



BUDGET AND FINANCIAL AFFAIRS SERVICE

**Open call for tender to provide external Audit services for the  
European University Institute**

Ref: ***CFT/EUI/BFA/2014/001***

---

•

YEAR 2014



## Contents

|   |           |
|---|-----------|
| <b>CHAPTER I - GENERAL CONDITIONS .....</b>                       | <b>5</b>  |
| 1. Introduction to European University Institute (EUI) .....      | 5         |
| 2. Definitions .....  | 5         |
| 3. Objectives of tender.....                                      | 5         |
| 4. Contract information .....                                     | 5         |
| <b>CHAPTER II – DESCRIPTION OF THE REQUIRED SERVICE .....</b>     | <b>6</b>  |
| 5. Service description.....                                       | 6         |
| 6. Contractor’s personnel involved in the service .....           | 9         |
| 7. Service Supervisor.....  | 10        |
| 8. Additional services and improvements .....                     | 10        |
| <b>CHAPTER III – PRESENTATION AND EVALUATION OF TENDERS .....</b> | <b>10</b> |
| 9. Submission of tenders.....                                     | 10        |
| 10. Additional information for submitting tenders .....           | 12        |
| 11. Opening session .....   | 13        |
| 12. Grounds for exclusion .....                                   | 13        |
| 13. Selection criteria .....                                      | 14        |
| 14. Award criteria .....  | 15        |
| 15. Indicative procedure timetable .....                          | 17        |
| 16. Steps necessary for the award .....                           | 17        |
| <b>CHAPTER IV - DEFAULTS AND PENALTIES .....</b>                  | <b>18</b> |
| 17. Sanctions and penalty mechanisms.....                         | 18        |
| <b>CHAPTER V - ADMINISTRATIVE INFORMATION .....</b>               | <b>18</b> |
| 18. Administrative information.....                               | 18        |
| 19. Payments .....  | 19        |
| 20. Subcontracting and outsourcing contract.....                  | 19        |
| 21. Liability .....   | 19        |
| <b>CHAPTER VI - FINAL REGULATIONS .....</b>                       | <b>19</b> |
| 22. Data protection policy.....                                   | 19        |

|            |  |           |
|------------|--|-----------|
| <b>23.</b> | <b>Confidentiality .....</b>                             | <b>19</b> |
| <b>24.</b> | <b>Mediation .....</b>                                   | <b>20</b> |
| <b>25.</b> | <b>Arbitration .....</b>                                 | <b>20</b> |
| <b>26.</b> | <b>Applicable law .....</b>                              | <b>20</b> |
| <b>27.</b> | <b>Termination of the contract by the EUI .....</b>      | <b>20</b> |
| <b>28.</b> | <b>Termination of the contract by either party .....</b> | <b>22</b> |
| <b>29.</b> | <b>Contract Management .....</b>                         | <b>22</b> |
| <b>30.</b> | <b>EUI's representative for the contract .....</b>       | <b>22</b> |
| <b>31.</b> | <b>Final provisions and Annexes .....</b>                | <b>23</b> |

## CHAPTER I - GENERAL CONDITIONS

### 1. Introduction to European University Institute (EUI)

The European University Institute (EUI) offers a unique post-graduate and post-doctoral programme in the social sciences. It was set up by the [Convention 19/4/1972](#), including a “Protocol on privileges and immunities”, which was ratified by the then Member States of the European Communities to provide advanced academic training to doctoral researchers and to promote research at the highest level. It opened its doors to the first researchers in 1976.

The EUI Community counts approximately 1000 members. Researchers, teaching and administrative staff are mainly but not exclusively recruited from EU Member States. The EUI excels with an integrated, multidisciplinary approach to both teaching and research and transcends national academic traditions.

The legal seat is located in the Badia Fiesolana, Via dei Roccettini in San Domenico-Fiesole (FI-IT).

Further information can be found on the Institute’s web site at [www.eui.eu](http://www.eui.eu).

### 2. Definitions

By "Contractor" it is intended the company that has been awarded the tendered contract for which they are entrusted with the service (or services) referred to in this Special Technical Specifications (Tech. Specs); by “Tenderer” it is intended the company that presents a bid.

By "Contracting Authority", "Institute", it is intended the European University Institute (EUI), which entrusts the Contractor with the service covered by this Special Technical Specifications.

### 3. Objectives of tender

The present Tech. Specs launches a procedure for the conclusion of a service contract to provide a certificate for the European University Institute as requested by the yearly grant agreement of the EU Commission (“Operating Grant Agreement”) for ensuring that the expenditure claimed by EUI in the Final Activity Report and Financial Statement has occurred, is accurate and eligible.

