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## **Specifications – Invitation to tender No VT/2009/024**

### **Study on employment in the gas and electricity sectors in the Western Balkan Contracting Parties of the Energy Community**

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#### **1. Title of the contract**

Study on employment in gas and electricity sectors in the Western Balkan Contracting Parties of the Energy Community

#### **2. Background**

The Treaty establishing the Energy Community was signed in October 2005 in Athens, Greece between European Community and the Contracting Parties: Albania, Bosnia & Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo under UNSCR 1244/99. The Treaty establishing the Energy Community entered into force on 1 July 2006.

The Energy Community extends the EU internal energy market to Contracting Parties in South East Europe.

The Contracting Parties have agreed to implement the relevant *acquis communautaire*, to set up regulatory structures and to liberalise their energy markets. The *acquis* consists presently of 12 legal acts (specified under point 5) in the area of electricity, gas, environment and renewables. The main principles of the EU competition policy are also applicable. The 2005 Treaty foresees the implementation of the *acquis* within a fixed timeframe. The Treaty also placed an obligation on the Contracting Parties to open the electricity and gas markets to non-household customers by January 2008. The entire liberalisation of the electricity and gas markets is to be concluded by January 2015.

As a result of the reform and restructuring process, legal and institutional frameworks as well as tariff and pricing policies are undergoing substantial changes. Should no accompanying measures be taken, the reform process might bring about some adverse social effects. Such social implications vary from direct and indirect employment impacts, effects on skills and qualifications, to energy affordability for households.

According to a study on the employment impact of the opening of electricity and gas markets in EU-25 + Bulgaria, Romania and Turkey<sup>1</sup>, the process of reform in EU-27 had the effect of contributing to a significant reduction of employment in the energy sector. As far as the electricity sector is concerned in the EU -15 nearly a quarter of jobs were lost between 1995 and 2004 from 854 000 down to 608 000. For the EU – 12 around 50 000 jobs were lost in the same period representing around a sixth of the workforce.

Liberalisation, however, has by no means been the only cause of reductions in employment. Technological change has had a very significant impact (changes such as in generation technology, customer billing systems and meter reading services. With or without liberalisation, the energy market has also been changing in response to shifts in supply and demand. Market trends such as privatisation, commercialisation and outsourcing can be seen as accompanying liberalisation, but they also occur regardless.

Contracting Parties are dealing with the broad transition from a planned economy to a market driven one, thus pursuing a process very similar to the process carried out in most of the new EU Member

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<sup>1</sup> *"The Employment Impact of the Opening of Electricity and Gas Markets"* by ECOTEC Research & Consulting, July 2007 available at:  
[http://ec.europa.eu/employment\\_social/employment\\_analysis/restruct\\_lib\\_gas\\_el07\\_en.htm](http://ec.europa.eu/employment_social/employment_analysis/restruct_lib_gas_el07_en.htm)

States. This process has consequences for employment of a very comprehensive kind regardless of sector.

At the same time, the technological upgrade of the existing energy assets and several green-field projects (power generation, interconnectors, etc...), often linked with foreign direct investment, represent important new activities and employment opportunities. Besides, the generally low performance in energy efficiency is calling for vast energy efficiency investments, in particular in the building sector. Energy efficiency thus potentially represents an important employment potential, especially for SMEs.

In order to address the social implications of the challenges ahead, the Memorandum on Social Issues in the context of the Energy Community was signed in October 2007. The Memorandum outlines the political intent to take due account of the social dimension within the context of the Treaty. It recognised that economic development and social progress are mutually linked and should go hand in hand and that the social dialogue is a necessary tool in monitoring the effects of the Treaty implementation and taking measures to mitigate its possible adverse impact.

The Contracting parties pledged to prepare and implement Social Action Plans in order to address the social impact of the energy sector restructuring at the national level.

The study should enable the European Commission and the Energy Community Secretariat to monitor the changes in the employment markets and should become a tool for the Contracting parties in drawing up and implementing Social Actions Plans.

### **3. Subject of the contract**

The subject of the contract will be the preparation of a study analysing the employment evolution and current situation in the gas and electricity sectors in seven Western Balkan Contracting Parties including inter alia the number of employees, breakdown on age, education, sex, type of employer (state/private) and level of unionization.

Several energy utilities also cover mining activities. These activities shall be dealt with separately in the assessment.

The development of employment will be related to the development of electricity and gas consumption/production.

