



Pre-Qualification Document

PQ Ref. No.: FC/04/TMS/MC/22

Provision of Travel Management Services

01/08/2022

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Introduction

The European Stability Mechanism (the “ESM”) is a permanent crisis resolution mechanism established by the euro area Member States as an intergovernmental organisation under public international law. Its purpose is to ensure the financial stability of the euro area as a whole, and of its Member States experiencing severe financing problems, by providing financial assistance through a number of instruments.

More background information about the ESM may be found on the website: <https://www.esm.europa.eu/>

Neither Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 nor Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 (as amended) apply to the ESM. The ESM procures supplies, services and works on its own behalf and for its own account pursuant to the ESM Procurement Policy as published on the ESM website. Please refer to the ESM website for more information.

This Pre-Qualification Document (the “PQD”) sets out the eligibility, exclusion and selection criteria, as part of a pre-qualification stage (“Stage 1”) of the two-stage procurement procedures of the ESM (i.e. Restricted Procedures and Negotiated Procedures), in order to assess the suitability of a Candidate to participate further in this procurement procedure. Candidates, which are successful at Stage 1 (pre-qualified Candidates) and, if applicable, chosen by the ESM among the eligible and suitable Candidates, will be invited to participate in the subsequent Request for Proposal stage of the procurement procedure (“Stage 2”).

For the purposes of this PQD, economic operators who wish to apply to this procurement procedure are referred to as “Candidate” or “Candidates” and their response is referred to as an “Application” or “Applications”.

Unless otherwise defined in this PQD, all capitalised terms used in this PQD have the meanings ascribed to them in the ESM Procurement Policy.

1. Content of this PQD

The PQD consists of the following documents:

No.	Document Title	Comment
1.	Prequalification Document – Core Document	This document
2.	Annex 1 – Terms of Reference	Included as Annex 1 to this PQD
3.	Annex 2 – Eligibility, Exclusion & Selection Criteria including declarations, forms, questions and other response elements to be addressed	Included as Annex 2 to this PQD

2. Overview of the Procurement Requirement

The ESM intends to establish a framework agreement (the “**Framework Agreement**” or “**Contract**”) for the provision of Travel Management Services. The ESM intends to establish a Contract for the provision of travel management services with a single Travel Service Provider (“Travel Service Provider”) to support the travel service needs of the ESM.

The ESM is seeking the Travel Service Provider to provide high quality travel services at the competitive rates which will depend on the travel demand and will be based on the transaction-fee model or management fee commercial model. The Service Provider is also expected to supply the Online Booking Tool option which can be implemented according to the ESM’s needs.

The Framework Agreement to be awarded as a result of this RfP will have a four (4) year term.

Further information can be found in Annex 1 to this PQD.

2.1. *Type of Procurement Procedure*

This procurement procedure is carried out by the ESM under a Negotiated Procedure in accordance with Article 9.1 (1) and (2) of the ESM Procurement Policy and is referred to in this PQD as a procurement procedure or a procurement process.

2.2. *Procurement Process Steps and Timelines*

The ESM plans to carry out the procurement process in accordance with the steps defined in the table below. The ESM reserves, at its sole discretion, the right to vary the steps and timelines.

No.	Procurement Process Steps	Timeline
1.	Contract notice and PQD publication date	01/08/2022
2.	Deadline for submission of clarification questions on the contract notice and the PQD	22/08/2022 11:00 hrs (local Luxembourg time)
3.	Response to the clarification questions on the contract notice and the PQD	Regularly
4.	Deadline for submission of Applications (the “Applications Deadline”)	01/09/2022 11:00 hrs (local Luxembourg time)
5.	Target date of notification of the ESM’s decision on pre-qualification to unsuccessful Candidates and dispatch of the RFP to the pre-qualified Candidates	07/09/2022

2.3. *The ESM “Sole Contact” Details*

Commercial Legal and Procurement
European Stability Mechanism
6a, Circuit de la Foire Internationale
L-1347 Luxembourg
Email: procurement@esm.europa.eu
Attention: Marion Courbis

Unless notified otherwise, the person indicated above shall be the Candidates’ single point of communication with the ESM for the duration of this procurement process.

The ESM shall not be bound by and the Candidates agree not to rely upon any written or verbal statements or representations of any other persons, whether employed by the ESM or not.

2.4. *Clarification Matters*

During the procurement procedure, Candidates are entitled to submit in writing questions to the ESM within the deadline above indicated. The ESM may provide additional information solely for the purpose of clarifying the procurement documents and taking into account the following aspects:

- a) Queries must be raised to the Sole Contact as identified in this PQD.
- b) Queries can be raised on any matter in the contract notice or this PQD, including the Annexes. However, the ESM reserves the right not to answer any particular query.
- c) The ESM will endeavour to respond to all queries and issue responses in a timely and professional manner. The ESM reserves the right not to answer any queries received after the deadline for submission of clarification questions stated above.
- d) Subject to point e) below, responses to the queries will be uploaded on the ESM website if they are of relevance to all Candidates.
- e) If the ESM receives a query from a Candidate which, in the sole discretion of the ESM, constitutes a query relevant to that Candidate only, the ESM will provide a response to that Candidate only.
- f) The clarification questions aim to clarify the procurement documents. The ESM will not provide a qualitative judgment during the clarification period.

2.5. *Application Structure and Response Instructions*

When preparing Applications, Candidates should observe the following:

- All documents must be submitted in English.
- Note limitations on any page/word limits specified. Any response exceeding the specified limits may be disregarded beyond that limit.
- Answers should be as concise as possible, complete and comprehensive.
- The ESM does not wish to receive any marketing or other promotional materials.
- Responses to the eligibility, exclusion and/or selection criteria will be evaluated independently and cross-references between response elements are not permitted.
- The Candidate should clearly identify in the Application any requirements specified in this PQD that the Candidate cannot satisfy.