### 4. Contract information

|                  |  |
|------------------|--|
| Type of contract | The contract will be complemented by this Tech. Specs and its Annexes, the Letter of Invitation and the offer presented in the tender by the awarded Contractor including all enclosed documentation |
| Duration         | 12 months from the signature of the contract, renewable without exceeding a maximum duration of seven (7) years.   |

|                       |   |
|-----------------------|---|
| Budget<br>information | <p>The financial ceiling available for the service under the present contract during a year is 50,000.00€ (fifty thousand/00), excluding VAT.</p> <p>In addition to the above mentioned amount, EUI recognises a maximum annual compensation for travel expenses (travel economic fare and EUI Per diems x 3 team members up to 10 days). In case the Tenderer declares higher amounts for travels, the difference will not be reimbursed.</p> <p>Any expenses and/or costs not stated in the tender will not be subsequently recognised.</p> <p>The total amount shall be fixed and not subject to revision during the duration of the contract.</p> |
|-----------------------|---|

## CHAPTER II – DESCRIPTION OF THE REQUIRED SERVICE

### 5. Service description

#### Scope

The EUI is required to submit to the Commission a yearly report of Factual Findings produced by an external 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 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 Financial Statement;
- 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 Financial Statement with the EUI's accounting system and records;
- to verify that EUI, for the operations in currency different than Euro, has applied the correct exchange rate, calculated as explained in the General Conditions of the Grant agreement.

The audit that will be performed under this contract will not constitute a budget review made in accordance with international accounting standards, but will be focused on the verification of compliance with the Grant Agreement.

The auditor 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 Financial Statement and financed by the Grant Agreement:

- has occurred (reality)
- is accurate (exact)
- is eligible (incurred in the period set out in the related Special Conditions of the Grant Agreement and in connection with the indicated actions for its implementation; identifiable, verifiable, reasonable and justified; foreseen in the estimated budget; in compliance with tax and social legislation and with the

principle of sound financial management, in particular economy and efficiency).

Necessary documents to perform this expenditure verification:

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

#### **Minimum service requirement**

The minimum service requirements constitute the basic needs of the Institute 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).

The budget to be audited amounts to €40,000,000.00 approximately.

On the base of last experience, EUI executes that budget with 12,000 operations approximately.

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 auditor should plan the work in order to perform effective expenditure verification, checking the total compliance with all the conditions of the yearly contract from EUI and the European Commission (Grant Agreement).

The audit includes, among other operations, the verification of the assertions listed below. Please note that this is an exemplifying and non-exhaustive list.

1. The total amount claimed for payment by the EUI does not exceed the maximum amount defined each year in the Special Conditions of the Grant Agreement.
2. The rules for profit defined into the General Conditions of the Grant Agreement were respected.
3. About the Final Activity Report and the Financial Statement:
  - they comply with the conditions of the Grant Agreement;
  - the budget registered in these documents corresponds with the Institute's operating budget of the Grant Agreement;
  - there is (or not) the necessity to reconcile their information with EUI's accounting system and records.
4. The expenditure claimed was foreseen in the operating budget.
5. Any expenditure for a transaction or activity has been accurately and properly recorded in the EUI's accounting system, Final Activity Report and Financial Statement and has been classified under the correct category and sub-category.
6. Any expenditure for a transaction or activity is supported by appropriate evidence and supporting documents, stored in original copies (accounting and tax records especially) and/or digital devices (if applicable), kept for the specific period required for specific amounts by the General Conditions of the Grant Agreement.
7. The reality and quality of the expenditure for a transaction or activity by examining proof of work done, goods received or services rendered on a timely basis, if it is acceptable, the agreed quality and at reasonable prices or costs.
8. The correct exchange rate has been applied for the transactions in currency different than Euro.

9. The EUI has made adjustments to the budget of the Grant Agreement by transfers between the different budget categories (any other types of amendments to the Grant Agreement must have been made in writing respecting the rules in the General Conditions of the Grant agreement).
10. The direct costs claimed are eligible: they are recorded in the EUI's accounts, necessary for the implementation of the work programme and have actually incurred;
11. The revenues have been appropriately allocated to the activities subject of the Grant Agreement and correctly disclosed in the Final Activity Report and Financial Statement (it is not request to assess the completeness of the revenues because this is not a budget review).

To perform this verification, the auditor may apply techniques such as inquiry and analysis, (re)computation, comparison, etc.

The auditor must ensure that the total amount of expenditure verified, expressed as percentage of the total amount of expenditure reported and declared by the Institute in the Final Activity Report and in the Financial Statement (eligible expenditure), is at least 65% (sixty-five per cent). This coverage ratio has to be incremented up to 85% (eighty-five per cent) if the auditor identifies findings higher than 2% (two per cent). The total fee will not be increased in case the coverage ratio will become 85%.

