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EUROSTAT

Directorate D: Government Finance Statistics (GFS)

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Unit: D.4 : GFS quality management and government accounting

**Invitation to tender for the supply of statistical services in the field of
accounting (government finance statistics)**

*Collection of information related to the potential impact, including costs, of
implementing accruals accounting in the public sector and technical
analysis of the suitability of individual IPSAS standards*

(2013/S 107-182395)

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SECTION 1 INTRODUCTION

1.1 Presentation of Eurostat

Eurostat is a Directorate-General of the European Commission (“Commission”). Its mission is to provide the European Union with a high quality statistical information service.

Together with the national statistical offices, Eurostat is responsible for the European statistical system: see Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics (OJ L 87/164, 31.3.2009). Eurostat implements standards, methods and classifications for the production of comparable, reliable and relevant data. Users of Eurostat’s output include the Commission and other institutions of the European Union, national governments of the Member States, international organisations, businessmen, universities and a wide range of other users. Eurostat also supports non-member countries, including the candidate countries, in adapting their statistical systems.

Eurostat carries out some of its activities by awarding contracts for the provision of services relating to the various fields of the Community statistical programme.

1.2 Subject of the contract

This invitation to tender covers, in one single lot the collection of information related to the potential impact, including costs of implementing accruals accounting in the public sector and technical analysis of the suitability of individual IPSAS standards.

1.3 Glossary

EPSAS:

European Public Sector Accounting Standards

ESA 95:

European system of national and regional accounts

IPSAS:

International Public Sector Accounting Standards

IFRS:

International Financial Reporting Standards

SECTION 2 TECHNICAL INFORMATION

2.1 General information and objectives

The sovereign debt crisis has underlined the need for more rigorous, transparent and comparable reporting of fiscal data. Council Directive 2011/85/EU (the Budgetary Frameworks Directive) sets out the rules on Member State budgetary frameworks necessary to ensure compliance with the Treaty obligation to avoid excessive government deficits. Article 3 of the Directive requires Member States to "have in place public accounting systems comprehensively and consistently covering all sub-sectors of general government and containing the information needed to generate accruals data with a view to preparing data based on the ESA 95¹ standard". It thereby acknowledges the essential incoherence between public sector accounts, which may only record cash flows or accruals data according to national standards, and the fact that EU budgetary surveillance is based on harmonised ESA 95 accruals data. This necessitates the transformation of cash and/or accruals data onto a harmonised accruals basis, through approximations and adjustments involving macro-based estimations. Moreover, where accruals accounts do not exist at the micro level, financial transactions and balance sheets have to be derived from a variety of different sources, leading to a "statistical discrepancy" between the deficit compiled via non-financial accounts and the deficit compiled via financial accounts.

Public accounting systems vary significantly between Member States and between different levels of government within a Member State. For example some governments use cash accounting, others use accrual-based accounting, and the scope and content of financial statements varies. The lack of coherence between primary public sector accounts and ESA 95 accruals data is also acknowledged in the Commission communication "Towards robust quality management for European Statistics"². This communication draws attention to the high dependence of the quality of European level statistical information on the appropriateness of the entire production process. Eurostat therefore promotes a system of harmonised accruals-based accounting standards, consistent with ESA, for all entities of the entire government sector. It is important, nevertheless, to note that moving to accruals-based accounts need not mean that the cash basis is abandoned. Cash data remain important, and in many Member States they are used as the basis for government budgeting.

It is in this context that the Budgetary Frameworks Directive³ requested the Commission to assess the suitability of International Public Sector Accounting Standards (IPSAS) for the Member States. IPSAS is currently the only internationally recognised set of public-sector accounting standards. It is founded on the international financial reporting standards (IFRS) widely applied by the private sector and at this point consists of a set of 32 accruals accounting standards, plus one cash-based standard. The Commission has provided its assessment⁴ to the Council and European Parliament, together with the accompanying documents referred to below. It concludes that, even if IPSAS cannot be implemented in EU Member States as it stands currently, IPSAS represents an

¹ Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community, OJ L 310, 30.11.1996, p. 1.

² COM(2011) 211 final.

³ Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States.

⁴ [Report from the Commission to the Council and the European Parliament – Towards implementing harmonised public sector accounting standards in the Member States: The suitability of IPSAS for the Member States, COM\(2013\) 114.](#)

indisputable reference for potential development of European public sector accounting standards (EPSAS), based on a strong EU governance system.

Before the European Commission proposes new initiatives in this domain it should assess the potential economic, social and environmental consequences that they may have. Impact assessment⁵ is a set of logical steps which helps the Commission to do this. It is a process that prepares evidence for political decision-makers on the advantages and disadvantages of possible policy options by assessing their potential impact. The Commission considers that, before taking forward a project to create EPSAS and implementing it in the Member States, it is necessary to take into account impact assessment considerations. A decision can be made only on the basis of an ex-ante review of pros and cons, and likely costs and benefits, therefore Eurostat is seeking the provision of such information through this call for tenders.

The costs of implementing a harmonised accruals-based government accounting standard in the EU Member States are likely to be significant, and, based on the information made available by countries which have moved to accruals accounting, it is only possible to estimate in very broad terms what the costs for the EU Member States might be. Costs are strongly influenced by the scale and pace of accruals implementation, the size and complexity of the government sector, as well as the sophistication of existing systems. In addition, experience suggests that Member States might find it appropriate to modernise their public financial management systems together with the implementation of the new accounting standards.

