

BENELUX GENERAL SECRETARIAT
Rue de la Régence/Regentschapsstraat 39
Brussels 1000

NEGOTIATED PROCEDURE WITH PRIOR PUBLICATION FOR SUPPORT FOR RESEARCH ON
'FLEXIBILITY ISSUES IN THE PENTA REGION'
SPECIFICATION No. 2022/01/Penta

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SECTION 1: General Information

1.1. Introduction

The present tender has as its object a call for proposals for research on “Flexibility issues in the Penta region” as part of the Pentalateral Energy Forum’s Research Agenda – and as part of its process of regional integration towards a European and reliable electricity market.

This service contract is commissioned by the Benelux General Secretariat and funded by the Swiss Federal Office of Energy.

1.2. Contracting authority

The **Benelux Union** is an intergovernmental partnership based on a Treaty (1958 and renewed in 2008) between Belgium, the Netherlands and Luxembourg, and subordinate regulations. Active on two core themes (1) internal market and economy and (2) security and society, it aims to stimulate cross-border sustainable and digital cooperation between the countries and to play a pioneering and driving role within the European Union. The Benelux General Secretariat, based in Brussels, lies at the heart of the Benelux Union.

The **Benelux General Secretariat** serves as a secretariat for the Benelux Committee of Ministers, the Council of the Union and the various Commissions and Working Groups, including for the Pentalateral Energy Forum, which is the regional energy cooperation between Austria, Belgium, France, Germany, Luxembourg, Switzerland and the Netherlands. Based in Brussels, it is the central hub of Benelux Union activities.

The contracting authority is the Benelux Union, represented by

Mr Alain De Muysen,
Secretary General of the Benelux Union,
Rue de la Régence–Regentschapsstraat 39
1000 Brussels

Additional information on the content aspects of the tender is available only on request by e-mail to the Directorate for Internal Market and Economy: Jan Molema, Director (Secretariat: b.wauters@benelux.int).

Additional information on the procedure for the contract of the tender is available only on request by email to Dorian Pycke, d.pycke@benelux.int.

Although the Benelux Union acts as contracting authority, it is only responsible for the general coordination of the tender and subsequently the contract. The project is solely financed by Switzerland (i.e. hereafter ‘the financial partner’), which will make the necessary funds available.

1.3. Subject of the contract

1.3.1. **Clarification of the context of the contract**

The Pentalateral Energy Forum (Pentaforum) is a framework for regional cooperation between Austria, Belgium, France, Germany, Luxembourg, Switzerland and the Netherlands. The participating countries have been working since 2005 on a voluntary basis towards more closely integrating their domestic electricity markets and are thereby taking the lead in Europe. The Pentaforum currently comprises four working groups, called support groups. Support Group 3 (SG3) addresses inter alia the topics of flexibility issues in the Penta region.

The support groups are composed of the competent ministries, transmission system operators (TSOs) and regulatory authorities in the Penta-countries. On a regular basis, representatives from the relevant power exchanges, market participants and the European Commission are also joining the meetings. The coordination and organisation of the Pentaforum is the responsibility of the ministries of the Penta-countries and the secretariat of the Benelux Union. SG3 is headed by representatives of the ministries of The Netherlands and Switzerland.

With the strategic goal of a carbon neutral Europe by 2050, the priorities of the Green Deal and the progress of the implementation of the Clean Energy Package, flexibility - especially in the area of electricity demand - is playing an increasingly important role. Flexibility is also becoming more important in view of the planned expansion of renewable energies, which will bring a large source of intermitting production into the electricity system. The EU Energy System Integration strategy spurs developments such as integrating increased shares of variable RES or boosting storage technologies (e.g. pumped hydro storage, grid-scale batteries and P2X). Increased regional and cross-border cooperation and coordination is therefore important to ensure system stability and resource adequacy while considerably reducing overall system cost.

What is needed in the Penta-region is a better understanding of how to make the electricity system fit to integrate flexibility, also from demand side response and storage. Improving market design, investments and empowering consumers is therefore a focus.

This research project aims to provide in particular

- i) for a common understanding of flexibility,
- ii) for qualitative estimations of future flexibility potentials (needs and sources) in the Penta-region,
- iii) thereby addressing the current barriers, as well as the potential markets for flexibility, not only on local and national level but also with special regard to the cross-border exchange.

A survey on flexibility in SG3 conducted in April 2020 identified several issues which serve as basis for the objectives of this research project. The detailed description of the individual tasks and work packages is as follows – equally mentioned in article 4.1. -:

To achieve the objectives of the project, we outline below three work packages to cover the relevant tasks.

Work package A – Definition and common understanding

In work package A, regulations in the Penta-countries enabling and/or supporting the flexibilisation of the energy demand and availability of flexibility in the energy markets shall be identified and compared, especially those resulting from the Clean Energy Package.

As a second step, this package seeks to achieve a common understanding of what flexibility actually means in regard of its applications, its sources and the differentiations. This understanding should include in particular the definitions of flexibility as well as its characteristics and intended application. Moreover, the findings are to be discussed at a meeting of SG 3 with the aim of achieving consensus.

Work package B – Flexibility needs and potentials for 2030, 2040 and 2050

In this work package, existing studies should be collected and analysed which deal with the needs for (both for market and grid needs) and potentials of flexibility in the Penta-region for the time horizons 2030, 2040 and 2050. The flexibility potentials should be differentiated to the extent possible according to their sources, such as batteries, pumped storage hydro, P2X, DSR etc. This work should be aligned closely on the future need for flexibility as envisaged in the Penta Vision 2050 workstream, and build on the outcomes in that project to avoid double work. Potentials for cross-border exchange should be analysed concurrently.