Application Structure			
#	Section	Template and instructions	Document format
1.	Cover Certification Form	Candidates are requested to provide a cover certification form dated and duly signed by an authorised representative on the Candidate's company letterhead (no. 3.1 of Annex 3)	Fully scanned copy with signature in PDF
2.	Declarations	Candidates are requested to submit completed, dated and duly signed declarations (nos. 1.1 and 1.2 of Annex 2)	Fully scanned copy with signature in PDF
3.	General Response	Candidates are requested to respond to the questions posed in this PQD as instructed (see Annex 2 Section 2. Selection Criteria)	PDF
4.	Attachments	Candidates are requested to include any attachments, as requested in Annex 2 section 2	PDF

Forms to fill in	Candidate (including Consortium Lead)	Consortium members	Key Subcontractors
Declaration on Eligibility Annex 2 1.1	To be completed	To be completed	N/A
Declaration of Non-Collusion Annex 2 1.2	To be completed	To be completed	N/A
Cover Certification form Annex 3 3.1	To be completed	N/A	N/A
Consortium declaration Annex 3 3.2	To be completed	To be completed	N/A
Subcontractor commitment letter Annex 3 3.3	N/A	N/A	To be completed

2.6. *Coordinates and Guidelines for Submission of Applications*

Applications shall be submitted no later than the Applications Deadline specified at point #4 of the Procurement Process Steps and Timeline table and must be submitted only **via e- mail** to the Sole Contact listed in section 3.3:

Only Applications received through these means will be accepted.

All digital copies of Applications shall be submitted in compliance with the following guidelines:

- a) One file per section as described above in the "Application Structure" table.
- b) Any supporting or additional files must be clearly named.
- c) All files should be named clearly with a sequential number and a relevant file name, e.g.
 - "Annex 2: 1.1 – Declaration on the eligibility, exclusion criteria, economic, financial and operational capacity and the absence of conflict of interest"
 - "Annex 2: 1.2 – Non-Collusion Declaration"
 - "Annex 3: 3.1 – Cover Certification Form"
- d) All files must be provided in a standard non-editable format, such as PDF.

2.7. *Eligibility, Exclusion and Selection Criteria*

In order to be eligible to participate in this procurement process, Candidates must be either natural persons or legal persons and state that they are not in one of the exclusion situations listed in the declarations nos. 1.1 and 1.2 included in Annex 2.

If such circumstances arise in the course of the procurement process, the Candidate concerned must inform the ESM thereof without undue delay. Candidates may submit evidence to demonstrate their eligibility despite the existence of grounds for exclusion. The ESM may, in its sole discretion, decide whether such evidence is satisfactory.

Candidates must comply with all eligibility and exclusion criteria to be assessed further.

ELIGIBILITY AND EXCLUSION CRITERIA – elements of the evaluation	
Duly executed declarations as requested in Annex 2 nos. 1.1 and 1.2. * If responding as part of a Consortium, each member of the Consortium must sign these Annexes.	Pass / Fail

In order to assess a Candidate's capacity to perform the FA the ESM will apply the following selection criteria (full information can be found in **Annex 2 Section 2. Selection Criteria**).

In the event that the Candidate submits an Application together with a third party/-ies and/or with sub-contractor(s), the combined capacities of the Candidate and all such third party/-ies and/or subcontractor(s) will be assessed for the purpose of meeting the selection criteria.

SELECTION CRITERIA – elements of the evaluation	
Economic and financial standing	Pass / Fail
Technical or professional ability	Pass / Fail
Authorisation and suitability to carry out the relevant professional activity	Pass / Fail

Candidates must achieve a rating of "Pass" for all the "Pass / Fail" criteria to be considered successful at Stage 1 (pre-qualified Candidates).

3. Terms and Conditions of this PQD

3.1. *Rights of the ESM*

By submitting an Application, the Candidates confirm that they have taken note and accepted all terms and conditions of this PQD.

Applications must be provided by the closing deadline. The ESM reserves the right, at its sole discretion and in exceptional circumstances only, to accept Applications received after the closing deadline.

After the ESM opens the Applications, it may request Candidates to submit, supplement, clarify or complete information or documentation which is or appears missing, incomplete, inconsistent or erroneous within an appropriate time limit. The ESM reserves the right to reject from further consideration any such Applications.

The ESM reserves the right to request that Candidates provide documentary evidence in support of the statements made in their Applications.

Any effort by the Candidate to influence the ESM in the process of examination, evaluation and comparison of Applications, or in the decision regarding the pre-qualification process may result in the rejection of the Application.

The ESM may decide, at its sole discretion while complying with the general principles set forth in the ESM Procurement Policy, to cancel this procurement process in whole or in part at any time before the Framework Agreement is awarded as a result of this procurement process. The cancellation does not give rise to any form of compensation for Candidates.

The ESM will ensure that the information provided by Candidates is treated and stored in accordance with the principles of confidentiality and integrity.

The ESM reserves the right to disclose the contents of Applications to its third party advisors (if applicable) who are bound by the same confidentiality and integrity obligations as the ESM.

If the ESM discovers, before the expiry of the deadline for submissions of Applications, a lack of precision, an omission or any other type of error in this PQD, it will rectify the error and inform all Candidates in writing.

3.2. *Cost of Participating in the Procurement Process*

All costs relating to the participation in this procurement process, including in particular any costs in relation to the preparation of Applications and of any other documents requested by the ESM and any subsequent follow-up shall be borne exclusively by the Candidate.

3.3. *Trade Name, Logo and Marks*

The ESM logo, covers, page headers, custom graphics, icons, and other design elements and words or symbols used to identify the description of the procurement requirement are either trademarks, trade names or service marks of the ESM and its licensors, or are the property of their respective owners. These marks may not be copied, imitated or used, in whole or in part, without the explicit prior written consent of the ESM.