It should also be borne in mind that, despite the fact that accruals accounting is a more elaborated system than pure cash accounting, the multitude of different accounting standards, charts of accounts, booking processes, and IT systems, as well as auditing standards and practices that often co-exist, even within one sub-sector of general government of a single Member State, suggests that their harmonisation will achieve a degree of reduction in bureaucracy and costs, which in the medium to longer term would far outweigh the expected investment. Furthermore, against the real and important expected financial costs can be balanced the potential benefits, not least those of better governance, accountability, better public sector management and of providing the transparency needed for the proper functioning of markets, thus probably reducing the yields required by owners of government securities, even if this is not measurable.

In order to support the assessment of IPSAS, a survey of the public sector accounting and auditing practices in the Member States was carried out under a previous tender⁶. The results of this survey are available on the Eurostat website⁷.

A Commission staff working document which accompanied the IPSAS assessment report⁸ contains useful background information. Chapter 5 of this document contains the information on costs experienced and estimated of implementing accruals based accounting systems in the Member States collected in support of the Commission Report COM(2013) 114.

⁵ See http://ec.europa.eu/governance/impact/index_en.htm.

⁶ [Invitation to tender for the supply of statistical services for an overview and comparison of public accounting and auditing practices in the 27 EU Member States.](#)

⁷ [Overview and comparison of public accounting and auditing practices in the 27 EU Member States.](#)

⁸ [Commission staff working document accompanying the document "Report from the Commission to the Council and the European Parliament – Towards implementing harmonised public sector accounting standards in the Member States: The suitability of IPSAS for the Member States", SWD\(2013\) 57 final.](#)

Chapter 2 of the same staff working document provides an overview of the 32 accruals-based IPSAS standards, and Chapter 6 discusses their advantages and disadvantages. Based on that Annex 7.1 provides a possible classification of the IPSAS standards.

2.2 Volume of the contract

The volume of the contract is estimated at:

- 300 person-days.
- 6 visits in the EU Member States and 2 visits into other countries.

2.3 Tasks and expected results

Three tasks are foreseen under this contract, concerning:

Potential costs of implementing accruals accounting in the Member States

Evaluation of IPSAS standards and analysis of their application in the EU

Summary of costs and benefits of implementation

Task 1 – Potential costs and benefits of implementing accruals accounting in the Member States

The aim of this task is to perform the necessary studies to collect reliable supplementary information on the costs experienced or to be expected – by type, for the transition to a harmonised accrual-based standard for the Member States, and to scale this amount up to the EU level.

The contractor proposes a methodology for collecting cost and benefit information, taking into account:

- Scope of work that would be needed
- The varying influence on total costs of the individual IPSAS standards
- Possible timetables, scheduling and sequencing of implementation
- Issue of implementation for small and very small public sector entities Staff, expertise, training, audit, IT requirements
- Possible role of EU cooperation to assist with implementation (limit costs)

The actual data collection and analysis of costs and benefits according to the methodology proposed will be performed by the contractor only on a representative sample of 6 Member States. The sample will be selected by the contractor in agreement with Eurostat after the signature of the contract, taking into account, for example, the degree to which financial reporting systems are currently fully or partly accruals based or cash based. The collection of information concerning accruals implementation in non-EU countries (up to 4 countries) should also be considered for the purposes of comparison and validation. The non-EU perspective should support the appropriateness of the methodology chosen for the estimation of the expected costs and benefits up to the EU level.

The contractor should moreover provide proposals concerning the timing, scope and other aspects of implementation that could be developed to minimise implementation costs.

The expected results for this task are an extensive dataset of implementation costs by type based on the experience or estimations of countries/entities which have moved to accruals from cash as well as a list of proposals to minimise the implementation costs. These results should be suitable as a basis for assessing the potential impact in order to support a possible future proposal for an EPSAS framework regulation.

The expected results should be delivered according the following indicative timetable:

- T+5 months: Preliminary outcomes (electronic format) sent to Eurostat (Deliverable D1.1).
- T+8 months: Final draft of the outcomes (electronic format) sent to Eurostat(Deliverable D1.2).
- T+9 months: Eurostat will provide comments and suggestions during the meeting, which the contractor must take into account when finalising the deliverables (Deliverable D1.2).
- T+9.5 months: The final outcomes (electronic format + printed version) should be sent to Eurostat (Deliverable D1.2).
- T +10 months: Eurostat will comment this final version until acceptance (Deliverable D1.2).

T denotes the entry into force of the contract.

Task 2 - Evaluation of IPSAS standards and analysis of their application in the EU

Taking into account the analyses provided in Chapter 2 of the staff working document, which provides an overview of the 32 accruals-based IPSAS standards, Chapter 5 which discusses benefits and costs, Chapter 6 which discusses their advantages and disadvantages and Annex 7.1 which provides a possible classification of the IPSAS standards, the aims of this task are:

- to study the above assessment of the IPSAS accruals standards taking into account the requirements for implementing a set of harmonised accrual standards in the Member States;
- on the basis of an initial list of contact points for the Member States provided by Eurostat, to discuss with Member State experts who have important concerns with existing IPSASs in order to clarify the nature of those concerns and on the basis of that clarification to consult a small number of other Member States' experts to gain their views;
- to determine which IPSAS standards have been transposed into national public accounting frameworks, or used as a reference for national standards, and describe how this has been achieved.

The expected result for this task is an extensive report:

- highlighting issues which, for each IPSAS accruals standard, could impede harmonisation if the standard were to be directly implemented and would serve as a basis for impact assessment considerations;
- giving the contractors assessment of the concerns raised by Member States' experts for each standard, and propose how those concerns might be addressed (e.g. if it would be necessary to change, adapt or add to the IPSAS requirements);
- describing the Member States' different approaches to transposition of IPSAS standards into national legislation. The report will make a comparison highlighting the differences between the "transposed" IPSASs.

