

SPECIFICATIONS

To Invitation to Tender DG ENV.C.5/SER/2009/0045

Policy options for including LULUCF in the Community reduction commitment and policy instruments for increasing GHG mitigation efforts in the LULUCF and agriculture sectors

These specifications follow the publication of

- the contract notice in OJEU 2009/S 117-168436 of 20/06/2009

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PART 1: TECHNICAL DESCRIPTION

1. Background

In December 2008 the European Parliament and Council reached an agreement on the EU Climate Change and Energy package to reduce its overall emissions to at least 20 percent below 1990 levels by 2020. Provided that other developed countries commit themselves to comparable emission reductions the EU has committed to reduce emissions to 30 percent below 1990 levels. The package includes four key elements:

- a directive to amend the EU Emissions Trading Scheme (ETS) in which trading sectors are obliged to reduce emissions by 21% compared to 2005
- a decision on the effort of Member States, the so called Effort Sharing Decision (ESD), to reduce their emissions in the non-trading sectors by 10% compared to 2005
- a directive to reach 20% renewable energy of final energy use by 2020
- a directive on legislative framework for carbon capture and storage

Emissions and removals related to **land use, land use change and forestry (LULUCF)** in the Community are not yet included in neither ETS nor ESD. However, according to the ESD (articles 8 and 9) and ETS (article 28), the Commission shall, within 3 months of the signature of an international agreement, assess ways to include emissions and removals related to land use, land use change and forestry in the Community. On the basis of rules agreed as part of an international agreement on climate change, the Commission shall make a proposal, to enter into force upon the approval by the Community of the international agreement, to include emissions and removals related to LULUCF in the Community reduction commitment according to harmonised modalities ensuring permanence and the environmental integrity of the contribution of LULUCF as well as accurate monitoring and accounting. The Commission shall also assess whether the distribution of individual Member States' effort should be adjusted accordingly. In the event that no international agreement on climate change is approved by the Community by the end of 2010, the Commission will carry out the above mentioned tasks by mid 2011. Member States may specify their intentions for the inclusion of LULUCF in the Community reduction commitment and, taking this into account, the Commission shall, as appropriate, make a legal proposal aimed to enter into force from 2013 onwards.

Agriculture is part of the ESD and it is up to Member States to define and implement policies and measures in sectors under this decision. The Commission is obliged (according to article 8 of the ESD) to assess the need for further common and coordinated policies and measures at Community level as well as to make proposals in view of the GHG reduction commitments of the Community and of Member States.

In the light of the EU's current and future ambitious reduction commitments all available policy options must be explored to ensure cost effectiveness and environmental integrity. Agriculture and LULUCF are important in meeting these commitments. Agriculture emissions amount to 9 percent of total EU-27 GHG emissions, or two thirds of all nitrous oxide emissions and half of all methane emissions. LULUCF is currently a net sink and amounts to 10 percent as compared to EU-27 total emissions. However, certain LULUCF activities, in particular cropland management

and conversion of other land to cropland, are significant sources of emissions. As the LULUCF sector varies among Member States, further categories may also be net sources for some Member States.

The agriculture and LULUCF sectors offer a considerable potential for both reducing their GHG emissions and sequestering carbon. Ways in which they can directly or indirectly contribute to GHG mitigation efforts include improving farming practices, converting non-forestland to forest, reducing land-use changes involving significant carbon losses (e.g. conversion of forests, grasslands or wetlands), preserving and increasing carbon in existing forest and agricultural soils and vegetation, growing biomass to substitute fossil fuel based products and reducing the energy use in agricultural and forestry activities.

Diverse regional conditions, relating to e.g. climate, soil and agricultural production systems, throughout Europe play an important role in mitigation possibilities. Therefore, it is necessary to formulate policies that take into account specific regional conditions and feasibility of mitigation while taking advantage of the opportunities that the different production systems can offer. Policies must also use synergies between different environmental and sector policies and take account of linkages between different environmental impacts.

2. Objectives

The overall objective of this contract is to support the European Commission in:

1. developing and analysing different policy options at EU level to include LULUCF in the Community reduction commitment;
2. developing and analysing different policy instruments at EU level to reduce emissions and increase removals from agriculture and forestry and contribute to the sustainability of biomass production through correct accounting for associated GHG emissions and removal or through other policy means; and
3. elaborating the technical, economic and legal aspects of the most promising options and instruments.

3. Content / Description of the tasks

In order to achieve the objectives of the assignment the contractor needs to perform the following tasks:

Task1 – Policy options for including LULUCF in the Community reduction commitment

Task 1a: Assess the current status of the LULUCF sector in the climate policy regime

The contractor shall:

- take stock of international policy experiences and developments with regards to including land-based emissions and removals in mitigation commitments;

- identify strengths and weaknesses of the current accounting rules under the UNFCCC, outlining the possibilities and limitations for LULUCF to stay within the existing Community and national legislation;
- assess the status of implementation in the Community (e.g. inventory, monitoring, election of activities), and identify how a more extensive election of LULUCF activities could be achieved;
- present trends in GHG emissions and removals from the sector, taking account of developments in the agricultural sector (e.g. resulting from changes in the Common Agricultural Policy (CAP), such as the scrapping of set-aside land) and the forestry sector (e.g. age-class effects of forests) up to 2030; and
- assess the (expected) contribution of LULUCF to compliance with the Kyoto Protocol in Member States and at the Community level.

Task 1b: Policy options for inclusion in the Community reduction commitment

Building on Task 1a and making linkages to the existing framework, the contractor shall develop and analyse different policy options to include LULUCF in the Community reduction commitment and assess the impacts, strengths and weaknesses of each of them.¹ The following options could be envisaged by way of example:

- including (parts of the) LULUCF sector in the effort sharing among Member States for the non-emission trading sectors thus allowing Member States to use LULUCF in a cost-effective way to meet their national targets;
- treating LULUCF as a separate sector outside the effort sharing decision and emission trading scheme but use separate reduction targets per Member State for the LULUCF sector where targets are based on fairness considerations (GDP/capita in the past), potentials, and, where appropriate, specific consideration of national circumstances (for instance, taking account of differences in the distribution of land use or soil conditions); and
- developing an EU-wide framework for the LULUCF sector.

