European Environment Agency

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Tender specifications

Framework contract(s) for economic support (8 lots)

Open call for tender EEA/IEA/09/002

1. Title of contract

Framework contract(s) for economic support.

The call for tender contains eight lots:

Lot 1: General macro and financial economic support

Lot 2: Climate change adaptation: costs and benefits

Lot 3: Economic aspects of sustainable fresh water management

Lot 4: Valuation of biodiversity and ecosystems benefits

Lot 5: Public and private cost and investment assessments

Lot 6: Market-based instruments and environmental fiscal reform

Lot 7: Economic support marine/maritime issues

Lot 8: Agri-economic assessments

2. Purpose and context of the call

The framework contract(s) will be concluded in order to acquire support for economic issues in EEA's work.

The EEA's Strategy for 2009-2013 states that there is an increasing focus on economic damage and welfare loss in the case of inadequate action or inaction. At the same time policies and measures must induce effective and least-cost solutions. The economic component of environmental analysis and evaluations is getting stronger as reflected in the further development of methods such as ex-ante-type cost of policy inaction, impact assessments and integrated analysis, and *ex-post* evaluations. Market-based instruments are increasingly recognised as potentially cost-saving tools, and environmental tax reform aims to reconcile environmental, fiscal and social objectives.

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The EEA's objective is to support and deliver integrated economic analysis including modelling across themes (biodiversity, climate change, marine, spatial planning, environment and health) and driving forces (agriculture, transport, (bio) energy) with the focus on cost of policy inaction, cost of measures, benefits of improved environmental quality and ecosystems services, and the role and impact of market-based instruments and environmental tax reform.

3. Subject of the contract(s)

The call for tender contains eight lots. Tenderers are invited to bid for one or more lots based on their expertise and experience. Tenders will be separately evaluated as to their merits (see section 10.3 below) based on which the Agency will award one or more framework contracts (max. 1 per lot).

Lots

Lot 1: General macro and financial economic support

Context of this lot is the increasing relevance of integrating economic considerations into solutions of environmental problems and vice versa. This is reflected in the growing awareness that natural resources are the true basis for economic activities, and that solutions to environmental problems need to be cost-effective. A clear example is the demand for a Green New Deal as a crucial answer to the deep financial and economic crisis of 2008-2009. Moreover, sustainable solutions to environmental, energy and economic crises are not limited to the short term and require analyses for the long term. Analysis of potential future developments help shape such solutions in which economic aspects are an integral part, in particular when it makes use of methods that embrace uncertainty.

Playing a part in this debate requires general macro, financial economic and policy knowledge, and the ability to understand the links between environmental and economic mechanisms, developments and policies, in the short and longer term. This includes knowledge of quantitative, cost and impact analysing methods and models, both in retrospective and in prospective assessments (scenarios).

Lot 2: Climate change adaptation: costs and benefit

Climate change affects societal sectors and natural resources. Changes have already led to an increased risk of floods and droughts, losses of biodiversity, threats to human health, and damage to economic sectors such as energy, transport, forestry, agriculture, and tourism. Apart from global action on mitigation (reducing greenhouse gas emissions) also action to adapt to climate change is needed. Governments and the private sector will need to design and implement policies and activities to adapting to changing climatic

conditions. The White Paper on Adaptation (European Commission, due in April 2009) sets out a framework to reduce the EU's vulnerability to the impacts of climate change. It will complement actions by Member States some of which have already adopted a national climate change adaptation strategy. The White Paper highlights that adaptation should be mainstreamed in other (EU, national) policies. This can be done, e.g. by ensuring that the River Basin Management Plans (RBMP) due under the Water Framework Directive are climate-resilient, that climate change is taken into account in the implementation of the Floods Directive and the Marine Strategy Framework Directive, and that climate impacts are dealt with in the management of Natura 2000 sites. Costs of actions and the benefits of adapting to changing conditions are important considerations for designing and selecting proper actions and policies. However costs and benefits of concrete adaptation actions are still lacking and more information collection and analysis is required in this area.

This requires knowledge of climate change impacts (observed and projected), assessments of the vulnerability of societal sectors, ecosystems and human health to climate change and an understanding of current and possible future adaptation actions as well as of their costs and the use of methodologies for cost-benefit analysis in this area.

Lot 3: Economic aspects of sustainable fresh water management

Sustainable water management with respect to both quantity and quality requires an effective and fair economic structure to incentivise environmentally beneficial investments, foster water savings and water use efficiency, and the reduction of pollution at source.

First analyses of the implementation of the WFD implementation showed only few quantitative economic analyses and limited consideration of economic instruments (pricing, polluter pays principle, taxes/subsidies etc.). Furthermore the requirement to answer water scarcity risks with a more demand-led approach sets a priority on water pricing, which is far from being implemented in Member States yet.