Even if this is not a standard budget review, in order to ensure accuracy and efficiency, the auditor 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 IFAC;
- "Code of Ethics for Professional Accountants" issued by IFAC.

The verification must be carried out over two visits at the Institute's premises, lasting five days each. Any further visit will be hosted in EUI's premises but the Contractor will be not entitled to ask for any payments and/or reimbursements.

Please be aware that the specific conditions of this service refer to the annual contract that the EUI concludes each year with the European Commission. Therefore, all the activities and the conditions described in the present Tech. Specs may be subject to some changes if required in the above mentioned contract.

### **Report of Factual Findings for an Expenditure Verification of a EU financed Operating Grant Agreement**

The evidence obtained with the expenditure verification is the basis for the report of Factual Findings that the auditor should produce at the end of the audit.

This report should respect the model given by Annex VI-Part 2 of the Grant Agreement (at Annex H it is available the annex VI for year 2013; the content may change every year). It has to present the purpose of the verification, to give general information about the Grant Agreement and the activities foreseen by the work programme, to describe the agreed-upon procedures in detail and the factual findings, in order to enable the EUI and the Commission to understand the extension and nature of the verification performed by the auditor.

According to past practices, the Contractor must comply with the following procedure in presenting the reports:

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

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

Reports cannot be finalised before EUI's approval. Approval will only be given when the agreed quality of the report is assured based on the methodology indicated.

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

## 6. Contractor's personnel involved in the service

The Contractor must provide team experts of 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 Tech. Specs, the Invitation Letter and the attached documents.

The persons designated by the Contractor must have good professional skills, a positive attitude towards interpersonal relationships with peers and with users, plus the ability to understand and carry out the provisions of the work given by the staff representatives of the Institute for the contract. They are obliged to secrecy for any facts and/or circumstances of which they become aware during the carrying out of activities.

It is forbidden to disclose to persons other than the staff themselves and the contact persons of the Institute information concerning the activities carried out, problems encountered and possible resolutions. In case of leakage of information or direct communication with users, the Institute will immediately terminate the contract.

The Contractor must ensure the replacement of employees in cases of illness or unforeseen absences.

The Institute reserves the right to request immediate replacement for obvious unsuitability, any grievances and/or improper behaviour. The replacement must take place no later than five (5) days after the receipt of a formal request.

### **Minimum staff's requirements**

All the members must have:

- High standard of both written and spoken English
- Appropriate education
- Knowledge and experience in the fields of activity mentioned above
- Experience with similar teaching and research organisations.

The Audit team should be composed of 3 (three) members preferably:

- 1 (one) Coordinator: with at least five (5) years of previous relevant experience as coordinator of projects for financial monitoring of programs co-financed by the European Union and specific expertise in management and control systems, administrative and accounting procedures and analysis of organizations, authorisation to carry audits in compliance with IFAC's standards, enrolment onto the international list of auditors ;
- 1 (one) Senior auditor;
- 1 (one) Junior Auditor.

Failure in including one or more of the figures described above will cause ineligibility.

The Tenderer must include names and CVs of any proposed member in the technical offer.

If during the service the Contractor needs to substitute any member, it will ask the EUI for prior

authorization submitting in the meantime CVs of the replacements. Only new members with same or superior skills are allowed.

The Coordinator is the referent for team's activities and has to ensure its availability, providing telephone number and e-mail for all communications regarding the services covered by this contract.

Personnel working with the Contractor in this service must comply with all EUI's regulations.

The Contractor shall be solely responsible for all tasks assigned to and executed by the personnel.

## **7. Service Supervisor**

At least fifteen (15) days before the signing of the contract, the Contracted firm must inform the Contracting Authority of the name of a management representative, called the Service Supervisor, to whom the representatives of the Institute will send any requests, complaints and/or clarifications during the course of all activities. The Coordinator may be also the Service Supervisor.

## **8. Additional services and improvements**

In the technical offer the Tenderer may propose improvements and additional services to those indicated in the tender documents without any increase of costs and/or expenses for the Institute. For the methods of scoring, please refer to article 14-Award criteria.

### **Additional services**

The consultancy services are additional services; they will be ordered only if a need arises, by issuing of a specific order (no direct obligation on the part of the EUI as regards the purchase of these services).

### **Improvements**

During the assessment phase, the Institute will take into account any proposed improvements in respect to the minimum level required.

## **CHAPTER III – PRESENTATION AND EVALUATION OF TENDERS**

### **9. Submission of tenders**

Offers must be submitted in English. Both the technical proposal and the economic proposal should be signed and perfectly legible in order to rule out any ambiguity.