Work package C – Barriers and market places

This package contains as first element an analysis of current barriers to flexibility entering the electricity markets and to be exchanged cross-border. When conducting this task, the different sources and applications

of flexibility as identified in Work package A should be addressed individually, where possible. As a second element, the different market places where flexibility can be made available in principle (organized wholesale markets with their different timeframes, balancing, specific flex-markets for grid services, etc.) shall be assessed in more detail. This analysis shall cover on the one side to what extent those market places and their organization will be able to mobilize flexibility and how they can therefore contribute to provide the flexibility needed for 2030, 2040 and 2050 (see work package B). On the other side, the analysis shall also look at the interdependencies and challenges coming along with the individual market places.

There has been previous work of SG3 in regard of flexibility. Meanwhile, however, the Clean Energy Package¹ has come into force and several projects, especially on cross-border balancing, have been or are on the way to be implemented (TERRE, MARI and PICASSO). The European Commission also announced in its Energy System Integration Strategy to develop a Network Code on Demand Side Flexibility (beginning in 2022) under the Electricity Market Regulation to 'unlock the potential of electric vehicles, heat pumps and other electricity consumption to contribute to the flexibility of the energy system'. It is therefore meaningful to assess the issue of flexibility based on actual conditions and expectable developments as well as focussing on cross-border exchange.

1.3.2. Subject of the tender

The main goal of this project is to have a report by the Contractor summarising the main findings regarding a common understanding of flexibility, qualitative estimations for future needs and sources and addressing the current barriers of flexibility.

The following aspects must be taken into account in order to achieve the main objective:

- Creating a general overview within the Penta-region of the implementation of the flexibility aspects of the Clean Energy Package, especially in the electricity market regulation EU 2019/943 and electricity market directive EU 2019/944.
- Achieving common definition and understanding of flexibility, its applications and sources.
- Evaluating the future need and its potentials for flexibility in the electricity system in line with the Penta work stream for the Common Vision 2050 for the time horizons 2030, 2040 and 2050.
- Mapping the current barriers hindering market access and cross border exchange of flexibility.
- Analysis of the different potential of market places for flexibility in regard of their interdependencies, chances and challenges.
- Elaborating recommendations on how to facilitate flexibility with special regard on cross border exchange.

The start date of the contract shall be stated in the notice of award for the contract. It will be concluded for a period of maximum 7 months.

1.4. Procurement procedure

A one-stage procurement procedure (so without a separate selection phase) has been chosen, whereby any interested contractor may submit a bid in response to the call to tender. In evaluating the bids, the contracting authority may negotiate on all aspects of the bids with a view to improving the initial bids or any subsequent bids. The choice of this negotiated procedure with prior publication is in accordance with article 14 of the Financial Regulation of the Benelux General Secretariat, established by the Benelux Council and approved by the Committee of Ministers on 10 July 2017 (as modified by the Decisions M(2019)14 of 18 December 2019 and M(2021)3 of 3 February 2021).

¹ We will focus on implementation of the Electricity Market Regulation (EU 2019/943) and the Electricity Market Directive (EU 2019/944).

1.5. Rules applicable to the tender and the contract

The applicable rules for this tender and the subsequent contract are the specifications of the present document, including annexes, the selected bid and the Financial Regulations of the Benelux General Secretariat. The candidates may request a copy of the Financial Regulations from the contracting authority. In case of contradiction between the specifications and the bid selected, the specifications shall take precedence.

SECTION 2: Procedure for awarding the contract**2.1. General conditions for the award procedure****2.1.1. Language**

The procedure for awarding the contract is conducted in English. The candidate shall use only English in his oral and written interactions with the contracting authority.

Documents submitted by the candidate to the contracting authority must be in English unless:

- otherwise stated in these specifications or by the contracting authority; or
- they are official documents which are not available in English (e.g. certificates of compliance). These documents may be submitted in the original language.

Nevertheless, the contracting authority reserves the right to require a translation (official to the extent desired) of any documents submitted in a language other than English in such cases. The candidate shall bear the cost of such translation.

2.1.2. Confidentiality

The candidate is obliged to treat information received from the contracting authority or from other parties involved in the procedure or otherwise acquired in the course of the award procedure as strictly confidential. Unless necessary for the preparation of the bid and/or the proper execution of the contract, the candidate may not under any circumstances provide, share, hand over or otherwise disclose this information to any third party without the prior written consent of the contracting authority.

Candidates shall also refrain from disclosing (parts of) their bid or information about their involvement in the award procedure to third parties, without prior consultation with and approval from the contracting authority.

2.1.3. Costs

The candidate shall bear all costs it may incur in the course of the award procedure and shall not be entitled to reimbursement for the costs of participating in the procedure.

2.1.4. Termination or suspension of the award procedure

The contracting authority may decide at any time to discontinue, suspend or change the award procedure, for example – but without limiting this right to these cases – if the necessary funds are not obtained from the financial partner (*cf.* article 1.2.); if there is no reasonable chance that agreement can be reached by conducting the award procedure; if the contracting authority has come into the possession of new information; or if other legal, financial, administrative or other circumstances make it impossible or difficult to fulfil the contract.

2.2. Submission of bids

2.2.1. Right to submit bids and manner of submission

Each candidate may submit only one bid for the contract.

2.2.2. Legal form of the candidate

Offers can be submitted either by one legal entity or by a combination of undertakings, taking the form of a(n) (temporary) association.

The undertaking or association submitting an offer is referred to above and further as the "candidate".

If an association submits an offer:

- the offer must be signed by all members of the association;
- none of the members may find themselves in a ground for exclusion (cf. article 2.5.1.);
- (unless mentioned otherwise) all obligations of a single entity which acts as candidate, also apply to all individual members of the association which acts as candidate;
- the offer identifies the member of the association that acts as contact point of the contracting authority. The contracting authority sends notifications only to the contact person of the candidate in the context of this award procedure;
- each member of the association is jointly and severally bound towards the contracting authority.