3.4. Confidentiality

If the Candidate considers that any part of its Application or other documents/information submitted to the ESM include Confidential Information within the meaning of this section the Candidate must clearly mark such parts of the Application or other documents/information as 'confidential'.

Candidates are advised that their participation in this procurement process constitutes Confidential Information except for the announcement by the ESM of the successful Candidate on the ESM website in accordance with Article 9.17 (3) of the Procurement Policy.

Except if required in a judicial or administrative proceeding, or if it is otherwise required to be disclosed by any law or regulation, or where information is already in the public domain, the ESM will: (a) not disclose the Confidential Information; (b) take all reasonable measures to preserve the confidentiality and avoid disclosure, dissemination or unauthorised use of Confidential Information; and (c) not use such Confidential Information for any purpose other than as is necessary in connection with this procurement process. Confidential Information does not include information which (a) was known to the ESM prior to receiving the information from the Candidate; (b) becomes rightfully known to the ESM from a third-party source not known to the ESM (after diligent inquiry) to be under an obligation to the Candidate to maintain confidentiality; (c) is or becomes publicly available through no fault of or failure to act by ESM; or (d) has been developed independently by the ESM or authorised to be disclosed by the Candidate. Confidential Information may only be shared with third parties (e.g. contractors) that have a need to know the Confidential Information in relation to this procurement process and provided that such third parties comply with the confidentiality obligations provided in this section.

In addition, if the Candidate has signed an ESM confidentiality undertaking the Candidate agrees to comply with all obligations set forth in such confidentiality undertaking. If there is a conflict between such confidentiality undertaking and this procurement procedure, the confidentiality undertaking will prevail.

3.5. Involvement of/Reliance on Third Parties

If the Candidate intends to involve a third party in the supply of the services offered to the ESM the Candidate has to ensure that any such third party is bound by the requirements set forth in this PQD.

Consortia

In case of a group of economic operators responding together to this procurement procedure ("**Consortium**"), Candidate means the Consortium and the Application must provide the following:

- a. a clear description of the proposed Consortium, its organisational hierarchy and structure, the names of all Consortium members and the roles, activities and responsibilities of the Consortium leader and each Consortium member;
- b. information on whether the Consortium will form a legal entity and if yes, details of the actual or proposed percentage shareholding within such legal entity and other official documents confirming existence of such legal entity. If not, full details of the proposed Consortium arrangement including submission of an executed Consortium agreement.
- c. Signed declarations available in Annex 2 1.1 (Declaration on eligibility) and 1.2 (Non-collusion declaration) and Annex 3 3.2 (Consortium declaration) from all Consortium members.

If the Contract is awarded to a Consortium, all Consortium members will be jointly and severally liable towards the ESM for all obligations arising of or resulting from the Contract.

If a Candidate considers any changes in the Consortium structure it must immediately notify the ESM in writing. The composition of a Consortium (including the roles, activities and responsibilities of the Consortium leader and each Consortium member) cannot be modified or members of the Consortium cannot be exchanged, whether during the course of this procurement process or during the term of the Contract, without the prior written consent of the ESM.

Subcontractors

If subcontractors will play a significant role in delivering the services offered to the ESM (“**Key Subcontractor**”), the Candidate must provide as part of its Application:

- a. a clear description of the proposed subcontracting arrangement, in particular which tasks the Candidate intends to subcontract and their volume or proportion, the name(s) of the proposed Key Subcontractor(s) and its/their roles, activities and responsibilities; and
- b. a document signed by any Key Subcontractor stating its intention to collaborate with the Candidate should the Candidate be awarded a Contract. The template available in Annex 3 3.3 (Subcontractor Commitment Letter) shall be used for this purpose.

If a Candidate subcontracts some of the services under the Contract to subcontractors, it will nevertheless remain fully liable towards the ESM for the performance of such services and responsible for the Contract as a whole. The ESM will have no direct legal commitments with the subcontractor(s).

Any changes to the proposed Key Subcontractors must be notified immediately to the ESM. Candidates cannot exchange or replace the Key Subcontractors or modify the nature of the subcontracting arrangement (including the subcontracted tasks, their volume or proportion), whether during the course of this procurement procedure or during the term of the Contract, without the prior written consent of the ESM.

Moreover, any additional Key Subcontractor(s), which was/were not assessed by the ESM during this procurement procedure, may only be appointed if the ESM’s has given its prior written consent.

In the context of this particular tender, subcontractors would not include airline companies or hotels for example but rather companies providing services such as the GDS, online booking tool, visa/passport services, accommodation pre-payment provider, etc...

3.6. Transfer of Undertakings

The Candidates acknowledge and accept the possibility that if they are awarded the Contract, the Contract may in some cases trigger the application of the relevant provisions of Luxembourg law or of a collective labour agreement regarding transfers of undertakings, in particular, but not limited to, Articles L.127- 1 to L.127-6 of the Luxembourg Labour Code as amended from time to time (collectively the “**Regulations**”). Consequently, the Candidates acknowledge and accept the possibility that if they are awarded a Contract the staff employed by the existing service provider performing the services to the ESM (the “**Employees**”) may, if necessary, be taken over and/or transferred automatically, by the virtue of the Regulations.

The Candidates are therefore invited, if deemed appropriate and if not already included in the procurement documents, to request the ESM to provide any necessary information regarding the Employees. The ESM reserves the right to answer questions at a later stage of the procurement procedure if deemed appropriate in the ESM’s sole discretion.

Should the Regulations be applicable, the existing service provider and the successful Candidate will fully comply with all of their obligations under the Regulations and will take all necessary steps to facilitate the takeover and/or transfer of the Employees. Any discussions regarding potential takeover and/or transfer of the Employees will be directly between the existing service provider and the successful Candidate. All the costs incurred by the successful Candidate in relation to the application of the Regulations will be borne solely by such Candidate and will not give rise to any financial compensation from the ESM and will not affect in any way the financial proposal submitted by the successful Candidate.

