



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL FOR COMPETITION  
**Directorate D**  
**Unit D3-D4-D5**

**CALL FOR TENDERS**  
**COMP/2016/001**  
**Annex I**

"State aid assessment of impaired assets: valuation and resolution mechanisms"

**TENDER SPECIFICATIONS**

## TABLE OF CONTENTS

1.	PURPOSE AND CONTEXT OF THE FRAMEWORK CONTRACT .....	3
2.	SUBJECT OF THE FRAMEWORK CONTRACTS AND TASK DESCRIPTION .....	4
3.	TIMETABLE .....	13
4.	TECHNICAL REQUIREMENTS OF THE DELIVERABLE .....	13
5.	VOLUME .....	14
6.	EVALUATION OF TENDERS AND AWARD .....	14
6.1.	VERIFICATION OF NON-EXCLUSION .....	14
6.2.	SELECTION CRITERIA .....	15
6.2.4.	<i>Technical and professional capacity criteria and evidence</i> .....	17
6.2.4.1.	<i>Technical and professional capacity for Lot 1</i> .....	17
	A. Criteria concerning the tenderers for Lot 1 .....	17
	B. Criteria concerning the team delivering the service for Lot 1 .....	18
	Evidence concerning the team delivering the service for Lot 1: .....	19
	The tenderer delivering the service must submit the following information: .....	19
6.2.4.2.	<i>Technical and professional capacity for Lot 2</i> .....	20
	a. Criteria concerning the tenderers for Lot 2 .....	20
	b. Criteria concerning the team delivering the service for Lot 2 .....	20
	Evidence concerning the team delivering the service for Lot 2: .....	20
	The tenderer delivering the service must submit the following information: .....	20
6.3.	AWARD CRITERIA .....	21
7.	INFORMATION ON TENDERING .....	26
7.1.	PARTICIPATION .....	26
7.2.	CONTRACTUAL CONDITIONS .....	26
7.3.	COMPLIANCE WITH APPLICABLE LAW .....	26
7.4.	JOINT TENDERS .....	26
7.5.	SUBCONTRACTING .....	27
7.6.	STRUCTURE AND CONTENT OF THE TENDER .....	27
7.7.	IDENTIFICATION OF THE TENDERER .....	29

## 1. Purpose and context of the framework contract

Against a backdrop of the financial crisis since the second half of 2008, several Member States provided some form of relief for impaired bank assets. In that respect, on 25 February 2009, the European Commission ("the Commission" or "the Contracting Authority") released a Communication Paper on the Treatment of Impaired Assets in the Community Banking Sector<sup>1</sup> ("the Impaired Assets Communication"). Since the entry into force of the Single Resolution Mechanism (SRM) for Member States in the Banking Union and the recent Banking Recovery and Resolution Directive's (BRRD) related legislative changes, the context of the assessment under the State aid rules of impaired assets relief measures has changed.

As stated in the Impaired Assets Communication, the design of the asset relief measures is primarily the responsibility of the Member State concerned. Their assessment under the State aid rules will be the responsibility of the Commission and DG Competition and must be subject to coordinated assessment principles and processes in order to contribute to a level playing field in the European banking sector.

In its overall approach for the assessment of valuation methods put forward by the Member States for asset relief measures and their implementation in individual cases, the Impaired Assets Communication foresees at point 43 that the Commission would consult panels of experts.

For the assessment of the impaired asset measures, the Commission consults panels of experts hired on the basis of framework contracts. The objective of the procedure launched by the present call for tender is to sign framework contracts with experts for the assessment of the impaired asset measures.

The asset relief measures proposed by the Member State and the valuation issues to be examined are different in nature.

- a) Some cases require mainly assessing the methodological approach and the assumptions used in the evaluations presented by the Member States. Therefore a more theoretical approach is needed and verifying complex data is not necessary.
- b) In other cases, it is necessary to analyse in detail complex and voluminous data, and verify in detail some of the calculations made. Thus, for these cases, where to a larger extent a more complex analysis is required, the necessary resources and computing capacities will need to be employed to provide a proper examination of the proposed measures.

Therefore, in respect of the valuation of impaired assets, the Contracting Authority intends to compose for each case an appropriately mixed team of contractors, with different profiles of expertise to be able to address these different needs and assure a thorough analysis of the asset relief measures designed by the Member States. The Commission has the discretion to use contractors from both lots where required. Some of the contractors must have outstanding expertise on conceptual issues and others outstanding expertise and resources on data analysis and calculations.

---

<sup>1</sup> The Communication on the Treatment of Impaired Assets in the Community Banking Sector, OJ C 72, 26.03.2009, pages 1-22, [http://ec.europa.eu/competition/state\\_aid/legislation/impaired\\_assets.pdf](http://ec.europa.eu/competition/state_aid/legislation/impaired_assets.pdf)

- c) Besides valuation of impaired assets, the Commission may also consult experts on the way to resolve problematic assets and associated liabilities envisaged by a Member State. In this context, experts may be consulted on specific or general issues related to the compliance of the envisaged resolution mechanism with the conditions for finding aid compatible (this would include return to long term viability, burden sharing/limitation of the aid to the minimum, limitation of the distortion of competition).

Both advisory services described under b) and c) are resource intensive and therefore require the contractor to have a team of experts at their disposal. The advisory services described under a) do not automatically require a large team; furthermore, the work can also be undertaken by individuals having outstanding theoretical/conceptual knowledge about the impaired assets valuation. Therefore, two lots of contractors are needed, in order to obtain the right mix of skills and expertise available for the assessment of the different types of impaired assets:

- (i) one lot with contractors having the resources and capacity to examine voluminous data related to asset evaluation as well as to advise more broadly on the envisaged way to resolve the assets and related liabilities; and
- (ii) one lot where the contractors are expected to have more theoretical expertise related to the valuation of impaired assets. Depending on the profile and the complexity of the case, the contracting authority will choose among each lot for the different type of expertise and decide on the number of contractors necessary for each specific assignment.

## **2. Subject of the framework contracts and task description**

The contracting authority intends to conclude multiple Framework Service Contracts with the highest ranking contractors to be listed in order of succession ("cascade") with up to five contractors per lot for the following services:

- I. to assist the contracting authority with the assessment of impaired asset relief measures submitted by the Member States in the context of State aid procedures; and, where requested, assist the contracting authority in the assessment of alternative ways to resolve problematic assets and associated liabilities.
- II. where requested, to assist the contracting authority with the refinement and development of a) the valuation principles and processes in the context of the Impaired Assets Communication, as well as b) principles to resolve impaired assets and associated liabilities in line with the Impaired Assets Communication and Restructuring Communication<sup>2</sup>.

