



EUROPEAN  
COURT  
OF AUDITORS

## **Open call for tenders No AO 635**

**“Study on the European Union’s liabilities for pension and other employee benefits - actuarial services”**

**European Court of Auditors**

### **ANNEX 2**

### **TENDER SPECIFICATIONS**

**October 2017**

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<b>PART A. ADMINISTRATIVE PROVISIONS</b>
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**1. PRELIMINARY INFORMATION CONCERNING THE CALL FOR TENDERS**

This call for tenders has been issued by the European Court of Auditors (hereafter referred to as “the Court”), that will sign the contract and monitor its implementation.

**1.1. Subject of the call for tenders**

This call for tenders is aiming to award a service contract (hereafter referred to as “Contract”) for an expert study on the verification of the yearly calculations made by the Directorate General of the European Commission responsible for statistics (Eurostat) of the amount of the European Union’s liabilities for pension and other employee benefits for 2017 and 2018. The detailed description of the services to be provided is to be found in part B of the present document.

**1.2. Starting date of the Contract**

The Contract shall enter into force on the date on which it is signed by the last contracting party. The execution of the tasks shall start at the latest on 1 April 2018 (see Part B, section 5.1) provided that the Contract has been signed at this date.

The Contract shall remain in force for the duration necessary for the execution of the tasks.

**1.3. Estimated value of the Contract**

The estimated value of the Contract is 250 000 EUR for the whole duration of the Contract.

**1.4. Legal basis, general principles and contractual provisions**

The legal framework of this procurement procedure and the execution of services are set out in the invitation to tender, the tender specifications and the draft contract, the terms of which cannot be negotiated.

The offer of the retained tenderer is binding on it. It is integrated in the Contract of which it constitutes annex II. Offers of tenderers shall comply strictly with all provisions of these tender specifications.

Options or variants are not allowed and will not be taken into consideration.

In addition, the procedure for procurement and execution of the Contract shall be governed by Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (“the Financial Regulation”), as amended by Regulation (EU, Euratom) No 2015/1929 of the European Parliament and of the Council of 28 October 2015, and by Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget

of the Union (“the Rules of Application of the Financial Regulation”), as amended by Commission Delegated Regulation (EU) No 2015/2462 of 30 October 2015<sup>1</sup>.

In case of revision of the Financial Regulation and/or the General Conditions for service contracts of the Court of Auditors the execution of the Contract shall be governed by the new set of rules provided that the respective rules are applicable to this contractual relationship.

This is an open call for tenders and therefore a competitive tender. As such, any tenderer attempting to obtain confidential information, to contract unlawful agreements, to collude or make arrangements with other economic operators, to solicit the support of the staff of the Court of Auditors or to influence the evaluation committee or its members in any way whatsoever during the procurement procedure shall be excluded forthwith.

The Court may reject any tender, and apply administrative and financial penalties, in the event that the tenderer meets one of the exclusion criteria described in Articles 106 and 107 of the Financial Regulation, in accordance with Article 106, 107 and 108 of the same Regulation.

Tenderers are reminded that the European Anti-Fraud Office (OLAF) may in particular carry out, within the framework of this procurement procedure and during execution of the Contract, controls and checks at their premises and at those of the Court, in accordance with Council Regulation (EC, Euratom) No 2185/96 and Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999.

Tenderers should read carefully the provisions of the draft service Contract (see Annex 1 to the invitation to tender), which specify the contractors’ rights and obligations, particularly in regard to payments, performance of the Contract, confidentiality, checks and audits. There will be no amendment to the terms and conditions of the draft service contract.

## 2. PARTICIPATION TO THIS CALL FOR TENDERS

This procedure is open to economic operators with the necessary skills and expertise to provide the requested services. They may be natural or legal persons covered by the scope of the Treaties or based in states which have ratified the Multilateral Agreement on Government Procurement, under the conditions laid down therein.

## 3. ASSESSMENT

The assessment of tenderers and tenders will take place in the following stages:

1. Check of the administrative documents (see point 5).
2. Check of the **exclusion criteria** (see point 6).
3. Evaluation of the **selection criteria** (see point 7).
4. Evaluation of the **technical offer** (see point 8.1)
5. Evaluation of the **financial offer** (see point 9).
6. Calculation of the **value for money** (see point 10)

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<sup>1</sup> Available at the following link:  
[http://ec.europa.eu/budget/biblio/documents/regulations/regulations\\_en.cfm](http://ec.europa.eu/budget/biblio/documents/regulations/regulations_en.cfm).

8. Request and check of the **remaining supporting documents** (see point 11).

The assessment procedure may end with the award of the Contract.

The tenderers' attention is drawn to the fact that at the tender submission stage only selected administrative documents and the "*Declaration on honour on the exclusion criteria and selection criteria*" (see: Annex 3 – Form 5) shall be provided.

The remaining administrative documents and supporting documents to the "*Declaration on honour on the exclusion and selection criteria*" shall always only be requested from the tenderers to whom the award of the service contract might be proposed. The tenderers shall have one (1) week to provide them from the request by the Court.

Nevertheless, if necessary, the Court reserves the right to request the documents mentioned above during the tendering procedure. If requested, the tenderers shall have one (1) week to provide them.

#### 4. FORM AND CONTENT OF THE TENDER

Tenders must be clear and concise and assembled in a coherent fashion (e.g. bound or stapled, etc.). The tenderers are required to follow the structure of the model offer attached to the invitation to tender under Annex 3 containing all standard reply forms and listing all the documents that must be supplied in order to tender and the stage of the procurement procedure at which they have to be submitted. If the tender is divided into different files, it is advised to make a table of contents for each file.

Information on the general requirements and on how to submit the tender is provided in the invitation to tender.

Documents concerning administrative information, exclusion and selection criteria as well as the technical offer, on the one hand, and the financial offer, on the other hand, must be submitted in two (2) separate sealed envelopes, which together are placed in double sealed envelopes as described in the invitation to tender. Each inner envelope must clearly indicate its contents ("administrative information, exclusion and selection criteria as well as technical offer" or "financial offer").

Please observe that all documentation has to be provided on paper in triplicate (original and two copies), in recto-verso where possible (to be environment friendly).