Subject to agreement with the Commission services, the contractor shall **develop at least three options in detail**. This requires interaction with the Commission and participation in meetings where necessary.

According to articles 3.3 and 3.4 of the Kyoto Protocol, LULUCF includes afforestation, reforestation and deforestation, forest management, cropland management, grazing land management and revegetation. In the framework of the international negotiations, the catalogue of LULUCF activities may be extended by devegetation and wetland management. Furthermore, harvested wood products (HWPs) may be included as a carbon pool when considering forest management. For this reason, the contractor has to factor in developments in the international negotiations in its work.

¹ Within the frames specified by the international agreement if and when such an agreement is reached.

There are also discussions to move from the current activity-based accounting for LULUCF activities towards a land-based accounting system. The implications of such changes, should they be agreed on in Copenhagen, should also be taken into account.

Task 2 – Policy instruments for increasing GHG mitigation efforts in the LULUCF and agriculture sectors

Task 2a – Identify relevant emissions and removals and related mitigation measures

In order to select and develop relevant policy instruments the contractor shall:

- prepare a brief overview of scientific literature that sets the scene for the work with respect to key sources of emissions and removals as well as the key measures for mitigation in agriculture and LULUCF,² and of their technical and economic mitigation potential; and
- assess the potential to monitor the effects of the proposed measures, taking account of the state of knowledge to assess carbon stocks and fluxes at regional and local level, and the appropriate monitoring via Tier 1, 2 and 3 approaches according to IPCC guidelines. This assessment should also take account of the feasibility of applying different approaches for different sources of emissions (e.g. Tier 2 and 3 approaches limited to "hot spots" of large emissions).

Task 2b – Identify the potential for amended and/or additional policy measures

- The contractor shall undertake a comprehensive and thorough review of legislation and policy at the EU and national levels³ that directly or indirectly have an impact on the emissions and removals in LULUCF, emissions from agriculture and the production of biomass;
- Legislation and policy should be analysed in terms of their impact on GHG mitigation and other environmental linkages (e.g. to soil, water, biodiversity, air);
- Legislation and policy should be assessed in terms of their strengths, weaknesses, opportunities for improvements and obstacles to change in terms of creating incentives for the above identified key measures to be carried out as well as in terms of their risks (e.g. of carbon leakage); and

² Results from existing studies, such as *Impact of Environmental Agreements on the CAP* (MEACAP), *Policy Incentives for Climate Change Mitigation Agricultural Techniques* (PICCMAT) and the ECCP agricultural sinks report, as well as on-going studies such as *Greenhouse Gases Emissions from EU Livestock Systems* (GGELS), *Climate Change – Terrestrial Adaptation & Mitigation in Europe* (CC-TAME) and *The climate change mitigation potential of EU farms: towards a farm based integrated assessment* and other relevant studies shall be taken into account as and when they are available. Also see the study on non-CO₂ GHG emission reductions for the Climate and Energy Package http://ec.europa.eu/environment/climat/pdf/climat_action/ir_07_nonco2.pdf.

³ Such as the recently adopted Renewables Directive, the Common Agricultural Policy (e.g. Rural Development and Cross Compliance), Water Framework Directive (2000/60/EC), Nitrates Directive (91/676/EEC), National Emissions Ceiling Directive (2001/81/EC) the Integrated Pollution Prevention and Control Directive (96/61/EC) and Habitats Directive (92/43/EEC)

- Policy trends, as well as market developments (e.g. for forest products) and their expected impact should be included in the analysis.

Task 2c – LULUCF: Policy instruments at EU level to reduce emissions and increase removals

Building on Tasks 2a and 2b, the contractor shall:

- suggest amendments to current Community legislation that create incentives to undertake the key mitigation measures (as identified above) in the LULUCF sector; and
- propose new policy instruments or combinations of policy instruments that create incentives to undertake the key mitigation measures (as identified above) in the LULUCF sector. Where appropriate, existing policy instruments should be used as leverage. Subject to agreement with the Commission services, **at least three policy instruments shall be developed in detail.**

Policy instruments may be mandatory or voluntary in character and can be incentive based as well as regulatory. By way of example they can include financial support, e.g. in the form of (redirected) CAP funding, project based credits and 'cap and trade'. The instruments may also relate to policies outside the LULUCF sector (e.g. expanding the carbon pool in HWP's via measures in the construction sector) if they are deemed to be strong drivers. Discussions on design options shall include a description of:

- eligibility;
- definition and assignment of targets and/or baselines;
- monitoring, reporting and verification regime; and
- definition and certification of eligible measures and compliance and enforcement regimes.

Task 2d – Agriculture: Policy instruments at EU level to reduce emissions

Building on Tasks 2a and 2b, the contractor shall:

- suggest amendments to current Community legislation that create incentives to undertake the key mitigation measures (as identified above) in the agriculture sector; and
- propose new policy instruments or combinations of policy instruments that create incentives to undertake the key mitigation measures (as identified above) in the agriculture sector. Where appropriate, existing policy instruments should be used as leverage. Subject to agreement with the Commission services, **at least three policy instruments shall be developed in detail.**

Policy instruments may be mandatory or voluntary in character and can be incentive based as well as regulatory. By way of example they can include financial support, e.g. in the form of (redirected) CAP funding, project based credits and cap and trade. The instruments may also relate to policies outside the agriculture sector if they are deemed to be strong drivers.

Discussions on design options shall include a description of:

- eligibility;
- definition and assignment of targets and/or baselines;
- monitoring, reporting and verification regime; and
- definition and certification of eligible measures and compliance and enforcement regimes.

