Clarification no. 1 to

Invitation to Tender: ANNOUNCEMENT OF OPPORTUNITY - AO/1-8108/14/NL/NDe FIRST CALL FOR OUTLINE PROPOSALS UNDER THE PROGRAMME FOR EUROPEAN COOPERATING STATES (PECS) IN LITHUANIA.

27th October 2014

Potential bidders are invited to take note of the following presentation given at the briefing held in Vilnius on 14th October 2014 and some further frequently asked questions/clarifications.

Link to the presentation :
http://emits.sso.esa.int/emits-doc/ESTEC/PECS_NMS/clar8108_Briefing_pres..pdf

GENERAL QUESTIONS

Question 1
Can I receive the ITT package by email ?
Answer 1
NO, you can only download it on EMITS.

Question 2
Is it possible to submit the proposal for a pre-check before the final submission?
Answer 2
NO.

Question 3
In what electronic form should the Outline Proposal be submitted: Word format with attachments of PSS Forms (.xls format) or the whole Outline as one file in pdf format?
Answer 3
Please refer to Part 2 of the Special Conditions of Tender. Please note that we also expect the proposal to be contained in a single electronic file.
Submission of proposals by email is NOT allowed.

Question 4
In the Special Conditions of Tender the number of proposals per bidder is restricted to 2 (two) independent and unrelated proposals. If I am a Prime and I submit as a Prime 2 proposals, can I participate as subcontractor in a 3rd proposal?
Answer 4
YES. Only the prime contractor is considered as a bidder meaning that subcontractors do not count for the maximum number of proposals submitted by an entity.

Question 5
In what role can a Small Medium Enterprise (SME) participate in the AO?
Answer 5
An SME is an Industry and can participate as a Prime Contractor or Sub-contractor.

Question 6
Can the industrial Prime Contractor be a spin-off from a University or Research Institute?
Answer 6
In principle YES, however, the Prime Contractor must demonstrate sufficient background and experience (evaluation criterion 1) as well as the adequacy of key personnel (criterion 3). This means that the spin-off company must already have a sufficient track record of their performance (ghost spin-off companies will most likely be severely penalised in the evaluation of the proposal).

Question 7
How can we make sure that my project is in line with the scope of activities covered by the present Announcement of Opportunity?
Answer 7
Please check the work-plan lists and programs that can be found on ESA website and the Cover Letter.
a) If it is already in the work plan, your activity will be rejected.
b) If it is an optional program, that Lithuania does not subscribe to, it will be rejected.

Question 8
For preparatory activities what kind of products are expected?
Answer 8
In this context preparatory means something that is done in advance or before the actual target activity. For this reason a preparatory activity is naturally expected to have objectives and not products that have a very precise meaning in an operational context.

Question 9
Could you please tell me what Satellite data I will get for free for the Project.
Answer 9
Under this AO there is no implicit or explicit access to any satellite data. If satellite data is required for the project proposed, you will need to obtain the required permissions to access and use the data before you submit the proposal. There is no implicit or explicit undertaking from ESA to obtain/provide any data.

Question 10
Can a proposal that had a good evaluation in the Tender Evaluation Board not be recommended for implementation by the Lithuanian Delegation?
Answer 10
YES, although the proposal may be of good quality and recommended by the Tender Evaluation Board, the Lithuanian PECS committee may decide not to recommend the proposal for implementation due to programmatic priorities.

Question 11
How do we invoice ESA ?
Answer 11
The invoices are submitted to ESA through the ESA-P system. This is described in Article 3.2. of the draft contract. All payments are related to a milestone and upon acceptance of the requested deliverables by ESA.

Question 12
Is it acceptable to submit a proposal by subcontracting with a non-Lithuanian company? Is there a guideline on what percentage is accepted for international contribution?
Answer 12
Please refer to Point 1. of the cover letter to the present call for proposals. International contribution is only permitted if it is demonstrated in the proposal that the work cannot be achieved without such contribution. It must also be demonstrated in the proposal that the Prime (i.e. the bidder from the relevant PECS country) is responsible for the major part of the work. In any case, international contribution may not exceed 20%.

COVER LETTER/OUTLINE PROPOSALS

Question 13
Do all partners need to sign the Cover Letter or the Prime Contractor only?
Answer 13
Only the Prime needs to sign the cover letter. However the PSS forms relevant to the sub-contractors, must be signed by the sub-contractors.

Question 14
Is it essential to give the bidder codes of all sub-contractors ?
Answer 14
YES - see section 9 of the Cover letter.

Question 15
We should insert our ref. number in Part A: Cover Letter (Annex III, Proposal Template). Does our ref. number mean the tender ref. number?
Answer 15
No - it is your internal reference number that your company uses for its own correspondence.

