



## **BUDGET AND FINANCIAL AFFAIRS SERVICE**

### **Open call for tender for external auditing services**

Ref: **OP/EUI/BFAS/2025/001**

**YEAR 2025**

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## CHAPTER I – SCOPE AND DESCRIPTION OF THE PROCUREMENT PROCEDURE

### Article 1. Definitions

‘BFAS’ refers to the Budget and Financial Affairs Service of the EUI;

‘candidate’ means an economic operator that has sought an invitation;

‘contract’ means a public contract awarded by the EUI for the procurement of services/supply;

‘contractor’ means to the successful tenderer awarded with the contract;

‘economic operator’ can refer to a ‘work contractor’, ‘supplier’, or ‘service provider’ and means any natural or legal person or public entity or group of such persons and/or entities which offers the execution of works, the supply of products or the provision of services on the market;

‘EUI’ or ‘the Institute’ means the European University Institute, which is the contracting authority entrusting the services that are the subject of these tender specifications to the contractor;

‘joint tenders’ means a situation where a *tender* is submitted by a group (with or without legal form) of economic operators regardless of the link they have between them. The group as a whole is considered a *tenderer*<sup>1</sup>;

‘OGA’ means Operating Grant agreement;

‘subcontracting’ means the situation where the *contractor* enters into legal commitments with other *economic operators* which will perform part of the *contract* on its behalf. The *contractor* retains full liability towards the *EUI* for performance of the *contract* as a whole;

‘tender’ / ‘offer’ defines the terms upon which the tenderer is willing to be bound, which normally include price, date of delivery, payment terms and a description of the services/supplies/works;

‘tenderer’ means an economic operator that has submitted a tender;

‘tender specifications (TS)’ means any documents describing the needs and requirements of the EUI for the purposes of the relevant tender.

### Article 2. Contracting authority

This procurement procedure is launched and managed by the *EUI*, that is the contracting authority for the purposes of this procurement procedure, through the **Budget and Financial Affairs Service**.

### Article 3. Subject

<b>Subject of the contract</b>	The subject of this procurement procedure is the <b>provision of external audit services for the European University Institute</b> . The services are specified in Article 7. Description of the services.
<b>Lots</b>	This procurement procedure is <b>not divided into lots</b> .

<sup>1</sup> References to tenderer or tenderers in this document shall be understood as covering both sole tenderers and groups of economic operators submitting a joint tender.

<b>Type of contract</b>	<p>The procedure will result in the conclusion of a <b>single framework contract</b>.</p> <p><i>Tenderers</i> need to take full account of the provisions of the draft <i>contract</i> as the latter will define and govern the contractual relationship to be established between the <i>EUI</i> and the <i>contractor</i>.</p> <p>It is important to underline that where an interpretation is needed between the terms set up in the engagement letters to be issued by the contractor and the terms established in the tender documents, the latter prevails.</p>
<b>Duration of the contract</b>	<p>The framework <i>contract</i> to be awarded shall have a duration of <b>4 years</b>. The details of the initial <i>contract</i> duration and possible renewals are set out in Article I.2 of the draft <i>contract</i>.</p>
<b>Estimated value of the contract</b>	<p>The estimated value of the framework <i>contract</i> to be awarded for the whole duration of 4 years is <b>€360.000</b> (<i>three hundred sixty thousand/00</i>), VAT excluded, based on annual estimated value €90.000,00 (<i>ninety thousand/00</i>).</p> <p>The above-mentioned amount is based on the estimated value of Service A - External Audit to the EUI Annual Accounts and Service B - Operating Grant Agreement for the duration of the contract.</p> <p>In addition, <u>please be aware that the financial offer submitted by the tenderer should also include a lump sum covering the costs for the audit team's missions to Florence</u>, taking into account the calendar established in Article 7.3 Timeline for undertaking the services.</p> <p>Any expenses and/or costs not stated in the tender will not be subsequently recognised.</p> <p>The <i>EUI</i> may procure from the <i>contractor</i> additional optional services, such as those described in Service C, up to a maximum of 50% of the initial contract value.</p>
<b>Place of performance</b>	<p>The services will be undertaken at the <b><i>EUI's</i> premises and/or at the <i>contractor's</i> premises</b>.</p>

#### Article 4. Conditions for participation to tender

If you are interested in this *contract*, you should submit a *tender* in one of the official languages of the European Union (with preference for the use of English) provided you comply with the conditions for participation to tenders as set out in Article 3.4 of President's Decision n. 76/2023 of 20 December 2023 implementing title V concerning procurement of the EUI's Financial Rules (Public Procurement Regulation), available for consultation at: <https://www.eui.eu/en/public/about/procurement/tenders-regulatory-framework>.

