



General Conditions of Tender
For ESA Contracts

Nothing in or related to these General Conditions of Tender shall be deemed a waiver of any of the privileges and immunities of the European Space Agency.

Contents

This document contains the following parts:

General Information on Agency's ITTs

Part 1 – General Conditions for Participating in a Tender.

These are the Agency's general conditions stemming directly from the Agency's Procurement Regulations¹ adopted by the Agency's Member States and regarding the eligibility of economic operators to participate in a tendering procedure of the Agency and the obligation of economic operators to satisfy information and registration requirements prior to submitting a tender and being awarded any subsequent contract.

Part 2- General Conditions for the Presentation and Submission of Tenders

These are the Agency's general conditions regarding the presentation and submission of tenders. These address the more formal and legal aspects of tenders to ensure fair and open competition.

Part 3 – General Conditions for the Contents of a Tender

These are the Agency's general conditions regarding the structure and contents of a tender. They ensure a consistent approach is followed by all Tenderers in order to facilitate the subsequent evaluation by the Agency.

Annexes - Guidelines for Tenderers

With the exception of Annex G "Cover Letter's Annex Compliance Template", and the use of PSS Forms, these guidelines are not mandatory requirements, unless otherwise specified in the Special Conditions of Tender. They provide additional details on the preferred contents of some proposal elements, and of methods and techniques acceptable to the Agency. It is at Tenderer's discretion as to whether they follow these guidelines, or whether they choose to prepare proposals with different contents or using different methods and techniques. In either case it is important that tenders meet the specified tender requirements.

¹ The Agency's Procurement Regulations can be found and downloaded at emits.esa.int

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General information on Agency's ITTs

An Invitation To Tender (ITT) in the case of a competitive tendering procedure or Request For Quotation (RFQ) in the case of a non-competitive tendering procedure, both hereinafter referred to only as "ITT", specifies the Agency's requirements against which an economic operator (also referred to in some cases as potential Tenderer) is to submit his tender for evaluation by the Agency.

The issuing of an ITT by the Agency does not bind the Agency in any way to place a contract.

An ITT is considered closed when the resulting contract is placed by the Agency or when the Agency informs economic operators or tenderers of either the cancellation of the ITT or of its re-issuing.

The purpose of this part is to bring the attention of economic operators on the specific features of an Agency 's ITT.

A. The Invitation To Tender

An Agency's ITT will typically but not necessarily include the following elements:

1. A Cover Letter
2. General Conditions of Tender
 - For the Presentation and Submission of the Tender
 - For the Structure and Contents of the Tender
3. Special Conditions of Tender
 - For the Presentation and Submission of the Tender
 - For the Structure and Contents of the Tender
4. The Evaluation Criteria and Weighting Factors
5. The Draft Contract including the Statement of Work and any other technical and management requirements
6. Other specific documents

The normal contents of each of these ITT elements are outlined below.

1. The Cover Letter

The Cover Letter contains a number of essential prerequisites and key information on the Agency's ITT. Economic operators should read it carefully since it may contain specific requirements such as key acceptance factors which may not necessarily be found in the other elements of the ITT (including in the Special Conditions of Tender) or highlight changes made to standard requirements found in the other elements of the ITT.

Any specific requirements set in a cover letter and which cannot be found in the other elements of the ITT shall be addressed in the tender and will be the subject of evaluation by the Agency.

A standard Agency's Cover Letter would typically contain the following information:

- i) The reference to the programme/activity concerned
- ii) The name and address of the Agency's establishment
- iii) The name of the Agency's contracts officer

- iv) The formal conditions of submission: date and time of delivery of the tender.
- v) The required period of validity of the tender
- vi) The subject and type of procurement
- vii) The type of contract/price
- viii) The main conditions specific to the ITT for what concerns :
 - planning targets and constraints
 - geographical distribution requirements²
 - industrial policy requirements³

Some ITTs indicate an amount, which may represent either a guideline for the preparation of the price submission, or a budgetary limit of funding available. These amounts should be taken into account by economic operators, recognising that the latter represents a formal requirement of the ITT, failure to comply with a budgetary limit may result in the non-admissibility of the tender for evaluation.

Some ITTs indicate “key acceptance factors”. These represent formal requirements established by the Agency. Failure to comply with such factors shall result in the non-admissibility of the tender for evaluation.

2. General Conditions of Tender

The Agency's General Conditions of Tender are detailed in the present document.

Whilst forming an integral part of an Agency’s ITT, the Agency’s General Conditions of Tender are not attached to the ITT and are directly downloadable in their latest version from the Agency’s Electronic Tender System (EMITS).

3. Special Conditions of Tender

The Special Conditions of Tender will state the applicability of the Agency's General Conditions of Tender to a specific Agency’s ITT and may either modify them, supplement them or add further specific conditions to be addressed by economic operators in their tenders.

The following exemplifies specific details regarding Part 2 of the General Conditions of Tender which might be subject to modifications and will therefore be addressed in the Special Conditions of Tender⁴:

- i) The presentation standards to be used.
- ii) The maximum length of the tender or parts of the tender.
- iii) The language(s) of the tender.
- iv) The closing date for submission of a tender and the required tender validity period.
- v) Delivery instructions.
- vi) Requirements for submission of electronic copies of tender or parts of tender
- vii) Subcontracting:
 - Whether it shall be competitive or not.
 - The Agency's participation in subcontract placing, procedures definition and setting of contract conditions.
- viii) The need to notify interest to tender.
- ix) A list of documents that may be available to economic operators on request.
- x) A list of participating countries to define permissible Tenderers.

² When necessary a dedicated separate Annex covering geographical distribution and industrial policy requirements may be required.

³ *ibid*

⁴ In some cases specific details regarding Part 2 of the General Conditions of Tender which might be subject to modifications may only be addressed in the Cover Letter.

- xi) The required signatories on the tender.

In addition, specific details regarding Part 3 of the General Conditions of Tender, addressing which elements are to be included in the tender, how they may be combined where appropriate and practical, and the specific contents required in each, are normally addressed in the Special Conditions of Tender⁵.

4. The Evaluation Criteria and Weighting Factors

The Evaluation Criteria are the criteria that the Agency applies in the qualitative evaluation of submitted tenders in order to determine the strengths and weaknesses of a tender by separate evaluation of its various aspects. These criteria may vary from one ITT to another as appropriate.

Evaluation Criteria are established and published for each ITT.

Weighting Factors are attributed against each of the Evaluation Criteria including in some specific cases non-competitive tendering procedures (RFQ) and are specified in the ITT.

As a result of the overall assessment of tenders, a final recommendation for awarding the contract to the Tenderer who offers the most economic and effective employment of the Agency's resources is made. This shall be the best combination of the total weighted mark, price and when applicable the industrial policy measures and/or the geographical return requirements established in the ITT at the time of its issuing, meaning that the resulting contract will not necessarily be attributed to the Tenderer having received the highest overall weighted mark.

In the case of general procurements, this shall be the lowest price tender acceptable under all the evaluation criteria.(i.e. not below 40 for each criteria).

For tender action above 20 000 000€ only tenders having received an overall weighted mark of 60 or more shall be considered for the placing of a contract.

5. The Draft Contract

The draft contract is attached to the ITT in order to specify the requirements and conditions that will be applicable during execution of the work should a contract be awarded. This would typically include:

- Specific Contract Conditions, including price, delivery and payment provisions
- Statement of Work
- Technical Specification(s)/Requirements
- Project Management Requirements Document

The Statement of Work (SOW) together with any other Technical Specification(s)/Requirements, Project Management Requirements Document are clearly identified separately in the ITT.

6. Other Specific Documents

The ITT package may also include reference documents for the purpose of preparing the tender.

⁵ In some cases specific details regarding Part 3 of the General Conditions of Tender which might be subject to modifications may only be addressed in the Cover Letter.

Part 1 – General Conditions for Participating in a Tender

A. Eligibility Requirements

All economic operators are eligible to submit a tender ⁶ provided:

- a) they satisfy the requirements set under Article II.3 of Annex V to the ESA Convention for what concerns their belonging to an Agency's Member State, Associate State or Cooperating State;
- b) they possess the necessary professional and technical qualifications, professional and technical competences, financial resources, equipment and other physical facilities, managerial capability, reliability, experience and reputation, and the personnel, to perform a contract;
- c) they have the legal capacity to enter into the procurement contract;
- d) they are not bankrupt or being wound up, are having their affairs administered by the courts, have not entered into an arrangement with creditors, have not suspended business activities, are not the subject of proceedings concerning those matters, or are not in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- e) they have not been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- f) they have not been guilty of grave professional misconduct proven by any means which the Agency can justify;
- g) they have fulfilled their 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 those of the country where the contract is to be performed;
- h) they have not been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the Agency's interests; and,
- i) they are not currently subject to a suspension by the Agency for having been found guilty of misrepresentation in supplying the information required under points d), e), f), g) and h) above.

⁶ The attention of economic operators is brought to the following:

- "In the placing of all contracts, the Agency shall give preference to industry and organisations of the member States. However, within each optional programme covered by Article V,1b of the Convention, particular preference shall be given to industry and organisations in the participating States.
- Where specific geographical return and/or industrial policy measures requirements are mentioned in an ITT preference in the placing of contracts shall be given to industry and organisations responding to such requirements.
- Where an ITT involves information classified ESA Confidential or higher, economic operators have to or will have to obtain a Facility Security Clearance (FSC) at the latest at signature of the contract.

The Agency may suspend economic operators from participating in the Agency's procurements if they are found guilty of misrepresentation in supplying the above information or when formally required by the Agency, they fail to supply this information on three consecutive accounts.

Special cases

In the frame of arrangements and/or of procurements made with non-Member States, Associate States, Cooperating States or International Organizations, economic operators from those States or from the Member States of the International Organization shall be required to satisfy the above requirements unless otherwise agreed in the arrangement.

B. Information and Registration requirements

The Agency maintains a database of Potential Suppliers containing basic data on their capabilities, resources, types of activity, etc.

The registration of any economic operators within the ESA database is a prerequisite for access to the non-public part of the Agency's electronic tender system (EMITS), for downloading of ITTs, for expressing interest in an ITT, for submission and acceptance of tenders and for the award of a subsequent contract.

Registration is therefore compulsory and applies to every economic operator acting as Prime Contractor or subcontractor. Contracts shall only be placed with economic operators and other organisations having met ESA requirements of information and registered accordingly.

The registration implies to fill out or update an online questionnaire and submit it duly completed to the Agency prior to the closing date of the tendering period for the ITT in question. The registration process is specified within the ESA Industry Portal at the following address:

<http://www.esa.int/industry> , item: Become an ESA Supplier.

Economic operators shall keep this information current and shall update it every twelve (12) months and this in accordance with Article 18.5 of the Agency's Procurement Regulations.

Failure by economic operators to provide or update required information within a period of three months following the due date for the update may in accordance with Article 19 of the Agency's Procurement Regulations result in them being denied access to the non-public part of EMITS.

Special cases

In the frame of arrangements and/or of procurements made by the Agency with non-Member States, Associate States, Cooperating States or International Organizations, economic operators from those States or from the Member States of the International Organization shall be required to satisfy the above requirements unless otherwise agreed in the arrangement and may be granted full or partial access to the non-public part of EMITS.

Part 2 - General Conditions for the Presentation and Submission of Tenders

A. General standards of presentation

1. Length of tender documents

The tender should be precise and concise. Unless expressly stated in the ITT there is no limitation on the number of pages, but it should be borne in mind that the quality of the tender is not increased by unnecessary length, or by needlessly detailed descriptions. Mere repetition of the Agency's requirements should be avoided.

2. Language of Tender

The tender and all correspondence relating to it shall be in English or French, unless stated otherwise in the ITT.

3. Protective marking of tender documents

The tender documents can bear company-internal protective markings, but to avoid confusion with formal and internationally agreed markings for Classified Information, the following terminology shall be avoided:

- Restricted (or Restreint)
- Confidential (or Confidentiel)
- Secret
- Top Secret

The tenderer shall be aware that company internal protective markings cannot impose any other obligations upon ESA beyond the standard non-disclosure protection measures ESA provides in accordance with its internal rules and regulations.

B. Formal conditions, commitments, undertakings

1. Certification of eligibility

The Tenderer shall specifically self-certify that he and when applicable any of his subcontractors satisfy the qualification requirements established under Part 1 A "Eligibility requirements" of the Agency's General Conditions of Tender and are thus eligible to participate in the ITT in question.

2. General information on Tenderer's status

In relation to Part 1 B above if the Tenderer has submitted up to date information he shall state in his tender the date of submission, including his ESA Bidder Code and that of each proposed subcontractor, their addresses and when applicable their respective Supplier Codes.

If he has not done so, he shall proceed with the registration process as specified on the ESA Industry Portal. He shall also ensure that the subcontractors are properly registered, meeting ESA requirements of information.

Failure by economic operators to provide or update required information may result in the contract not being awarded.