The offer will have to be submitted to the following address:

**EUROPEAN UNIVERSITY INSTITUTE**

**Protocol Office**

**Via dei Roccettini, n. 9**

**50014 San Domenico di Fiesole (FI)**

The documentation must be contained, under penalty of exclusion, in perfectly sealed envelopes signed along the seal. Tenders must be sent by courier (for overnight courier, the date of delivery to the courier service shall be considered) or hand delivered to the Protocol Office (from Monday to Friday during business hours of 8.30 am-1.00 pm and 2.00 pm-4.00 pm) no later than **3.00 pm of the day 12/02/2014**, being the final deadline. Any other type of sending and/or delivery of the documentation shall result in

exclusion from the tender procedure.

Competitors will have to confirm to the address [tender.audit@eui.eu](mailto:tender.audit@eui.eu) the sending of the documentation. The Institute will acknowledge receipt of the aforementioned email.

Once the EUI has received the offer, the documents shall become the property of EUI and the offer shall be treated confidentially.

Under penalty of exclusion from the tender, each offer must comply with **ALL** the following instructions.

Tenders must be submitted in accordance with the double envelope system.

The outer envelope or parcel should be sealed with adhesive tape and signed across the seal and carry the following information:

- the reference number of the call for tender: CFT/EUI/BFA/2014/001;
- the title: "Provision of external audit service for the European University Institute";
- the name of the Tenderer;
- EUI's name and address (for submission of tenders, as indicated above).

The three innermost envelopes:

**1<sup>st</sup>**: sealed with adhesive tape and signed off on the seal, with, externally, the name of the competing firm and the following statement: "**Envelope n. 1 – Supporting documents**", must contain three paper copies (one original and two photocopies easily distinguishable from the original) and one on digital devices of the following documents:

1. **Checklist** completed and signed (Annex A).
2. **Request for participation**, dated and signed by the legal company representative or by a person duly authorised to sign, utilising the form attached (Annex B).
3. **Declaration in lieu**, signed by the legal representative of the company utilising exclusively the form provided in Annex C.

The declaration must be accompanied by a photocopy of a valid identity document of the undersigning persons.

4. **All the supporting documents and certificates** for declarations stated in Annex C and all the evidences asked in articles 12 and 13 of the present Tech. Specs.
5. The **Declaration on honour** signed by the legal representative accompanied by a photocopy of a valid identity document of the undersigning persons (Annex D).
6. **A copy of the Special Technical Specifications and the Letter of Invitation**, without any additions, modifications or integrations, signed on each page and bearing on the last the stamp of the competitor and the full signature of the owner or legal representative.

**2<sup>nd</sup>**: sealed with adhesive tape and signed off on the seal, with, externally, the name of the competing firm and the following statement: "**Envelope n. 2 – Technical offer**", must contain three paper copies (one original and two photocopies easily distinguishable from the original) and one on digital devices of the detailed description of the service offered on the basis of the points indicated in the following paragraph, including any additional services and improved conditions proposed. Particular emphasis will be given to the degree of detail, clarity and descriptive method of the technical project presented.

The technical offer must be signed by the legal delegate of the company.

The technical offer will form an integral and substantial part of the contract, carrying the obligation for the

company awarded the contract to carry out the service in accordance with that stated and contained in the documents submitted in the tender.

### **Content of the technical offer:**

The technical proposal shall be outlined on the template provided at Annex E- Technical bid, describing:

1. **Organisation and methodology:** detailed description of the organisation and the proposed methods used for carrying out the service in compliance with all requirements of the present Tech. Specs, including a description of procedures for replacements; this description should not be longer than 10 pages.
2. **Qualification of team members:** in line with the requirements in article 6 of these specifications, giving a full description of previous experiences, education and trainings for each member proposed for the Audit Team. Previous experience in European agencies and/or bodies will be an asset.

Any staff member involved in the service must declare in writing that he/she has no conflict of interest and must declare to maintain confidentiality at all times (Annex F). Each declaration must be signed and completed by a copy of an identity document of the signatory.

3. **Additional services and/or improvements:** description of any auxiliary services and/or improvements (if any) in service that the tenderer wishes to offer to the Contracting Authority at no additional cost. The Institute will consider these additions only if valid, effectively useful for the improvement of service and well described. Otherwise, the assigned score to these sub-criteria will “zero” (0). The decision will be taken at Institute’s indisputable discretion.

The competitor company must declare which information provided concerning the tender submitted constitutes technical or trade secrets, and therefore deemed covered by an obligation of confidentiality.

**3<sup>rd</sup>:** sealed with adhesive tape and signed off on the seal, must bear externally the name of the competing firm and the following statement: “**Envelope n. 3 – Economic offer**”. This envelope must contain, in triplicate hard copy (original plus two photocopies distinguishable from the original) and in digital form, the bid drawn up solely on the forms provided in Annex G and be signed by the legal representative of the competitor.