#### Article 5. Joint Tenders

Joint tenders are not allowed for this procurement procedure.

#### Article 6. Subcontracting

Subcontracting is not allowed for this procurement procedure.

## CHAPTER II – TECHNICAL SPECIFICATIONS

### Article 7. Description of the services

The services that are the subject of this procurement procedure, including any minimum requirements, are described in detail below:

#### Service A:

A1 - Performing a financial audit to issue an audit opinion on the reliability of the EUI's annual accounts and the regularity of the transactions underlying them, a compliance audit to issue and audit opinion on the legality and regularity of the *EUI-Core activities* budget execution (assessing the sound financial management is included), according the EUI Financial Rules and to the International Standards of Auditing (ISA);

A2 - Performing a financial audit to issue an audit opinion on the *EUI-Pension Reserve Fund*, according the EUI Financial Rules and to the International Standards of Auditing (ISA).

A3 – Performing a financial audit to issue an audit opinion on the *EUI-Consolidated* (A1 + A2)

#### Service B:

Assessing that the expenditure claimed by the EUI in the Final Activity Report and correspondent statements in the Annual Accounts has occurred, is accurate and eligible and in compliance with the yearly grant agreement of the European Commission ("Operating Grant Agreement", OGA).

#### Service C (optional):

C1 - The EUI may request, if needed, to the contractor to provide certificate(s) with regard to externally funded projects managed by the Institute. In this case, all the details concerning the performance of this service shall be negotiated case by case.

C2 - Any other services may be requested to the contractor, if prior required by the High Council.

The contractor is not required to submit an economic offer and will not receive an economic evaluation for the services included in points C1 and C2. These services are optional and the relevant economic evaluation will be performed only in case of need and in compliance with the rules of the donor involved.

The EUI reserves the right to check the market before assigning Service C1 and/or Service C2 to the contractor.

The purpose of these TS is to provide instructions and guidance to potential tenderers about the nature of the tender they shall submit and to explain clearly the services that the contractor will have to provide during contract implementation, including the minimum requirements with which they will need to comply.

### Article 7.1 Service A - External Audit to the EUI Annual Accounts

The external audit has a component of financial audit, compliance audit and sound financial management. It focusses on financial statements (reliability) and budgetary statements (legality and regularity of revenues and expenditures) and it shall be conducted according to the International Standards of Auditing (ISA).

The external auditors ensure that all revenue has been received, all expenditure incurred in lawful and regular manner and respecting principles of sound financial management, regarding the budget implementation. They are responsible for carrying out the audits according to the terms defined in the EUI Financial Rules and its amendments.

The annual accounts of the EUI are prepared and presented according to the accounting and financial reporting framework of the European Commission, based on the International Public Sector Accounting Standards (IPSAS).

The annual accounts of the EUI are: EUI-Core activities, EUI-Pension Reserve Fund and EUI-Consolidated.

- The EUI-Core activities report on the implementation of the annual budget and are prepared in accordance with an accrual accounting and financial reporting framework.
- The EUI-Pension Reserve Fund report on the financial and economic position of the Pension Reserve Fund as well on the management of the Fund and are prepared in accordance with an accrual accounting and financial reporting framework.
- The EUI-Consolidated report on the consolidated financial and economic position of the EUI as a single entity.

The calendar of presentation of the annual accounts and the audit report is defined in the High Council Decision n. 9/2021 of 23 June 2021 amending the Financial Rules available on EUI webpage.

The last two audited annual accounts (2022 and 2023) shall be made available to the Contractor.

