will be organized by NVE).)*
- Review the current market surveillance functions within EWRC
- Describe the desired and requested situation in the near future in accordance to the EU Regulations. ACER recommendations should be taken into consideration.
- Develop a Market Monitoring Handbook with routines and procedures for EWRC which may serve as a basis for EWRCs daily work with market monitoring of the power market including case processing and investigations. This will comprise all market participants like the power exchange, producers, traders, grid companies etc. The interface to other national authorities like the Competition Authority and the Financial Supervisory Authority and others should be taken into consideration.
- Develop a road map for 2017-2020 to achieve the goals – both short terms and long terms
- Contribute to capacity building efforts in EWRC, in areas like on the job training, workshops etc. EWRC needs to be deeply involved in development of routines and procedures.

There will be one principal consultant spending most of the working hours together with EWRC staff in Sofia with a backstopping team in addition also responsible for quality assurance.

Qualifications

The international consultant must be specialized in market surveillance tasks preferable from a regulatory point of view and have a minimum of 5 years experience working with power market and electricity sector reforms – in particularly wholesale electricity market. The consultant must have very good knowledge about EU-regulations within this area; REMIT, CACM and others.

The consultant should have experience from European countries, preferably the South Eastern part of Europe including the Bulgarian power market.

Reporting

The advisor shall prepare monthly progress reports to NVE and EWRC describing the activities undertaken in the previous month and the costs incurred, as well as potential challenges in undertaking the assignment.

At the end of the assignment the advisor shall prepare a short final report to NVE and EWRC describing the outcome of the assignment and the total costs.

Location

The international consultant is supposed to be present at the premises of EWRC most of the time; ie. spend minimum 2/3 of the total work hours at 8-10, Al. Dondukov blvd., Sofia.

Duration

The assignment is estimated to last from May 23 – August 20, 2016.

The international experts will be requested to submit:

Market Monitoring Handbook with EWRC routines and procedures.

It is expected that the international experts participate in 2-3 workshops as well as on the job training for EWRC. This will include preparation of presentations, giving lessons and presentations, case studies, etc.

Abbreviations:

EEA	European Economic Area
NVE	Norwegian Water and Energy Directorate
RES	Renewable Energy Sources
EWRC	Energy and Water Regulatory Commission
ACER	Agency for the Cooperation of Energy regulators

Annex 2 – contract conditions

The FIDIC (White Book) standard contract will apply for the assignment. The contract will be a lump sum contract with payment due to agreed milestones.

Reference: FIDIC Client/consultant Model Service Agreement (White Book), 4th Edition, 2006.

Annex 3 – Self declaration on Salary and working requirements for personnel under service contracts with Norwegian public institutions

With reference to the Circular dated 16 July 2005 from the Ministry of Administration and Reform, Norwegian public institutions shall ensure that the use of personnel engaged under service contracts complies with ILO Convention No. 94 regarding work clauses to guarantee equal working conditions regardless of nationality.

The provider shall therefore ensure that its own employees and employees of any sub-contractors enjoy the salaries and working conditions laid down in tariff agreements, regulations or whatever normally applies to the place and work in question. The manager of the entity is responsible for ensuring compliance with this regulation.

All contracts that the provider enters into that cover work under this contract shall include these provisions.

If the provider fails to comply with these provisions, the Client is entitled to retain part of the payment until compliance is documented. The amount to be withheld shall equal twice the amount saved by the provider.

The provider shall upon request present documentation regarding the salaries and documentation used.

I hereby confirm that systematic measures have been implemented to meet the above requirements in connection with salary and working requirements for personnel under service contracts with Norwegian public institutions.

Place: _____ Date: _____

Signature: : _____