

Annex to the invitation to tender

TENDER SPECIFICATIONS

ATTACHED TO THE INVITATION TO TENDER

Invitation to tender No. GSA/OP/03/07

EGNOS Market Study and Preliminary Business Plan



TABLE OF CONTENTS

I. SPECIFICATIONS	4
I.1. INTRODUCTION	4
I.1.1. The EGNOS programme and its stakeholders	4
I.1.2. EGNOS Services and technical status	4
a. The EGNOS Open Signal (OS):	4
b. EGNOS Commercial Data Distribution Service (CDDS)	4
c. EGNOS Safety of Life (SoL) service	4
I.1.3. A recent reorientation of the European GNSS programmes	5
I.2. SCOPE AND OBJECTIVES.....	6
I.3. ACRONYMS	7
I.4. DESCRIPTION OF THE ACTIVITIES OF THE EGNOS MARKET STUDY AND PRELIMINARY BUSINESS PLAN.....	7
I.4.1. Activity A: Definition of the EGNOS Business and Market Objectives	8
I.4.1.1. Task A.1: Synthesis of the relevant past EGNOS market studies	8
I.4.1.2. Task A.2: Analysis of Users Needs / Surveys	9
I.4.1.3. Task A.3: Analysis of current EGNOS market and trends for the future navigation infrastructure and services	9
I.4.1.4. Task A.4: identification of the EGNOS market enablers	9
I.4.1.5. Activity A: Outputs	10
I.4.1.6. Activity A: Inputs	10
I.4.2. Activity B: Feasibility of the EEO scenario and Business Plan	11
I.4.2.1. Task B.1: Technical feasibility of the EEO scenario	11
I.4.2.2. Task B.2: Economic/financial feasibility of the EEO scenario	11
I.4.2.3. Activity B: Outputs	11
I.4.2.4. Activity B: Inputs	12
I.5. MEETINGS, DELIVERABLES AND PROPOSED SCHEDULE.....	12
I.5.1. Meetings	12
I.5.2. Deliverables	12
I.5.3. Schedule	13
I.6. PLACE OF PERFORMANCE	14
I.7. CONTRACT VALUE.....	14
II. TERMS OF CONTRACT	14
II.1. TERMS OF PAYMENT.....	14
II.2. FINANCIAL GUARANTEES	14
II.3. SUBCONTRACTING	14
II.4. LEGAL FORM TO BE TAKEN BY THE GROUPING OF SERVICE PROVIDERS TO WHOM THE CONTRACT IS AWARDED.....	15
III. FORM AND CONTENT OF THE TENDER	15
III.1. GENERAL.....	15
III.2. STRUCTURE OF THE TENDER	15
III.2.1. Section One: administrative proposal	15
III.2.2. Section Two: Technical proposal	16
III.2.3. Section Three: Financial proposal	16
IV. ASSESSMENT AND AWARD OF THE CONTRACT	18
IV.1. EXCLUSION CRITERIA (EXCLUSION OF TENDERERS).....	18
IV.1.1. Evidence to be provided by the tenderers	19
IV.1.2. Other cases of exclusion	19
IV.1.3. Declaration	19
IV.2. ADMINISTRATIVE AND FINANCIAL PENALTIES.....	20
IV.3. SELECTION CRITERIA (SELECTION OF TENDERERS)	20
IV.3.1. Economic and financial capacity – References required	21



IV.3.2. Technical and professional capacity – References required	21
IV.4. EVALUATION OF TENDERS – AWARD CRITERIA	21
IV.5. INFORMATION FOR TENDERERS.....	22
V. ANNEXES	23
ANNEX 1 - IDENTIFICATION OF THE TENDERER	1
ANNEX 2 - FINANCIAL FORM	3
ANNEX 3 - LEGAL ENTITY FORM	5
ANNEX 4 - DECLARATION BY THE TENDERER	6
ANNEX 5 - DRAFT SERVICE CONTRACT	7



I. SPECIFICATIONS

I.1. INTRODUCTION

I.1.1. The EGNOS programme and its stakeholders

The European Geostationary Navigation Overlay Service (EGNOS) is the first European venture into satellite navigation. EGNOS is a major element of the European GNSS strategy and a technological precursor to GALILEO, providing an enhancement to the existing Global Positioning System.

This system is initially a joint project of the European Space Agency (ESA), the European Commission (EC) and the European Organisation for Safety of Air Navigation (EUROCONTROL). In addition, other entities contributed to the implementation of the EGNOS Advanced Operational Capability system under bi-lateral agreements established between ESA and the EGNOS Operator, and the(?) Infrastructure Group (namely AENA, DFS, DNA, ENAV, NAV-EP, Swisscontrol and NATS).

The recently created European GNSS Supervisory Authority (GSA)¹ – entrusted with the management of the public interests relating to the European satellite radio-navigation programmes - will however soon be the owner of both radio-navigation programmes EGNOS and GALILEO. Accordingly, GSA plays a central role in the establishment of the service provision framework for EGNOS and interfaces regularly with the main EGNOS stakeholders to pave the way for the integration of EGNOS into GALILEO.

I.1.2. EGNOS Services and technical status

EGNOS offers all users of GPS satellite radio-navigation a high-performance navigation and positioning service enhancement.

EGNOS services can be sub-divided in to three basic services:

- a.** *The EGNOS Open Signal (OS):* This satellite service is freely available over Europe to the general public, and has been since 2006. Its performance accuracy (with GPS) is in the order of 1-3 m horizontal and 2-4 m vertical with 99% availability. The purpose of this service is to enable these accuracy levels for hand-held, mass market receivers for the most common applications.
- b.** *EGNOS Commercial Data Distribution Service (CDDS)* will be offered on a controlled access basis (e.g. through the Internet, cellular phones) to customers who require enhanced performance for professional uses. This service will encompass the provision of corrections and integrity messages and of raw data from all RIMS, both provided in real time.
- c.** *EGNOS Safety of Life (SoL) service,* will be offered and guaranteed mostly to the critical transport community (e.g. aviation, maritime, etc.) on the basis of the integrity function (i.e. a malfunction warning system that will alert users within a given time)

¹ The European GNSS Supervisory Authority has been established by Council Regulation (EC) 1321/2004 of 12 July 2004 given the strategic nature of the European satellite positioning and navigation programmes.



and provides a service level guarantee to the customer. This service will be certified against applicable standards and performance criteria, such as the SBAS standards of the International Civil Aviation Organisation (ICAO).

1.1.3. A recent reorientation of the European GNSS programmes

Due to the delays encountered by both EGNOS and GALILEO and to the lack of progress in the PPP contract negotiations, the original plan to have the EGNOS system and services integrated into the GALILEO Public Private Partnership (PPP) and operated by the GALILEO PPP contractor has been questioned by the European Institutions. This point was settled in the Council resolution dated 8th June 2007 which, while reaffirming the value of GALILEO as a key EU project to be deployed by the end of 2012, concluded that the current PPP negotiations had failed and must be replaced by a new framework, and invited the Commission to continue with the implementation of a certifiable EGNOS.

This reorientation of the GALILEO programme combined with the new time schedule for the system deployment (i.e. GALILEO FOC foreseen in 2012) modifies the EGNOS exploitation and operation timeframe initially envisaged by the public sector.

EGNOS will soon be a fully operational system, providing a reliable and certified augmented navigation signal to the European User Community. The EGNOS signal-in-space has been freely available to the public over Europe via satellite since early 2006, and the EGNOS system will be declared "certifiable" for the utilisation by the civil aviation by the end of 2008 (i.e. date of EGNOS Operational Qualification Review). The system certification in accordance with the Single European Sky Regulation is expected in 2009.

Today, GSA is confronted with a complete new picture: while the development of the EGNOS business and market is no longer to be covered under a PPP contract, the continuity of the EGNOS signal-in-space after OQR and the introduction of the EGNOS signal-in-space related services into the market have to be ensured. EGNOS must consequently now be considered independently from GALILEO in the first stage, without prejudice to its later integration into GALILEO (i.e. after FOC, end 2012).



I.2. SCOPE AND OBJECTIVES

As a result of the new European GNSS programmatic approach as well as of the growing GNSS global multi-modal markets, **a specific EGNOS Market Study and Preliminary Business Plan** needs to be performed. This study shall be a reference study for the new phase of EGNOS: its service exploitation. It shall also pave the road for the future economic operations of the Galileo system.

Many initiatives and studies related to the preparation of the market for GNSS, and in particular for EGNOS, have been performed in the past. These studies are to be considered as a basis with regards to the current development of the EGNOS program and the vision of the market.

However, the some of the available studies - performed at the beginning of the development of the GNSS market mainly with the perspective of a short term integration of EGNOS into GALILEO - may now be obsolete. Substantial market development has occurred since then (e.g. new applications, trends, requirements and user communities were developed worldwide) and a better assessment of the market is now possible.

Therefore, the objective of the EGNOS market study and preliminary business plan is to update, question and validate the data collected in the existing studies as well as to deepen the understanding and knowledge of the evolution of the EGNOS relevant markets, users and potential revenue stream.

In particular, this study will aim to answer the following questions:

- What is the market specifically for EGNOS?
- How could the market for EGNOS be best developed and structured?
- How will the EGNOS service differentiators improve the current GNSS services?
- What is the EGNOS added-value compared to GPS/GLONASS only based services or any other competing technology from a market point of view (e.g. terrestrial radio based navigation system)?
- How could EGNOS best pave the way for the future GALILEO market?