3. Certification of free competition

The Tenderer shall specifically certify that:

- a) The prices in the tender have been arrived at independently without consultation, communication or agreement with any other Tenderer or competitor for the purpose of restricting competition;
- b) Unless otherwise required by law, the prices quoted in the tender have not knowingly been disclosed by the Tenderer and will not knowingly be disclosed, directly or indirectly, to any other Tenderer or competitor, until he has been informed of the result of the ITT;
- c) No attempt has been made or will be made by the Tenderer to induce any other Tenderer or competitor to submit or abstain from submitting a tender, for the purpose of restricting competition; and,
- d) The Tenderer has not entered into any exclusive teaming arrangement where this would restrict competition due to any of the following reasons:
 - Where the teaming partner could be considered to be a single source due to technical reasons or other considerations;
 - Due to limited potential participants as a consequence of industrial return requirements;
 - Where the industrial category of the teaming partner restricts other choices for industrial policy reasons, for instance when the fact of being an SME is important and there are few participants in this category;
 - In the case of any doubts concerning the application of the above, the Tenderer should seek clarification by contacting in writing, the Agency's nominated Contract Officer.

4. Restriction on publicity actions

Economic operators are not authorised to mention in their publicity that they have been invited to tender, are tendering or have tendered, until after notification of the result of the ITT by the Agency.

5. Validity period of tender

The tender shall specifically state a period of validity of not less than 4 months (120 calendar days) from the closing date for the receipt of tenders, or such other period of validity as may be specified in the ITT.

Unless otherwise notified in writing in the Cover Letter (Part 3 A 1), pursuant to Article 37 of the Agency's Procurement Regulations the Tenderer shall specifically state that he accepts that the period of validity of his tender is implicitly extended in the following cases:

1. Where negotiations have been entered into between the Agency and Tenderers and, due to their complexity, go beyond the validity period of the tenders, the validity period of such tenders shall be considered implicitly extended until such time the negotiations are finalised and a contract is placed and/or ;
2. Where in application of the Agency's regulatory procedures a submission for approval by internal committees is foreseen which will take place beyond the validity period of the tenders, the validity period of such tenders shall be considered implicitly extended until such time the submission has taken place and a contract is placed.

6. Period for tender preparation

The closing date for receipt of tenders is stated in the cover letter to the ITT. As a rule extension of this period shall not be granted.

Should an economic operator nonetheless require an extension such request shall be made not later than ten (10) working days prior to the stated closing date mentioned in the ITT , in writing together with a justification, to the responsible Contracts Officer designated in the Agency's Cover Letter. Absence of such justification or any request made within ten (10) working days from the stated closing date shall result in the request not being considered.

In any event such request may be granted by the Agency only if operational requirements so permit, and if, in the case of competitive tendering, fair competition is not thereby impaired.

Refusal by the Agency to grant extensions may not give rise to any claims by economic operators.

7. Right to audit

Pursuant to Article 10.8, 10.9 and Annexes I and II of the Agency's Procurement Regulations, the Agency will be entitled, after receipt of the tender to audit any aspects of the tender and of the Tenderers and subcontractors financial viability and to request the Tenderer and any of its subcontractors when applicable, to provide:

- evidence of any element of his quotation and may call for additional detailed information irrespective of the type of price proposed. The Agency reserves the right to audit the quoted prices and rates.
- any evidence that they belong to one of the Member States, Associate Member States or Cooperating States of the Agency and this in line with the requirements set under Article II.3 of Annex V to the ESA Convention.
- any evidence to ascertain the financial viability of the Tenderer or his subcontractor(s).

The attention of Tenderers is further drawn to ANNEX 1 to the General Clauses and Conditions for ESA Contracts⁷.

8. Negotiation prior to contract award and notification of award

The Agency prior to placing a contract and following internal authorisation reserves the right to negotiate with the Tenderer for which a final recommendation for awarding the contract was made. The tender, as modified by such negotiations and agreed in writing shall be binding for the contract.

Should such negotiations not be successful the Agency shall terminate negotiations and reserves the right to enter into negotiation with another Tenderer. Such decisions by the Agency may not give rise to any claims by Tenderers.

Pursuant to Article 45 of the Agency's Procurement Regulations, award notices may be published at the Agency's discretion.

9. Retention of tenders

The Agency will solely use the commercial confidential or proprietary information of the tenders for cost reference purposes (including the development of cost estimating expertise) and for the purpose of the evaluation of tenders and the selection of a contractor. In the case of a successful tender, documentation

⁷ The General Clauses and Conditions for ESA Contracts can be found and downloaded at emits.esa.int

and information incorporated in the subsequent contract will be governed by Part II of the General Clauses and Conditions for ESA Contracts. The Agency reserves the right to eliminate from consideration tenders, which seek to restrict the use of documents or information beyond these provisions. Unless otherwise specifically required in the tenders, unsuccessful tenders or tenders for which a decision to re-issue or cancel the ITT is taken by the Agency subsequent to the opening of the tenders shall be disposed of by the Agency in accordance with its regulations.

10. Non reimbursement of tender expenses

Expenses incurred in the preparation and dispatch of the tender will not be reimbursed.

11. Non commitment by the Agency

The Agency reserves the right at any time to suspend or cancel the ITT. Such suspension or cancellation may not give rise to any claims by economic operators.

The ITT does not bind the Agency in any way to place a contract, and the Agency reserves the right to negotiate and place a contract for only part of the activity covered by the ITT. Such decision by the Agency may not give rise to any claims by Tenderers having submitted a tender in response to the ITT.

As a result of the overall assessment of tenders, a final recommendation for awarding the contract to the Tenderer who offers the most economic and effective employment of the Agency's resources is made . Unless otherwise stated in the ITT, this shall be the best combination of the total weighted mark, price and when applicable the industrial policy measures and/or the geographical return requirements established in the ITT at the time of its issuing, meaning that the resulting contract will not necessarily be attributed to the Tenderer having received the highest overall weighted mark. In the case of general procurements, this shall be the lowest price tender acceptable under all the evaluation criteria. Such decision by the Agency may not give rise to any claims by Tenderers having submitted a tender in response to the ITT.

12. Responsiveness of the tender

In his Cover Letter (Part 3 A1) the Tenderer shall explicitly state compliance with and acceptance of the following points:

- i. Certification of Eligibility (Part 2 B1)
- ii. General information on Tenderer's status (Part 2 B2)
- iii. Certification of Free Competition (Part 2 B3)
- iv. Validity period of tender (Part 2 B5)
- v. Agency's right of Audit (Part 2 B7)
- vi. Non Commitment by the Agency (Part 2 B11)⁸
- vii. Compliance with conditions relating to IPR (Part 2 C)
- viii. Compliance with conditions relating to Export/Import (Part 2 D)
- ix. Certification of non-benefit (Part 2 H)
- x. Compliance with conditions relating to security screening (when applicable) (Part 2 I)
- xi. Compliance with Financial requirements (Part 3 F)
- xii. Compliance with technical and management requirements (Part 3 G)
- xiii. Compliance with contract conditions (Part 3 G)
- xiv. Compliance with Industrial Policy and Geographical Return requirements (when applicable)

Any non-compliance or reservations to the requirements, proposed modifications or amendments to the contract conditions, shall be clearly identified in the Cover Letter with a reference to the compliance matrix in the tender.

⁸ No tender shall be accepted for evaluation in the absence of such statement of compliance

The absence of the above information in the Cover letter and/or its Annex may result in the tender not being accepted for evaluation by the Agency's Tender Opening Board.

Any compliance statement made in the Cover Letter and its annex which would contradict the content of the tender may result in the subsequent elimination of the tender by the Agency's Tender Evaluation Board.

13. Use of Test Facilities

The Tenderer will be responsible for identifying the test facilities to be used in the programme, for their procurement and for managing the related contract(s).

Testing at the ESTEC Test Centre shall have priority unless there are important programmatic or technical reasons to deviate from this approach.

As a general rule, the contractor places a test contract with the corresponding test centre. Exceptionally the Agency itself places a test contract with the corresponding test centre, it being understood that those test services would then be mentioned as an Agency undertaking in the related contract and indicated as such in the ITT.

The Tenderer shall supply the following information:

- Identification of proposed/selected facilities;
- The cost for the use (and/or developing/building) of these facilities shall be included in the price quoted;
- Verification of compatibility of test requirements with facility capabilities;
- Details of the required tests, test schedule, and availability of facilities;
- Identification of possible back-up facilities.

Any modifications to existing facilities need to be described and justified, including costing, also with respect to facilities which might be available.

Unless otherwise required in the ITT, Tenderers shall include the cost of intended tests in their quoted price. The selected Contractor shall be managerially and contractually responsible for all testing co-ordination.

C. Conditions relating to intellectual property rights (IPR)

1. Statement concerning the use of existing intellectual property rights of the Tenderer

If the Tenderer intends to use own background data corresponding to existing intellectual property rights owned by the Tenderer or by a proposed sub-contractor or by any other third party, he is expected to state this in his tender and he may already identify such background data either in the tender itself or during the Contract negotiation. Failing such advanced notification, Clause 43.1 of the General Clauses and Conditions for ESA Contract shall apply.

The Tenderer shall further specify if such background data is needed only for the development or whether it is also necessary subsequent to the delivery. In the latter case the Tenderer shall along with the lines established under Part 2 C 2 "Third Party Commitments" below, confirm the conditions of access

(any limitation/restriction, licensing and related costs) and confirm that the Agency can use them for the intended use/objective of the ITT detailed in the Statement of Work.

2. Third party commitments

The Tenderer shall indicate if he has entered into any arrangements or licence agreements as to intellectual property rights concerning the subject of the ITT, either as part of a general arrangement or with specific reference to the ITT. A copy of the document recording the commitment, or an appropriate part thereof, shall be submitted with the tender or, unless otherwise specified in the ITT, during the Contract preparation. If such arrangement or agreement could result in costs to be borne by the Agency these must be separately identified, in accordance with Part 3 F 10 "Royalties and licence fees" below. Unless otherwise specified in the special conditions laid down in the ITT, the costs corresponding to the implementation of Clause 43.7 of the General Clauses and Conditions for ESA Contracts shall be included in the total amount of the price quoted in the tender. In case of quotation of a fixed price for the contemplated contract, its amount shall be construed as covering all such costs even those listed to any background information not planned to be used at the time of the contract negotiation and signature.

3. Reservations and restrictions

If as a result of:

- A commitment with a third party as to intellectual property rights, or
- An existing intellectual property right of the Tenderer, or
- A claim by the Tenderer that intellectual property rights will be generated under the contract which are not paid for by the Agency, or
- Any other reason

the Tenderer wishes to make any restriction on the rights of distribution and use, as foreseen and defined in Part II of the General Clauses and Conditions for ESA Contracts, of any data, including documentation, related to the work under the contract, such proposed restriction must be clearly defined and justified in the tender. It will be taken into account in the evaluation and if contrary to the stated objectives of the ITT, may render the tender unacceptable. The Agency will not accept reservations made subsequent to the closing date of the ITT.

D. Conditions relating to Export/Import licences/authorizations and related Documentation

At the time of the submission of his tender, the Tenderer (or his subcontractors) shall indicate any export or import restrictions he is subject to in accordance with national legislation and state the necessary licences, authorisations or preliminary authorisations and related Documentation:

- he (or his subcontractors) has obtained in order to submit a tender; and/or
- he (or his subcontractors) has or will need to obtain prior to placing of the Contract; and/or,
- he (or his subcontractors) has or will need to obtain for the implementation of the Contract.

E. Conditions relating to subcontracts

1. Placing of subcontracts

Unless otherwise provided for in the Special Conditions of Tender or Cover Letter, if the Tenderer intends to place subcontracts, he shall do so on a competitive basis wherever possible unless there are valid reasons not to do so (i.e. requirements from the Agency in terms of Industrial Policy or

Geographical Return) . Subcontracts are defined in the explanatory text to point 3.15 of form PSS A2 (Company price Breakdown).

In submitting a tender containing proposed subcontractors, the Tenderer shall indicate the reasons why, and means by which, he has selected the proposed subcontractor, and the status of agreements with the subcontractor.

In order to ensure impartiality in the selection process carried out by the Tenderer, the Agency shall be entitled to conduct an audit on the Tenderers' preparation, evaluation process and selection of subcontractors, including the right to perform an audit of the overall assessment.

2. Information on subcontracts

When identifying proposed subcontracts, the Tenderer shall specify the country to which the subcontractors belong, the place of execution of the subcontracted work and also the corresponding percentage of the total price of the tender represented by the subcontract price.

3. Agency participation in subcontractor evaluation

Where the Agency wishes to participate in the evaluation and/or selection of subcontractors, the Special Conditions of Tender shall so specify, together with the procedures and conditions applicable to such participation.

F. Amendments to documents and communications

1. Notification of Interest to tender

Economic operators are required to notify their interest to tender to the Agency.

Economic operators registered as EMITS users shall notify their interest to tender only via EMITS.

Those considering tendering and not yet registered are requested to notify in writing the responsible Contracts Officer of the Agency of their interest, together with contact details for the responsible person in the company for future communications and a statement that they have taken the necessary steps to register as EMITS users.

Failure by an economic operator to notify his interest to tender may result in him not receiving answers to other economic operators' queries or other correspondence related to the ITT. No extension of the tendering period will be granted on these grounds. No claims due to a failure to notify interest shall be receivable.

2. Amendment of the ITT

The Agency reserves the right to issue amendments to the ITT.

3. Questions relating to the ITT

Any questions by economic operators concerning the ITT shall be submitted in writing to the nominated Contracts Officer not later than ten (10) working days before the closing date.

Questions should make specific reference to the appropriate section(s) of the ITT documents. When the Agency gives a reply it will normally publish the reply(ies) together with the question(s) in EMITS with

an automatic notification to all who have notified an interest. Failure by the Agency to give a reply may not give rise to claims.

