

Nr. 9288 Prot

Tirana, 21/06/2013

## INVITATION FOR BID

CEZ Shpërndarje (former Operatori i Sistemit të Shpërndarjes) organized as a joint stock company, with its legal seat at Rruga “Abdyl Frashëri”, EGT Tower, Pal 12/1, Tiranë, Albania, operates in the electric power sector in Albania. The company CEZ Shpërndarje JSC, is one of the biggest operators of the electricity sector in Albania. CEZ Shpërndarje JSC is registered and has its unique identification number (NUIS) K72410014H.

CEZ Shpërndarje JSC (currently Company under Temporary Administration), referred hereinafter to as the **Company**, is part of an international arbitration process, with Claimant Debt International Advisory Ltd, referred hereinafter to as **DIA**, in the Vienna International Arbitral Centre.

International Arbitration requires specific experience, and therefore CEZ Shpërndarje JSC, with the approval of the Energy Regulatory Entity, has decided to contract a law firm to represent the Company for the case of “Debt International Advisory” Ltd versus “CEZ Shpërndarje” JSC.

It is necessary to contract an external consultant because:

1. This case is of a particular importance to the interests of the Company and the Albanian state, because the Company is already under temporary administration of the Albanian State.
2. This case has a special nature and requires specialized legal knowledge in the field of international arbitration, particularly in commercial cases.
3. In this process, a considerable amount of money is being claimed: 108,483,739 (one hundred and eight million, and four hundred and eighty-three thousand, and seven hundred and thirty-nine) Euro.

Below you will find detailed data for the Invitation to Bid.

## **I. General data**

### **Contracting authority:**

CEZ Shpërndarje JSC, Company under Temporary Administration

Address: Rruga Sami Frasheri, Pallati Conad, Kati i Tretë, Zyra e Protokollit, Tirane,  
Albania

[www.cezshperndarje.al](http://www.cezshperndarje.al)

### **Object of the contract:**

The object of this invitation to bid is to contract a law firm which shall perform the following services:

- Represent the Company in the Vienna International Arbitral Centre for the case nr. SCH-5317, "DIA versus CEZ Shpërndarje".
- Advise, assist and provide legal consultancy to the Company on necessary legal and procedural steps to be taken regarding this case.

## **II. Location where competition will be announced and the contact person**

Information about the competition, the necessary documentation and any further clarification can be obtained by the Contact Person and the invitation for bid will be announced in the official website of the Company, [www.cezshperndarje.al](http://www.cezshperndarje.al).

The Company has the right to officially send the Invitation to Bid even individually via e-mail to different lawyers / law firms.

The competing bids procedure is open and any interested entity may submit its bid which will be reviewed by the Commission.

### **Contact person regarding this procedure:**

Ms. Armanda Sellaj  
Position: Cabinet Director of CEZ Shpërndarje JSC  
Address: Rruga Sami Frasheri, Pallati Conad, kati i tretë, zyra e protokollit, Tirane,  
Albania  
Cell: 00355694149426  
Email: [armanda.sellaj@cezshperndarje.al](mailto:armanda.sellaj@cezshperndarje.al)

**Modes of communication for any question related to this procedure will be via e-mail in the address of the contact person and/or registered post in the address: CEZ Shpërndarje sh.a, Rruga Sami Frashëri, Pallati Conad, Kati i Trete, Zyra e Protokollit, Tirane, Shqiperi.**

### **III. Miscellaneous**

a)- Candidates should submit via e-mail and by post the bids and the required documentation for competition within the date:

Date: 27.06.2013

Hour: 15.00 p.m

b)- The bid and its attached documentation must necessarily be submitted within 27.06.2013, 15.00 p.m, in two forms, specified as follow:

1. The scanned copies of the bid and the documentations should be sent via e-mail , in the address of the contact person:

Ms. Armanda Sellaj

Position: Cabinet Director of CEZ Shpërndarje JSC

Address: Rruga Sami Frasheri, Pallati Conad, kati i trete, zyra e protokollit, Tirane, Albania

Cell: 00355694149426

Email: [armanda.sellaj@cezshperndarje.al](mailto:armanda.sellaj@cezshperndarje.al)

2. The originals copies of the offer and the documentation should be sent with registred poste. The bid and the documents should be sent in a closed envelope, within the set deadline, in the following address:

CEZ Shpërndarje Sh.a.

Selection Commission

Address: Rruga Sami Frasheri, Pallati Conad, Kati i Trete, Zyra e Protokollit, Tirane, Albania

**Note: The bid and the documentation sent by post which is delivered to CEZ Shperndarje, after the deadline, will be considered only if it is sent via e-mail within the term determined in the bid invitation (27.06.2013, 15.00 p.m).**

c)- Communication language: English

d)- Time of Bid Opening: 27.06.2013, at 15.00, in the presence of Commission members.