#### 5. ADMINISTRATIVE INFORMATION

The table below lists which documents shall be submitted by tenderers, and at which stage.

Name of the document	Which model form to use from the Model Offer?	When to be submitted?
A <b>covering letter</b> signed by an authorised representative of the tenderer, including name, address, trade register number, fax number and e-mail address of the contact person responsible for submission of the tender and the information whether the	No model form	With the tender (to be submitted only once)

tender company or one of the partner companies of a joint offer is a small or medium-sized enterprise (SME) <sup>2</sup> .		
<b>Financial identification form</b> filled in and signed by an authorised representative of the tenderer. The form must be accompanied by a copy of the bank account identification issued by the bank or a copy of a bank statement.	Annex 3 – Form 1	Shall be requested from the tenderers to whom the award of the Contract might be proposed.
The <b>completed form for identification</b> of the tenderer	Annex 3 – Form 2	Shall be requested from the tenderers to whom the award of the Contract might be proposed.
In case of joint offer (see section 13.1) A <b>declaration</b> based on the model agreement on the “Power of Attorney” signed by the authorised representatives of <b>all</b> the partners of the joint offer including the: <ul style="list-style-type: none"> <li>• recognition of joint and several liability by all the partners of the joint offer for the performance of the Contract;</li> <li>• power of attorney for one of the partners of the joint offer (co-ordinator) to represent the other parties to sign and administrate the Contract.</li> </ul>	Annex 3 – Form 3	With the tender (to be submitted only once)
In case of subcontracting (see section 13.2) The <b>questionnaire for subcontracting</b> must be provided signed by an authorised representative of the tenderer and of the subcontractor.	Annex 3 – Form 4	With the tender (to be submitted only once)

## 6. EXCLUSION CRITERIA

Tenderers that are in one of the situations described in Articles 106 and 107 of the Financial Regulation<sup>3</sup> shall be excluded from participation in this open call for tenders and not be awarded the Contract.

<sup>2</sup> Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124 of 20.5.2003, p. 36) pursuant to which “(t)he category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.” (Annex, Article 2).

<sup>3</sup> Available at the following link:  
[http://ec.europa.eu/budget/biblio/documents/regulations/regulations\\_en.cfm](http://ec.europa.eu/budget/biblio/documents/regulations/regulations_en.cfm).

In this connection, tenderers are required to provide a formal declaration on honour (Annex 3 of the invitation to tender – Form 5), dated and duly signed by the person responsible for submission of the tender, stating that they are not in one of the situations described in Articles 106 and 107 of the Financial Regulation.

Upon request, and within one week of the request by the Court, the successful tenderers shall provide the following evidence confirming the details of the formal declaration on honour:

- a) For the situations described in (a), (c), (d) or (f) of the formal declaration on honour the tenderers shall provide a recent extract from the tenderer's judicial record or, failing that, an equivalent document recently issued by a judicial or administrative authority in the tenderer's country of establishment showing that the necessary requirements have been satisfied;
- b) For the situations described in point (a) or (b) of the formal declaration on honour the successful tenderers shall provide, recent certificates issued by the competent authorities of the State concerned. These documents must provide evidence covering all taxes and social security contributions for which the tenderers are liable, including for example: VAT, income tax (natural persons only), company tax (legal persons only) and social security contributions. Where any document described above is not normally issued in the country concerned, it may be replaced by a sworn statement made before a judicial authority or notary or, failing that, a solemn statement made before an administrative authority or a qualified professional body in the tenderer's country of establishment.

The table below lists which documents shall be submitted by tenderers, and at which stage.

Name of the document	Which model form to use from the Model Offer?	When to be submitted?
Declaration on honour concerning exclusion and selection criteria	Annex 3 – Form 5	With the tender (to be submitted only once)
Recent extract from the judicial record	No model form	Shall be requested from the tenderers to whom the award of the Contract might be proposed.
Recent certificate issued by the competent authorities of the State, confirming payment of taxes.  When such document is not issued in the country concerned, it may be replaced by a sworn statement made before a judicial authority or notary, or failing that, a solemn statement made before an administrative authority or a qualified professional body in the country of establishment.	No model form	Shall be requested from the tenderers to whom the award of the Contract might be proposed.
Recent certificate issued by the competent authorities of the State, confirming payment of TVA.  When such document is not issued in the country concerned, it may be replaced by a sworn statement made before a judicial authority or notary, or failing that, a solemn statement made before an administrative	No model form	Shall be requested from the tenderers to whom the award of the Contract might be proposed.



authority or a qualified professional body in the country of establishment.		
Recent certificate issued by the competent authorities of the State, confirming payment of social security contributions. When such document is not issued in the country concerned, it may be replaced by a sworn statement made before a judicial authority or notary, or failing that, a solemn statement made before an administrative authority or a qualified professional body in the country of establishment.	No model form	Shall be requested from the tenderers to whom the award of the Contract might be proposed.

If the person already submitted such evidence for the purpose of another procedure, its issuing date does not exceed one year and it is still valid, the person shall declare on its honour that the documentary evidence has already been provided and confirm that no changes have occurred in its situation.

## 7. SELECTION CRITERIA

The qualification of a tenderer to be awarded the Contract will be based on an assessment of the tenderer's:

- legal capacity,
- economic and financial capacity, and
- technical and professional capacity

to carry out the tasks set out in the tender specifications throughout the duration of the Contract.

Tenders may be submitted individually or in association with third parties (see point 13). Tenderers may, where appropriate, rely on the capacities of other entities, regardless of the legal nature of their links with those entities. In such cases, they must prove to the Court that they will have the resources needed to perform the Contract, for instance by providing assurance of an undertaking by another entity to make the resources available. With regard to technical and professional criteria, an economic operator may only rely on the capacities of other entities where the latter will perform the works or services for which these capacities are required.

The Court shall be entitled to refuse an application or a tender if it has doubts about the undertaking entered into by a third party or about that party's financial capacity.

### 7.1. Legal capacity

Tenderers must be legally capable of performing the service contract they apply for. Tenderers' legal capacity will be evaluated on the basis of the documents listed in the table below.

The table below lists which documents shall be submitted by tenderers in order to prove their legal capacity, and at which stage.