---

<sup>2</sup> The Communication on the return to viability and the assessment of restructuring measures in the financial sector in the current crisis under the State aid rules, OJ C 195, 19.8.2009, p.9-20, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2009:195:0009:0020:EN:PDF>

- III. where requested, to provide training to Commission officials in relation to topics within his field of expertise, which are of relevance for the application of the Impaired Assets Communication, and, if related to the treatment of impaired assets and related liabilities, the Restructuring Communication.

The services have been divided into two lots:

**LOT No 1:** "State aid assessment of valuations of impaired assets – expert assistance to provide a thorough analysis of asset valuations in a short time frame and state aid assessment of resolving problematic assets and associated liabilities."

**LOT No 2:** "State aid assessment of valuations of impaired assets – expert assistance to provide expertise on conceptual issues (theoretical and applied) relating to the treatment of impaired assets and their valuation."

The services required for each of the lots represent the key requirements but it may be necessary to address other related issues either upon the contractors' initiative approved by the contracting authority or upon the contracting authority's request. Similarly, depending on the case, at the discretion of the contracting authority, some requirements might not be needed.

The complexity of the tasks involved and the limited time available for each specific task may require close to full-time involvement of the contractor.

The specific tasks (assigned via specific contracts) may include participation in meetings at the Commission's premises and/or in other premises defined in the specific contracts at short notice, working over weekends and holiday periods.

Tenderers may bid for one or both lots; however, a separate tender must be submitted for each lot.

## LOT 1

State aid assessment of valuations of impaired assets – expert assistance to provide a thorough analysis of asset valuations in a short time frame and state aid assessment of resolving problematic assets and associated liabilities.

### DESCRIPTION OF THE TASKS

*I. Assessment of asset relief measures under the State aid rules – valuation of the impaired assets and analysis of the way to resolve the problematic assets and associated liabilities*

With reference to asset relief measures envisaged or undertaken by the Member States, in the form of individual cases or schemes, the key requirements for the selected contractor either individually or as part of a panel of experts are:

A) for cases concerning individual financial institutions:

- 1) verification of the actual level of losses in the portfolio of impaired assets of the institution and understanding the evolution of actual losses over the last months;
- 2) reviewing the underlying assumptions behind the level of asset impairments that were already booked by the institution and reflected in the book value of the portfolio, and assessing the relevance of such assumptions taking into account the most recent market developments, the institution's portfolio experience and rating agencies' views;
- 3) reviewing and commenting on: each asset class (if applicable); the market value calculations methodology of the portfolio of impaired assets (prepared by the institution and/or the Member State's advisors based on a wide range of pricing references), such as :
  - actively requested valuation updates and quotes provided by market makers on assets included in the portfolios;
  - secondary levels of outstanding structures with comparable risk to the underlying portfolios (in terms of asset class, rating, ranking, structure, vintage, etc.);
  - market indices;
  - price levels at which some (buy or sell) trades effectively took place for similar structures;
  - appropriate haircut levels derived from more liquid references or recent transactions.
- 4) review and comments on the real economic value calculation methodology (including expected losses) of the portfolio of impaired assets prepared by the financial institution and/or the Member State's advisors, based on a documented model. Assessment of the plausibility and internal consistency of the sets of assumptions that reflect the baseline and bear/stress scenarios. The following guidelines among others must be followed:

- for each asset class, validate the suitability of the model used compared to market standards;
  - for each asset class and scenario, identify the key parameters impacting the amounts and timing of the related cash flows (e.g. prepayments, probability of default, loss severities, correlations, etc.);
  - for each asset class and scenario, review and comment on the assumptions used for forecasts of the key parameters, taking into account historical data and the most recent performance reports, recently observed trends and the forecasts of recognized independent institutions, other market players and rating agencies;
  - review and comment on the assumptions used for the applied discount factors (if applicable);
  - for each asset class and scenario, special diligence must be dedicated to assumptions for delinquent loans;
  - for both the market value calculation and the real economic value calculation methodology, a review and if necessary, a sensitivity/stress test analysis on the key parameters.
- 5) if deemed appropriate, organize a due diligence meeting and review the main features of a sample of assets;
- 6) review and comment on the pricing arrangements negotiated between the bank and the Member States concerned for the asset guarantee or asset purchase measure under consideration. Particular attention must be given to the robustness of the employed methodology, the specific points of the agreement (first loss tranche, co-insurance above first loss, etc.) and the relationship between the implicit rate of return with that of other banks and state interventions (such as recapitalizations);
- 7) assess the solutions to resolve the problematic assets and associated liabilities by:
- providing assistance on specific or general issues related to the compliance of the envisaged resolution mechanism with the conditions for finding aid compatible under the Impaired Asset Communication and the Restructuring Communication (return to long term viability, burden sharing/limitation of the aid to the minimum, limitation of the distortion of the competition); and
  - where applicable, comparing and assessing the possible options for resolving problematic assets and associated liabilities, e.g. the creation of a separate bad bank, putting the problematic assets in an internal non-core division, choice of the assets to put in the bad bank/non-core division (i.e. defining the adequate carve out).
- 8) drafting a report, with arguments which are supported by findings; and sharing the outcome of the analysis with the case teams of the contracting authority;
- 9) participating in discussions between the contracting authority, Member States and individual financial institutions, together with their respective experts.

B) for cases concerning national asset relief schemes and resolution mechanisms:

- 1) reviewing the features of the asset relief scheme proposed by the Member State;

- 2) formulating a critical judgment on whether the asset relief scheme proposed by the Member State complies with the general principles set out in the Impaired Asset Communication of the Commission;
- 3) reviewing and commenting on the real economic value calculation methodology and processes proposed by the Member States;
- 4) reviewing and commenting on the methodology and processes proposed by the Member State for the determination of the pricing arrangements between the bank and the Member State for the asset guarantee or asset purchase scheme under consideration. Particular attention must be paid to the soundness of the employed methodology, the specific points of the agreement (first loss tranche, co-insurance above first loss, etc.), and the relationship between the implicit rate of return of other banks and state intervention (such as recapitalizations);
- 5) assessing solutions to resolve problematic assets and associated liabilities:
  - assisting with specific or general issues related to the compliance of envisaged resolution mechanisms in respect of the conditions for finding aid compatible under the Impaired Asset Communication and the Restructuring Communication (e.g. return to long term viability, burden sharing/limitation of aid to the minimum, limitation of competition distortion);
  - where applicable comparing and assessing the possible options for resolving problematic assets and associated liabilities, e.g. the creation of a separate bad bank, putting the problematic assets in an internal non-core division, choice of the assets to put in the bad bank/non-core division (i.e. defining the adequate carve out).
- 6) drafting a report with arguments which are supported by findings and sharing the outcome of the analysis with the case teams of the contracting authority;
- 7) participating in discussions between the contracting authority and Member States, together with their respective experts.