The offer consists in the proposal by the Tenderer of a discount rate to be applied to the total amount specified in Article 4:

|  |
|--|
| <p>Estimated value amount for one year x discount rate offered by firm<br/>= tenderer’s economic offer</p> |
|--|

In proposing the discount percentage, the Contractor should be aware that the amount due must cover all types of costs, expenses and obligations.

The EUI is exempt from payment of Value Added Tax (VAT) pursuant to art. 151, para 1 (b) and para 2 of Council Directive 2006/112/EC, as last amended by Council Directive 2009/162/UE.

This exemption applies to goods imported and services provided for the Institute’s official activities for amounts exceeding €300.00 (three hundred/00).

### **10. Additional information for submitting tenders**

Documents relating to the present call for tenders are available at the following address: [www.eui.eu/About/Tenders.aspx](http://www.eui.eu/About/Tenders.aspx).

Information and clarification on the bid documents may be requested only by e-mail to the

address [tender.audit@eui.eu](mailto:tender.audit@eui.eu) no later than the final time of **12 noon on 05/02/2014**.

All clarification requests received until this time shall be replied anonymously via response published on the web page above.

The addressing of the envelope is at the sole risk of the sender, if for any reason the same does not arrive to the destination in valid time.

No compensation or refund will be due to the companies for the compiling of the offer, for any project or any other documentation submitted.

Documentation submitted shall not be returned even if the bidder does not prove successful in the tender process.

The name of company awarded the procedure will be stated via publication on the EUI's website or and followed by communication due to all participating companies.

Fulfilment of adjudication or invitation to tender procedure shall not involve the EUI in any obligation to award the contract.

The Institute reserves the complete discretion to do not proceed at all with the present call for tender, without competitors having any rights to complain and/or expect compensations.

The penal responsibilities incurred in the case of providing false declarations are hereby reiterated. The Institute will execute appropriate checks on the veracity of affidavits and, if they demonstrate to be not valid due to the contents thereof, the declarant shall not proceed to any eventual benefits and shall forfeit the deposit paid as well as facing any resulting criminal complaint.

In accordance with the provisions of legislation of Institute on Data Protection, available at the address [www.eui.eu/AboutTheWebsite/DataProtection.aspx](http://www.eui.eu/AboutTheWebsite/DataProtection.aspx), it is stated that data provided by competitors shall only be used for purposes connected to the reasons for which they have been requested.

### **11. Opening session**

The opening session is settled to check whether the offer received was dispatched within the set deadline for tender submission and using the prescribed double envelope system.

The EUI does not foresee a public opening session.

### **12. Grounds for exclusion**

Tenderers must not be in one of the exclusion situations listed below:

- a. 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. have been convicted of an offence concerning their professional conduct by a judgement which has the force of res judicata;
- c. have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- d. have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be

performed;

- e. have been the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the Communities' financial interests;
- f. following another procurement procedure or grant award procedure financed by the Community budget, they have been declared to be in a serious breach of contract for failure to comply with their contractual obligations.

In addition to the above, contracts may not be awarded to tenderers who, during the procurement procedure:

- g. are subject to a conflict of interest;
- h. are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the contract procedure or fail to supply this information.

**Evidence requested:**

Tenderers must certify that they are not in one of the exclusion situations by providing in the tender a signed and dated Declaration on Honour available in Annex D. In case of a consortium submitting an offer, or in case of subcontracting, such declaration on honour should be included in the offer for each member of the consortium and for each identified subcontractor.

In addition, the tenderer to whom the contract is to be awarded 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 and e: a recent extract from the judicial record 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 point d: a recent certificate issued by the competent authority of the State concerned.

Where the document or certificate referred to 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

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

### **13. Selection criteria**

**Technical and professional capacity:**

The tenderer must have the following technical capacity to perform the contract.

1. To be a recognised legal entity and registered in a relevant professional or trade register; provision of a certificate of professional/commercial registration imposed by the country in which the tenderer is established.

The tenderer is asked to provide a self-declaration if it is not required or permitted to enrol into such a register (for reasons of its statute or legal status).

2. To be enrolled in the register of auditing firms of the country in which the tenderer is established.
3. To have extensive and demonstrable experience in the provision of services described in the technical specifications, presenting
  - i. a list of the principal services similar to those put forth for tender having been carried out in the last three (3) financial years (2010-2011-2012) with the descriptions of the object, the respective amount, dates and recipients, public or private, with the express declaration of regular execution;
  - ii. the sum of the annual turnover for services similar to those covered by the tender over the past three (3) financial years (2010-2011-2012).
4. to be able to provide, for the provision of any of the services described in this call for tenders, staff with profiles in compliance with the descriptions in article 6-Personnel involved.
5. to have a quality certification complying with ISO 9001:2008.