I.3. ACRONYMS

AENA	Aeropuertos Españoles y Navegación Aérea
CDDS	Commercial Data Distribution Service
DFS	Deutsche FlugSicherung GmbH
DGNSS	Differential GNSS
DGPS	Differential GPS
DNA	Direction de la Navigation Aérienne
EEO	EGNOS Economic Operator
EGNOS	European Geostationary Navigation Overlay Service
ENAV	Società Nazionale per l'Assistenza al Volo S.p.A
ESA	European Space Agency
ESSP	European Satellite Services Provider
EU	European Union
FOC	GALILEO Full Operational Capability
FP6	6 th European Framework Programme for Research and Development
GNSS	Global Navigation Satellite Service
GPS	Global Positioning System
GSA	European GNSS Supervisory Authority
KO	Kick-Off
KPI	Key Performance Indicators
MRD	Mission Requirements Document
NATS	National Air Traffic Services
NAV-EP	Navegação Aérea de Portugal E.P.
NDA	Non-Disclosure Agreement
NPV	Net Present Value
OS	Open Service
OQR	EGNOS Operational Qualification Review
PPP	Public Private Partnership
RIMS	Ranging and Integrity Monitoring Stations
SBAS	Satellite Based Augmentation System
SES	Single European Sky
SIS	Signal In Space
SLA	Service Level Agreement
SoL	Safety of Life
VAT	Value Added Tax
WAAS	Wide Area Augmentation System

I.4. DESCRIPTION OF THE ACTIVITIES OF THE EGNOS MARKET STUDY AND PRELIMINARY BUSINESS PLAN

The two main parts of the study shall consist of:

- Activity A: Definition of the EGNOS business and market objectives
- Activity B: Feasibility of the EEO scenario and associated business plan

All activities and related tasks are presented in detail in the following sections. The Contractor will be requested to perform these two activities sequentially. GSA reserves the right not to proceed with Activity B, and will decide whether to request for Activity B to be completed or not, at the latest two weeks before completion of the last milestone of activity A.



1.4.1. Activity A: Definition of the EGNOS Business and Market Objectives

The GNSS development in some markets/applications is hampered by the GPS limitations in terms of performance, institutional concerns and lack of service guarantees. The inclusion of EGNOS should progressively overcome these limitations. The combined use of the different interoperable GNSS components will improve the final user services in terms of performance, safety, guarantees and robustness.

Nowadays, there is an increasing use of GNSS in different application domains based on GPS. Market studies developed in Europe have shown the range and diversity of the future EGNOS and GALILEO based applications (e.g. transport, emergency management, geodesy, and law enforcement).

The objective of Activity A is:

- to identify the EGNOS economic value, and
- to analyse the necessary steps and enablers (preparation of the operational environments, economic and safety studies, regulations, technical developments, validation activities, etc.)

in order to allow progressive introduction of EGNOS based applications.

This activity shall lead to the development of an EGNOS market study for each sector and service (such as SoL for civil aviation, maritime, railways, CDDS, etc).

The added value of EGNOS combined with GPS, compared to GPS only based services shall be considered as a key element of the study.

Therefore, building on previous results and taking into consideration recent and future developments, the activity shall:

- Update the existing market knowledge(?), including plans for the development of GNSS applications (from short to long term).
- Identify how the EGNOS features with respect to GPS will impact on application development in the short and long term respectively.
- Demonstrate the added value of EGNOS in a number of domains that may lead to service provision and how these domains will prepare the ground for GALILEO and their combined use.
- Involve the user community in the main application domains.

The Contractor shall specifically take into account for the performance of this activity:

- the particular needs and requirements of the radio-navigation users in the geographical area covered by EGNOS, and
- the social and economic benefits that the use of EGNOS will generate.

In particular, the following tasks shall be performed by the Contractor:

1.4.1.1. Task A.1: Synthesis of the relevant past EGNOS market studies

As a first step, existing EGNOS market studies and other data collected previously by the public sector under the 6th Framework Programme for Research and Development and other activities must be analysed (see Section I.4.1.6). Studies will be provided by GSA to the contractor during the Kick-Off. The Contractor shall ensure that access, use, distribution, disclosure and protection of such information is in line with the contract confidentiality terms and conditions.

This step is necessary to obtain the basic level of information necessary for the surveys to be carried on under Task A.3.



I.4.1.2. Task A.2: Analysis of Users Needs / Surveys

The contractor shall produce a synthetic review of radio-navigation user needs, with a detailed analysis in each potential domain and application. This task shall allow the Contractor to challenge, if necessary, the assumptions taken in the existing studies analysed under Task A.1.

To perform this task the contractor shall directly contact the user community, organise surveys, if necessary, and arrange dedicated focus group(s), interviews and ad-hoc assessments with radio-navigation experts and users.

These interviews shall allow the contractor to gather information on the needs of the market as well as to perform a valid analysis of the market potential. In other words, this task A.2 shall describe how much the user is willing to pay for EGNOS, and for which service.

I.4.1.3. Task A.3: Analysis of current EGNOS market and trends for the future navigation infrastructure and services

The starting point of the analysis must be a snapshot of the current situation of the GNSS market in the geographical area covered by EGNOS. A comprehensive analysis, structured per application domains in the geographical area covered by EGNOS, shall be done covering the following aspects:

- Identification of the impact of the EGNOS features with respect to GPS on application development in the short and longer term respectively
- Demonstration of the added value of EGNOS in a number of domains that may lead to service provision and how these domains will prepare the ground for GALILEO and their combined use
- Analysis of current size and evolution of the GNSS market for major transport and non-transport applications including a survey and forecast of user numbers and expected revenues in each application domain, including the identification of the key revenue drivers used in each market/application domain
- Survey of the current status of the navigation infrastructure and users equipment
- Assessment of the current use of GNSS in different sectors, and identification of applications and markets that could significantly benefit combined GPS and EGNOS technologies
- Review of the WAAS applications market (this review should be used as one of the benchmarks for the EGNOS case)
- Identification of new applications/markets that could be developed in the region, based on the EGNOS/Galileo features with respect to GPS (e.g. service guarantees, improved accuracy and integrity)

I.4.1.4. Task A.4: identification of the EGNOS market enablers

Under Task A.4, the contractor shall identify the necessary enablers (e.g. technical, financial, legal, regulatory, and organisational) and the limitations for exploiting the EGNOS Signal in Space (SiS) services. The contractor shall also define conditions to develop a market for EGNOS and potential steps which would allow the progressive introduction of EGNOS services in each identified application domain.

The analysis to be performed under this Activity shall address issues such as:

SiS / Service provision related issues

- Definition of the scope of the SiS/ service provision by the public sector and by the private sector
- Definition of the service agreements (i.e. SLAs) between the EEO and the service providers and final customers for the different market domains, as well as the possible interface agreement between GSA and the EEO
- Definition of penalty schemes and KPIs
- Identification of other possible incentive mechanisms



Technical framework

- Installation of EGNOS receivers and their integration/synchronisation with other navigation sensors and communication means
- Delivery of more accurate data (e.g. cartography etc.)

Legal and regulatory framework

- Definition of the regulatory/legal framework for each identified application and next steps to be undertaken, including the possible role of other institutions
- Proposition of new measures for public regulations to national administrations to adapt their institutional frameworks towards GNSS use.

Financial scheme vis-à-vis different services to various user segments:

- Identification of the potential pricing policies & revenue collection mechanisms
- Identification of major operational cost drivers at user level

On the basis of this identification of enablers, the contractor shall develop a business model summarising, per application domain, the conditions for the EGNOS market penetration, the actions to implement the identified enablers, and the necessary steps to be taken in each application domain.

I.4.1.5. Activity A: Outputs

The output of Activity A shall take the form of a report covering the overall Activity A tasks. This report shall present results of market study for each sector and service with the aim of giving a good overview of each targeted markets.

The report shall also clearly detail the assumptions, the data and the sources on which this study is based and contain recommendations for the areas, applications and services which shall lead to the penetration of EGNOS in the short-term and medium term.

An overall time schedule summarizing EGNOS market development per sector will be also presented.

Special care will be taken by the contractor to well reference any information sources (i.e. input documentation defined in I.4.1.6 hereunder and other sources to be provided under non-disclosure agreement).

Any calculation model used by the Contractor to produce the deliverables shall be delivered to GSA in an agreed form that will allow GSA to re-run calculations and sensitivity analysis to changes in assumptions (i.e. spreadsheet files not-hard wired).

I.4.1.6. Activity A: Inputs

Documents will be provided by GSA at Kick off and will include:

Title of the document	Availability	Approximative number of pages
REGULATION (EC) No 1321/2004 – Establishment of structures for the management of the European satellite radio-navigation programmes;	Public	11
Galilei Study deliverables (e.g. Market Study)	Protected	700
Around 50 GJU/GSA 6th Framework Programme 1st Call and 2nd call deliverables identified as relevant for this study	Protected	Max. 100 each
EGNOS Mission Requirements Document V2.0 – 8 th May 2006	Protected	45
GALILEO Mission Requirements Document Issue 6 – 11 th June 2004	Protected	62



I.4.2. Activity B: Feasibility of the EEO scenario and Business Plan

I.4.2.1. Task B.1: Technical feasibility of the EEO scenario

The EEO (EGNOS Economic Operator) is the entity to be appointed by GSA that will develop and establish the EGNOS services throughout Europe and that will interface with all user communities.