Question 16
We should insert the total duration in months in Part A: Cover Letter (Annex III, Proposal Template). The contract duration shall not exceed 24 months, but the standard 6 months warranty period may lead to a total period exceeding 2 years. (Appendix 2, Part 2. B,15.). Should we include this 6 months in the total duration of our project if a part of our activity contains software development?
Answer 16
Please state that 'The proposed contract duration is: (..) months plus 6 months warranty'.

Question 17
It seems that the “outline proposal template” is not well adapted to our proposal: can we modify it in order to be clear in the presentation of the work which will be performed?
Answer 17
NO, the outline proposal template cannot be modified.

Question 18
a) Is it obligatory to specify the names of all employees benefiting from the Contract?
b) Or is there a possibility to specify these later, when the project gets evaluated positively?
Answer 18
a) Please refer to the Part C point 2 c) of the Annex III of the Special Tender Conditions.
b) Yes under the light of the previous point. Note, however, no contract will be placed until all personnel are in place.

Question 19
Is it advisable to provide the CV's of the key personnel participating in the project as an annex to the proposal?
Answer 19
The CV's of the team should not be an annex but be part of the 20 pages proposal. It is therefore important that the CV's are concise and pertinent to the activity. Full CVs of the team may be provided as Annexes.

Question 20
Should we indicate the Start and End of each WP with months-since-project-start or with calendar months?
Answer 20
You should indicate the Start and End dates with months-since-project-start (e.g. T0+3 months).

Question 21
My project will be related to ESA mission XXX and I will be able to obtain reference letters from the members of the XXX team to support my project. I wanted to ask you if I could attach these letters to my outline proposal? And if yes, should I just send them along with my proposal or should they be sent separately elsewhere?
Answer 21
If you intend to send these letters, they should be attached to your outline proposal as annexes. Please note that reference/support letters are in principle not necessary.

Question 22
Are there guidelines on travel/accommodation/allowance costs?
Answer 22
There are no specific guidelines on travel/accommodation/allowance cost. Travel costs must be reasonable, demonstrate a direct relationship and be aligned with the work to be done.

Question 23
In the proposal template Annex III, 11. Insurance Waiver has to be indicated.
May I write to this point that it is not applicable?
Answer 23
NO. Do not write 'not applicable'. Please, include a sentence confirming that your company/institute "accepts Clause 18.1.6 of the ESA GCCs."

DRAFT CONTRACT

Question 24
Do we need to do anything with the draft contract (fill in the company data, etc.) and submit together with the proposal or not?

Answer 24
This is not necessary. The draft contract is provided for your information.

Question 25
In the Draft Contract, in Article 4, it is stated that there will be some issues regarding the property of item purchased or produced with values above 5000 euro. So, if we buy some pieces of equipment:

a) Do they have to be transferred to ESA?
b) How all the costs implied will be covered?
c) For the items produced, how they will be evaluated, by the research cost or by the production cost?

Answer 25
a) As described in Article 4 the inventory list has to be submitted at the end of the Contract to ESA for decision.
b) The costs of the items procured or purchased under the contract are included in the price of the Contract.
c) Items shall be listed in the inventory on the basis of their full cost, including procurement of components and the labour used to integrate them.

SOFTWARE

Question 26
Our scope of activity in the project is software development. In this case, we include 6 months guarantee period in the project schedule after software release. Can we also predict some expenses for that period in the budget, e.g. if we need one employee to make necessary corrections in the software delivered?

Answer 26
As a guideline, please use for the warranty period of 6 months and a milestone payment of 5% of the total cost of the contract, to be invoiced at the end of the warranty period.

Question 27
a) In proposal templates there is "6 months warranty period" for software mentioned. Is the Agency expecting a special Work Package definition for this "guarantee period"?
b) Is it allowed to conduct parallel after-software-development activities during this "guarantee period"?

Answer 27
a) YES.
b) YES, if the software does not perform as specified.

VAT AND PSS FORMS

Please refer to the instructions provided with the PSS forms on EMITS -> Reference Documentation -> Administrative Documents: http://emits.sso.esa.int/ for help/guidelines on completing PSS forms

Question 28
Is ESA VAT exempt? Do I have to consider VAT in the price of the proposal?
Answer 28
ESA is VAT exempt. The prices quoted are exclusive of VAT and a VAT Exemption Form will be issued to the prime contractor.
ESA will not provide VAT exemption certificates to subcontractors.
The relation between a subcontractor and the prime contractor is like any other commercial relation and is not to be influenced by ESA's status, which means that the normal VAT rule apply. In cases where the prime contractor is a non-taxable person, the VAT invoiced by the sub-contractor becomes a cost to the prime as non-taxable persons cannot reclaim the VAT paid to their suppliers.

