

German Financial Cooperation with Albania

Ministry of Infrastructure and Energy
- Project Executing Agency (PEA) -

BMZ No. 201470095

Invitation for Expression of Interest
for
Consulting Services as
“International Management Advisory Services Contractor” (MASC)

at

Operatori i Shpërndarjes së Energjisë Elektrike sh.a (OSHEE)

- Project Beneficiary (PB) -

March 2018

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INVITATION FOR EXPRESSION OF INTEREST

1. Within this first-phase (Pre-qualification) of an open international two-stage tender the Project Executing Agency (PEA) named in §2 hereby invites qualified independent consultants to submit expressions of interest for the provision of consulting services specified in §4 “Objectives of the Consultant’s Assignment” to qualify for the bidding phase of this tender. For the consulting services funds are earmarked for financing by the Federal Government of Germany through KfW Development Bank.

The financing of the concerned project is still subject to approval of the respective financing agreement. The contract award for the regarding consulting services is accordingly subject to positive project appraisal and safeguarding of project financing.

2. The PEA is the Ministry of Infrastructure and Energy, Albania. The direct beneficiary of measures will be Operatori i Shpërndarjes së Energjisë Elektrike sh.a (OSHEE), the public electric distribution company in Albania. At present OSHEE is preparing its unbundling of DSO activities, into at least three future companies, namely the DSO, a Supplier and a Retail Supplier, under one Parental Company. In view of the transformation, the International Management Advisory Services Contractor” (MASC) will focus on the fields of the future DSO, and after actual unbundling work exclusively with the DSO. However assistance will be channelled through the Parental Company and may upon its decision require action plan and strategic decision making effort to other companies. The Project will be managed by a Project Implementation Unit (PIU), appointed by the PEA.

3. Project Background

After a failed privatization and in the midst of a severe sector and company crisis the Albanian Power Distribution Company came into state administration in early 2013. In July 2014 the new name of the DSO company “JSC Operatori i Shpërndarjes së Energjisë Elektrike” (OSHEE) was approved. At the end of 2014 the new state administrator Adrian Cela was appointed. Together with a new management team the recovery process of the company was strengthened and it was possible to reduce the electricity losses from 45% (2013) to 26% (2017). In parallel, the financial situation of the company was improved by the very strong recovery of old receivables and improved recollection of present bills. Accordingly it was possible to reduce year by year the net losses, which were at the equivalent of EUR 193m in 2013, to turnaround the result to achieve company profits of the equivalent of EUR 150m in 2016. Nevertheless, the company still faces considerable challenges and welcomes the support by an International Management Advisory Services Contractor” (MASC) for the necessary further consolidation of the company.

OSHEE is supported by the sector program of the World Bank (Power Recovery Project) and is preparing further cooperation projects with KfW. It should be noted, that the activities of the MASC are embedded in a process which will be supported by other consulting teams, namely one for the unbundling process and another one for the elaboration of a Network Development and Investment Plan for the distribution sector.

At the end of March 2018 Prime Minister Rama informed the public that the government is working on the launch of an initial public offering to offer OSHEE shares to the stock market within 2018.

4. Objectives and Activities of the Consultant’s Assignment

The services of the MASC will consist of the continuous on-site support to the level of the Administrator and selected senior managers at OSHEE through management advice and implementation, through at least three integrated experts in high level key positions over a period of total of a minimum of 15 months. Their support will be done in a matching approach for team and competence (“common consent approach”) in defined fields,

namely the distribution system, human resources and training, management and economic aspects plus shorter-term support in the field of Information Technology.

The activities of the Contractor shall have a holistic and integrated approach to contribute to the further reduction of electricity losses and strengthening of the company. The type of tasks includes among others hands-on technical/professional advice and active support during the decision making process of management as well as in the implementation of organizational change strengthening leadership and commitment. Tasks shall target primarily activities in the headquarters of OSHEE, but will include extensive activities in territorial organizations of OSHEE.

As the MASC will have a high level of responsibility and leverage within his task, the remuneration will be performance-enhanced as a premium will be paid depending on the further reduction of electricity losses.

Details of the task of the MASC are presented in the indicative Terms of Reference (Annex 2).

5. Required Qualifications

The participants of this pre-qualification have to demonstrate through past references that they have a solid successful hands-on experience in

- the technical operation of power distribution companies/facilities and
- the turnaround management of such companies or the corresponding comprehensive consulting services for such management.