Candidates/ associations, are, in principle, not allowed to change their composition during the award procedure. In case such changes would be made or planned, the candidate must immediately notify the contracting authority. Nevertheless the contracting authority has the right (but is not obliged) to allow such changes, if the following conditions are met:

- the change is necessary in view of reasons made plausible by the candidate;
- the competitive position of the other candidates is not undermined;
- subsequent to the change, the selection criteria are still met, and none of the exclusion grounds are applicable;
- all new members must declare themselves jointly and severally liable to the contracting authority for the performance of the candidate's obligations.

Every change request must be substantiated with the necessary documents. These documents must allow the contracting authority to assess the impact of the change in an informed way.

2.2.3. Submission of bids

Communication and exchanges of information between the contracting authority and the candidates, including the submission and receipt of bids, shall, at all stages of the procurement procedure and unless otherwise decided by the contracting authority, take place via electronic communication as described below.

Bids must be signed (electronically) by a person or the persons authorised to enter into commitments on behalf of the candidate. If an association submits an offer, it must be signed by the competent person(s) of each member of the association.

The candidate shall send his bid to the following e-mail address: [penta.flexibility@benelux.int], which accepts emails with a maximum size of 140 Mb. Bids are collected in a locked e-mail inbox. The email inbox will be opened only after the deadline for submission of bids, as determined in the following paragraph.

The deadline for the submission of bids is 21/04/2022 at 17:00. Bids not received by the contracting authority by that time will be rejected by the contracting authority without further attention.

2.3. Bids

2.3.1. Information to be included in the bid

The candidate shall use the attached bid form.

The bid is prepared in English. For attachments to the Tender, see section 2.3.3.

The candidate shall clearly indicate in his bid which information is confidential and/or relates to technical or commercial secrets and may therefore not be disclosed by the contracting authority.

The following information at least will be given in the bid:

- the overall price in words and in figures (excluding VAT);
- the signature of the person(s), as applicable, who are empowered to sign the bid and enter into legal commitments on behalf of the candidate;
- the capacity of the person or persons, as the case may be, signing the bid;
- the date on which the aforementioned person or persons, as the case may be, signed the bid.

The candidates are reminded that the Benelux General Secretariat is not subject to VAT.

2.3.2. Period of validity of the bid

The candidates shall remain bound by their bid for a period of four months, commencing the day after the deadline for submission of bids set out in these specifications.

2.3.3. Documents to be enclosed with the bid

Candidates shall attach to their bid:

- all documents requested in the context of the selection and award criteria, including:
 - the documents requested in articles 2.5.1.3, 2.5.2.1 and 2.5.2.2;
 - a description of the working methodology;
 - the information requested in article 2.6.2.3. for the persons involved in the performance of the service and the manner in which they will be used in the performance;
 - the proposed schedule for the performance of the service;
- the articles of incorporation and any other useful documents showing the authority of the signatories to the bid.

2.3.4. Pricing

The price for the contract shall be **a maximum of €80,000.00 (eighty thousand) EURO** excluding VAT.

This maximum price has been set by the financial partner, is based on the experience in the realization of this type of study and is in accordance with article 14 of the Financial Regulations of the General Secretariat of the Benelux Union.

This sum includes travel and miscellaneous expenses.

All prices given in the bid form must be expressed in EURO.

This is a contract at an overall and capped price, which must cover all aspects of the performance of the contract.

The contractor shall be deemed to have included all possible costs applicable to the services in its overall price, with the exception of VAT.

No price review shall be possible for the present contract, nor can candidates invoke unforeseeable circumstances (whether or not related to COVID-19).

2.4. Procedure

2.4.1. Questions and Answers

Candidates may ask questions about these specifications. These questions should be submitted in writing, by e-mail, no later than **07/04/2022 at 17:00** (i.e. two weeks before the final deadline for submission of bids) to b.wauters@benelux.int). The candidate must be able to demonstrate that the questions were submitted in good time.

The contracting authority shall endeavour to answer the questions no later than one week before the deadline for submission of bids.

The contracting authority will only respond to questions of a general nature which may lead to further clarification of the contents of this specification. Questions or comments that are not merely intended to clarify the specifications or to provide additional information and which involve the discussion or negotiation of certain parts of the specifications, or questions submitted after the deadline, will in principle not be answered.

The candidate may submit questions/comments to the contracting authority only once. Questions/comments will only be answered (in writing) if relevant to the contract.

If a candidate does not ask any questions, everything is deemed to be clear to that candidate. The contracting authority reserves the right to consider questions marked as confidential by a selected candidate as non-existent. The same applies to questions where a request is made not to disclose the answers to other candidates.

2.4.2. Submission of bids

Bids must be submitted no later than **21/04/2022 at 17:00** in the manner described in article 2.2.

Article 2.3.3. specifies the information and documents which, inter alia, must be submitted, including, but not limited to, information relating to the selection and award criteria.

2.4.3. Evaluation of bids

2.4.3.1. Concerning selection

In the first instance, the contracting authority will examine the reliability and suitability of the candidates for the performance of the contract on the basis of the criteria set out in the specifications (see below).

It will examine in turn:

- Whether the candidates fall within any of the exclusion cases (see article 2.5.1.);
- Whether the candidates meet the qualitative selection criteria (see article 2.5.2.).

2.4.3.2. Concerning the award

2.4.3.2.1. Check for completeness and regularity

The contracting authority will next evaluate the completeness and regularity of the bids submitted.

In particular, the contracting authority will evaluate whether the submitted bids include all documents described as required in this specification and whether such bids comply with the formal requirements of the specification.

The contracting authority will also evaluate whether the bid deviates from the specifications in such a way as to give the candidate a discriminatory advantage, distort competition, prevent the evaluation of the bids or comparison with other bids, or render the candidate's commitment to perform the contract under the terms of these specifications non-existent, incomplete, or uncertain.

The contracting authority may, without being obliged to do so, offer a candidate the opportunity to correct its bid if it contains substantial or insubstantial irregularities.

The contracting authority reserves the right – without obligation – to invite all selected and regular candidates to present their bid (individually) to the contracting authority.

2.4.3.2.2. Evaluation on the basis of the award criteria

The contracting authority will – if necessary after the aforementioned correction – evaluate complete and regular bids using the award criteria described in article 2.6.