Name of the document	Model Offer	When to be submitted?
Declaration on honour on the exclusion and selection criteria	Annex 3 – Form 5	With the tender (to be submitted only once)
Proof of entry on the professional or trade register under the conditions laid down by legislation in the country in which the tenderers reside.	No model form	Shall be requested from the tenderers to whom the award of the Contract might be proposed.
A legible copy of the notice of appointment of the person(s) authorised to represent the tenderer in concluding contracts, if it is not included in the abovementioned document.	No model form	Shall be requested from the tenderers to whom the award of the Contract might be proposed

## 7.2. Economic and Financial capacity

Tenderers must have sufficient economic and financial capacity to perform the Contract in compliance with the terms of the Contract, taking into account its value and scale.

As proof of their capacity, tenderers' average annual turnover for each of the past two financial years for which accounts have been closed **must be at least EUR 250 000**. Copies of profit and loss accounts and balance sheets shall be attached as evidence of the annual turnover.

Tenderers must also have professional risk indemnity insurance of at least EUR 200 000.

The table below lists the documents which tenderers will be required to submit as evidence of their economic and financial capacity, and at which stage.

Name of document	Model form	When to be submitted?
Formal declaration on honour on the exclusion and selection criteria.	Annex 3 – Form 5	With the tender (to be submitted once only).
A statement of annual turnover for each of the past two financial years for which accounts have been closed (2015 and 2016); copies of the profit and loss accounts and balance sheets for the last two years for which accounts have been closed.	No model form	Will be requested from tenderers to whom the award of the Contract might be proposed.
Proof of the publication of the financial statements where such a publication is required by national rules	No model form	Will be requested from tenderers to whom the award of the Contract might be proposed.
Proof of professional risk indemnity insurance of at least EUR 200 000.	No model form	Will be requested from tenderers to whom the award of the Contract might be proposed.

If, on exceptional grounds that the Court considers justified, a tenderer is unable to provide the above evidence, economic and financial capacity may be proved by any other means that the Court considers appropriate.

### **7.3. Technical and professional capacity**

Tenderers must have sufficient technical and professional capacities to enable them to perform the Contract in compliance with the contractual provisions, taking into account its value and scale. If, in the light of the information supplied by the tenderer, the Court has doubts about a tenderer's technical and professional capacity, or if it is clearly insufficient for performance of the Contract, the tender may be rejected without the tenderer being able to claim any financial compensation.

The technical and professional capacity will be judged on the basis of the tenderer's expertise relevant to the required services.

In respect of the Contract which is the subject of this invitation to tender, the Court requires tenderers to have the following minimum technical and professional capacity:

Minimum requirement:

The tenderer must have executed in the last three years at least three projects delivered in the field of actuarial calculations. The value of the three projects shall be at least EUR 100 000 per project. The projects must have been commissioned with three different clients. They must have been carried out by the tenderer. If the tenderer was part of a consortium, the tenderer's role in the performance of the service must be stated.

In order to proof that the tenderer fulfils this requirement, the tenderer shall submit a short description of the three projects (name of the client, date and duration of the project, subject matter of the actuarial calculations, fees for the project). All information shall be handled in full confidentiality.

<b>Name of the document</b>	<b>Model form</b>	<b>When to be submitted</b>
Declaration on honour on the exclusion and selection criteria	<b>Annex 3 – Form 5</b>	With the tender (to be submitted only once)
Short description of three similar projects for different clients in the last three years (name of the client, date and duration of the project in months, subject matter of the actuarial calculations, fees for the project). The average annual value of the three projects shall be at least EUR 100 000 per project.	<b>Annex 3 – Form 6</b>	With the tender (to be submitted only once)

A tenderer which is in a situation of conflict of interests that might impair the performance of the Contract is considered of not having the required technical and professional capacity. Possible conflicts of interests are appreciated on the basis of information in the possession of the Court or requested by the Court from the tenderer. The tenderer will have the right to be heard before a decision on the exclusion from this tendering procedure for conflict of interests is taken.

### **8. AWARD CRITERIA – TECHNICAL OFFER**

The purpose of the award criteria is to allow a choice to be made among tenders submitted by tenderers not subject to exclusion and meeting the selection criteria.

The Contract will be awarded to the tenderer who submits the most economically advantageous tenders as determined in section 10, taking into consideration, with the appropriate weighting, both the Technical Offer and the Financial Offer that the tenderers must include in their replies to this call for tenders.

If a tenderer is awarded the Contract, his tender shall be binding during the execution of the Contract.

### **8.1. Technical offer**

The following technical award criteria will be used to assess the quality of the tenders:

(1) Experience and qualifications of the persons assigned to perform the tasks (50 points):

The tenderers shall assign to the project team members with extensive and relevant qualifications and experience in the subject-matter of the Contract. They must propose business continuity measures in the event the proposed team members leave the company and a back-up system to cover absences of key profiles (senior consultant, IT expert).

Subdivision of the award criteria

- a. Has staff with highly relevant experience and training been assigned to the project? (40 points) The following criteria are taken into account: relevance of the studies (e.g. actuarial science studies), years of professional experience in actuarial consulting and relevance of previous assignments in similar projects of actuarial consulting.*
- b. Is there a clear description of the proposed team (number and profiles) with their role and responsibilities distributed for each task and among the different economic operators for the full duration of the task (in case of joint tender, including subcontractor if applicable)? (5 points)*
- c. Does the tenderer propose effective and efficient quality control measures over the team assigned to the project and to ensure business continuity of the expert team? (5 points)*

If the minimum requirements for the profiles of the consultants (see Part B, section 3) are not fulfilled, the offer shall be rejected for non-compliance of the offer. There will be no possibility for the tenderer to submit another CV after the submission of the tender.

(2) Appropriateness and exhaustiveness of the methodological approach (50 points):

The tenderers shall propose a methodological approach to implement the required tasks (see Part B, section 2) and provide the project milestones. The approach must be efficient towards the objective and take into consideration all the elements needed to address the requirements laid down in Part B.