Any request for applicable documentation specified in the ITT shall be sent to the nominated Contracts Officer. The Agency will not make any document available unless the ITT documents specifically state that such document is available on request for the purpose of the ITT.

4. Amendment, withdrawal or resubmission of the tender

Amendment, notice of withdrawal or resubmission of the tender will be permitted if the appropriate documents reach the Agency before the closing date and time, in accordance with the dispatch conditions.

5. No contact with Agency staff or information about evaluation during evaluation period

Tenderers are not entitled to contact Agency staff during the evaluation and selection period to ask for information on the evaluation. The Agency reserves the right to eliminate from the evaluation a Tenderer contravening this provision. Such elimination shall not be a cause for claims.

6. Non-admissibility and elimination of tenders

Based on a preliminary verification by the Agency, it may decide not to admit a tender for evaluation if the Agency observes a significant non-compliance with the formal requirements for submission of tenders. Tenders initially admitted for evaluation may subsequently be eliminated by the Agency following a more detailed review. In either case the Agency will inform the Tenderer of its decision in writing.

7. Questions relating to the tender

The Agency reserves the right to ask Tenderers for clarifications of their tenders during the evaluation period. Answers, addressed in writing to the nominated Contracts Officer, must be received within three days of dispatch of the request if no other period is stated by the Agency at the time of its request. Clarifications shall not be regarded as amendments or modifications of the tender, in the case of competitive tenders.

8. Information after tender evaluation

Tenderers will be informed in writing whether or not their proposal has been selected for placing of a contract. Upon receiving notice that his tender has been unsuccessful, a Tenderer may require in writing from the nominated Contracts Officer an oral debriefing explaining the reasons why his tender was not successful. Any information will be limited to the findings of the Agency's Tender Evaluation Board on the tender in question and shall not cover the quality or content of other tenders.

G. Dispatch and receipt conditions

Unless other conditions are specified in the ITT, in particular the submission of tenders by electronic means, the following conditions shall apply.

1. Packing of tenders

Tenders shall be dispatched in double envelope. The inner envelope shall be sealed and shall be without indication of origin but marked with the definition of the supplies or services and the reference number of the ITT.

Unless otherwise provided for by the level of classification of the tender action, both sides of the envelope shall be marked as follows:

COMMERCIAL-IN-CONFIDENCE
TO BE OPENED BY THE TENDER OPENING BOARD ONLY

The outer envelope, carrying the Tenderer's name and address shall be sent to the establishment issuing the ITT.

Competitive Tenders shall be marked for the attention of the Central Registry.

Non-competitive tenders may be addressed for the attention of the responsible contracts officer.

2. Dispatch of tenders

Tenders shall be sent by post, by courier or delivered by hand. If sent by post they shall be registered and dispatched at least five days before the closing date.

At the time of the dispatch of a competitive tender, the Tenderer shall notify the responsible Contracts Officer by providing the following information:

- i) Reference of the ITT
- ii) Date of posting
- iii) Place of posting as defined by postmark
- iv) Number of registered parcels
- v) Airway bill number
- vi) Name of the person or the Tenderer responsible for posting
- vii) Name of the Tenderer.

If, the above-mentioned formalities having been fulfilled, the tender does not reach the Agency by the closing date, the Tenderer will be informed and an extension may be granted in order to allow him to forward duplicates. Tenders arriving after the expiry of this extension will not be taken into consideration.

3. Receipt of tenders

Only personnel of the Central Registry of the Agency's establishment concerned are authorised to issue a receipt upon delivery of competitive tenders or to issue an official signature in the case of a registered parcel.

H. Non benefits requirements

The Tenderer shall warrant that no official of the Agency or any individual participating in the evaluation of the tenders submitted in response to the ITT has received or will be offered by the Tenderer or any of his subcontractors any direct or indirect benefit arising from the ITT or the award of any subsequent contract.

If found guilty of any false statement to that effect on his behalf or that of his subcontractors, this will result in:

- the immediate elimination of the tender from evaluation and where a resulting contract has been awarded the immediate cancellation of the said resulting contract; and,
- the suspension of the Tenderer or of the subcontractor guilty of misrepresentation, from participating in any further procurements of the Agency.

Such elimination or cancellation shall not be a cause for claims.

I. Conditions relating to security screening of Tenderers personnel

The present requirement only apply to ITTs where personnel of the Tenderer or any of his subcontractors shall be working on-site in an ESA establishment, site or station in the life span of any resulting contract.

The Tenderer (and any of his subcontractors) is responsible for the execution of the basic security screening of any such personnel.

The Tenderer (and any of his subcontractors) shall, to this extent, provide in his tender a basic security screening verification sheet per individual concerned, and shall be able to produce, upon request by the Agency, the evidence of the verification results.

The basic security screening verification sheet shall list all of the verifications made, the date of verification and the person having made the verification.

The basic security screening shall consist of at least the following verifications:

1. Identity verification: copy of ID card or passport of concerned individual.
2. Verification of diploma or degree.
 - a) Provide a copy of the relevant diploma or degree
 - b) Contact the relevant university or school to verify that the concerned person obtained his/her degree there
3. Request the individual concerned to produce a formal statement of good conduct, issued by an official government entity, or – should local law not permit this – to have the candidate sign a statement of non-conviction and good conduct (Annex F).
4. Contact at least 3 reference persons and/or previous employers. For personnel already employed by the tenderer prior to applying for this tender this verification is not required.

Evidence of the verification shall be kept on hand for the duration of the validity period of the tender including any extension and for the duration of the subsequent contract, and shall be made available to the Agency upon request.

The required Reference Validation Template and Statement of Non-conviction and Good Conduct form to be attached to the tender are given in Appendix F.

Part 3 - General Conditions for the Contents of a Tender

The tender shall comprise the following elements, unless the Special Conditions of Tender have special requirements as to which of these elements is to be included in the tender, and how they may be combined where appropriate and practical:

- A. Cover Letter and its Annex (See Annex G)
- B. Executive Summary (See Annex A)
- C. Technical Proposal (See Annex B)
- D. Management & Administrative Proposal (See Annex C)
- E. Implementation Proposal (See Annex D)
- F. Financial Proposal (See Annex E)
- G. Contractual Proposal

The required content of each of these elements is outlined below. The Special Conditions of Tender may modify or expand upon these requirements, and the Tenderer may include additional elements, or contents within an element, if he feels it is necessary to improve the quality of the tender and to improve its understanding by the Agency.

Annexes A to E, as noted above, provide additional guidelines on the contents of a tender. These should be followed by all Tenderers, and may be made mandatory, in whole or in part, by the Special Conditions of Tender.

A. Cover Letter

1. Contents

The tender cover letter should not go into detail, particularly if an Executive Summary is required, but should be a brief introduction to the contents of the proposal as a whole. Further to the mandatory requirements set under Part 2 B12, the following items are considered to be of major significance, and shall be included:

- Major critical areas
- Compliance with special procurement requirements
- Exceptions and non-compliances to contract conditions
- Exceptions and non-compliances to technical requirements
- Exceptions and non-compliances to management requirements
- Identification of subcontractors
- Total proposed price and price type
- Summary price breakdowns
- Certification that the prices of the subcontractors contained in the tender have been agreed and constitute a firm commitment on their behalf.
- Overall annual expenditure profiles
- Geographical Distribution projection
- The name, ESA Bidder Code and ESA Supplier Code (when applicable), address, telefax, e-mail address and telephone number of the Tenderer's contact person to whom all communications relating to the tender/ITT should be addressed
- The name, ESA Bidder Code and ESA Supplier Code(when applicable), address, telefax, e-mail address, telephone numbers and contact person of any proposed sub-contractor.
- Certification that key acceptance factors when specified in the ITT, have been complied with.

- Certification that any specific Industrial Policy requirements have been addressed and are part of the proposal

In order to facilitate the opening of tenders and assessing their acceptability for evaluation, Tenderers are required to fill in and annex to their cover letter the compliance template found in Annex G.

The absence of the above information in the Cover letter and/or its Annex may result in the tender not being accepted for evaluation by the Tender Opening Board of the Agency.

Any compliance statement made in the cover letter and its annex which would contradict the content of the tender may result in the subsequent elimination of the tender by the Agency's Tender Evaluation Board.

2. Signature

The cover letter and its annex (Annex G) shall be signed by the authorised representative (s) of the Tenderer.

B. Executive Summary

The Executive Summary shall provide an introduction to the contents and layout of the tender, with a summary of the key points from each element of the tender. (See Annex A)

C. Technical Proposal

The following items shall be included in the Technical Proposal element of the tender (See Annex B):

1. Requirements/specifications/plans
2. Design references
3. Ground Support Equipment
4. Compliance Matrix with Technical System Requirements
5. Cost drivers
6. Schedule critical developments and contingencies
7. New technology items and other risk factors
8. PA/QA/Safety aspects

D. Management & Administrative Proposal

1. Management Plans and Requirements on Subcontractors

- i) The Tenderer shall propose the following items:
 - A Management Plan, which, in one complete, or in separate plans, shall state how the Tenderer will meet the functional project management requirements (See Annex C, Item A)
 - Project Requirements Documents, to be placed on its lower tier Contractors.
- ii) The Tenderer shall submit evidence of concurrence by its proposed Subcontractors to the Management Plan(s) and the Project Requirements Document (See Annex C, Item B).

2. Project Organisation

i) The Tenderer shall propose the following items:

- Its project organisation in the form of a Project Organisation Breakdown Structure(OBS). (See Annex C, Item C)
- The key personnel to be deployed on the work for inclusion in the contract, and include in the proposed Project OBS (See Annex C, Item C)
- The geographical and company/contract breakdown in the form of a Country/Company Grouping (CCG). (See Annex C, Item D)
- Its contractual hierarchy in the form of a Contract Structure (CS) in accordance with the Agency's requirements (See Annex C, Item E)

ii) The proposal shall state the time allocation/project commitment of each of the key personnel and the involvement of consultants

iii) Resumes of key personnel of the tenderer and his subcontractors shall be included in the proposal.

E. Implementation Proposal

1. Identification of risks to the project

In order to minimise risk, the Tenderer shall state in the proposal any identified risks resulting from any source. (See Annex D, Item A)

2. Product Tree

Based on any input made by the Agency, the Tenderer shall propose further levels of the Product Tree for all its products down to the deliverable end items, and incorporate the Product Trees of proposed lower tier Contractors. (See Annex D, Item B)

3. Model Matrix

The Tenderer shall propose a Model Matrix describing the applicability of models to each element of the Product Tree. (See Annex D, Item C)

4. Work Breakdown Structure (WBS)

Based on any input made by the Agency, the Tenderer shall propose a WBS for the total scope of its participation based on its proposed Product Tree, extending the applicable elements to include all appropriate development models and Support Functions necessary to produce the deliverable end items, and incorporate the WBS's of proposed lower tier Contractors (See Annex D, Item D).

Furthermore, the Tenderer shall propose:

- i) Work Package Descriptions (WPD) for each Work Package with information as on form PSS-A20 (See Annex D, Item D, Point 3)
- ii) Control Work Packages based on the level of visibility of the Tenderer's data (Schedule, cost, progress, etc.) required by the Agency for reporting purposes, and representing the total proposed work scope of the Tenderer (See Annex D, Item D, Point 4)
- iii) A list of deliverable items

5. Cost Breakdown Structure (CBS)

The Tenderer shall propose the cost categories for resources, including labour, equipment, facilities, etc., to be expended in the performance of work in the form of a Cost Breakdown Structure. (See Annex D, Item E)

6. Schedule Requirements

a) Schedule Tree

The Tenderer shall propose an activity-numbering scheme in the form of a Schedule Tree describing the breakdown of the Programme/Project Schedules into hierarchical levels, and a common set of calendars to be used for all schedules.

b) Agency Milestones

Milestones specified by the Agency shall be included in the relevant schedules, and additional milestones shall be proposed as required, agreed with its proposed lower tier Contractors with a list of activities to be performed for the achievement of each milestone. (See Annex D, Item F, Point 2a)

c) Detailed Schedules

Each Tenderer shall propose Detailed Schedules, developed by the work performers, for each major system constituent, which shall:

- Represent the work proposed in the WBS with a number of activities relative to the size and importance of the related proposed Control Work Packages
- Include critical components and materials order and delivery, and all critical items and functions

The Tenderer shall prepare a list of activities for each Control Work Package, including both those related directly to it, and those for related lower level work packages. (See Annex D, Item F, Point 2b)

d) Control Level

The Tenderer shall propose the Control Level, that is the content and level of detail of the Master Schedule, to be regularly reported and delivered to the Agency. (See Annex D, Item F, Point 2c)

e) Master Schedule

The tender shall include a Master Schedule, formed by the integration, at the proposed Control Level, of the proposed detailed schedules and interface milestones, connected with constraints, for all proposed work and that of lower tier Tenderers' proposed work. (See Annex D, Item F, Point 2c)

f) Planning constraints and assumptions

The tender shall identify the schedule planning constraints and assumptions on which the proposed schedule is based, including any proposed provisions of the Agency and the time allotted for the review of intermediate deliverables by the Agency.

The tender shall include in narrative form, a Critical Path Analysis of the proposed schedule.

g) Specific plans

The tender shall include the following specific plans:

- a) Design & Development Plan
- b) Manufacturing Plan
- c) AIV Plan

7. Configuration Management Requirements

a) Configuration Baselines

The tender shall include the set of Configuration Baselines to be established and the points in the project when they shall be created.

b) Configuration Items

The tender shall include in the Product Tree, the Configuration Items to be controlled, representing the complete system.