The expected results should be delivered according the following indicative timetable:

- T+5 months: Preliminary outcomes (electronic format) sent to Eurostat (Deliverable D2.1).
- T+8 months: Final draft of the report (electronic format) sent to Eurostat(Deliverable D2.2).
- T+9 months: Eurostat will provide comments and suggestions during the meeting, which the contractor must take into account when finalising the deliverables (Deliverable D2.2).
- T+9.5 months: The final report (electronic format + printed version) should be sent to Eurostat (Deliverable D2.2).
- T +10 months: Eurostat will comment this final version until acceptance (Deliverable D2.2).

T denotes the entry into force of the contract.

Task 3 - Summary of costs and benefits of implementation

Taking into account the analyses provided in tasks 1 and 2, the contractor should provide a summary of the key information collected under this contract concerning the costs and benefits of implementation which will be relevant for allowing inputs to the impact assessment, and in a format consistent with that used for such assessments⁹.

The summary will cover at least the following elements:

- Proposals for implementation stages taking into account the objectives outlined in the Commission report on the suitability of IPSAS for EU member states and proposals for the criteria to measure the achievement of those objectives.
- Summary of expected economic and if appropriate social and environment positive impacts indicating quantitative estimates to the extent possible and referring to main beneficiary groups (incl. consumers, businesses, etc.).

Summary of expected economic and, if appropriate, social and environment negative impacts providing quantitative estimates to the maximum extent possible and referring to main groups affected whenever relevant. Please clarify the magnitudes and types of compliance costs and their sources. The expected results should be delivered according the following indicative timetable:

- T+8 months: Final draft of the summary (electronic format) sent to Eurostat (Deliverable D3).
- T+9 months: Eurostat will provide comments and suggestions during the meeting, which the contractor must take into account when finalising the deliverables (Deliverable D3).
- T+9.5 months: The final summary (electronic format + printed version) should be sent to Eurostat (Deliverable D3).
- T +10 months: Eurostat will comment this final version until acceptance (Deliverable D3).

T denotes the entry into force of the contract.

⁹ The impact assessment guidelines can be accessed here:
https://myintracomm.ec.europa.eu/dg/agri/policy/economic_policy_analysis/Documents/Impact_Assessment/IA_Guidelines_2009.pdf

2.4 Meetings and missions

A kick-off meeting (maximum duration one day) will be organised in Luxembourg, in Commission's premises, soon after the signature of the contract.

Progress meetings (maximum duration one day) with Commission staff will be held in Luxembourg, in Commission's premises as follows:

- 1) A progress meeting 3 months after the signing of the contract by both parties

The contractor and Eurostat will meet to evaluate the progress of the project with respect to the work plan and to clarify any emerging issues.

- 2) A final meeting at 9 months after the signing of the contract by both parties

Eurostat will provide comments and suggestions during the meeting, which the contractor must take into account when finalising the deliverables.

It will also be necessary for the contractor to visit individual government entities, or other relevant entities, throughout Europe and outside Europe. It is foreseen to organise up to 6 visits in the EU Member States and 2 visits into other countries (i.e. Switzerland, USA or Canada). The contractor will organise those visits in cooperation with Eurostat. Eurostat staff may participate in visits within and outside Europe. Travel expenses for such meetings and missions should be included in the financial proposal of the tender. Where applicable, the travel expenses of Eurostat staff should not to be considered as part of the financial proposal of the tender.

2.5 Duration and timetable

The contract is expected to be signed in the 3rd quarter of 2013.

Execution of the tasks is to start on the date of entry into force of the contract. The overall duration of the work will be 10 months.

The overall indicative timetable is the following:

Task	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10
Task 1	x	x	x	x	xD1.1	x	x	X D1.2	X D1.2	x
Task 2	x	x	x	x	xD2.1	x	x	X D2.2	X D2.2	x
Task 3	x	x	x	x	x	x	x	X D3	X D3	x

Legend:

- M – month of project lifetime
- x – task's lifetime
- D – deliverables (expected results, see item 2.3 above)

A detailed timetable should be provided by the tenderer in the offer.

2.6 Reports

The work carried out by the contractor under the contract will be the subject of the following reports, which must be sent to Eurostat by the contractor both in hard copy and editable electronic format.

- 5 months after the starting date of the execution of the tasks referred to in Article 1.2.3 of the contract, the contractor shall provide, an interim technical report relating to the execution of the contract describing the results obtained and the means which were implemented for the execution of the contract.

- After acceptance by Eurostat of the deliverables and 10 months after the starting date of the execution of the tasks referred to in Article 1.2.3 of the contract, the contractor shall provide, as soon as possible and within sixty days of completion of the tasks referred to in 2.3, a final technical report relating to the execution of the contract describing the results obtained and the means which were implemented for the execution of the contract.

These reports shall accompany the corresponding invoice.

All reporting should be done in English.

2.7 Assessment of results

Evaluation of the results will be based on the following criteria:

The progress of the work under this project shall be monitored by means of the scheduled meetings mentioned above under section 2.4 and (between those meetings) by direct email and telephone communication between the Contractor and Eurostat. The Contractor shall inform Eurostat in a timely manner of any issues or problems identified during the progress of work.

The principal indicators to be assessed with respect to the quality of the work of the Contractor will be:

- The level of relevant detailed information which is made available.
- The quality, clarity, completeness and relevance of the expert assessment work undertaken to analyse and address concerns related to IPSASs.
- The quality, clarity and relevance of the expert proposals concerning the timing, scope and other aspects of implementation that could be developed to minimise implementation costs.
- The clarity of presentation of the reports.
- The respect of deadlines by the contractor.