## *II. Assisting with developing principles and processes in the context of the Impaired Assets Communication and the Restructuring Communication*

In respect of assisting the contracting authority in the development of principles and processes in the Impaired Assets Communication and the Restructuring Communication, the key requirements for the selected contractor are:

- 1) reviewing the contracting authority's draft internal or external documents on the above mentioned issues;
- 2) drafting contributions in respect of the contracting authority's internal or external documents on the above mentioned issues;



- 3) suggesting credible policy options which further develop principles and processes (in respect of points (1) and (2) above);
- 4) drafting a report with arguments which are supported by findings; and sharing the outcome of the analysis with the case teams of the contracting authority.

### *III. Training of Commission officials*

The key requirements for the selected contractor will include the following when training Commission officials, particularly on areas which concern quantitative aspects of asset evaluation and treatment of problematic assets and related liabilities:

- 1) working with commission officials to develop a training format which focuses on the assessment of impaired asset relief measures;
- 2) delivering training at DG Competition's premises; and
- 3) producing training material.

## LOT 2

State aid assessment of valuations of impaired assets – expert assistance to provide expertise on conceptual issues (theoretical and applied) relating to the treatment of impaired assets and their valuation

### DESCRIPTION OF THE TASKS

#### *I. Assessment of national asset relief measures under the State aid rules*

With reference to asset relief measures envisaged or undertaken by the Member States, in the form of individual cases or schemes, the key requirements for the selected contractor either individually or as part of a panel of experts are:

A) for cases concerning individual financial institutions:

- 1) review and comments on the real economic value calculation methodology (including expected losses) of the portfolio of impaired assets prepared by the financial institution and/or the Member State's advisors, based on a documented model. Assessing the plausibility and internal consistency of the sets of assumptions that reflect baseline and bear/stress scenarios. The following guidelines among others must be followed:
  - for each asset class, validate the suitability of the model used compared to market standards;
  - for each asset class and scenario, identify the key parameters impacting the amounts and timing of the related cash flows (e.g. prepayments, probability of default, loss severities, correlations, etc.);
  - for each asset class and scenario, review and comment on the assumptions used for forecasts of the key parameters, taking into account among others the following information provided either by the experts from lot 1 or the experts of the institution: historical data and the most recent performance reports, recently observed trends and the forecasts of recognized independent institutions, other market players and rating agencies;
  - review and comment the assumptions used for the applied discount factors (if applicable);
  - for each asset class and scenario, special attention must be given to assumptions for delinquent loans;
  - for both the market value calculation and the real economic value calculation methodology, review and if necessary carry out a sensitivity/stress test analysis on the key parameters.
- 2) review and comments on the pricing arrangements negotiated between the bank and the Member States concerned for the asset guarantee or asset purchase measure under consideration. Particular attention must be given to the robustness of the employed methodology, the specific points of the agreement (first loss tranche, co-insurance above first loss, etc.), and the relationship between the implicit rate of return with that of other banks and state interventions (such as recapitalizations);

- 3) drafting a report, with arguments which are supported by findings; and sharing the outcome of the analysis with the case team of the contracting authority;
- 4) participating in discussions between the contracting authority, Member States and individual financial institutions, together with their respective experts.

B) for cases concerning national asset relief schemes:

- 1) reviewing the features of the asset relief scheme proposed by the Member State;
- 2) formulating a critical judgment on whether the asset relief scheme proposed by the Member State complies with the general principles set out in the Impaired Asset Communication;
- 3) reviewing and commenting on the real economic value calculation methodology and processes proposed by the Member States;
- 4) reviewing and commenting on the methodology and processes proposed by the Member State for the determination of the pricing arrangements between the bank and the Member State for the asset guarantee or asset purchase scheme under consideration. Particular attention must be paid to the robustness of the employed methodology, the specific points of the agreement (first loss tranche, co-insurance above first loss, etc.), and the relationship between the implicit rate of return with other banks and state intervention (such as recapitalizations);
- 5) assessing solutions to resolve problematic assets and associated liabilities:
  - assisting with specific or general issues related to the compliance of envisaged resolution mechanisms in respect of the conditions for finding aid compatible under the Impaired Asset Communication and the Restructuring Communication ( e.g. return to long term viability, burden sharing/limitation of aid to the minimum, limitation of competition distortion);
  - where applicable comparing and assessing the possible options for resolving problematic assets and associated liabilities, e.g. the creation of a separate bad bank, putting the problematic assets in an internal non-core division, choice of the assets to put in the bad bank/non-core division (i.e. defining the adequate carve out).
- 6) drafting a report, with arguments which are supported by findings; and sharing the outcome of the analysis with the case teams of the contracting authority;
- 7) participating in discussions between the contracting authority and Member States, together with their respective experts.

*II. Assisting with developing principles and processes in the context of the Impaired Assets Communication and the Restructuring Communication*

In respect of assisting the contracting authority in the development of principles and processes in the Impaired Assets Communication and the Restructuring Communication, the key requirements for the selected contractor are:

- 1) reviewing the contracting authority's draft internal or external documents on the above mentioned issues;
- 2) drafting contributions in respect of the contracting authority's internal or external documents on the above mentioned issues;
- 3) suggesting credible policy options which further develop principles and processes (in respect of points (1) and (2) above);
- 4) drafting a report with arguments which are supported by findings; and sharing the outcome of the analysis with the case teams of the contracting authority.

### *III. Training of Commission officials*

The key requirements for the selected contractor will include the following when training Commission officials, particularly on areas which concern the theoretical and methodological aspects of asset evaluation and related issues:

- 1) working with Commission officials to develop a training format which focuses on the assessment of impaired asset relief measures;
- 2) delivering training at DG Competition's premises; and
- 3) producing training material.

### **3. Timetable**

The duration of the framework contract is specified in the framework contract for service ("the FWC").

The FWC shall be renewed automatically up to 3 times under the same conditions, each time for a further period of 12 months. Renewal of the FWC does not implicitly or expressly amend or defer any of the existing obligations.

The total duration of the FWC must not exceed 4 years.

The contracting authority expressly reserves the right not to renew the FWC.

