

Specifications attached to the

Open invitation to tender n° TAXUD/2012/AO-01

for the provision of economic analysis in the area of customs

1. BACKGROUND, SCOPE AND OBJECTIVES OF THIS CALL FOR TENDERS

A call for tenders is launched by the European Commission for the signature of a framework contract for the supply of economic analysis which would be carried out with the help of various economic tools.

The tenderer should be able to carry out a number of economic analyses per year on specific topics as identified by the Commission. The topics to be examined are related to current EU and Member States' customs policies and their implementation as well as to new policy proposals and to customs issues on national, European and international level. The economic analysis would involve a modelling framework based on reliable economic data and supported by studies and comparative analysis in various customs areas. The topics of the economic analyses will be set in a perspective of, *inter alia*, the smooth functioning of the internal market and the Customs Union, the reduction of administrative burden as well as the objectives of the Europe 2020 strategy.

2. NATURE OF THE CONTRACT AND AWARDING AUTHORITY

The tender for an estimated budget value of EUR 2,000,000 will be awarded to a single contractor by the European Commission, hereinafter referred to as 'The Commission'.

The services to be rendered will involve data collection and assessment of the impact of current and future customs policies and legislation, cost-benefit and economic analysis, as well as case studies.

External support is sought for such services in order to ensure a quality modelling framework based on a high level of expertise and availability of extensive accurate, reliable and up-to date information.

The main users of this contract will be the Commission services which carry out customs-related work. It is estimated that around 10 assignments will be proposed to the contractor under this framework contract.

3. LEGAL BASIS FOR ESTABLISHING THE CONTRACT

- According to the Treaty on the Functioning of the European Union (TFEU) and in particular Article 207(2) in conjunction with Articles 289(1), 294(2) thereof, the Commission has the competence of preparing and presenting to the Council and the EP proposals for EU policy and legislation in the field of customs.

- The Commission priorities in the field of customs have been specified in the following documents: COM(2005)532, COM(2006)728, COM(2006)823, COM(2006)824, COM(2006)825, COM(2007)71, COM(2007)140, COM(2007)785, COM (2008)169, COM(2008)807, COM(2009)20, COM(2009)201, COM(2009)325, COM(2009)472, COM(2010)135, COM(2010)2020).

- The Commission work programme and priorities in the field of customs can be found on the TAXUD web site:

http://ec.europa.eu/taxation_customs/common/about/welcome/index_en.htm

4. SPECIFICATIONS FOR THIS CALL FOR TENDERS

On request from the Commission, the contractor shall conduct studies and economic analyses of customs policy issues with the assistance of various economic tools. The exact topics to be covered and the delivery date of the studies and analyses are determined by the Commission following a request for service sent to the contractor.

The tenderer will be requested to take charge of the following tasks: collection and supply of economic information and data, provide macro-economic and micro-economic analysis using a modelling framework.

The tasks to be covered can be defined as follows:

4.1. Analytical framework

- Analysis of impacts

The tenderer should be able to assess the impact of current and future customs policies and legislation and its implementation on trading businesses and customs administrations as well as on the other sectors of the economy. The analysis should take into account different types of costs, for example compliance costs for traders (e.g. fees, taxes), administrative costs for customs authorities and welfare costs for the society as a whole (see section 4.2. for different types of costs). The analysis should also be able to single out and qualify the benefits, for example improved economic efficiency of the proposed policies or more efficient and effective customs administrations. The variables used in the analysis should be able to feed into qualitative and quantitative analysis and be of the following type: macroeconomic indicators, sector-specific indicators, trade (values and volumes) intensity indicators between the EU Member States and third countries (and how they are influenced by the customs related transaction costs), investment flows indicators, duty rates, etc. Performance indicators may also need to be used, such as efficiency of customs clearance processes, competence and quality of logistics services, sources and frequencies of delays, export and import time, induced costs, etc.