2.8 Specific conditions

- Specific requirements to bid for this lot (specific selection criteria)

- At least one expert should prove 5 years experience of using IPSASs and/or IFRSs.
- At least one member should have strong methodological expertise as evidenced by
 - Participation in public sector accounting reform e.g. as an expert, advisor or consultant or
 - Publication as author or co-author of 2 or more articles or other literature on accounting standards and/or reforms or
 - Other equivalent involvement in high level discussions on public sector accounting reforms and/or accounting standards such as active participation in conferences or other high level platforms.

- Resources made available by Eurostat

In order to facilitate the collection of information Eurostat will make available the initial lists of contact points in the Member States and if available, of other countries.

- Specific conditions for the execution of the contract

None

2.9 Award criteria for the assessment of the bids

The technical quality of the bid will be assessed on the basis of the following criteria (see also section 4 item 4.5.2 of the tender specifications on how the contract will be awarded):

1. Comprehension (30 points)

Does the tenderer's interpretation of the terms of reference demonstrate that he has:

- understood the main aspects, scope of the project, the volume of work involved, and above all the objectives and expected results?
- covered all of the essential points?

2. Technical approach and methodology (15 points)

Does the practical implementation proposed for the project demonstrate efficiency and effectiveness of approach and method taking into account any particularities that are mentioned in the specific project/lot?

Level of detail of description of the work and the clarity of practical application on how to achieve the project's goals and outputs, if possible with examples to demonstrate that it will work.

Presentation of the expected results; description of tangible results to be attained.

3. Work plan and timetable (15 points)

Are the work plan and the timetable detailed enough to demonstrate that the method is feasible by the proposed deadline?

Does the work plan make specific reference to mobilisation of the experts/team, appropriate evaluation points, submission of reports and documents, specific meetings etc.?

Does the tender show agreement that implementation of the work programme is feasible, including rapid start-up and reports submitted on time?

4. Management arrangements (20 points)

Organisation of work – covering both implementation of the contract and also how the Contractor will provide support for the management and administration of the contract.

A description of how autonomously the tenderer is able to implement the project, an estimate of how much and what kind of Eurostat involvement would be needed to ensure successful delivery and how cooperation with the Commission will be managed in practice.

Staffing arrangements – Appropriate resources proposed for achieving the desired objectives. Description of how each of the proposed experts will be assigned to the various elements of the work. Description of the control the tenderer will exercise over those working on the project. This should include an indication of how the tenderer will assure continuity if those assigned to the project leave.

5. Quality arrangements (20 points)

Proposed approach to ensure that the service provided/work delivered to Eurostat will be of acceptable quality.

SECTION 3 INFORMATION ON THE CONTRACT

3.1 General information

The submission of a tender in response to an invitation to tender issued by the Commission implies that the tenderer:

- accepts all the conditions laid down in the invitation to tender and the contract (in annex 10);
- waives his or her own conditions of sale/service, terms of business or other general terms and conditions;
- confirms that there has been no collusion with other contractors in bidding for the work and there has been no canvassing or soliciting of Eurostat staff.

All documents submitted by tenderers become the property of the Commission and are deemed confidential.

The Contractor is to carry out the tasks in accordance with:

1. the contract;
2. the technical specifications;
3. the tender.

In the event of conflict between these three documents, their provisions will apply in descending order.

Once the Commission has opened the tender, the document shall become the property of the Commission and it shall be treated confidentially.

Variants are not allowed.

The place of the work will be the Contractor's usual workplace, unless stated otherwise in section 2.

3.2 Payments

Contracts will be expressed in euro. All payments under these contracts will also be made in euro.

Payments under the contract will be made in accordance with Articles I.4 and II.15 of the draft contract in Annex 10.

3.3 Replacement of persons assigned to carry out the work

The Commission expects the contract to be executed by those persons identified in the tender. Whenever a replacement is necessary, the Contractor must ensure a high degree of stability of the services and an effective transfer of information.

Any replacement must be submitted to the Commission for written approval. The Contractor shall provide a timely replacement with at least equivalent qualifications and experience if:

- for duly justified reasons, a person is unable to continue providing his services;
- any person specified in the contract is found by the Commission to be incompetent in discharging or unsuitable for the performance of his duties under the contract or if carrying out his tasks under the contract prejudices the good and timely performance of the contract. Unless otherwise stated, if the Commission requests a replacement in writing, the Contractor must propose a replacement within one month of the receipt of the Commission's request. Failure to make such a proposal within this period will be considered a breach of contract.

Such a replacement will not oblige the Commission to pay any remuneration, fees or costs additional to those laid down in the initial contract. The Contractor must bear any additional costs arising from or incidental to such replacement. Such costs will include the costs of the return journey of the replaced member of staff and his family, the costs of the replacement's training and, if necessary, the expenses arising from the need to maintain simultaneously at the place of work the member of staff to be replaced and his replacement.