The contracting authority will then decide whether to award the contract immediately or to start negotiations with one or more of the candidates.

In the first case (immediate award of the contract), articles 2.4.4. to 2.4.6. shall not apply and the contract can be awarded immediately in accordance with article 2.4.7. Candidates are therefore expected to already have included in their bid all the elements required and necessary for the performance of the contract, including their best prices.

In the second case (negotiations), the contracting authority may limit the negotiation phase to, in principle, three candidates.

However, if it is determined:

- that the differences between the three best bids and the others are very small, the contracting authority may increase the number of candidates invited to participate in the negotiations;
- that there are significant differences between the three best bids, the contracting authority may further limit the number of candidates invited to participate in the negotiations.

If the number of candidates is less than three, the award procedure may still be continued with this smaller number of candidates.

2.4.4. Negotiations (optional)

If the contracting authority decides to initiate negotiations, these will be held with a view to optimising the bids submitted (i.e. to achieve an overall price-quality improvement in view of the award criteria described in article 2.6.).

Negotiations may take place verbally, at negotiation meetings (possibly online), or in writing. The contracting authority may raise any issue it wishes during negotiations. The contracting authority is free at all times to decide on which subjects it wishes to negotiate. The contracting authority is not obliged to adopt suggestions from the accepted candidates.

The contracting authority may organise multiple negotiation sessions.

During negotiations, the contracting authority may ask the candidates to elaborate on certain parts of their bids. The contracting authority also reserves the right to modify the specifications when it is useful or necessary (i) to improve the overall price-quality of the bids, or (ii) to optimise the technical specifications.

2.4.5. Submission of amended bids (optional)

Upon completion of negotiations, candidates will be invited to submit their amended bids.

The deadline and method of submission will be described in the invitation to submit the amended bids.

2.4.6. Evaluation of amended bids (optional)

2.4.6.1. Check for completeness and regularity

The contracting authority will evaluate the completeness and regularity of the amended bids submitted. In particular, the contracting authority will evaluate whether these amended bids include all documents described as required in this specification and whether these bids comply with the formal requirements of the specification.

The contracting authority will also evaluate whether the amended bid deviates from the specifications in such a way as to give the candidate a discriminatory advantage, distort competition, prevent the evaluation of the amended bids or comparison with other amended bids, or render the candidate's commitment to perform the contract under the terms of these specifications non-existent, incomplete, or uncertain.

The contracting authority may, without being obliged to do so, offer a candidate the opportunity to correct his amended bid if it contains substantial or insubstantial irregularities.

2.4.6.2. Evaluation on the basis of the award criteria

The contracting authority will – if necessary after the aforementioned correction – evaluate the adjusted complete and regular bids using the award criteria described in article 2.6. On the basis of this evaluation, the contracting authority will prepare a ranked list of the candidates.

2.4.7. Awarding and conclusion of the contract

The contract will be awarded to the candidate whose bid (adjusted, as the case may be), after evaluation on the basis of the award criteria described in article 2.6.

The contract will be concluded through express confirmation by the contracting authority to the candidate whose bid is chosen that the contract has not only been awarded but also concluded. Until that moment the contracting authority is in no way bound to conclude the contract and can freely decide to stop the tender, amend it, etc...

2.5. Selection of candidates

The mere act of submitting a bid constitutes an implicit sworn declaration by the candidate that he does not meet any of the grounds for exclusion listed below.

2.5.1. Grounds for exclusion

2.5.1.1. Mandatory grounds for exclusion

At any stage of the award procedure, a candidate who, by court decision with the force of res judicata, has been convicted of one of the following offences shall be excluded from access to the procedure:

1° participation in a criminal organisation as referred to in article 2 of Council Framework Decision 2008/841/JHA of 24 October 2008 on the fight against organised crime;

2° involved in bribery as referred to in article 3 of the Convention on the fight against corruption involving officials of the European Communities or of the Member States of the European Union or in article 2.1, of Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector;

3° fraud as referred to in article 1 of the Convention on the Protection of the European Communities' Financial Interests;

4° terrorist offences or offences related to terrorist activities as referred to in the Directive (EU) 2017/541 of the European Parliament and of the Council of 15 March 2017 on combating terrorism, or inciting, aiding or abetting or attempting to commit such a crime or offence as referred to in the said Directive;

5° money laundering or financing terrorism as referred to in the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing;

6° child labour and other forms of trafficking in persons as referred to in article 2 of Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims, and replacing Council Framework Decision 2002/629/JHA;

7° employment of third-country nationals illegally residing in the country.

Candidates may also be excluded from access to the award procedure at any stage if they have not fulfilled their obligations concerning payment of tax or social security contributions, unless:

1° they do not owe contributions in excess of €3,000;

2° they have obtained deferred payment for that debt and strictly observe the repayment schedule.

2.5.1.2. Optional grounds for exclusion

The contracting authority may exclude a candidate at any stage of the award procedure in the following cases:

1° where the contracting authority demonstrates by any appropriate means that the candidate has failed to meet his statutory environmental, social or labour obligations under European Union law, national law or collective bargaining agreements;

2° where the candidate is in a state of bankruptcy or liquidation, has ceased trading, is undergoing judicial reorganisation, or has filed for bankruptcy, is the subject of liquidation or judicial reorganisation proceedings, or is in an analogous situation following similar proceedings under other national legal provisions;

3° where the contracting authority can demonstrate, by any appropriate means, that the candidate has committed serious professional misconduct that could call into question his integrity;

4° where the contracting authority has sufficiently plausible indications to be able to conclude that the candidate has committed acts, concluded agreements or made arrangements aimed at distorting competition;

5° where a conflict of interest cannot be effectively remedied by other less drastic measures;

6° where, due to the candidate's previous involvement in the preparation of the procurement procedure, a distortion of competition has occurred which cannot be remedied by less drastic measures;

7° where the candidate has shown significant or persistent deficiencies in the performance of a substantial requirement of a previous public contract, a previous contract with a contracting authority or a previous concession contract and this has led to the taking of ex officio measures, damages or other similar sanctions;

8° where the candidate has been guilty of serious misrepresentation in providing the information necessary to verify the absence of grounds for exclusion or compliance with the selection criteria, or has withheld information, or was unable to produce supporting documents for this purpose;

9° where the candidate has attempted to unlawfully influence the contracting authority's decision-making process, to obtain confidential information that may give him unlawful advantages in the procurement procedure, or to provide culpably misleading information that may have a significant impact on exclusion, selection and award decisions.