Task 3 – Assessing the proposed policy options and instruments

The contractor shall make a qualitative and quantitative assessment at Community and Member State level of the policy instruments selected and developed in detail in Task 2. Criteria for assessing the potential performance of proposals may include ability to:

- achieve GHG mitigation;
- achieve cost effectiveness;
- operate at low transaction, administrative and monitoring costs;
- take account of the risk of non-permanence of the effects of measures;
- take into account the regional differences within EU with regard to mitigation potential, and with regard to appropriate measures;
- promote use of various mitigation channels (e.g. choice of inputs, production technology/management practice, output reduction);
- address distributional and social (employment and health) aspects;
- promote innovation;
- handle uncertainties;
- address leakage and indirect land use change; and
- optimise environmental linkages and interactions with existing regulatory frameworks.

The criteria used for the assessment will be agreed with the Commission services.

4. Scope – General requirements

- Policy instruments shall target removals of carbon and emissions of carbon dioxide, nitrous oxide and methane in EU-27 and should be developed with implementation in 2013 in mind.
- In developing policy options and instruments, the contractor shall take into account linkages between different policies, policy objectives and their different environmental linkages in addition to climate change (water, soil, biodiversity, air etc.).
- The contractor is required to take into account relevant policy developments during the course of the contract, both at the EU level and in the international negotiations within the UNFCCC.

5. Experience required of the Contractor

The core team of the successful tenderer should have:

- Demonstrable expertise in the field of environmental, agricultural and forestry policy and analysis of the impacts of mitigation measures and policy instruments;
- Demonstrable expertise in agriculture, forestry and other land use determinants;
- Demonstrable expertise in the legal aspects of relevant Community legislation;
- Demonstrable competence in GHG inventory and reporting (rules and methodologies) in the LULUCF and agriculture sectors;
- Very strong analytical skills and demonstrable experience of interdisciplinary policy analysis; and
- Demonstrable capacity to organise and execute the tasks.

The team of the successful tenderer shall include:

- Team leader with at least 10 year experience in management of complex international projects funded by the European Commission or other multilateral financial institutions (e.g. the World Bank, the European Investment Bank, the International Finance Corporation, etc.) in the field of environment, agriculture and LULUCF policies; and
- Sufficient number, but no fewer than 2 key experts, capable of timely delivery of all deliverables stated in the Section 6, each with at least 5 year experience in development and assessment of climate change mitigation policies in agriculture and LULUCF.

6. Deliverables

To meet the needs of the Commission services, the contractor shall:

1. No later than **2 months** after signing the contract deliver the **first interim report** showing the results:
 - a. from Task 1a: as specified in section 3.
 - b. from Task 1b: a first analysis of potential policy options along with a brief analysis of their strengths and weaknesses. Based on the analysis, the contractor shall propose at least three policy options to be developed in detail.
2. No later than **4 months** after signing the contract present the **second interim report**, delivering:
 - a. from Task 1a: updates, if needed.
 - b. from Task 1b: a detailed description, analysis and proposal of the policy options agreed with the Commission services after the first interim report and as specified in section 3.
3. No later than **7 months** after signing the contract present the **third interim report**, delivering:
 - a. from Task 1: an update, if needed.
 - b. from Task 2a: as specified in section 3.

- c. from Task 2b: as specified in section 3.
 - d. from Task 2c: a first analysis of possible amendments in current legislation and potential new policy instruments relating to LULUCF along with a brief analysis of their strengths and weaknesses, as specified in section 3. Based on the analysis, the contractor shall propose at least three policy instruments, in addition to possible amendments of current legislation, to be developed in detail.
 - e. from Task 2d: a first analysis of possible amendments in current legislation and potential new policy instruments relating to agriculture along with a brief analysis of their strengths and weaknesses, as specified in section 3. Based on the analysis, the contractor shall propose at least three policy instruments, in addition to possible amendments of current legislation, to be developed in detail.
4. No later than **11 months** after signing the contract present the **draft final report** including:
- a. from Task 2a: an update, if needed.
 - b. from Task 2b: an update, if needed.
 - c. from Task 2c: a detailed description, analysis and proposal of amendments to current legislation and of new policy instruments for LULUCF as agreed with the Commission services after the third interim report and as specified in section 3.
 - d. from Task 2d: a detailed description, analysis and proposal of amendments to current legislation and of new policy instruments for agriculture as agreed with the Commission services after the third interim report and as specified in section 3.
 - e. from Task 3: an assessment of the proposed policy instruments, as specified in section 3.
 - f. an Executive summary .
5. No later than **12 months** after signing the contract submit the **final report** and detailed description of the work performed. The final report shall be delivered in an electronic format (MS Word or Adobe Reader compatible) and 10 hard copies (paper copy) to the Commission.

The tenderer shall budget for at least four meetings with the Commission services in Brussels as well as for interaction with contractors carrying out the economic modelling of Task 1. When a meeting coincides with the delivery of an interim report, the interim report shall be submitted at the latest 10 working days before the meeting. For the draft final report, submission should be made 15 working days before the meeting. The outcome of each meeting - the comments of various Commission services to the contractor's presentation and interim and final report - shall be incorporated in the interim and draft final reports and submitted together with the meeting minutes for approval to the Commission within 10 working days after the meeting unless otherwise agreed.

The language of all reports, meetings and communication for the purpose of this contract shall be English.

7. Duration of the tasks

The tasks should be completed within **12** months of the signature of the contract (see point 6). The execution of the tasks may not start before the contract has been signed.

8. Place of performance

The place of performance of the tasks shall be the contractor's premises or any other place indicated in the tender, with the exception of the Commission's premises.

PART 2: ADMINISTRATIVE DETAILS

1. General terms and conditions for the submission of tenders

- Submission of a tender implies that the Contractor accepts all the terms and conditions set out in these specifications (including the annexes) and waives all other terms of business.
- Submission of a tender binds the Contractor to whom the contract is awarded during performance of the contract.
- Changes to tenders will be accepted only if they are submitted on or before the final date set for the submission of tenders.
- Expenses incurred in respect of the preparation and presentation of tenders cannot be refunded.
- No information of any kind will be given on the state of progress with regard to the evaluation of tenders.
- Once the Commission has accepted the tender, it shall become the property of the Commission and the Commission shall treat it confidentially.
- The protocol on the Privileges and Immunities or, where appropriate, the Vienna Convention of 24 April 1963 on Consular Relations shall apply to this invitation to tender.