3.4 Personal data and intellectual property rights

3.4.1 Personal data

If processing your reply to the invitation to tender involves the recording and processing of personal data (such as your name, address and CV), such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, your replies to the questions and any personal data requested are required to evaluate your tender in accordance with the specifications of the invitation to tender and will be processed solely for that purpose by the unit involved. Details concerning the processing of your personal data are available at:

http://ec.europa.eu/dataprotectionofficer/privacystatement_publicprocurement_en.pdf

Your personal data (name, given name if natural person, address, legal form, registration number and name and given name of the persons with powers of representation, decision making or control, if legal person) may be registered in the Early Warning System (EWS) only or both in the EWS and Central Exclusion Database (CED) by the Accounting Officer of the Commission, should you be in one of the situations mentioned in the Commission Decision 2008/969/EC, Euratom of 16 December 2008 on the Early Warning System (for more information see http://ec.europa.eu/budget/info_contract/legal_entities_en.htm) or the Commission Regulation (EC, EURATOM) N° 1301/2008 of 17 December 2008 on the Central Exclusion Database.

3.4.2 Intellectual property rights

Your attention is drawn on Article I.8 of the contract's special conditions which contains specific provisions on intellectual property rights related to the results of the contract and their use.

SECTION 4 INFORMATION ON THE TENDER PROCEDURE

4.1 General information

This invitation to tender is published in the Official Journal (OJ) in accordance with the "Financial Regulation": REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002¹⁰.

This invitation to tender is intended to be competitive. Any attempt by a tenderer to obtain confidential information, enter into unlawful agreements, collude or make arrangements with competitors, canvass or solicit Commission staff or influence the evaluation committee or its individual members in any way during the tendering process will render his or her tender invalid.

The tender must be clear and concise, with continuous page numbering, and assembled so as to constitute a coherent whole (e.g. bound or stapled, etc.). Since tenderers will be judged on the content of their written offers, these must clearly state that the tenderer is able to meet the requirements of the specifications and is capable of carrying out the work.

Tenders must be written in one of the official languages of the European Union. They must include all the information and documents required by the Commission for the appraisal of tenders on the basis of the exclusion, selection and award criteria, in accordance with these specifications, in the absence of which the Commission may decide to exclude the tender from the award procedure for the contract. For details, see item 4.4 "Structure of the tender".

4.2 Who may participate in this invitation to tender

Participation in this invitation to tender (including each member of a consortium if applicable) is open on equal terms to all natural and legal persons coming within the scope of the Treaties and to all natural and legal persons who are nationals of countries which:

- have a special agreement with the European Union in the field of public procurement under the conditions laid down in that agreement or,
- have ratified the Plurilateral Agreement on Government Procurement (GPA) concluded within the WTO, under the terms of that Agreement.

A service provider may consider submitting a tender as a single entity or decide to collaborate with other service providers to present a bid: either by submitting a joint tender (via a consortium) or through subcontracting. These two approaches may be combined.

In all cases the tender must clearly specify whether the providers involved in the tender are acting as members of the consortium (joint tender) or as subcontractors (this also applies where the companies involved belong to the same group or where one of these companies is the parent company of the others).

¹⁰ OJ L298 of 26.10.2012

A **joint tender** is a situation where an offer is submitted by a group of tenderers (consortium). If awarded the contract, each member of the consortium will be jointly and severally liable towards the Commission for the performance of the contract.

Consortia members in joint tenders may submit only one tender for a single contract. The tender must indicate which member will represent the consortium in dealing with the contracting authority. The tender must describe the form the cooperation is to take in order to achieve the desired results and how technical, administrative and financial aspects will be organised.

If the tender does not mention that all members are jointly and severally liable, all other parties included in the tender than the party signing the tender (tenderer) will be considered subcontractors.

Subcontracting is the situation where a contract has been or is to be concluded between the Commission and a contractor and where the contractor, in order to carry out the contract, enters into legal commitments with other legal or natural persons for performing part of the service (in particular, any work performed by an expert who is not an employee of the tenderer will be considered as subcontracted). The Commission has no direct legal relationship with the subcontractor(s).

If certain tasks provided for in the contract are entrusted to subcontractors, the Contractor shall remain bound by his obligations to the Commission under the Contract and shall bear exclusive liability for proper performance of the Contract. (see Article II. 7 of the draft contract in Annex 10).

During implementation of the contract the Contractor must obtain prior written approval from the Commission in order to replace a subcontractor and/or have work which was not originally subcontracted in the original tender carried out by third parties.

See Section 4, item 4.4 which information must be provided in case of consortium and subcontracting.

4.3 How to send a tender

4.3.1 General Information

If you are interested in this contract, you should submit one original and four copies of your tender (see structure below) on paper (for each lot concerned, if several lots are proposed).

You must indicate on the parcel the title of the call for tender, the reference number, the lot number (if any) and the name of the tenderer. It should also bear the words "Invitation to tender – not to be opened by the mail service". If a self-adhesive envelope is used as parcel, it must be sealed with adhesive tape and the sender must sign across this tape.

The tender must meet the deadline mentioned in the contract notice and be submitted:

- either **by registered mail or by courier service**, postmarked or registered by the courier service not later than **01/08/2013**, to the following address:

European Commission
Eurostat - Unit A.5 - (CAD) BECH F2/907
Jean Monnet Building
Rue Alcide de Gasperi
L-2920 Luxembourg (Kirchberg)

The outer envelope should bear, in addition to this address, the project title and the reference number of the invitation to tender.

- or **by hand delivery**, i.e. by delivery in person or by an authorised representative, not later than **4.00 p.m.** on **01/08/2013** to the following address:

European Commission
Eurostat - Unit A.5 – (CAD) BECH F2/907
Jean Monnet Building – Main entrance
Rue Albert Wehrer
L-2920 Luxembourg (Kirchberg)

where a signed and dated receipt must be obtained from an official in the Commission's central mail department who takes delivery. This department is open from 08:30 to 17:30 Monday to Thursday, and from 08:30 to 16:30 on Friday. It is closed on Saturday, Sunday and Commission holidays.