**Economic and financial capacity:**

The tenderer must have the following economic and financial capacity to perform the contract:

- a. to be in a stable financial position (financial viability) → Possession of two (2) bank references issued by major banks or authorised dated after the invitation to the present Letter of Invitation, in which it is shown that the company 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 object of the tender
- b. to have generated an annual turnover in the last 3 closed financial years of at least €5,000,000.00.

**14.Award criteria**

Only the tenders meeting the requirements of the exclusion and selection criteria will be evaluated in terms of quality and price. The contract shall be awarded on the basis of “**most economically advantageous tender**” following the assessment made by the competent authority of the Institute (the Consultative Committee for Procurement and Contracts), which will assign a score to each offer to a maximum of 100, apportioned based on the following parameters:

| MAXIMUM SCORE                    |        |
|----------------------------------|--------|
| Technical and quality evaluation | 60/100 |
| Economic evaluation              | 40/100 |

The total score of the offer shall be the sum of the technical and economic score obtained:

|  |
|--|
| Offer P = economic evaluation P + technical evaluation P |
|--|

The bidder obtaining the highest overall score shall result the winner of the tender.

**A - Allocation of points for service methodology, techniques and quality**

Each parameter will be assigned a certain weight, with the maximum amount being equal to 60, which, multiplied by the coefficient of quality assigned at the discretion of the deciding commission (between 0 and 1, as shown in Table II), will determine the score attributed to each individual bid, as indicated in the following Table I.

| TABLE I     |   |               |
|-------------|---|---------------|
| DESCRIPTION |   | MAXIMUM SCORE |
| A1          | Organisation and methodology for the execution of audit assignments | <u>10</u>     |
| A2          | Qualification of audit team   | <u>45</u>     |
|             | A2.1 Previous experiences   | 30            |
|             | A2.2 Education and trainings  | 15            |
| A3          | Additional services and/or improvements                             | <u>5</u>      |

The minimum score for contract suitability is 35/60. Competitors who fail to achieve this minimum shall not proceed to the point of assessment for the economic offer.

In the case of award, the entire technical offer and all provisions within the Special Contract Specifications 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   | EVALUATION  | COEFFICIENT |
| GREAT        | Well-structured project that develops the requested project in a clear, precise and in-depth manner, adding additional value in respect to the expectations of the Institute. | 1.00        |
| GOOD         | Suitable project that develops the topic with no particular insights.   | 0.75        |
| SUFFICIENT   | Acceptable design but poorly structured with limited application to the provisions of the Tech. Specs.  | 0.50        |
| LOW          | Mediocre project that is under-developed.   | 0.25        |
| INSUFFICIENT | Insufficient project that is generic and inadequate.  | 0.00        |

**B - Allocation of points based on price**

The maximum points available for the price (40 points) shall be assigned to the bidder that proposing the best price.

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

$$P = 40 \times \frac{\text{Minimum Price}}{\text{Price offered}}$$

P = points assigned to the offer.

Deemed ineligible and therefore to be excluded from the proceeding, shall be the offers in which the cost of labour is abnormally lower than the average cost in the European labour market.

#### 15. Indicative procedure timetable

| Action   | Date  |
|--|---|
| Launch date                                      | 13/01/2014  |
| Deadline for sending requests for clarifications | 05/02/2014 at noon  |
| Submission of offers                             | 12/02/2014, 3pm at Badia Fiesolana  |
| Opening session (not public)                     | February 2014   |
| Evaluation session                               | February –March 2014  |
| Notification of results                          | April 2014  |
| Contract signature                               | Within the end of April/June 2014, after EUI will have received the contract with European Commission for year 2014 |

#### 16. Steps necessary for the award

The company offered the contract, on the date set by the Contracting Authority for the purposes of final award, will have to present:

1. insurance adequate to cover all risks associated with the contractual activities (article 21 of these Tech. Specs);
2. a copy of original compliance certifications demonstrating all requirements stated in the tender;

In the event that the awarded company 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 bidding process, the Contracting Authority reserves the right to declare a compliance failure and to award the tender to the following contender in the list or to instigate a new call for tender, which in either case shall result in the forfeited bidder having to bear any additional costs incurred by the Contracting Authority. In these circumstances, in respect to the failing company, a temporary deposit will be forfeited, whilst proceedings for the application of any additional penalties provided by law may be pursued.

In case of a positive result from the above verification activities, the award shall be in favour of the winning competitor who will be then formally invited to sign the contract.

The Institute reserves the right to proceed to request clarification and/or completion of product documentation.

The work may start only after the contract has been signed.

## CHAPTER IV - DEFAULTS AND PENALTIES

### 17. Sanctions and penalty mechanisms

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

Unless otherwise provided for by legislation, the Contracting Authority 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 report of Factual Findings more than 7 (seven) 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 late, 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 five (5) 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 five (5) days from receipt of the official communication of protest sent by the Contracting Authority.