8. Lists of Deliverables

a) Document Delivery List (DDL)

The tender shall include an index of all deliverable documents, including these identified in the Document Requirements List (DRL) a Template of which is found in the Annexes.

b) Deliverable Items List (DIL)

The tender shall also include a draft of the list of deliverable hardware and software items which will be finalized during the negotiation of the contract. All the items, which are planned to be produced or procured under the resulting contract and to be paid or amortized with the price quoted for the contract shall be included in that list, it being understood that its contents will not be limited to those of the draft “deliverable items” which are listed in the Agency’s Special Conditions of Tender. The list of deliverable hardware and software items will be finalized during the negotiations of the contract.

9. Logistics And Inventory Management Requirements

a) Transportation Plan

The tender shall include a Transportation Plan indicating all major shipments envisaged in the course of work and proposed lower tier Contractors work.

b) Logistics Plan

The tender shall include a Logistics Plan identifying the location of all hardware at all times.

10. Project Reviews Requirements

To ensure a coordinated review programme is established, the tender shall include a Review Programme of the review events and major milestones for the project.

F. Financial Proposal

1. Estimating

- i) The Tenderer shall comply with the cost estimating requirements included in ECSS-M-ST-60 (latest version downloadable from www.ecss.nl)

- ii) The Tenderer shall use an adequate estimating system when preparing estimates for its work, with the following features, which are considered to be essential to ensure an estimating system that can produce verifiable, supportable and documented cost estimates:
- Proven methods
 - Appropriate source data
 - Sound techniques
 - A consistent approach
 - Established procedures
 - Accountability
 - Experience and training of personnel and supervision
- iii) The tender shall state the methods of estimating used for different elements of the system and the rationale for that choice. Corresponding detailed documentation and parametric data shall be provided on the Agency's request. (See Annex E, Item C)

2. Use of the ESA Costing System and Forms

- i) The use of the ESA Costing Software application (ECOS)⁹ for WBS costing presentation is mandatory for any proposals for major projects¹⁰. This includes all cost proposals submitted for Phase C/D and may also include cost proposals for Phase B or Phase E. The Agency may decide to apply ECOS to projects with less than 10 M Euros industrial content by specifying this in the Special Conditions of Tender.

Furthermore, should industry elect to do so, any other financial proposal can be submitted electronically, generated by ECOS, and will be accepted for evaluation, provided that the Tenderer also includes a hard copy summary of the financial proposal as well as the electronic copy (e.g. CD) of the detailed data.
(See Annex E, Item A, Point 1)

It is the responsibility of the Tenderer to get acquainted with the use of ECOS in time in order to prepare the related data for its own share of work, get contributions from its sub-contractors and produce ECOS integrated tender file in due time. No time extension for proposal delivery will be granted on the basis of late elaboration and delivery of ECOS files.

It is therefore recommended to ESA newly registered potential Tenderers to install the application and get acquainted with its use as soon as registered.

In case of contract award, the Agency reserves its right to withhold payments until a proper ECOS integrated tender file has been provided.

- ii) Each Tenderer shall use the following Agency's designated forms for presenting the cost and manpower figures of its work (See Annex E, Item A, Point 2), which are available in their latest version on EMITS under "Reference Documents" "Administrative Documents":

⁹ An executable version, related documentation and associated video training are provided free of charge to ESA Tenderers by application to ecoshelp@esa.int.

¹⁰ In this context, a major project is to be considered to be any project with an industrial content of 10 MEuros or more, for the total programme of the Agency (from Phase A or B up to Phase C/D or E, as the case may be).

- PSS-A1
- PSS-A2
- PSS-A4
- PSS-A6
- PSS-A8
- PSS-A10
- PSS-A15
- PSS-A15.1
- PSS-A40
- PSS-A45

The Special Conditions of Tender will state which of the costing forms have to be submitted in the tender. This information shall be included in the pages of the tender unless the Tenderer has been requested instead to provide all or some of the cost data in electronic form (using the ECOS software).

- iii) Each Tenderer shall ensure that all proposed cost and manpower data is related to the proposed WBS and the proposed CBS.
- iv) To ensure an authorised submission is made, each Tenderer shall submit a completed Agency PSS-A2 Cost Form, signed by an authorised person, for each proposed contract, whether using ECOS or the Agency's other cost forms for submission of cost and manpower data.

3. Time phased Cost Data

- i) The Tenderer shall define a cost calendar for use in the time phasing of all cost and manpower data.
- ii) Each Tenderer shall ensure that the time phasing of its cost and manpower data is consistent with the proposed schedule (See Annex E, Item A, Point 4).
- iii) Where appropriate, as determined by the price type, the tender shall include proposed Price Variation Formulae to be applied.

4. Profit fee

The tender shall confirm acceptance of the nominal profit fee stated in the special conditions of tender and this fee shall be clearly stated in the price breakdown forms.

5. Payments

- i) Tenderers shall state acceptance of any payments scheme given in the ITT. They may also, unless specified to the contrary, propose an alternative payment scheme, which reflects the foreseen cost accrued whilst complying with the general requirements of the General Clauses and Conditions for ESA Contracts as amended by the draft contract. Proposed payments may not exceed the limits stated in the General Clauses and Conditions for ESA Contracts or any other instructions given by the Agency to that effect, and shall be subject to negotiation. Payments shall be linked to the completion of well defined milestones (work packages, tasks, phases, etc.) or may, in the case of cost reimbursement contracts be made at regular intervals.
- ii) For each payment the tender shall include details of activities constituting its achievement and the payment amount by means established in the contract and consistent with the information proposed on the PSS-A15 forms (See Annex E, Item A, Point 4).

6. Statement of Geographical Distribution

The tender shall include a Statement of Geographical Distribution resulting from the proposed distribution of the work to be performed and significant purchases, showing the countries concerned. (See Part 2, Item E, Point 2)

7. Currency and Conversion rates

It is a binding requirement that tenders be presented in EURO.

For any Tenderer or proposed subcontractor located in countries not participating in the EURO, the exchange rate shall be stated on the PSS forms and shall be clearly explained in the exhibit to form PSS-A2 and any other factors (e.g. hedging costs, forward buying rates, etc.) used for the purpose of their calculations shall be indicated.

The exception is when tendering for a Fixed Price Contract with price variation, the base exchange rate must be that published on EMITS for the month of the base economic conditions required in the tender.

Should the countries to which Tenderers belong adopt the EURO following the submission of the tenders, the applicable conversion rates shall be those then adopted by the appropriate European Authorities.

8. Quotations free of taxes and customs duties

Prices shall be quoted free of taxes and customs duties. In cases where the Tenderer considers that he will remain subject to the payment of taxes or customs duties, he shall indicate separately the applicable rates, the corresponding estimated total tax or customs duty amount, and the reason why he believes exemption from tax or customs duties cannot be obtained. Attention is drawn to the pertaining provisions of the General Clauses and Conditions for ESA Contracts.

9. Royalties and licence fees

The Agency will only accept to pay licence fees or royalties on the condition that:

- They are clearly identified in the tender, with the financial basis for their calculation, method of application and total amount and
- They are demonstrated to be of direct and necessary benefit to the work to be performed
- They are not merely the consequence of a general agreement or commitment to a third party
- They are applied only to that part of the effort to be performed by a contractor or subcontractor that is directly related to the subject matter of the licence or royalty agreement.

A copy of the documents justifying the request for the payment of a licence fee or royalty, or the appropriate part thereof, shall be included in the tender.

G. Contractual Proposal

1. Compliance with the ITT Conditions

The tender shall comply in all respects with the ITT. This element of the tender shall include explicit statements of compliance, and identify all reservations, modifications and amendments as follows:

- i) Compliance with Intellectual Property Rights and Software requirements
- ii) Compliance with technical and management requirements

The tender shall explicitly state that the technical and management requirements will be met. Any reservation must be clearly identified in this chapter of the tender, and identify:

- The requirement concerned
 - The consequences of the reservation
 - The reasons for it
 - The possibility of it being withdrawn and conditions
- iii) Compliance with contract conditions

The Tenderer shall explicitly state that the contract conditions have been read, are understood and accepted, and that any sales conditions of his own do not apply. In case, exceptionally, that he wishes to propose modifications or amendments, the full text of such modifications or amendments shall be given and the reasons for their being requested shall be clearly explained.

Any reservations to the requirements, or any proposed modifications or amendments to the contract conditions will be taken into account in the evaluation. Acceptance of a tender containing reservations, or proposed modifications or amendments is not to be construed as acceptance of these, unless and until such modifications or amendments are confirmed in a contract.

2. Options

If the Special Conditions of Tender call for the submission of options or alternatives, or if the Tenderer wishes of his own initiative to submit these, the Agency reserves the right to disregard such a submission if a tender compliant with the requirements is not also made.

Annex A - Executive Summary

The Executive Summary shall include the following:

- Introduction, contents and layout of the Tender
- Summary of the Contractual Proposal
 - Statement of compliance and a summary of the Reservations, Exceptions and Non-compliances
 - A description of relationships with the Agency
- Summary of the Technical Proposal:
 - Specification/document tree
 - Description of design(s)
 - Description of major external interfaces
 - Approaches to PA/QA/Safety/etc.
- Summary of the Management & Administrative Proposal:
 - The proposed organisation structure
 - The overall management approach
 - For each company:
 - Its responsibilities
 - A list of key personnel
 - Interfaces to Agency
 - The available resources
 - A statement on the involvement of consultants
 - The Management Systems to be deployed
- Summary of the Implementation Proposal:
 - A brief description of the major risks
 - The overall planning
 - A summary of the proposed work:
 - A synopsis of the Statement of Work
 - Distribution of work by company
 - A description of the Work Breakdown Structure
 - A list of deliverable Items
 - A brief description of the distribution of work by end item
 - The proposed Configuration Baselines to be established
 - The Project Reviews to be held
 - Proposed options
- Summary of the Financial Proposal
 - Cost and Price summaries
 - For the total tender
 - A breakdown by major constituent
 - A breakdown by company
 - A geographical distribution projection
 - The annual expenditure profiles
 - A breakdown per option proposed

Annex B - Technical Proposal

Due to differences between projects, a standard list of contents cannot be specified. However while not exhaustive the following contents are to be considered when preparing the Technical Proposal element of the tender:

- Requirements/specifications:
 - A Specification Tree
 - Specifications

- Design references:
 - Mission assessment
 - System analysis
 - System budgets
 - Concept of designs
 - Mechanical design
 - Thermal design
 - Electrical design
 - Software
 - Interfaces
 - Integration and Test logic
 - Operations logic(e.g. autonomy, availability, FDIR.)

- Ground Support Equipment

- Compliance Matrix with Technical System Requirements

- Draft Delivery Lists (Documents, Hardware and Software)

- Cost drivers:
 - Cost saving options

- Schedule critical developments and contingencies:
 - Schedule critical path
 - Technically complex
 - Technological readiness Level (TRL) assessment

- New technology items and other risk factors
 - New or innovative technical solutions
 - Technology development

- PA/QA/Safety aspects
 - Single Point failure

Where the Special Conditions of Tender require different contents in the Technical Proposal, these should be provided. Where specific contents are not required, the Tenderer should consider the above list as the basis for his proposal, with additions as he feels necessary.

Annex C - Management & Administrative Proposal*

A. The Management Plan

1. Overall Contents

The Management Plan is proposed to describe how the project organisation, including the proposed subcontractors, will operate in conjunction with their company organisations, in order to accomplish the contract objectives, within the framework of the Agency's Management Requirements. The Management Plan may be proposed either as one integrated plan, or as separate dedicated plans for each function. It describes the complete organisation and its management (Project Management, Project Control, Engineering, Product Assurance, etc.) and demonstrates the integration and interaction of these management functions. In addition, it describes the supporting infrastructure that provides the Agency with the necessary information for decision-making and management, that allows efficient management of its own activities and those of lower tier Contractors throughout the Industrial structure, and at the interface to the Agency. The Management plan shall identify the roles and responsibilities of each member in the Industrial Structure.

Following contractor selection, the Management Plan shall be updated and resubmitted for final approval, to reflect the contract negotiations. Specific reference shall be made to each of the following management functions:

- Project Control
- Risk Management
- Project Breakdown Structures
- Schedule Management
- Cost Estimations
- Financial and Cost Management
- Contract Change Management
- Configuration Management
- Document Management
- Logistics and Inventory Management
- Project Phasing and Review Management
- Progress & Performance Evaluation/Management
- Information Management
- Product Assurance

The Management Plan shall document the following areas in detail, in order that the Tenderer and the Agency may agree that all matters are adequately addressed:

- | | |
|---|---|
| <ul style="list-style-type: none">• Organisation:➤ Roles and responsibilities➤ Authorities of key personnel➤ Interfaces between all organisation elements➤ Legal agreements and special arrangements between organisation elements | <ul style="list-style-type: none">• Procedures covering:➤ Contractor management, including a subcontracting plan describing the policy and the procedures for the selection and management of subcontractors➤ Progress reporting➤ Cost Control➤ Interface management➤ Composition and conduct of boards, meetings and reviews |
|---|---|

* Note: Please note that the term "Customer" may refer to the Agency or otherwise the direct customer at lower level of the contractual hierarchy.