If the bid is delivered by hand in person, it must actually reach the address indicated above no later than the hour and day indicated. See the summary table below:

	Final date	Proof concerning	
		submission of tender	compliance with deadline
Registered letter deposited in the post office network	The tender must be posted on the final date at the latest (regardless of the time)	Receipt issued by the post office	Postmark
Mail deposited with a messenger service	The tender must be deposited with the messenger service on the indicated date at the latest (regardless of the time)	Receipt issued by the messenger service	Date of the receipt
Delivery by hand, by the tenderer or by an authorised representative	The tender must arrive at the above-mentioned office address no later than the specified time on the final date.	Receipt signed by an official of the above-mentioned Commission service, indicating the date and time of receipt. This receipt will be issued on the spot to the tenderer or authorised representative.	Date of the receipt

The Commission will not reimburse expenses incurred in preparing and submitting tenders.

4.3.2 Date and place of opening of the tenders

Tenders will be opened on **20/08/ 2013 at 10 a.m.** at the following address:

Eurostat
Room B4/444
Joseph Bech Building
rue Alphonse Weicker, 5
L-2721 Luxembourg (Kirchberg)

One authorised representative of each tenderer may be present at this opening session. A written authorisation signed by the tenderer or his duly authorised agent must be presented to the chairman of the opening committee.

4.3.3 Contact with Eurostat

In principle, no contact is permitted between the Commission and the tenderer during the procedure. However, contact may exceptionally be permitted before the final date for the receipt of bids:

- On the tenderers' initiative in order (and only then) to clarify the nature of the contract. Such requests for additional information should be in writing only and indicate the section(s) and paragraph(s) to which they refer. They may be sent by letter, fax or e-mail only to the address given below. Provided it has been requested in good time, such additional information will be supplied simultaneously to all economic operators on the Internet address <http://ec.europa.eu/eurostat/callsfortenders> no later than six days before the deadline for the receipt of tenders or, in the case of requests for information received less than eight calendar days before the deadline for receipt of tenders, as soon as possible after receipt of the request. The contracting authority is not bound to reply to requests for additional information made less than five working days before the deadline for receipt of tenders.
- On the initiative of the contracting authority, in order to inform all interested parties of the existence of an error, a lack of precision, an omission or any other type of defect in the documents relating to the invitation to tender by supplying informations on the Internet address <http://ec.europa.eu/eurostat/callsfortenders>

After the tenders have been opened, contact may be permitted only on the initiative of the contracting authority, where some clarification is required in connection with a tender, or if obvious clerical errors in the tender must be corrected.

In any event, such contact must not lead to any amendment of the terms of the tender.

Under the conditions described above, further information can be obtained by sending a **letter, fax or e-mail** to:

ESTAT FINANCIAL CELL DIR C-D
Eurostat
BECH E4/820
Jean Monnet Building
Rue Alcide de Gasperi
L-2920 Luxembourg (Kirchberg)
E-mail: ESTAT-FINANCIAL-CELL-DIR-C-D@ec.europa.eu

4.3.4 Period of validity of the tender

Tenders must be firm and not be subject to revision for the duration of the work. The tender must remain valid for a period of **12 months** following the closing date for receipt of the tenders as indicated under point IV.3.4 of the contract notice. Where the initial contract is stated to be renewable, the offer will remain valid for such renewals. Upon renewals of contracts, the Commission reserves the right to request updated forms for exclusion and selection criteria (see item 4.4 below). The contract(s) will be signed within the validity period, during which the tenderer must continue to meet all the requirements set in the exclusion, selection and award criteria. If the situation concerning these requirements has altered in the period that has elapsed since the tender in question was submitted, any changes must be reported immediately and at the bidder's own initiative to the Commission.

4.4 Structure of the tender

Tenders must be presented in the following five sections including all the requested information (in the absence of which the Commission may decide to exclude the tender

from the award procedure for the contract) and perfectly legible so that there can be no doubt as to words and figures:

- *Section One: Administrative information*
- *Section Two: Exclusion criteria*
- *Section Three: Selection criteria*
- *Section Four: Technical bid*
- *Section Five: Financial bid*

The Commission reserves the right to request any other additional information in relation to the tender submitted, for evaluation or verification purposes within a time-limit mentioned in its request.

4.4.1 Section One: Administrative information

In the first section, the tenderer must provide:

- A cover letter duly signed by the legal representative of the tenderer
- A table of contents (with page numbers)
- Administrative documents concerning its legal situation, i.e.:

Case 1: Submission by one tenderer

- The completed "Administrative information form" as provided in Annex 1;
- The "Legal entity form" (Annex 2) completed and signed by an authorised representative of the tenderer, accompanied by all the requested supporting evidence. A standard form for individuals, private entities and public entities in each Member State language is available at the following Internet address:
http://ec.europa.eu/budget/info_contract/legal_entities_en.htm
- The "Financial identification form" (Annex 3) filled in and signed by an authorised representative of the tenderer and his bank. A specific form for each Member State is available at:
http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm
- The questionnaire for joint bids and/or subcontracting signed by a legal representative of the tenderer (lead partner in case of joint bid with subcontracting) (Annex 4)

Case 2: Submission in case of the tenderer with subcontractor(s)

If the tenderer wishes to subcontract all or part of the services, in addition to the documents to be provided in case 1, the following information must be provided in the tender:

- The "Legal entity form" (Annex 2) completed and signed by the authorised representative of each subcontractor, accompanied by all the requested supporting evidence. A standard form for individuals, private entities and public entities in each Member State language is available at the following Internet address:
http://ec.europa.eu/budget/info_contract/legal_entities_en.htm;
- A letter of availability from the subcontractor that he intends to work together with the tenderer if the tenderer is awarded the contract (Annex 5) ;

Case 3: Submission of joint tender

Each entity involved (all members of the consortium included the lead partner) must provide following documents:

- The completed "Administrative information form" as provided in Annex 1;
- The "Legal entity form" (Annex 2) completed and signed by an authorised representative of the tenderer, accompanied by all the requested supporting evidence. A standard form for individuals, private entities and public entities in each Member State language is available at the following Internet address:

http://ec.europa.eu/budget/info_contract/legal_entities_en.htm

- A letter signed by each member of the consortium, except the lead partner, giving the authorisation to the lead partner to submit the tender on its behalf.

