

SPECIAL TENDER CONDITIONS FOR THE
Integrated Applications Promotion (IAP) Programme
(CALL FOR PROPOSALS)
DEMONSTRATION PROJECTS

INTRODUCTION

The Agency's "General Conditions of Tender for ESA Contracts", available on EMITS (<http://emits.esa.int/>) under "Reference Documentation" → "Administrative Documents", referred to as the General Conditions of Tender, shall apply as specified, amended or supplemented by these Special Tender Conditions. In the event of conflict between the General and the Special Tender Conditions, the Special Tender Conditions shall prevail.

I. CONTENT OF THE OUTLINE PROPOSAL

The Outline Proposal shall be submitted to the following e-mail address: **iap@esa.int** and shall comprise, if applicable, of:

- a) a description of the proposed partnership model describing the role that each partner will play during the proposed activity,
- b) a description of the end users, their operational scenarios and the associated problems statement with relevance for the proposed activity,
- c) identification and description of user needs,
- d) the identification of the different existing solutions (both space and non space) best able to respond to the user needs and to meet their requirements,
- e) a high level presentation of the proposed integrated system composed of multiple space assets (two or more), including the added value of space,
- f) description of the intended services in relation to user needs, including the service model,
- g) for non commercial oriented services, a presentation of the foreseen sustainability model, including the intended partnerships with end users / key stakeholders,
- h) for commercial oriented services, a presentation of the market size (incl. quantitative figures), the competitive environment, the name of the main competitors (if any), a description of their relevant products and/or services (if any), the Bidder's intended service offering, the price target, the main selling factors, the number of expected potential sales within 3 years (incl. the market and sales strategy),
- i) a description of the activity content and of the approach taken to elaborate and develop the opportunity within the proposed ARTES 20 project, including the definition of main requirements, a description of starting point, the identification of elements to be developed and integrated, the validation activities and the expected maturity of the service offer at the end of the activity,
- j) the identification of expected risks related to technical and non-technical matters,
- k) background and experience related to the proposed activity of the complete team, including the user partners participating into the project,

- l) a preliminary indication of the arrangement concerning Intellectual Property Rights of the possible outputs resulting from the proposed project,
- m) a statement of the overall cost and price (the part to be funded by ESA) of the activity broken down per Bidder (Prime and subcontractors, if any), the amount of internal funding per Bidder, and any additional contribution (financial or in kind) made available by end users and/or sponsoring partners
- n) information on planning and schedule of the proposed activity
- o) administrative information (contact details of the Bidder and his subcontractors and their ESA Bidder Codes).

To facilitate the preparation of the Outline Proposal, the Bidder is invited to take note of sections 2 (Scope of Work) and 3 (Project Main Documents) of the “Management Requirements” (Appendix 2 to this Invitation to Tender). The Bidder is also requested to present and explain as part of the Outline Proposal the specific and original ideas he intends to pursue through the proposed project.

II. CONTENT OF THE **FULL PROPOSAL**

The Full Proposal shall describe in sufficient detail the scope of work of the activity that will be carried out. The proposal will become a contractual document and will be the baseline for the Contractor concerning the work and the achievements he has to fulfil. It will be also the baseline for the Agency to assess and accept the achieved outcome.

The Full Proposal shall be in line with the content of the Outline Proposal (content, costing/pricing, schedule, etc.) and shall reflect the possible recommendations made by ESA (e.g. pre-selection information, clarification meeting). Furthermore, it shall comply with the requirements detailed below.

1. COVER LETTER

The cover letter shall contain the following:

- the full address (registered office and mailing address) and the ESA Bidder Code of the Prime and each proposed subcontractor
- a statement that the proposal will be valid for 4 months from the date of submission
- a statement of compliance with the Management Requirements for Demonstration Projects (Appendix 2 to the Call for Proposals) and if applicable any reservations shall be clearly stated
- a statement that the conditions of the Draft Contract (Appendix 2 to the Call for Proposals) are read, understood and accepted and that any sales conditions of the Bidder do not apply,
- a general paragraph introducing the proposed project and its objective

- a statement of total cost and price (funding requested by ESA up to 50% of the project cost) for the proposed activity, as well as a breakdown of cost and price for the prime and subcontractor(s)
- the name(s) and contact details (address, telephone, fax and e-mail numbers) of the person(s) to whom all communications relating to the proposal shall be addressed
- the names of the persons who will be responsible for the technical and contractual management of any resulting contract
- the signature of the cover letter by an authorised representative

Attached to the Cover Letter, the Bidder shall submit:

- a letter(s) of support signed by the National Delegation(s) (of the prime and each proposed subcontractor),
- a letter(s) of commitment from all participants not appearing explicitly as subcontractor(s),

2.1 EXECUTIVE SUMMARY

The Bidder shall present an Executive Summary containing in a concise and self-contained manner the major elements of the proposed project:

- context and background information
- overview of the end users, their perspective, associated needs and operational scenarios that will be addressed by the proposed project
- partnership model (if applicable)
- objective(s) of the activity
- presentation of the intended solution in terms of proposed system and services, based on the integrated use of two or more space assets, complemented by non space means whenever relevant
- description of the proposed implementation activities, including utilisation and validation of the services by the end users community
- intended approach for the organisation and execution of the activity
- for non commercial oriented services: sustainability model
- for commercial oriented services: market opportunity and competitive landscape
- description of how the pre-operational services are intended to be migrated into an operational phase at the end of the activity , including the identification of the potential operational models to be put in place

2.2 LIST OF ABBREVIATIONS/ACRONYMS AND LIST OF APPLICABLE DOCUMENTS

To allow for a proper understanding of the content of the technical proposal, a list of the abbreviations and acronyms used shall be provided. Also a list of the documents applicable for the activity (e.g. background information, standards) shall be presented.

2.3 TECHNICAL PROPOSAL

The Technical Proposal shall provide a first iteration of the documents referred to in Section 4.2 to 4.4 of the “Management Requirements” (MR) (Appendix 2 to Draft Contract), with the purpose to form a sufficiently clear and self-contained baseline description of the scope of the work, including qualitative and quantitative information on the proposed system and services, the associated validation activities and utilisation campaign, as applicable.

The Bidder shall commit to update the relevant parts of these documents to reflect the evolution in the course of the activity. The updated documents will be reviewed by the Agency at the major milestones.

2.4 SUSTAINABILITY MODEL OR BUSINESS PLAN (see section 4.1 of MR)

For non commercial oriented services the Bidder shall provide a first iteration of the sustainability model including main sustainability elements that can lead to a service model acceptable and affordable to the end users.

For commercial oriented services the Bidder shall provide a first iteration of the commercial rationale for the proposed activities, identifying the conditions that will lead to the launch of sustainable services in the post project phase. The following elements shall be described and discussed: target end users, potential market size, competition and positioning of the proposed solution(s), pricing policy, preliminary financial statement affecting the provision of the target integrated services, migration plan, partnerships, market strategy. It shall also provide evidence on the assumptions taken.

The Sustainability Model or the Business Plan shall also address, whenever relevant, any risk or elements for which specific support of the Agency may be required.

2.5 RISK ASSESSMENT

The Bidder shall identify potential risks related to technical and non-technical matters, assess the potential impacts on the project in terms of time, objectives and scope and formulate mitigation strategies.

3. CONTENTS OF THE FINANCIAL, MANAGEMENT AND ADMINISTRATIVE PROPOSAL

3.1 BACKGROUND EXPERIENCE OF THE COMPANY(IES) AND USER/PARTNER(S)

This part of the full proposal shall describe the relevant experience that Bidder, the subcontractors, if any, and the User/Partners (if applicable) have for the performance of the work which is subject of the present Call for Proposals.

3.2 ORGANISATION AND MANAGEMENT

3.2.1 The Bidder shall present the project team and the structure of the project organisation, and where it is proposed to subcontract part of the work, the structure of the industrial group (organigramme). Lines of communication and reporting, and means for settling disagreements shall be described.

3.2.2 The Bidder shall present his management plans, policies and procedures for this activity including a discussion of the management control organisation, the procedures that will be used to exercise control over the project and the proposed subcontracting control (if any) and coordination with the end user community.

3.3 FACILITIES

The Bidder shall submit a brief description of all facilities which are proposed to be used for the work offered, including those facilities which are still to be developed/ built and/or purchased, (with a statement whether the costs of developing/building/ purchasing the facility are to be directly or indirectly charged to the Contract). Modifications to existing facilities are also to be described. For the purposes of this provision, facilities include hardware/computer software/manufacturing and test equipment, etc.

The Bidder shall also describe what means of access to space assets (e.g. EO products, Satnav, Satcom services), information resources, such as libraries, databases etc. he has, if these are required for the work proposed.

3.4 KEY PERSONNEL

Key personnel are defined as persons who, because of their individual qualifications and positions are proposed for the work, and indicated as such in the Bidder's organigramme. Key personnel should be proposed to one level below the study/project manager, for the Prime, any sub-contractors. The provisions of Article 5 of the Contract shall apply to all key personnel.