The contractor shall produce a marketing plan and strategic review of the operations & maintenance structure of the EEO in order to assess the KPIs, the foreseeable running cost, capital expenditure needs and personnel/organizational requirements during the EEO contract duration.

More specifically, the contractor shall identify

- a. A detailed and integrated marketing plan, including the service positioning, the pricing policy and the related communication plan. A description in the value chain positioning should also be included.
- b. The EEO optimal capital structure, also in terms of tangible and intangible assets deployment to accomplish its tasks. As not-exhaustive examples, the functions to have in-house and outsource ('make-or-buy'), the contractual framework for each service provided, the liability regimes (including link to GSA and other EU institutions)
- c. System architecture and evolution: current matching of potential customer requirements and new infrastructure (i.e. capital expenditures) that may be needed to meet evolving customers demands (e.g. accuracy, availability of OS, CDDS, SOL)
- d. Cost assessment: according to expected findings of above-mentioned point I.4.2.1 (a) sub-point above, the number and type of staff in the various production/sales/admin functions, costs of operations, maintenance, G&A, overheads; benchmark of these costs against those of a comparable organisation with similar business objective.

I.4.2.2. Task B.2: Economic/financial feasibility of the EEO scenario

The contractor shall produce a full forecast covering the EEO contract duration time horizon (five years up to 2013)

- a. Financial needs: yearly Profit & Loss, Balance Sheet and Cash Flow of the EEO stand alone venture, driven by KPI assumptions identified in section I.4.2.1 above
- b. Expected return: NPV calculation of the EEO stand alone venture, according to findings at previous I.4.2.2 (a) sub-point
- c. Risk factors: sensitivity analysis of NPV and financial needs around identified KPIs variability. Definition of elements behind such variability.

I.4.2.3. Activity B: Outputs

The output of Activity B shall take the form of an EGNOS Preliminary Business Plan report covering the overall Activity B tasks. The report shall clearly detail the assumptions on which this study is based and contain recommendations for the covered areas that shall lead to an enhanced NPV of the EEO.

Special care will be taken by the contractor to well reference any information sources.



Any calculation model used by the Contractor to produce the deliverables shall be delivered to GSA in an agreed form that will allow GSA to re-run calculations and sensitivity analysis to changes in assumptions (i.e. spreadsheet files not-hard wired).

1.4.2.4. Activity B: Inputs

Inputs will be provided (under strict NDA) by GSA at kick off and will include:

Title of the document	Volume
List of contact persons to interview	50 (+/-20) persons to be interviewed
All available current EGNOS operations management accounting information	+/- 200 pages
Names of benchmarked ? companies/organizations	+/- 20

I.5. MEETINGS, DELIVERABLES AND PROPOSED SCHEDULE

The following sections describe in detail the meetings, deliverables and proposed schedule for the performance of the EGNOS Market and Business Plan. Figure 1 hereunder summarises the proposed work plan and final version of the deliverables.

1.5.1. Planned Meetings

The following meetings shall be held at the GSA Offices in Brussels:

Task A

- ❑ **Kick-off meeting:** Following contract signature
Purpose: to meet and discuss the study and associate milestones
- ❑ **Progress Meetings:** during the entire duration of the study
Purpose: to present, discuss and review progresses and difficulties encountered during the performance of the contract. To present the activity for the next month.
One week before the date of the Progress Meeting, the Contractor shall send a Progress Report to GSA.
Unless otherwise agreed, there will be 3 Progress meetings (T0+1month; T0+2 month;T0+3 month)
Note that during the 2nd Progress meeting, the Contractor will be requested to present a 'Study Review' to the GSA Heads of Departments
- ❑ **Final Acceptance review** to be held at T0+4 months
The contractor will present the final report/results related to Task A to GSA

Total: 5 meetings

Task B (if requested)

- ❑ Kick-off meeting: at T0+4 at the same time as the above-mentioned Final Acceptance review of task A
- ❑ Progress Meeting: at T0+5
- ❑ Final Acceptance review to be held at T0+6 months
The contractor will present the final report/results related to Task B to GSA

Total: 2 meetings (one being combined to Final acceptance Review of task A)



I.5.2. Deliverables

The following deliverables will be provided by the Contractor under the following scheme. Note that GSA will address comments on the submitted deliverables within the ??delay?? shown below.

In addition to the deliverables listed below, Progress Reports will be submitted by the Contractor at least one week before Progress Meetings.

Task	Deliverables	Due date
A1	Synthesis of the relevant existing market studies	Draft: T0+ max. 1 month GSA Comments: within 1 week Final: T0+ max. 1,5 months
A2	Analysis of User Needs / Surveys	Draft: T0+ max. 2 months GSA Comments: within 10 days Final: T0+ max. 3 months
A3	Analysis of current market status and evolution plans of the navigation infrastructure and services	Draft: T0+ max. 1,5 months GSA Comments: within 10 days Final: T0+ max. 2,5 months
A4	Report on the identification of the EGNOS market enablers	Draft: T0+ max. 2 months GSA Comments: within 10 days Final: T0+ max. 3 months
A	Final report	Draft: T0+ max. 3,5 months GSA Comments: within 1 week Final: T0+ max. 4 months
B1	Technical feasibility of the EEO SCENARIO	Draft: T0+ max. 4,5 months GSA Comments: within 10 days Final: T0+ max. 5,5 months
B2	Economic / Financial feasibility of the EEO SCENARIO	Draft: T0+ max. 4,5 month GSA Comments: within 10 days Final: T0+ max. 5,5 months
B	Final report	Draft: T0+ max. 5 months GSA Comments: within 10 days Final: T0+ max. 6 months

Both final deliverables shall include an executive summary. This list of deliverables and the delivery dates of each item will be detailed in the contractor proposal on the based on the study logic proposed by the contractor.

The deliverables shall be provided to GSA in English language. in 3 hard and one electronic (Microsoft Office 2003 format) versions.

I.5.3. Schedule

The study activities shall start at T0 (i.e. at Kick-Off meeting).

The total duration of the tasks to be performed shall be of a total of max. 6 months (i.e. max. 4 months for Activity A and max. 2 months for Activity B).

The different user surveys shall be carried out during the whole study.



Based on the proposed study logic, the contractor shall prepare a detailed schedule for the study indicating the interdependencies between tasks.

I.6. PLACE OF PERFORMANCE

The task will be performed at the Contractor's premises.

Meetings between the Contractor and GSA shall be held at GSA's premises in Brussels (unless stated otherwise). All costs foreseen in the performance of the project, including for travel shall be borne by the Contractor.

I.7. CONTRACT VALUE

The maximum allocated budget for the contract is €400.000 (VAT excluded) broken down as follows:

- max. €300.000 for Activity A
- max. €100.000 for Activity B

II. TERMS OF CONTRACT

In drawing up his offer, the tenderer should bear in mind the provisions of the draft contract attached to this invitation to tender (Annex 5). Any limitation, amendment or denial of the terms of contract will lead to automatic exclusion from the procurement procedure.

Tenderers should especially take into consideration Article II-3 of the draft framework contract regarding conflict of interests.

GSA may, before the contract is signed, either abandon the procurement procedure or cancel the award procedure without the tenderers being entitled to claim any compensation.

II.1. Terms of payment

Payments shall be made in accordance with the provisions specified in Annex 5 of the draft service contract

II.2. Financial guarantees

Guarantee on pre-financing

For any pre-financing higher than 100 000 EUR, a financial guarantee equivalent to the amount of the pre-financing will be requested.

Depending on the financial situation of the tenderer, GSA may ask for the financial guarantee for amounts lower than 100 000 EUR.

II.3. Subcontracting

If the tenderer intends to subcontract part of the service, he shall indicate in his offer which part will be subcontracted and to what extent (% of the total contract value).



Tenderers must inform the subcontractor(s) that Article II.17 of the contract (Annex 5) will be applied to them. Once the contract has been signed, Article II.13 of the above-mentioned contract shall govern the subcontracting.

II.4. Legal form to be taken by the grouping of service providers to whom the contract is awarded

Groupings, irrespective of their legal form, may submit bids. Tenderers may, after forming a grouping, submit a joint bid on condition that it complies with the rules of competition. Such groupings (or consortium) must specify the company or person heading the project and must also submit a copy of the document authorising this company or person to submit a bid. If awarded, the contract will be signed by the company of the person heading the project, who will be, vis à vis GSA, the only contracting party responsible for the performance of this contract. Tenders from a consortium of firms or groups of service providers, contractors or suppliers must specify the role, qualifications and experience of each member of the consortium or group. Each member must provide all the necessary documents for assessing the bid as a whole with regard to the exclusion criteria, selection criteria (all of them) and award criteria.

III. FORM AND CONTENT OF THE TENDER

III.1. General

Tenders must be submitted in **one of the official languages** of the European Union. However, and due to the technical nature of the project, tenders are invited to submit their bids (or at least the technical part thereof) preferably in English.

Tenders must be clear and concise, with continuous page numbering, and assembled in a coherent fashion (e.g. bound or stapled, etc...). Since tenderers will be assessed on the content of their submitted bids, they must make it clear that they are able to meet the requirements of the specifications.

III.2. Structure of the tender

All tenders must include three sections i.e. an administrative, a technical and a financial proposal.