## Article 7.2 Service B - Operating Grant Agreement (OGA)

The EUI is required to submit to the European Commission an annual report on Factual Findings produced by an external independent and qualified auditor in order to demonstrate that the funds provided by the grant were spent in accordance with the terms and conditions as required by the European Commission's Operating Grant Agreement (yearly published).

The purposes of this expenditure verification are:

- to assess the feasibility of an effective and efficient expenditure verification of the Final Activity Report and the correspondent statements in the Annual Accounts;
- to report any weakness and exceptions with regards to accounting, record keeping and general financial documentation to EUI in order to enable it to follow-up measures for correction and improvements for the remaining implementation period of the activities;
- to reconcile the information in the Final Activity Report and the correspondent statements in the Annual Accounts with the EUI's accounting system and records;
- to verify that the EUI, for the operations in currency different than Euro, has applied the correct exchange rate, calculated as explained in the General Conditions of the OGA.

These actions will not constitute a budget review but shall be focused on the verification of compliance with the OGA.

The contractor must verify that the expenditure claimed by the EUI for the activities foreseen by the work programme, registered in the Final Activity Report and the correspondent statements in the Annual Accounts and financed by the OGA:

- has occurred within the implementation period (reality)
- is accurate (exact)
- is eligible:

- incurred within the implementation period set out in the related Special Conditions of the Operating Grant Agreement and in connection with the indicated actions for the implementation of the OGA;
- identifiable and verifiable;
- reasonable and justified, and in compliance with the principle of sound financial management, in particular economy and efficiency;
- indicated in the estimated budget;
- in compliance with the applicable tax and social legislation).

Necessary documents to perform this expenditure verification:

- Commitments and payments
- EUI's Final Activity Report;
- EUI's Annual Accounts;
- Grant Agreement with its annexes.

### **Article 7.3 Timeline for undertaking the services**

#### **Article 7.3.1 Timeline for undertaking Service A**

by 1 July of calendar year n	Presentation of the preliminary audit report on the EUI provisional accounts* for the financial year <sup>2</sup> n-1
by 31 August of calendar year n	Presentation of the definitive audit report on the EUI final accounts* for the financial year n-1
indicatively last week of October of calendar year n	On-site presentation of the audit report on the financial year n-1 to the Budget Committee at its fall meeting (including questions from and answers to the BC delegates )
Period to be agreed	On-site examination on the financial year n-1 (Upon an agreement with the EUI management, can be performed remotely)
indicatively first week of December	If requested to the EUI by the governing bodies, on-site presentation of the audit report on the financial year n-1 to the High Council at its fall meeting (including questions from and answers to the HC delegates)

\*Consisting of three accounts: the EUI-Core activities, the EUI-Pension Reserve Fund, and the EUI-Consolidated accounts.

#### **Article 7.3.1 Timeline for undertaking Service B**

<sup>2</sup> Financial year is the same as Calendar year.

by 18 February of calendar year n	Presentation of the preliminary audit report on the OGA for the financial year n-1
by 25 February of calendar year n	Presentation of the definitive audit report on the OGA for the financial year n-1

#### **Article 7.4 Minimum service requirements**

The minimum service requirements constitute the basic needs of the EUI for measuring the quality of services provided. The contractor undertakes to provide services at or above the minimum required and accepted by the Institute.

Throughout the execution of the service, the contractor MUST ensure full compliance with all the disposals of yearly EAC-EUI contract (see below).

In the case of repeated non-compliance with the minimum service requirements, the Institute reserves the right to invoke the termination clause of the contract.

The contractor should plan the work in order to perform effective expenditure verification, checking the total compliance with all the conditions of the yearly contract signed by the EUI and the European Commission (OGA).

The audit shall be conducted in compliance with the Guidance Notes (see Annex II D). Please be informed that these guidance notes may be subject to revisions by the European Commission.

The fee to be paid to the contractor for this action will not be affected by the number of findings.

Even if this action is not a standard budget review, in order to ensure accuracy and efficiency, the contractor shall undertake this engagement in accordance with the:

- International Standard on Related Services (ISRS) 4400 “*Engagements to perform agreed-upon procedures regarding Financial Information*” as promulgated by the International Auditing and Assurance Standards Board (IAASB) of IFAC;
- “Code of Ethics for Professional Accountants” issued by the International Ethics Standards Board for Accountants (IESBA) of IFAC.