3.7. *Notification of the ESM's decision*

The ESM will notify in writing its decision to advance or not advance the Candidate's Applications. The Candidates whose Applications did not advance can request, in accordance with the ESM Procurement Policy and timelines set within and in the ESM notification, a de-brief addressing the reasons for not advancing their Application. The de-brief will be limited to the reasons related to the unsuccessful Candidate's Application and will not cover any information about other Candidates' Applications.

Annex 1: Terms of Reference

1. Background and Overview

The ESM intends to establish a Contract for the provision of travel management services with a single travel service provider (“Travel Service Provider”) to support the business travel needs of the ESM as described in this Annex 1 (“Travel Services” or “Services”). The Contract to be established will be for a four-year term.

The ESM has a staff of approximately 220, including a core group of frequent ESM travellers who travel to various destinations throughout the world on a planned and unplanned basis. In general, business travel is an essential component of the ESM's ability to execute its operational mandate and accordingly, the travel management services required to facilitate it are a critical service demanding seamless, flawless, efficient, effective, professional, reliable, responsive, and flexible execution.

Generally, the ESM's Board members travel frequently and, although a specific VIP service is not required, these important travellers may require more attention and diligence relating to their travel bookings. This principle also applies to important named guests who travel on behalf of the ESM.

ESM staff travel primarily to cities within Europe and to a lesser extent to a small number of cities in the United States, Asia and Latin America.

In the pre-COVID period, the ESM travel volumes were sufficiently large to warrant the service of a dedicated travel booking agent working onsite at ESM premises plus nominated offsite back-up. Under this new agreement, the Services will start under a transaction fee model with the possibility to change to a management fee model. Further information is explained below.

2. Description of the Travel Services

The Travel Services to be supplied by the Travel Service Provider will be on an “as and when” required basis in accordance with the requirements set out in this Annex 1.

Travel Services will be performed in accordance with the rules and guidance of the ESM Travel Policy and other relevant internal guidance documents and only in relation to work related missions. On an exceptional basis, the Travel Service Provider may be asked to arrange for Travel Services for non-ESM staff, e.g., seminar guests, secondees, external consultants working at the ESM premises or other ESM visitors.

In general, the ESM Travel Policy directs for travel to be conducted using the most direct and cost-effective routes and fares.

Although future travel volumes are not guaranteed, the ESM requires consistent availability of the Travel Service Provider's nominated Travel Agent, even if it is recognised that actual volumes are not sufficient to sustain productivity levels for a dedicated FTE. If future demand increases as expected and provided it is cost effective, the ESM would prefer to move back to the business model of having a dedicated FTE under a management fee financial arrangement.

The Travel Services to be performed by the Travel Service Provider will be as set out below:

2.1 General Service Quality Expectations

The Travel Service Provider will:

- consistently and continuously apply business travel industry expertise and best practices to service the travel requirements of the ESM
- provide all Travel Services, tools/systems and products as described in this Terms of Reference, in line with the service level expectations stated in the SLA
- leverage industry knowledge, expertise, purchasing power, networks, systems and tools to address all ESM travel requests
- provide responses to all ESM's Travel Services requests with timely, relevant, accurate, cost effective and cost competitive travel solutions and information
- always offer the most competitive available airfares and other travel supplier rates for all booking requests
- agree the terms of a 'Lowest Fare Guarantee' with the ESM, which will include usage of LCCs and NDC content wherever applicable
- provide the ESM travellers with access to the EU Negotiated Rates for hotels and air/rail travel
- report all instances of ESM Travel Policy non-compliance to the ESM main contact, who will escalate internally if necessary
- accurately and consistently report all missed savings opportunities and instances of ESM Travel Policy non-compliance in the monthly travel data reporting

The Contract awarded as a result of this procurement procedure will include a SLA including service credits / penalties or other performance management arrangements to address sub-standard and/or non-compliant contractual performance. The performance of the Travel Services delivered by the Travel Service Provider will be evaluated against the agreed KPIs and measurement criteria/periods as detailed in the SLA. Monitoring of the Travel Service Provider's performance against the agreed KPIs will be the responsibility of the ESM's main contact, using agreed monthly performance data provided by the Account Manager. Performance reviews against KPIs will be included as a fixed agenda item in the Business Review meetings.

- 1) Under-performance against the tolerance levels for any of the KPIs in this SLA may be considered, in the ESM's sole discretion, a material breach of the contract.
- 2) In the event the Service Provider fails to meet one or more of the tolerance levels for the KPIs to which a penalty applies, the ESM may in its sole discretion, without limiting the ESM's ability to pursue any other remedies available to it under the contract, or otherwise, apply the penalties set out in this SLA in respect of the relevant KPIs.
- 3) For the avoidance of doubt, if the Service Provider fails to meet more than one of the KPIs, all applicable penalties may apply. The application of penalties is at the ESM's sole discretion.
- 4) In order to reimburse penalties, the Service Provider will issue a credit note to the ESM within 30 days following the conclusion of the measurement period for the respective KPI subject to a penalty.
- 5) The ESM's failure to analyse and enforce KPIs will not be deemed a waiver of such KPIs.
- 6) Penalties will not have any impact on any claim for damages (including claims related to breaches of KPIs) by the ESM.

The Travel Service Provider is required to maintain a robust complaint management process for complaints raised by ESM.

The Travel Service Provider is expected to take responsibility for the maintenance, version control and continuous updating of the 'ESM Operations Manual'. This document contains all relevant operational information required by the Travel Service Provider's Agents and staff, in order to comply with all requirements of the ESM's travel programme.