Because the quality of the results of an economic analysis depends heavily on the quality of data it is based on, the tenderer agrees to use the most recent available data for the economic analysis, and to ensure that the quality of the data is as high as possible. A primary requirement is that the model data used need to be consistent across countries and in the same units. Where data is not available, the tenderer should have the proven means and expertise to collect the required primary data himself (see also section 4.2).

- Economic model

Economic models may be needed to analyse, among others, the impact of tariff changes on trade flows and if any, on the economy of a country or a group of countries. The tenderer shall provide a description of the model(s), preferably via the technical specifications. The model should determine the effects of the examined scenarios at the sectoral, country, EU or world levels. It should also help the Commission to produce detailed customs policy scenarios, where the outcomes of the model should serve as a basis. Such outcomes could serve, for example, to evaluate economic impacts of bilateral trade agreements or other arrangements in the field of customs between EU27 and third countries on their economies and/or within certain sectors.

The model shall also provide indications on short-term versus long-term effects. Moreover, the ideal model would be able to measure where applicable for example: the economic output, economic welfare, real wages for low-skilled and high skilled workers, return on investment (and its timing), total employment, unemployment, prices and exchange rates, changes in demand and supply, cost and effects of non-tariff barriers, cost of factors of production (to businesses), output, foreign trade inward and outward flows and investment flows per sector and/or per country. The most common policy instruments affecting the economy and the environment would need to be included in the model.

In situations where the tenderer suggests the use of a General Equilibrium Model, this General Equilibrium Model should be a multi-country, multi-sector and dynamic model that gives a realistic representation of the world economy allowing for endogenous Foreign Direct investment (FDI) flows and explicitly treating international trade and tariff changes. The advantage of using a multi-country model (EU27 and third countries) is to take into account the impact of a changing global trade environment, as well as the possible feedback associated with the bilateral trade liberalisation.

- Sectoral model

Sectoral models could be envisaged to help assess narrower product categories which cannot be accomplished with a global general equilibrium analysis.

- Case studies

The tenderer should be able to perform economic analyses of the type of detailed case studies on specific topics (or specific countries/ sectors). Requested case studies could either complement other types of economic analysis, or be carried out as separate projects.

4.2. Collection and supply of economic information

The main objective is to ensure the quality and availability of input data for the economic analysis as described in section 4.1.

The tenderer shall describe in the offer the strategies to gain access to existing, readily available economic empirical and statistical databases for various sectors and countries, which can be easily adapted for use in studies related to the Commission priorities in the field of customs. In addition, he/she shall provide in the offer an overview of the (internal and external) data network to which he/she will have access, including an assessment as on the time period covered, the level of detail (disaggregation), the geographical coverage and the comparability of the data across Member States and third countries. Furthermore, the tenderer shall describe in the offer the capabilities and experience in collecting primary data.

The geographical coverage of the data should include EU27 and as many as possible third countries. In any case, access to a number of well-known and comprehensive databases, should be ensured. The data should be consistent with the requirements of the analytical framework as described under section 4.1 for which they will serve as an input.

Different reliable sets of data or databases should be used for the analysis of:

- œ combined nomenclature (CN) codes (with at least 6 digit numbers to permit better handling of the dispersion of tariffs) including sensitive products; tariff quotas and applied tariffs, including preferential provisions; duty rates imposed on products;
- œ bilateral trade patterns; production, consumption and intermediate use of commodities and services;

The methodology for collecting additional data which is outside the scope of readily available database shall be approved by the Commission at the start of the contract.

Data on investment and inward and outward trade flows has to be collected for EU27 and the rest of the world. The data should serve as a basis for showing interactions between trade flows and quota changes.