2.5.1.3. Documents to be attached

The candidate must attach the following documents to his bid:

1. An extract from the criminal record in the name of the candidate (legal entity);
2. Documentary evidence that the candidate is up to date with its payments of social security contributions;
3. Documentary evidence that the candidate is up to date with payments of taxes and duties;
4. An attestation that the candidate is not in a state of bankruptcy.

The documents referred to above shall be considered recent if they are less than three months old on the final date for the submission of the first bid.

Candidates must attach all of the aforementioned certificates and extracts or equivalent documents issued by the country concerned (social security statement, tax statement, criminal record extract, attestation of solvency) to their bids. Where a document or attestation is not issued in the country concerned or this does not provide adequate evidence for all grounds for exclusion, a solemn declaration by the person concerned may be added as a replacement (for that aspect alone).

When the offer is submitted by an association (see article 2.2.2), the above-mentioned obligations and related modalities apply to each member (i.e. each undertaking) of the association.

2.5.2. Qualitative selection

The candidate is further required to demonstrate, via the documents requested below, that he is sufficiently competent, both financially and technically, to successfully fulfil this contract.

2.5.2.1. *Financial capacity*

The candidate must demonstrate sufficient financial capacity to perform the contract.

Compliance with this requirement will be assessed on the basis of:

- The candidate having an annual turnover of at least €100.000 – excluding VAT – for each of the last three completed financial years.. For financial statements of foreign companies, turnover means the amount to which the company is entitled or expects to be entitled in exchange for goods supplied or services provided.

Evidence to this effect is given by the following documents:

- A statement of the candidate's total sales, for each of the previous three financial years;
- The financial statements of the candidate for the same three financial years.

When the offer is submitted by an association (see article 2.2.2), the minimum annual turnover can be demonstrated by relying on the annual turnovers of no more than three members of the association.

2.5.2.2. *Technical capacity*

The contract can only be awarded to bidders which proof a sufficient level of technical and professional abilities. These abilities are deemed to be met when the following criteria are fulfilled:

- Experience in providing scientific consulting to ministries;
- Experience with assessing the flexibility potential either today or in the future in all or selected segments of industry, households and transport;
- Experience with rules and barriers for access of flexibility to specific market segments, such as intraday, day-ahead, balancing (at least 1 project);
- Experience with the interplay between different market segments (wholesale, balancing, etc.) and the estimation of opportunity costs by market players being active in these market segments (at least 1 project);
- Technical ability to organise and conduct video conferences (name of software used);
- English language skills of all members of the project team.

The fulfilment of these criteria should be proved by providing detailed descriptions of projects which are not older than five years (maximum 1 double-sides page per reference), naming the software being used for video conferences and listing the language skills of the project team members.

Only references which are sufficiently relevant to the contract at hand will be considered.

The candidate must provide adequate information about each reference for the contracting authority to be able to evaluate it (including the amount, place and time they were performed).

The contracting authority may only consider the aforementioned maximum number of references. If too many references should nonetheless be submitted, the contracting authority may limit itself to assessing the references that were included first in the bid.

2.6. Award criteria

The contract will be awarded to the bidder with the most economic offer. The most economic offer will be identified based on a mixed evaluation of both the bid price as well as the quality of the concept.

2.6.1. First award criterion: price (90 points)

The candidate shall give the overall price in words and in figures (excluding VAT).

The candidate shall give an overview of:

- Total net and gross price ; indicating VAT for all services.
- Personnel costs, including information on person-days and daily rates; in the case of consortia, broken down by individual consortium members, if possible breakdown of expenditures and costs by individual working packages.
- Material costs
- Travel costs

The points for the offers will be awarded according to a formula whereby the maximum amount of points of 90 will be divided by the number of offers received. The offer with the lowest bid will get 90 points. The other bids will be awarded the points based on the division made, whereby the higher the bid, the lower the amount of points it will be awarded.

Clarification example: e.g. if five offers are received they will be awarded points for the price as follows: 90 points divided by 5 = 18, meaning the lowest bid gets awarded 90 points, the second-lowest 72 points, third-lowest 54 points, fourth lowest 36 and the lowest 18.

2.6.2. Second award criterion : quality (270 points)

Points are awarded for each sub criterion, multiplied by a weighing factor. A total of max. 270 points can be awarded. The points are awarded as follows:

Fail	0
Poor	1
Medium	2
Good	3

Fail: The performance of the service, based on the description provided in the offer, is not expected to meet the requirements of the project. The planned approach is not structured and does not provide for a satisfying understanding of how the requested content is to be delivered. The bidder basically does not demonstrate its knowledge and ability to fulfil the tasks at hand.

Poor: The performance of the service, based on the description provided in the offer, is expected to meet the requirements of the project only to a limited degree. The planned approach is hardly structured and only difficult to understand how the requested content is to be delivered. The bidder demonstrates only poor knowledge and ability to fulfil the tasks at hand.

Medium: The performance of the service, based on the description provided in the offer, is expected to meet the requirements of the project to a medium degree. The planned approach is partially structured and sometimes difficult to understand how the requested content is to be delivered. The bidder demonstrates a medium knowledge and ability to fulfil the tasks at hand.

Good: The performance of the service, based on the description provided in the offer, is expected to meet the requirements of the project. The planned approach is well structured and good to understand how the requested content is to be delivered. The bidder demonstrates appropriate knowledge and ability to fulfil the tasks at hand.