Note : The ESM wishes to commence the new Contract with 100% offline service, however it is expected that an online booking tool (OBT) will be implemented and adopted at a time to be decided by the ESM during the Contract term.

2.2 Offline Service – Staffing

Collectively, all front-line servicing staff of the Travel Service Provider including the Prime Agent, Backup Agent(s) and 24/7 Service Centre Agents are referred to collectively in this Terms of Reference as the "Agents".

2.2.1 Prime Agent

The Travel Service Provider will provide one named and designated, fully trained and highly experienced, competent and service-oriented primary travel agent ("Prime Agent"), to work offsite at the Travel Service Provider's premises, in accordance with the ESM Usual Working Hours.

The Prime Agent is not expected to be 100% dedicated to service the ESM's travel requests, however it is expected that the ESM will be the Prime Agent's top priority customer – therefore, whenever available the Prime Agent will be the first line of response to any ESM request.

It is expected that the Prime Agent will have at least 8+ years of business travel experience.

Note : The ESM is willing to work with the Travel Service Provider to implement direct telephone access to the Prime Agent, as if the Agent was accessible via the internal ESM telephone network.

2.2.2 Backup Agent(s)

In addition, when and if the Prime Agent is unavailable at any time, the Travel Service Provider will provide a maximum of two designated, fully trained on all ESM working practices, and experienced, competent and service-oriented, named back-up travel agents ("Backup Agents") at no additional cost to the ESM.

It is expected that the Backup Agent(s) will have at least 5+ years of business travel experience.

2.2.3 Out of Hours service

The ESM staff must have a seamless transition, with easy access by telephone and internet from anywhere in the world, to a professionally staffed out-of-hours '24/7 Travel Service Centre' to address ESM travellers' queries/requests, on year-round, 24 hours a day, 7 days a week basis.

The Travel Service Provider's 24/7 Travel Service Centre will be used when the Prime Agent or the Backup Agent(s) are not accessible and outside of ESM Usual Working Hours, and is expected to deliver the same range of Services under the same quality standard as per the standard 'day service' Agents.

The Travel Service Provider's 24/7 Travel Service Centre must have access to all ESM traveller profiles and reservations and provide full service assistance to make new reservations as well as to amend existing bookings made by the Prime/Backup Agent service. The 24/7 Travel Service Centre will make reservations in line with the ESM Travel Policy and have access to/be able to book both the ESM and EU Negotiated Rates.

2.2.4 Staffing conditions relating to sub-standard performance

Should the Travel Service Provider's performance drop to a sub-standard level of 80% against the 2 KPIs in the SLA relating to service response times and satisfaction levels of the ESM's travel bookers, **the ESM reserves the right to require the Travel Service Provider's Prime Agent move onsite to work at the ESM premises within a notice period of 10 working days, at the Travel Service Provider's cost, until such time as the ESM provides formal confirmation that the Travel Service Provider's performance and satisfaction levels have resumed to the pre-agreed satisfactory standard.**

2.2.5 Key Skills, experience and personal qualities of the Agents

The experience and qualification levels of the Travel Service Provider's Agents must be sufficient to conduct all required Services efficiently and professionally, to the KPI levels in the SLA. As English is the working language at the ESM it is expected that all Travel Service Provider's Agents have a high command of both written and spoken English.

All Agents must have strong prioritisation skills which include the ability to handle multiple and/or urgent queries/requests and prioritise them while in parallel ensuring timely and accurately communication on progress and/or other relevant travel matters to ESM Travellers.

All Agents must be at ease in working with highly demanding ESM Travellers including but not limited to urgent or last-minute arrangements, complex itineraries, multiple changes of existing or new itineraries whether "in travel" or "pre-travel" stages.

All Agents will maintain at all times very good communication and interpersonal relations with the ESM staff, particularly with the ESM personal assistants who are the primary travel bookers.

In addition to the relevant travel industry qualifications and experience, all Agents must possess and maintain good working knowledge of the ESM Travel Policy, and the ESM Operations Manual.

The Primary Agent must have experience in booking EU Negotiated Rates. The Backup agents will need to be fully proficient in booking EU Negotiated Rates as soon as they are required to step in for the Prime Agent.

2.2.6 Selection of Prime Agent

The Travel Service Provider will provide the CVs of any proposed candidate for the role of the ESM's Prime Agent, followed by a face-to-face or virtual meeting with the ESM. Only candidate(s) approved by the ESM will be allowed to perform the role of the Prime Agent.

Any Prime Agent candidate will be subject to a three-month trial period, following which the ESM will inform the Travel Service Provider if it wishes to continue working with such candidate. In addition, the Parties agree that the ESM will be entitled to shorten such trial period if the ESM, at its sole discretion, notifies the Travel Service Provider of its dissatisfaction about the

Services provided by the Prime Agent and after allowing the Travel Service Provider up to a maximum of ten days from the date of notification to remedy the identified issue(s).

2.3 Offline Service – Provision of Services

2.3.1 General Service Scope

The Agents of the Travel Service Provider must :

- promptly and professionally respond to all ESM travel requesters' queries/requests (either via email, telephone, booking request form) no later than 30 minutes from time of receipt of ESM's query/request, and interact with ESM staff to seek clarity and discuss travel options as may be appropriate.
- should the necessary research into the ESM travel request be expected to take longer than 30 minutes, it is the responsibility of the Agent to agree an alternative acceptable timeframe with the ESM travel booker.
- be professionally equipped to offer the ESM any and all travel products including but not limited to air, rail travel/other ground transportation, hotel accommodation and/or other travel options as required
- provide the required number of travel options (typically 3) for all requested trips (including those which do not originate from Luxembourg) including: the price quote, final date of ticket issue, itinerary details (times of departure/arrival), travel class, cancellation/amendment conditions and any related fees
- arrange and book/change/cancel travel, accommodation and all other related arrangements (i.e. booking of meeting rooms in hotels, airport transfers, etc.) for ESM travellers
- always propose the best available travel options in respect to the combination of various factors such as cost, time and itinerary optimisation in line with the ESM Travel Policy requirements and its priorities.