III.2.1. Section One: administrative proposal

This section must provide the following information, set out in the standard identification forms attached to these tender specifications (Annexes 1, 2 and 3):

- Tenderers' identification (Annex 1)
 - All tenderers must provide proof of **registration**, as prescribed in their country of establishment, on one of the **professional or trade registers** or provide a declaration or certificate.
 - If the tenderer is a natural person, he/she must provide a copy of the identity card/passport or driving licence and proof that he/she is covered by a social security scheme as a self-employed person.

Each service provider (including subcontractor(s) or any member of a consortium or grouping) must complete and sign the identification forms in Annex 1 and also provide above-mentioned documents.

- Financial identification (Annex 2)



The **bank identification form** must be completed and signed by an authorised representative of the tenderer. In the case of a grouping, this form must only be provided by the person heading the project.

- Legal entities (Annex 3)
The legal entity form in Annex 3 must be completed in and should be accompanied by requested supporting documents. In the case of a grouping, this form must only be provided by the person heading the project.

GSA reserves the right, however, to request additional evidence in relation to the bid submitted for evaluation or verification purposes within a time-limit stipulated in its request.

III.2.2. Section Two: Technical proposal

This section is of great importance in the assessment of the bids, the award of the contract and the future execution of any resulting contract.

Some guidelines are given below, but attention is also drawn to the **award criteria**, which define those parts of the technical proposal to which the tenderers should pay particular attention.

The technical proposal should address all matters laid down in the specifications and should include models, examples and technical solutions to problems raised in the specifications. The level of detail of the tender will be extremely important for the evaluation of the tender.

Tenderers must present in their bids a proposal on the methodology and the organisation of the work to carry out in the framework of the study. In particular, the technical proposal shall include a set of detailed work-package descriptions that identify the non-contractual outputs to be produced in the frame of the contract and will detail the interfaces to be established with external entities to perform the work required. The technical proposal shall include a detailed schedule. The technical proposal shall include a detailed allocation of task per partner, if any. A detailed description of the deliverable shall also be presented. The technical proposal shall include a statement of compliance against all activities described in the statement of work.

Tenderers shall describe as part of their technical proposal all prior experience relevant to perform the work requested.

Tenderers shall submit, as part of the technical proposal, CVs for key personnel involved in the different tasks.

The technical proposal must provide all the information needed for the purpose of awarding the contract.

Time is of the essence of the contract to be awarded. Therefore, tenderers shall provide the most appropriate detailed timetable **and demonstrate** the time optimisation for the performance of the activities.

III.2.3. Section Three: Financial proposal

All tenders must contain a separate financial proposal for Activity A and Activity B. The tenderer's attention is drawn to the following points:

- Prices must be quoted in **euros**, including the countries which are not in the euro-area. As far as the tenderers of those countries are concerned, they cannot change the amount



of the bid because of the evolution of the exchange rate. The tenderers choose the exchange rate and assume all risks or opportunities relating to the rate fluctuation.

- Prices must be fixed amounts and include all expenses, such as foreseen travel expenses and daily allowances.
- **Prices should be quoted free of all duties, taxes and other charges, i.e. also free of VAT**, as the Communities are exempt from such charges in the EU under Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities of 8 April 1965 (OJ L 152 of 13 July 1967). Exemption is granted to GSA 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 Community is exempt from VAT;
- **Prices shall be** fixed and not subject to revision during the performance of the contract.
- For each category of staff involved in the project, the tenderer must specify:
 - the total labour costs;
 - **the daily rates** and **total number of days** (man/days) of each member of staff who will contribute to the project;
 - other categories of costs, indicating the nature of the cost, the total amount, the unit price and the quantity.

Bids involving more than one service provider (consortium) must specify the amounts indicated above for each provider.



IV. ASSESSMENT AND AWARD OF THE CONTRACT

The assessment will be based on each tenderer's bid.

All the information will be assessed in the light of the criteria set out in these specifications. The procedure for the award of the contract, which will concern only admissible bids, will be carried out in three successive stages.

The aim of each of these stages is:

- 1) to check on the basis of the exclusion criteria, whether tenderers can take part in the tendering procedure;
- 2) to check on the basis of the selection criteria, the technical and professional capacity and economic and financial capacity of each tenderer;
- 3) to assess on the basis of the award criteria each bid which has passed the exclusion and selection stages.

IV.1. Exclusion criteria (exclusion of tenderers)

To be eligible for participating in this contract award procedure, tenderers must not be in any of the following exclusion grounds²:

- (a) they are 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) they have been convicted of an offence concerning their professional conduct by a judgement which has the force of res judicata;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) they 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) they have been the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental 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 serious breach of contract for failure to comply with their contractual obligations.

² Article 93 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248 of 16.9.2002)



IV.1.1. Evidence to be provided by the tenderers

1. GSA shall accept, as satisfactory evidence that the tenderer is not in one of the situations described in point (a), (b) or (e) above, the production of a recent extract from the judicial record or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied.
2. GSA accepts, as satisfactory evidence that the tenderer is not in the situation described in point (d) above, a recent certificate issued by the competent authority of the State concerned.

Where no such certificate is issued in the country concerned, it may be replaced by a sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in his country of origin or provenance.

The documents referred to in paragraph 1 and 2 shall relate to legal and/or natural persons including, if applicable with regard to points b) and e), company directors or any person with powers of representation, decision-making or control in relation to the tenderer.

IV.1.2. Other cases of exclusion

Contracts will not be awarded to tenderers who, during the procurement procedure:

a) **are subject to a conflict of interest;**

Tenderers must declare:

- that they do not have any conflict of interest in connection with the contract; a conflict of interest could arise in particular as a result of economic interests, political or national affinities, family or emotional ties, or any other relevant connection or shared interest;
- that they will inform the contracting authority, without delay, of any situation constituting a conflict of interest or which could give rise to a conflict of interest;
- that they have not made and will not make any offer of any type whatsoever from which an advantage can be derived under the contract;
- that they have not granted and will not grant, have not sought and will not seek, have not attempted and will not attempt to obtain, and have not accepted and will not accept, any advantage, financial or in kind, to or from any party whatsoever, constituting an illegal practice or involving corruption, either directly or indirectly, as an incentive or reward relating to the award of the contract.

b) **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.

IV.1.3. Declaration

Tenderers must fill in and sign the forms attached to the specifications (Annex 4).

Where the bid involves more than one service provider (consortium or grouping), each provider must fill in and return the form, as well as the evidence specified in pt IV.1.1.

Subcontractors (when the subcontracted part does not exceed 20% of the contract) must only provide the form in Annex 4.



Bids submitted by subcontractors which have not provided the abovementioned documents may not be taken into consideration.

GSA reserves the right, however, to request any other document relating to the proposed tender for evaluation and verification purpose, within a delay fixed in its request.

IV.2. Administrative and financial penalties

1. Without prejudice to the application of penalties laid down in the contract, candidates or tenderers and contractors who have been guilty of making false declarations or have been found to have seriously failed to meet their contractual obligations in an earlier procedure will be excluded from all contracts and grants financed by the Community budget for a maximum of two years from the time when the infringement is established, as confirmed after an adversarial procedure with the contractor.

That period may be extended to three years in the event of a repeat offence within five years of the first infringement.

Tenderers or candidates who have been guilty of making false declarations will also incur financial penalties representing 2% to 10% of the total value of the grant being awarded.

Contractors who have been found to have seriously failed to meet their contractual obligations will incur financial penalties representing 2% to 10% of the value of the grant in question.

This rate may be increased to 4% to 20% in the event of a repeat offence within five years of the first infringement.

2. In the cases referred to in points IV.1, a), c), d), the candidates or tenderers will be excluded from all contracts and grants for a maximum of two years from the time when the infringement is established, as confirmed after an adversarial procedure with the contractor.

In the cases referred to in points IV.1, b) and e), the candidates or tenderers will be excluded from all contracts and grants for a minimum of one year and a maximum of four years from the date of notification of the judgment. Those periods may be extended to five years in the event of a repeat offence within five years of the first infringement or the first judgment.

3. The cases referred to in point IV.1, e) cover:

a) cases of fraud as referred to in Article 1 of the Convention on the protection of the European Communities' financial interests established by the Council Act of 26 July 1995 (OJ/C 316 of 27.11.1995, p. 48);

b) cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, established by the Council Act of 26 May 1997 (OJ/C 195 of 25.6.1997, p. 1);

c) cases of participation in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council (OJ/L 315 of 29.12.1998, p. 1);

d) cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC (OJ/L 166 of 28.6.1991, p.77).

IV.3. SELECTION CRITERIA (SELECTION OF TENDERERS)

To be eligible, the tenderers must have the economic and financial capacity as well as the technical and professional capacity to perform the tasks required in this call for tender.



IV.3.1. Economic and financial capacity – References required

Tenderers must provide proof of their financial and economic capacity by means of the following documents: the balance sheets or extracts from balance sheets for the last three financial years, and a statement of overall turnover and turnover relating to the relevant services for the last three financial years.

This rule applies to all service providers, regardless of the percentage of tasks they intend to execute, once they have chosen to submit a tender. However, if the tender includes subcontractors whose tasks represent less than 20% of the contract, those subcontractors are not obliged to provide evidence of their economic and financial capacity.