Possibilities for presenting and using the following cost data should be presented (i.e. data on costs related to the functioning of the EU customs administrations and costs to traders):

- œ Costs incurred to comply with customs formalities and procedures (due to organisational changes, changes in legislation, new IT systems, streamlining the management of the Customs Union (CU), etc.)
- œ Current administrative costs for the EU customs administrations – annual operational costs (including equipment and human resources costs)
- œ Costs resulting from organisational restructuring and different types of customs organisations (for example, creating new centers of expertise)
- œ Indirect costs such as costs of delays related to customs clearance, inventory holding costs associated with such delays (no just-in-time delivery)
- œ Costs of maintaining current customs rules and procedures

4.3. Non exhaustive list of customs and customs-related issues that may need to be analysed

- œ Impacts of customs tariff quotas, suspensions and duty exemptions on the EU economy and third countries
- œ Impact of current and future customs policies on the nature of information obligations placed on businesses (type of data required, reporting frequency, the complexity of submission process)
- œ Impact of possible future systematic exchanges of advance customs information between the EU and third countries
- œ Effects and further options for modernisation of customs procedures, customs formalities and controls
- œ Analysis in the field of tariff classification and nomenclatures
- œ Impact of current and future customs policies on the free movement of goods, services, capital and workers
- œ Impact of allowing or prohibiting duty drawbacks (DD) in free trade agreements taking into account negotiated rules of origin¹
- œ Customs valuation issues on the EU economy
- œ Preferential trade agreements between the EU and third countries on the economy
- œ Customs aspects of Union Policies for health, safety, environment, agriculture and fisheries
- œ Assess the effectiveness, efficiency and distributional effects of the state of the Customs Union along its main strategic objectives: protection of society and the financial interests of the EU; support the competitiveness of EU companies; trade facilitation; control and management of the supply chains; quality cooperation among Member States' customs authorities, governmental agencies and the business community; uniformity of implementation of policies and legislation.²

4.4. Literature surveys

The analytical framework needs to be complemented by an overview of the economic theory and economic literature.

The aim is to present the conclusions of the economic theory and compare the relevant results that have already been revealed in the existing literature. The tenderer shall demonstrate the ability to gain access to such information.

Literature surveys are not the subject of an individual request, but are always linked to services performed under the analytical framework.

¹ See Commission Working Document COM (2010)77 from 9.3.2010 "The future of 'Duty Drawback' in the rules of origin of EU's Free Trade Agreements".

² COM (2008) 169

General considerations

All services are to be provided in English. The tenderer assures that the staff appointed has sufficient knowledge of this language.

The tenderer shall provide assurance regarding the quality of all information supplied to the Commission by applying a quality control system. In addition, the tenderer must provide assurance that all information supplied to the Commission is accurate and up-to-date. To this effect, the tenderer has to describe the quality control system applied in detail in the offer.

The tenderer shall provide a list of economic analysis tools and models proposed for the analysis, including a documentation of their main characteristics, with an appreciation of the extent to which they need to be adapted for the purpose of this contract as well as their readiness, at the time of submission of the offer, for immediate implementation of requests related to the current Commission Work Programme.

The following information is compulsory and forms an integral part of the evaluation of this tender: (a) the offer shall contain details on the methodologies that the tenderer can apply under the framework contract to assess the impact of various customs issues and proposals as covered by the tender description, in particular, points 3 and 4 and (b) the tenderer shall demonstrate the capabilities and efficiency of data collection and economic modelling tools proposed by way of an example for a study in the customs field.

5. DURATION

The duration of the framework contract shall be of a maximum period of 4 years from its date of signature. The framework contract shall have an initial duration of 2 years. It may be renewed only with the expressed written agreement of the parties before the framework contract ends. Only two renewals for a period of 1 year each shall be possible. Each specific contract made under this framework contract shall have its own specific duration.

6. PRICES

Tenders will specify a price per man-day for the two categories of experts (Economic and Customs experts) described in the Annex VI. The price per man-day is unique per category of experts and includes all types of overheads.