#### Subdivision of the award criteria

- a. *Does the tenderer's interpretation of the terms of reference demonstrate that he has understood the scope of the work, in particular the objective and expected results, and all the issues involved? (30 points)*
- b. *Are the work plan and timetable described in sufficient detail to demonstrate the feasibility of the proposed methodology, approach and outputs? (15 points)*
- c. *Does the quality control system applied to the project ensure a high quality level of deliverables? (5 points)*

The quality assessment shall be based on a technical note provided by the tenderers with their tenders of 10 pages maximum (size character: 11; line spacing: single), CVs excluded, describing the experience and qualifications of the persons assigned to perform the tasks and the appropriateness and exhaustiveness of the methodological approach. Any annexes (other than the CVs) or pages above the limit shall be disregarded. The result of the technical evaluation is the sum of the number of points obtained as a result of the evaluation of each criterion. **Only tenders obtaining at least 50 points will be considered for the award of the Contract.**

If a tenderer's proposal goes beyond the minimum requirements described in the technical specifications, such a proposal shall be binding during the execution of the Contract, if the tenderer is awarded the Contract.

#### **8.2. Documents to provide relating to the Technical Offer with the tender**

<b>Name of the document</b>	<b>Model form</b>	<b>When to be submitted</b>
Technical note describing the experience and qualifications of the persons assigned to perform the tasks and the appropriateness and exhaustiveness of the methodological approach (10 pages maximum, size character: 11; line spacing: single)	No model form	With the tender (to be submitted only once)
CVs of at least 4 team members (one senior actuary consultant, two actuary consultants and one IT expert). The CVs must evidence that the minimum requirements for the profiles (see Part B, section 3) are fulfilled.	No model form	With the tender (to be submitted only once)

### **9. AWARD CRITERIA – FINANCIAL OFFER**

#### **9.1. Documents to provide relating to the Financial Offer**

For the financial tender, tenderers must use the price schedule in **Annex 3 – Form 7**. The Financial Offer is an all-inclusive price.

The Financial Offer must fulfil the following requirements:

- **prices must be expressed in euro;**
- prices shall be expressed to a **maximum of [2] decimal places;**
- prices shall be calculated to cover all the expenditure borne by the contractor in the performance of the Contract. All costs associated with the completion of the Contract, including overheads such as infrastructure, administration costs, use of software proposed by the contractor and travel costs shall be included in the fixed price in the Financial Offer (no reimbursable variable costs).
- **prices shall be quoted free of all duties, taxes and other charges, i.e. also free of VAT,** as the European Union is exempted from such charges in the Member States under Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Union of 8 April 1965 (OJ C 83 of 30 March 2010). Exemption is granted to the Court by the governments of the Member States, either through refunds upon presentation of documentary evidence or by direct exemption.

For those countries where national legislation provides an exemption by means of a reimbursement, the amount of VAT is to be shown separately. In case of doubt about the applicable VAT system, it is the tenderer's responsibility to contact his or her national authorities to clarify the way in which the European Union is exempted from VAT.

Costs incurred in preparing and submitting tenders shall be borne by the tenderer and cannot be reimbursed.

Payments will be done in the following way:

40% of the contractual amount after fulfilment of tasks 1 and 2 (i.e. final report on 2017 liabilities), 40% of the contractual amount after fulfilment of tasks 3 and 4 (i.e. final report on 2018 liabilities) and 20 % of the contractual amount after completion of task 5 (see part B, sections 2 and 4.4.).

## **9.2. Evaluation of the Financial Offer**

During this phase the Financial Offer will be verified for fulfilment of the requirements.

## **10. FINAL EVALUATION**

In order to identify the tender presenting the best value for money, price will be given a weighting of 60% and quality will be given a weighting of 40% in accordance with the following formula, using only data from tenders that have reached the final evaluation stage:

$$\text{Score for tender X} = \frac{\text{Cheapest price}}{\text{Price of tender X}} * 60 + \frac{\text{Total quality score of tender X (out of 100)}}{100} * 40$$

In case the outcome of this exercise would lead to tenders with the same result (two (2) digits after the comma, with standard rounding (round half up), the Contract will be awarded to the tender with the lowest price (financial evaluation).

#### **11. CHECK OF THE SUPPORTING DOCUMENTS**

The tenderer whose tender offers the best value for money will be requested to provide the supporting documents for the "Declaration on honour on the exclusion criteria and selection criteria".

Within one (1) week following the request the tenderer shall provide:

- administrative documents (see point 5);
- documents confirming absence of exclusion (see point 6);
- documents related to the legal capacity (see point 7.1);
- documents related to the economic and financial capacity (see point 7.2);
- documents related to the professional and technical capacity (see point 7.3).

**If the tenderer does not react or does not provide the requested documents within the time-limit set out above, the tenderer may be rejected.**

In the above situation, tenderers whose tenders offered the next-best value for money will be required to submit the mentioned above documents.

#### **12. INFORMATION FOR TENDERERS**

The Court will inform tenderers of decisions reached concerning the award of the Contract, including the grounds for any decision not to award a Contract or to recommence the procedure.

If a written request is received, the Court will inform all rejected tenderers of the reasons for their rejection and all tenderers submitting an admissible tender of the characteristics and relative advantages of the selected tender and the name of the successful tenderer.

However, certain information may be withheld where its release would impede law enforcement or otherwise be contrary to the public interest, or would prejudice the legitimate commercial interests of economic operators, public or private, or might prejudice fair competition between them.

#### **13. JOINT OFFERS AND SUBCONTRACTING**

This point only applies for tenders involving joint tenders or subcontracting.

Where a tender involves several legal entities, they may choose between:

- making a joint offer, in which case all the economic operators must be considered as partners and, if theirs is the successful tender, as contractors (in this case, one of the partner's must be put forward as co-ordinator to manage the Contract); and
- making a tender in the name of only one tenderer, who is then the sole contractor if the tender is successful, the other legal entities being considered as subcontractors.

### **13.1. Joint offer**

Partners in a joint offer assume joint and several liabilities towards the Court for the performance of the Contract as a whole. Statements saying, for instance:

- that one of the partners of the joint offer will be responsible for part of the Contract and another one for the rest, or
- that more than one Contract should be signed if the joint tender is successful,

are thus incompatible with the principle of joint and several liability.

The Court will disregard any such statement contained in a joint tender, and reserves the right to reject such tenders without further evaluation on the grounds that they do not comply with the Tendering Specifications.