IV.3.2. Technical and professional capacity – References required

The tenderers shall have a thorough knowledge of the GNSS performance drivers. In particular, the tenderers shall demonstrate:

- an in-depth understanding of the EGNOS and GALILEO mission and system performance as well as market segments in reference to the study objectives,
- its ability to contact directly the user community, to organise surveys, if deemed necessary, and to arrange dedicated focus group(s), interviews and ad-hoc assessment with radio-navigation experts and users.

If several service providers/subcontractors are involved in the bid, each of them must have and show that they have the professional and technical capacity to perform the specific tasks assigned to them.

Tenderers should provide with their bid detailed curriculum vitae of each staff member responsible for carrying out the work, including his or her educational background, degrees and diplomas, professional experience, research work, publications and linguistic skills.

The CV's shall be presented, preferably, in accordance to GSA Recommendation on a common European format for curricula vitae, published in OJ L79 of 22 March 2002, p. 66.

IV.4. EVALUATION OF TENDERS – AWARD CRITERIA

The contract will be awarded according to the criteria given below, on the basis of the economically most advantageous tender.

Only bids that have reached a total score of a minimum of 70% and a minimum score of 60 % for each criterion will be taken into consideration for awarding the contract.

a) Technical evaluation criteria as weighted (70%)

N°	Award Criteria	Weighting
1	Understanding of the study objectives <i>- Quality of content of the technical proposal</i>	35



	<ul style="list-style-type: none"> ○ Bidder analysis of the requirements ○ Understanding of the environment under which the study is conducted (i.e. knowledge of the Radio-Navigation Market and Applications and specifically GNSS as well as knowledge of the EGNOS Stakeholders) ○ Understanding of the study objectives and preliminary analysis of work plan ○ Critical review of the requirements ○ Analysis of correlations between the different tasks <p>- <i>Compliance to Statement of Work - Completeness</i></p>	
2	<p>Quality and suitability of proposed work programme and adequacy of approach</p> <ul style="list-style-type: none"> - <i>Quality of the Work Package Descriptions</i> - <i>Adequacy of the allocation of the tasks per partner/proposed staff member</i> - <i>Adequacy of the effort related to each activity</i> - <i>Confidence that the work programme is appropriate to meet the requirements</i> - <i>Adequacy of the proposed timetable and of the time optimisation for the performance of the activities</i> 	35
3	<p>Adequacy of management and planning for the execution of the work</p> <ul style="list-style-type: none"> - <i>Adequacy of reporting scheme</i> - <i>Adequacy of management level of effort</i> - <i>Quality of proposed planning</i> - <i>Experience of the team and adequacy of the proposed key personnel</i> 	30
Total number of points		100

b) Price evaluation (30%)

Total number of points for price for both Activities: (Where X is the highest score for technical evaluation reached by an eligible offer)

Score for price for offer (a) will be computed as follows: $X * \text{lowest price among eligible offers} / \text{price of offer (a)}$

c) Final score – contract award

The contract will be awarded to the tenderer which offers the best quality price score as measured by the following formula:

$70\% * (\text{Total number of points for technical evaluation}) + 30\% * (\text{Total number of points for price evaluation})$

IV.5. INFORMATION FOR TENDERERS

GSA 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, GSA 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.

V. ANNEXES

1. Identification of the Tenderer
2. Financial Identification
3. Legal Entity Form
4. Declaration by the Tenderer (relating to the exclusion criteria)
5. Draft Service Contract



ANNEX 1 - IDENTIFICATION OF THE TENDERER

(Each service provider, including subcontractor(s) or any member of a consortium or grouping, must complete and sign this identification form)

Call for tender GSA/OP/03/07

Identity	
Name of the tenderer	
Legal status of the tenderer	
Date of registration	
Country of registration	
Registration number	
VAT number	
Description of statutory social security cover (at the level of the Member State of origin) and non-statutory cover (supplementary professional indemnity insurance) ³	
Address	
Address of registered office of tenderer	
Where appropriate, administrative address of tenderer for the purposes of this invitation to tender	
Contact Person	
Surname: First name: Title (e.g. Dr, Mr, Ms) : Position (e.g. manager): Telephone number: Fax number:	

³ For natural persons



E-mail address:	
Legal Representatives	
Names and function of legal representatives and of other representatives of the tenderer who are authorised to sign contracts with third parties	
Declaration by an authorised representative of the organisation⁴ I, the undersigned, certify that the information given in this tender is correct and that the tender is valid.	
Surname: First name:	Signature:

⁴ This person must be included in the list of legal representatives; otherwise the signature on the tender will be invalidated.

ANNEX 2 - FINANCIAL FORM

(to be completed by the tenderer)

The tenderer's attention is drawn to the fact that this document is a model and that a specific **Financial Form** for each Member State is available at the following Internet address: <http://gsa.europa.eu/>, under the "Call for tender" section



FINANCIAL IDENTIFICATION

<u>ACCOUNT HOLDER</u>	
NAME	<input type="text"/>
ADDRESS	<input type="text"/>
TOWN/CITY	<input type="text"/>
POSTCODE	<input type="text"/>
COUNTRY	<input type="text"/>
VAT NUMBER	<input type="text"/>
CONTACT PERSON	<input type="text"/>
TELEPHONE	<input type="text"/>
FAX	<input type="text"/>
E - MAIL	<input type="text"/>

<u>BANK</u>	
BANK NAME	<input type="text"/>
BRANCH ADDRESS	<input type="text"/>
TOWN/CITY	<input type="text"/>
POSTCODE	<input type="text"/>
COUNTRY	<input type="text"/>
ACCOUNT NUMBER	<input type="text"/>
IBAN (optional)	<input type="text"/>

REMARKS :

BANK STAMP + SIGNATURE of BANK REPRESENTATIVE
(Both Obligatory)

--

DATE + SIGNATURE of ACCOUNT HOLDER :
(Obligatory)

--



European GNSS Supervisory Authority

ANNEX 3 - LEGAL ENTITY FORM

(to be completed by the tenderer)

The tenderer's attention is drawn to the fact that this document is a model and that a specific **Legal Entity Form** for each Member State is available at the following Internet address: <http://gsa.europa.eu/>, under the "Call for tender" section

Please note that we can only accept either original documents or certified copies, which must be less than 6 months old.

In the case of a grouping, this form must only be provided by the person heading the project.



ANNEX 4 - **DECLARATION BY THE TENDERER**

Each service provider, including subcontractor(s) or any member of a consortium or grouping, must sign this identification form

1. In accordance with Article 93 of the Financial Regulation of the European Communities (Council Regulation 1605/2002 of 25.6.2002) published in Official Journal L 248 of 16 September 2002, I declare on my honour that I am not in any of the following situations which would exclude me from participating in this procurement procedure:
 - a) I am not bankrupt, being wound up or having my affairs administered by the courts, I have not entered into an arrangement with creditors, I have not suspended business activities, I am not the subject of proceedings concerning any such matters, and I am not in any similar situation arising from a similar procedure provided for in legislation or regulations;
 - b) I have not been convicted of an offence concerning my professional judgement by a judgment which has the force of res judicata;
 - c) I have not been found guilty of grave professional misconduct proven by any means which the contracting authority can justify;
 - d) I have not failed to fulfil 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 I am established or with those of the country or the contracting authority or those of the country where the contract is to be performed;
 - e) I have not been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
 - f) as a consequence of another procurement or grant procedure financed by the Community budget, I have not been declared to be in serious breach of contract for failure to comply with my contractual obligations,
2. In addition, the undersigned declares on his or her honour:
 - a) that on the date of submission of the tender, the company or organisation I do represent and the staff proposed for this tender are not subject to a conflict of interests in the context of this invitation to tender; I undertake to inform GSA without delay of any change to this situation after the date of submission of the tender.
 - b) that the information provided to GSA within the context of this invitation to tender is accurate, sincere and complete.

Done at on.....

Name

Title

Company

Signature:

ANNEX 5 - **DRAFT SERVICE CONTRACT**

CONTRACT NUMBER – **GSA/OP/03/07**

The European GNSS Supervisory Authority (hereinafter referred to as "GSA"), which is represented for the purposes of the signature of this contract by Mr Pedro Pedreira, Executive Director in the GSA

of the one part,

and

[official name in full]

[*official legal form* (Delete if contractor is a natural person or a body governed by public law.)]

[*statutory registration number* Delete if contractor is a body governed by public law. For natural persons, indicate the number of their identity card or, failing that, of their passport or equivalent]

[official address in full]

[*VAT registration number*]

(hereinafter referred to as "the Contractor"), represented for the purposes of the signature of this contract by [name in full and function,]

of the other part,

HAVE AGREED

the **Special Conditions** and the **General Conditions** below and the following Annexes:

Annex I – Tender Specifications (Invitation to Tender No [] of []) and Monitoring

Annex II – Contractor's Tender (No [] of [])

which form an integral part of this contract (hereinafter referred to as “the Contract”).

The terms set out in the Special Conditions shall take precedence over those in the other parts of the Contract. The terms set out in the General Conditions shall take precedence over those in the Annexes. The terms set out in the Tender Specifications (Annex I) shall take precedence over those in the Tender (Annex II).

Subject to the above, the several instruments forming part of the Contract are to be taken as mutually explanatory. Ambiguities or discrepancies within or between such parts shall be explained or rectified by a written instruction issued by GSA, subject to the rights of the Contractor under Article I.7 should he dispute any such instruction.