The verification must be carried out in accordance with the calendar included in Article 7.3 of these TS.

The contractor will be not entitled to ask for any payments and/or reimbursements exceeding the lump sum for costs included in the tender and related to on-site presences of the audit team.

Please be aware that the specific conditions of this service refer to the annual contract that the EUI signs each year with the European Commission. Therefore, all the activities and the conditions described in the present TS may be subject to changes if required in the above-mentioned contract. All these changes will be included in the specific annual agreements.

#### **Article 7.5 Report on Factual Findings for an Expenditure Verification of an EU financed Operating Grant Agreement**

The contractor shall produce an independent report on Factual Findings with the purpose of providing the European Commission with a reasonable assurance that the costs as well as the receipts have been declared in the Final Financial Report in accordance with the relevant legal and financial provisions of the OGA.

The report shall conform to the model given by Annex II D - Guidance notes of the Grant Agreement and shall:

- cover the Action (work programme) as a whole, regardless of which part of it is financed by the European Commission;
- present the purpose of the verification;
- give general information about the OGA and the activities foreseen by the Action (work programme);
- describe the agreed-upon procedures in detail and the factual findings, in order to enable the EUI and the European Commission to understand the extension and nature of the verification performed by the contractor.

The contractor must comply with the following procedure:

1. Auditors present a preliminary report on factual findings to the EUI;
2. the EUI will submit to the contractor its comments on the issues raised up in the draft report;
3. the contractor establishes final report confirming or modifying the final list of findings;
4. the Final report on Factual Findings is sent to the EUI;
5. the EUI's administrators send the Final report of Factual Findings to the European Commission.

All the reports shall be drafted in English and delivered electronic format.

The audit activities shall be performed according to international audit standards and carried on with the most appropriate resources and tools.

## Article 7.6 Audit firm's contact person

At least fifteen (15) days before signing the contract, the successful tenderer must inform the EUI of the name of a contact person to whom the representatives of the EUI will send any requests, complaints and/or clarifications, regarding the contract execution during its performance.

## Article 7.7 Audit team

The contractor shall nominate two natural persons of different nationalities as auditors who shall carry out the audits. These persons must enjoy equal rights within the contractor. The contractor may nominate alternate auditors. These auditors can be supported by a team in carrying out the audit.

The contractor must provide a team of experts having appropriate skills and qualifications in terms of numbers, experience, training, knowledge of language and expertise, in order to carry out the requested services in full compliance with the terms of these TS, the Invitation Letter and the attached documents.

The persons designated by the contractor must have good professional skills, a positive attitude towards interpersonal relationships, the ability to understand and carry out the instruction for performing the tasks included in these TS. They are bound to confidentiality concerning any facts, circumstances and/or information concerning the activities carried out, problems encountered and possible resolutions. In case of leakage of information or direct communication with users, the EUI will immediately terminate the contract.

The contractor must ensure the replacement of audit team member(s) in case of illness or unforeseen absences.

The EUI reserves the right to request immediate replacement of audit team member(s) for obvious unsuitability, any complaints and/or improper behaviour. The replacement must take place no later than 15 calendar days after the receipt of a formal request.

The tenderer must include names and CVs of the Audit Leaders and of any additional member proposed in the tender.

Prior written authorisation by the EUI will be necessary for any replacement in the audit team. The contractor shall submit the CVs for evaluation and the replacement will be in force only after the EUI's explicit approval. Only new members with the same or superior profile will be considered eligible.

The contractor shall be solely responsible for all tasks assigned to and executed by the audit team.

## CHAPTER III – EVALUATION AND AWARD CRITERIA

The evaluation of the *tenders* that comply with the submission conditions will consist of the following elements:

- Check if the *tenderer* has access to procurement (see Article 4);
- Verification of administrative compliance (if the *tender* is drawn up in one of the official EU languages and signed by duly authorised legal representative(-s) of the *tenderer*);
- Verification of non-exclusion of *tenderers* on the basis of the exclusion criteria;
- Selection of *tenderers* on the basis of selection criteria;
- Verification of compliance with the minimum requirements defined in the tender specifications;
- Evaluation of *tenders* on the basis of the award criteria.