For each key person identified, the Bidder shall:

- provide a curriculum vitae, giving in particular the work experience of the person concerned, and a brief description of the person's present job and responsibilities;
- indicate his position in the Bidder's organisation and in the project team;

- define the proportion of the person's working time in [%] that is devoted to the work offered.

Key representative of the end users shall also be presented.

3.5 LIST OF ITEMS TO BE PRODUCED, TO BE DELIVERED

3.5.1 HARDWARE

The proposal shall contain a complete list of all items that are to be produced under a resulting contract. Also to be shown in this list is each item to be procured under the contract if its cost exceeds 10 kEuro.

The contract (Article 3) will define the terms of ownership in respect of any assets (i.e. hardware) other than Intellectual Property Rights: ownership will be left to the Contractor whenever the parties agree, when completing the contract, that there is a further useful utilisation of such assets by the Contractor for purposes connected with the objectives of the contract.

3.5.2 SOFTWARE

With respect to software the clauses of the draft Contract shall apply.

3.5.3 DOCUMENTATION

With respect to the deliverable documents, Section 4 of the “Management Requirements” (MR) (Appendix 2 to Draft Contract) shall apply.

3.6 WORK BREAKDOWN STRUCTURE (WBS)

The Bidder shall submit a Work Breakdown Structure (WBS). The purpose is to obtain a systematic description of the tasks to be performed to meet the requirements of the contract which enables a proper evaluation of the work content and its costing as well as of the proposed planning. The WBS will also constitute a framework for the management of the subsequent contract. It is therefore important that the descriptive terminology for tasks and products be consistent with that used in the Call for Proposals and in the other parts of the tender.

With his offer, the Bidder shall submit:

- A WBS properly drawn, and coherent in organisation and contents with the rest of his proposal (e.g. for small developments breakdown to level 2 with up to 10 Work Packages);
- A narrative explanation of his WBS if this is useful to its understanding;
- As many Work Package Descriptions (PSS-A20) as there are Work Packages at the level required, in accordance with the instructions given in Annex 2.

The Agency reserves the right to have the work broken down into phases subsequent to tender submission. The Bidder may propose a phased approach in case high risks are evident in the proposed activity.

3.7 PLANNING

The Bidder shall submit this planning in form of a bar chart. The planning shall be coherent with all other aspects of the proposal.

Major interdependencies between bars shall be shown with a connecting line and should include a suitable description of the interface. The following requirements shall be observed:

- the activities presented by the bars shall be presented on a linear timescale shown either in weeks or months;
- the estimated durations shall be based upon normal working conditions;
- the proper sequence of tasks, together with the appropriate interfaces with other project participants and outside restraints (including inputs and outputs of the Agency) shall be given.

The Bidder shall identify in the planning all the milestones to which he proposes to link payments (see also paragraph 3.12).

In establishing his planning, the Bidder shall take account of the need of the Agency to review and/or approve intermediate deliverables and shall include sufficient time for the Agency to do this.

3.8 COST PRICE DATA

3.8.1 PSS FORMS

The following PSS-A documents [latest version available on EMITS under “Reference Documents”] included in the General Conditions of Tender as Annex 5(3) shall be completed for the Bidder and for each sub-contractor proposed, showing per company the total cost of the proposed work, including the Bidder’s share:

PSS-A1, issue no. 2

Company Cost Element Data Sheet (unless already supplied - see Annex 5/3 of General Conditions)

PSS-A2, issue no. 4

Company Price Breakdown Form (including reduction for company contribution) and Exhibit A to PSS-A2 (breakdown of external cost elements), which is mandatory in all cases involving other costs elements. .

PSS-A8, issue no. 4

Manpower and Price Summary at Work Package Level

NOTES:

- (a) The Agency will contribute up to 50% of the projected cost.
- (b) Above forms shall be submitted for the total development programme, i.e. including the share to be paid for by the Bidder. The Bidder shall submit a

summary table showing the cost in National Currencies and the prices in EURO, per company and for the total.

- (c) Costs related to marketing activities (PR material, participation in conferences, exhibitions, etc.) are not allowable.
- (d) The procurement of hardware or software as such is not per se an objective of this programme. It may form an integral part of an activity to the extent required for its execution, provided the procurement costs are not disproportionate in size.

3.8.2 SOURCE OF COMPANY CONTRIBUTION

The source of the company contribution shall be explicitly stated in the Bidder's proposal. In this context, the "company contribution" shall be deemed to include Third Party sources, if any.

The company contribution can be treated as a loss against the contract or may be contributed by a Third Party. The Bidder is not allowed to include his contribution in overheads included in rates charged to the Agency for the contract or any other contract with the Agency, or sub-contract award under an Agency contract.