Question 29
Our company is preparing a project and one of our sub-contractors is an Institute. Who should sign the documents from their side - Head of the Department, Head of the Institute or the Vice-Chancellor of the whole University?
Answer 29
In this case, the PSS forms of the sub-contractor should be signed by whoever has the legal authority to sign Financial documents.

Question 30
Are the PSS forms included in the maximum number of pages (20) for a proposal?
Answer 30
The PSS forms can be attached to the proposal as an Annex and are an addition to the maximum limit of 20 pages.

Question 31
How are hourly labour rates calculated?
Answer 31
The hourly labour rates are calculated in such a way that they cover the costs of the company. The allowed and not allowed costs that can be used to compute the hourly labour rates are defined in ESA/REG/002,rev.1, Annex 1, Part II and III.
The overall cost of the proposal as well as the hourly labour rates will be evaluated by the Tender Evaluation Board. Please note that this aspect is evaluated under criterion 3.

Question 32
Could you please tell me if there are any ESA rules regarding labour or project overheads that we should take into account?
Answer 32
Please note :
1. The maximum profit for profit-based organisations (e.g. Companies, Industry) is 8%. No profit is allowed for non-profit organisations (e.g. Universities and Research Organisations).

2. In the frame of this call and with profit and non-profit organisation, an overhead up to a maximum of 20% is allowed.
3. In all cases, the costs of the proposal (and this includes the overheads) will be evaluated under criterion 3 (see Special Conditions of Tender – Chapter 9).

Question 33
What are "Economic conditions"?
Answer 33
All ESA Contracts under this call, are Firm Fixed Price. The Economic Conditions show the year on which the costs are estimated taking into account reasonable cost escalation of the coming year.
However, please note that if this leads to an unreasonable price, this will be assessed under criteria 3.

Question 34
Please let me know whether all calculations in PSS forms should be done only in Euro or in national currency recalculated into Euro.

Answer 34
The PSS forms must be filled in the national currency (NC in the PSS Forms) and then using an exchange rate (to be mentioned in the top left of the PSS forms, in the empty box below the box “economic condition”). The costs must be converted and filled in the corresponding Euro column in the PSS form. All ESA Contracts are Firm Fixed Price in Euro. No exchange rate variations are allowed.

Question 35
Also concerning the conversion rate - is there a specified rate we should use to convert to EUR? In the last year the rate has changed dramatically and of course it has a huge bearing on the budget.
Answer 35
There is no recommended conversion rate. The rate applied is at the risk of the consortium submitting the proposal.
However, note that if this leads to unreasonable price, this will be assessed under criteria 3.

Question 36
Can I propose as “external services” the support provided by an entity that should have been a subcontractor in the proposal but it is not registered in EMITS ?
Answer 36
NO.

Question 37
In the PSS A1 form for the field named “Sub-contracts” do we put the amount that will be paid to our subcontractor for his services and should the Sub-contractor fill in PSS forms for himself as well?
Answer 37
YES, in the field “Sub-contracts” the amount to be paid to your Sub-contractors is to be entered and Sub-contractor(s) shall complete and sign their own PSS forms.

Question 38
In PSS A1 : What should be entered as the: "period for which agreed rates and Overheads are valid?" Who (which Institution) signs the documents in the field "Agreed by", and what is their required status?

In PSS A2 : What is the meaning of the field: “Financial provision for escalation, if applicable” justification and details to be stated on Exhibit A?

Answer 38

There is no need to fill those fields as Lithuanian rates have not yet been established by ESA. This will be applicable when Lithuanian becomes a full ESA Member State.

Question 39

In PSS A2 : What is expected in the field "Supplies and/or services to be furnished" on the upper of the form ?

Answer 39

In here, please insert the title of your proposal.

Question 40

What can be proposed as “external services” in the PSS forms?

Answer 40

External Services are defined as services to be rendered by a third party, such as hire of facilities, computer services, manpower services including consultancies, semiconductor foundries, plating of parts, services for procurement of HIREL parts etc..

External services are allowed in a proposal provided they represent a small fraction of the total cost of the activity. In any case, for costing visibility it would be necessary to fill in the Exhibit A in addition to PSSA1, A2 and A8.

Question 41

Exhibit A to PSS A2 - I do not quite understand what costs should be included here.

Answer 41

It corresponds to the detail of all the purchased elements referenced under “OTHER COST ELEMENTS” in PSS A2.

Question 42

In PSS A8 form there is a "Total WBS-Level" area to fill out. I gather it is just a Total of all the WPs?

Answer 42

Yes.