#### **IV. General criteria and special conditions for the selection of the legal consultant**

##### **- General criteria for selecting the legal consultant are:**

1. Legal consultant that will perform the representation should be specialized in the field of international arbitration, especially commercial cases.
2. Legal consultant that will perform the representation should have wide experience in the domain of counselling and representation in the arbitration, and knowledge of the international practise in the field of international arbitration, especially commercial cases.
3. Legal consultant that will perform the representation should enjoy credibility and reputation in the field of representation in arbitration.

##### **- Special conditions for selecting the legal consultant are stipulated in paragraph V.**

- Consultant Selection will be made on the basis of the criterion of the lowest offered price after the verification of the fulfilment of the general and special conditions, proven by the documentation, as per paragraph V (b).

#### **V. The price and documentation required to be submitted along with the bid**

##### **V. (a) The price**

- The candidate should submit its economic bid where he should specified the total price (lump sum) for performing the services according to the object of the invitation for bid.
- The price should be given in currency Euro, must be final and must include all costs related to counselling and representation.
- The price shall not include the respective tax obligations. .

- The bid should not be submitted on the bases of hourly rates .
- The bid should also determine the payment means and terms.
- In determining the offered price, the candidates must take into consideration that some procedural actions have already been completed by the Company through the previous representative, and fees and costs of these already completed procedural actions should not be included in the total offered price.

**V (b). Documentation required to be submitted.**

Together with the economic bid the candidates should submit the above documents:

1. A resume/presentation of law firm and other offices supporting the implementation of the service (if there is union of participating law firms);
2. Summarized Curriculum Vitae of the staff members who will be involved in providing this service, which among other things, should indicate identity, address, phone number and email address of the candidate;
3. A certificate proving that the candidate is registered in accordance with the legislation of the country of operation (if such a document can not be issued, a self-declaration under penal responsibility, specifying that this statement is true, can be submitted).
4. An attestation proving that the candidate is not under bankruptcy or liquidation, issued by the competent authority in accordance with the legislation of the country of operation (if such a document can not be issued, a self-declaration under penal responsibility, specifying that this statement is true, can be submitted).
5. A self-declaration under penal responsibility specifying that the candidate has no conflict of interest.
6. Documentation on the candidate profile and experience in counselling and representation in the legal and financial domain, in the international arbitration, especially commercial cases. Similar experience in Vienna International Arbitral Centre is an advantage.

7. Self-declaration of the candidate taking over the initiation of counselling and representation, immediately after signing the contract.

**Sahit DOLLAPI**  
Administrator

**CEZ Shpërndarje**  
Company under Temporary Administration



**Terms of reference for legal assistance regarding the case subject to judgment  
before the Vienna International Arbitration Centre, Debt International  
Advisory versus CEZ Shpërndarje**

**1. Introduction**

CEZ Shpërndarje JSC (former Distribution System Operator), with its legal seat at Rruga “Abdyl Frashëri”, EGT Tower, Pal 12/1, Tiranë, Albania, is a joint stock company operating in the electrical energy sector in Albania. The company CEZ Shpërndarje JSC is one of the biggest operators of the electricity sector in Albania. CEZ Shpërndarje JSC is registered and has its unique identification number (NUIS) K72410014H.

The main object of Company is to provide through the electricity distribution network the following activities: performing the necessary activities directly related to the purchase and sale of electricity, for the supply of tariff customers connected to its distribution grid, with regulated tariffs, in accordance with the legislation in force; performing the necessary activities directly related to the functioning of the distribution grid; developing the electrical energy distribution grid in line with the economic development prospects and based on regional or territorial changes related to the demand; other services that are necessary for clients in order to meet the obligations toward them in conformity with the legislation in force.

In 2009, the Company was privatized and, as a result of this process, 76% of its shares were bought (although the Company is currently temporary administration) and are owned by ČEZ a. s., a Czech joint stock company, with headquarters at: Duhová 2/1444, 140 53 Prague 4, Czech Republic, registered with number 45274649, and 24% of the shares are owned by the Ministry of Economy, Trade and Energy of the Republic of Albania.

In January 2013, the Energy Regulatory Entity, the body that oversees and monitors the activities of the operators of the electrical energy market, due to non-fulfilment of licenses’ terms and conditions resulting from the distribution license and retail public supply license, through Decision No. 4, dated 21.01.2013, revoked the electrical energy distribution license and retail public supply license of the Company.

Furthermore, the Energy Regulatory Entity, through Decision no. 5, dated 21.01.2013, put the Company under temporary administration and appointed a temporary  
CEZ SHPËRNDARJE Sh.a Tiranë, Shqipëri

Administrator. Therefore, since 21.01.2013, the Company is under temporary administration and its administration is carried out by the temporary Administrator, under the supervision of the Energy Regulatory Entity.