Based on the prices per man-day provided for in Annex VI, the tenderer will determine a unique price for the ad-hoc economic analysis for an estimated number of 10 studies of 150 man-days on average. A typical study consists of 30% data collection, 50% modelling analysis, and 20% literature surveys. This unique price will constitute the upper ceiling for prices charged under any specific contract concluded under this framework contract.

The total price for the services is defined as the price per man-day times the average number of man-days per study times the number of studies planned for the total duration of the contract.

Prices for access to external databases owned by third parties should not be included in the price per man-day as described in the previous paragraph. Such prices will be the subject of separate reimbursement of costs incurred provided that the expenses are directly linked to the services requested under a specific contract concluded under the framework contract and duly justified by invoices issued by the third-party granting access to the database.

A provision for access to external databases for a value of 150 000 EUR is also to be included in the financial offer.

Prices must be quoted in EUR using, when needed, the conversion rates published in the C series of the Official Journal of the European Union on the day when the notice of invitation to tender was published.

Prices should be quoted free of all duties, taxes and other charges, including VAT, as the Union is exempt from such charges under Articles 3 and 4 of the Protocol on the privileges and immunities of the European Union; if any, the amount of VAT should be shown separately.

The total price must cover all expenditure incurred in the performance of the contract including any necessary travel and subsistence costs. The labour cost for each category of staff engaged in the project must be specified. The daily rate for labour of each member of staff and the total number of days each member of staff will contribute to the work should be provided.

7. DEPOSITS AND GUARANTEES REQUIRED

The contractor may be requested to provide the Commission with a guarantee equal to the amount of any advance obtained.

8. TENDERS FROM CONSORTIA

Contractors or suppliers must specify and quantify the role, qualifications and experience of each member of the consortium. A prime contractor must be designated.

In case of consortia, the criteria have to be met by the consortia as a whole. Nevertheless, criteria 9.A.I, II, III a) and III b) have to be met by each member of the consortium.

9. EXCLUSION AND SELECTION CRITERIA

The Commission reserves its right not to select an offer, which does not conform to the conditions explained in the present document and its annexes.

A. EXCLUSION CRITERIA

I. Any candidate may be excluded from participation who:

- (a) is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, and is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) has been convicted of an offence concerning professional conduct by a judgement which has the force of *res judicata*;
- (c) has been guilty of grave professional misconduct proven by any means which the contracting authorities can justify;
- (d) has not fulfilled all its obligations relating to the payment of social security contributions and the payment of taxes in accordance with the legal provisions of the country in which it is established, with those of the country of the contracting authority and those of the country where the contract is to be carried out;
- (e) has been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental of the Union's financial interests;
- (f) is the subject of an administrative penalty for being guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the procurement procedure or failing to supply an information, or being declared to be in serious breach of his obligation under a contract covered by the budget.

Proof must be provided by:

Filling in a declaration signed by an authorized officer who certifies that none of the above is the case (see annex VII: Declaration of honour with respect to the Exclusion Criteria).

The Commission reserves its right to request from the winning tenderer:

- For situations described in (a), (b) and (e); production of a recent extract from the judicial record is required or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied. Where the tenderer is a legal person and the national legislation of the country in which the tenderer is established does not allow the provision of such documents for legal persons, the documents should be provided for natural persons, such as the company directors or any person with powers of representation, decision making or control in relation to the Tenderer.
- For the situation described in point (d) above; recent certificates or letters issued by the competent authorities of the State concerned. These documents must provide evidence covering all taxes and social security contributions for which the tenderer is liable, including for example, VAT, income tax (natural persons only), company tax (legal persons only) and social security contributions.

- For any of the situations (a), (b), (d) or (e) where any document described in the two paragraphs above is not issued in the country concerned: a sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in his country of origin or provenance.

II. Proof of registration in a professional or trade register must be provided by means of a declaration or certificates prescribed in the country of establishment of the service provider.