2. No obligation to award the Contract

- Fulfilment of adjudication or invitation to tender procedure shall not involve the Commission in any obligation to award the contract.
- The Commission shall not be liable for any compensation with respect to tenderers whose tenders have not been accepted. Nor shall it be liable in the event of its deciding not to award the contract.

3. Joint tenders

When a consortium / partnership is envisaged three cases can arise:

- I. The offer originates from a consortium already formally set up as a separate and legal entity able to submit its statutes, mode of operation, technical and financial capacity, such as result from the contributions of its various members. It is such a consortium that will bear the technical and financial responsibility for the contract and will present the requested financial guarantee, if applicable.
- II. The offer originates from companies not yet having created a consortium as a separate legal entity but planning to constitute one as referred to in item I, if their joint offer is accepted. In such a situation, the tenderer will have to provide the legal form, the envisaged draft statutes and mode of operation of the consortium, the various technical and financial contributions, letters of intent, as well as the guarantees envisaged, where applicable.
- III. The offer originates from companies not wishing to constitute formally a consortium as a separate legal entity and thus constituting effectively an association. In such a case, the offer will be submitted in the form of subcontracting (cf. point 4 below), in which

case one of the companies shall assume the total responsibility for the offer. This company will sign the contract in its name, the other companies then being regarded as subcontractors of the first.

For joint tenders described in cases I and II above, the information required in

- Part 2, 6.2 (“administrative proposal”)
- Part 3, 1 (“information for assessment of exclusion criteria”) and
- Part 3, 2 (“information for assessment of selection criteria”)

must be provided for **all** members participating in the tender.

For joint tenders described in case III please refer to point 4 below.

4. Subcontractors

Subcontracting is permitted subject to the following conditions:

- The subcontractor is the sole responsibility of the main contractor;
- Tenderers must indicate in their offers the amount of the contract (if any) that they will subcontract to third parties, as well as the identity and availability of the chosen subcontractor(s). The contractor will not subcontract to third parties not identified in the offer as potential subcontractors without prior written authorisation from the Commission;
- the contractor shall not cause the contract to be performed in fact by third parties;
- even where the Commission authorises the contractor to subcontract to third parties, the contractor shall nonetheless remain bound by his obligations to the Commission under the contract;
- the contractor shall ensure that the subcontract does not affect rights and guarantees to which the Commission is entitled by virtue of the contract.

Where the total amount envisaged for subcontracting is above 30% of the total contract value, evidence of the subcontractor(s) ability to perform the tasks entrusted to him/them shall be included in the offer. Such evidence is the same as that also required from the contractor, as described and identified, in Part 3, point 2 below.

Where the total amount envisaged for subcontracting is above 50% of the total contract value, the subcontractor(s) must also, **if and when requested**, present evidence of compliance with the exclusion criteria (as required from the potential contractor) as described in Part 3, point.1 below.

Tenderers should note that the Commission will consider intended subcontracting below 30% of the contract value as an indication that the potential contractor has the resources to complete the tasks under the contract, as well as a factor potentially enhancing the proposed team organisation. Therefore this point will be taken into account in the assessment of the award criterion “project management and availability”.

5. Payments

This contract will be paid on a lump sum basis.

A pre-financing payment of 30% will be paid upon signature of the contract.

A final payment of 70% will be paid upon acceptance by the Commission of the final report.

The Commission reserves the right to waive the pre-financing payment if applicable, or to request a financial guarantee should it be deemed necessary.

The Commission is exempt from all taxes and dues, including value added tax, pursuant to the provisions of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities with regard to its financial contribution under the contract.

6. Content of the tender

All tenders must be presented in three sections:

6.1. Financial proposal

- A financial proposal duly dated and signed by the person authorized to sign on behalf of the organization. The price must be quoted in Euro using the template in annex 2, including for the countries which do not form part of the Euro zone. For the tenderers of the countries which do not form part of the Euro zone, the amount of the offer cannot be revised because of exchange rate movements. The choice of exchange rate belongs to the tenderer, who assumes the risks or opportunities associated with these exchange rate movements.
- The price must be a fixed amount, inclusive all expenses.
- The price will not be subject to revision.
- For guidance purposes, the maximum budget allocation to this contract is fixed at **€170 000 (one hundred and seventy thousand Euro)**
- The price quotation must be signed by the tenderer or his duly authorised representative.
- The price must be quoted free of all duties, taxes and other charges, including VAT, as the Communities are exempt from such charges under Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities of 8 April 1965 (OJEC L 152 of 13 July 1967). Exemption is granted to the Commission by the governments of the Member States, either through refunds upon presentation of documentary evidence or by direct exemption. For those countries where national legislation provides an exemption by means of a reimbursement, the amount of VAT is to be shown separately. In case of doubts about the applicable VAT system, it is the tenderer's responsibility to contact his national authorities to clarify the way in which the European Community is exempt from VAT.
- The offer shall remain valid for a period of 8 months, as from the deadline for submission of offer.