EU wide recommendations for a better economic structure in the water sector requires insight and expertise into the optimal set up of the economic analysis and possible economic instruments in the River Basin management planning, taking into account requirements under the WFD and the Water Scarcity and Drought policy. Knowledge of current methods of economic analysis (considering also approaches like water accounts) and structure of pricing and investments in Member States is needed as well as of operational tools for environmental economic evaluations, e.g., for assessing cost-efficiency of measures related to WFD implementation. Such tools should enable the cost-efficiencies across the relevant sectors (water utilities, agriculture, industries) as well as within

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Lot 4: Valuation of biodiversity and ecosystems benefits

One of the major present policy questions is the magnitude of the continued loss of ecosystem benefits if economic behaviour and relevant policies do not adapt sufficiently, and what the value of these losses will be in economic terms. The Economics of Ecosystems and Biodiversity programme (TEEB) is attempting to assess these losses on a global scale. In parallel, the EEA started its EURECA project which aims at carrying out an eco-assessment for Europe, and which will also address the question of economic valuation.

Supporting work described in this lot requires ecological-economic expertise, understanding the methods of valuing changes in ecosystems goods and services, and assessing the economic implications of such changes for the economy, including methods for benefit transfer and scaling up information to larger geographical scales. Ongoing work at the EEA aims at measuring ecosystem trends in bio-physical terms in a spatially differentiated manner. Support provided within this contract needs to enable a linking of such activities to economic valuation and modelling approaches.

Lot 5: Public and private cost and investment assessments

Assessing the costs and economic feasibility of proposed environmental policy measures and facilities and of sustainability-improving investments in private economic sector activities is an important condition for acceptance and implementation. This covers a broad range of measures and investments, for example, not excluding other cases, future feasibility of larger shares of renewable energy sources and substantial shifts to more environment-friendly transport modes. It also includes assessing *in situ* capacities for GMES (Global Monitoring for Environment and Security)

This requires knowledge of cost-benefit analysis and similar techniques, as well as of micro-economic calculus, including assessing financing needs for and returns of public and private investments.

Lot 6: Market-based instruments and environmental fiscal reform

Market-based instruments are increasingly used for implementing environmental policy. Such instruments include taxes and charges, trading systems (such as the EU Emissions Trading System), subsidies and other instruments. Governments' general taxing policies reflect the need to generating an own income with the least distortion of private economic activities. Environmental fiscal reform regards options for expanding fiscal revenues from environmentally policy tools (taxes, auctioned emission allowances), offsetting revenues of taxes on labour, capital or consumption. Environmental fiscal reform also includes critically assessing the effects of potentially harmful government subsidies.

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EEA's traditional role of collecting data and assessing the use of market-based instruments as well as the feasibility of further environmental fiscal reform requires relevant support including knowledge of the economic aspects of policy instruments, and the ability to assessing ex ante and ex post the consequences of (new) strategies and instruments.

Lot 7: Economic support marine/maritime issues

Policies designed to protect the marine environment have socio-economic consequences. Policy measures and related adaptation of maritime and other human activities (as required to achieve 'good marine environmental status') should be technically and economically feasible. This includes assessing socio-economic effects, the costs and benefits of intended changes (including the environmental effects of market dynamics e.g. in the fishery sector) and the cost-effectiveness of policy measures. Therefore, EEA indicator-based and other assessments of the general effectiveness of laws and policies to protect the marine environment also need to consider these aspects.

Supporting the EEA under this lot requires knowledge of and experience in assessing socio-economic impacts of changes in maritime and other sectors as needed to meet marine environmental protection targets, including development and use of both marine and maritime socio-economic indicators. Furthermore, knowledge of and experience in project evaluation, including assessing costs and benefits, price and investment structures in several maritime pressure-related activities (e.g. fisheries, shipping, port development, tourism), and cost-effectiveness of policy measures is required.

Lot 8: Agri-economic assessments

A good status of ecosystems is essential for ensuring the production of food in the future, both at European and global scale. Depletion of natural resources used by the agricultural sector could result in economic losses. Threats include biodiversity and genetic erosion, degrading soil quality, water scarcity, etc. This is a global issue because of the significance of international agri-food markets in these developments. Essential measures to support environmentally friendly agriculture in the EU include agri-environmental measures, other rural development measures currently included in axis 2 of the Regulation, and -if possible- also some measures of the 1st pillar (cross-compliance mainly), as well as measures aimed at environmentally-friendly forestry, equally included in axis 2 of the Rural Development Regulation.

This requires knowledge of agricultural and forestry economics, including micro economic calculus at farm level, including assessing financing needs for and returns of public and private investments. It also requires knowledge of the EU financial instruments (in particular of EU Cohesion and Agriculture policies), and expertise in trade and agricultural markets.

4. Duration and volume of the contract

The framework contract(s) will be awarded for a period of **48 months** from its/their entry into force. The framework contract(s) will be implemented through specific contracts which alone shall bind the Agency. Annexes to such specific contracts will include detailed descriptions of the services and deliverables to be provided. For details reference is made to the terms and conditions of the draft framework contract and draft specific contract which form parts of the tender documents.

The maximum budget available for the framework contract is estimated at € 1,8 MEUR for the four-year period (450 000 per year), broken down into the eight lots:

Lot	**Estimated 4-year budget 1,000 €**
1	200
2	250
3	250
4	250
5	200
6	200
7	250
8	200

5. Geographical area to be covered

The geographical area encompasses the 32 member countries of the EEA. Assessments may extend to the pan-European or global scale where relevant.