Relevant experience, preferably in transformation economies in the Eastern Europe, Caucasus, and/or Balkan (See country lists in the Annex 3), with similar assignments for such management support is required for participation.

The Bidders must demonstrate that they have access to a team of qualified international long-term consultants, complemented by short-term consultants. Efficient management and backstopping services and other professional and administrative support staff shall be made available. The areas in which expertise is required and the minimum requirements towards the experts are listed in the indicative Terms of Reference (Annex 2) and specifically for the pre-qualification phase in Annex 6. Compliance with the minimum qualifications will be assessed in accordance with the criteria listed in §13 and Annex 6.

The focus in the prequalification phase is on access to staff and availability to project relevant expertise.

6. Outlook on the bidding phase

It is foreseen to conduct an information and clarification event (1-2 days) in Tirana during the bidding phase. Participation will be mandatory for the shortlisted bidders to submit a bid. Furthermore after the submission of their technical bids, bidders will be invited for a mandatory presentation of their team leader and their technical bids in Tirana as part of the evaluation process. All related cost shall be borne by the bidders themselves.

Please refrain from the participation in this pre-qualification if you would not be available to participate in the tender stage under these conditions.

7. Consultants are free to associate themselves with other firms to ensure that all required know-how and experience are available to them.

- (i) In case of associations, which is understood as Joint Venture (JV) or Consortium (the terms shall be used and understood as interchangeable), all partners shall be jointly and severally liable, and the JV shall nominate a Representative (Lead Consultant) who shall have the authority to conduct all business for and on behalf of any and all the partners of the JV during the bidding process and, in the event the JV is awarded the Contract, during contract execution.

(ii) The Applicant may nominate or sub-contract sub-consultants, which will not be considered as association. The references of sub-consultants will not be considered during the evaluation.

8. The **prequalification document (expression of interest)** in English language shall have the following structure and content and shall be presented in the same sequence as shown below:

(i) **Covering Letter**, comprising the firm's name, address, contact person, telephone, fax and email, if applicable mention the association for this project.

(ii) **Presentations of firms** (maximum 10 pages), inclusive clear statements of type, legal form, registration, property. It should present briefly the company structure, staffing and financial situation and give an overview about the firm's relevant regional and sectoral experience and expertise, especially an expertise of ten years in the energy sector and management support services.

If there is a consortium of firms each member should be presented separately (additional maximum of two pages each, no brochures). Furthermore it should present the legal form and key tasks of the companies within the association (consortium, sub-contractor or any other form of cooperation), if applicable.

(iii) **Statements and Declarations** (in case of an association to be provided by all associated partners):

a) Declaration of submitting a proposal in case of being short-listed;

b) Statement on **affiliations** of any kind with other firms which may present a conflict of interest in providing the envisaged services.

c) In case of an **association** - the intended contractual arrangement with international and local firms, nominating the lead consultant and including letters of intent of participating firms (in case of local partners a fax copy of such letter of intent is sufficient).

d) Declaration to observe the **highest standard of ethics** during execution of the contract (declaration of undertaking). Applicants should be aware that any fraudulent or corrupt activities disqualify them immediately from participation in the selection process and will be subject to further legal investigation. The said declaration shall be submitted and duly signed according to the form and content as presented in ANNEX 1 by the participant. In case of a consortium there should be one separate declaration for each partner member. Sub-contractors do not need to submit a declaration of undertaking. A missing requested declaration of undertaking of the participant leads to immediate disqualification.

e) **Certified statement of financial capacity** of the bidder showing a necessary average annual turnover of more than EUR 3 million over the last three years (See as well ANNEX 4). In the case of a Joint Venture, the relevant amount is the aggregated turnover of all liable members of the Joint Venture. This needs to be presented in form of the profit and loss account/financial statements or in form of statement of turnover; both certified by an independent auditor. Moreover, the applicant, and in the case of a Joint Venture the lead consultant and all associated partners, need to present an audited balance sheet and profit and loss account/financial statements all of the last three years. Copies of the Opinion

of Auditor and the summary tables of the balance sheet, the income statement and the cash-flow are sufficient for the purpose.