The *EUI* will evaluate the abovementioned elements in the order that it considers to be the most appropriate. If the evaluation of one or more elements demonstrates that there are grounds for rejection, the *tender* will be rejected and will not be subjected to further full evaluation. The unsuccessful *tenderers* will be informed of the ground for rejection without being given feedback on the non-assessed content of their *tenders*. Only *tenderer(s)* for whom the verification of all elements did not reveal grounds for rejection can be awarded the *contract*.

The evaluation will be based on the information and evidence contained in the *tenders* and, if applicable, on additional information and evidence provided at the request of the *EUI* during the procedure. If any of the declarations or information provided proves to be false, the *EUI* may impose administrative sanctions (exclusion or financial penalties) on the entity providing the false declarations/information.

For the purposes of the evaluation related to exclusion and selection criteria the *EUI* may also refer to publicly available information, in particular evidence that it can access on a national database free of charge.

### Article 8. Exclusion criteria

The *tenderer* must not be in one of the exclusion situations listed below:

- a. is bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b. has been convicted of an offence concerning their grave professional conduct by a final judgment of a competent judicial authority or administrative decision or decisions of international organisations;
- c. is not in compliance with the obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of Italy being the country of establishment of the *EUI* or those of the country where the contract is to be performed. This breach needs to have been established by a judgment or administrative decision having final and binding effect in accordance with the legal provisions of the country in which the economic operator is established or of those of Italy being the country of establishment of the *EUI*;
- d. has been the subject of a final judgment for fraud, corruption, involvement in a criminal organisation, money laundering, terrorist-related offences, child labour or other forms of trafficking in human beings or any other illegal activity, where such illegal activity is detrimental to the *EUI*'s financial interests;
- e. has been in serious breach of a contract financed by the *EUI* or have been the subject of an offense of serious irregularity established by a final judgment of a competent judicial authority or administrative decision;
- f. is subject to an administrative penalty for being guilty of grave professional misconduct, or of having made substantial errors or committed irregularities or fraud or have been declared to be in breach of their obligations under contracts covered by the *EUI*'s budget (Article 41 of the *EUI*'s Public Procurement Regulation ([President's Decision No.76/2023 of 20<sup>th</sup> December 2023](#)).

In addition to the above, *contracts* cannot be awarded to a *tenderer* who, during the procurement procedure, is proven to be:

- g. subject to a conflict of interest in connection with the *contract* which cannot be effectively remedied by other less intrusive measures;
- h. guilty of misrepresentation in supplying the information required by the *EUI* as a condition of participation in the *contract* procedure or fail to supply this information.

### **Evidence requested:**

The *tenderer* must certify that it is not in one of the exclusion situations by providing in the *tender* a signed and dated Declaration on Honour available in Annex II A. In case of a consortium/*joint tender* or in case of subcontracting, such declaration on honour should be included in the offer for each member of the *joint tender*/consortium and for each identified *subcontractor*.

In addition, the successful *tenderer* shall provide, within 15 days following notification of award and preceding the signature of the *contract*, the following documentary proofs to confirm the declaration referred to above:

- for points (a), (b), (d) and (e): a recent extract from the judicial record of the legal representative of the *economic operator* that submitted the *tender* or, failing that, an equivalent document recently issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied;
- for the situation described in point (c) above, recent certificates or letters issued by the competent authorities of the State concerned are required. 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 paragraph above is not issued in the country concerned, it may be replaced by 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.

The *EUI* reserves the right to verify the information and to request further supporting evidence prior to the signature of the *contract*.

In the event that the successful *tenderer* does not promptly execute the fulfilment of the above, fails to present all documentation requested or does not provide proof of possession of all requirements declared in the *tender*, as well as if any checks reveal failure of compliance with the declarations submitted during the tendering period, the *EUI* reserves the right to declare a compliance failure and to award the procedure to the following *tenderer* in the list or to launch a new procurement procedure.