In the case of a joint offer, one of the partners of the joint offer (co-ordinator) shall be given power of attorney to represent the other parties to sign and administrate the Contract.

If the joint tender is selected, partners may be required to adopt a given legal form after they have been awarded the Contract if this change is necessary for proper performance of the Contract.

It is not allowed for a tenderer who tenders alone or as part of a consortium, to tender again for the same lot, alone or as part of a consortium.

### **Documents to submit – joint offer**

In the case of a joint offer, the following documents must be provided:

#### **Chapter one: administrative information**

1. A **declaration** based on the model agreement on the “Power of Attorney” attached in Annex 3 - Form 3, signed by the legal representatives of all the partners of the joint offer including the:

- recognition of joint and several liability by all the partners of the joint offer for the performance of the Contract;
- power of attorney for one of the partners of the joint offer (coordinator) to represent the other parties to sign and administrate the Contract.

2. If the partners of the joint offer have already set up a consortium or similar entity to that end, they should state this in their tender, together with any other relevant information and connected documentation.



3. The **form for identification** (Annex 3 – Form 2) of the tenderer will be requested from each partner of the joint offer once the Contract award is proposed to this tenderer.

*Only the co-ordinator must return the financial identification form (Annex 3 – Form 1).*

#### **Chapter two: exclusion criteria**

4. Each partner of the joint offer must fill in and return the **declaration of honour** (Annex 3 – Form 5). Each partner of the consortium to whom the Contract is to be awarded shall provide, within one week from the request, the evidence referred to in point 6, confirming the declaration of honour.

#### **Chapter three: selection criteria**

5. If the Contract is proposed to the tenderer making a joint offer, each of the partners of the joint offer will be requested to provide the documents regarding the legal capacity, as specified in point 7.1.

6. If the Contract is proposed to the tenderer making a joint offer, each of the partners of the joint offer will be requested to provide the documents regarding the economic and financial capacity, as specified in point 7.2.

The documents concerning the professional and technical capacity have to be completed once for all the partners of a joint offer, but it must be indicated to which partner the described capacities belong.

#### **Chapters Four and Five: award criteria**

The documents relating to the award criteria shall be provided once by the coordinator representing the *consortium*.

#### **13.2. Subcontracting**

If certain tasks provided in the Contract are entrusted to subcontractors, the contractor retains full liability towards the Court for performance of the Contract as a whole. Accordingly:

- the Court will treat all contractual matters (e.g. payment) exclusively with the contractor, whether or not the tasks are performed by a subcontractor;
- under no circumstances can the contractor avoid liability towards the Court on the grounds that the subcontractor is at fault.

During execution of the Contract, the contractor will need the Court's express authorisation to replace a subcontractor with another and/or to subcontract tasks for which subcontracting was not envisaged in the original tender.

The responsible authorising officer reserves the right to accept or reject the proposed subcontractor. In order to do so he *may demand* the requisite proof to establish whether the subcontractor(s) complies/comply with the requisite criteria. The Court's authorisation will always be granted in writing.

The Court is entitled to reject any subcontractor who does not comply with the exclusion and/or selection criteria.

If the Contract is awarded to a tenderer who proposes a subcontractor in his tender, this equates to giving consent for the subcontracting.

#### **Documents to submit – subcontracting**

If the tender envisages subcontracting, it must include the following.

#### **Chapter one: administrative information**

1. The **questionnaire for subcontracting** provided in Annex 3 – Form 4, including a letter of intent signed by a legal representative of the tenderer and of subcontractor. Please provide one questionnaire per contractor.

#### **Chapter two: exclusion criteria**

2. Subcontractors must provide the duly signed **declaration on honour** concerning exclusion and selection criteria (Annex 3 – Form 5). In case of doubt on this declaration on honour, the Court will request the evidence referred to in paragraph 6.

#### **Chapter three: selection criteria**

3. During the Contract award procedure or performance of the Contract the Court reserves the right to require tenderers to supply information about the legal, financial, economic, technical and professional capacity of the proposed subcontractor(s).

4. However, in case the tenderer relies on the capacities of subcontractors/freelancers for fulfilling the selection criteria, the documents related to the economic and financial and/or professional and technical capacity as defined in point 7.2 and/or 7.3 shall be provided.

#### **Chapters four and five: award criteria**

The documents relating to the award criteria shall be provided only by the tenderer.

<b>PART B. TECHNICAL SPECIFICATIONS<sup>4</sup></b>
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## **1. CONTEXT AND OBJECTIVE**

The European Court of Auditors ((hereafter referred to as “the Court”) is an institution of the European Union established to audit the EU’s finances. Our mission is to contribute to improving EU financial management, promote accountability and transparency, and act as the independent guardian of the financial interests of the citizens of the Union. Through our audit reports and other products we inform our political stakeholders and the general public of how the EU’s money is being spent.

The Court is launching a procurement procedure for actuarial consultancy services. The role of the consultant will be to assist the Court to check the yearly calculation made by the Directorate General of the European Commission responsible for statistics (Eurostat) of the amount of the European Union’s liabilities for pension and other employee benefits, based on the member population at 31 December provided by relevant services and the applicable rules, for inclusion in the consolidated annual accounts of the European Union.

The Contract covers two annual exercises, 2017 and 2018. For this task, the consultant will have to evaluate the defined benefit obligation at year-end 2017 and 2018 of the Pension Scheme of European Officials (PSEO), the Joint Sickness Insurance Scheme (JSIS), the Pension scheme of Members of some European Institutions (PSMI) and the Statutory Pension and Transitional allowance Scheme of Members of the European Parliament (PSMEP), in accordance with the provisions of the International Public Sector Accounting Standard (IPSAS) 25 “Employee benefits”.

### Pension Scheme of European Officials - PSEO

The EU Institutions, Bodies and Agencies operate a defined benefit pension plan. A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and remuneration. Staff contribute one third of the expected cost of these benefits from their salaries, this expected cost being determined under a set of specific rules and assumptions which are defined in the Staff Regulations of Officials of the European Union.