I – SPECIAL CONDITIONS

ARTICLE I.1 - SUBJECT

I.1.1. The subject of the Contract is the completion of an EGNOS Market and Business Plan.

I.1.2. The Contractor shall execute the tasks assigned to him in accordance with the Tender Specifications annexed to the Contract (Annexes I & II). The study is divided in two separate activities, to be performed sequentially:

- Activity A: Definition of the EGNOS business and market objectives
- Activity B: Feasibility of the EEO initiative and business plan

I.1.3 GSA reserves the right not to request for Activity B to be performed, at the latest 2 weeks before completion of Activity A, without the contractor being entitled to claim any compensation.

ARTICLE I.2 - DURATION

I.2.1. The Contract shall enter into force on the date on which it is signed by the last contracting party.

I.2.2. Execution of the tasks may under no circumstances begin before the date on which the Contract enters into force.

I.2.3. The duration of the tasks shall not exceed 6 months. This period and all other periods specified in the Contract are calculated in calendar days. Execution of the tasks shall start from the day of the Kick-off meeting unless otherwise agreed in writing. The period of execution of the tasks may be extended only with the express written agreement of the parties before such period elapses.

ARTICLE I.3 – CONTRACT PRICE

I.3.1. The maximum total amount to be paid by GSA under the Contract shall be EUR [*amount in figures and in words*] covering all tasks executed. This amount is broken down as follows:

- Activity A: EUR [*amount in figure*]
- Activity B: EUR [*amount in figure*]

ARTICLE I.4 – PAYMENT PERIODS AND FORMALITIES

Payments under the Contract shall be made in accordance with Article II.4. Payments shall be executed only if the Contractor has fulfilled all his contractual obligations by the date on which the invoice is submitted. Payment requests may not be made if payments for previous periods have not been executed as a result of default or negligence on the part of the Contractor.

I.4.1. Pre-financing:

Not applicable to the present contract.

I.4.2 Interim payment:

Interim Payment 1:



Requests for a first interim payment by the Contractor shall be admissible if accompanied by all the following deliverables:

- The **final** analysis report of users needs and surveys performed under task A2 at T0+3 months in accordance with the instructions laid down under point I.5.2 in Annex I,
- The **final** report on the identification of EGNOS market key success factors performed under task A4 at T0+3 months in accordance with the instructions laid down under point I.5.2 in Annex I, and
- The relevant invoice

provided that the above-mentioned deliverables have been approved by GSA.

GSA shall have 15 days from receipt to approve or reject the deliverables, and the Contractor shall have 10 days in which to submit additional information or a new deliverable.

Within 30 days of the date on which both deliverables are approved by GSA, an interim payment corresponding to [*amount in figures and in words*] equal to 50% of the total amount allocated to Activity A as referred to in Article I.3.1 shall be made.

Interim Payment 2:

Requests for a second interim payment by the Contractor shall be admissible if accompanied by all the following deliverables:

- The final report document covering the overall Activity A tasks performed at T0+4 months in accordance with the instructions laid down under point I.5.2 in Annex I, and
- The relevant invoice

provided that the above-mentioned deliverable has been approved by GSA.

GSA shall have 15 days from receipt to approve or reject the deliverable, and the Contractor shall have 10 days in which to submit additional information or a new deliverable.

Within 30 days of the date on which both deliverables are approved by GSA, an interim payment corresponding to [*amount in figures and in words*] equal to 50% of the total amount allocated to Activity A as referred to in Article I.3.1 shall be made.

I.4.3. Payment of the balance (applicable only if the Contractor has been requested to undertake **task B**):

The request for payment of the balance of the Contractor shall be admissible if accompanied by:

- The **final** report document covering the overall Activity B tasks performed at T0+6 months in accordance with the instructions laid down under point I.5.2 in Annex I, and
- The relevant invoice

provided that the final report has been approved by GSA.

GSA shall have 15 days from receipt to approve or reject the report, and the Contractor shall have 10 days in which to submit additional information or a new report.

Within 30 days of the date on which the report is approved by GSA, payment of the balance corresponding to EUR [*amount in figures and in words*] equal to the total amount allocated to Activity B as referred to in Article I.3.1 shall be made.



For Contractors established in Belgium, the provisions of the Contract constitute a request for VAT exemption No 450, provided the Contractor includes the following statement in his invoice(s): "Exonération de la TVA, article 42, paragraphe 3.3 du code de la TVA" or an equivalent statement in the Dutch or German language.

For Contractors established in Italy, the provisions of the Contract constitute a request for VAT exemption, provided the Contractor includes the following statement in his invoice(s): "Operazione non imponibile ai sensi dell'articolo 72, comma 3) paragrafo 3 del D.P.R. n. 633 del 26/10/1972 come modificato da ultimo dal D.L. n. 323 del 20/06/1996 convertito in Legge n. 425 dell'8/8/1996".

ARTICLE I.5 – BANK ACCOUNT

Payments shall be made to the Contractor's bank account denominated in euro, identified as follows:

Name of bank: [complete]
Address of branch in full: [complete]
Exact designation of account holder: [complete]
Full account number including codes: [complete]
[IBAN code: [complete]]

ARTICLE I.6 – GENERAL ADMINISTRATIVE PROVISIONS

Any communication relating to the Contract shall be made in writing and shall bear the Contract number. Ordinary mail shall be deemed to have been received by GSA on the date on which it is registered by the department responsible indicated below. Communications shall be sent to the following addresses:

European GNSS Supervisory Authority
[Project Officer]
[Unit]
Rue de la Loi, 56
B-1049 Bruxelles

Contractor:

Mr/Mrs/Ms [complete]
[Function]
[Company name]
[Official address in full]

ARTICLE I.7– APPLICABLE LAW AND SETTLEMENT OF DISPUTES

I.7.1. The Contract shall be governed by the national substantive law of Belgium.

I.7.2. Any dispute between the parties resulting from the interpretation or application of the Contract which cannot be settled amicably shall be brought before the courts of Brussels, Belgium.

ARTICLE I.8 – DATA PROTECTION



Any personal data included in the Contract shall be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. It shall be processed solely for the purposes of the performance, management and follow-up of the Contract by the entity acting as data controller within GSA without prejudice to possible transmission to the bodies charged with a monitoring or inspection task in conformity with Community law. The Contractor shall have the right of access to his personal data and the right to rectify any such data that is inaccurate or incomplete. Should the Contractor have any queries concerning the processing of his personal data, he shall address them to the entity acting as data controller within GSA. The Contractor shall have right of recourse at any time to the European Data Protection Supervisor.

ARTICLE I.9 – TERMINATION BY EITHER CONTRACTING PARTY

Either contracting party may, of its own volition and without being required to pay compensation, terminate the Contract by serving 2 months formal prior notice, except for the specific case of termination stated in Article I.1.3. Should GSA terminate the Contract, the Contractor shall only be entitled to payment corresponding to part-performance of the Contract. On receipt of the letter terminating the Contract, the Contractor shall take all appropriate measures to minimise costs, prevent damage, and cancel or reduce his commitments. He shall draw up the documents required by the Special Conditions for the tasks executed up to the date on which termination takes effect, within a period not exceeding sixty days from that date.



II – GENERAL CONDITIONS

ARTICLE II.1 – PERFORMANCE OF THE CONTRACT

II.1.1. The Contractor shall perform the Contract to the highest professional standards. The Contractor shall have sole responsibility for complying with any legal obligations incumbent on him, notably those resulting from employment, tax and social legislation.

II.1.2. The Contractor shall have sole responsibility for taking the necessary steps to obtain any permit or licence required for performance of the Contract under the laws and regulations in force at the place where the tasks assigned to him are to be executed.

II.1.3. Without prejudice to Article II.3 any reference made to the Contractor's staff in the Contract shall relate exclusively to individuals involved in the performance of the Contract.

II.1.4. The Contractor must ensure that any staff performing the Contract has the professional qualifications and experience required for the execution of the tasks assigned to him.

II.1.5. The Contractor shall neither represent GSA nor behave in any way that would give such an impression. The Contractor shall inform third parties that he does not belong to the European public service.

II.1.6. The Contractor shall have sole responsibility for the staff who executes the tasks assigned to him.

The Contractor shall make provision for the following employment or service relationships with his staff:

staff executing the tasks assigned to the Contractor may not be given orders direct by GSA;

GSA may not under any circumstances be considered to be the staff's employer and the said staff shall undertake not to invoke in respect of GSA any right arising from the contractual relationship between GSA and the Contractor.

II.1.7. In the event of disruption resulting from the action of a member of the Contractor's staff working on Commission premises or in the event of the expertise of a member of the Contractor's staff failing to correspond to the profile required by the Contract, the Contractor shall replace him without delay. GSA shall have the right to request the replacement of any such member of staff, stating its reasons for so doing. Replacement staff must have the necessary qualifications and be capable of performing the Contract under the same contractual conditions. The Contractor shall be responsible for any delay in the execution of the tasks assigned to him resulting from the replacement of staff in accordance with this Article.

II.1.8. Should any unforeseen event, action or omission directly or indirectly hamper execution of the tasks, either partially or totally, the Contractor shall immediately and on his own initiative record it and report it to GSA. The report shall include a description of the problem and an indication of the date on which it started and of the remedial action taken by the Contractor to ensure full compliance with his obligations under the Contract. In such event the Contractor shall give priority to solving the problem rather than determining liability.