2.3.1.1 Managing Changes

Travel Service Provider will manage the normal life cycle and evolution of all travel arrangements including any "pre-travel" or "in-travel" trouble-shooting, changes, modifications and other matters related to the Travel Services.

In cases of circumstances where changes occur in the travel schedules (e.g., cancellations, strikes, bad weather conditions etc.) the Agents of the Travel Service Provider must inform the ESM immediately and provide alternative solutions.

2.3.1.2 Travel ticketing

Travel Service Provider will provide all tickets and/or other required industry standard documentation relating to the booked travel to ensure safe, smooth and unproblematic travel.

The Travel Service Provider using its industry standard systems and tools will provide all necessary core travel documents such as travel confirmations and tickets for all confirmed itineraries, and deliver travel tickets/documents via e-mail or to the premises of the ESM at the latest 24 hours before the day of departure (or ensure that they are made available for collection in electronic or paper form at the nominated airport or other point of departure as agreed).

The Travel Service Provider will issue travel tickets in line with ticketing rules of the airlines/rail companies and agreed with the ESM travel requester.

Where instant ticketing rules do not apply, the Travel Service Provider will delay ticketing and agree a mutually acceptable ticketing date with the ESM travel requester.

2.3.1.3 Cancellations, refunds

In the event of cancellation, postponement or alteration of a reservation, the ESM will inform Travel Service Provider immediately by e-mail or by telephone.

In case of cancellation at short notice, the best alternative option to facilitate a mission will be provided. In addition, Travel Service Provider will endeavour to minimise any penalties incurred by the ESM.

In cases where the Travel Service Provider is required to issue a credit note/refund, due to cancellation or change of reservation, this will be actioned immediately after notification by the ESM.

The Travel Service Provider will manage all cancellations and refunds, providing automated unused ticket tracking so that the ESM benefits from all credits and refunds due.

2.3.2 Travel fares/costs and discounted rates

The Travel Service Provider must offer the most competitive airfares and travel supplier rates at all times to the ESM, including airline Low Cost Carriers and access to the EU Negotiated Rates for hotels and air/rail travel.

The Travel Service Provider will have a wide range of competitively priced preferential arrangements with international hotel chains in the largest European cities and around the world and with leading regular European airlines, rail companies, ground transportation and travel system and travel suppliers (amongst others) who provide the required travel service components and infrastructure.

In addition, the Travel Service Provider will research and offer the most competitive travel fares/rates and costs within the ESM Travel Policy rules, by means of a Lowest Fare Guarantee. This will guarantee the ESM an inclusion of usage of LCCs and NDC content wherever applicable.

The ESM intends for this Contract to be conducted in the spirit of a fair, professional and financially transparent relationship with its Travel Service Provider partner. To reflect this point, the Travel Service Provider's contractually binding agreement will not allow it to exercise the practice of applying its own additional margin or 'mark-up' to any 3rd party

travel suppliers such as airfares, hotel rates, rail fares etc. The ESM reserves the right to conduct scheduled and/or ad-hoc audits to verify this point.

- The Travel Service Provider will use multiple industry-standard booking channels (including both GDS and non-GDS) to provide lowest airfares using the ESM Travel Policy and booking request parameters.
- Should the ESM find a cheaper airfare available for the identical requested itinerary within 2 hours of the original booking request, the Travel Service Provider will book the lower fare found and waive the transaction fee. If the lower fare found should no longer be available, the Travel Service Provider will refund the difference between the original fare quote and the cheaper fare found by the ESM staff.
- The ESM staff is responsible to provide documented evidence by means of e.g. a screenshot of the cheaper fare found, including all charges and taxes and confirming the availability of the fare for booking. If the fare difference is due to a GDS surcharge which an airline does not charge via another booking channel, the Travel Service Provider is not responsible for this fare difference.

The Travel Service Provider will provide the ESM with the functionality of an automated technology system which searches for cheaper airfare and hotel options between the time of booking and the departure date, using pre-agreed parameters the “Automated Airfare Checking System”). When a cheaper alternative is identified, the ESM travel requester will be notified. The ESM will make the final decision whether to accept any lower fare offer identified (not automatic re-booking). Further detail can be found in 2.3.7.

2.3.3 Air Travel

Agents of the Travel Service Provider must:

- propose, whenever available, the required number of travel options (typically 3) in respect to different travel alternatives for the requested trip itinerary: including different time schedules, ticket types (e.g. full economy, semi-flexible, non-flexible etc.) and non-direct routings
- always offer EU Negotiated Rates for air, whenever available
- manage the ESM’s Travel Policy rule that no more than 3 staff members from the same division, or no more than 3 management board members, are authorised to travel on the same flight
- In addition to the knowledge and expertise of the Agents used to manually regulate this rule, it is expected that supplementary daily checks of pre-trip booked travel data will be made. Should these checks result in identification of non-compliance to this rule, the Travel Service Provider is responsible to advise the ESM’s main contact for appropriate action to be taken.

2.3.4 Hotel/Accommodation

If requested to do so, the Agents will arrange for accommodation reservations, in line with the ESM Travel Policy and within the city cap price range communicated by the ESM for the major cities visited by ESM travellers. Only the most convenient options at the best possible

price will be submitted to the ESM. Travel Service Provider should also provide the option for serviced apartments as an alternative to hotel accommodation.

The Travel Service Provider will have at its disposal a broad selection of accommodation properties with negotiated discounted rates and benefits, in addition to a list of ESM chosen accommodations with guaranteed rates. This list will be updated from time to time and agreed by the ESM. All staff of the ESM will have access to the list of accommodations.