6. Place of performance

Work will have to be executed at the consultants' own premises. Missions to the EEA premises in Copenhagen will occur regularly, and intra-muros work for specified periods cannot be ruled out.

For any work carried out elsewhere than the contractor's premises and EEA premises, travel and subsistence costs will be paid according to EEA standard rules and rates (Annex IV to the framework contract).

7. Working language

Working language will be English.

8. Documentation for tenderers

Relevant documents about the EEA include the new EEA Strategy 2009-2013, the Annual Management Plan for 2009, and Annual Reports, which can be found on the EEA's website:

http://www.eea.europa.eu/about-us/documents

The website also provides older management plans and other documents.

The potential tenderer may get an impression of the economics in EEA's work by having a look at EEA's products (reports, briefings, etc.), also available via EEA's website:

http://www.eea.europa.eu/products

Tenderer are reminded of the expanding role of economics in the EEA's work, implying that past products may not be representative for its future economic content.

9. Price

Prices must be quoted in EUR. The tenderer shall quote daily rates for project leader/senior consultant (PL/SC) and junior consultant (JC) the calculated average of which shall form the basis of the price evaluation (as indicated under 10.3). Prices shall be all-inclusive (*inter alia* of administrative and travel costs with the exception specified in Section 6 above).

The price quoted shall be fixed and not subject to revision for implementation during the first year of duration of the contract(s).

From the beginning of the second year of duration of the contract, 80% of each price may be revised upwards or downwards each year, where such revision(s) is requested by one of the contracting parties by registered letter no later than three months before the anniversary of the date on which it was/they were signed. The EEA shall purchase on the basis of the prices in force on the date on which specific contracts are signed. Such prices shall not be subject to revision.

This revision shall be determined by the trend in the harmonised consumer price index, MUICP, published for the first time by the Office for Official Publications of the European Communities in the Eurostat monthly bulletin at http://www.ec.europa.eu/eurostat/.

Revision shall be calculated in accordance with the following formula:

$$Pr = Po\ (0{,}2 + 0{,}8\ \frac{Ir}{Io})$$

where:

Pr = revised price;

Po = price in the original tender;
Io = index for the month corresponding to the final date for submission of tenders;
Ir = index for the month corresponding to the date of receipt of the letter requesting a revision of prices.

10. Criteria

10.1 Exclusion criteria

Tenderers must provide a declaration on their honour, duly signed and dated, stating that they comply with the exclusion criteria listed in Annex 1. Non-compliance with these criteria will lead to exclusion.

10.2 Selection criteria (as indicated in Section III.2. (Conditions for participation) of the Contract notice)

10.3 Award criteria

The framework contract(s) will be awarded (max. 1 per lot) to the tenderer with the best price-quality ratio per lot, taking into account the following criteria. Tenders will be separately evaluated, lot by lot.

A. Technical merit (TM) – 60 points maximum; 45 points minimum

1. **Understanding of the objectives of the relevant lot and the scientific complexities of the work to be carried out as documented in a short presentation (max. one A4 page per lot) of a representative reference project undertaken by the tenderer – 24 points maximum; 18 points minimum;**

2. **Composition of the team with regard to its levels of inter-disciplinarity as well as international exposure and geographical coverage as relevant to the lot – 36 points maximum; 24 points minimum;**

B. Price (P) – 40 points maximum

Tenderers must quote all-inclusive daily rates for each of the required profiles (as defined in III.2. (technical and professional capacity) of the Contract notice), the total average of which as indicated below will be taken into account for the price evaluation:

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Profile	Daily rate (EUR)
Senior consultant (SC)	
Junior consultant (JC)	
TOTAL (Average): (SC + JC) : 2	**(EUR)**

All fields are mandatory. Non-compliance leads to exclusion.

Tenders meeting all mandatory requirements including the minima for technical merit will score points in function of the following formula: (Pmin/P) x 40, in which Pmin being the lowest financial offer and P the financial offer being considered.

The contract will be awarded to the tenderer whose tender achieves the highest total score for technical merit and price.

11. Further information

Tenders should preferably be drafted in English. Supplementary material does not need to be translated.

Tenders from consortiums of firms or groups of service providers must specify the role, qualifications and experience of each of the members or of the group.

12. Environmental considerations

The EEA runs a certified environmental management system (EMAS) and aims to minimise the environmental impact of all its activities, including those carried out under contract. The future contractor will, therefore, be requested to consider the EEA environmental management guidelines in the implementation of the contract, in particular, those relating to business travel/electronic means of communication, paper and energy consumption. Further information on the EMAS system can be found on the EEA homepage: http://www.eea.europa.eu/documents/emas.

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Moreover, it is strongly recommended that tenders are submitted in an environmentally friendly way, e.g. by choosing a simple and clear structure (list of contents and consecutive page numbering), double-sided printing, limiting attachments to what is required in the technical specifications (no additional material) and avoiding plastic folders or binders.

Annexes:

1 Declaration on exclusion criteria
2 Identification sheet