II.1.9. Should the Contractor fail to perform his obligations under the Contract in accordance with the provisions laid down therein, GSA may - without prejudice to its right to terminate the Contract - reduce or recover payments in proportion to the scale of the failure. In addition, GSA may impose penalties or liquidated damages provided for in Article II.16.



ARTICLE II.2 – LIABILITY

II.2.1. GSA shall not be liable for damage sustained by the Contractor in performance of the Contract except in the event of wilful misconduct or gross negligence on the part of GSA.

II.2.2. The Contractor shall be liable for any loss or damage caused by himself in performance of the Contract, including in the event of subcontracting under Article II.13. GSA shall not be liable for any act or default on the part of the Contractor in performance of the Contract.

II.2.3. The Contractor shall provide compensation in the event of any action, claim or proceeding brought against GSA by a third party as a result of damage caused by the Contractor in performance of the Contract.

II.2.4. In the event of any action brought by a third party against GSA in connection with performance of the Contract, the Contractor shall assist GSA. Expenditure incurred by the Contractor to this end may be borne by GSA.

II.2.5. The Contractor shall take out insurance against risks and damage relating to performance of the Contract if required by the relevant applicable legislation. He 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 GSA should it so request.

ARTICLE II.3 - CONFLICT OF INTERESTS

II.3.1. The Contractor shall take all necessary measures to prevent any situation that could compromise the impartial and objective performance of the Contract. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interests which could arise during performance of the Contract must be notified to GSA in writing without delay. In the event of such conflict, the Contractor shall immediately take all necessary steps to resolve it.

GSA reserves the right to verify that such measures are adequate and may require additional measures to be taken, if necessary, within a time limit which it shall set. The Contractor shall ensure that his staff, board and directors are not placed in a situation which could give rise to conflict of interests. Without prejudice to Article II.1 the Contractor shall replace, immediately and without compensation from GSA, any member of his staff exposed to such a situation.

II.3.2. The Contractor shall abstain from any contact likely to compromise his independence.

II.3.3. The Contractor declares:
that he has not made and will not make any offer of any type whatsoever from which an advantage can be derived under the Contract,
that he has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept, any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to performance of the Contract.

II.3.4. The Contractor shall pass on all the relevant obligations in writing to his staff, board, and directors as well as to third parties involved in performance of the Contract. A copy



of the instructions given and the undertakings made in this respect shall be sent to GSA should it so request.

ARTICLE II.4 – PAYMENTS

II.4.1. Pre-financing:

Where required by Article I.4.1, the Contractor shall provide a financial guarantee in the form of a bank guarantee or equivalent supplied by a bank or an authorised financial institution (guarantor) equal to the amount indicated in the same Article to cover pre-financing under the Contract. Such guarantee may be replaced by a joint and several guarantee by a third party. The guarantor shall pay to GSA at its request an amount corresponding to payments made by it to the Contractor which have not yet been covered by equivalent work on his part. The guarantor shall stand as first-call guarantor and shall not require GSA to have recourse against the principal debtor (the Contractor).

The guarantee shall specify that it enters into force at the latest on the date on which the Contractor receives the pre-financing. GSA shall release the guarantor from its obligations as soon as the Contractor has demonstrated that any pre-financing has been covered by equivalent work. The guarantee shall be retained until the pre-financing has been deducted from interim payments or payment of the balance to the Contractor. It shall be released the following month. The cost of providing such guarantee shall be borne by the Contractor.

II.4.2. Interim payment:

At the end of each of the periods indicated in Annex I the Contractor shall submit to GSA a formal request for payment accompanied by those of the following documents which are provided for in the Special Conditions:

an interim technical report in accordance with the instructions laid down in Annex I;
the relevant invoices indicating the reference number of the Contract to which they refer;
statements of reimbursable expenses in accordance with Article II.7.

If the report is a condition for payment, on receipt GSA shall have the period of time indicated in the Special Conditions in which:

to approve it, with or without comments or reservations, or suspend such period and request additional information; or

to reject it and request a new report.

If GSA does not react within this period, the report shall be deemed to have been approved. Approval of the report does not imply recognition either of its regularity or of the authenticity, completeness or correctness of the declarations or information enclosed.

Where GSA requests a new report because the one previously submitted has been rejected, this shall be submitted within the period of time indicated in the Special Conditions. The new report shall likewise be subject to the above provisions.

II.4.3. Payment of the balance:

Within sixty days of completion of the tasks referred to in Annex I the Contractor shall submit to GSA a formal request for payment accompanied by those of the following documents which are provided for in the Special Conditions:

a final technical report in accordance with the instructions laid down in Annex I;
the relevant invoices indicating the reference number of the Contract to which they refer;
statements of reimbursable expenses in accordance with Article II.7.

If the report is a condition for payment, on receipt GSA shall have the period of time indicated in the Special Conditions in which:



to approve it, with or without comments or reservations, or suspend such period and request additional information; or

to reject it and request a new report.

If GSA does not react within this period, the report shall be deemed to have been approved. Approval of the report does not imply recognition either of its regularity or of the authenticity, completeness or correctness of the declarations and information enclosed.

Where GSA requests a new report because the one previously submitted has been rejected, this shall be submitted within the period of time indicated in the Special Conditions. The new report shall likewise be subject to the above provisions.

ARTICLE II.5 – GENERAL PROVISIONS CONCERNING PAYMENTS

II.5.1. Payments shall be deemed to have been made on the date on which GSA's account is debited.

II.5.2. The payment periods referred to in Article I.4 may be suspended by GSA at any time if it informs the Contractor that his payment request is not admissible, either because the amount is not due or because the necessary supporting documents have not been properly produced. In case of doubt on the eligibility of the expenditure indicated in the payment request, GSA may suspend the time limit for payment for the purpose of further verification, including an on-the-spot check, in order to ascertain, prior to payment, that the expenditure is eligible.

GSA shall notify the Contractor accordingly by registered letter with acknowledgment of receipt or equivalent. Suspension shall take effect from the date of dispatch of the letter. The remainder of the period referred to in Article I.4 shall begin to run again once the suspension has been lifted.

II.5.3. In the event of late payment the Contractor may claim interest within two months of receiving the payment. Interest shall be calculated at the rate applied by the European Central Bank to its most recent main refinancing operations ("*the reference rate*") plus seven percentage points ("*the margin*"). The reference rate in force on the first day of the month in which the payment is due shall apply. Such interest rate is published in the C series of the Official Journal of the European Union. Interest shall be payable for the period elapsing from the calendar day following expiry of the time limit for payment up to the day of payment. Suspension of payment by GSA may not be deemed to constitute late payment.

ARTICLE II.6 – RECOVERY

II.6.1. If total payments made exceed the amount actually due under the Contract or if recovery is justified in accordance with the terms of the Contract, the Contractor shall reimburse the appropriate amount in Euro on receipt of the debit note, in the manner and within the time limits set by GSA.

II.6.2. In the event of failure to pay by the deadline specified in the request for reimbursement, the sum due shall bear interest at the rate indicated in Article II.5.3. Interest shall be payable from the calendar day following the due date up to the calendar day on which the debt is repaid in full.

II.6.3. GSA may, after informing the Contractor, recover amounts established as certain, of a fixed amount and due by offsetting, in cases where the Contractor also has a claim on the Communities that is certain, of a fixed amount and due. GSA may also claim against the guarantee, where provided for.

ARTICLE II.7 - REIMBURSEMENTS



II.7.1. Where provided by the Special Conditions or by Annex I, GSA shall reimburse the expenses which are directly connected with execution of the tasks on production of original supporting documents, including receipts and used tickets.

II.7.2. Travel and subsistence expenses shall be reimbursed, where appropriate, on the basis of the shortest itinerary.

II.7.3. Travel expenses shall be reimbursed as follows:

a) travel by air shall be reimbursed up to the maximum cost of an economy class ticket at the time of the reservation;

b) travel by boat or rail shall be reimbursed up to the maximum cost of a first class ticket;

c) travel by car shall be reimbursed at the rate of one first class rail ticket for the same journey and on the same day;

d) travel outside Community territory shall be reimbursed under the general conditions stated above provided GSA has given its prior written agreement.

II.7.4. Subsistence expenses shall be reimbursed on the basis of a daily allowance as follows:

a) for journeys of less than 200 km (return trip) no subsistence allowance shall be payable;

b) daily subsistence allowance shall be payable only on receipt of a supporting document proving that the person concerned was present at the place of destination;

c) daily subsistence allowance shall take the form of a flat-rate payment to cover all subsistence expenses, including accommodation, meals, local transport, insurance and sundries;

d) daily subsistence allowance, where applicable, shall be reimbursed at the rate specified in Article I.3.3.

II.7.5. The cost of shipment of equipment or unaccompanied luggage shall be reimbursed provided GSA has given prior written authorisation.

ARTICLE II.8 – OWNERSHIP OF THE RESULTS - INTELLECTUAL AND INDUSTRIAL PROPERTY

Any results or rights thereon, including copyright and other intellectual or industrial property rights, obtained in performance of the Contract, shall be owned solely by the Community, which may use, publish, assign or transfer them as it sees fit, without geographical or other limitation, except where industrial or intellectual property rights exist prior to the Contract being entered into.

ARTICLE II.9 – CONFIDENTIALITY

II.9.1. The Contractor undertakes to treat in the strictest confidence and not make use of or divulge to third parties any information or documents which are linked to performance of the Contract. The Contractor shall continue to be bound by this undertaking after completion of the tasks.