Article 83 of the Staff Regulations<sup>5</sup> specifies that "Benefits paid under this pension scheme shall be charged to the budget of the Union. Member States shall jointly guarantee payment of such benefits in accordance with the scale laid down for financing such expenditure". Article 83 also states that "Officials shall contribute one third of the cost of financing this pension scheme".

The liability recognised in the Financial Statements of the European Union is called the "Defined Benefit Obligation" (DBO) at the assessment date, less the fair value of any plan assets and related taxes. This DBO is determined by discounting the estimated future cash outflows attributed to past services using a discount rate based on interest rates of government bonds

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<sup>4</sup> Abbreviations and technical terms are explained in section 6.

<sup>5</sup> Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community as amended, consolidated version available at [http://ec.europa.eu/civil\\_service/index\\_fr.htm](http://ec.europa.eu/civil_service/index_fr.htm)

that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The rules concerning the PSEO (Pension Scheme of European Officials) are defined by the version of the Staff Regulations of Officials of the European Union in force from 1 January 2014. The arrangements cover the various types of pensions and allowances (retirement, invalidity, survival). The rules regarding the staff pensions are directly applicable in all Member States.

The net value of the PSEO is estimated at EUR 58 746 million at 31/12/2016.

The number of beneficiaries of this scheme is the following<sup>6</sup>:

<b>PSEO members</b>	<b>2016</b>	<b>2015</b>
Actives	61 048	60 008
Retirees	15 645	15 203
Deferred retirees	452	457
Invalids	3 476	3 602
Survivors <sup>7</sup>	3 915	3 959
<b>Total members</b>	<b>84 536</b>	<b>83 229</b>

#### Joint Sickness Insurance Scheme - JSIS

The JSIS<sup>8</sup> provides health coverage for the employees of the EU Institutions, Bodies and Agencies.

Since expenditure incurred by former officials (recipients of a retirement, survival or invalidity pension) is also covered, a provision has to be booked to compensate for payments taking place during the employees' post-activity period (net of their contributions): this provision represents the JSIS liability.

The Institutions, Bodies and Agencies guarantee the reimbursement of a certain level of medical costs incurred by the JSIS beneficiaries. As the contribution rate is the same for all contributing members, whatever their age, the contribution should exceed the cost generated by young members and persons insured through them, while the opposite should occur for elder ones. The JSIS DBO refers to the expected imbalance in the post activity period of the member.

One third of the contribution required to meet the JSIS cover is charged to the JSIS contributing members, with a limit of 2% of their basic salary (article 72 of the Staff Regulations). The remaining two thirds are paid by the Institutions, Bodies and Agencies.

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<sup>6</sup> For explanations of the technical terms see section 6.

<sup>7</sup> The term "survivor" includes spouse and orphans

<sup>8</sup> The Rules governing the JSIS have been adopted by all the Institutions, common accord having been recorded by the President of the Court of Justice of the European Communities on 24 November 2005, see for the European Commission [http://ec.europa.eu/pmo/info.sickinsurance\\_en.htm](http://ec.europa.eu/pmo/info.sickinsurance_en.htm). Pursuant to its article 1 it covers the following: "Within the limits and on the conditions set forth in these Rules and under the general implementing provisions adopted on the basis of Article 52 thereof, the Scheme shall guarantee to the persons covered by it the reimbursement of expenses incurred as a result of illness, accident or confinement and the payment of an allowance towards funeral expenses."

The net value of the JSIS is estimated at EUR 6 742 million at 31/12/2016.

The number of beneficiaries of this scheme is the following<sup>9</sup>:

<b>JSIS members</b>	<b>2016</b>	<b>2015</b>
Actives	60 238	59 280
Retirees	15 139	14 412
Invalids	3 606	3 614
Orphans	987	1 114
Survivors	3 134	3 026
Partner	21 510	21 496
Children	60 466	58 980
<b>Total members</b>	<b>165 080</b>	<b>161 922</b>

#### Pension scheme of Members of certain European Institutions - PSMI

The EU Institutions and Bodies operate defined benefit pension plans devoted to their top level management (e.g. Commissioners, Judges, Members, hereinafter referred to as the "Members")<sup>10</sup>.

Some of the pension plans for Members of the EU Institutions and for senior officials of the EU Institutions and Bodies, due to their similarities, have been grouped, for actuarial calculation purposes, under the name of "Pension Scheme of Members of EU Institutions" (PSMI).

The Institutions and Bodies concerned are: the Council of the European Union, the European Commission, the Court of Justice of the European Union, the European Court of Auditors, the European Ombudsman and the European Data Protection Supervisor.

The active members of the PSMI do not pay any contribution for financing the expected cost of benefits: the total cost is entirely financed by the Institutions to which they belong. The expected cost of benefits is determined under a set of specific rules and assumptions defined in the relevant Regulations.

The net value of the PSMI is estimated at EUR 524 million at 31/12/2016.

The number of beneficiaries of this scheme is the following<sup>11</sup>:

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<sup>9</sup> For explanations of the technical terms see section 6.

<sup>10</sup> See Council Regulation (EU) 2016/300 of 29 February 2016 determining the emoluments of EU high-level public office holders, OJ L 58/1 of 04/03/2016. It applies pursuant to its article 1 to the following EU high-level public office holders: "(a) the President of the European Council; (b) the President and members of the European Commission, including the High Representative of the Union for Foreign Affairs and Security Policy; (c) the President and members, as well as the Registrar, of the Court of Justice of the European Union, including those of the General Court and of specialised tribunals; (d) the Secretary-General of the Council; (e) the President and members of the Court of Auditors." Regulation No 422/67/EEC, No 5/67/Euratom, Regulation (EEC, Euratom, ECSC) No 2290/77, and Decisions 2009/909/EU, 2009/910/EU, and 2009/912/EU continue to apply to all public office holders to whom one or more of those acts apply and whose mandates are ongoing on, or have ended before, the date of entry into force of this Regulation,

<sup>11</sup> For explanations of the technical terms see section 6.