6.2. Administrative proposal

- An administrative information form containing information on the full name of the organization, legal status, address, person to contact, person authorized to sign on behalf of the organization, telephone number, and facsimile number, as well as relevant bank details. The form must be duly dated, signed and stamped by the person authorized to sign on behalf of the company, and by the bank (see annex 1).
- A legal entity form (see annex 3), proof of enrolment (certificates) in one of the professional or trade registers, in country of establishment;
- If the tenderer is a natural person; she/he will be required to provide proof of her/his status as a self-employed person. To this end she/he must supply details of her/his social security cover and situation with regards to VAT regulation.
- A declaration of the candidate's eligibility; certifying that he/she is not in one of the situations listed in articles 93 and 94 of the Financial Regulation of the European Communities (Official Journal L 390 of 30/12/2006) (see annex 4)
- Documents relating to the selection criteria (see part 3, point 2.1. Financial and Economic capacity)
- The service provider's educational and professional qualifications and those of the firm's managerial staff and, in particular, those of the person or persons responsible for providing the services (curriculum vitae presented on the EU standard form which can be downloaded from the following address – <http://europass.cedefop.europa.eu/europass/home/vernav/Europass+Documents/Europa+ss+CV/navigate.action> together with a consolidated overview of CVs in an excel table.
- A list, preferably in English or French of the principal studies, services contracts, consultancy work, surveys, publications or other work previously carried out during the past three years, indicating the name of the client and stating which, if any, were done for the European Commission.
- Tenders from consortia of firms or groups of service providers must specify the role, qualifications and experience of each member (see also part 3, points 1, 2 and 3 – exclusion, selection and award criteria).

6.3. Technical proposal

- A contract proposal with the methodology to fulfil the requirements mentioned in Part 1, point 3. The tender should give indications on the theoretical background used, the methodology used in the work that will be undertaken and on its appropriateness for this purpose, in conformity with the guidelines included in the approach. It should also give indications on the data to be used and their reliability.

Establish the tenderer's identity

The tenderer should detail the competence, experience and the means at his disposal which would allow the tasks foreseen in the contract to be carried out.

A list of previous work carried out over the past 3 years must be included.

If a consortium is formed for the execution of the tasks presented in this call for tender, then please explain the roles of each partner in the consortium. (For the administrative details in relation to joint tenders, please refer to Part 2, point 3).

If sub-contracting is envisaged, please clearly indicate which tasks are concerned, the % that this represents of the total value of the offer, and the name and address of the sub-contractor(s), if known at this stage.

Implementation of the contract

Describe the methodology to be applied to carry out each of the tasks foreseen in the contract.

Managing the contract

The tenderer's availability during the period of the execution of the tasks must be clearly demonstrated, and explain how the project will be managed.

PART 3: ASSESSMENT AND AWARD OF A CONTRACT

The assessment will be based on each tenderers bid.

All the information will be assessed in the light of the criteria set out in these specifications. The procedure for the award of the contract will concern only admissible bids and it will be carried out in three successive phases. The first step is to check that the tenderers are not excluded in any way from taking part in the tender procedure. The second step is to check the tenderer's capacity (financial and technical) to perform the contract and the final step is to assess the quality of the offers against the award criteria.

In the case of joint tenders, the exclusion, selection and award criteria will be applicable to all the members of the consortium. The same principle will also be applied in the case where there are sub-contractors. The bid must clearly identify the subcontractors and document their willingness to accept the tasks and thus acceptance of the terms and conditions set out in Part 2.1. Tenderers must inform the subcontractors that Article II.17 of the standard contract will be applied to them. Once the contract has been signed, Article II.13 of the above mentioned contract shall govern subcontractors.

1. Exclusion criteria

Tenderers must declare on their honour that they are not in one of the situations referred to in articles 93 and 94 a) of the Financial Regulation. Tenderers or their representatives must therefore fill in and sign the form in Annex 4 to these specifications. Hereby agreeing to submit to the Commission, **if and when requested to do so**, those certificates or documents demonstrating that the tenderer is not in any of the situations described under points (a), (b), (d) and (e) below:

These articles are as follows:

Article 93:

1. Applicants or tenderers shall be excluded if:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) They have been convicted of an offence concerning their professional conduct by a judgment 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 Communities' financial interests;
- (f) They are currently subject to an administrative penalty referred to in [Article 96\(1\)](#).

Article 94

A contract shall not be awarded to candidates or tenderers who, during the procurement procedure for this contract:

- (a) are subject to a conflict of interest;
- (b) are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the procurement procedure or fail to supply this information;
- (c) find themselves in one of the situations of exclusion, referred to in [Article 93\(1\)](#), for this procurement procedure.

2. Selection criteria

Only those tenders fulfilling all the selection criteria will be examined in the light of the award criteria. The selection criteria are set out below

2.1. Financial and economic capacity may be shown by means of the following:

- A simplified balance sheet and profit and loss account, exclusively based on the annex 5 form attached to these specifications;

In the event that the tender is unable to complete the form as proposed above one of the following alternatives would be acceptable

- a. financial statements for the last two financial years;
OR
- b. declaration concerning the sales turnover related to the field associated with the invitation to tender during the last three financial years;
OR
- c. other substantiating documents if the candidate or tenderer cannot, for valid reasons, provide those indicated above

2.2. Technical and professional competence:

- Experience as evidenced by the qualifications, both educational and professional, of the service provider or contractor and those of the firm's managerial staff and, in particular those of the person or persons responsible for carrying out the service/work. Curriculum vitae must be provided.
- A reference list of relevant previous projects over the past 3 years must be provided, indicating the sums involved, dates, recipients, public or private.

2.3. Authorisation to perform the contract

- A tenderer must prove that he is authorised to perform the contract under national law, as evidenced by inclusion in a trade or professional register, or a sworn declaration or certificate, membership of a specific organisation, express authorisation or entry in the VAT register.

2.4. Access to the market

- A tenderer must indicate in which State they have their headquarters or domicile and to present the supporting evidence normally acceptable under their own law.

3. Award criteria

Further to the price quoted for the contract, the following award criteria will be applied:

Award criteria 1 – Understanding (max points 30)

This criterion is used to assess the degree to which the tender shows a clear understanding of the objectives and tasks of the study/service to be provided.

Award criteria 2 – Methodology (max points 40)

The degree to which the methodology shows the capacity to resolve the questions underlying in the tender in a realistic and well-structured way, as well as whether the methods proposed are suited to the needs set out by the Commission in the Technical Description.

Award criteria 3 – Project management and availability (max points 30)

Offers will be assessed as regards the quality of the team organisation, the time attributed to each team member and the availability of resources for the completion of the contractual tasks, which should be clearly outlined in the tender.