In addition, the following documents must be provided by the lead partner:

- The "Financial identification form" (Annex 3) filled in and signed by an authorised representative of the tenderer and his bank. A specific form for each Member State is available at:
http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm
- The questionnaire for joint bids and/or subcontracting signed by a legal representative of the lead partner. (Annex 4)

The following document must be provided by the lead partner only before the signature of the contract and on the request of the Commission:

- "Power of attorney" filled in and signed by an authorised representative of each partner (Annex 6)

4.4.2 Section Two: Exclusion criteria

The tenderer(s) including each partner in case of joint tender and each subcontractor must provide the "Declaration on grounds for exclusion" (Annex 7).

Tenderers will be excluded from participation in the procedure of the call for tenders where:

- (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;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) they have not fulfilled 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 judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the European Union' financial interests;
- (f) they are currently subject to an administrative penalty following the cases where :

- they have been 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.
- they have been declared to be in serious breach of their obligations under contracts covered by the European Union budget.

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

- (g) are subject to a conflict of interest.
- (h) 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.
- (i) find themselves in one of the situations of exclusion referred to points (a) to (f) above.

Only on request, and for contracts of a value higher than EUR 130°000, the tenderer(s) (all partners in case of joint tender) to whom the contract is to be awarded shall have to provide evidence that they are not in any of the situations listed above.

The contracting authority will accept, as satisfactory evidence:

- for situations referred to in (a), (b) or (e), a recent extract (dated no earlier than 4 months before the deadline for submission of tenders) from the judicial/criminal records or, failing this, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance attesting that these requirements are satisfied;
- for the situation referred to in (d), a recent certificate or letter (dated no earlier than 4 months before the deadline for submission of tenders) issued by the competent authority of the State concerned. These documents must provide evidence of payment of all taxes and social security contributions for which the tenderer is liable, including VAT, income tax (natural persons only), company tax (legal persons only).

Where the Tenderer is a legal person and the national legislation of the country in which the Tenderer is established does not allow the provision of such documents for legal persons, the documents should be provided for natural persons, such as the company directors or any person with powers of representation, decision making or control in relation to the Tenderer.

For any of the situations referred to in (a), (b), (d) or (e), where any document described in the two paragraphs above is not issued in the country concerned, it may be replaced by a sworn or, failing that, a solemn statement (the form in Annex 7 may be used for this purpose) made by the interested party in front of a judicial or administrative authority, a notary or a qualified professional body in his country of origin or provenance.

- for situations referred to in (c), (f), (g) and (h) the form in Annex 7 duly signed and dated by the interested party.

The contracting authority may impose administrative and financial penalties on tenderers to whom one of the grounds for exclusion listed above applies, in accordance with the Financial Regulation.

4.4.3 Section Three: Selection criteria

a- Economic and financial capacity:

Tenderer(s), in case of joint tender each partner, must

- fill in the compulsory reply form for accounting data (Annex 8)

- enclose the full set of annual accounts (balance sheet, profit and lost account and notes on the accounts) for the last two years.

If these documents are unavailable for a valid reason properly justified in the tender, the tenderer may prove his economic and financial capacity by other means which the Commission considers appropriate.

If these documents have already been provided within the framework of another call for tender published by Eurostat in 2013, you do not have to provide them again.

b-Technical and professional capacity:

The following documents must be provided by the tenderer(s) as an evidence of the educational and professional qualifications:

- Tenderers must enclose a CV of all personnel to be involved directly in performing the contract (including those working for any subcontractors) indicating educational and professional qualifications and experience in areas relevant to the subject of this tender.
- In the CV the language competence must be mentioned, bearing in mind that the main working languages in the Commission are English, French and German.
- Tenderers must indicate whether or not the proposed staff is currently working for the tenderer on the date of submission of the offer. The tender will clearly indicate if the proposed expert is an employee or not of the tenderer. If the proposed expert is not an employee, he/she will be considered as a subcontractor. Any person who is engaged on another project, where the input from his/her position in that contract will not have ended before the expected start of his/her activities under this contract, and where this commitment restricts his/her intended role under this contract must not be proposed for this contract.
- A signed commitment (letter of availability) from all involved persons (including employees and subcontractors) to accept the work proposed by the tenderer if the tenderer is awarded the contract (Annex 5) must be attached.

In addition, the tenderer shall provide a list of the principal services provided in the past three years, with the amounts, dates and recipients (public or private) and any relevant evidence proving the requirements of the specific selection criteria (refer to section 2 item 2.8).

4.4.4 Section Four: Technical bid

The technical bid is the core of the tender and it is essential that it conforms perfectly to all requirements listed in the technical specifications.

If it is intended to subcontract part of the service, this should be indicated and quantified (the identity of and resources provided by the subcontractor).

4.4.5 Section Five: Financial bid

The compulsory reply form (Annex 9) must be used.