- (iv) **List of project references** carry out as Annex 5 (**amended EU-Format**) covering the course of the last ten (10) years and strictly related to the envisaged services (*maximum 10 references covering all activities required for these consulting services*). If more than 10 references will be provided only the first 10 references will be evaluated. A reference for a multi-disciplinary project may be used, but the applicable parts and the relation to the reference category need to be obvious.
- (v) **List of available personnel structure.** The list(s) shall include international and local experts. It shall distinguish between key experts, additional short-term personnel and backstopping staff. The list shall contain information about education, professional experience, regional experience, years employed by firm or freelancer, specific project-related experience and experience in similar posts. This list shall allow a profound judgement on the consultant's general ability to provide the required personnel having the specific experience for the project in case of an offer. Personnel with long (>5 years) permanent employment or company affiliation will get more points than freelancers. A sample of "List of available personnel structure" is given in Annex 6 which also shows the minimum/maximum quantities/experience of key experts, additional personnel and backstopping staff to be listed per specific expertise. No CVs are required, however expert profiles in line with Annex 7 are required for potential key and additional short term personnel.

Interested consultants are requested to submit concise and clear, but substantial documents and to adhere to the above structure. **Non-compliance with this invitation or faulty information shall lead to non-qualification.** Any surplus of information not specific to the material requested will be penalized.

9. The prequalification proposal shall be submitted in one original at the following address latest by May 22 nd, 2018 at 16:00 h local time Frankfurt).

iCee GmbH
Tender Agent: Dr. Peter Lindlein
Schumannstr. 41
D 60325 Frankfurt/Main
Germany

Each submission must include a copy of all documents for pre-qualification on CD-ROM or DVD or USB memory stick.

Electronic submission via email is prohibited and will lead to disqualification.

10. All **cost** for site visits, obtaining information/data and preparation/submission of the prequalification document, meetings, negotiations, etc. in relation with the prequalification or the subsequent proposal shall be borne by the consultants.
11. At any time, the tender agent and the PEA either at its own initiative or in response to **clarifications** requested by an interested consultant may clarify this invitation. Any question, communication or requests for additional information concerning this call for EOIs are only permitted in writing (email) and up to two (2) weeks before the deadline for the submission of the EOIs. Such requests are to be sent by email to

Peter.Lindlein@financial-cooperation.com

Answers will be given in writing on the website

<http://www.financial-cooperation.com/Tenders/ALB/OSHEE-MASC.htm>.

For the response to inquiries the website will be the focal point of the pre-qualification process. It is the **bidder's own responsibility to check the website for any updates** to the pre-qualification process. Usually, responses and clarifications will be grouped and posted on a regular base (e.g. weekly clarification note). However, any delay on this or any other account shall not be understood as a reason for extension of time for submission of the EOs.

12. It is planned to establish a **short-list** of not more than five prequalified consultants not later than four weeks after the submission date and to invite technical and financial proposals from these consultants.
13. The evaluation procedure for the prequalification process will follow the latest version of the "Guidelines for Assignment of Consultants in Financial Co-operation with Partner Countries" (please refer to the homepage of KfW Development Bank <https://www.kfw-entwicklungsbank.de/Download-Center/PDF-Dokumente-Richtlinien/Consulting-E.pdf>). Only financially capable firms which have submitted the necessary statements (see § 7 iii) satisfying the set conditions will be evaluated. Specific evaluation criteria and their individual weight are presented in the following table:

		Maximum Scores	
1.	Evidence of relevant experience gained by consultants during the past ten years (<i>Experience of the candidate</i>)	60	
1.1	Experience in handling similar projects: Management Support for Power Distribution	40	
	- Management Support by Diagnostics and Studies		10
	- Management support by (temporary/interim) executive functions		20
	- Management support with active participation in decision making		10
1.2	Experience under various working conditions in the energy (distribution) sector in developing, transition or emerging countries	10	
	Grid Power Supply - Planning		3
	Grid Power Supply - Operation		4
	Grid Power Supply - Investment		3
1.3	Experience under various working-conditions in the region, preferably in the infrastructure/energy services sector	10	
	Eastern Europe, Balkan, Caucasus (see country list)		7
	Western Balkan (see country list)		2
	Albania		1
2.	Suitability for this specific project (<i>Experience of the available experts</i>)	40	
2.1	Assessment of available technical and regional expertise specific to this project, listed key experts	24	
	Key Expert 1: Technical Distribution Expert		10
	Key Expert 2: Human Resources (Personnel) Expert		7
	Key Expert 3: General Management Expert (Economist; Financial)		7
2.2.	Assessment of personnel structure with respect to the services required additional short term personnel	8	