Implementing the FWC, each specific contract will have a duration which varies according to the task at hand. The deadlines will be adapted to reflect the scope and complexity of the work to be carried out.

### **4. Technical requirements of the deliverable**

The contractor must deliver the reports and other deliverables as indicated in the specific contract.

For each assignment, the contractor will provide (i) an interim report followed by (ii) a final report. Both reports must be addressed to the contracting authority and more precisely, the project manager and the contact person for the assignment.

The reports must contain the advice and answers requested by the contracting authority; this must be, supported by the relevant data and evidence.

All material (e.g. notes, research) produced by the contractor and any third party research used by the contractor to underpin the advice and answers in the report must be annexed to the reports.

All material produced (e.g. reports, notes, research) must be: (a) submitted in English; (b) submitted in an electronic format; and (c) presented in a standard "Word" format (not in "pdf" format).

The copyright of all material produced will belong to the contracting authority.

The contracting authority may request meetings with the contractor in: (a) the contracting authority's premises; or (b) the office of the bank under review, before, during and/or after the assignment and the interim and final reports have been completed.

The contractor must provide regular updates to the contracting authority on the progression of each assignment. The frequency of each update will be determined on a case by case basis and will be stipulated in the specific contract for each assignment.

If any problems occur at any stage of the execution of the assignment (e. g. as regards access to the relevant information) the contracting authority must be informed immediately so that it can take appropriate action without delay.

## **5. Volume**

The estimated budget for lot 1, including all costs, travel and incidental expenses, is a maximum EUR 8.800.000 for 4 years. The estimated budget for the first year is EUR 2.200.000; however, this maximum is only indicative and is not mandatory.

The estimated budget of lot 2, including all costs, travel and incidental expenses, is maximum EUR 1.200.000 for 4 years. The estimated budget for the first year is EUR 300.000; however, this maximum is only indicative and is not mandatory.

However, the contracting authority is not under an obligation to purchase assignments for the maximum amount.

The tenderers must be aware that the contract award criteria are based on a formula which ensures an adequate balance between quality and price as detailed in section 6.3.2 and 6.3.4 of these tender specifications.

The Commission reserves the right to negotiate with the contractors in accordance with Art. 134(1)(e) of the Rules of Application and increase the amount with a maximum of 50%.

## **6. Evaluation of tenders and award**

Each lot will be subject to a separate evaluation of tenders and an award procedure (see section 6.3 for further details).

The evaluation is based solely on the information provided in the submitted tender. It involves the following:

- i. verification of non-exclusion of tenderers based on the exclusion criteria listed in the declaration of honour;
- ii. selection of tenderers on the basis of selection criteria;
- iii. verification of compliance with the minimum requirements set out in these tender specifications;
- iv. evaluation of tenders on the basis of the award criteria.

The contracting authority may reject abnormally low tenders, particularly if it is established that the tenderer or a subcontractor does not comply with legislative requirements in environmental, social and employment law.

The tenders will be assessed in the order indicated above and can only progress on to subsequent stages if each preceding requirement is satisfied.

### **6.1. Verification of non-exclusion**

All tenderers must provide a declaration of honour (see Annex III. to the invitation to tender), which is: (a) signed and dated by an authorised representative; and (b) confirms the tenderer does not fall within one of the exclusion categories provided for in the declaration of honour.

In the case of a joint tender, each member of the group must provide a declaration of honour which is dated and signed by an authorised representative.

In case of subcontracting, all subcontractors must provide a declaration of honour which is signed and dated by an authorised representative.

The contracting authority reserves the right to verify whether the successful tenderer falls within one of the exclusion categories provided for in the declaration of honour by requesting the supporting documents listed in the declaration of honour.

The successful tenderer must provide the documents listed in the declaration of honour as supporting documents: (a) before the contract is signed; and (b) within the deadline given by the contracting authority. These requirements are applicable to all subcontractors and each individual involved in a joint tender.

International organisations are not under an obligation to submit the supporting evidence listed in the declaration of honour.

A tenderer (or a member of the group in case of joint tender, or a subcontractor) is not required to submit the documentary evidence listed in the declaration of honour if: (a) it has been previously submitted for a different procurement procedure organised by the contracting authority; and (b) the documents were submitted not more than one year before the date of their request by the contracting authority and are still valid on the date the tender is submitted for the evaluation which is pursuant to this procurement procedure. In such cases, the tenderer must: (a) declare on their honour that the relevant documentary evidence has already been submitted in a previous procurement procedure; (b) indicate the reference of the procurement procedure under which the documents were submitted; and (c) confirm that there has been no change in the situation as provided for in the submitted documents.

A tenderer (or a member of the group in case of joint tender, or a subcontractor) is not required to submit a specific document listed in the declaration of honour if the contracting authority can access the document in question on a national database free of charge.

## **6.2. Selection criteria**

Tenderers must prove their legal, regulatory, economic, financial, technical and professional capacity to carry out the work which is subject to this procurement procedure.

A tenderer may rely on the capacity of other entities; however, he must prove to the contracting authority that it will have the resources necessary at its disposal for the performance of the contract, for example by producing an undertaking on the part of those entities to place those resources at its disposal.

The tender must include the proportion of the contract that the tenderer intends to subcontract.

### **6.2.1. Declaration of evidence**

The tenderers (and each member of the group in the case of a joint tender) and subcontractors whose capacity is necessary to fulfil the selection criteria must provide the declaration of honour (see Annex III. to the invitation to tender) which is: (a) signed and dated by an authorised representative; and (b) confirms that they fulfil the selection criteria applicable to them. In the case of a joint tender or a subcontracting arrangement, the criteria applicable to

the tenderer as a whole will be verified by combining the various declarations for a consolidated assessment.

This declaration is part of the declaration used for the exclusion criteria (see section 6.1 of these tender specifications) so only one declaration covering both aspects must be provided by each concerned entity.

The contracting authority will evaluate selection criteria on the basis of the declarations of honour. Nevertheless, it reserves the right to require evidence of the legal and regulatory, financial and economic and technical and professional capacity of the tenderers at any time during the procurement procedure and the performance of the contract. In such a case the tenderer must provide the requested evidence without delay. The Contracting Authority may reject the tender if the requested evidence is not provided in due time.

After the contract has been awarded, the successful tenderer will be required to provide the evidence mentioned below before signature of the contract and within a deadline given by the contracting authority. This requirement applies to each member of the group in case of joint tender and to subcontractors whose capacity is necessary to fulfil the selection criteria.