3.9 PROFIT

The offer must be exclusive of profit.

3.10 CONVERSION RATES

For the purpose of currency conversions involving national currencies NOT belonging to the EURO-area, Bidders are required to clearly indicate the exchange rate and other factors (e.g. hedging costs, forwarding buying rates, etc.) on which their calculations are based.

Paragraphs C.4 and C.5 of the General Conditions of Tender are replaced by the following:

Paragraph C.4 - Quotation in National Currency

Prices shall be expressed in EURO, including those of any sub-contractor. The geographical distribution shall only be expressed in the total EURO per country.

Paragraph C.5 - Conversion Rates is deleted.

3.11 TYPE OF PRICE

The type of price is defined in Article 2 of the Draft Contract (Appendix 2 to this Call for Proposals).

3.12 MILESTONE PAYMENTS PLAN

The payments plan shall be proposed in accordance with the table provided in the Draft Contract, Article 4, Clauses 20 and 21, point 3 (Appendix 2 to this Call for Proposals).

All claims for payment (with the exception of the Advance payment) shall be linked to the achievement of milestones (e.g. completion of Work Packages, completion of Review Milestones).

3.13 TRAVEL AND SUBSISTENCE PLAN

The Bidder shall submit a brief description of the travels he envisages for the execution of the Contract together with the related cost details. This shall preferably be given in the form of the following matrix:

Time (To + ...)	Meeting / Purpose	Destination	Travel duration	Participants per company	Travel Cost (A)	Subsistence Cost (B)	Total Cost (A+B)

The negotiation/Kick-Off Meeting and the Final Review will normally be held at ESTEC.

3.14 CONTRACT CONDITIONS

The Bidder shall confirm that the conditions of the draft contract (see 'Draft Contract' attached as Appendix 2 to this Call for Proposals) are read, understood and accepted and the any sales conditions of the Bidder do not apply. Any reservations to the Draft Contract shall be clearly stated.

3.15 ACCEPTANCE OF MANAGEMENT REQUIREMENTS

The Bidder shall confirm his acceptance of the Management Requirements for Demonstration Projects as laid down in Appendix 2 to the Draft Contract (Appendix 2 to this Call for Proposals).

**ANNEX 1 - EVALUATION CRITERIA FOR THE
FULL PROPOSAL (SECOND STEP)**

In evaluating the Complete Proposal(s) ESA will use the following criteria:

1. COMPLIANCE WITH THE ARTES 20 PROGRAMME OBJECTIVES: USER DRIVEN INITIATIVE, PREPARING FOR SUSTAINABLE PRE-OPERATIONAL SERVICES, ADDED VALUE OF USING MULTIPLE SPACE ASSETS
2. QUALITY AND COMPLETENESS OF TECHNICAL PROPOSAL, SUITABILITY OF THE PROPOSED TECHNICAL SOLUTION VS. PROJECT OBJECTIVES, EVALUATION OF THE TECHNICAL RISKS AND CREDIBILITY OF THE RISK MITIGATION ACTIONS
3. COMPANY EXPERIENCE AND COMPETENCE, COMPLETENESS OF THE TEAM IN ALL AREAS REQUIRED FOR THE PROPOSED PROGRAMME OF WORK, CALIBRE OF KEY PERSONNEL, ADEQUACY OF FACILITIES
4. ADEQUACY OF MANAGEMENT (INCL. COMPLETENESS OF WORK PACKAGE DESCRIPTIONS), PLANNING AND COSTING (INCL. COMPLETENESS OF COST DATA, ASSESSMENT OF FINANCIAL RISK VERSUS COMPANY RESOURCES
5. COMPLIANCE WITH CONTRACT CONDITIONS AND OTHER TENDER CONDITIONS

ANNEX 2: INSTRUCTIONS FOR COMPLETING FORM PSS-A20

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 for execution of the Work Package (contractor)
- 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
- 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
- The name of the contractor's employee responsible for the work package (WP manager)
- Number of the sheet and total number of sheets pertaining to a given Work Package Description (use continuation sheets as appropriate)
- Issue number of the Work Package Description
- Date of latest issue of the Work Package Description
- Objective of the work performed within this work package (objective)
- List of items (documentation and/or hardware) which must be completed, or be available to start the work package (inputs)
- Description of the tasks that shall be executed within this work package (tasks)
- List of tasks specifically excluded, if appropriate, in order to increase clarity of the scope of the work package (tasks excluded)
- List of items (documentation and/or hardware) which must be completed, or be available to end the work package (outputs/deliverables).