In addition, where possible the study should examine the impact of liberalisation and EU energy legislation (as specified under 5) on the number of jobs, including how different categories of workers are affected, and on quality in work. It should examine the different responses given to restructuring needs with a view to identifying good examples, in particular ones of timely action in anticipation of regulatory change. In this context it should attempt to identify pertinent responses at company level, in particular in partnership between employers and workers, and the accompanying policy measures that are conducive to successful restructuring.

Finally, the study shall assess the effect on employment of the ongoing and planned investments in infrastructure projects as well as the employment potential of the energy efficiency sector.

The Contracting Parties are Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and Serbia, as well as Kosovo under UNSCR 1244/99.

### **4. Participation**

Please note that:

The competition is open to any physical person or legal entity coming within the scope of the Treaties and any other physical person or legal entity from a third country which has concluded with the Communities a specific agreement in the area of public contracts, under the conditions provided for in that agreement.

Where the Multilateral Agreement on Public Contracts concluded within the framework of the WTO applies, the contracts are also open to nationals of States that have ratified this Agreement, under the conditions provided for therein. It should be noted that research and development services, which come under category 8 of Annex II A of Directive 2004/18/CE, are not covered by this Agreement.

## **5. Tasks to be carried out by the contractor**

The contractor will prepare a study analysing employment in the electricity and gas sector in each Contracting Party. In addition the up to date impact of liberalisation of the markets should be examined and the most likely trends for the future development identified.

### **Description of the tasks**

#### A. Employment outlook

Volume of employment in the different areas of activities that the electricity and gas sectors comprise such as generation, transmission, distribution, maintenance, mining, auxiliary services and services linked to users (e.g. billing and meter reading).

The following data:

- type of employer (public/private),
- type of contracts,
- level of unionization,
- gender,
- age
- education

should be provided for each Contracting Party

The volume of employment shall be assessed since 2000 and shall be compared with the developments in energy production and consumption for each Contracting Party.

#### B. Impact on number of jobs

Where possible it should be examined how jobs are affected by market liberalisation in the different areas of activities. The study should highlight how different categories of workers are affected.

#### C. Impact on quality of jobs

The study should examine the impact on workers of different skill levels and the way skills requirements are changing. It should assess how the level, quality and efficiency of investment in training develop. As skills requirements are changing, is the appropriate action taken? If not, which factors are holding back necessary re-skilling and up-skilling activities?

Other aspects of quality to be examined include improvements in work organisation and working conditions.

Particular attention shall be paid to the availability of skilled workforce in the energy efficiency sector and the related training needs.

#### D. Responses to the restructuring triggered by regulatory change

With a view to identifying elements of best practice, it should be carefully examined how companies concerned have responded to the restructuring needs in the face of changes affecting the sector and how they managed the transition. Of particular interest is the extent to which restructuring needs are anticipated and early action taken, e.g. to invest in training required. Also, the extent and quality of partnerships, at company level between social partners, but also more broadly (for example sectoral dialogue) including authorities at the relevant level, public employment services, training institutions, etc. It should be attempted to identify accompanying policy measures that are conducive to successful restructuring.

## **Guide and details of how the tasks are to be carried out**

The main place of work will be the contractor's offices. However, the contractor will need to travel to Contracting Parties to hold interviews with the relevant actors.

The contractor will meet with the European Commission services as necessary, in order to present and discuss the inception, intermediate and final reports.

The contractor should present his first finding to the working group of the Social Forum of the Energy Community in autumn 2009 – date to be confirmed.

A steering committee will be established that is composed of representatives from the Commission and the Social Partners. The committee will have the responsibility of monitoring the study, examining and commenting the reports, redirecting the evaluation where necessary. The committee will meet three times with the contractor: for the first time after the presentation of the background report (within 2 months after contract signature), during an interim meeting (within 5 months after the signature of the contract) to discuss the interim report and finally to discuss the draft final report (between 9 and 10 months after the signature of the contract).

The contractor will prepare a background paper within 2 months after signature of the contract which will form the basis for a discussion with the Commission services and social partners during the first meeting of the steering committee.

The background report will cover the following issues:

- Identification of legislative acts, other relevant literature and statistical sources;
- Preliminary assessment of the information available;
- Identification of the need for gathering complementary information (both qualitative and quantitative);
- Methods of gathering complementary information: surveys, interviews, case studies etc including their number and scope (number of countries targeted, identification of resource persons targeted etc).

On the basis of the comments from the steering committee the contractor will carry out the tasks identified above. An interim report will be presented within 5 months after signature of the contract. This will form the basis for a discussion during the second meeting of the steering committee.