A tenderer (or a member of the group in case of joint tender, or a subcontractor) is not required to submit the documentary evidence listed in the declaration of honour if: (a) it has been previously submitted for a different procurement procedure organised by the contracting authority; and (b) the documents were submitted not more than one year before the date of their request by the contracting authority and are still valid on the date the tender is submitted for the evaluation which is pursuant to this procurement procedure. In such cases, the tenderer must: (a) declare on their honour that the relevant documentary evidence has already been submitted in a previous procurement procedure; (b) indicate the reference of the procurement procedure under which the documents were submitted; and (c) confirm that there has been no change in the situation as provided for in the submitted documents.

A tenderer (or a member of the group in case of joint tender, or a subcontractor) is not required to submit a specific document if the contracting authority can access the document in question on a national database free of charge.

### **6.2.2. Legal and regulatory capacity**

Tenderers must prove that they are allowed to pursue the professional activity necessary to carry out the work subject to this call for tender. The tenderers (including each member of the group in the case of a joint tender) must provide the following information if it has not been submitted with the Legal Entity Form:

- for legal persons, a legible copy of the notice of appointment of the persons authorised to represent the tenderer in dealings with third parties and in legal proceedings, or a copy of the publication of such appointment if the legislation applicable to the legal person requires such publication. Any delegation of this authorisation to another representative not indicated in the official appointment must be evidenced;
- for natural persons, if required under applicable law, a proof of registration on a professional or trade register or any other official document showing the registration number.



### 6.2.3. Economic and financial capacity criteria

The tenderers must have the necessary economic and financial capacity to perform this contract until its conclusion. In order to prove their capacity, the tenderers must satisfy the following selection criteria:

- For lot 1: Turnover of the last two financial years above EUR 4.000.000 (four million); this criterion applies to the tenderer as a whole, i.e. the combined capacity of all members of a group in case of a joint tender.
- For lot 2: Turnover of the last two financial years above EUR fifty thousand (50.000); this criterion applies to the tenderer as a whole, i.e. the combined capacity of all members of a group in case of a joint tender.

#### **Evidence (to be provided on request):**

- a copy of the profit and loss accounts for the last two years for which accounts have been closed from each concerned legal entity;
- failing that, relevant statements from various banks.

If, for some exceptional reason a tenderer is unable to provide one of the above documents, the contracting authority must be notified of the exceptional reason and its justification. The contracting authority will then inform the tenderer of the documents that should be submitted to prove the tenderer's economic and financial capability. The contracting authority reserves the right to request any other document enabling it to verify the tenderer's economic and financial capacity.

### 6.2.4. Technical and professional capacity criteria and evidence

Tenderers (in the case of a joint tender the combined capacity of all members of the group and identified subcontractors) must comply with the criteria listed below.

#### **6.2.4.1. Technical and professional capacity for Lot 1**

##### **A. Criteria concerning the tenderers for Lot 1**

**Criterion A1:** The tenderers must demonstrate that they have **experience** in the field of: credit products, credit assets and derivatives valuation, modelling and market developments with at least 5 projects delivered in this field in the last three years each with a minimum value for each project of EUR 30.000 (thirty thousand). This concerns both the valuation of the assets and processes to resolve the portfolio of such assets and associated liabilities.

**Evidence A1:** the tenderers must provide:

- references for each of the 5 projects delivered in this field in the last three years with a minimum value for each project of EUR 30.000 (thirty thousand). The references should include a list of the relevant services delivered with the total amount charged for the service, dates and names of the clients (it must be

indicated whether the clients were public or private entities), accompanied by statements issued by the clients;

- a list of the client's contact details so that the contracting authority can contact some of them if necessary.
- a description of in-house expertise in following and assessing market trends in the relevant scope of asset classes.

**Criterion A2:** The tenderers must demonstrate that they have the **technical resources** (e.g. facilities, access to data, computing resources) to complete the assignment.

**Evidence A2:** The tenderers must provide:

- a description of their organisation;
- a description of their office location, study and research facilities;
- a description of available data sources, access to third party research and computing capabilities;
- a description of in-house modelling and structuring capabilities.

**Criterion A3:** The tenderers must demonstrate their ability to **draft reports in English**.

**Evidence A3:** The drafting and language skills of the tenderers will be assessed on the technical notes submitted in English for satisfying the "Award criteria".

**Criterion A4:** The tenderers must show they have **international standing**, by demonstrating they have delivered at least 5 different projects in at least 3 different EU member states in the last 3 years.

**Evidence A4:** the tenderers must produce a list of all the projects performed/delivered in the last three years. The information in respect of each project must include: a brief description mentioning the country of performance.

## **B. Criteria concerning the team delivering the service for Lot 1**

The prospective team delivering the service must include the following profiles as a minimum:

- 1 Senior Expert (Project Manager): with at least 7 years' experience in the field of asset valuation and resolution of problematic assets and associated liabilities, and with senior managerial experience (e.g. at the level of managing director or partner) of at least 3 years in managing a team of at least 8 people;
- 3 Intermediate Experts: each with at least 3 years' experience in the field of asset valuation and resolution of problematic assets and associated liabilities, and with managerial experience (e.g. at the level of associate, vice-president or director); and

- 5 Junior Experts: each with at least 1 year of experience in the field of asset valuation and resolution of problematic assets and associated liabilities (e.g. at the level of an analyst).

**Evidence concerning the team delivering the service for Lot 1:**

The tenderer delivering the service must submit the following information:

- a statement detailing the average annual number of employees and managerial staff (of the service provider or contractor) in the last three years;
- the number of staff members (and names) of those who could satisfy the required profile for each of the 3 categories of experts (Senior, Intermediate and Junior Experts).
- for each potential Senior Expert (Project Manager):
  1. a detailed Curriculum Vitae which shows educational, professional and language qualifications;
  2. a list of services delivered in the past 7 years which should include: an accurate description of the scope of the service delivered and major achievements, the total amount of each service, the dates the service was undertaken, and the names of the clients (it must be stated whether the clients were public or private entities);
  3. a list of asset classes for which relevant services have been delivered in the past 7 years – this should be classified by the client;
  4. a list of the client's contact details so the contracting authority can contact them if necessary.
- for each potential Intermediate Expert:
  1. a detailed Curriculum Vitae which shows the educational, professional and language qualifications;
  2. a list of services delivered in the past 3 years which should include: an accurate description of the scope of work delivered and major achievements, the total amount of each service, the dates the service was undertaken, and the names of the clients (it must be stated whether the clients were public or private entities);
  3. a list of asset classes for which relevant services have been delivered in the past 3 years – this should be classified by the client;
  4. a list of the client's contact details so the contracting authority can contact them if necessary.
- for each potential Junior Expert:
  1. a detailed Curriculum Vitae which shows the educational, professional and language qualifications;
  2. a list of services delivered in the past 2 years which should include: an accurate description of the scope of work delivered and major achievements, the total amount of each service, the dates the service was undertaken and the names of the clients (it must be stated whether the clients were public or private entities)
  3. a list of asset classes for which relevant services have been delivered in the past 2 years – this should be classified by the client;

4. a list of the client's contact details so the contracting authority can contact them if necessary.