	IT Specialists (Grid; Business)		4
	Treasury		2
	Accounting		2
2.3	Assessment of the key personnel in permanent employment and always available to monitor the team and provide back-up services from the home office (backstopping).	4	
	Qualification		1
	Experience Team Leader + Company		2
	Experience Task (Management Support/Energy/Region)		2
2.4	Form of the application documents: Are they complete, concise and related to the project?	4	
	Completeness		2
	Concise and relevant		2
3.	Total	100	

14. After having completed the evaluation of the prequalification documents, a short-list consisting of the five highest ranked Consultants or less scoring a minimum of 70 points will be established. Short-listed firms will be invited to submit a technical and financial proposal; firms not pre-qualified will be informed accordingly.
15. The PEA is not bound to select any consultant.
16. The preparation and the submission of the prequalification document is the responsibility of the applicant and no relief or consideration can be given for errors and omissions.
17. After opening the prequalification documents until preparation of the short-list of the qualified consultants, no communication of any type shall be entertained unless called by the PEA, the Tender Agent or KfW.

International Management Advisory Services Contractor (MASC)
Indicative Terms of Reference (Profile)

Please see separate document

Country Lists for Regional Experience

Country List 1	Country List 2
Eastern Europe, Caucasus and Balkan	Western Balkan
Albania Armenia Azerbaijan Belarus Bosnia and Herzegovina Bulgaria Croatia Czech Republic Estonia Georgia Hungary Kosovo Latvia Lithuania Macedonia Moldova Montenegro Poland Romania Russia Serbia Slovakia Slovenia Ukraine	Albania Bosnia and Herzegovina Kosovo Macedonia Montenegro Serbia

Please note that this classification is only for practical reasons for this tender and is not intended to make any political statement about the classification of any of the listed units.

ANNEX 4

Financial Capacity Statement

Financial data	2014 EUR	2015 EUR	2016 EUR	Average EUR
Annual turnover				
Profits/losses				
Total Assets				
Equity				
Current Assets /Current Liabilities				

This needs to be confirmed by the corresponding profit and loss account/financial statements or in form of statement of turnover; both certified by an independent auditor. The applicant, and in the case of a Joint Venture the lead consultant and all associated partners, need to present an audited balance sheet and profit and loss account/financial statements for each of the corresponding years. No copies of the complete documents are required. Copies of the Opinion of Auditor and the summary tables of the balance sheet, the income statement and the cash-flow are sufficient for this purpose.

EXPERIENCE (Project sheets)

Please complete a table using the format below to summarize the **major relevant projects related to this project** carried out in the course of the past **10** years by the legal entity or entities making this application. The number of references to be provided must not exceed **10** for the entire application.

The references presented in the table below must demonstrate that the Bidder has at least 10 years of experience in Management Support in the Power Sector. Reference projects must be either be completed or at least been executed for period of 6 months to a by the date of the submission of the expression of interest.

Assignments unrelated to specifically Management Support in the Power Sector will not be considered for sectoral experience.

The name of the client and the beneficiary and the order value of the services must be disclosed. Anonymous/confidential references are considered non-valid.

Please take note of the presentation of the fields for the results of the project and the impact of the services.

Ref (maximum 10)	Project title		...					
Name of legal entity	Country	Overall project value (EUR)	Proportion carried out by legal entity (%)	No of staff provided	Name of client	Origin of funding	Dates (start/end) and Total Expert months	Name of partners if any
...
Description of project, including brief profile of the client/beneficiary (power company)						Results of project		
...						...		
Types of services provided						Impact of services		
...						...		

* If the overall project value refers to overall project cost inclusive of Consulting services please indicate the consulting fee separately. The portion carried out by the legal entity refers to that figure

Access to Expertise Required for the Assignment

Complete the table using the format below to demonstrate the extent to which the bidder has access to personnel with the following expertise and qualifications required for this assignment. In the backstopping personnel include home-office project management / administration and other personnel deemed necessary. Include freelance personnel and sub-consultant staff, if applicable.

The list shall include generally the Consultant's key staff and permanent professional staff as well as long-term associates. Freelancers can also be presented but will be rated lower. The focus in the pre-qualification is on access and availability to project relevant expertise.