Within 10 months after signature of the contract a draft final report will be presented. The draft final report will form the basis for a discussion with the Commission services and Social Partners at a third meeting of the steering committee.

A final report will be presented within 12 months after signature of the contract integrating the comments from the steering committee on the draft final report.

The final report will include:

- A presentation of the results of the study including concrete recommendations on how to best manage the process of market opening and how to optimise the role of stakeholders in this process. The study should contain about 125 pages in length to be completed with annexes (including statistics);
- A publication ready summary in reader-friendly terminology of about 20 pages in English, German and French;
- An executive summary of about 4 pages in English, German, and French.

The following legislative acts should be taken into account (note: this is not an exhaustive list):

- Directive 2005/89/EC of the European Parliament and of the Council of 18 January 2006 concerning measures to safeguard security of electricity supply and infrastructure investment

- European Community Directive 2003/54/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in electricity
- European Community Regulation 1228/2003/EC of the European Parliament and of the Council of 26 June 2003 on conditions for access to the network for cross-border exchanges in electricity
- Council Directive 2004/67/EC of 26 April 2004 concerning measures to safeguard security of natural gas supply
- Regulation (EC) No 1775/2005 of the European Parliament and of the Council of 28 September 2005 on conditions for access to the natural gas transmission networks
- Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC
- Directive 2003/30/EC on the promotion of the use of biofuels or other renewable fuels for transport.
- Directive 2001/77/EC on the promotion of electricity produced from renewable energy sources in the internal electricity market

The study should draw on the following key documents:

- Treaty Establishing the Energy Community<sup>2</sup>
- The Memorandum on the Social Issues in the context of the Energy Community<sup>3</sup>
- Social Action Plans of the Contracting Parties (were available)

Further, the contractor should take into account the following two Reports drawn up for the social partners in the electricity sector (EPSU, EMCEF and Eurelectric):

- "Future skills needs in the European electricity sector" (December 2003)
- "Equal opportunities and diversity: Changing employment patterns in the European Electricity Industry" (January 2005)
- "Age Management in the Electricity Sector" (December 2008)
- "A toolkit for restructuring" (December 2008)

## 6. Professional qualifications required

See Annex IV of the draft contract

### Additional requirements:

Tenderers interested in carrying out the analytical study are invited to put forward a team of experts who can demonstrate a solid analytical experience, and documented good knowledge of the employment situation in the Western Balkan region. The tenderer should foresee the means to provide all documents in English.

Taking into account the importance of effective communication with the main social dialogue actors in the region, the tenderer should foresee the means to deal with the languages of the region.

## 7. Time schedule and reporting

See Article I.2. of the contract.

**Additional requirements** (specific deadlines for the performance of tasks):

2/12:

Background paper as basis for a discussion with the Commission services and social partners during the first meeting of the steering committee.

<sup>2</sup> [http://www.energy-community.org/portal/page/portal/ENC\\_HOME/ENERGY\\_COMMUNITY/Legal/Treaty](http://www.energy-community.org/portal/page/portal/ENC_HOME/ENERGY_COMMUNITY/Legal/Treaty)

<sup>3</sup> <http://www.energy-community.org/pls/portal/docs/36242.PDF>

3/12

Presentation of the background paper to the working group of the Social Forum of the Energy Community

5/12

Interim report will be presented within 5 months and discussed in the second meeting of the steering committee

10/12

Draft final report will form the basis for a discussion at a third meeting of the steering committee.

12/12

A final report will be presented within 12 months after signature of the contract integrating the comments from the steering committee on the draft final report.

All reports, plus a standard electronic form, are to be provided in English. Each paper copy will correspond in full with the electronic version.

## **8. Payments and standard contract**

In drawing up the bid, the tenderer should take into account the provisions of the standard contract comprising the "General terms and conditions applicable to service contracts".

### Pre-financing

Following signature of the contract by the last contracting party, within 30 days of receipt by the Commission of a request for pre-financing accompanied by a correspondent invoice, a pre-financing payment equal to 30% of the total amount referred to in Article 1.4.1 of the standard contract will be made

### Interim payment

To be acceptable, the request for the interim payment by the contractor must be accompanied by:

- An intermediate report as specified under Section 7;
- The corresponding invoice;

And the report must have been approved by the Commission.

The Commission has a period of 60 days from the date of receipt to approve or reject the report and the contractor has a period of 30 days to submit additional information or a new report.