#### **6.2.4.2. Technical and professional capacity for Lot 2**

##### **a. Criteria concerning the tenderers for Lot 2**

The tenderer must comply with the following criteria:

**Criterion a1:** The tenderers must demonstrate that (s)he has **experience** in the field of credit products, credit assets and derivatives valuation, modelling and market developments.

**Evidence A1:** the tenderers must provide:

- references for each of the projects delivered in this field in the last 7 years;
- the references referred to above should include a list of the relevant services delivered with the total amount of the service, dates the services were undertaken and the names of the clients (it must indicated whether the clients were public or private entities), accompanied by statements issued by the clients;
- a list of the client's contact details so the contracting authority can contact them if necessary.

**Criterion A2:** The tenderers must demonstrate their ability to **draft reports in English**.

**Evidence A2:** The drafting and language skills of the tenderers will be assessed on the technical notes submitted in English for satisfying the "Award criteria".

##### **b. Criteria concerning the team delivering the service for Lot 2**

It is sufficient for one person to deliver this service; however, this person must demonstrate that (s)he has **experience** in the field of: credit products, credit assets and derivatives valuation, modelling and market developments with at least 5 projects delivered in this field in the last 7 years. This person may have acquired this experience working for different companies/organisations in the last 7 years.

In addition, this person must show (s)he has **international** standing by demonstrating (s)he has delivered at least 5 projects in at least 3 different EU member states.

##### **Evidence concerning the team delivering the service for Lot 2:**

The tenderer delivering the service must submit the following information:

- the number of staff members (and names) of those who could satisfy the required profile and be considered as potential Experts for Lot 2;
- for each potential Expert:

1. a detailed Curriculum Vitae which shows the educational, professional and language qualifications;
2. references for each of the projects delivered in this field in the last 7 years.
3. the references referred to above should include a list of the relevant services delivered with the total amount of the service, an accurate description of the scope of the service delivered (mentioning impaired asset classes concerned) and major achievements, dates the services were undertaken and the names of the clients (it must be indicated as to whether the clients were public or private entities); this information should be accompanied by statements issued by the clients. The tenderer must mention the country where the service was performed as evidence of international standing.
4. a list of the client's contact details so the contracting authority can contact them if necessary.
5. a list of publications (in established journals) which cover relevant impaired asset classes.

### 6.3. Award criteria

For each lot, the contract will be awarded on the best value for money and the selected tenders will be evaluated according to the criteria below and the points scored.

The total quality criterion is composed of 4 quality sub-criteria. The total number of points for the total quality criterion is called "the total quality mark". The maximum "total quality mark" is one hundred (100 points).

The "final scores" as respectively described in section 6.3.2 for Lot 1 and in section 6.3.4 for Lot 2 of these tender specifications will determine the order of experts in the cascade.

Once the successful tenders have been evaluated for each lot, the contracting authority will draw up a list in descending order comprising of a maximum of 5 contractors. When an order is to be placed, the contracting authority will respect the order established in the list of the specific Lot each time it calls a contractor.

#### 6.3.1 AWARD CRITERIA FOR LOT 1 – QUALITY EVALUATION

No	Quality criteria	Quality points
1.	<p><b>Approach to impaired assets and relief measures</b> which will be evaluated against a technical note of a maximum of 5000 words based on publicly available information and own research discussing the issue of impaired assets relief measures for financial institutions in difficulty.</p> <p>The note must present and discuss:</p> <ul style="list-style-type: none"> <li>• the extent of the problem of impaired assets in the financial system with special focus on European institutions;</li> <li>• 3 examples of relief measures that have been taken in at least 2 different Member States regarding impaired assets and related liabilities in the context of the BRRD;</li> <li>• a summary in your own words which explains the difference</li> </ul>	(20 points – minimum threshold 50%)

	between the concepts of real economic value and market value as presented in the Impaired Asset Communication. Explain that difference and the impact on the State aid element included in the impaired asset measure in 3 examples.	
2.	<p><b>Proposed methodology</b> will be evaluated against a technical note of a maximum of 8000 words discussing:</p> <ul style="list-style-type: none"> <li>• each of the 6 following asset classes (commercial real estate loans, corporate loans, SME loans, residential mortgage loans, consumer loans, structured credits) the overall approach that will be undertaken to review and question the output valuation results of the banks and/or Member States' advisors, including the key assumptions and parameters that will be reviewed for each asset class;</li> <li>• the decision process to seize the collaterals or to restructure the loans;</li> <li>• the following 3 collaterals types (hotels, industrial properties and retail properties) and a description of your preferred valuation methodology as well as;</li> <li>• a methodology to value Non-Performing Loans (NPLs) which have these 3 types of assets as collaterals.</li> </ul>	(30 points – minimum threshold 50%)
3.	<p><b>Technical resources mobilised</b> to carry out the task will be evaluated against a technical note of a maximum of 2000 words discussing how the available resources are mobilised and organised with a view to ensure good quality throughout the task, especially in terms of access to both current and historical market data (credits, interest rates, foreign exchanges) and research on the performance and current valuation of the major asset classes (commercial real estate loans, corporate loans, SME loans, mortgage loans, consumer loans, structured credits, etc.) in the different Member States.</p>	(25 points – minimum threshold 50%)
4.	<p><b>Quality Control measures</b> applied to the service foreseen in this tender specification concerning the quality of the deliverables, the language quality check, and continuity of the service in case of absence of a member of the team.</p> <p>Quality Control measures will be evaluated against a technical note of a maximum of 2000 words describing:</p> <ul style="list-style-type: none"> <li>• the concrete hands-on measures employed to ensure the quality of the performance;</li> <li>• terms of availability of the resources dedicated to the Contract, as well as the capacity to mobilize these in line with the requirements of the specific tasks assigned (which may include participation in meetings at the Commission's premises and/or in other premises defined in the specific contracts at short notice, working over weekends and holiday periods);</li> <li>• proposed working arrangements to deliver advice and execute the assigned tasks within very short deadlines when necessary (e.g. through the possibility of deploying additional resources).</li> </ul> <p>The quality system must be detailed in the tender and specific to</p>	(25 points – minimum threshold 50%)

	the tasks at hand; a generic quality system will result in a low score.	
<b>Total number of points:</b>		100

The "total quality mark" for a tender in Lot 1 will be the sum of the points recorded for the 4 quality sub-criteria.