Since assessment of the tenders will be based on the quality of the proposed services, tenders should elaborate on all points addressed by these specifications in order to score as many points as possible. The mere repetition of mandatory requirements set out in these specifications, without going into details or without giving any added value, will only result in a very low score. In addition, if certain essential points of these specifications are not expressly covered by the tender, the Commission may decide to give a zero mark for the relevant qualitative award criteria.

4. Points

A points system to evaluate the award criteria relating to the technical value of the offers will be applied.

A maximum of 30 points will be attributed to criterion 1, a maximum of 40 points will be attributed to criterion 2, and a maximum of 30 points will be attributed to criterion 3. In addition a minimum threshold will be set up under this system of points:

- Technical sufficiency levels: Selected companies will have to score a minimum of 18, 24 and 18 points under criteria 1, 2 and 3 respectively, with a minimum total of 65 points.

5. Budget

The budget is a maximum of €170 000 excluding VAT (including fees, travel and all other costs).

The Commission is exempt from all taxes and dues, including value added tax, pursuant to the provisions of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities with regard to its financial contribution under the contract.

The price quoted must be a firm, non-revisable price and must be quoted in euro.

Having examined the tenders from a technical point of view, the evaluation committee will proceed considering which is the economically most advantageous offer taking into account **only those tenders that have obtained at least 65 out of the 100 points that are available for the technical quality of the bid**. The evaluation committee will then proceed with the financial comparison of the tenders retained for further consideration according to the ranking procedure below.

6. Ranking of the tenders and award of the contract.

The bid offering the best value for money will be chosen, provided that the minimum number of points cited above is achieved. Best value for money will be calculated as follows:

- All bids that do not reach the stated technical sufficiency levels for each individual award criteria will not be considered for contract award.
- All bids that have passed the individual levels and score 70 or higher are deemed to be technically sufficient. Then the price is divided by the total number of points awarded to obtain the price-quality ratio. The award of the contract will be made in accordance with the lowest ratio.

The Commission reserves the right not to select any tender if the amounts tendered exceed the budget envisaged for this project.

7. Opening of tenders

The tenders received will be opened on **31/08/2009 at 10h30** in the Commission building at **Avenue Beaulieu 5, B-1160 Brussels**.

One authorised representative of each tenderer (with proof of identity) may attend the opening of tenders (no expenses paid).

8. Information for tenderers

After the award decision has been taken, the Commission will inform tenderers including the grounds for any decision not to award a contract or to recommence the procedure.

ANNEX 1 - ADMINISTRATIVE INFORMATION FORM

Organisation or individual:

NAME:

ADDRESS:

HEADQUARTERS:

PERSON AUTHORISED TO SIGN CONTRACT:

Name and position:

PERSON FOR ROUTINE CONTACT:

Name and position:

Telephone and fax number:

BANK DETAILS:

NAME OF ACCOUNT HOLDER:

ADDRESS OF ACCOUNT HOLDER:

NAME OF BANK:

ADDRESS OF BANK AGENCY:

ACCOUNT N°:

(BLZ, SORT CODE, ?):

I.B.A.N. CODE:

Signature of Contractor

Official Stamp and Signature
of Contractor's Bank

ANNEX 2 - FINANCIAL OFFER TEMPLATE

(FOR GUIDANCE PURPOSES ONLY)

PRICE AND ESTIMATED BUDGET BREAKDOWN

Calculation of the costs

Name	Staff on payroll		Other statute	Time in %	Total year /	TOTAL
	Gross salary	Social charges				
...						
... etc.						
Staff costs						
Infrastructure						
Overhead costs including office material and consumables						
Office Equipment						
Travel/Missions						
Sub-contracting						
Company x						
Company y						
Company z						
Other						
TOTAL COSTS in EURO					€	

Signature of Contractor

.....

Date

.....

ANNEX 3 - LEGAL ENTITY FORM

This form can be downloaded from

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

ANNEX 4

DECLARATION ON EXCLUSION CRITERIA AND ABSENCE OF CONFLICT OF INTERESTS

Name of the organisation/individual:

Legal address:

Registration number:

VAT number:

Name of the signatory of this form:

Position:

- representative legally authorised to represent the tenderer vis-à-vis third parties and acting on behalf of the aforementioned company or organisation *[please tick box if applicable]*

hereby certifies that *[please tick one of the two boxes]*

- they
- the company or organisation that they represent:
- a) are/is not bankrupt or being wound up, is not having their affairs administered by the court, has not entered into an arrangement with creditors, has not suspended business activities, is not the subject of proceedings concerning those matters, or is not in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) have/has not been convicted of an offence concerning their professional conduct by a judgement which has the force of *res judicata*;
- c) have/has not been found guilty of grave professional misconduct proven by any means which the Commission can justify;
- d) have/has 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 those of the country of the contracting authority or those of the country where the contract is to be performed;
- e) have/has not 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 Communities' financial interests;
- f) are/is currently not subject to an administrative penalty referred to in [Article 96\(1\)](#).

In addition, the undersigned declares on their honour:

- g) that on the date of submission of the tender, they, the company or organisation they represent and the staff proposed for this tender are not subject to a conflict of interests in the context of this invitation to tender; the undersigned undertakes to inform the Commission without delay of any change to this situation after the date of submission of the tender;
- h) that the information provided to the Commission within the context of this invitation to tender is accurate, sincere and complete;
- i) **that, if and when requested, they will provide the evidence required under point 1, part 3 of the Specifications.**

Full name:

Date

Signature:

ANNEX 5

Explanation – please read carefully before completing the financial capacity form

Simplified balance sheet and profit and loss account

Candidates shall indicate if they are a profit or a non profit making company / organisation.

Within the form, financial data based on the company's /organisation's balance sheet are collected in a standardised form. Please find below a correspondence table giving an explanation on the regrouping of different accounts respecting the [4th Accounting Directive](#). You should complete this form carefully. Given its complexity, it is recommended that the form be completed by a professional accountant or an auditor. The data reported will be used to evaluate the financial viability of the company/organisation. Thus it is very important that data reported are accurate. The Commission may wish to cross check the data with those reported in the official certified accounts. For this purpose the Commission reserves the right to ask for further documentation during the evaluation process.