III. Proof of the service provider's financial and economic standing must be furnished by the following:

- (a) evidence of relevant professional risk and /or third party indemnity insurance;
- (b) a copy of the service provider's balance sheets or extracts from balance sheets for at least the last three years for which accounts have been closed, where publication of the balance sheets is required under the company law of the country in which the service provider is established; and
- (c) a statement of the undertaking's overall turnover and the turnover relating to the provision of the services to which this contract relates for the previous three financial years.

B. SELECTION CRITERIA

I. Evidence of the service provider's technical and professional capacities and previous experience in the field

Tenderers must demonstrate that they have the human resources needed to provide the services required:

1. Technical and professional capacity of economic operators shall be evaluated and verified in accordance with paragraphs 2 to 5 (below). Such capacity shall be assessed with regard in particular to their know-how, efficiency, experience and reliability.
2. Evidence of the technical and professional capacity of economic operators may, depending on the nature, quantity or scale and purpose of the services to be provided, be furnished on the basis of the following documents:
 - (a) the educational and professional qualifications of the service provider or contractor and/or those of the firm's managerial staff and, in particular, those of the person or persons responsible for providing the services;
 - (b) a list of the principal services provided in the past 5 years, with the sums, dates and recipients, public or private;

(c) a description of the measures employed to ensure the quality of services, and a description of the firm's study and research facilities;

(d) a statement of the average annual manpower and the number of managerial staff of the service provider in the last three years;

(e) an indication of the proportion of the contract which the service provider may intend to subcontract.

3. Tenderers have to prove their ability, skills, experience and competence for performing the work by means of:

a) A general description of the tenderer's main activities, previous experience with respect to the services requested under this framework contract, supported by client references. In addition, the description should contain the methodologies used in the previous studies quoted.

Client references: give 3 client reference contacts of companies other than the Commission that are making use of services similar to the service requirements of this call for tenders. Only provide client references and contact data that are relevant to the services in question and that can be consulted and used by the Commission.

b) Availability of human resources: tenderers must include in their tenders the following information:

(i) The summary table attached in Annex VI (identification form for staff) detailing the experts made available for the work and the fees charged: economists and experts in customs matters. Prices should also be split according to the level of expertise.

(ii) A statement that the experts included in the offer are able to work and produce reports in English.

(iii) The tenderer shall also provide a table with information on previous academic publications by the members of its team. The team has to demonstrate relevant work experience in the field of Customs in the light of the specifications of the tender. At least one member of the team shall have at least one academic publication which uses an economic model for analysis of customs-related matters.

4. Tenderers have to state the availability of economic and sectoral models and a recorded experience in running and using those models for customs-related studies.

5. An economic operator may, where appropriate and for a particular contract, rely on the capacities of other entities, regardless of the legal nature of the links which it has with them. It must in that case prove to the contracting authority that it will have at its disposal the resources necessary for performance of the contract, for example by producing an undertaking on the part of those entities to place those resources at its disposal.

II. Declaration of honour with respect to confidentiality and absence of conflict of interest

The tenderer is required to sign a Declaration of honour with respect to confidentiality and absence of conflict of interest (see Annex I) which must be included in the offer.

In case of consortia, each member of the consortia is required to sign this declaration.

Tenders that do not meet the above requirements will not be taken into consideration for evaluation.

10. AWARD CRITERIA

The award of contracts will be made to the economically most advantageous tender: the bid offering the best value for money will be identified as presenting the best quality/price ratio provided the minimum number of points on technical quality is achieved.

The bids will be assessed according to the following criteria:

- The technical quality of the services offered in the light of the tender specifications
- The price for the Commission

The **technical quality** will be assessed on the basis of the following criteria:

- i). Clarity and coherence of the offer, including understanding and coverage of the topical and geographical aspects of the tender. *(maximum 20 points)*.
- ii). Adequacy of the mechanisms for ensuring quality of service, rapid response and timely availability of the specific expertise and data required for carrying out a variety of detailed economic analyses of customs-related matters, including overall contract management and work organisation *(maximum 30 points)*.
- iii). Relevance, quality and depth of the methodologies and economic tools as well as the degree to which the methodologies can cope with the assessment of the variety of topics covered by the Commission's priorities defined under the contract. *(maximum 50 points)*.