## Article 9. Selection criteria

### General requirements:

The *tenderer* must have the following minimum requirements to perform the *contract*:

- a) being compliant with obligations relating to the payment of social security contributions for workers, according to the current legislation, and application of employment conditions envisaged in the sector's national collective labour agreement;
- b) being compliant with the current labour laws and regulations;
- c) being compliant with the current health and safety laws and regulations;
- d) being compliant with the current environmental laws and regulations;

### Economic and financial capacity:

- e) being in a stable financial position (financial viability) → possession of 1 (one) bank reference issued by major banks or authorised dated after the invitation to the present invitation letter, in which it is shown that the *economic operator* has always met its commitments with regularity and punctuality and to be in possession of the economic and financial capacity to perform the services forming the subject of the *tender*;
- f) having generated an annual turnover in the last 3 closed financial years of at least €1 billion (one billion/00) per year (please, be aware that this criterion applies to the tenderer not as a local/national branch but to the whole group it is part of);
- g) submitting a copy of the last three financial statements approved or including a direct link in the tender;
- h) having a professional risk indemnity insurance;

### Technical and professional requirements:

- i) being authorised to perform the *contract* under national law, as evidenced indicatively by inclusion in the register of auditing firms of the country in which the tenderer is established;
- j) meeting at least one of the following four selection criteria:
  - i. To be a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC);

or

- ii. To be is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Expenditure Verifier commits to undertake this expenditure verification in accordance with the IFAC's standards and ethics;
- or
- iii. To be registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council and subsequent amendments (this applies to auditors and audit firms based in an EU member state);
- or
- iv. To be registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).

- k) having extensive and demonstrable experience in the provision of services described in the TS, presenting a list of the principal services similar to those put forth for tender having been carried out in the last 3 financial years (2022-2023-2024) with the descriptions of the object, the respective amount, dates and recipients, public or private, with the express declaration of regular execution;
- l) proven experience in the field of financial audit of grants financed by the EU or other public donors by providing a sample of the principal audits or other assurance services recently performed by providing a list of the principal services provided and/or supplies delivered in the past 3 years (2022-2023-2024) with the sums, duration and if recipients are public or private;
- m) experience of working in English language (written and spoken);
- n) the audit teams proposed must have minimum C1 level in English;
- o) minimum level of technical expertise of the audit team:
  - Minimum 5 years of professional experience in the field of audit (financial and compliance);
  - Minimum 3 years of professional experience in management or co-ordination of audits or similar engagements at an international level;

❖ **Evidence to be submitted with the tender as part of Envelope n.1 – Administrative Documents (please, for more details on the submission process, see point 3 of the letter of invitation to tender):**

- a signed and dated Declaration on Honour available in Annex II A;
- 1 (one) bank reference;
- a document attesting that the *tenderer* generated an annual turnover in the last 3 closed financial years of at least €1 billion (one billion/00) per year (please, be aware that this criterion applies to the tenderer not as a local/national branch but to the whole group it is part of.)
- the approved financial statements of the last three years or including a direct link providing this information in the tender;

- a copy of the professional risk indemnity insurance;
- evidence that the *tenderer* is included in the register of auditing firms of the country in which the tenderer is established;
- evidence that the *tenderer* meets at least one of the four selection criteria listed at point j) of Article 9. Selection criteria;
- a list of the principal services similar to those put forth for tender having been carried out by the *tenderer* in the last 3 financial years (2022-2023-2024) with the descriptions of the object, the respective amount, dates and recipients, public or private, with the express declaration of regular execution;
- evidence that the *tenderer* has proven experience in the field of financial audit of grants financed by the EU or other public donors by providing a sample of the principal audits or other assurance services recently performed by providing a list of the principal services provided and/or supplies delivered in the past 3 years (2022-2023-2024) with the sums, duration and if recipients are public or private;
- evidence that the *tenderer* has proven experience of working in English language (written and spoken);

The *EUI* reserves the right to perform sample checks in order to verify the accuracy of the statements submitted by *tenderers*.

*Tenderers* that are not compliant with the applicable minimum requirements shall be rejected.

## Article 10. Award criteria

Only the *tenders* submitted by *tenderers* meeting the requirements of the exclusion and selection criteria will be evaluated in terms of quality and price. The *contract* shall be awarded according to the “**most economically advantageous tender**” criterion following the assessment of the best quality/price ratio made by the competent evaluation committee which will assign a score to each *tender* to a maximum of 100 points, based on the following parameters:

MAXIMUM SCORE	
Technical and quality evaluation	60/100
Financial evaluation (price)	40/100

The total score of the *tender* shall be the sum of the technical and financial score obtained.