During the 30 days following the date of approval of the report by the Commission, an interim payment corresponding to the relevant invoice, up to a maximum of 40% of the total amount referred to in Article 1.4.2 of the standard contract will be made.

### Payment of the balance

To be acceptable, the request for payment of the balance by the contractor must be accompanied by:

- The final report, as specified under Section 7;
- The corresponding invoice;

And the report must have been approved by the Commission.

The Commission has a period of 60 days from the date of receipt to approve or reject the report and the contractor has a period of 30 days to submit additional information or a new report.

During the 30 days following the date of approval of the report by the Commission, payment of the balance of the total amount mentioned in Article 1.4.3 of the standard contract will be made.

## 9. Prices

Under the terms of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities, the latter are exempt from all charges, taxes and duties, including value added tax; such charges may not therefore be included in the calculation of the price quoted. The amount of VAT is to be indicated separately.

The price of less than or equal to 150.000 EUR (€) (one hundred and fifty thousand euros) must be stated in EUR(€), net of VAT (using, where appropriate, the conversion rates published in the C series of the Official Journal of the European Union on the day when the invitation to tender was issued), and broken down according to the model in Annex III included in the attached standard contract.

### ■ Professional fees and direct costs

- Fees, expressed as the number of person-days multiplied by the unit price per working day for each expert proposed. The unit price should cover the experts' fees and administrative expenditure.
- Travel expenses (other than local transport costs)
- Subsistence expenses of the Contractor and his staff
- Interpretation and translation costs if necessary
- Other direct costs

## 10. Groupings of economic operators or consortia

Tenders can be submitted by groupings of service providers/suppliers who will not be required to adopt a particular legal form prior to the contract being awarded, but the consortium selected may be required to assume a given legal form when it has been awarded the contract if this change is necessary for proper performance of the contract<sup>4</sup>. However, a grouping of economic operators must nominate one party to be responsible for the receipt and processing of payments for members of the grouping, for managing the service administration, and for coordination. The documents required and listed in the following points 11 and 12 must be supplied by every member of the grouping.

Each member of the grouping assumes a joint and several liability towards the Commission.

## 11. Exclusion criteria and supporting documents

1) Tenderers must provide a declaration on their honour, duly signed and dated, that they are not in one of the situation referred to in Articles 93 and 94 a) of the Financial Regulation.

Those articles are as follows :

"Article 93 :

Applicants or tenderers shall be excluded if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they have been convicted of an offence concerning their professional conduct by a judgement which has the force of res judicata;

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<sup>4</sup> These entities can take the form of an entity with or without legal personality but offering sufficient protection of the Commission's contractual interests (depending on the Member State concerned, this may be, for example, a consortium or a temporary association).

*The contract has to be signed by all members of the group, or by one of the members, which has been duly authorised by the other members of the grouping (a power of attorney or sufficient authorisation is to be attached to the contract), when the tenderers have not formed a legal entity.*

- c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- d) they have not fulfilled their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- e) they have been the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- f) they are currently subject to an administrative penalty referred to in Article 96(1)<sup>5</sup>.

(...)

Article 94 :

Contracts may not be awarded to candidates or tenderers who, during the procurement procedure:

- a) are subject to a conflict of interest;
- b) are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the procurement procedure or fail to supply this information ;(...)"

**2) The tenderer to whom the contract is to be awarded shall provide, within a time limit defined by the contracting authority and preceding the signature of the contract, the evidence referred to in Article 134 of the implementing Rules, confirming the declaration referred to in point 1 above.**

Article 134 of the Implementation Arrangements – Supporting documents

1. The contracting authority shall accept, as satisfactory evidence that the candidate or tenderer is not in one of the situations described in points (a), (b) or (e) of Article 93 of the Financial Regulations, production of a recent extract from the judicial record or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that these requirements are met.

2. The contracting authority shall accept, as satisfactory evidence that the candidate or tenderer is not in the situation described in point (d) of Article 93 of the Financial Regulations, a recent certificate issued by the competent authority of the State concerned. Where no such document or certificate is issued in the country concerned, it may be replaced by a sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in his country of origin or provenance.

3. Depending on the national legislation of the country in which the tenderer or applicant is established, the documents referred to in paragraphs 1 and 2 above shall relate to legal entities and/or physical persons, including, where considered necessary by the awarding authority, company directors or any person with powers of representation, decision-making or control in relation to the tenderer.