Tenders which score a "total quality mark" of fewer than 60 points for the quality criteria will be rejected. In addition, any tender which scores below 50% of the maximum number of points available for any of the 4 quality sub-criteria above will be rejected (minimum threshold of 50% for each quality sub-criterion) and will not be ranked.

### 6.3.2 RANKING OF TENDERS FOR LOT 1

The FWC for Lot 1 will be awarded to the 5 tenders with the most economically advantageous tender, i.e. the tender offering the best price-quality ratio determined in accordance with the formula below; with a weight of 30% is given to price and a weight of 70% is given to quality.

$$\text{Final score of tender A} = \left( \frac{\text{cheapest price}}{\text{price of tender A}} * 100 * 30 \% \right) + \left( \text{"total quality mark" of tender A} * 70 \% \right)$$

Where:

"Price" is "Expert weighted average price" as detailed in section 7.6.1 of these tender specifications.

"Cheapest price" is the cheapest of all the "Expert weighted average prices" of all tenders complying with selection criteria.

"Price of tender A" is the "Expert weighted average price" of tender A.

" Total quality mark" is as detailed in section 6.3.1 of these tender specifications.

This formula ensures an adequate balance between quality and price taking into account the fact that the contracting authority is ready to pay a higher price for excess quality without neglecting overall budgetary constraints.

The tender with the highest final score after applying the formula will rank as first in the cascading sequence of the contractors and so on.

**6.3.3 AWARD CRITERIA FOR LOT 2 – QUALITY EVALUATION**

No	Quality criteria	Quality points
1.	<p><b>Approach to impaired assets and relief measures</b> will be evaluated against a technical note of a maximum of 5000 words based on publicly available information and own research discussing the issue of impaired assets relief measures for financial institutions in difficulty.</p> <p>The note must present and discuss:</p> <ul style="list-style-type: none"> <li>the extent of the problem of impaired assets in the financial system with special focus on European institutions;</li> <li>2 examples of relief measures that have been taken in at least 2 different Member States regarding impaired assets and related liabilities in the context of the BRRD;</li> <li>a summary in your own words which explains the difference between the concepts of real economic value and market value as presented in the Impaired Asset Communication. Explain that difference and the impact on the State aid element included in the impaired asset measure in 3 examples.</li> </ul>	(20 points – minimum threshold 50%)
2.	<p><b>Proposed methodology</b> will be evaluated against a technical note of a maximum of 9000 words discussing:</p> <ul style="list-style-type: none"> <li>each of the 6 following asset classes (commercial real estate loans, corporate loans, SME loans, residential mortgage loans, consumer loans, structured credits) the overall approach that will be undertaken to review and question the output valuation results of the banks and/or Member States' advisors, including the key assumptions and parameters that will be reviewed for each asset class;</li> <li>the decision process to seize the collaterals or to restructure the loans;</li> <li>the following 4 collaterals types (hotels, industrial properties, retail properties and offices) a description of your preferred valuation methodology as well as;</li> <li>a methodology to value Non-Performing Loans (NPLs) which have these 4 types of assets as collaterals.</li> </ul>	(40 points – minimum threshold 50%)
3.	<p><b>Technical resources mobilised</b> to carry out the task will be evaluated against a technical note of a maximum of 1500 words discussing how the available resources are mobilised and organised with a view to ensure good quality throughout the task, especially in terms of access to both current and historical market data (credits, interest rates, foreign exchange) and research on the performance and current valuation of the major asset classes (commercial real estate loans, corporate loans, SME loans, mortgage loans, consumer loans, structured credits, etc.) in the different Member States.</p>	(15 points – minimum threshold 50%)
4.	<p><b>Quality Control measures</b> applied to the service foreseen in this tender specification concerning the quality of the deliverables, the language quality check, and continuity of the</p>	(25 points – minimum threshold 50%)



	<p>service in case of absence of members of the team.</p> <p>Quality Control measures will be evaluated against a technical note of a maximum of 2000 words describing:</p> <ul style="list-style-type: none"> <li>the concrete hands-on measures employed to ensure the quality of the performance;</li> <li>terms of availability of the resources dedicated to the contract, as well as the capacity to mobilize these in line with the requirements of the specific tasks assigned (which may include participation in meetings at the Commission's premises and/or in other premises defined in the specific contracts at short notice, working over weekends and holiday periods);</li> <li>proposed working arrangements to deliver advice and execute the assigned tasks within very short deadlines when necessary.</li> </ul> <p>The quality system must be detailed in the tender and specific to the tasks at hand; a generic quality system will result in a low score.</p>	<b>50%)</b>
<b>Total number of points:</b>		<b>100</b>

Tenders which score a "total quality mark" of fewer than 60 points for the total quality criteria will be rejected. In addition, any tender which scores below 50% of the maximum number of points available for any of the 4 quality sub-criteria above will be rejected (minimum threshold of 50% for each quality sub-criterion).

#### 6.3.4 RANKING OF TENDERS FOR LOT 2

The FWC for Lot 2 will be awarded to the 5 tenders with the most economically advantageous tender, i.e. the tender offering the best price-quality ratio determined in accordance with the formula below; with a weight of 30% is given to price and a weight of 70% is given to quality.

$$\text{Final score of tender A} = \left( \frac{\text{cheapest price}}{\text{price of tender A}} * 100 * 30\% \right) + \left( \text{"total quality mark" of tender A} * 70\% \right)$$

Where:

"Price" is "Expert price" as detailed in section 7.6.2 of these tender specifications.

"Cheapest price" is the cheapest of all the "Expert prices" of all tenders complying with selection criteria.

"Price of tender A" is the "Expert price" of tender A.

"Total quality mark" is as detailed in section 6.3.3 of these tender specifications.

This formula ensures an adequate balance between quality and price taking into account the fact that the contracting authority is ready to pay a higher price for excess quality without neglecting overall budgetary constraints.

The tender with the highest final score after applying the formula will rank as first in the cascading sequence of the contractors and so on.

## **7. Information on tendering**

### **7.1. Participation**

Participation in this procurement procedure is open on equal terms to all natural and legal persons coming from one of the EU Member States, as well as to international organisations.