The criterion quality is evaluated on the sub-criteria below:

In relation to WP A, WP B and WP C; the evaluation will also be guided by; if the offer :

- explains why the working method is the most appropriate
- mentions how the different WPs will be connected.
- indicates which finished or ongoing studies or projects, as well as actual conditions and expected developments can be incorporated and how.
- clarifies how the working method can be applied to the various Penta member states, whilst keeping in mind the frontrunner position of Penta in Europa.
- addresses potential problems and possible mitigating measures.
- focuses on how this proposed approach is appropriate for a multilateral Penta-setting, with varying electricity mixes, systems and infrastructure, as well as political systems and constellations.

Quality of the concept	Weighing factor	Points	Max. score possible
It is outlined in WP A how flexibility regulations (especially those from Clean Energy Package) in the Penta-region will be identified, and how a definition and common understanding of 'flexibility' will be derived	20	0 1 2 3	60
The concept for WP B demonstrates how the potential different needs and sources for flexibility in the years 2030, 2040 and 2050 will be identified	20	0 1 2 3	60
The concept for WP C shows how barriers for market entry and cross-border exchange of flexibility will be identified, and how relevant market places for flexibility and their interdependencies will be assessed	30	0 1 2 3	90
A timetable has to be submitted which ensures that all products as well as the project as such will be provided and completed on time, in correspondence to the methodology proposed, the availability of the involved partners, and the multilateral, multistakeholder and political context.	10	0 1 2 3	30
The personnel concept - contains a graphical display of the project team and their respective tasks - lists the CVs of the team members - names a permanent contact person for the client, as well as substitution arrangements in the event of loss of project personnel. - is consistent with the timetable and mirrors especially the specific requirements by multi-stakeholder-processes in a political context - is in reasonable proportion to the proposed methodology and schedule.	10	0 1 2 3	30

2.6.3. Final assessment

The contract will be awarded to the offer with the highest number of points after evaluation by a selected team of experts from the Ministries in the Penta countries as well as the Benelux General Secretariat.

The contracting authority may seek the assistance of external experts in the evaluation of the bids.

SECTION 3: Performance of the contract**3.1. Condition precedent**

This contract is subject to the contracting authority obtaining the necessary funding from the financial partner (cf. article 1.2.) before the first payment to the contractor is due, failing which the contract shall be considered null and void.

3.2. Lead officials

The following lead official is appointed for the content aspects of the contract: Jan Molema, Director of Internal Market & Economy of the Benelux General Secretariat.

Only the lead official is authorised to control and supervise the contract.

When the contract is concluded, the lead official will be the main contact for the contractor. All correspondence and inquiries concerning the performance of the contract shall be addressed to him, unless otherwise expressly stated in the present specifications.

The lead official may delegate some of his powers.

3.3. Confidentiality

All documents submitted by the contractor in the course of the performance of the contract are the property of the contracting authority and may not be published or communicated to third parties except with the prior written consent of the contracting authority.

The contractor and its employees are bound by a duty of confidentiality covering information obtained during the execution of the contract. Under no circumstances may the information be disclosed to third parties without the written consent of the contracting authority. All information provided to the contractor in the course of the contract, all documents entrusted and all meetings attended shall be considered strictly confidential.

The contractor undertakes, both during and after the execution of the contract, to keep confidential all confidential information, of whatever nature, communicated to it or of which it becomes aware in the course of performing the contract. The contractor shall take all measures to ensure the confidentiality of the information made available, and to ensure that the data and research results are protected on its own part and by anyone who has access to them. The contractor shall limit access to the information, data and research results made available that are used in the performance of the contract.

The contractor may, however, give the contract as a reference, subject to prior written consent from the contracting authority.

3.4. Intellectual property rights

The contracting authority shall acquire the intellectual property rights which arise or, are developed in the course of performing the contract.

3.5. Compliant implementation

The services shall comply in all respects with these specifications. Even in the absence of technical specifications in the contract documents, they shall comply on all points with good professional practice.

3.6. Changes to the contract

3.6.1 Price revision

No price review is possible for the contract.

3.6.2. Amendments

A change may be made without a new procurement procedure for additional services to be performed by the contractor which have become necessary and that were not included in the contract, if the change by the contractor:

1. Is not possible for economic or technical reasons, such as where additional services must be interchangeable or interoperable with existing services obtained under the contract; and
2. would result in significant inconvenience or increase in costs to the contracting authority.

3.7. Preliminary inspection

The contracting authority reserves the right to request an activity report from the contractor at any time during the contract (meetings held, persons met, overview of results, problems arising and unresolved, deviation from the stated schedule, etc.)

3.8. Performance of services

3.8.1. Period

The services must be performed within a maximum period of seven months from the date when notification is given that the contract has been concluded.

3.8.2. Review of services

If any discrepancies are found during the performance of the services, this shall be immediately notified to the contracting authority by e-mail, and then confirmed by registered letter. The contractor will be obliged to redo services that have been performed in a non-compliant manner.

3.9. Penalty for delay in execution of the contract

In case of delay in the execution of the contract (cf. article 3.8.1.) a penalty of EUR 1,600.00 can be imposed for each week of delay.

The penalties for delays are determined by way of lump-sum compensation for a delay in the execution of the contract and are without prejudice to claiming additional compensation for the other damage resulting from a possible delay. They will be payable without notice of default, by the expiry of the term, without the intervention of the contracting authority and shall be applied by operation of law.

3.10. Contractor's liability

The contractor shall bear full liability for any errors and omissions in the services provided, and specifically also in the final report.

The contractor shall also indemnify the contracting authority against any damages payable by the contracting authority to third parties on account of the delay in performing the services or on account of default on the part of the contractor.

In no event shall the contracting authority be liable for any damage to persons or property resulting directly or indirectly from the activities of the contractor necessary for the performance of the contract. The contractor shall indemnify the contracting authority against any claim for damages by third parties in this respect.

