

# Call for tenders for subcontracting expertise – ETUC project on Letterbox companies

This is a call for a subcontractor to provide expertise as part of the implementation of the ETUC project “on Letterbox companies”.

In order to ensure a large visibility of this call for tenders, the ETUC will publish the tender specifications on its website, on Monday 16 February 2015, and keep it online for 25 calendar days (deadline for submission of bids: Friday 13 March 2015).

## 1. Summary of the project and description of the objective

A letter box company can be defined as a business that establishes its domicile in a given Member State with just a mailing address while conducting its activities in other Member States for purposes of evading applicable legal obligations. Rules targeted by letterbox companies include labour law, including collective agreements, social security, and taxation. In practice, a proliferation of letterbox companies undermines national law, thereby leading to a race to the bottom with Member States competing with each other to be the most attractive. The respect of EU obligations is also at stake as in the absence of proper enforcement mechanisms, companies are able to violate instruments such as the Posted Workers Directive or the Road Transport Regulation, with a view to minimise their labour law responsibilities.

It is long standing ETUC policy that free movement in the internal market is not an end in itself, but should serve social progress in Europe. This means in particular that an appropriate response must be found to prevent businesses from picking & choosing their place of establishment solely with a view to evade applicable obligations.

However, the phenomenon of letterbox companies is difficult to apprehend. There is no systematic research at EU level on letterbox companies. The methods used by businesses to set up an artificial structure are very complex: they can rely upon a multitude of legal provisions in 28 Member States + EU law.

Laying down general principles does not address the complexity of the problem. Fully fledged and dissuasive mechanisms are needed. Also, a consistent approach throughout the Community acquis (EU rules on labour law, taxation, social security etc.) is indispensable.

The objective of the ETUC project on letterbox companies is to gather sufficient data and on this basis to elaborate policy recommendations for an ETUC position.

## 2. Methodology

With the help of the ETUC and its partners' affiliates, a number of letterbox companies will be identified. A subcontractor will be asked to gather concrete material on practical consequences of such businesses upon workers. Particular attention should be paid to working conditions, employment contracts, taxation and social security contributions.

Interlocutors during these investigations will include trade union representatives at local level, labour inspectors, and where possible human resources management. The ETUC and its partners' affiliates will help identifying key contacts.

Working methods will consist of an estimated 7 fact-finding missions in various Member States. The actual number of these missions will vary depending on our capacity to identify letterbox companies and local willingness to investigate what may constitute fraudulent behaviours. Cost and time effective methods will be explored. In particular, interview templates will be developed, so that fact finding missions can as far as practicable be conducted by local contacts. Where necessary, interpretation will be available for local interviews.

A steering group composed of ETUC and its partners' affiliates will be held in Brussels every three months to monitor and contribute to the progress of the fact-finding missions. ETUC's partners' affiliates are: EFFAT (the European Federation of Food, Agriculture and Tourism Trade Unions), EFBWW (European Federation of Building and Woodworkers, ETF (European Transport Federation) and Industriall (European Industry Workers' Federation).

The information gathered during the fact-finding missions will be processed into a comprehensive report. A conference will be organised in the course of 2015 to present the main findings of this report. This report will also serve as a basis for the following stages of the project, which consist in expert discussions with a view to produce concrete policy recommendations.

## 3. Tasks to be performed by the subcontractor

The subcontractor should provide the following services for the ETUC:

- Conduct qualitative research on the letterbox phenomenon in an estimated 7 pre-identified companies across the European Union
- Identify how letterbox companies affect employment relationships, contributions to social security and fiscal arrangements
- Conduct interviews with key stakeholders, including local trade union representatives, human resources and labour inspectors
- Synthesize and process the collected data into a comprehensive report
- Liaise closely with the ETUC Steering group
- Present the report and its intermediate results at a synthesis conference

## 4. Expertise, experience and skills required

Expertise required:

- Expert knowledge of company law and corporate strategies in a European context
- Good understanding of industrial relations (both in national and European contexts)
- Good understanding of EU internal market policies
- Sound experience in formulating and carrying out a tailored methodology in order to realise comparative EU research

Skills required:

- Proven ability to carry-out comparative EU research on the basis of case studies
- Proven research skills, including conducting interviews and processing data into a synthesis report
- Ability to draft documents and make presentations in English
- Ability to work within specified deadlines and to respect budgetary limits
- Ability to travel for an estimated 7 fact-finding missions in Europe

## 5. Time schedule and reporting

The subcontractor will be asked to finalise its report by **October 2015**. The subcontractor will liaise closely and report to the ETUC steering group. The subcontractor will attend two meetings of this steering group, which will be held **between April 2015 and October 2015**.