- **Facilities:**
 - Accommodation and location of project staff
 - Computer hardware & software to be deployed
 - Communication means
- Action Item Control
- Procurement and functional support
- Problem resolution
- Quality assurance
- Engineering
- Safety
- Agency access to data
- Information, data and documentation management and security

2. Describing the Project Management & Control Organisations

A project control organisation is to be established, providing effective management and control of its own activities, and those of its subcontractors, in a proactive manner. The description of the project control organisation is an important element of the Management Plan. Particular attention shall be given to describing not only the internal structure, roles and responsibilities of the project team, but also its external relationships and positioning within the Tenderer's corporate structure.

The following Project Control aspects are to be considered when developing the Management Plan:

- Responsibility for maintenance of all project control data.
- Responsibility to inform the Agency of all critical situations that could lead to adverse programmatic impacts to the project.
- Its role in the implementation of the applicable contract and management requirements.
- Its reporting line to the project manager.
- Its access to the contractor's data as necessary.
- Its place in its project organisation such that fundamental management control functions can be performed effectively, and work performed by others in the organisation can be actively and effectively controlled.
- The support of the Tenderer's management and access to relevant levels of management, both internally and between members of the industrial consortium.

Where a Prime Contractor is proposed its organisation, roles, responsibilities, authorities and interfaces, are to be described in detail, with due consideration of the following aspects:

- Responsibility for the overall implementation and execution of the industrial development programme, including overall management, cost and schedule performance, technical performance, direction of the industrial consortium, and implementation of the Agency's industrial policy requirements.
- The need to establish a project management organisation to act as the single point authority within its company and vis-à-vis the Agency, for the agreement on and execution of the work assigned to its company.
- The nomination of a Project Manager with a team dedicated to the project.
- The responsibility for the project team and their lines of reporting.
- The Project Manager's access to the company management hierarchy for resolution of conflicts.
- The separation of project management for the current project from other projects and operations.
- The need for the Project Management Office to monitor all technical, managerial and administrative activities, provide the directive to accomplish the project, expedite resolution of problems, and interface with the Agency's Project office with identification of Key personnel.
- Leadership of the Industrial team to ensure compliance with the requirements.

B. Project Requirements Documents For Lower Tier Contractors

In order to ensure a uniform approach to the applicability of requirements and the performance of project management functions and procedures, throughout the contractual hierarchy, the Tenderer shall propose Project Requirements Documents to be placed on its lower tier Contractors, demonstrating a cost-effective tailoring of requirements to be met during contract execution, in line with the specific project's profile. The tailoring shall be such as to ensure that:

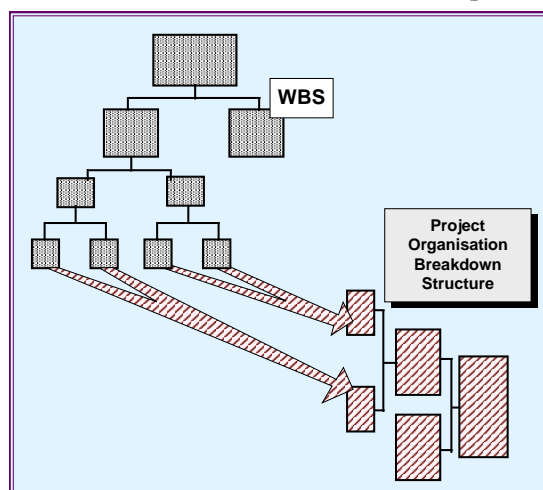
- The contractual obligations will be met
- Mandatory requirements specified by the Customer are included
- No additional risks are introduced
- No unnecessary requirements are added.

C. The Project Organisation Breakdown Structure

Identification of responsibility for all items of work is essential. This facilitates correction of problems and aids in establishing correct channels of communication. The Project Organisation Breakdown Structure (OBS) depicts the proposed project organisation, as opposed to a Tenderer's Company OBS, which depicts the functional aspects of the company.

It shows the key personnel to be deployed on the work, who will also be identified in the contract, and the assigned responsible parties for each Work Package in the WBS. The following project management functions are to be included as appropriate:

- Project Manager
- Contracts officer
- Project Controller
- Configuration management officer
- Documentation management officer
- Information systems officer
- Product assurance and safety officer
- Technical officer(s) responsible for design, development, verification of the product(s) under its responsibility



D. The Country / Company Grouping (CCG)

The Agency's obligation to record Industrial Return to the Member States requires identification and recording of expenditures by country. Identifying the contractor for each Work Package allows for the interrogation of data from the contract/Contractor/country view by use of the CCG. The CCG shows the relationships between countries, companies and proposed contracts.

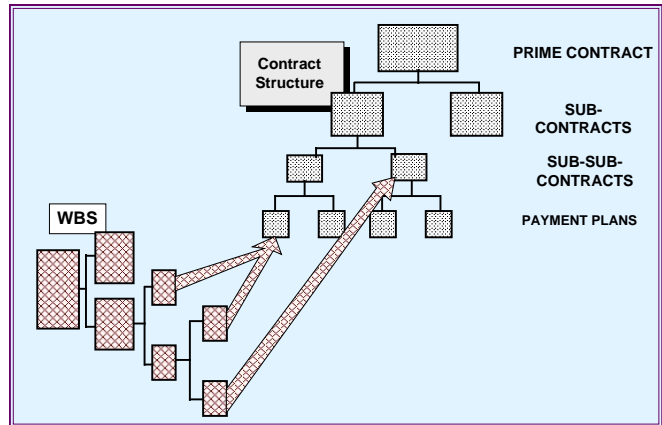
Where practical, such as in projects with simple contractual hierarchies, it may be combined with the Contract Structure, providing meeting Industrial Return policy is not complicated as a result. The Country/Company Grouping and Contract Structure are typically determined by the Prime Contractor where a complex contracting scheme is envisaged.

The Tenderer develops the CCG by taking into account all work and the proposed contracts/subcontracts it intends to place. (Suppliers are included where they affect Industrial Return)

Countries and Contractors shall be identified by the codes, where available, as specified in the current version of ECOS. Contract element coding is to be agreed with the Agency.

E. The Contract Structure

The Contract Structure (CS) depicts the proposed contractual hierarchy in the project. The contract and Contractor codes used shall be the same in both the CCG and CS. The CS for the total Project is to be consistent.



Annex D - Implementation Proposal

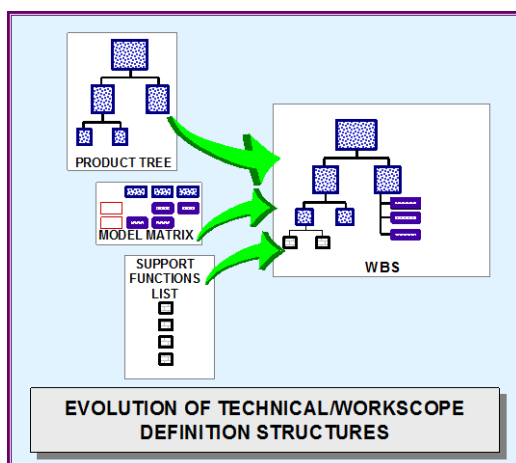
A. Assessment of Major Areas of Risk

In order to minimise risk, the Tenderer shall state in the proposal any identified risks resulting from any source, including:

- New or innovative technical solutions
- Technology development
- Inadequate, unstable or unclear requirements
- Level of definition and stability of external interfaces
- Adequacy, availability and quality of resources, facilities and tools
- Short time scales
- High cost items and work packages
- Industrial organisation

Tenders will be assessed to verify that the level of risk is adequately identified and assessable and that the risk is adequately covered (See Annex E, Item A 3) and acceptable.

B. The Product Tree

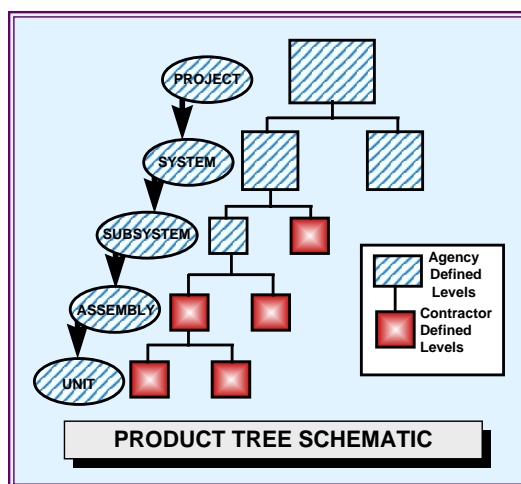


The following structures are developed in an evolutionary manner, as the project progresses through the definition steps. As such, they reflect the increasing knowledge of the system requirements and design, and require the minimum effort to produce.

The Product Tree (PT) establishes a uniform agreed definition of the project's constituent systems, subsystems, assemblies, units, etc., for use by all project participants, and to provide a basis for the development of the WBS.

The Product Tree depicts a product-oriented breakdown of the project into successive levels of detail, down to the configuration items. Based on any input given by the Agency, the Product Tree is further developed by the Tenderer proposing to perform the work, with the approval of their Customers. The breakdown should be limited to items where management control is required for any of the following aspects:

- Engineering
- Configuration Management
- Product Assurance
- Schedule
- Cost
- Operations and Logistics - all items that are the subject of a delivery are to be included.



The Product Tree **excludes**:

- Supporting functional work, such as Project Management
- The development models, such as Qualification Model

as these are components of the WBS.

The Product Tree for the total Project is to be consistent and shall incorporate the Product Trees of proposed lower tier Contractors.

C. The Model Matrix

The Model Matrix describes the applicability of models for each element of the Product Tree, and their utilisation. It ensures the model philosophy, identified in the Development Plan, is realised. It also provides a means to support the development of the WBS from the Product Tree.

D. The Work Breakdown Structure

1. Objectives of the WBS

The Work Breakdown Structure (WBS) is the primary project management structure. It is produced by extending the Product Tree elements to include the Agency defined support functions necessary to produce the deliverable end items, the necessary services, and the appropriate development models, by reference to the Model Matrix as applicable. It is used as:

- A common focal point for data creation, collection, summarisation and reporting, and performance monitoring in, and between, all other functions of project management such as Schedule Management, Cost Management, etc. for all project participants.
- A means to define deliverable end items and tasks to be performed.
- A basis for tender comparisons and contract negotiations.
- A means to support the definition of Control Work Packages for management reporting and visibility.
- A basis for the definition of technical interfaces and other relationships between project elements and participants.
- A basis for the development of the Documentation Tree and relating specifications to end items.

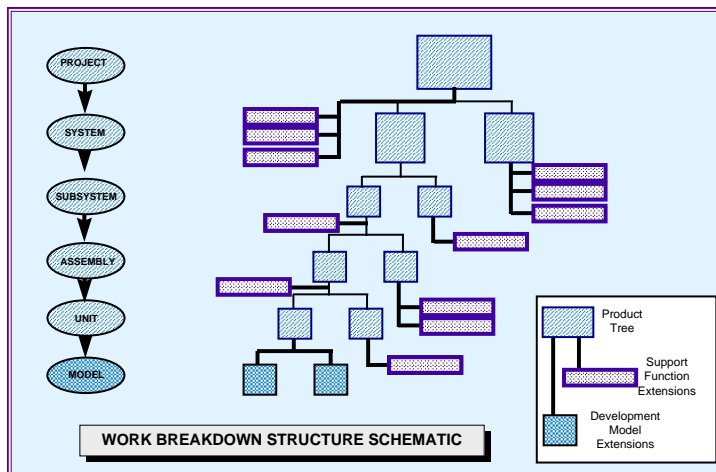
The development of the Work Breakdown Structure begins during the tendering process in order to:

- Obtain a systematic description of the tasks to be performed
- Provide a basis for evaluation of the work content
- Provide a framework for the management of any subsequent contracts.

Thus it is important that the terminology used throughout the tender is consistent with the ITT.

A top down approach is employed to the development of the WBS to ensure all major work areas are considered and to avoid omissions and duplications. Starting with the Product Tree as a basis the Tenderer shall produce its part of the WBS by:

- Reviewing each element of its Product Tree
- Appending the required development models as children to the applicable elements.
- Adding the required support functions as children of the element to establish the Work Packages.
- Determining Work Packages on the basis of management complexity.
- Incorporating the WBS's of its proposed contractors
- Confirming, by means of a bottom up approach, the completeness of the WBS:
- All models and work items are included
- The correct location of each Work Package beneath its parent product.
- The correct inclusion of all products, assemblies, subsystems and systems.



To ensure work is included at the appropriate level, work related to manufacturing, assembly, integration and test shall be shown against the models, and Engineering work shall be identifiable in connection with its related Product Tree element, such as System, Subsystem or Unit level.