<b>PSMI members</b>	<b>2016</b>	<b>2015</b>
Active members	132	120
Ex-members receiving invalidity pension	0	0
Ex-members receiving Transitional allowance	48	42
Ex-members with deferred pensions	32	34
Ex-members receiving old-age pension	169	166
Partners of ex-members receiving survivor pension	49	52
Orphans of ex-members receiving survivor pension	0	0
<b>Total members</b>	<b>430</b>	<b>414</b>

#### Statutory Pension and Transitional allowance Scheme of Members of the European Parliament - PSMEP

The PSMEP was created in 2005 with the entry into force of the new Statute for Members of the European Parliament (MEPs)<sup>12</sup>. In 2008 implementing measures of the Statute were approved by the European Parliament (EP) Bureau. Since benefits paid out of the PSMEP scheme are to be charged to the budget of the EU, a specific methodology was developed to calculate the actuarial liability at 31 December of each year. That methodology was closely based on that for the calculation of pension liability of the Pension Scheme for Members of the other EU Institutions (PSMI). However, the actuarial liabilities of PSMI and PSMEP are presented in separate documents due to the substantial differences between the two pension schemes.

The EP operates defined benefit pension plans devoted to MEPs. The Members of the EP are entitled to the following defined benefits: transitional allowance, invalidity pension, life pension and survivor pension.

Since the total cost is financed by the EU budget, the active members of the PSMEP do not pay any pension contribution. The liability recognised in the EU financial statements is a "Defined Benefit Obligation" (DBO) from which the fair value of any plan assets has to be subtracted. The DBO is determined by discounting the estimated future cash outflows accrued through past services by means of a discount rate linked to the interest rates of government bonds, denominated in the currency in which the benefits will be paid, and with maturities approximating those of the related pension liability.

The net value of the PSMEP is estimated at EUR 1 219 million at 31/12/2016.

The number of beneficiaries of this scheme is the following<sup>13</sup>:

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<sup>12</sup> Decision of the European Parliament of 28 September 2005 adopting the Statute for Members of the European Parliament, OJ L 262/1 of 07/10/2005.

<sup>13</sup> For explanations of the technical terms see section 6.

<b>PSMEP members</b>	<b>2016</b>	<b>2015</b>
Active members	738	738
Ex-members receiving invalidity pension	1	1
Ex-members receiving transitional allowance	2	24
Ex-members with deferred pension	330	326
Ex-members receiving old-age pension	169	142
Partners of ex-members receiving survivor pension	10	7
Orphans of ex-members receiving survivor pension	8	8
<b>Total members</b>	<b>1 258</b>	<b>1 246</b>

## 2. TASKS TO BE PERFORMED BY THE CONTRACTOR

The following tasks shall be carried out by the contractor:

### Tasks related to the 2017 liabilities

#### Task 1

Development of the methodological approach, including all variables and data to be used to recalculate the actuarial liability of the PSEO, JSIS, PSMI and PSMEP. This must be based on the data sources and formats available at the Commission/Eurostat, and shall be demonstrated to comply with applicable accounting standards.

#### Task 2

Testing (and possible revision) of the methodological approach using data from 2017, resulting in the recalculation of the actuarial liabilities for the PSEO, JSIS, PSMI and PSMEP for 2017, including an explanation of any significant (over 2%) difference between the recalculated overall actuarial liability for 2017, and the liability calculated by Eurostat's experts. An explanation must be given for all differences over 10% on subtotal calculations and individual parameters.

### Tasks related to the 2018 liabilities

#### Task 3

Recalculation of the actuarial liability of the PSEO, JSIS, PSMI and PSMEP for 2018 using the chosen methodology and data for 2018 and provision of an explanation of any significant (over 2%) difference between the recalculated overall actuarial liability for 2018, and the liability calculated by Eurostat's experts. An explanation must be given for all differences over 10% on subtotal calculations and individual parameters.

#### Task 4

Conclusions and recommendations on the calculation and methodology of the actuarial liability of the PSEO, JSIS, PSMI and PSMEP.

Task following the submission of the two final reports:

Task 5

Assistance to the Court in the clearance of the above-mentioned results, including support to analyse comments received from the Commission and/or other stakeholders and to draft corresponding replies, as well as preparation of and participation in meetings with the Commission and/or other stakeholders (maximum 15 working days for all profiles described under point 3).

### **3. PROFILES OF THE CONSULTANTS**

Each tenderer shall designate a pool of professionals matching the following minimum requirements:

- (a) At least two actuarial consultants:
  - 1. who have completed studies at degree level in Actuarial Sciences, Mathematics, Statistics, Economics or similar degrees, and
  - 2. with at least three years of experience in the field of actuarial calculations.
  
- (b) At least one senior actuarial consultant:
  - 1. who has completed studies at degree level in Actuarial Sciences, Mathematics, Statistics, Economics or similar degrees, and
  - 2. who is a fully qualified actuary registered with a national actuary institute/association/society or equivalent, and
  - 3. with at least seven years of experience in the field of actuarial calculations.
  
- (c) At least one team member with high level IT programming skills (VBA for Excel, R languages) proved by relevant appropriate certificates of completion of studies, and supported by two years of relevant experience.
  
- (d) The team members assigned to the performance of the Contract must have an excellent knowledge of the English or French language for both oral and written production (level C1 of the European Framework of Reference for Languages).

All proposed team members must be available from the start of the Contract period and as far as possible until the end of the project.

The documents provided as described in Part A, section 8.2 will be assessed for the fulfilment of these minimum requirements.



#### 4. PERFORMANCE OF THE CONTRACT

##### 4.1. Duration and timetable

The timing for the performance of the tasks described under point 2 will be six months for the tasks related to the 2017 liabilities (tasks 1 and 2) and four months for the tasks related to the 2018 liabilities (tasks 3 and 4).

The contractor shall deliver the outputs relating to tasks 1 to 5 according to the following deadlines:

Task	Description	Timetable
1	Kick-off meetings with the Court and Eurostat	March/April 2018
1	Report on the methodological approach	31 May 2018 at the latest
1	Comments by the Court on the report on the methodological approach	15 calendar days after receiving the report
2	Draft report on 2017 liabilities including supporting analysis (calculations and basic data)	31 August 2018 at the latest
2	Comments by the Court on the draft report on 2017 liabilities	15 calendar days after receiving the draft report
2	Final report on 2017 liabilities	31 September 2018 at the latest
3/4	Draft report on 2018 liabilities including supporting analysis (calculations and basic data)	30 April 2019 at the latest
3/4	Comments by the Court	15 calendar days after receiving the second draft report
4	Final report on 2018 liabilities	30 May 2019 at the latest
5	Assistance to the Court in the clearance of the results presented in the reports	Until 31 December 2019

These deadlines are binding, and not respecting them may lead to penalties as set out in the Contract (Annex I, article I.7).