In addition, the ESM is allowed access to usage of the EU Negotiated Rates for accommodation. The Travel Service Provider must always offer EU Negotiated Rates for accommodation, whenever available.

In addition, the Travel Service Provider will supply the ESM with a comprehensive pre-payment scheme for all hotel bookings, which covers the cost of the accommodation room rate (including breakfast when available).

2.3.5 Rail Travel

Agents of the Travel Service Provider must:

- provide reservations, competitive fares and ticketing for rail itineraries requested by the ESM, including both domestic and international rail journeys, in line with the ESM Travel Policy. In particular, the Travel Service Provider must be able to make reservations and issue tickets for rail suppliers such as e.g.: SNCF, SNCB, CFL, Deutsche Bahn, Eurostar
- offer rail travel options in comparison to air travel, on the routes where both types of travel are available
- have access and the ability to book and issue tickets using EU Negotiated Rates for rail, whenever available

2.3.6 Car Rental/Car plus driver

If requested to do so, the Agents will arrange for car rental reservations, within a price range communicated by the ESM and in line with the ESM Travel Policy.

In addition, the Travel Service Provider must be able to supply the ESM with access to a safe, reputable and reliable limousine (car with driver) service both in Luxembourg and at ESM travellers' destinations.

2.3.7 Tools & Systems

The Travel Services will facilitate the carrying out of the ESM's operations. Accordingly, all travel industry systems and tools the Travel Service Provider will use to render the Travel Services must be in accordance with any current state of technology and be up-to-date and the Travel Service Provider will evolve such systems and tools as required to ensure that at any time they conform to best industry practices.

To render the Travel Services, the Agents are to be supported by "state-of-the-art" tried, tested and proven travel industry systems and tools including a fully Automated Airfare Checking System - checking the fares for all itineraries.

The Travel Service Provider will fully enable/equip its Agents with all necessary tools to deliver the offline Services to the ESM, including access to GDS allowing transactions with airlines, rail companies, hotels, car rental companies etc. In addition to the GDS, the Agents will be equipped with other relevant travel booking systems/channels for reservations outside of the GDS.

In addition, the ESM will require the following:

- mobile application for both itinerary management/travel assistance
- an automated ESM Traveller profile solution with easy maintenance
- online booking tool for implementation at a date to be agreed during the Contract term
- a complaints log, accessible by both ESM and the Travel Service Provider, maintained by the Travel Service Provider and continuously updated

2.3.8 Provision of travel visas / security and health information

The Travel Service Provider will be responsible to provide the ESM travel booker/traveller with all relevant visa/health/security information relevant to the itinerary requested at the time of booking. This specifically includes any vaccination or quarantine information caused by a pandemic outbreak.

Where a traveller of the ESM by reason of his / her nationality requires a visa for a specified journey, the Travel Service Provider will provide access to a service which manages the end-to-end process to apply for and obtain the relevant visa/permit/documentation which grants legal entry to the relevant transit or destination country. This includes access to and provision of visa application forms, information on all application requirements, support to complete relevant documentation and obtaining the visa on behalf of the traveller.

Such service to obtain travel visas/permits/certificates etc. on behalf of the ESM traveller may be provided by a 3rd party specialist company, preferably based in Luxembourg or neighbouring countries because this service usually requires physical presence in Luxembourg or the neighbouring countries hosting the embassies/consulates in case personal delivery/collection/visits are needed. Personal documents of travellers may need to be transported by the Service Provider so a reliable, secure and fast delivery is needed.

The only cost chargeable by the Service Provider will be that included in the pricing under 'Visa'. The ESM will not reimburse travel expenses or any other fees than the fixed 'visa' fee.

2.3.9 Additional Services

The Travel Service Provider may also be requested from time to time to provide the following services:

- provision of occasional assistance with travel bookings for groups of people through a meetings and events service
- supply of any other travel related service within capability of the Travel Service Provider on an ad-hoc basis, in accordance with the ESM Procurement Policy

2.4 Travel Approvals

All ESM travel bookings follow a strict travel authorisation workflow, managed internally within the ESM. No tickets may be issued by the Travel Service Provider without ESM formal approval. A confirmation of the approved travel authorisation (e.g. screenshot from the ESM's HR system) will be sent to the Agent before any booking can be made. In case a ticket is issued without formal approval from the ESM, no cost related to the issued ticket will be invoiced to, or paid by, the ESM.

2.5 Online Booking Tool

The Travel Service Provider will supply and implement a fully operational, user-friendly, market relevant, full content online booking tool for use by ESM Travellers to book simple point-to-point trips. **Implementation of such online booking tool would take place at a mutually agreeable time during the Contract term.** The ESM has implemented an online booking tool previously, however take-up and online adoption levels remained minimal. Future online booking tool implementation is expected to take place at such time that the ESM supports and promotes online booking adoption.

At minimum, the online booking tool must have the following functional specifications at the time of the required implementation:

- OBT must have the ability to check availability and book point to point air travel in compliance with the ESM Travel Policy, with clear prioritised preferencing display of ESM preferred air suppliers and contracted rates, displayed in the lowest to highest order
- Ability for air availability displays to be searched by both price and schedule
- Ability to search by departure and/or arrival time
- Ticketing deadline display
- Book specific seat number from seat maps, airline permitting
 - Ability to view LCCs in the same availability display as scheduled carriers, with reservations confirmed in single booking process (without having to move into alternative screens or system)
 - Ability to book and pay for LCC baggage, priority boarding, seats, and online check-in
 - Fare restrictions display. Clear information provided on the availability screen of the relevant restrictions and penalties applicable to each airfare. User must be able to see pertinent fare restrictions before selecting particular flight
 - Fare restriction information to be displayed in clearly understandable, non GDS language
 - Ability to make changes / cancellations to air reservations before ticketing with clear processes in place for communication and ticketing fulfilment
 - Ability to synchronise and upload all reservations made offline into the OBT, and vice versa
 - Ability for templates to be created for regular trips and requests
 - Ability to download itinerary information into travellers' MS Outlook calendar
 - Connectivity to visa information site, for traveller to determine whether visa is required for destination.
 - Ability to include ESM-specific messaging throughout the booking process regarding preferencing of ESM Travel Policy and preferred suppliers, security information, policy, etc.