The *tenderer* obtaining the highest overall score shall be awarded with the *contract*.

### A - Allocation of points for technical and quality evaluation criteria

To each criterion will be assigned a certain weight, with the maximum amount being equal to 60 points, which, multiplied by the coefficient of quality assigned at the discretion of the evaluation committee (between 0 and 1, as shown in Table II), will determine the score assigned to each *tender*, as indicated in the following Table I.

**The tenderer shall submit technical offer following the directions provided by Annex II B – Technical offer form including an updated CV of the proposed audit team members specifying their nationalities.**

TABLE I	
DESCRIPTION	MAXIMUM SCORE

	Tenderer's technical approach and methodology to be evaluated according to the following sub criteria:			<u>40</u>
A1	A1.1	Efficiency and effectiveness of the practical implementation proposed by the tenderer for undertaking the services A and B, with particular attention to identification of key risks and how to address them.	10	
	A1.2	Clarity of the key methods proposed for undertaking the services A and B.	10	
	A1.3	Clearness of the expected outputs and results presented in particular with respect to the proposed wordings for the opinions to be given.	10	
	A1.4	Detailed work plan with reference to key documents, reports, and stages of the audit services to be carried out.	10	
A2	Tenderer's proposal for the composition of team and organisation of the work to be evaluated according to the following sub-criteria.  The Tenderer must include in its technical offer a concise but informative Curriculum Vitae (maximum 3 pages long) of each member of the Audit team proposed who must be compliant with point o) Article 9. Selection Criteria of these Tender Specifications.			<u>20</u>
	A2.1	Audit team organization proposed ensures the provision of high-quality services in particular with regard to external audit services to national or international public sector bodies.	10	
	A2.2	Realistic assessment of the resources required, and the allocation of the proposed auditors to the various elements of services A and B.	5	
	A2.3	Effective and efficient measures proposed for ensuring business continuity of the audit team.	5	

**The minimum score for technical and quality criteria is 45/60.** Tenders who fail to achieve this minimum score for the technical *offer* shall not proceed to the point of assessment for the financial *offer*.

In the case of award, the entire technical *offer* shall complete the *tender specifications* and shall form part of the *contract*.

It should be noted that the coefficients of quality will be attributed on the basis as set out in Table II:

TABLE II		
EVALUATION	JUDGMENT AGAINST EACH SUB-CRITERIA	COEFFICIENT
EXCELLENT	Very well-structured technical <i>offer</i> that develops the requested project in a clear, precise and in-depth manner, adding additional value in respect to the expectations of the EUI.	1.00
GOOD	Well-structured technical <i>offer</i> , precise and detailed	0.75
SUFFICIENT	Acceptable technical <i>offer</i> , with sufficient details.	0.50
INSUFFICIENT	Insufficient technical <i>offer</i> that is generic and inadequate.	0.25

## **B - Allocation of points for financial evaluation criteria**

The maximum 40 points available for the price (P) offered shall be assigned to the *tender* proposing the best price, according to the following breakdown:

PA = Price offered for Service A - External Audit to the EUI Annual Accounts

Best price offered	
PA = 20 x -----	
Price offered	

PB = Price offered for Service B - Operating Grant Agreement (OGA)

Best price offered	
PB = 20 x -----	
Price offered	

P = PA + PB.

The other *tenders* shall be given scores (rounded to two decimal places, if necessary) proportional to the ratio between the best price offered and that offered by each *tenderer*.

The price considered for evaluation will be the total price (P) of the *tender*, covering all the requirements set out in these *tender specifications*.

The *tenderer* shall submit a financial *offer* using the form Annex II C.

## **CHAPTER IV - FINAL PROVISIONS**

### **Article 11. Sanctions and penalties mechanism**

The contractor has the obligation to implement a schedule to ensure each task is carried out according to the timeframes and means provided for within these specifications.

The EUI may, at any time, undertake checks and controls on the exact delivery of the services required.