The quality of the offers will be evaluated by the degree to which they fulfil the requirements specified for the work and supply adequate solutions to the tasks to be implemented. The marks in brackets indicate the importance given to each criterion. The maximum overall mark is 100.

Selected companies will have to score at least 50% for each technical quality criterion. An overall score of 60 marks or more is also required.

Price assessment

The basis for the price assessment is the total fee for the services, defined as the fee per man-day times the average number of man-days per study times the number of studies planned for the total duration of the contract.

Offers for which the technical quality assessment score is less than 60 marks or offers for which less than half the points are scored on an individual criterion will not be considered for the price assessment and for the award of the contract.

Quality (70%)/price (30%) ratio

The offer presenting the best value for money will be identified in the following way:

(i) The offer with the best technical score will receive a quality indicator of 100 points. The remaining offers will receive lower quality indicators in proportion to their technical scores.

(ii) The offer found to be the cheapest (and with a sufficient technical score (i.e. at least 60 marks and at least half the marks on each technical criterion) will receive a price indicator of 100 points. The remaining offers will receive lower price indicators in proportion to their prices.

A weighting of 70% shall be attributed to the quality criterion and a weighting of 30% shall be attributed to the price criterion. The highest result will indicate the offer presenting the best value for money.

11. RESULTS

The copyright of the services undertaken under this framework contract will reside with the Commission. The Commission services will be responsible for deciding the possible dissemination of the studies and analysis performed under this contract. In the execution of specific studies under this framework contract, the tenderer may be asked to supply the calculation files containing the data used. In that case, they should be presented in an interpretable and readable format. The tenderer should be able to make the calculations available to the Commission at any time.

12. QUALITY ASSESSMENT

In addition to the obligatory quality control exercised by the contractor, a quality assessment will be established by the Commission for the assignments implemented under this framework contract. The information obtained from this exercise will be one of the key elements when taking into account a possible extension of the contract.

13. LIQUIDATED DAMAGES

Article II.12 of the framework contract defines the conditions under which liquidated damages are applied.

14. PAYMENTS ARRANGEMENTS

Payments referring to specific contracts shall be made provided that the services to be offered by the contractor have been certified by the Commission in accordance with the conditions laid down in each relevant specific contract.

ADMINISTRATIVE INFORMATION

The tenderer will produce the following documents and information (also to be completed for each member in case of a consortium):

- legal form of tenderer; articles of association of the company,
- date of registration,
- country of registration,
- name, capacity, title and function of the legal representative who will sign the contract on behalf of the company,
- financial details (see also Annex V: to be completed and signed by the Bank and/or by the tenderer representatives):
 - document to be completed and signed by the tenderer, who must attach a bank document indicating the bank account,
 - document to be signed also by a banking establishment in the absence of a bank statement providing identification,
- VAT number,
- names and functions of those responsible as contacts for technical aspects of the contract,
- telephone and fax numbers and e-mail addresses.

The tenderer shall also include the information mentioned hereafter, duly completed and signed, in order to permit tenders to be assessed by means of the criteria for the contract award:

a) Annex I: Declaration of honour with respect to confidentiality and absence of conflict of interest.

b) Annex IV: Legal Entity form

c) Annex VI: Identification form for staff.

The tenderer may include any other information that he deems important in support to their capacity to implement the work. This additional information will be enclosed as annex to the tender.

ANNEXES

- Annex I: Declaration of honour with respect to confidentiality and absence of conflict of interest**
- Annex II: Specimen framework contract**
- Annex III: Specimen specific contract**
- Annex IV: Legal Entity form**
- Annex V: Financial identification form**
- Annex VI: Identification form for staff**
- Annex VII: Declaration of honour with respect to the Exclusion Criteria**