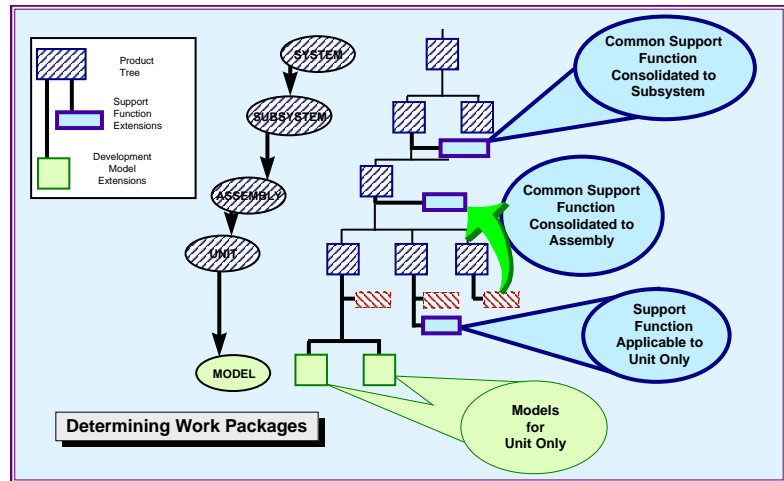
2. Establishing Work Packages in the WBS

Work Packages are established primarily for the purposes of establishing cost, planning and other baselines, and for the collection of progress information, such as actual costs and man hours expended. They are used in these processes by the Contractor responsible for the work, and as such are determined at a level of detail adequate to allow control to be exercised by the Contractor. This requires that work packages be defined in sufficient detail to relate each with:

- The lowest level contractor applicable
- The most detailed, required schedule data
- The most detailed, required cost data
- The most detailed, required contractual deliveries.

While reporting to ESA may be at a summary level, (See Annex D, Item D, Point 4 "Determining Control Work Packages" below), data collection shall be performed at the Work Package level, and thus allow more detailed reporting and data submission when requested by ESA.

Support functions may be shown in the WBS at any level, but effort must not be duplicated. Support Functions used are those defined in the Support Function File of the current version of the Agency's costing system, ECOS. This supports a common definition both within the project and between projects, aiding the collection, comparison, and understanding of data. ECOS is available to all Tenderer on a free of charge basis. The Tenderer shall use the contents of the Support Function File for reference.



In addition to product related Work Packages, Work Packages, which are functional in nature can be one of two types:

- Apportioned Effort (i.e. effort related in direct proportion to product oriented Work Packages)
- Level Of Effort (i.e. effort which cannot be directly associated with any end products but only with the total project or contract).

Each Work Package shall:

- Have a unique identifier and concise description, and a clearly defined start and end.
- Wherever possible produce deliverable items and be confined to one development model. For control purposes, especially Schedule and Cost Management, non-product related work is difficult to assess in terms of performance and value to the project. Where such work is required it should, wherever possible, be apportioned to product oriented work for measurement and control purposes.
- Be established on the basis of management complexity:
 - Be manageable by one person.
 - Contain an adequate number of work elements to facilitate control.
 - Facilitate the incorporation of contract changes.

Factors to be considered in the final, detailed partitioning of Work Packages are summarised in the table below.

FACTOR	PRODUCT WP's	FUNCTIONAL WP's
Number of End Items (Product complexity)	X	
Models or Production Volume	X	
Apportioned Efforts		X
Functional Specialisations		X
Duration		X
Geographical Locations	X	X
Responsibilities	X	X
Organisations	X	X
Contract Type	X	X
Cost	X	X
Activities (Project Complexity)	X	X

3. Work Package Descriptions

Work Package Descriptions shall be completed for each Work Package, to indicate a good and complete understanding of the work involved and the products to be produced.

Contractually the Statement of Work defines the work to be performed.

The completion of Work Package Descriptions is intended to demonstrate that consideration has been given to all aspects, to avoid duplication and omissions, thus benefiting both Tenderer and Agency.

The required data shall provide visibility and understanding of the distribution of tasks.

The Tenderer shall use the PSS-A-20 form. The form at its latest version is directly downloadable from <http://emits.esa.int> where it can be found under:

- Reference Documentation
 - Administrative Documents
- PSS Forms

Work Package Description – PSS-A-20

The purpose of this form is to obtain a detailed description of the work to be performed under this Work Package (WP).

Unless specified otherwise in the Special Conditions of Tender, WP descriptions are to be supplied at the task/equipment level. Each form shall contain the following information:

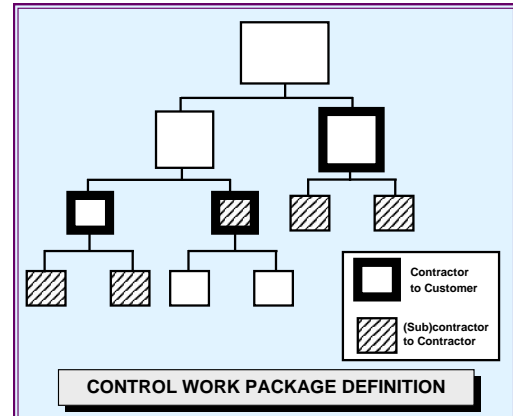
- Name of project
- Designation of project phase (if applicable)
- Work package reference defined in Work Breakdown Structure
- Title of Work Package
- Firm responsible
- Number of the sheet and total number of sheets pertaining to a given Work Package Description (use continuation sheets as appropriate)
- Major constituent to which the work package belongs. This shall not be limited to hardware subsystems but shall cover, as appropriate, functional task areas, such as management, product assurance, etc.
- Identifier of the start event which denotes commencement of the work package activities on the respective network
- Plan date of the work package start event. The date shall be based on planning calculations
- Issue number of the Work Package Description
- Identifier of the end event, which denotes completion of the work package activities on the respective network
- Plan date of the work package end event. The date shall be based on planning calculations
- Date of latest issue of the Work Package Description
- The name of the contractor's employee responsible for the work package (WP manager)
- List of items (documentation and/or hardware) which must be completed, or be available to start the work package
- List of tasks specifically excluded, if appropriate, in order to increase clarity of the scope of the work package.

4. Determining Control Work Packages

Control Work Packages are those elements of the WBS for which data and reports, including financial, cost and manpower, are required to be submitted to the Agency.

Control Work Packages:

- Are agreed between the Contractor and its direct Customer during contract negotiations
- Are at any level of the WBS
- For reporting purposes, represent the total scope of work of the Contractor
- May be at different levels of the WBS dependent on the Contractor's level in the Contract Structure
- Are determined based on the level of visibility of the Contractor's data, required by the direct Customer.



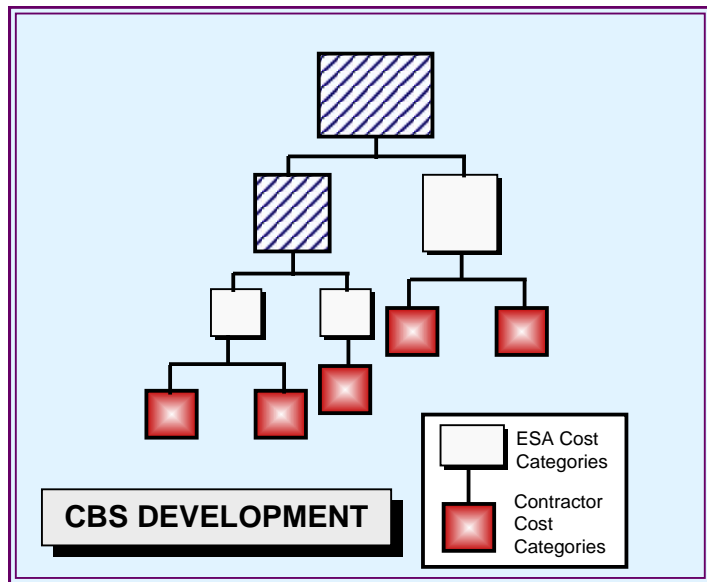
As noted above and depicted in the figure, the selection of Control Work Packages is dependent on the Contractor's level in the contractual hierarchy. The Control Work packages established for a Subcontractor are agreed on the basis of the visibility of its work required by its higher level Contractor.

In turn, the Contractor's Control Work Packages are established and agreed, with its higher level Customer, on the basis of the visibility of its work required by the Customer. Normally, these are at a higher level in the WBS, but may be the same as some Subcontractor's Control Work Packages, where the work is of an important or critical nature, and visibility is required to be maintained.

E. The Cost Breakdown Structure

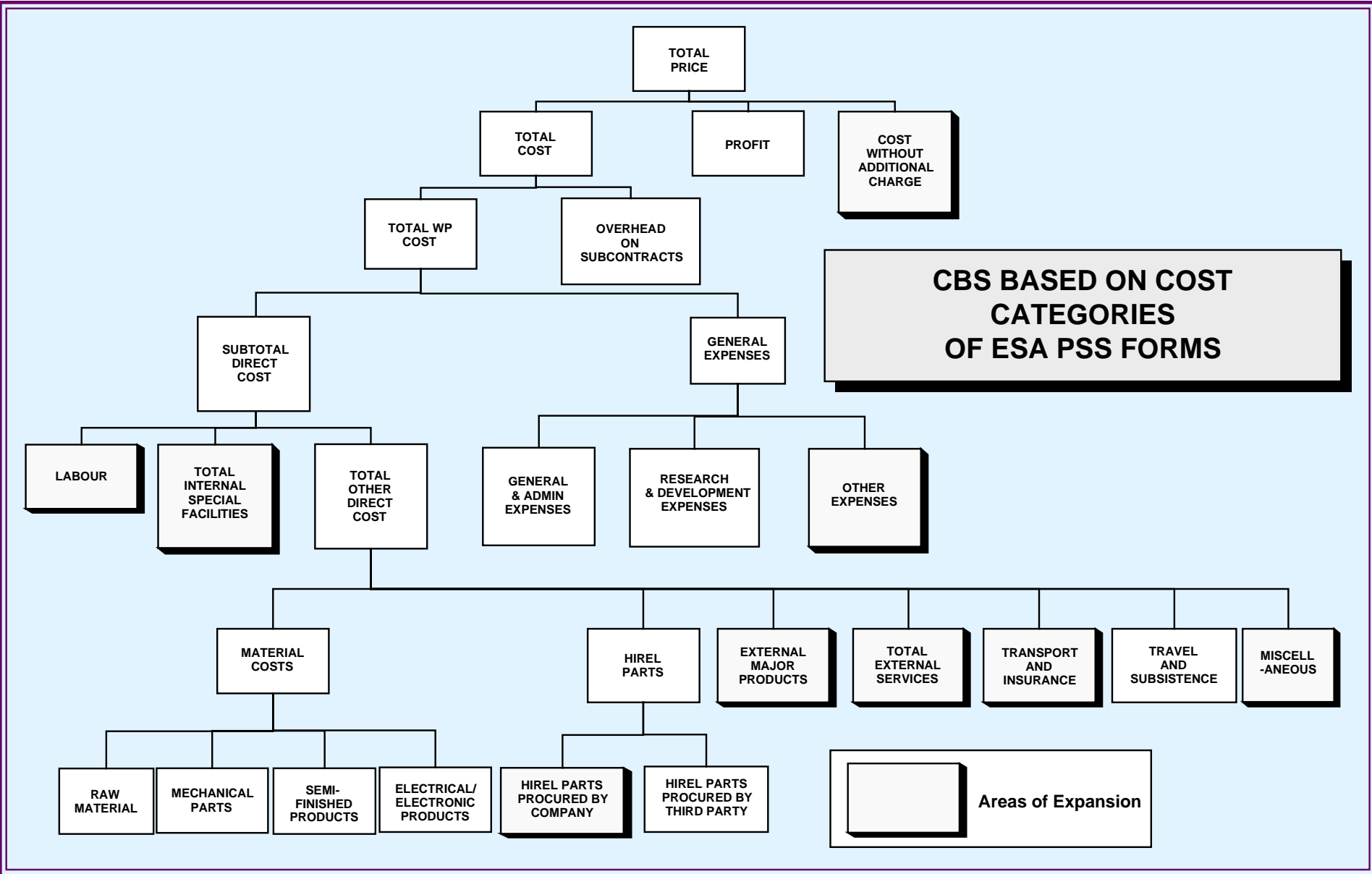
The Cost Breakdown Structure (CBS) defines the breakdown of all the costs of the project, including labour, equipment, facilities, etc., into agreed cost categories to be used for Financial and Cost Management, and provides the framework for cost summarisation with other structures.

To ensure that cost collection and analysis can be performed in the Agency's standard cost categories across the whole project, the CBS is based on the Agency's standard cost headings, as defined in its PSS series of Cost Breakdown Forms.



Where the Agency's cost categories alone are not sufficient they may be extended to include the Tenderer's own categories, within each applicable Agency category by assigning its internal cost categories to the applicable Agency cost categories, taking account of all work to be performed and resources required. This includes the possibility of assigning only one Contractor cost category to an Agency category, as illustrated above.

The CBS based on the Agency's standard cost headings is shown on the facing page, with typical areas of expansion highlighted.



F. Schedule Requirements

1. Purpose & Objectives

The purposes of proposing schedules are:

- To present the main objectives, in the form of milestones, of the envisaged work
- To Identify the tasks required to achieve these objectives
- To clearly and realistically present the logical sequence of the proposed tasks
- To provide the basis for subsequent schedule management, control and reporting during execution of the work.