It is also open to all natural and legal persons established in a third country which has a special agreement with the Union in the field of public procurement on the conditions laid down in that agreement. Where the plurilateral Agreement on Government Procurement<sup>3</sup> concluded within the World Trade Organisation applies, the participation within this procedure is also open to all natural and legal persons established in the countries that have ratified this Agreement, on the conditions it has laid down.

### **7.2. Contractual conditions**

The tenderer must bear in mind the provisions of the draft FWC which specifies the rights and obligations of the contractor, particularly those on payments, performance of the contract, confidentiality, checks and audits.

### **7.3. Compliance with applicable law**

The tender must comply with applicable environmental, social and employment law obligations established by Union law, national legislation, collective agreements on international environmental, social and employment conventions listed in Annex X to Directive 2014/24/EU<sup>3</sup>.

### **7.4. Joint tenders**

A joint tender is a situation where a tender is submitted by a group of economic operators (natural or legal persons). Joint tenders may include subcontractors in addition to the members of the group.

In case of joint tender, all members of the group assume joint and several liability towards the contracting authority for the performance of the contract as a whole, i.e. both financial and operational liability. Nevertheless, tenderers must designate one of the economic operators as a single point of contact (the leader) for the contracting authority in relation to administrative and financial aspects as well as operational management of the contract.

---

<sup>3</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

After the award, the contracting authority will sign the contract either with all members of the group, or with the leader on behalf of all members of the group, authorised by the other members via a power of attorney.

### **7.5. Subcontracting**

Subcontracting is permitted but the contractor will retain full liability towards the contracting authority for performance of the contract as a whole.

Tenderers are required to identify all subcontractors.

During contract performance, the change of any subcontractor identified in the tender or additional subcontracting will be subject to prior written approval of the contracting authority.

### **7.6. Structure and content of the tender**

The tenders must be presented as follows:

Part A: Identification of the tenderer (see section 7.7)

Part B: Non-exclusion (see section 6.1)

Part C: Selection (see section 6.2)

Part D: Technical offer

The technical offer must cover all of the aspects and tasks required in the technical specifications and provide all the information needed to apply the award criteria. Offers deviating from the requirements or not covering all of the requirements may be rejected on the basis of non-compliance with the tender specifications and will not be evaluated.

Part E: Financial offer

The price of the tender must be quoted in EUR. Tenderers from countries outside the euro zone must quote their prices in EUR. The price quoted may not be revised in line with exchange rate movements. It is for the tenderer to bear the effects deriving from any variation.

Prices must be quoted free of all duties, taxes and other charges, including VAT, as the European Union is exempt from such charges under Articles 3 and 4 of the Protocol on the privileges and immunities of the European Union.

The quoted price must be a fixed amount which includes all charges (including travel and subsistence). Travel and subsistence expenses are not refundable separately.

Costs incurred in preparing and submitting tenders (under Lot 1 and/or Lot 2) are borne by the tenderers and cannot be reimbursed.

In order to facilitate the assessment of the price, the tenderer must specify the following:

#### **7.6.1 Price for lot 1:**

The unit prices shall be quoted as fee per "Expert Person Day"<sup>4</sup> for each of the three expert profiles' categories the tenderer proposes to use for the performance of the services required under the contract.

These three unit prices must be fixed and include all costs and all expenditure (including travel expenses) incurred directly and indirectly by the contractor in performance of the tasks which may be entrusted to him.

The contracting authority will only pay for the number of days (or parts thereof) actually worked.

Expert profiles shall be grouped into the following 3 categories:

- i. Junior expert with at least 1 year of experience in the field of asset valuation and resolution of problematic assets and associated liabilities (e.g. at the level of an analyst);
- ii. Intermediate expert with at least 3 years' experience in the field of asset valuation and resolution of problematic assets and associated liabilities, and with managerial experience (e.g. at the level of associate, vice-president or director);
- iii. Senior expert with at least 7 years' experience in the field of asset valuation and resolution of problematic assets and associated liabilities, and with senior managerial experience (e.g. at the level of managing director or partner) of at least 3 years in managing a team of at least 8 people.

For each tender, the contracting authority will calculate the "expert weighted average price" of the unit prices for the three expert categories described above, using the following weights:

- i. 50% for Junior expert;
- ii. 30% for Intermediate expert;
- iii. 20% for Senior expert.

#### *Example*

*The tenderer provides EUR X per working day as a unit price for the Junior expert, EUR Y per working day as a unit price for the Intermediate expert and EUR Z per working day as a unit price for the Senior expert.*

*The contracting authority will calculate a weighted average of the unit prices according to the following formula:*

$$50\% \times \text{EUR } X + 30\% \times \text{EUR } Y + 20\% \times \text{EUR } Z.$$

---

<sup>4</sup> One "Expert Person Day" consists of 8 working hours.

### **7.6.2 Price for lot 2:**

Tenderers must provide one single unit price for the expert performing the tasks.

This price is called the "expert price" and shall be quoted as fee per "Expert Person Day"<sup>5</sup>.

The unit price must be fixed and include all costs and all expenditure (including travel expenses) incurred directly and indirectly by the Contractor in performance of the tasks which may be entrusted to him.

The contracting authority will only pay for the number of days (or parts thereof) actually worked.

### **7.7. Identification of the tenderer**

The tenders must include a cover letter signed by an authorised representative presenting the name of the tenderer (including all entities in the case of a joint tender), identified subcontractors if applicable, and the name and a valid e-mail address for the single contact point (leader) in relation to this procedure.

In the case of a joint tender, the cover letter must be signed either by an authorised representative for each member, or by the leader authorised by the other members with a power of attorney. The signed power of attorney must be included in the tender as well. Subcontractors that are identified in the tender must provide a letter of intent signed by an authorised representative stating their willingness to provide the services presented in the tender and in line with the present tender specifications.

All tenderers (including all members of the group in case of joint tender) must provide a signed Legal Entity Form with its supporting evidence. The form is available on:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm)

Tenderers that are already registered in the contracting authority's accounting system (i.e. they have already been direct contractors) must provide the form but are not obliged to provide the supporting evidence.

The tenderers (or the leader in case of joint tender) must provide a Financial Identification Form with its supporting documents. Only one form per tender must be submitted. No form is needed for subcontractors and other members of the group in case of joint tender. The form is available on: [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/index\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/index_en.cfm)

The tenderer (and each member of the group in the case of a joint tender) must declare whether it is a Small or Medium Size Enterprise in accordance with Commission Recommendation 2003/361/EC. This information is used for statistical purposes only.

---

<sup>5</sup> One "Expert Person Day" consists of 8 working hours.