In case of absence or non-acceptance of the counter-arguments, the Contracting Authority will proceed to the application of the above penalties.

The Contracting Authority, 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 Contracting Authority to claim compensation for damages.

## CHAPTER V - ADMINISTRATIVE INFORMATION

### 18. Administrative information

All the information and conditions included in the Technical Specifications and its annexes, the Letter of Invitation, the Declaration on honour, all the supporting documents and all the documentation related to the "most economically advantageous offer" shall be bidding for the awarded Contractor and form an integral part of the final contract.

## 19. Payments

The Institute 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.

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 through the Credit Institution of the Institute, 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 Contracting Authority'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.

## 20. Subcontracting and outsourcing contract

The contract may NOT be reassigned, at risk of nullity.

Subcontracting is NOT allowed.

## 21. Liability

The Contractor shall be solely responsible for complying with any legal obligations incumbent to it.

The Contracting Authority shall not be held liable for any damage caused or sustained by the Contractor.

The Contractor shall take out an insurance policy against risks and damage relating to the performance of the contract, if required by the relevant applicable legislation. It shall take out supplementary insurance as reasonably required by standard practice in the industry. A copy of all the relevant insurance contracts shall be sent to the Contracting Authority should it so request.

## CHAPTER VI - FINAL REGULATIONS

### 22. Data protection policy

Any personal data included in the Contract shall be processed in accordance with the European University Institute policy, as provided for in the specific [Presidential Decision n.40/2013](#) regarding data protection at EUI.

The Contractor is bound to comply with EUI's data protection policy and to ensure the same for its employees, working partners and/or collaborators.

### 23. Confidentiality

All persons involved in service provision are bound by professional secrecy for all data, economic, financial, equity, statistical, personal and/or any other information related to the Institute, of which they may

become aware in the course of service.

Under no circumstances however, shall the collection and disclosure of such data be allowed, at risk of contract termination and the application of all relative charges towards damage caused by improper use.

#### **24. Mediation**

Any disputes which might arise between the winning Contractor and the Institute as to the interpretation and the correct execution of the contractual clauses, and which cannot be resolved by a direct agreement between the parties, will be referred within ten days of notification of the part of the Institute to an ad hoc, council-appointed Mediator (Ombudsman).

The Mediator will have the duty to conduct a mediation in an effective, impartial and competent manner, regardless of their denomination or profession in the Member State concerned and to do so in the way appointed or requested. The Ombudsman must make a decision within 5 working days.

The Mediator must adhere to the European Code of Conduct for Mediators.

If the decision of the Mediator is considered unsatisfactory, the parties to the dispute may activate the arbitration procedure within four (4) weeks.

The costs of the mediation procedure shall be borne by the all parties concerned.

#### **25. Arbitration**

In order to start an arbitration procedure, each party shall appoint one arbitrator and these two persons shall then designate a third arbitrator.

The decisions of the arbitration shall be by majority.

The costs of arbitration shall be borne by the losing party in the legal process.

#### **26. Applicable law**

Anything not regulated, prescribed and specified in the related Technical Specifications to regulate the relationship between the parties and their respective rights and obligations, is to be governed by the EUI's Financial Rules and the relevant EUI's Regulatory Framework concerning Procurement Procedures and the Award of Contracts.

#### **27. Termination of the contract by the EUI**

In addition to the circumstances already mentioned, the Contracting Authority may terminate the Contract or a specific contract for the cases listed below:

- (A) if a change to the Contractor's legal, financial, technical or organisational or ownership situation is likely to affect the performance of the contract substantially or calls into question the decision to award the contract;
- (B) opening of insolvency proceedings in respect of the Contractor or dependent parent of the Contractor in the event of a group of companies;
- (C) the liquidation or sale of the Contractor's or dependent parent of the company in the event of a group of companies;