Unless otherwise provided for by legislation, the EUI reserves the right to apply penalties to the contractor, if for any reason the contracted tasks were not carried out in their entirety or were not in compliance with the provisions of this tender and the proposals for improvement made by the contractor, in accordance with the penalties listed below:

- each delay in submitting the audit reports (preliminary or definitive) more than 7 (seven) calendar days out of the scheduled date where due to the negligence of the contractor, which will generate the application of a penalty equal to 3% (three per cent) of the agreed amount for the audit for each additional day delay, without prejudice to the right to invoke the clause for early termination of the contract;
- each delay in submitting the report of Factual Findings more than 7 (seven) calendar days out of the scheduled date where due to the negligence of the contractor, which will generate the application of a penalty equal to 3% (three per cent) of the agreed amount for the audit for each additional day delay, without prejudice to the right to invoke the clause for early termination of the contract;
- failure or delay in replacing of unavailable staff member shall result in a penalty equal to 2% (two per cent) of the agreed amount for the service to be done for each day of delay after the deadline of 15 days following the formal request;

- the disclosure of sensitive information relating to activities, problems encountered and possible solutions to individuals other than direct staff and the referents of the Institute will result in the immediate termination of the contract.

The application of penalties shall be preceded by a regular contestation of the failure, during which the contractor has an opportunity to present their counter no later than 15 days from receipt of the official communication of protest sent by the EUI.

In case of absence or non-acceptance of the counterarguments, the EUI will proceed to the application of the above penalties.

The EUI, in addition to proceeding with the application of the penalties referred to in the preceding paragraphs, will not compensate for the services not performed, whilst also reserving the right to enforce other sanctions for service failure or incompleteness.

The application of the penalties provided for in this Article shall not preclude the right of the EUI to claim compensation for damages.

## Article 12. Requirements for the signature of the contract

The successful tenderer, within the date to be communicated by the EUI, must submit the following documents before the signature of the contract:

- a copy of the full criminal record of the legal representative of the successful tenderer;
- the non-disclosure agreement related to the protection of personal data as provided for by the applicable rules of the [EUI Data Protection Policy](#), that will be provided in due time by the EUI to the successful tenderer.

Please be aware that any employee of the successful tenderer who is involved in the implementation of the contract with the EUI must return to the contracting authority such agreement duly filled and signed.

Please note that should the successful tenderer fail to submit the documents outlined above in due time or, upon testing, is found not to be in compliance with the declarations submitted in the tender, the EUI reserves the right to award the contract to the following tenderer in the ranking or to launch a new call for tender.

## Article 13. Contract management

For the *EUI*, the reference person(s) for the *contract* management are the Director of the Budget and Financial Affairs Service and the Director of the Accounting Service.

## Article 14. Payment arrangements

The EUI is a teaching and research centre which uses a decentralised administrative structure, and which manages, in addition to the different internal projects, several activities which are externally financed by both public and private sponsors. The contractor undertakes to follow the analytical invoicing procedures requested by the Institute, issuing on demand specific invoices for each cost centre/activity identified.

Regarding Service A, payments shall be made as follows:

- 50% of the fee after the submission of the preliminary report on the provisional accounts;
- 50% of the fee after the presentation of the audit reports to the Budget Committee and/or to the High Council.

Regarding Service B, payments shall be made as follows:

- 50% of the fee after the submission of the preliminary report;
- 50% of the fee after the presentation of the final report on Factual Findings.

Invoices shall show the details of the contractor, the amount, currency and date, as well as the reference details of the contract and reference to the purchase order or specific contract.

Payments by bank transfer are to be effectuated no later than sixty (60) days from receipt of invoice.

Payments shall be deemed to be effected on the date when they are debited to the EUI's account.

Deductions resulting from economic penalties for non-compliance or reimbursement of expenses will be compensated simultaneously with the payment of invoices for the period of reference.

## Article 15. List of tender documents

The tender documents of the present procurement procedure are composed of the draft contract, the invitation letter, these *tender specifications* - TS (Annex I) and the contractor's *tender* (Annex II), including the following annexes:

- Annex II A – Declaration on honour;
- Annex II B – Technical *offer*;
- Annex II C – Financial *offer*;
- Annex II D – Guidance notes.