If the candidate is an association the members of the association are jointly and severally liable towards the contracting authority for the fulfilment of all obligations with respect to the contract and from any further directions from the contracting authority based thereupon.

3.11. Acceptance of services performed

“Final acceptance” means that the screening process was completed in accordance with the requirements set out in these specifications and the contracting authority was put in possession of the final report. On the basis of this final acceptance, a record of final full acceptance (or refusal) (with respect to all services), will be prepared by the lead official.

3.12. Invoicing and payment for services

The contractor may proceed with invoicing only after confirming that the screening has been completed in accordance with the requirements of the contract (final acceptance). It shall then submit its invoice (in one copy) to the following address:

BENELUX GENERAL SECRETARIAT
For the attention of the General Secretary,
Rue de la Régence–Regentschapsstraat 39
1000 Brussels

The registrant shall send a copy of its invoice on the same day to the following e-mail address invoice@benelux.int.

Payment of the amount due to the contractor shall be made within thirty days from the date of receipt of the regularly issued invoice (prepared after the aforementioned final acceptance).

The invoice must be made out in EURO.

3.13. Applicable laws

The general Belgian contract law is applicable on the execution of the contract.

3.14. Disputes

All disputes relating to the performance of this contract shall be settled exclusively before the courts of Brussels.

SECTION 4: Technical provisions

4.1. Task description and services to be provided

To achieve the objectives of the project, we outline below three work packages to cover the relevant tasks.

Work package A – Definition and common understanding

In work package A, regulations in the Penta-countries enabling and/or supporting the flexibilisation of the energy demand and availability of flexibility in the energy markets shall be identified and compared, especially those resulting from the Clean Energy Package.

As a second step, this package seeks to achieve a common understanding of what flexibility actually means in regard of its applications, its sources and the differentiations. This understanding should include in particular the definitions of flexibility as well as its characteristics and intended application. Moreover, the findings are to be discussed at a meeting of SG 3 with the aim of achieving consensus.

Work package B – Flexibility needs and potentials for 2030, 2040 and 2050

In this work package, existing studies should be collected and analysed which deal with the needs for (both for market and grid needs) and potentials of flexibility in the Penta-region for the time horizons 2030, 2040 and 2050. The flexibility potentials should be differentiated to the extent possible according to their sources, such as batteries, pumped storage hydro, P2X, DSR etc. This work should be aligned closely on the future need for flexibility as envisaged in the Penta Vision 2050 workstream, and build on the outcomes in that project to avoid double work. Potentials for cross-border exchange should be analysed concurrently.

Work package C – Barriers and market places

This package contains as first element an analysis of current barriers to flexibility entering the electricity markets and to be exchanged cross-border. When conducting this task, the different sources and applications of flexibility as identified in Work package A should be addressed individually, where possible. As a second element, the different market places where flexibility can be made available in principle (organized wholesale markets with their different timeframes, balancing, specific flex-markets for grid services, etc.) shall be assessed in more detail. This analysis shall cover on the one side to what extent those market places and their organization will be able to mobilize flexibility and how they can therefore contribute to provide the flexibility needed for 2030, 2040 and 2050 (see work package B). On the other side, the analysis shall also look at the interdependencies and challenges coming along with the individual market places.

4.1.1. Organisational aspects

The Contractor should mainly base the work on the analysis of existing regulations (such as network codes) and studies.

For each of the work packages mentioned, specific meetings are to be prepared and held to discuss the results. It is expected not to have more than four meetings, including a kick off meeting and a final meeting, of which at least three can be virtual (depending on COVID-19 pandemic situation). The Contractor will also have to factor in a meeting with the Contractor performing the Penta Vision 2050 study ‘research on a “common vision for a decarbonised electricity system by 2050”, which will be executed between March and November 2022. The Contractor should support the preparation of the meetings by setting up slides (and input papers, where appropriate) beforehand, with sufficient notice. A documentation of the outcome of the meetings is expected in a timely manner. The findings from the meetings are to be included in the final report.

4.2. Data to be made available to the contractor

The Penta-countries will help in providing available data on the implementation of flexibility in regard of the CEP in work package A.

4.3. Progress documentation – (draft) final report

The work results are to be presented in the form presentations. Close communication with the Benelux Secretariat and the Chairs of Support group 3 is to be maintained, especially in the form of regular meetings. The Contractor is to provide extensive documentation of results. To this end, the Contractor will prepare documentations on the outcomes of the individual meetings and a final report, also containing key findings and implications.

4.3.1. Coordination

Work on the individual working packages requires close cooperation with the Pentaforum. In particular, the Contractor must keep in mind that the work phases and results are to be discussed in detail with the other Penta-countries and the participants of Support Group 3, and that documentation and the final report should adequately reflect their input. Workshops will usually be held digital (via WebEx or MS Teams) or in 2022 probably in Brussels, to the extent allowed by COVID-19 pandemic restrictions. The time and effort involved in coordinating these meetings is to be included in project scheduling and budgeting.

4.3.2. Reporting

In order to achieve the targets of the project in the given timeframe, the following conditions regarding the reporting have to be followed.

4.3.2.1. Minutes

Progress of the project will be documented in the minutes from regular meetings as well as in the corresponding presentations. The individual minutes and documentation of the kick-off meetings, additional meetings and the concluding session are to be submitted as electronic documentation, and will be approved by the Benelux Secretariat and the coordinators of the Pentaforum.

4.3.2.2. Final report

In addition to the foregoing services, at the end of the project, a final report is to be submitted, including documentation on services performed during the contract period. The final report will comprise the results and findings along the work packages. The draft version of this final report is to be submitted electronically one month prior to the end of the project for consultation.

4.3.2.3. General requirements for the reports

The report and all slides, documentation, minutes, etc. are to be prepared in English. It is important to focus on understandable language and good readability.