2. Basis of Proposed Schedules

The proposed schedules shall take account of, and be based on:

- The schedule and financial targets
- Detailed analysis of the tasks
- Critical review of all activity interdependencies and durations
- Significant interfaces and constraints
- Available resources
- Adequate lead times for procurement
- Availability of planned facilities
- Normal downtime of facilities
- Allowances for resolving interferences and incompatibilities during integration and testing
- Time phasing consistent with cost and manpower data in the Work Package Manpower and Cost Plan, and the Price Projection.

a) Milestones in the Schedule

i) Milestones Specified by the Agency

The milestones specified by the Agency for setting targets for major events and for monitoring schedule progress are to be included in the planning and supporting schedules developed, and presented by the Tenderer.

ii) Milestones Specified by the Contractor

In turn the Tenderer similarly identifies additional milestones for its work and its lower tier tenderers work, representing key points in the project, which are to be used for target setting and schedule progress monitoring. From these milestones, the Tenderer shall propose Payment Milestones, which when approved by the Customer, shall be separately identified and documented as part of Milestone Payment Plans.

b) Detailed Schedules

Detailed Schedules shall be proposed which support, and include, the milestone targets and expand upon the work depicted by the Work Breakdown Structure. A Detailed Schedule shall be produced for each major system constituent and participant. If more than one proposed Contractor is working within a major system constituent then a Detailed Schedule for each shall be developed, and combined, (using the same principles of integration as the creation of Master Schedules from Detailed Schedules), to make a Detailed Schedule for each major system constituent.

These schedules serve as the basis for schedule management between the Contractor and its lower tier contractors during execution of the work, and shall include the activities and tasks, as appropriate and applicable to the level of the work (product/system/subsystem/unit/etc.), associated with:

- Design, Development, Production, Construction
- Assembly, Integration
- Testing, Acceptance, Delivery
- Procurement
- Reviews
- Software development
- Support equipment, materials, supplies & services
- Logistics and transport.

To facilitate progress measurement, and the creation of the Master Schedule, at least the following type of milestones shall be identified and included in the Detailed Schedules:

- Payment milestones
- System and Subsystem reviews
- Software reviews
- Interfaces*
- Deliveries (Major documents, hardware & software)
- Any other as required by the Customer

*Interface milestones shall be defined that represent the logical relationships between proposed Contractors, such as deliveries of items and the completion of required information such as designs, specifications etc. Each Milestone is included in the schedules of both the provider and the recipient of the item or information, and connected via relationships.

Risks to the attainment of any milestone shall be highlighted, and alternative solutions provided to minimise these. Reference is to be made to the corresponding technical, schedule and cost sections of the tender.

Where risks to a milestone have been recorded, detailed schedules are to be prepared to allow, during execution of the work, early identification of adverse impacts and the implementation of contingency plans where required.

The Detailed Schedules represent the work scope as identified by the WBS. In order to ensure that this is achieved the Tenderer shall:

- Identify the parent work package for each activity, which may be a Control Work Package or, as is more often the case, a lower level work package
- Agree these relationships with work performers
- Delete activities without parent work packages or add work packages if the work is required
- Create activities for work packages without activities or delete work packages without activities (unless LOE work package)
- Ensure that all tasks in WPD's are included in a Detailed Schedule.

c) Master Schedules

Master Schedules shall be created, by each proposed Contractor, by integrating, at the Control Level, the Detailed Schedules and milestones, for its own work (typically product/system level activities) and that of its proposed lower tier Contractors (typically subsystem/unit level activities).

During execution of the work, following contract negotiations and award, these schedules shall become the basis for routine reporting; and monitoring, progress assessment and co-ordination by the Agency.

i) The Control Level

In order to provide visibility and traceability of schedule data at the level of detail required by the Agency, the Tenderer shall propose the Control Level, (the content and level of detail of the Master Schedule), to be regularly reported and delivered to the Agency. The Control Level for schedule management, and its corresponding Master Schedule is not to be created by simply summarising the Detailed Schedules to their Control Work Package parents, which are primarily determined for Cost Management and other management purposes.

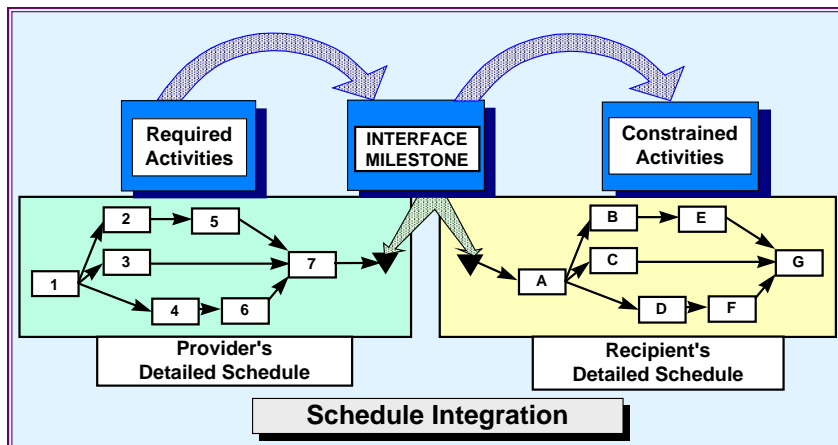
Rather, normally the Control Level, and its corresponding Master Schedule, are to comprise specified milestones, and the major activities supporting and connecting them. This shall include all Agency specified milestones and other milestones as agreed.

Dependent on the content and level of detail of the proposed Control Level, this may involve the integration of any of the following:

- Complete Detailed Schedules (such as product/system level work)
- Summaries of the Detailed Schedules (such as subsystem/unit level work)
- Specific extracts of the Detailed Schedules

The Master Schedule may be expanded, during execution of the work, to include more detailed information if circumstances necessitate, for example, where delays are forecast, or where the Agency is required to perform a co-ordinating role with participants other than industry contractors.

ii) Developing the Master Schedules



To ensure that integrated schedules allow for a complete critical path analysis, the interface milestones, in the Detailed Schedule of the provider, are constrained by all required activities that must be completed in order for the milestone to be achieved.

Similarly, in the Detailed Schedule of the recipient, the interface milestones constrain all activities that are dependent on the completion of the milestone.

After the Detailed Schedules are produced each proposed Contractor shall:

- Integrate its and all its proposed Contractors Detailed Schedules into a single Master Schedule, at the agreed Control Level, including interface milestones between them and shall submit it to the Agency
- Ensure that the work being performed and the Detailed Schedules are in agreement
- Assess the realism of Detailed Schedules and assess the associated risks.

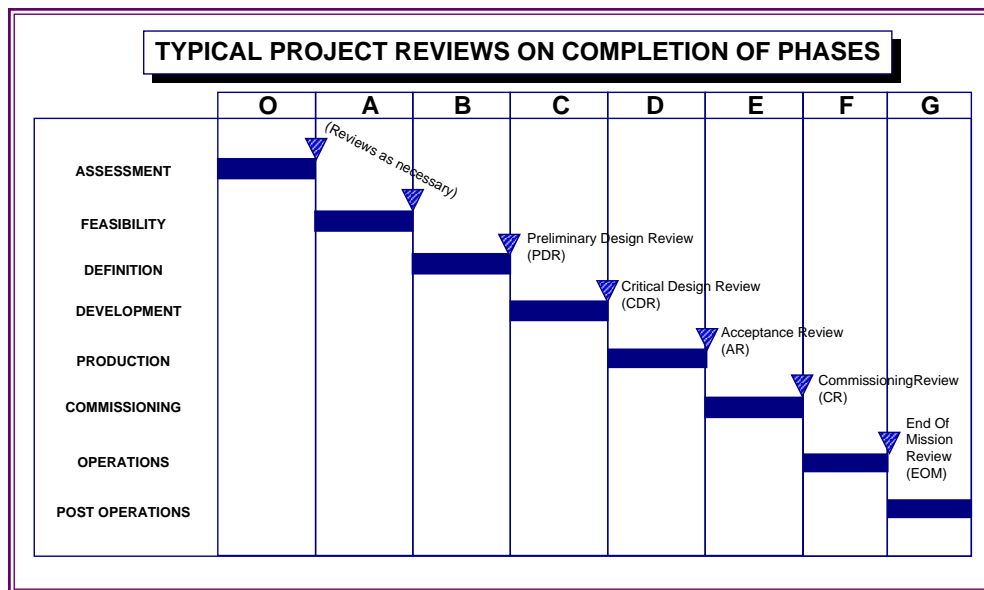
G. Project Reviews

1. The Project Lifecycle

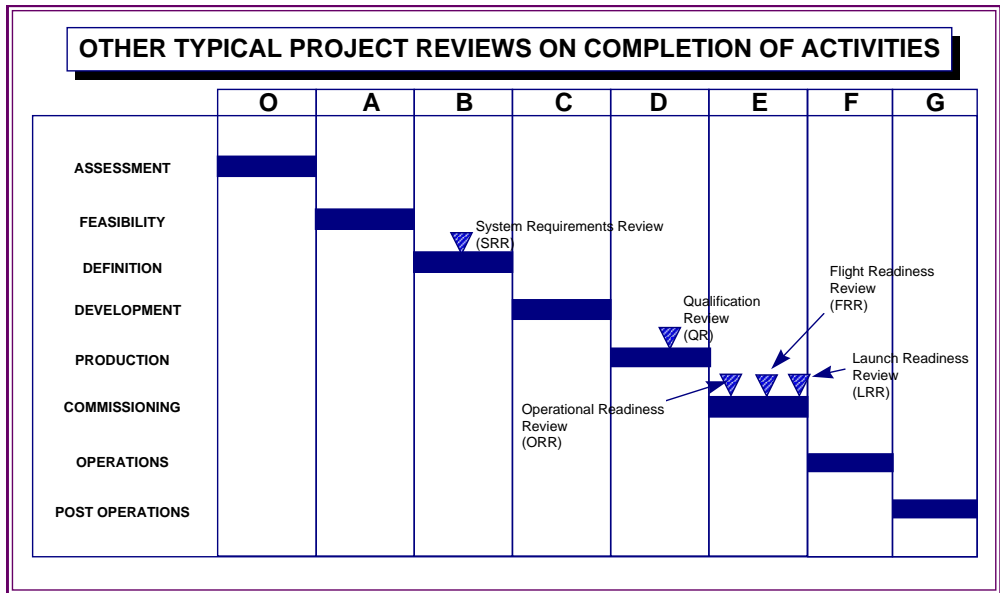
A typical Agency project is comprised of a series of activities performed in a number of phases, punctuated by Project Reviews to assess the status, conformance and progress of the work, and approve the baseline for the next stage of work.

2. Reviews

Each phase is concluded by a Project Review to establish the satisfactory completion of the preceding phase and establish an agreed baseline for the succeeding phase. The typical reviews are illustrated below.



Additional reviews are also held at the completion of a major development stage, to assess the development status, such as those illustrated below.



The Agency will, based upon consideration of the size and complexity of the programme concerned, select from the reviews at the programme or project/element level during Phases B to G, those to be considered as Agency reviews.

Reviews applicable to a specific project, or element will normally be selected from these reviews. The Contractor for a project/element concerned will propose the reviews to be conducted at lower tiers, and their schedule, ensuring that all technical data required to support a review at a given level (element, subsystem,...) are properly reviewed and confirmed at the subordinate levels, in concert with reviews at higher levels. The Agency may participate in any such lower level reviews.

Reviews are normally organised and chaired by the Customer (by the Agency for Agency reviews). The Agency will chair reviews at the Prime Contractor level and selected Agency reviews at lower levels as noted above.

A number of independent experts will be involved in each review, depending on the project complexity, and the innovative character of the technology and techniques applied. These independent experts are not members of the project team directly involved in the project concerned.

Reviews are normally organised into discipline oriented review panels, which may include programmatic aspects (cost, schedule, organisation,...) and conducted in a formal manner with review results being recorded and followed up in a controlled manner.

Annex E - Financial Proposal

A. Preparing and Submitting Cost Data in a Tender

Regardless of the final contract type awarded, all tenders are required to be submitted in the same manner, to ensure that sufficient data is provided to enable proper review, comparison and selection. Estimates are to be developed using an adequate estimating system, and cost data shall be submitted using the Agency's Cost forms(PSS-A forms), and the ESA Costing Software, (ECOS), unless otherwise stated in the ITT.

1. Using ESA's Costing Software ECOS

The use of ESA's Costing Software, (ECOS), for WBS based costing presentation is mandatory for any proposals for major projects. This includes all cost proposals made in Phase B for subsequent phases and may also include the presentation of cost estimates made in Phase A for subsequent phases. In this context, a major project is to be considered to have an industrial content of 10 MEuro, or more, for the total programme.

The application of ECOS to projects with less than 10 MEuro industrial content will be considered on a case-by-case basis. In principle, should industry elect to do so, any other financial proposal can be submitted via ECOS and will be accepted for evaluation.

ECOS ensures a consistent approach by all Tenderer, to facilitate consolidation and analysis of the data across the entire project, and to ensure all data is related to the:

- Product Tree
- WBS
- CBS
- Cost Calendar

2. Using the Agency's Cost Forms

The Tenderer shall also complete and submit the Agency's PSS Series of Cost Breakdown Forms¹¹ for its work, together with those received from its proposed subcontractors for their work.

The Forms cover that might be specifically required in the ITT are the following:

- a) PSS-A1 Issue no 5 - Company Rates and Overheads
- b) PSS-A2 Issue no 5 - Company Price Breakdown Form and Exhibits A and B
- c) PSS-A4 Issue no 5 - Project Manpower & Price Breakdown Form
- d) PSS-A6 Issue no 5 - Contract Price Summary Form
- e) PSS-A8 Issue no 5 - Company Manpower & Price Summary
- f) PSS-A10 Issue no 5 - Company Manpower & Cost Plan

¹¹ The forms at their latest version together with the full instructions for completing them are directly downloadable from <http://emits.esa.int> where they can be found under: -Reference Documentation/Administrative Documents/PSS Forms

- g) PSS-A15 Issue no 5 - Contract price projection in Thousand Euro
- h) PSS-A15.1 Issue no 5 - Company Price Projection vs. Payment Plan in Thousands Euro
- i) PSS-A40 Issue no 5 - High-Reliability Parts Procurement Questionnaire
- j) PSS-A45 Issue no 5 - Product Tree And Hardware Breakdown

These forms are available in EMITS at their latest issue as Excel-files with the corresponding instructions to complete them.