On 28.01.2013, the Company was notified by the Vienna International Arbitral Centre for the lawsuit no. SCH-5317, dated 23.01.2013, that Debt International Advisory Ltd had raised against the Company. Attached to this notification was the request of DIA for arbitration. Based on this request, DIA claims a compensation in the amount of **108,483,739 (one hundred and eight million, and four hundred and eighty-three thousand, and seven hundred and thirty-nine) Euro.**

In the arbitration process, DIA is represented by the law firm "HAUSER & PARTNERS", Rechtsanwälte GmbH, Seilerstätte 18-20, A-1010 Vienna, Austria. The arbitrator appointed by DIA is Dr. Rudolf Fiebinger, lawyer at Fiebinger, Polak, Leon & Partner.

Upon receiving notification, the Company, due to short deadlines, appointed as representative, a law firm with which the Company had an ongoing contractual relationship). This contractual relationship was terminated on 18.06.2013.

Referring to the compensation amount claimed by DIA, the Company admitted that this case be judged by a panel composed of three arbiters and therefore has appointed its arbitrator, Dr. Christian Conrad, a member of the law firm "Conrad and Partners", Vienna, Austria.

Vienna International Arbitral Centre has selected as Chairman of the panel of arbitrators, Dr. Jernej Sekolec.

More specifically, the dispute between the parties has occurred as a result of contracts signed between the parties. Thus, on 01.09.2010, Distribution System Operator (currently CEZ Shpërndarje JSC) and Debt International Advisory signed a contract whose object was the debts collection. Subsequently, on 01.02.2011, a second contract was signed between the two parties for a two-year period, from 01.02.2011 to 31.01.2013.

Based on the object of these contracts, DIA had to perform the service of debts collection for those clients who for more than 90 days had not paid the electricity obligations to their supplier, i.e. Distribution System Operator.



On 28.10.2011, the Company, as both parties did not agree on the new target for the second period (as stipulated in the terms and conditions of the contract), unilaterally terminated the contract before the expiry of the set deadline.

The indemnification claimed by DIA, in the amount of **108,483,739 (one hundred and eight million, and four hundred and eighty-three thousand, and seven hundred thirty-nine) Euro** is detailed as follows:

• Success fee for the September contract	3,845,598 Euro
• Success fee for the February contract	14,512,058 Euro.
• Claims for damages in regard with the amount that was not allowed to be collected	9,426,083 Euro
• Penalties for inaccurate data	30,000,000 Euro
• Claims for damages in regard with termination of the February contract	40,000,000 Euro
<b>Total</b>	<b>108,483,739 Euro</b>

The signed contracts between the parties foresee that Vienna International Arbitral Centre is entitled to settle the disputes arisen between the parties, whereas the applicable law is the Albanian one.

Currently, the Company has filed its memorandums of reply to the DIA lawsuit. Our memorandums of reply (objections) were not prepared in detail.

Legal representation of the case up to the above phase was conducted by another law firm. However, this contractual relationship was terminated on 18.06.2013 due to the recommendations of Regulatory, the body that oversees the activity of the Company during the temporary administration.

On 18.06.2013, the Company was notified by Vienna International Arbitral Centre for the Draft Order no. 1 on the procedures to be followed in the future.

Based on this notification, the representatives of both parties are invited to submit their comments on this Draft Order, within **July 11, 2013**.

It is also anticipated to organize a preliminary hearing session on the 15<sup>th</sup> or 19<sup>th</sup> of July 2013, a hearing session where the representatives will be directly consulted on the raised issues.

Due to the above deadlines, the Company requests to contract in a short period of time a professional law firm which will further represent the Company.

## **2. Scope of work**

The scope of work of the law firm (consultant) will include:

- Representing the Company before Vienna International Arbitral Centre for further procedural actions regarding the case nr. SCH-5317, DIA vs. CEZ Shpërndarje.
- Advising, assisting and providing legal advice to the Company on the necessary legal and procedural steps to be taken regarding this case.

## **3. Criteria of selection the Consultant**

The law firm should have international experience and should have a team of professionals in the field of civil law, commercial and business law, international arbitration law, particularly rules of Vienna International Arbitral Centre; it should also be a law firm, which will support the Company with legal advice and necessary procedural and legal steps. Professional and technical conditions are specified in the Invitation to Bid.

## **4. Confidentiality and conflict of interest**

Law firm must guarantee confidentiality to third parties for any information it might be aware of during the performance of legal services or other consulting services, as well as must have no element of any possible conflict of interest for performing the required services.

**5. Deadline**

Law firm will be contracted for a certain term which shall correspond to the duration of all procedures in Vienna International Arbitral Centre.

**6. Fund**

Funds necessary for the implementation of these services will be covered by the Company without exceeding the final price submitted according point V. (a). The Company will not consider any claims for additional costs which exceed the offered price.

**7. Contract**

CEZ Shpërndarje and the Law Firm will sign a contract for the provision of legal services, which will stipulate the mode of communication, contact persons and other aspects of this relationship.

**Sahit DOLLAPI**  
**Administrator**



**CEZ Shpërndarje**  
**Company under Temporary Administration**