##### 4.2. Place of delivery or performance

The place of performance of each assignment shall be the contractor's premises or any other place indicated in the tender (except for meetings as described in point 4.3. below). To ensure information security and confidentiality where staff personal data is to be assessed, the contractor may be required to work in a secure data room and on computers provided at

Eurostat in order to ensure information security and confidentiality. With regard to other confidential documents and information, it remains at the Court's and Eurostat's discretion to determine the level of security and confidentiality as regards their handling.

#### **4.3. Meetings**

The contractor shall be available for kick-off meetings that will be organised in Luxembourg with the Court of Auditors (maximum duration half a day) and with Eurostat (maximum duration one day) soon after the signature of the Contract.

In addition to the meetings above, the contractor's presence shall be required for a maximum of eight meetings per year for coordination and reporting purposes (maximum duration half a day) with the European Commission and/or with the Court of Auditors. They will be held in Luxembourg or in Brussels. For some of the meetings videoconferences can be organised on request.

The minutes of each meeting will be prepared by the contractor and sent to the Court for approval at the latest 10 working days after the meeting.

Travel expenses for such meetings are included in the financial proposal of the tender.

#### **4.4. Project deliverables**

The project outcomes, to be provided in paper and electronic format, will be:

- (1) a report describing the developed methodological approach for task 1;
- (2) draft reports followed by final reports:
  - a. for reporting the results of task 2 relating to the liabilities of the PSEO, JSIS, PSMI and PSMEP at 31/12/2017, and
  - b. for reporting the results of tasks 3 and 4 relating to the liabilities of the PSEO, JSIS, PSMI and PSMEP at 31/12/2018.

The draft reports will contain all analyses and findings by the contractor and shall have been finalised from the contractor's side, giving the Court the possibility to comment on it.

The final reports shall accompany the corresponding invoices.

The reports must be submitted within the deadlines set under point 4.1 above. They are subject to approval by the Court.

The Court may use the final reports as a basis for drafting and communicating its audit findings to the European Commission and to the budgetary authority under its own responsibility.

All reports must be drafted to a high standard of English or French.

#### **4.5. Replacement of persons assigned to carry out the work**

The Court of Auditors expects the Contract to be executed by the specific experts who were identified and named in the offer. The involvement of key experts is considered to be instrumental in the achievement of the Contract objectives.

The final reports related to the 2017 liabilities and the final report related to the 2018 liabilities shall be written by the same team. Any replacement of experts due to unforeseen

circumstances outside of the control of the contractor must be notified to the Court of Auditors who can request to modify the proposal if the expert proposed for replacement does not match the relevant profile set out in point 3 above. Replacement of experts could cause cancellation of the Contract if not considered acceptable by the Court of Auditors in advance. Whenever a replacement occurs, the contractor must ensure a high degree of stability of the services and a smooth transfer of information. Any replacement must be submitted to the Court of Auditors for written approval at least one week before the intended date of replacement which shall not be more than two weeks after the former expert has left the team.

Not respecting these requirements may lead to the application of penalties as foreseen in the Contract (Annex I, article I.7).

Unless otherwise provided, in the case where the Court of Auditors in writing requests a replacement, the contractor's proposal for the replacement must be given within one month from receipt of the Court of Auditors' request. It shall be considered as a breach of contract if such a proposal is not made within the above specified period.

The replacement shall not oblige the Court of Auditors to pay any additional remuneration, fees or costs other than those laid down in the initial Contract. The contractor shall bear all the additional costs arising out of or incidental to such replacement. Such costs borne by the contractor shall include the costs of the return journey of the replaced member of staff and his family, the costs of the replacement's training and hand-over of information and, if necessary, the expenses arising from the need to maintain simultaneously at the place of work the member of staff to be replaced and his replacement. Replacement shall not lead to any extension of deadlines.

## 5. CONFIDENTIALITY

For the purpose of the application of Article 13 of the General Conditions for Supply, Service and Works Contracts of the European Court of Auditors (Section II of the model contract in Annex 1 to the invitation to tender), any facts, information, knowledge, documents or other matters which may have been communicated to or obtained by the contractor in the context of the specific Contract shall be deemed confidential per se even after the completion of the tasks.

## 6. MOST RELEVANT ABBREVIATIONS AND TECHNICAL TERMS

**DBO** Defined Benefit Obligation – i.e. pension and other employee benefits liability recognised in the Financial Statements of the European Union

**IPSAS** International Public Sector Accounting Standard

**JSIS** Joint Sickness Insurance Scheme - Joint rules on sickness insurance for officials of the European Union (see Footnote 8 above)

**PSEO** Pension Scheme of European Officials

**PSMEP** Statutory Pension and Transitional allowance Scheme of Members of the European Parliament (see Footnote 12 above)

**PSMI** Pension scheme of Members of some European Institutions (see Footnote 10 above)

**Invalidity allowances** are paid in the event of accident or sickness resulting in permanent invalidity preventing the official from performing his duties (article 85 a, paragraph 2 of the Staff Regulation).

**Orphans' pension:** Where an official or person entitled to a retirement pension or invalidity allowance dies leaving no spouse entitled to a survivor's pension, the children dependent on the deceased within the meaning of Article 2 of Annex VII at the time of his death shall be entitled to orphans' pension (article 80 of the Staff Regulation). Orphan's pensions is paid regardless of age to the child of an official or former official where that child is prevented by serious illness, infirmity or handicap from earning a livelihood after the death of the person on whom he was dependent. (article 85 a, paragraph 2 of the Staff Regulation).

**Survivor's pensions** is paid in the event of the death of an official or of a former official or the death of the spouse of an official or of a former official entitled to a pension, where the spouse is not an official nor a member of the temporary staff (article 85 a, paragraph 2 of the Staff Regulation). The term “survivor” includes spouse and orphans if not mentioned separately.