3. Identifying the Areas of Risk

The Tenderer is to give special attention to detailed costing of areas of risk and prepare and submit an analysis of areas:

- Which are not yet fully defined
- Which are uncertain
- Which represent a high degree of innovation
- Which have items of significant cost not fully under the control of the Tenderer.

4. Ensuring Consistency of the Cost and Manpower Data with The Proposed Schedule

Consistency between the cost and manpower data, and the schedule is essential for budgeting and the correct assessment of progress. Thus the Tenderer shall compare the proposed schedule with the following formats to ensure the consistent time phasing of cost and manpower data:

- Company Manpower and Cost Plan (PSS-A10)
- Price Projection by Contractor (PSS-A15, PSS-A15.1).

B. Proposing the Control Level For Reporting to The Agency

In order to minimise data transfer, reporting and delivery of Estimates at Completion, whilst still providing visibility and traceability of cost and manpower data by the Agency, an agreed level of detail and content for regular reporting and delivery between contractors and the Agency shall be established. This shall be done by the Tenderer proposing, and then agreeing with the Agency during contract negotiations, a set of Control Work Packages. These may be at different levels of detail depending on the Contractor's position in the contract hierarchy, and are to be determined by identifying specific work packages in the proposed WBS as Control Work Packages, or by identifying an agreed aggregation of work packages in the proposed WBS.

C. The cost estimating process

The cost estimating process is a vital element in considering technical options, cost/benefit trade-offs, in establishing budgets, in the submission and evaluation of price proposals, as a basis for negotiation and in the assessment of changes to existing designs.

Cost estimating is not a precise science, particularly with respect to items produced as “one or few of a kind” and involving development activity. In these circumstances it is important for both customer and contractor that the most effective tools and methods are used to estimate the most realistic cost outcome.

To that effect the Tenderer shall comply with the cost estimating requirements as included in the following document : ECSS-M-ST-60 (latest version downloadable from www.ecss.nl)

As stated in paragraph 7 of Section F of these General Conditions of Tender, unless the ITT specifies otherwise, the binding price shall be the total price stated in Euro. The currency conversion rates to be applied are as stated in paragraph 8 of Section F of the General Conditions of Tender.

As further stated in paragraph 7 of Section F above, if the company's cost accounting system records costs in the national currency (NC) and the hourly rates and overheads are established in national currency, the details of the price as required in the PSS forms described below shall be completed in national currency prior to conversion to Euro.

The following PSS forms cover all the costing requirements that might apply to ESA tenders. For any particular ITT only a selection of these forms are to be used, and these will be specified in the Special Conditions of Tender for that ITT.

In particular, it should be noted that in the case of major proposals, which include the participation of Sub-contractors, some of the forms specified as being required for that ITT have only to be completed by the Prime Contractor and not by each participating Sub-contractor.

SUMMARY DESCRIPTION OF FORMS

The following gives a summary description of the forms.

PSS-A1 - COMPANY RATES AND OVERHEADS

This form is to provide the Agency with the rates, overheads and other cost elements which are established on the basis of the company's normal accounting method , taking into account the provisions of ANNEX 1, to the General Clauses and Conditions for ESA Contracts and on which the offered prices have been calculated. PSS-A1 is to be completed by the Tenderer and each sub-contractor, regardless of the type of price under which the proposal is made.

If this data, referring to the same economic conditions, has been submitted to the Agency for previous ITTs, it does not need to be resubmitted. In such case, the date and reference of the earlier submission shall be given.

PSS-A2 - COMPANY PRICE BREAKDOWN FORM

With this document, the Tenderer and each participating sub-contractor shall provide the Agency with a complete price calculation, corresponding to the total supplies and/or services to be provided.

The amount (item 17 of PSS-A2) of all company price breakdown forms shall be the total price for ESA of the tender.

Exhibit A of the PSS-A2 shall be completed to detail the major cost contributors with regard to various “Other Direct Cost” items as further detailed in the instructions to compile the PSS-A2 and to provide details of any “Financial provision for escalation”, item 13.

Exhibit B of the PSS-A2 shall be completed by listing for all WBS Work Packages the travel plan that justifies the budgetary Travel and Subsistence cost as reported in the PSS-A2.

PSS-A4 – PROJECT MANPOWER AND PRICE BREAKDOWN FORM

This summary form is to be completed by the Tenderer only (prime contractor) - and not separately by each proposed subcontractor.

Its purpose is to obtain a summary of all work packages, giving direct labour hours and price (in Euro) so that the sum of all work packages will amount to the total hours and price of the undertaking.

PSS-A6 – TOTAL CONTRACT PRICE SUMMARY

This summary form is to be completed by the Prime Contractor only.

Its purpose is to identify by participating company (including Subcontractors) the type of contractual price envisaged for their part of the undertaking. The total of all the various prices shall amount to the total price offered.

PSS-A8 – COMPANY MANPOWER AND PRICE SUMMARY

This form is to be completed by the Prime Contractor and each participating Subcontractor.

It shall identify the price breakdown as per the WBS level specified in the Special Conditions of Tender.

PSS-A10 – COMPANY MANPOWER AND COST PLAN

This form is to be completed by the Prime Contractor and each participating Subcontractor.

The purpose is to identify the planned expenditure versus time on the WBS level and time periods as specified in the Special Conditions of Tender. If the time periods are not specified, then shall be months.

PSS-A15 – CONTRACT PRICE PROJECTION IN THOUSANDS EURO

The Prime Contractor and each Subcontractor shall identify on this form the proposed price projection versus time on the basis of expenditure. The totals at company level are to be stated in Thousands Euro and shall serve the Agency to assess the overall financial requirements.

The PSS-A15 supports the proposed Payment Plan and any Provision for Escalation in case of Firm and Fixed Price quotations. And it serves as a basis, in case of a “cost reimbursement” type contract, for monitoring the expenditures.

PSS-A15.1 – COMPANY PRICE PROJECTION VS PAYMENT PLAN IN THOUSANDS EURO

This form is to be used in the case of fixed price or firm fixed price quotations and is to be completed by the Prime Contractor and each participating Subcontractor.

The Tenderer shall identify the proposed price projection (total price for ESA) versus the Milestones Payment Plan on the basis of expenditure.

A graphic display of the cumulative expenditure plan versus payment plan shall be presented as part of this form.

PSS-A40 – HIGH-RELIABILITY PARTS PROCUREMENT QUESTIONNAIRE

The purpose of the PSS A40 is to identify all activities related to High-Reliability Parts (Hi-Rel Parts, a.k.a. EEE Parts) for both Programmatic and Cost aspects.

The PSS A40 is filled-in at proposal level. The cost breakdown per component types and the quantities per types are estimated. The bidder fills in the form for EEE Parts that he procures either for its own needs or for other Users.

PSS-A45 – PRODUCT TREE AND HARDWARE BREAKDOWN

The purpose of the PSS A45 is to list all hardware products at equipment level with Technical and Programmatic details in line with the Technical Proposal.

The PSS A45 is filled-in at proposal level as required by the tender conditions.

The Tenderer shall identify all hardware products in relation to their WBS/PT number.
The name of the company responsible for the Development, Integration and Qualification of the Equipment.
If this information is unknown at the time of the proposal, the tender shall be consistent to what indicated in the Procurement Plan.

Annex F - Basic Security Screening Template

A. Statement of Non-Conviction and Good Conduct

The undersigned, born in
(name, first name) (place + country)

....., on
(place + country) (date)

herewith officially declares that he/she has never been convicted by a court of his/her Nation nor to have been convicted by a court of any other nation.

In addition to this, the undersigned states that he/she has no criminal record.

Date: Place:

Signature:

Annex G – Tenderer’s Cover Letter’s Annex Compliance Template

ANNEX TO COVER LETTER

ITT/RFQ Reference:

Subject:

By submitting the present Annex to the cover letter to tender

Tender Reference:

I/we the undersigned herewith officially declare that [name of Company]
accepts and/or is compliant with the Agency’s tender requirements listed hereunder*:

- i. Certification of Eligibility (Part 2 B1)
- ii. General information on Tenderer’s status (Part 2 B2)
- iii. Certification of Free Competition (Part 2 B3)
- iv. Validity period of tender (Part 2 B5)
- v. Agency’s right of Audit (Part 2 B7)
- vi. Non Commitment by the Agency (Part 2 B11)
- vii. Compliance with conditions relating to IPR (Part 2 C)
- viii. Compliance with conditions relating to Export/Import (Part 2 D)
- ix. Certification of non-benefit (Part 2 H)
- x. Compliance with conditions relating to security screening (when applicable) (Part 2 I)
- xi. Compliance with Financial requirements (Part 3F)
- xii. Compliance with technical and management requirements (Part 3 G)
- xiii. Compliance with contract conditions (Part 3 G)
- xiv. Compliance with Industrial Policy and Geographical return requirements (when applicable)

And recognises and accepts that should the Agency discover either at the time of the acceptance for evaluation or at any time in the course of its evaluation that the content of the tender referred to above contradicts such statement, the subject tender may be rejected for or eliminated from any further evaluation by the Agency.

Name(s) and current position(s):

Signature(s)

Date:

*** Where the tenderer is non-compliant or only partially compliant he will strike out the corresponding point and insert in his cover letter the non-compliances or partial compliances(not doing so will result in his tender not being admitted for evaluation by the TOB)**

Document Requirements List Template

Name	Agency Approval Required	Means		Comments
		H/C Qty	Elec	
MANAGEMENT/ADMINISTRATIVE PROPOSAL DELIVERABLES				
Project Requirements Documents for Lower Tier Contractors				See Part 3 D.1.i)
PRD Compliance statements from subcontractors				See Part 3 D.1.ii)
Management Plan				Separate plans may be required in place of an overall Management Plan See Part 3 D.1
Project Control Plan				
Risk Management Plan				
Schedule Management Plan				
Financial & Cost Management Plan				
Change Management Plan				
Configuration Management Plan				
Document Management Plan				
Logistics and Inventory Management Plan				
Information Management Plan				
Project Phasing and Review Management Plan				
Progress & Performance Evaluation/Management				
Product Assurance Plan				
Project Organisation Breakdown Structure				See Part 3 D.2.i)
Resumes of Key personnel				See Part 3 D.2.iii)
Statement on time allocation/project commitment of key personnel				See Part 3 D.2.ii)
Statement on the involvement of consultants				See Part 3 D.2.ii)
Country/Company Grouping				See Part 3 D.2.i)
Contract Structure				See Part 3 D.2.i)
IMPLEMENTATION PROPOSAL DELIVERABLES				
Risk Assessment				See Part 3 E.1
Product Tree				See Part 3 E.2
Work Breakdown Structure				See Part 3 E.4
Deliverable Items List				See Part 3 E.4.iii)
Work Package Descriptions				See Part 3 E.4.i)
Cost Breakdown Structure				See Part 3 E.5
Model Matrix				See Part 3 E.3
Schedule Tree				See Part 3 E.6.a)
Scheduling Calendars				See Part 3 E.6.a)
Detailed Schedules				Delivery in hardcopy form requires DRD to be specified: Milestone Trend Report Barchart Logic B/C Networks
Schedule Control Level				
Master Schedule				See Part 3 E.6.c) See Part 3 E.6.d) See Part 3 E.6.e)
Schedule planning constraints and assumptions				See Part 3 E.6.f)
Critical Path Analysis				See Part 3 E.6.f)
Design & Development Plan				See Part 3 E.6.g)
Manufacturing Plan				See Part 3 E.6.g)
AIV Plan				See Part 3 E.6.g)
List of Configuration Baselines				See Part 3 E.7.a)
List of Configuration Items				See Part 3 E.7.b)
Document Delivery List				See Part 3 E.8
Transportation Plan				See Part 3 E.9.a)
Logistics Plan				See Part 3 E.9.b)
Review Programme				See Part 3 E.10

Name	Agency Approval Required	Means		Comments
		H/C Qty	Elec	
FINANCIAL PROPOSAL DELIVERABLES				
Tender Cost & Manpower Data				Hardcopy delivery requires the use of Agency Cost Forms. (See DRD's) See Part 3 F.2
PSS-A forms				
Description of methods of cost estimating used for different elements and the rationale for that choice				See Part 3 F.1.iii)
Parametric Data used in calculation of estimates				See Part 3 F.1.iii)
Price Variation Formulae				See Part 3 F.3.iii)
Profit/fee details				See Part 3 F.4
Cost Calendar				See Part 3 F.3.i)
Payment profiles				See Part 3 F.5
Geographical Distribution Forecast				See Part 3 F.6
MPP				See Part 3 F.5
DCP for price variation				See Part 3 F.3.iii)
Justification for payment of a licence fee or royalty				See Part 3 F.9

Descriptions of the required deliverables called up by these requirements, are given in the Project Management Requirements Document in the Draft Contract. In normal practice the ITT contains a specific DRL. Other items may be included by the Tenderer if deemed necessary.