***See Annex I (which may be used as a checklist) for the supporting documents accepted by the European Commission to be provided by applicants, tenderers or tenderers to who the contract will be awarded.***

**3) The contracting authority may waive the obligation of a candidate or tenderer to submit the documentary evidence referred to in Article 134 of the Implementing Rules, if such evidence has already been submitted to it for the purposes of another procurement procedure launched by DG EMPL and provided that the issuing date of the documents does not exceed one year and that they are still valid.**

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<sup>5</sup> "Article 96(1): The contracting authority may impose administrative or financial penalties on the following:

- (a) candidates or tenderers in the cases referred to in point (b) of Article 94;
  - (b) contractors who have been declared to be in serious breach of their obligations under contracts covered by the budget.
- (...)"



In such a case, the candidate or tenderer shall declare on his honour that the documentary evidence has already been provided in a previous procurement procedure and confirm that no changes in his situation have occurred.

## 12. Selection criteria

The selection of bids will be carried out in accordance with the following criteria:

- a) Economic and financial capacity to carry out the tasks set out in the tender specifications must be demonstrated as follows:
- The tenderer must provide proof of turnover in the last financial year at least equivalent to 100% of the proposed price of the contract,
  - The tenderer must present balance sheets and profit and loss accounts for the past two years. Where required by the legislation of the country where the tenderer is established, they have to be certified by an external audit

In case of tenders from consortia, the above mentioned documents must be provided by each member of the consortium.

- b) Technical capacity to carry out the tasks set out in the tender specifications will be assessed on the basis of the following:
- A list of the main works carried out by each of the experts proposed by the tenderer in relation to employment analysis and to the sectors and countries covered by this study.
  - Solid experience of analysis in the field concerned, including the theoretical and empirical aspects as attested by the CVs and related documents of each of the members of the proposed team.
  - Language skills sufficient to execute the tasks efficiently.
  - Good knowledge of the situation in the region concerned, as attested by the CVs and related documents of each of the members of the proposed team.
  - A list of the proposed team, following the classification of annex IV in the draft contract
  - Detailed CVs of each of the members of the proposed team.
  - A declaration signed by the tenderer, certifying the capacity of the team to carry out the assignment

In the case of tenders from consortia, a clear indication should be given of the co-ordinator who will also be responsible for signing the contract, written confirmation from each member that they would be ready and willing to participate in the project, and describing their role, including CV's for members of staff taking part.

Tenderers not meeting the abovementioned requirements on economic, financial and technical capacity will be excluded from further assessment of their bids.

## 13. Award criteria

The contract will be awarded to the tenderer whose offer represents the best value for money, taking account of the criteria below:

- a) Quality of the bid:

Understanding the nature of the assignment (30%)

- Demonstration that the nature of the study, context, results to be achieved etc has been fully understood;
- Proposed strategy and fields covered;
- The quality of the synthesis work proposed (sources that the contractor suggest to explore, data to be gathered and used);

Technical quality of the proposal: methodological approach proposed (70%)

- Selection of activities to supplement the sources of information available (sampling, surveys, interviews etc) including identification of main stakeholders to be contracted;
  - Methods for processing information and interpretation of the quantitative and qualitative information;
  - Methods for providing feedback during the course of the study including anticipation of difficulties;
  - Organisation of work, distribution of staff competences;
  - The quality and clarity of the workplan proposed.
  - Timetable of the various tasks according to the tasks to be performed.
- b) The price: The points total will be divided by the price, with the highest-scoring bid being chosen. Please note that the contract will not be awarded to any bid receiving less than 70% in the award criteria.

## **14. Content and presentation of bids**

### **14.1 Content of bids**

Tenders must include:

- all information and documents necessary to enable the Commission to appraise the bid on the basis of the selection and award criteria (see points 12 and 13 above);
- a bank ID form duly completed and signed by the bank;
- a "legal entity" form duly completed;
- the price including breakdown of prices (see point 9 above);
- the detailed CVs of each of the proposed experts;
- the name and function of the contractor's legal representative (i.e. the person authorised to act on behalf of the contractor in any legal dealings with third parties);
- proof of eligibility: tenderers must indicate the State in which they have their registered office or are established, providing the necessary supporting documents in accordance with their national law.

### **14.2 Presentation of bids**

Bids must be submitted in triplicate (i.e. one original and two copies).

They must include all the information required by the Commission (see points 9, 10, 11 and 12 above).

They must be clear and concise.

They must be signed by the legal representative.

They must be submitted in accordance with the specific requirements of the invitation to tender, within the deadlines laid down.