The following qualifications are required to execute this project (For details please see the indicative TOR):

Key experts:

Key personnel 1: Distribution Expert (technical Directorate of OSHEE Future DSO (min. and max. 2)

- Graduate master degree in electrical engineering
- Experience in electrical power systems operations and solid management experience in leading position
- Min. 10 years of experience

Key personnel 2: Human Resources (Personnel) Expert (min. 1, max. 2 experts)

- Graduate master degree in Economics / Finance, Social Sciences or Law or similar field
- Experience with Organisation, human resources management, training, preferably in Power Companies
- Preferably 10 years of experience

Key personnel 3: General Management (min. 1, max. 2 experts)

- Graduate master degree in economics and / or finance or similar field
- Experience in management functions of power utilities
- Preferably 10 years of experience

Additional short term personnel

Additional short term personnel 1: Expert in IT Strategy (min. 1, max. 2 experts)

- Graduate master or equivalent degree in informatics, electrical engineering or similar field
- Experience in IT network development in (power) utilities or similar companies
- Preferably 5 years of experience

Additional short-term personnel 2: Expert in IT Strategy (Short Term) (min. 1, max. 2 experts)

- Graduate master or equivalent degree in informatics, electrical engineering or similar field
- Experience in IT systems and applications metering, meter reading, energy balance and purchase management, CRM/Billing/collection in (power) utilities or similar companies
- Preferably 5 years of experience

Additional short term personnel 3: Expert in Central Treasury Management (Short Term) (min. 1, max. 2 experts)

- Graduate master or equivalent degree in Accounting or Finance or similar fields
- Experience in managing central treasury functions, specifically cash pooling
- Preferably 5 years of experience

Additional short term personnel 4: Expert in Accounting (Short Term) (min. 1, max. 2 experts)

- Graduate master or similar degree in Accounting or Finance or similar fields
- Experience in single purpose and consolidated financial statement accounting preparation and presentation in accordance with IFRS
- Preferably 5 years of experience

Backstopping

Backstopping personnel (permanently employed) (min. 1, max. 3 experts)

- Graduate degree in the field of expertise
- Min. 5 years of experience
- (Please name the field of expertise for each Backstopping personnel proposed (Technical, Human Resources, Economic and Financial Management))

Notes:

Minimum and maximum numbers of experts refer to the demonstration of the availability, not the number of future assignments in the project.

The first expert mentioned for availability for each position will get a higher weight than the second one in the evaluation.

Access to Expertise Required for the Assignment (Overview)											
No	Indication of relevant requested Expert Position.	Name of person	Age or Year of birth	Professional experience (years)	Employment with company (years)	Permanently employed / Freelancer / Associate (2)	Professional education / qualification and year of graduation	Position/function within company (years)	Project related experience/ experience in similar posts (no. of projects with > 6 months input; indicate Country/Project name	Regional experience (country)	Languages English, Albanian
1	Key expert 1										
2	Key expert 1										
3	Key expert 2										
4	Key expert 2										
5	Key expert 3										
6	Key expert 3										
7	Short term expert 1										
8	Short term expert 1										
9	Short term expert 2										
10	Short term expert 2										
11	Short term expert 3										
12	Short term expert 3										
13	Short term expert 4										
14	Short term expert 4										
15	Backstopping										
16	Backstopping										
17	Backstopping										

Note 1: The list shall include generally the Consultant's key personnel, additional staff and permanent professional backstopping/support staff. The focus in the prequalification phase is on access to staff and availability to project relevant expertise. All information provided in the table will be considered during evaluation of the available personnel structure of the consultants.

Note 2: For permanent staff indicate "Per", for associate "As", for freelance experts (e.g. with retainer contracts or formal agreements) indicate "FL" and how long the expert has been associated with the Applicant. For sub-consultant staff indicate "Sub". Staff from affiliated firms of the Applicant shall be considered as sub-consultant staff.

Particular Expert Profiles (for key expert and short term expert positions)

Expert Profile				
Kind of Expert				
Name of Person				
Age or Year of birth				
Company				
Position/Function/Rank (since)				
Experience with company	Employment with company (years)			
	Permanently employed / Freelancer / Associate			
Professional education / qualification and year of graduation				
Professional experience (years)				
Relevant regional experience (Countries from list in Annex 3)				
Project related experience/experience in similar posts/tasks (up to three)				
	No.	1	2	3
	Country			
	Project			
	Description of project, name of client/beneficiary (power company)			
	Duration			
	Function			
	Expert-months by expert			
	Types of Services provided by expert			