## 6. Payment

The total maximum budget available for the fees of the subcontractor is as follows:

Contract with ETUC	
Main activities and Meetings	
<ul style="list-style-type: none"> <li>➤ Desk research and fact-finding missions</li> <li>➤ Drafting a synthesis report</li> <li>➤ Participating in the steering group meetings and in the dissemination conference</li> </ul>	
<b>Total budget for the Expertise</b>	<b>€</b>
	<b>18.000 € (all taxes included)</b>

The subcontractor will be remunerated in various instalments (advance and final payment). This amount does not include the travel and subsistence costs incurred for attending project meetings and conducting the fact-finding missions. These will be covered by ETUC on the basis of EU rules & thresholds.

## 7. Selection criteria

The selection criteria are:

- Verifiable expertise, experience and skills, as required and described in part 4 of this call;
- Proven track record of ensuring the quality of written materials produced, both in terms of content and format (i.e. previous publications), in the relevant subjects specified in this call for tenders;
- Price not exceeding the amount stated above;
- Previous research/work undertaken in the field of letterbox companies will be considered a plus.

## 8. Form, structure and content of the tender

Tenders must be written in either English or French. They must be signed by the tenderer or his duly authorised representative and perfectly legible so that there can be no doubt as to words and figures. Tenders must be clear and concise and assembled in a coherent fashion.

Since tenderers will be judged on the content of their written bids, they must make it clear that they are able to meet the requirements of the specifications.

All tenders must include at least two sections:

- i) Technical proposal

The technical proposal must provide all the information needed for the purpose of awarding the contract, including:

- Specific information covering the technical and professional capacity, as required, in particular:
  - Description of relevant professional experience with emphasis on the specific fields covered by the invitation to tender;
  - Detailed curriculum vitae of key coordinator and/or possible other team members;
  - A selection of the main works and/or articles published by all the experts involved, in relation to the relevant subjects specified in this tender.
- Specific information concerning the proposed methodology for delivering the tasks listed in part 3.

- ii) Financial proposal

Prices of the financial proposal must be quoted in euros, including if the sub-contractor is based in a country which is not in the euro-area. As far as the tenderers of those countries are concerned, they cannot change the amount of the bid because of the evolution of the exchange rate. The tenderers choose the exchange rate and assume all risks or opportunities relating to the rate fluctuation.

Prices must be fixed amounts and shall not include travel expenses and daily allowances for the fact-finding missions and meeting attendance (which will be covered by ETUC on the basis of EU rules & thresholds).

The maximum amount available for this contract is EUR 18,000 (all taxes included).

Prices shall be fixed and not subject to revision during the performance of the contract.

## 9. Award Criteria

The contract will be awarded to the tender offering the best value for money, taking into account the specific objectives, requirements and selection criteria of the tender. The principles of transparency and equal treatment will be respected with a view to avoiding any conflicts of interest.

## 10. Content and selection of the bids

**This call for tenders will be published on the ETUC website on Monday 16 February 2014. Offers must be sent within 21 days of the date of publication, by 9 March 2015.** Offers must be sent to ETUC, in both formats: electronic (by e-mail to [amartin@etuc.org](mailto:amartin@etuc.org)) and as a paper copy (see contact details below).

Concerning the paper copy, to ensure confidentiality, bidders must submit their offer in a double envelope. Both envelopes must be sealed and the inside envelope shall not only bear the name of the department for which it is intended (see below), but also the words "Tender ETUC Letterbox project – not to be opened by the Mail Department" (Appel d'offres – à ne pas ouvrir par le service du courrier). If self-adhesive envelopes are used, they must be sealed with adhesive tape crossed by the signature of the sender.

A committee will be formed comprising three representatives of the ETUC Secretariat. One or more members of this committee will initial the documents, confirming the date and time of each bid. The committee members will sign the report on the bids received, which will list the admissible bids and provide reasons for rejecting bids owing to their failure to comply with the stipulations of the tendering process.

This committee will also evaluate the tenders that have been deemed admissible. An evaluation report and classification of participation requests will be drawn up, dated and signed by all the members of the evaluation committee and kept for future reference.

This report will include:

1. The name and address of the contracting authority, the purpose and value of the contract or framework contract;

2. The names of any excluded candidates and the reasons for their rejection;
3. The names of candidates selected for consideration and the justification for their selection;
4. The names of candidates put forward and justification of their choice in terms of the selection or award criteria.

The contracting authorities will then make their decision.

Candidates must send their bid electronically – to the following e-mail address: [amartin@etuc.org](mailto:amartin@etuc.org) – as well as submitting a paper copy of their bid, either delivered by hand or by registered mail or special courier service to:

**ETUC**

Veronica NILSSON

Confederal Secretary

International Trade Union House

Boulevard du Roi Albert II, 5

B – 1210 Brussels

BELGIUM

For bids sent by registered mail, the postmark will serve as proof of the date of dispatch.