II.9.2. The Contractor shall obtain from each member of his staff, board and directors an undertaking that they will respect the confidentiality of any information which is linked, directly or indirectly, to execution of the tasks and that they will not divulge to third parties or use for their own benefit or that of any third party any document or information not available publicly, even after completion of the tasks.

ARTICLE II.10 - USE, DISTRIBUTION AND PUBLICATION OF INFORMATION

II.10.1. The Contractor shall authorise GSA to process, use, distribute and publish, for whatever purpose, by whatever means and on whatever medium, any data contained in or relating to the Contract, in particular the identity of the Contractor, the subject matter, the duration, the amount paid and the reports. Where personal data is concerned, Article I.8 shall apply.

II.10.2. Unless otherwise provided by the Special Conditions, GSA shall not be required to distribute or publish documents or information supplied in performance of the Contract. If it decides not to publish the documents or information supplied, the Contractor may not have them distributed or published elsewhere without prior written authorisation from GSA.

II.10.3. Any distribution or publication of information relating to the Contract by the Contractor shall require prior written authorisation from GSA and shall mention the amount paid by the Community. It shall state that the opinions expressed are those of the Contractor only and do not represent GSA's official position.

II.10.4. The use of information obtained by the Contractor in the course of the Contract for purposes other than its performance shall be forbidden, unless GSA has specifically given prior written authorisation to the contrary.

ARTICLE II. 11 – TAXATION

II.11.1. The Contractor shall have sole responsibility for compliance with the tax laws which apply to him. Failure to comply shall make the relevant invoices invalid.

II.11.2. The Contractor recognises that GSA is, as a rule, exempt from all taxes and duties, including value added tax (VAT), pursuant to the provisions of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities.

II.11.3. The Contractor shall accordingly complete the necessary formalities with the relevant authorities to ensure that the goods and services required for performance of the Contract are exempt from taxes and duties, including VAT.

II.11.4. Invoices presented by the Contractor shall indicate his place of taxation for VAT purposes and shall specify separately the amounts not including VAT and the amounts including VAT.

ARTICLE II.12 – FORCE MAJEURE

II.12.1. Force majeure shall mean any unforeseeable and exceptional situation or event beyond the control of the contracting parties which prevents either of them from performing any of their obligations under the Contract, was not due to error or negligence on their part or on the part of a subcontractor, and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making it available, labour disputes, strikes or financial problems cannot be invoked as force majeure unless they stem directly from a relevant case of force majeure.



II.12.2. Without prejudice to the provisions of Article II.1.8, if either contracting party is faced with force majeure, it shall notify the other party without delay by registered letter with acknowledgment of receipt or equivalent, stating the nature, likely duration and foreseeable effects.

II.12.3. Neither contracting party shall be held in breach of its contractual obligations if it has been prevented from performing them by force majeure. Where the Contractor is unable to perform his contractual obligations owing to force majeure, he shall have the right to remuneration only for tasks actually executed.

II.12.4. The contracting parties shall take the necessary measures to reduce damage to a minimum.

ARTICLE II.13 – SUBCONTRACTING

II.13.1. The Contractor shall not subcontract without prior written authorisation from GSA nor cause the Contract to be performed in fact by third parties.

II.13.2. Even where GSA authorises the Contractor to subcontract to third parties, he shall none the less remain bound by his obligations to GSA under the Contract and shall bear exclusive liability for proper performance of the Contract.

II.13.3. The Contractor shall make sure that the subcontract does not affect rights and guarantees to which GSA is entitled by virtue of the Contract, notably Article II.17.

ARTICLE II.14 – ASSIGNMENT

II.14.1. The Contractor shall not assign the rights and obligations arising from the Contract, in whole or in part, without prior written authorisation from GSA.

II.14.2. In the absence of the authorisation referred to in 1 above, or in the event of failure to observe the terms thereof, assignment by the Contractor shall not be enforceable against and shall have no effect on GSA.

ARTICLE II.15 – TERMINATION BY GSA

II.15.1. GSA may terminate the Contract in the following circumstances:

(a) where the Contractor is being wound up, is having his affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

(b) where the Contractor has been convicted of an offence concerning his professional conduct by a judgment which has the force of *res judicata*;

(c) where the Contractor has been guilty of grave professional misconduct proven by any means which the contracting authority can justify;

(d) where the Contractor has 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 he is established or with those of the country applicable to the Contract or those of the country where the Contract is to be performed;



- (e) where GSA seriously suspects the Contractor of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (f) where the Contractor is in breach of his obligations under Article II.3;
- (g) where the Contractor was guilty of misrepresentation in supplying the information required by GSA as a condition of participation in the Contract procedure or failed to supply this information;
- (h) where a change in the Contractor's legal, financial, technical or organisational situation could, in GSA's opinion, have a significant effect on the performance of the Contract;
- (i) where execution of the tasks has not actually commenced within three months⁵ of the date foreseen, and the new date proposed, if any, is considered unacceptable by GSA;
- (j) where the Contractor is unable, through his own fault, to obtain any permit or licence required for performance of the Contract;
- (k) where the Contractor, after receiving formal notice in writing to comply, specifying the nature of the alleged failure, and after being given the opportunity to remedy the failure within a reasonable period following receipt of the formal notice, remains in serious breach of his contractual obligations.

II.15.2. In case of force majeure, notified in accordance with Article II.12, either contracting party may terminate the Contract, where performance thereof cannot be ensured for a period corresponding to at least to one fifth of the period laid down in Article I.2.3.

II.15.3. Prior to termination under point e), h) or k), the Contractor shall be given the opportunity to submit his observations.

Termination shall take effect on the date on which a registered letter with acknowledgment of receipt terminating the Contract is received by the Contractor, or on any other date indicated in the letter of termination.

II.15.4. Consequences of termination:

In the event of GSA terminating the Contract in accordance with this Article and without prejudice to any other measures provided for in the Contract, the Contractor shall waive any claim for consequential damages, including any loss of anticipated profits for uncompleted work. On receipt of the letter terminating the Contract, the Contractor shall take all appropriate measures to minimise costs, prevent damage, and cancel or reduce his commitments. He shall draw up the documents required by the Special Conditions for the tasks executed up to the date on which termination takes effect, within a period not exceeding sixty days from that date.

GSA may claim compensation for any damage suffered and recover any sums paid to the Contractor under the Contract.

On termination GSA may engage any other contractor to complete the services. GSA shall be entitled to claim from the Contractor all extra costs incurred in making good and completing the services, without prejudice to any other rights or guarantees it has under the Contract.



ARTICLE II.16 – LIQUIDATED DAMAGES

Should the Contractor fail to perform his obligations under the Contract within the time limits set by the Contract, then, without prejudice to the Contractor's actual or potential liability incurred in relation to the Contract or to GSA's right to terminate the Contract, GSA may decide to impose liquidated damages of 0.2% of the amount specified in Article I.3.1 per calendar day of delay. The Contractor may submit arguments against this decision within thirty days of notification by registered letter with acknowledgement of receipt or equivalent. In the absence of reaction on his part or of written withdrawal by GSA within thirty days of the receipt of such arguments, the decision imposing the liquidated damages shall become enforceable. These liquidated damages shall not be imposed where there is provision for interest for late completion. GSA and the Contractor expressly acknowledge and agree that any sums payable under this Article are in the nature of liquidated damages and not penalties, and represent a reasonable estimate of fair compensation for the losses that may be reasonably anticipated from such failure to perform obligations.

ARTICLE II.17 – CHECKS AND AUDITS

II.17.1. Pursuant to Article 142 of the Financial Regulation applicable to the general budget of the European Communities, the European Court of Auditors shall be empowered to audit the documents held by the natural or legal persons receiving payments from the budget of the European Communities from signature of the Contract up to five years after payment of the balance.

II.17.2. GSA or an outside body of its choice shall have the same rights as the European Court of Auditors for the purpose of checks and audits limited to compliance with contractual obligations from signature of the Contract up to five years after payment of the balance.

II.17.3. In addition, the European Anti Fraud Office may carry out on-the-spot checks and inspections in accordance with Council Regulation (Euratom, EC) No 2185/96 and Parliament and Council Regulation (EC) No 1073/1999 from signature of the Contract up to five years after payment of the balance.

ARTICLE II.18 – AMENDMENTS

Any amendment to the Contract shall be the subject of a written agreement concluded by the contracting parties. An oral agreement shall not be binding on the contracting parties.

ARTICLE II.19 – SUSPENSION OF THE CONTRACT

Without prejudice to GSA's right to terminate the Contract, GSA may at any time and for any reason suspend execution of the tasks under the Contract or any part thereof. Suspension shall take effect on the day the Contractor receives notification by registered letter with acknowledgment of receipt or equivalent, or at a later date where the notification so provides. GSA may at any time following suspension give notice to the Contractor to resume the work suspended. The Contractor shall not be entitled to claim compensation on account of suspension of the Contract or of part thereof.

SIGNATURES

For the Contractor,
[Company
name/forename/surname/function]

signature[s]: _____

Done at [Brussels], [date]

In duplicate in English.

For GSA,
[forename/surname/function]

signature[s]: _____

Done at [Brussels], [date]

ANNEX I

Tender Specifications and Monitoring

ANNEX II

Contractor's Tender