4.4. Schedule and execution time

The contractor shall have a **maximum** period of seven **months** to fully execute the contract. The candidate must include a complete schedule in its bid, being mindful of the (summer) break, when planning meetings.

SECTION 5: Annexes

ANNEX 1: Bid form

Contract: 2022/01/Penta

Specification 2022/01/Penta

I. Information about the candidate

A. Or²: the single legal entity

Name of candidate	
<u>Name</u>	
Information about the candidate	
<u>Address</u>	<u>Post code</u>
<u>Town/city</u>	<u>Country</u>
<u>Telephone</u>	<u>Electronic mail (e-mail)</u>
<u>Nationality</u>	<u>Legal form</u>
<u>Name of authorised representative</u>	<u>Position of authorised representative</u>

The candidates shall attach the relevant information and documents to demonstrate the representative's authority to sign (articles of association, appointment decisions, and/or power(s) of attorney) as an attachment to this bid form.

All the documents required by the specifications, in particular in the selection criteria set out in article 2.5 and the award criteria set out in article 2.6, dated and signed, shall be attached to this bid form

² Strike through what doesn't apply.

Candidate's contact person during the procurement procedure for the contracting authority

Name	.....
Position	.....
Telephone	.....
E-mail	.....

B. Or³: the association

Name of association/candidate	
<u>Name</u>	
Information about the association/candidate	
<u>Address</u>	<u>Post code</u>
<u>Town/city</u>	<u>Country</u>
<u>Telephone</u>	<u>Electronic mail (e-mail)</u>
<u>Nationality</u>	<u>Legal form</u>

The legal entities who are forming the association are:

Member 1	
<u>Address</u>	<u>Post code</u>
<u>Town/city</u>	<u>Country</u>

³ Strike through what doesn't apply.

<u>Telephone</u>	<u>Electronic mail (e-mail)</u>
<u>Nationality</u>	<u>Legal form</u>
<u>Name of authorised representative</u>	<u>Position of authorised representative</u>

Member 2

<u>Address</u>	<u>Post code</u>
<u>Town/city</u>	<u>Country</u>
<u>Telephone</u>	<u>Electronic mail (e-mail)</u>
<u>Nationality</u>	<u>Legal form</u>
<u>Name of authorised representative</u>	<u>Position of authorised representative</u>

Member 3

<u>Address</u>	<u>Post code</u>
<u>Town/city</u>	<u>Country</u>
<u>Telephone</u>	<u>Electronic mail (e-mail)</u>
<u>Nationality</u>	<u>Legal form</u>
<u>Name of authorised representative</u>	<u>Position of authorised representative</u>

Member 4	
<u>Address</u>	<u>Post code</u>
<u>Town/city</u>	<u>Country</u>
<u>Telephone</u>	<u>Electronic mail (e-mail)</u>
<u>Nationality</u>	<u>Legal form</u>
<u>Name of authorised representative</u>	<u>Position of authorised representative</u>

Etc.

As all members of the association must sign the offer, the candidates must attach the relevant information and documents to demonstrate that the representatives of each member of the association have signing authority (articles of association, appointment decisions, and/or power(s) of attorney) as an attachment to this bid form.

All the documents required, in particular in the selection criteria set out in article 2.5 and the award criteria set out in article 2.6, dated and signed, shall be attached to this bid form.

Candidate's contact person during the procurement procedure for the contracting authority (in accordance with article 2.2.2.):

Name	..........
Position	..........
Telephone	..........
E-mail	..........

II. Pricing

The candidate undertakes to perform the contract in accordance with the terms and conditions of the specifications, for the overall sum indicated below, written in words and figures, expressed in EURO, excluding VAT, of:

..... [in words and figures in EURO]

III. Payments

Payments which fall due after complete execution of the contract may be paid by transfer to:

Account number	.....
IBAN	.....
BIC	.....
Financial institution	.....
In the name of	.....

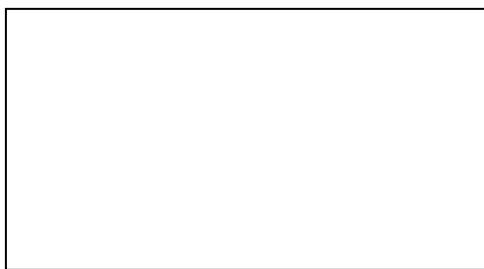
IV. Declarations by the candidate

..... [name of candidate], duly represented by,
.....
[name, position]

hereby declares:

1. that it has taken note of the specification and declares that:
 - it unconditionally agrees to the provisions and procedure set out therein;
 - it has received all useful and necessary information concerning the award procedure and the contract, so that it can submit its bid in an informed manner;
2. that all information it provides and will provide to the contracting authority in the course of this procedure is accurate;
3. that it is not in any of the situations noted as grounds for exclusion in this specification;
4. (*if the candidate is an association*) that the members of the association are jointly and severally liable towards the contracting authority for the fulfilment of all obligations with respect to the contract and from any further directions from the contracting authority based thereupon;
5. that the contracting authority may obtain all necessary information of a financial and moral nature regarding the undersigned from other institutions or organisations;
6. that the period of validity of the bid is four months;
7. that the bid is submitted unconditionally and without reservation;
8. that confidential information and/or information pertaining to technical or commercial secrets is clearly indicated in the bid;
9. that by submitting its bid it undertakes to perform the contract in accordance with the terms and conditions set forth in the specifications, at the price stated above;
10. that payments can be legitimately made by bank transfer to the bank account specified above.

Done at, on

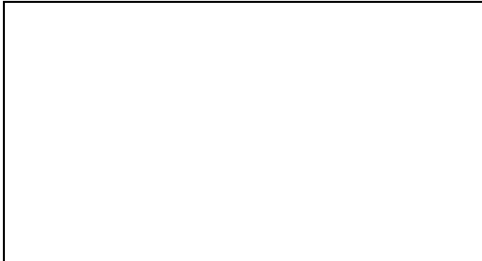


Name:

Position:

APPROVED:

Done at, on



Name:

Position: