

INVITATION & INSTRUCTIONS TO TENDER

Podgorica, 08/05/2019,

Our reference number 384-289/SUP/001/19

Dear Sirs,

SUBJECT: INVITATION TO TENDER FOR Supply of IT and miscellaneous equipment to the Ministry of Justice of Podgorica/Montenegro

This is an invitation to above mentioned supply contract.

By submitting a tender, tenderers fully and unreservedly accept the special and general conditions governing the contract as the sole basis of this tendering procedure, whatever their own conditions of sale may be, which they hereby waive. Tenderers are expected to examine carefully and comply with all instructions, forms, contract provisions and specifications contained in this tender dossier. Failure to submit a tender containing all the required information and documentation within the deadline specified will lead to the rejection of the tender. No account can be taken of any remarks in the tender relating to the tender dossier; remarks may result in the immediate rejection of the tender without further evaluation.

The tender dossier is constituted of this document in addition to the below annexes:

- A. Draft contract, including annexes
 - Draft contract
 - Annex i: general conditions
 - Annex ii +iii: technical specifications + technical offer (to be tailored to the specific project)
 - Annex iv: budget breakdown (model financial offer)
 - Annex v: forms
- B. Further information
 - Administrative compliance grid
 - Evaluation grid
- C. Tender form for a supply contract

For full information about procurement procedures please consult <http://www.eurol2.me/procurement/>

1 Description of the contract

- 1.1 The subject of the contract is the supply, delivery, (installation and/or commissioning and/or maintenance as applicable) by the Contractor of the following goods in 1 lot:

Supply of miscellaneous Equipment to the Ministry of Justice

(some of the items included in this Lot are considered to be included and used within already available structure, therefore specific requests had been indicated, while equivalent items are fully acceptable)

provided its confirmation of compatibility with existing structure), where supplies are to be delivered DDP¹, and the implementation period in days, in accordance with article 12 below.

- 1.2. The supplies must comply fully with the technical specifications set out in the tender dossier (technical annex) and conform in all respects with the drawings, quantities, models, samples, measurements and other instructions.
- 1.3. The supplies described must be accompanied (where applicable) by an additional 'lot' consisting of spare parts and/or consumables. The unit price/overall price of spare parts will not influence the evaluation of the tenders, except where they vary substantially between the tenders received. Lists of spare parts must be drawn up by tenderers on the basis of their professional experience and the expected places of use; they must show the unit prices of the parts, calculated as specified in Article 16 (below). The Contracting Authority reserves the right to alter the list of spare parts; any changes will appear in the contract.

2 How to obtain the tender dossier

The tender dossier is available from the following Internet address: <http://www.eurol2.me/procurement/>. Tenders must be submitted using the standard Tender Form for a Supply Contract included in the tender dossier, whose format and instructions must be strictly observed.

3 Selection criteria

The following selection criteria will be applied to tenderers. In the case of tenders submitted by a consortium, these selection criteria will be applied to the consortium as a whole:

- 1) Economic and financial capacity of tenderer (based on i.a. item 3 of the Tender Form for a Supply Contract). In case of tenderer being a public body, equivalent information should be provided. The reference period which will be taken into account will be the last three years for which accounts have been closed.
 - (a) The average annual turnover of the tenderer for the last three financial years for which accounts have been closed shall exceed three times the value of the financial proposal of the tender.
 - (b) Current ratio (current assets/current liabilities) in the last year for which accounts have been closed must be at least 1. In case of a consortium, this criterion must be fulfilled by each member.
- 2) Professional capacity of tenderer (based on i.a. items 4 and 5 of the Tender Form for a Supply Contract)²
 - (a) The Tenderer must have at least 3 years' experience in the scope of the tender proved by acceptance certificates and/or contract(s) final payment(s)
- 3) Technical capacity of tenderer (based on i.a. items 5 and 6 of the Tender Form for a Supply Contract)

¹ DDP (Delivered Duty Paid) — Incoterms 2010 International Chamber of Commerce <http://www.iccwbo.org/products-and-services/trade-facilitation/incoterms-2010/the-incoterms-rules/>

² This means that the contract the tenderer refers to could have been started/ or completed at any time during the indicated period but it does not necessarily have to be started and completed during that period, nor implemented during the entire period. Tenderers are allowed to refer either to projects completed within the reference period (although started earlier) or to projects not yet completed. In the first case the project will be considered in its whole if proper evidence of performance is provided (statement or certificate from the entity which awarded the contract, final acceptance). In case of projects still on-going only the portion satisfactorily completed during the reference period will be taken into consideration. This portion will have to be supported by documentary evidence (similarly to projects completed) also detailing its value

- (a) The Tenderer shall provide at least one reference of delivery, installation and/or commissioning of similar equipment and at least same financial amount successfully implemented during the last three years.

An economic operator may, where appropriate and for a particular contract, rely on the capacities of other entities, regardless of the legal nature of the links which it has with them. Some examples of when it may *not* be considered appropriate by EURoL-2 are when the tenderer rely in majority on the capacities of other entities or when they rely on key criteria. If the tenderer rely on other entities it must prove to the EURoL-2 that it will have at its disposal the resources necessary for performance of the contract, for example by producing an undertaking on the part of those entities to place those resources at its disposal. Such entities, for instance the parent company of the economic operator, must respect the same rules of eligibility and notably that of nationality, as the economic operator. Furthermore, the data for this third entity for the relevant selection criterion should be included in the tender in a separate document. Proof of the capacity will also have to be furnished when requested by EURoL-2.

4 Timetable

	DATE	TIME*
Clarification meeting / site visit (if any)	Not applicable	Not applicable
Deadline for requesting clarifications from EURoL-2	Minus 21 days from deadline	Time
Last date on which clarifications are issued by EURoL-2	Minus 11 days from deadline	-
Deadline for submission of tenders	10/06/2019	at 11:00 Podgorica time
Tender opening session	10/06/2019	at 12:00 Podgorica time
Notification of award to the successful tenderer	Date ³	June 2019
Signature of the contract	Date ³	June 2019

³ Provisional date

5 Participation

- 5.1. Participation is open to all legal persons (participating either individually or in a grouping – consortium – of tenderers) which are effectively established in a Member State of the European Union or in a country or territory of the regions covered and/or authorised by Council Regulation (EC) N° 1085/2006 of 17 July 2006 establishing an instrument for Pre-Accession Assistance (IPA)/ in a eligible country or territory as defined under the Regulation (EU) N°236/2014 establishing common rules and procedures for the implementation of the Union's instruments for external action (CIR) for the applicable Instrument under which the contract is financed. All goods supplied under this contract must originate in one or more of these countries. Participation is also open to international organisations. Participation of natural persons is directly governed by the specific instruments applicable to the programme under which the contract is financed.
- 5.2. These terms refer to all nationals of the above states and to all legal entities, companies or partnerships established in the above states. For the purposes of proving compliance with this rule, tenderers being legal persons, must present the documents required under that country's law.
- 5.3. The eligibility requirement detailed in subclauses 5.1 and 5.2 applies to all members of a joint venture/consortium and all subcontractors, as well as to all entities upon whose capacity the tenderer relies for the selection criteria. Every tenderer, member of a joint venture/consortium, every capacity-providing entity, every subcontractor providing more than 10 % of the supplies must certify that they meet these conditions. They must prove their eligibility by a document dated less than one year earlier than the deadline for submitting tenders, drawn up in accordance

with their national law or practice or by copies of the original documents stating the constitution and/or legal status and the place of registration and/or statutory seat and, if it is different, the place of central administration. The contracting authority may accept other satisfactory evidence that these conditions are met.

- 5.4 Natural or legal persons are not entitled to participate in this tender procedure or be awarded a contract if they are in any of the situations mentioned in Sections 2.4. (EU restrictive measures), 2.6.10.1. (exclusion criteria) or 2.6.10.1.2. (rejection from a procedure) of the practical guide. Should they do so, their tender will be considered unsuitable or irregular respectively. In the cases listed in Section 2.6.10.1. of the practical guide tenderers may also be excluded from EU financed procedures and be subject to financial penalties up to 10 % of the total value of the contract in accordance with the Financial Regulation in force. This information may be published on the Commission website in accordance with the Financial Regulation in force. Tenderers must provide declarations on honour that they are not in any of these exclusion situations. The declarations must cover all the members of a joint venture/consortium. Tenderers who make false declarations may also incur financial penalties and exclusion in accordance with the Financial Regulation in force . Their tender will be considered irregular.

The exclusion situations referred to above also apply to all members of a joint venture/consortium, all subcontractors and all suppliers to tenderers, as well as to all entities upon whose capacity the tenderer relies for the selection criteria. When requested by EURoL-2, tenderers/contractors must submit declarations from the intended subcontractors that they are not in any of the exclusion situations. In cases of doubt over declarations, EURoL-2 will request documentary evidence that subcontractors are not in a situation that excludes them.

- 5.5 To be eligible to take part in this tender procedure, tenderers must prove to the satisfaction of EURoL-2 that they comply with the necessary legal, technical and financial requirements and have the means to carry out the contract effectively.
- 5.6 Where tenders include subcontracting, it is recommended that the contractual arrangements between tenderers and their subcontractors include mediation, according to national and international practices, as a method of dispute resolution.

6 Origin

- 6.1 Unless otherwise provided in the contract or below, all goods purchased under the contract must originate in a Member State of the European Union or in a country or territory of the regions covered and/or authorised by the specific instruments applicable to the programme specified in clause 4.1 above. For these purposes, 'origin' means the place where the goods are mined, grown, produced or manufactured and/or from which services are provided. The origin of the goods must be determined according to the relevant international agreements (notably WTO agreements), which are reflected in EU legislation on rules of origin for customs purposes: the Customs Code (Council Regulation (EEC) No 2913/92) in particular its Articles 22 to 246 thereof, and the Code's implementing provisions (Commission Regulation (EEC) No 2454/93).

Tenderers must provide an undertaking signed by their representative certifying compliance with this requirement. The tenderer is obliged to verify that the provided information is correct.

Otherwise, the tenderer risks to be excluded because of negligently misrepresenting information. For more details, see Section 2.3.5. of the practical guide.

- 6.2 When submitting tenders, tenderers must state expressly that all the goods meet the requirements concerning origin and must state the countries of origin. They may be asked to provide additional information in this connection.

7 Type of contract

unit-price.

8 Currency¹

Tenders must be presented in euro.

9 Lots

This tender procedure is of one Lot only and only one application may be submitted per lot. Tenders for parts of a lot will not be considered. Tenderers may not submit a tender for a variant solution in addition to their tender for the supplies required in the tender dossier.

10 Period of validity

- 10.1 Tenderers will be bound by their tenders for a period of 90 days from the deadline for the submission of tenders.
- 10.2 In exceptional cases and prior to the expiry of the original tender validity period, EURoL-2 may ask tenderers in writing to extend this period by 40 days. Such requests and the responses to them must be made in writing. Tenderers that agree to do so will not be permitted to modify their tenders and they are bound to extend the validity of their tender guarantees for the revised period of validity of the tender. If they refuse, without forfeiture of their tender guarantees, their participation in the tender procedure will be terminated.
- 10.3 The successful tenderer will be bound by its tender for a further period of 60 days. The further period is added to the validity period of the tender irrespective of the date of notification.

11 Language of the Contract

The tenders, all correspondence and documents related to the tender exchanged by the tenderer and EURoL-2 must be written in the language of the procedure being English.

Any time that Days are recalled, this is to be understood as calendar days.

12 Period of implementation of tasks

Contract is expected to be signed in February/March 2019. The period of implementation of tasks is 90 days from the Commencement Order until the provisional acceptance.

¹ The currency of tender shall be the currency of the contract and of payment.

13 Submission of tenders

- 13.1 EURoL-2 must receive the tenders before the **10.06.2019 at 11:00am, Podgorica time**. They must include all the documents specified in point 16 of these Instructions and be received to the following address:
- (a) either by post or by courier service, in which case the evidence shall be constituted by the postmark or the date of the deposit slip
 - (b) or by hand-delivery to the premises of the contracting authority by the participant in person or by an agent, in which case the evidence shall be constituted by the acknowledgment of receipt.

Fabrizio FANTINI
EU Support to the Rule of Law II (EUROL 2)
Capital Plaza, 5th floor, Blvd.Dzordza Vasintona 98
81 000 Podgorica, Montenegro

(opening hours are from 09:00 to 17:00)

EURoL-2 may, for reasons of administrative efficiency, reject any application or tender submitted on time to the postal service but received, for any reason beyond the contracting authority's control, after the effective date of approval of the short-list report or of the evaluation report, if accepting applications or tenders that were submitted on time but arrived late would considerably delay the evaluation procedure (for instance when applications or tenders are received after the evaluation committee has finished its works and evaluating them would imply re-calling the evaluation committee) or jeopardise decisions already taken and notified.

Tenders must comply with the following conditions:

- 13.2 All tenders must be submitted in one original, marked 'original', and three copies signed in the same way as the original and marked 'copy'.
- 13.3 All tenders must be received by registered letter with acknowledgement of receipt or hand-delivered against receipt signed by EURoL-2 Project Manager or his representative.
- 13.4 All tenders, including annexes and all supporting documents, must be submitted in a sealed envelope bearing only:

To	Full address	Submitted by Tenderer Name and contact details	Publication Reference # Lot # (X)
“Not to be opened before the tender opening session” and “Ne otvarati prije zvanicnog otvaranja ponuda”			

The technical and financial offers must be placed together in a sealed envelope. The envelope should then be placed in another single sealed envelope/package.

14 Content of tenders

All tenders submitted must comply with the requirements in the tender dossier and comprise:

Part 1: Technical offer:

- a detailed description of the supplies tendered in conformity with the technical specifications, including any documentation required, including if applicable:

- a list of the spare parts (where applicable) recommended by the manufacturers;
- The technical offer should be presented as per template (Annex II+III* -Contractor's technical offer) adding separate sheets for details if necessary.
- An electronic version of the technical offer

Part 2: Financial offer.

- A financial offer calculated on a DDP¹ basis for the supplies tendered, including if applicable:
 - financial proposal for spare parts (with itemised price list);
- For Item 2: An itemised financial offer detailing the unit-price for the components as requested in Annex II Technical Specifications.
- This financial offer should be presented as per template (Annex IV*, budget breakdown), and if necessary completed by separate sheets for the details.
- An electronic version of the financial offer

Part 3: Documentation:

To be supplied using the templates attached*:

- The original, signed tender guarantee, for 1.000,00€.
- The 'Tender Form for a Supply Contract', duly completed, which includes the tenderer's declaration, point 7, (from each member if a consortium):
- The details of the bank account into which payments should be made (financial identification form) (Tenderers that have already signed another contract with the European Commission, may provide their financial identification form number instead of the financial identification form, or a copy of the financial identification form provided on that occasion, if no change has occurred in the meantime.)
- The legal entity file and the supporting documents.

To be supplied in free-text format:

- A description of the warranty conditions, which must be in accordance with the conditions laid down in Article 32 of the General Conditions.
- A statement by the tenderer attesting the origin of the supplies tendered (or other proofs of origin).
- Duly authorised signature: an official document (statutes, power of attorney, notary statement, etc.) proving that the person who signs on behalf of the company/joint venture/consortium is duly authorised to do so.

¹ DDP (Delivered Duty Paid) — Incoterms 2010 International Chamber of Commerce
<http://www.iccwbo.org/products-and-services/trade-facilitation/incoterms-2010/the-incoterms-rules/>.

15 Taxes and other charges

- 15.1 The applicable tax and customs arrangements are the following:

The European Commission and Montenegro have agreed to allow full exemption from taxes including added value taxes and custom and important duties or any other charges.

16 Additional information before the deadline for submission of tenders

The tender dossier should be so clear that tenderers do not need to request additional information during the procedure. If EURoL-2, on its own initiative or in response to a request from a prospective tenderer, provides additional information on the tender dossier, it must send such information in writing to all other prospective tenderers at the same time.

Tenderers may submit questions in writing to the following address up to 21 days before the deadline for submission of tenders, specifying the **publication reference and the contract title**:

EU Support to the Rule of Law II (EUROL 2)

Capital Plaza, 5th floor, Blvd.Dzordza Vasintona 98

81 000 Podgorica, Montenegro

Fabrizio FANTINI

E-mail: fabrizio.fantini@eurol2.me

EURoL-2 has no obligation to provide clarifications after this date.

Any clarification of the tender dossier will be published on <http://www.eurol2.me/procurement/> at the latest 11 days before the deadline for submission of tenders.

Any prospective tenderers seeking to arrange individual meetings with either EURoL-2 and/or the European Commission during the tender period may be excluded from the tender procedure.

17 Clarification meeting / site visit

- 17.1 No clarification meeting / site visit planned. Visits by individual prospective tenderers during the tender period cannot be organised.

18 Alternation or withdrawal of tenders

- 18.1 Tenderers may alter or withdraw their tenders by written notification prior to the deadline for submission of tenders. No tender may be altered after this deadline. Withdrawals must be unconditional and will end all participation in the tender procedure.
- 18.2 Any such notification of alteration or withdrawal must be prepared and submitted in accordance with Article 16. The outer envelope must be marked 'Alteration' or 'Withdrawal' as appropriate.
- 18.3 No tender may be withdrawn in the interval between the deadline for submission of tenders and the expiry of the tender validity period. Withdrawal of a tender during this interval may result in forfeiture of the tender guarantee.

19 Costs of preparing tenders

No costs incurred by the tenderer in preparing and submitting the tender are reimbursable. All such costs will be borne by the tenderer.

20 Ownership of tenders

EURoL-2 retains ownership of all tenders received under this tender procedure. Consequently, tenderers have no right to have their tenders returned to them.

21 Opening of tenders

- 21.1 The opening and examination of tenders is for the purpose of checking whether the tenders are complete, whether the requisite tender guarantee has been furnished, whether the required documents have been properly included and whether the tenders are generally in order.
- 21.2 The tenders will be opened in public session **on 10.06.2019 at 12:00h, Podgorica time, at premises of EU Support to the Rule of Law 2 (EURoL2), Blvd. Dzordza Vasingtona 98/5** as above indicated by the committee appointed for the purpose. The committee will draw up minutes of the meeting, which will be available on request.
- 21.3 At the tender opening, the tenderers' names, the tender prices, any discount offered, written notifications of alteration and withdrawal, the presence of the requisite tender guarantee (if required) and such other information as EURoL-2 may consider appropriate may be announced.
- 21.4 After the public opening of the tenders, no information relating to the examination, clarification, evaluation and comparison of tenders, or recommendations concerning the award of the contract can be disclosed until after the contract has been awarded.
- 21.5 Any attempt by tenderers to influence the evaluation committee in the process of examination, clarification, evaluation and comparison of tenders, to obtain information on how the procedure is progressing or to influence EURoL-2 in its decision concerning the award of the contract will result in the immediate rejection of their tenders.
- 21.6 All tenders received after the deadline for submission specified in the contract notice or these instructions will be kept by EURoL-2. The associated guarantees will be returned to the tenderers. No liability can be accepted for late delivery of tenders. Late tenders will be rejected and will not be evaluated.

22 Evaluation of tenders

- 22.1 Examination of the administrative conformity of tenders

The aim at this stage is to check that tenders comply with the essential requirements of the tender dossier. A tender is deemed to comply if it satisfies all the conditions, procedures and specifications in the tender dossier without substantially departing from or attaching restrictions to them.

Substantial departures or restrictions are those which affect the scope, quality or execution of the contract, differ widely from the terms of the tender dossier, limit the rights of EURoL-2 or the tenderer's obligations under the contract or distort competition for tenderers whose tenders do comply. Decisions to the effect that a tender is not administratively compliant must be duly justified in the evaluation minutes.

If a tender does not comply with the tender dossier, it will be rejected immediately and may not subsequently be made to comply by correcting it or withdrawing the departure or restriction.

22.2 Technical evaluation

After analysing the tenders deemed to comply in administrative terms, the evaluation committee will rule on the technical admissibility of each tender, classifying it as technically compliant or non-compliant.

The minimum qualifications required (see Article 3) are to be evaluated at the start of this stage.

Where contracts include after-sales service and/or training, the technical quality of such services will also be evaluated by using yes/no criteria as specified in the tender dossier.

22.3 In the interests of transparency and equal treatment and to facilitate the examination and evaluation of tenders, the evaluation committee may ask each tenderer individually for clarification of its tender including breakdowns of prices, within a reasonable time limit to be fixed by the evaluation committee. The request for clarification and the response must be in writing, but no change in the price or substance of the tender may be sought, offered or permitted except as required to confirm the correction of arithmetical errors discovered during the evaluation of tenders pursuant to Article 23. Any such request for clarification must not distort competition. Decisions to the effect that a tender is not technically compliant must be duly justified in the evaluation minutes.

22.4 Financial evaluation

a) Tenders found to be technically compliant will be checked for any arithmetical errors in computation and summation. Errors will be corrected by the evaluation committee as follows:

- where there is a discrepancy between amounts in figures and in words, the amount in words will be the amount taken into account;
- except for lump-sum contracts, where there is a discrepancy between a unit price and the total amount derived from the multiplication of the unit price and the quantity, the unit price as quoted will be the price taken into account.

b) Amounts corrected in this way will be binding on the tenderer. If the tenderer does not accept them, its tender will be rejected.

22.5 Variant solutions

Variant solutions will not be taken into consideration.

22.6 Award criteria

The sole award criterion will be the price. The contract will be awarded to the lowest compliant tender.

23 Notification of award

The contracting authority will inform all tenderers simultaneously and individually of the award decision. The tender guarantees of the unsuccessful tenderers will be released once the contract is signed.

24 Signature of the contracts and performance guarantees

24.1 The successful tenderer will be informed in writing that its tender has been accepted (notification of award). Before EURoL-2 signs the contract with the successful tenderer, the successful tenderer must provide the **documentary proof** or statements required under the law of the country in which the company (or each of the companies in case of a consortium) is effectively established, to show that it is not in any of the exclusion situations listed in Section 2.6.10.1. of the practical guide. This evidence or these documents or statements must carry a date not earlier than one year before the date of submission of the tender. In addition, a statement shall be provided that the situations described in these documents have not changed since then.

24.2 The successful tenderer shall also provide evidence of financial and economic standing and technical and professional capacity according to the selection criteria for this call for tenders specified in Article 3 above. The documentary proofs required are listed in Section 2.6.11. of the practical guide.

The contracting authority may, depending on its assessment of the risks, decide not to require proofs for financial and economic standing and technical and professional capacity.

24.3 If the successful tenderer fails to provide the documentary proof or statement or the evidence of financial and economic standing and technical and professional capacity within 15 calendar days following the notification of award or if the successful tenderer is found to have provided false information, the award will be considered null and void. In such a case, EURoL-2 may award the tender to the next lowest tenderer or cancel the tender procedure.

By submitting a tender, each tenderer accepts to receive notification of the outcome of the procedure by electronic means. Such notification shall be deemed to have been received on the date upon which the contracting authority sends it to the electronic address referred to in the offer.

24.4 EURoL-2 reserves the right to vary quantities specified in the tender by +/- 100 % at the time of contracting and during the validity of the contract. The total value of the supplies may not, as a result of the variation of the quantities, rise or fall by more than 25 % of the original financial offer in the tender. The unit prices quoted in the tender shall be used.

24.5 Within 30 days of receipt of the contract signed by EURoL-2, the selected tenderer must sign and date the contract and return it, with the performance guarantee (10% per each awarded Lot), to EURoL-2. On signing the contract, the successful tenderer will become the Contractor and the contract will enter into force.

24.6 If it fails to sign and return the contract and any financial guarantee required within 30 days after receipt of notification, EURoL-2 may consider the acceptance of the tender to be cancelled without prejudice to EURoL-2's right to seize the guarantee, claim compensation or pursue any other remedy in respect of such failure, and the successful tenderer will have no claim whatsoever on EURoL-2.

24.7 The performance guarantee referred to in the general conditions is set at 10 % of the amount of the contract and must be presented in the form specified in the annex to the tender dossier. It will be released within 45 days of the issue of the final acceptance certificate by the contracting authority, except for the proportion assigned to after-sales service.

25 Tender guarantee

The tender guarantee referred to in Article 14 above is set at **1.000,00€**, and must be presented in the form specified in the annex to the tender dossier. It must remain valid for 45 days beyond

the period of validity of the tender. Tender guarantees provided by tenderers who have not been selected will be returned together with the information letter that the tenderer has been unsuccessful. The tender guarantee of the successful tenderer will be released on signing of the contract, once the performance guarantee has been submitted.

26 Ethics clauses

26.1 Absence of conflict of interest

The tenderer must not be affected by any conflict of interest and must have no equivalent relation in that respect with other tenderers or parties involved in the project. Any attempt by a tenderer to obtain confidential information, enter into unlawful agreements with competitors or influence the evaluation committee or EURoL-2 during the process of examining, clarifying, evaluating and comparing tenders will lead to the rejection of its tender and may result in administrative penalties according to the Financial Regulation in force.

26.2 Respect for human rights as well as environmental legislation and core labour standards

The tenderer and its staff must comply with human rights. In particular and in accordance with the applicable basic act, tenderers and applicants who have been awarded contracts must comply with the environmental legislation including multilateral environmental agreements, and with the core labour standards as applicable and as defined in the relevant International Labour Organisation conventions (such as the conventions on freedom of association and collective bargaining; elimination of forced and compulsory labour; abolition of child labour).

Zero tolerance for sexual exploitation and sexual abuse:

The European Commission applies a policy of 'zero tolerance' in relation to all wrongful conduct which has an impact on the professional credibility of the tenderer.

Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited.

26.3 Anti-corruption and anti-bribery

The tenderer shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption. The European Commission and/or EURoL-2 reserves the right to suspend or cancel project financing if corrupt practices of any kind are discovered at any stage of the award process or during the execution of a contract and if the contracting authority fails to take all appropriate measures to remedy the situation. For the purposes of this provision, 'corrupt practices' are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or execution of a contract already concluded with EURoL-2.

26.4 Unusual commercial expenses

Tenders will be rejected or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a payee who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

Contractors found to have paid unusual commercial expenses on projects funded by the European Union are liable, depending on the seriousness of the facts observed, to have their contracts terminated or to be permanently excluded from receiving EU funds.

26.5 Breach of obligations, irregularities or fraud

EUROL-2 reserves the right to suspend or cancel the procedure, where the award procedure proves to have been subject to breach of obligations, irregularities or fraud. If breach of obligations, irregularities or fraud are discovered after the award of the contract, EUROL-2 may refrain from concluding the contract.

27 Cancellation of the procedure

If a tender procedure is cancelled, tenderers will be notified by EUROL-2. If the tender procedure is cancelled before the tender opening session the sealed envelopes will be returned, unopened, to the tenderers.

Cancellation may occur, for example, if:

- the tender procedure has been unsuccessful, namely where no qualitatively or financially worthwhile tender has been received or there has been no valid response at all;
- the economic or technical parameters of the project have changed fundamentally;
- exceptional circumstances or *force majeure* render normal implementation of the project impossible;
- all technically acceptable tenders exceed the financial resources available;
- there have been irregularities in the procedure, in particular where these have prevented fair competition;
- the award is not in compliance with sound financial management, i.e. does not respect the principles of economy, efficiency and effectiveness (e.g. the price proposed by the tenderer to whom the contract is to be awarded is objectively disproportionate with regard to the price of the market.

In no event will EUROL-2 be liable for any damages whatsoever including, without limitation, damages for loss of profits, in any way connected with the cancellation of a tender procedure even if EUROL-2 has been advised of the possibility of damages. The publication of a contract notice does not commit EUROL-2 to implement the programme or project announced.

We look forward to receiving your tender before the submission deadline at the address specified in the documents.

Yours sincerely,

Fabrizio FANTINI