The amounts have to be filled out in euros ([use the exchange rate of the closing date of the accounts](#)).

Abbreviations t-1 and t0

The abbreviation *t0* represents the last certified historical balance sheet and profit and loss account; *t-1* is the balance sheet prior to the last certified one. Consequently, the *closing date t0* is the closing date of the last certified historical balance sheet; the *closing date t-1* is the closing date of the balance sheet prior to the last one. *Duration t0* is the number of months covered by the last historical balance sheet. *Duration t-1* is the number of months covered by the penultimate certified historical balance sheet.

BALANCE SHEET	CORRESPONDANCE 4 th ACCOUNTING DIRECTIVE	
ASSETS	ASSETS / 4th ACCOUNTING DIRECTIVE (Article 9)	
1. Subscribed capital unpaid	A. Subscribed capital unpaid	A. Subscribed capital unpaid (including unpaid capital)
2. Fixed assets	C. Fixed Assets	
2.1. Intangible fixed assets	B. Formation expenses as defined by national law C. I. Intangible fixed assets	B. Formation expenses as defined by national law C.I.1. Cost of research and development C.I.2. Concessions, patents, licences, trade marks and similar rights and assets, if they were: (a) acquired for valuable consideration and need not be shown under C (I) (3); or (b) created by the undertaking itself C.I.3. Goodwill, to the extent that it was acquired for valuable consideration C.I.4. Payments on account
2.2. Tangible fixed assets	C.II. Tangible fixed assets	C.II.1. Land and buildings C.II.2. Plant and machinery C.II.3. Other fixtures and fittings, tools and equipment C.II.4. Payment on account and tangible assets in course of construction
2.3. Financial assets	C.III. Financial assets	C.III.1. Shares in affiliated undertakings C.III.2. Loans to affiliated undertakings C.III.3. Participating interests C.III.4. Loans to undertakings with which the company is linked by virtue of participating interest C.III.5. Investments held as fixed assets C.III.6. Other loans C.III.7. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value)
3. Current assets	D. Currents assets	
3.1. Stocks	D.I. Stocks	D.I.1. Raw materials and consumables D.I.2. Work in progress D.I.3. Finished products and goods for resale D.I.4. Payment on account
3.2.1. Debtors due after one Year	D.II. Debtors, due and payable after more than one year	D.II.1. Trade debtors D.II.2. Amounts owed by affiliated undertakings D.II.3. Amounts owed by undertakings with which the company is linked by virtue of participating interest D.II.4. Others debtors D.II.6. Prepayments and accrued income
3.2.2. Debtors due within one year	D.II. Debtors due and payable within a year	D.II.1. Trade debtors D.II.2. Amounts owed by affiliated undertakings D.II.3. Amounts owed by undertakings with which the company is linked by virtue of

		participating interest D.II.4. Others debtors D.II.6. Prepayments and accrued income
3.3. Cash at bank and in hand	D.IV. Cash at bank and in hand	D.IV. Cash at bank and in hand
3.4. Other current assets	D.III Investments	D.III.1. Shares in affiliated undertakings D.III.2. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) D.III.3. Other investments
Total assets	Total assets	

LIABILITIES	LIABILITIES / 4th ACCOUNTING DIRECTIVE (Article 9)	
4. Capital and reserves	A. Capital and reserves	
4.1. Subscribed capital	A.I. Subscribed capital A.II. Share premium account	A.I. Subscribed capital A.II. Share premium account
4.2. Reserves	A.III. Revaluation reserve A.IV. Reserves	A.III. Revaluation reserve A.IV.1. Legal reserve, in so far as national law requires such a reserve A.IV.2. Reserve for own shares A.IV.3. Reserves provided for by the articles of association A.IV.4. Other reserves
4.3. Profit and loss brought forward from the previous years	A.V Profit and loss brought forward from the previous years	A.V Profit and loss brought forward from the previous years
4.4. Profit and loss for the Financial year	A.VI. Profit or loss for the financial year	A.VI. Profit or loss for the financial year
5. Creditors	C. Creditors	
5.1.1 Long term non-bank debt	B. Provisions for liabilities and charges (> one year) C. Creditors (> one year)	B.1. Provisions for pensions and similar obligations B.2. Provisions for taxation B.3. Other provisions C.1. Debenture loans, showing convertible loans separately C.3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks C.4. Trade creditors C.6. Amounts owed to affiliated undertakings C.7. Amounts owed to undertakings with which the company is linked by virtue of participating interests C.8. Other creditors including tax and social security C.9. Accruals and deferred income
5.1.2. Long term bank debt	C. Creditors "credit institutions" (> one year)	C.2. Amounts owed to credit institutions C.5. Bills of exchange payable
5.2.1. Short term non-bank Debt	B. Provisions for liabilities and charges (= one year) C. Creditors (= one year)	B.1. Provisions for pensions and similar obligations B.2. Provisions for taxation B.3. Other provisions C.1. Debenture loans, showing convertible loans separately C.3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks C.4. Trade creditors C.6. Amounts owed to affiliated undertakings C.7. Amounts owed to undertakings with which the company is linked by virtue of participating interests C.8. Other creditors including tax and social security C.9. Accruals and deferred income
5.2.2. Short term bank debt	C. Creditors "credit institutions" (= one year)	C.2. Amounts owed to credit institutions C.5. Bills of exchange payable
Total liabilities	Total liabilities	

PROFIT AND LOSS ACCOUNT	PROFIT AND LOSS ACCOUNT / 4TH ACCOUNTING DIRECTIVE (Article 23)	
6. Turnover	1. Net turnover	1. Net turnover
7. Variation in stocks	2. Variation in stock of finished goods and in work in progress	2. Variation in stocks of finished goods and in work in progress
8. Other operating income	3. Work performed by the undertaking for its own purposes and capitalized. 4. Other operating income	3. Work performed by the undertaking for its own purposes and capitalized 4. Other operating income
9. Costs of material and consumables	5. (a) Raw materials and consumables 5. (b) Other external charges	5. (a) Raw materials and consumables 5. (b) Other external charges

10. Other operating charges	8. Other operating charges	8. Other operating charges
11. Staff costs	6. Staff costs	6. (a) Wages and salaries 6. (b) social security costs, with a separate indication of those relating to pensions
12. Gross operating profit	Gross operating profit .	
13. Depreciation and value adjustments on non financial assets	7. Depreciation and value adjustments on non financial assets	7. (a) Value adjustments in respect of formation expenses and of tangible and intangible fixed assets 7. (b) Value adjustments in respect of current assets, to the extent that they exceed the amount of value adjustments which are normal in the undertaking concerned
14. Net operating profit	Gross operating profit - Depreciation and value adjustments on non-financial assets	
15. Financial income and value adjustments on financial assets	Financial income and value adjustments on financial assets	9. Income from participating interests 10. Income from other investments and loans forming part of the fixed assets 11. Other interest receivable and similar income 12. Value adjustments in respect of financial assets and of investments held as current assets
16. Interest paid	Interest paid	13. Interest payable and similar charges
17. Similar charges	Similar Charges	
18. Profit or loss on ordinary activities	Profit or loss on ordinary activities	15. Profit or loss on ordinary activities after taxation
19. Extraordinary income and Charges	Extraordinary income and charges	16. Extraordinary income 17. Extraordinary charge
20. Taxes on profits	Taxes	14. Tax on profit or loss on ordinary activities 19. Tax on extraordinary profit or loss 20. Other taxes not shown under the above items
21. Profit or loss for the financial year	Profit or loss for the financial year	21. Profit or loss for the financial year

Annex 5 FORM to be completed

Simplified balance sheet and profit and loss account for the determination of financial capacity

Applicant name	<input type="text"/>	Type company	of	<input type="text"/>	<input type="text"/>
	<input type="text"/>		<input type="text"/>	Profit making	<input type="text"/>
	<input type="text"/>			Non profit making	<input type="text"/>
Closing date t0	<input type="text"/>	Duration t0	<input type="text"/>	months	
Closing date t-1	<input type="text"/>	Duration t-1	<input type="text"/>	months	

Balance sheet		
Assets	t0 (in Euro)	t-1 (in Euro)
1. Subscribed capital unpaid	<input type="text"/>	<input type="text"/>
2. Fixed assets (2.1+2.2+2.3)	0	0
2.1 Intangible fixed assets	<input type="text"/>	<input type="text"/>
2.2 Tangible fixed assets	<input type="text"/>	<input type="text"/>
2.3 Financial assets	<input type="text"/>	<input type="text"/>
3. Current assets (3.1+3.21+3.22+3.3+3.4)	0	0
3.1 Stocks	<input type="text"/>	<input type="text"/>
3.2.1 Debtors due after one year	<input type="text"/>	<input type="text"/>
3.2.2 Debtors due within one year	<input type="text"/>	<input type="text"/>
3.3 Cash at bank and in hand	<input type="text"/>	<input type="text"/>
3.4 Other current assets	<input type="text"/>	<input type="text"/>
Total assets (1+2+3)	0	0

Liabilities	t0 (in Euro)	t-1 (in Euro)
4. Capital and reserves (4.1+4.2+4.3+4.4)	0	0
4.1 Subscribed capital	<input type="text"/>	<input type="text"/>
4.2 Reserves	<input type="text"/>	<input type="text"/>
4.3 Profit and loss brought forward	<input type="text"/>	<input type="text"/>
4.4 Profit and loss for the financial year	<input type="text"/>	<input type="text"/>
5. Creditors (5.11+5.12+5.21+5.22)	0	0
5.1.1 Long term non-bank debt	<input type="text"/>	<input type="text"/>
5.1.2 Long term bank debt	<input type="text"/>	<input type="text"/>
5.2.1 Short term non-bank debt	<input type="text"/>	<input type="text"/>
5.2.2 Short term bank debt	<input type="text"/>	<input type="text"/>
Total liabilities (4+5)	0	0

Profit and loss

	t0 (in Euro)	t-1 (in Euro)
6. Turnover		
7. Variation in stocks		
8. Other operating income		
9. Costs of material and consumables		
10. Other operating charges		
11. Staff costs		
12. Gross operating profit (6.+7.+8.-9.-10.-11.)	0	0
13. Depreciation and value adjustments on non-financial assets		
14. Net operating profit (12.-13.)	0	0
15. Financial income and value adjustments on financial assets		
16. Interest paid		
17. Similar charges		
18. Profit/loss on ordinary activities (14+15.-16.-17.)	0	0
19. Extraordinary income and charges		
20. Taxes on profit		
21. Profit/loss for the financial year (18.+19.-20.)	0	0

ANNEX 6



EUROPEAN COMMISSION
DIRECTORATE-GENERAL ENVIRONMENT

DIR F- RESOURCES
ENV.F.2 – Finance

(Please fill in your address)

ACKNOWLEDGEMENT OF YOUR TENDER

Our reference: ENV.C.5/SER/2009/0045

Your reference:

We wish to confirm the receipt and opening of your offer¹. Your offer will now be evaluated by the Commission and its experts. You will be informed of the result in due course.

We thank you for your interest.

MarketsTeam
DG ENV.F.2

¹ Your personal contact data has been recorded in a database used by the Markets Team of unit ENV.F2 for the administrative management of offers. The Commission is bound by Regulation 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies. For more information, and to exercise your rights to access and eventually correct data concerning you, please don't hesitate to contact us.

ANNEX 7

CHECK LIST

1. Administrative information form filled in
2. Financial offer duly signed
3. Legal entity form completed and signed
4. Declaration of the candidate's eligibility regarding exclusion criteria, completed, signed and dated
5. Supporting documents for selection criteria
6. Acknowledgement form with candidate's address
7. Technical bid
8. Possible annexes