- (D) failure to comply with the provisions of law relating to employees and non-application of collective agreements;
- (E) unexplained interruption of service;
- (F) failure to submit the Social Security documentation, certifying payment of taxes, social security contributions and assistance relating to employees;
- (G) in the presence of serious misconduct by employees, duly reported in writing by the Contracting Authority and which are not promptly proceeded by replacement of personnel in question;
- (H) where the performance of the services as part of a purchase order or specific contract has not actually commenced on the date foreseen, and the new date proposed, if any, is considered unacceptable by the Contracting Authority;
- (I) if the Contractor fails to carry out the Contract or a purchase order or specific contract in accordance with the contract documents, the request for services or other substantial contractual obligation failure;
- (J) in the event of force majeure notified in accordance with Article 17 or if the performance of the contract has been suspended by the Contractor as a result of force majeure, notified in accordance with Article 17, where either resuming performance is impossible or the modifications to the contract might call into question the decision awarding the contract or result in unequal treatment of tenderers;
- (K) where the Contractor is in a state of bankruptcy, liquidation, receivership, composition with creditors, have suspended business activities or is in any analogous situation arising from a similar procedure provided for in national legislation and regulations or the like is being held against them;
- (L) if the Contractor or any natural person with the power to represent it or take decisions on its behalf has been found guilty of professional misconduct proven by any means;
- (M) if the Contractor is not in compliance with its 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 it is established or with those of the country of the applicable law of this contract or those of the country where the contract is to be performed;
- (N) if the Contracting Authority has evidence that the Contractor or natural persons with the power to represent it or take decisions on its behalf have committed fraud, corruption, or are involved in a criminal organisation, money laundering or any other illegal activity detrimental to the financial interests of the EUI;
- (O) if the Contracting Authority is in possession of evidence that the Contractor or persons having the authority to represent or make decisions on its behalf have committed substantial errors, irregularities or fraud in the award procedure or the execution of the Contract, including the case of submission of false information;
- (P) if the Contractor is unable, through their own fault, to obtain any permit or license required for the execution of the Contract, purchase orders or specific contracts;
- (Q) whereby the requirements of the Contracting Authority change and no longer requires the services provided for under the Contract.

#### **Resolution procedure**

Whereby the Contracting Authority intends to terminate the Contract, the Contracting Authority shall inform the Contractor, specifying the reasons in advance by sending documentation via registered mail, fax or email.

The Contracting Authority shall invite the Contractor to submit any comments and to inform, within 15 days

of receiving notice of the measures taken to continue the completion of the contractual obligations. If the Contracting Authority does not confirm acceptance of these observations by written approval within 15 days of receipt, the termination procedure shall continue.

In all other cases of termination, the Contracting Authority shall formally communicate to the Contractor the decision to terminate the Contract, purchase order or specific contract by registered mail at least thirty (30) days before the date from which it would take effect, except for the occurrence of unanticipated events or caused by force majeure.

### **Effects of termination**

In the event of termination, the Contractor shall waive any claim for consequential damages, including any loss of anticipated profits for uncompleted work. On receipt of the notification of termination, the Contractor shall take all the appropriate measures to minimise costs, prevent damages, and cancel or reduce its commitments. The Contractor shall have 60 days from the date of termination to draw up the documents required by the special conditions for the tasks already executed on the date of termination and produce an invoice if necessary. The Contracting Authority may recover any amounts paid under the contract.

The Contracting Authority may claim compensation for any damage suffered in the event of termination.

The contract being rescinded because of the Contractor, shall determine, at the behest of the Contracting Authority, the enforcement of the guarantee policy, without prejudice to any action for compensation for damages suffered, and any other action that the administration considers appropriate to undertake in the protection of their interests.

On termination the Contracting Authority may engage any other Contractor to execute or complete the services. The Contracting Authority shall be entitled to claim from the Contractor all extra costs incurred in this regard, without prejudice to any other rights or guarantees it may have under the Contract.

## **28. Termination of the contract by either party**

Should the Contractor decide to rescind the contract before its expiry date, without just reason or cause, the EUI reserves the right to charge the Contractor for any and all the additional costs that are incurred by having to entrust the service to another supplier, as damages compensation.

In such a case, no amount is due to the Contractor for any investments it may have made in order to implement the contract.

## **29. Contract Management**

For the Contracting Authority, the manager of this contract is the Director of the Budget and Financial Affairs Service.

The Manager is responsible for the dealings and communications with the awarded Contractor concerning all aspects of the execution of the contracted activities and shall supervise the observance of contractual obligations by adopting coercive measures and applying penalties where required.

## **30. EUI's representative for the contract**

The Contracting Authority will appoint a staff member as contact person of the contract who will have, among others, the following tasks:

- liaise with the operational Contractor through the service Supervisor appointed by the same;
- make requests for any eventual variations/new regulations that may be necessary during the term of the contract;
- ensure the proper execution of the service and check the results;
- propose to the Contract Manager the application of penalties and the possible termination of the contract;
- regulate all the invoices issued by the contractor via endorsement.

### **31. Final provisions and Annexes**

This Tender is made up of 31 articles, n. 23 pages and n. 9 annexes which form an integral part thereof, and which the Contractor approves and accepts with the signing of this document.

#### **List of Annexes:**

- Annex A - Checklist
- Annex B – Request for participation
- Annex C - Declaration in lieu module
- Annex D – Declaration on honour
- Annex E - Technical bid module
- Annex F – Declaration of confidentiality and absence of conflict of interest
- Annex G - Economic offer form
- Annex H - Annex VI EAC-2013-0143 Rev. 18/11/2013
- Annex I - Official EUI holiday calendar for the year 2014

Stamp

Signature of the Legal Representative