- prices must be expressed in euro
- prices should be quoted free of all duties, taxes and other charges, i.e. also **free of VAT**, as the European Commission is exempt from such charges pursuant to the provisions of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Union (of 8 april 1965).
- All costs associated with the completion of the work, including overheads such as infrastructure, administration, costs and travel should be included in the overall fixed price in the financial proposal (no reimbursable variable costs).

4.5 Assessment method and award of the contract

4.5.1 Exclusion and selection of tenderers

The assessment of tenderers will take place in 2 stages:

a- Exclusion of tenderers

The exclusion criteria will be assessed in relation to each tenderer or subcontractor individually.

To be eligible for participating in this tender procedure, tenderers must not be in any of the situations covered by the exclusion criteria (see item 4.4.2)

b- Selection of tenderers

Tenderers will be selected if they have the economic and financial capacity as well as the technical and professional capacity to perform the tasks required in this call for tender.

The economic and financial capacity of tenderer will be assessed on the basis of the last annual turnover and the examination of the following figures or ratios (own funds capital, working capital, gross operating surplus, net result, self-financing capacity, general liquidity, debt, coverage of third-party funds by self-financing capacity, and profitability). Special attention will be paid to the following criteria: own funds, working capital, gross operating surplus, liquidity ratio and debt ratio.

The technical and professional capacity of tenderer(s) will be assessed from the qualifications of the staff/experts proposed, the principal services provided in the past three years and, if any, the specific requirements mentioned in the tender specifications. In the case of joint tender (consortium) or subcontracting, the technical and professional capacity shall be assessed in relation to the combined capacity of all the parties involved in the tender

The assessment will be based on the tender and on tenderers' answers in the compulsory reply forms. Tenderers who wish to be taken into consideration must submit all the necessary supporting documents and must use the forms provided in the annexes to this document.

Incomplete tenders may be rejected. However, the Commission may request the submission of missing formal documents by electronic mail (normally to be submitted within 24 hours of the request).

In addition, the Commission reserves the right to use any other information from public or specialist sources.

4.5.2 Award of the contract

a- Evaluation of the technical quality of the bid

The evaluation (award) criteria will be assessed in relation to the tender as a whole.

The technical bid (including any subcontracted parts) must be sufficiently detailed to enable the bid to be assessed on the basis of all award criteria mentioned under item 2.9 of section 2 of the tender specifications. It should meet the technical specifications and address all matters laid down therein. The tender should provide all the information required to award the contract, including a description of the intended team structure and the respective role of each team member and (where applicable) models, examples and technical solutions to problems raised in the specifications.

Merely repeating the mandatory requirements set out in these specifications without going into detail or adding any value will result in a very low score. The degree to which the criteria are met will be measured by a points score for each criterion. The relative

importance of criteria for the overall score is indicated by the weighting of the award criteria.

Before its dispatch, please check that your bid is well documented according to the award criteria.

b- Method of selecting the economically most advantageous tender

Only tenderers whose bid has scored 50 points or more on the technical evaluation according to the criteria and points set out under item 2.9 of section 2 may participate in the evaluation of the financial proposal. The contract will be awarded to the economically most advantageous tender, on the basis of the following method: the price of each bid is divided by the number of technical points awarded to the bid. The bid with the lowest ratio is deemed the economically most advantageous.

c- Notification of tenderers of decisions taken by the contracting authority

The contracting authority will inform all unsuccessful tenderers, simultaneously and individually, as soon as possible after the award decision and within the following week at the latest, by fax or electronic means, that their application or tender has not been accepted, specifying in each case the reasons why the tender or application has not been accepted.

At the same time that it notifies unsuccessful tenderers that they have not been accepted, Eurostat will notify the successful tenderer of the award decision. This notification does not constitute a commitment on the part of Eurostat.

Unsuccessful tenderers may request additional information about the reasons for their rejection in writing by mail, fax or email, and all tenderers who have put in an admissible tender (i.e. one that meets the exclusion and selection criteria) may obtain information about the characteristics and relative merits of the tender accepted and the name of the successful tenderer.

However, certain details need not be disclosed where disclosure would hinder application of the law, would be contrary to the public interest or would harm the legitimate business interests of public or private undertakings or could distort fair competition between those undertakings.

The contracting authority must reply within fifteen calendar days from receipt of the request.

The contracting authority may not sign the contract with the successful tenderer until 14 calendar days have elapsed.

That period shall run from either of the following the day after the simultaneous dispatch of the notifications to successful and unsuccessful tenderers.

Where fax or electronic means are used for the communication with tenderers, the standstill period shall be 10 calendar days

If only one tender has been received, there will not be a standstill period for signing the contract.

If necessary, the contracting authority may suspend signing of the contract for additional examination if justified by the requests or comments made by unsuccessful tenderers during the standstill period or any other relevant information received during that period. In that event, all the tenderers must be informed within three working days following the suspension decision.

Should it not be possible to conclude the contract with the successful tenderer or should they withdraw, Eurostat reserves the right to review its decision and to award the contract to another tenderer, to close the procedure or to abandon the procurement.

Any request for information and any reply will have neither the purpose nor the effect of suspending the deadline for lodging an appeal against the contract award decision, which must be done within two months of the notification.

d- No obligation to award the contract

Opening to competition or the launch of an invitation to tender in no way imposes on the Commission an obligation to award the contract. The Commission will not be liable for any compensation for tenderers whose tenders have not been accepted, nor will it be so liable if it decides to abandon the procurement or cancel the award procedure. This decision would be substantiated and notified to the tenderers.