3. Account Management

The Travel Service Provider will designate at least one person who will be the main contact point for the ESM when it comes to account management, and who will knowledgeably and competently provide account management expertise representing both the strategic and operational elements of

the management of the ESM travel programme. The Account Manager must have a minimum of 3 years of experience in a similar position.

The Account Manager is to be fully responsible for monitoring and reporting on the performance of the operational service delivery. In addition, the Account Manager will proactively support the ESM in the management of the travel programme. This includes identification of new opportunities for improvement and providing support to negotiate supplier discounts when requested, by maintaining contact with airlines who operate routes frequently used by the ESM.

The Account Manager will conduct formal Business Review meetings with the ESM's nominated contact person at least twice per year. Quarterly meetings will take place upon the request of the ESM. All business review meetings will include a summary of all Travel Services conducted to date, reporting review, spend and cost review, trend analysis, overview of system usage and performance of all systems provided in scope of the Contract, opportunity analysis and provision of new initiatives and systems which may be of benefit to the ESM. The Service Provider will inform the ESM, as soon as possible, about any new operating carriers, as well as about any particular discounts or offers proposed by carriers with a view to ensuring the Travel Services and/or the ESM Traveller's experience remain efficient and effective.

In addition to the Account Manager, the Travel Service Provider will nominate an Executive Sponsor for the ESM/Travel Service Provider relationship, who will hold ultimate responsibility for the delivery of all contractual obligations and be the senior management contact for the ESM contract owner, as well as the escalation point for any unresolved issues. The Executive Sponsor is expected to attend a formal Annual Review Meeting during Q1 of each calendar year.

4. Data & Reporting

The Travel Service Provider will provide access to a reporting portal, holding all travel data related to ESM travellers – both pre-trip/booked and ticketed data, regardless of the booking channel (GDS/non-GDS). Portal access will be granted to nominated ESM users. Maintenance and training for the reporting portal is the responsibility of the Travel Service Provider. The portal must provide the ability to interrogate, extract and download data for analysis by ESM, as well the ability to build customised reports which can be saved for automatic future scheduling.

In addition to the reporting portal, detailed written monthly reports will be delivered to the ESM by the 10th working day of the month following the monthly reporting period. Those reports will detail activities undertaken in the applicable month and on a cumulative basis over the term of the Contract in the form of graphs and supporting commentary by the Account Manager, setting out the key ESM travel data (spend, transactions and trends, KPIs,) and any other elements as may be agreed with the ESM. Content and format of the reports will be as agreed between the ESM and the Travel Service Provider (monthly transactional data reporting). In addition, the Travel Service Provider will provide the following travel data reporting:

- Carbon emission CO2 reporting as standard for all types of travel, so that the ESM can analyse and report on travel emissions and change behaviours to improve sustainability measures as and when appropriate.
- Specific, customised reporting to be provided on monthly basis containing information regarding both pending and processed travel ticket refunds. All customised reporting to be set in pre-agreed, user-friendly format.

The Travel Service Provider will set up, run, and maintain an automatic data transfer of all booking data (including both GDS booked and non-GDS) content to the ESM's third-party travel risk provider.

All data fields as per the table below must be captured in travel bookings and reported in the monthly transactional data reporting.

Travel Data fields		ESM Customer Reference Fields
Invoice Number	Carrier Code	
Invoice Date	Supplier Name	Project Code
Product Type (Air/Hotel/Fees, etc)	Booking Source (e.g. GDS/Web/NDC)	GL Account
Invoice Type (Sale/Refund/Exch)	Class of Travel	Out of Policy reason code
First Name	Booking Class Code	Missed Savings reason code
Last Name	Itinerary	Hotel reason code
Origin Name	Haul Type	Employee/Guest
Origin City	Air Kilometres	Incl personal trip extension? (Y/N)
Origin Country	CO ² Emissions (Kg)	Missed Savings due to Carbon emissions
Origin Continent	Record Locator	
Destination Name	Hotel Local Currency Code	
Destination City	Transaction Count	
Destination Country	Number of Changes	
Destination Continent	Gross Amount	
Booking Date	VAT	
Travel Booker	Fare Amount	
Advanced Purchase days	Fee Amount	
Online/Offline	Savings	
Departure date	Reason (savings)	
Return/Checkout Date	Lost Savings	
Nights	Reason (lost savings)	
In/Out of Policy	Fare Basis	
OOP Justification code	Ticket Number	
Fare Type (Flexible/Restricted/Nego)	Routing (IATA)	

5. Sustainability / Carbon Emissions

The Travel Service Provider will:

- provide carbon emission data relating to all travel options and travel bookings – both at the time of reservation to allow the ESM travel booker to consider the environmental impact of their travel request and alternative more sustainable methods of travel, as well as being contained within the Travel Service Provider's post-trip travel data reporting.
- automatically transfer raw travel data to the 3rd party responsible to calculate the ESM's annual carbon footprint, if requested by the ESM.

6. Language

The ESM's official working language is English. To this end, the Travel Services including any tools are to be rendered in English. It is also to be noted that all business exchanges (requests, tickets, bookings, reservations) and all administrative matters with the Travel Service Provider, including but not limited to the Contract and any orders issued under the Contract, invoicing, account management, and reporting will also be conducted in English.

7. Pricing Overarching Principle

The Travel Service Provider's contractually binding agreement with ESM will not allow them to apply their own additional margin or 'mark-up' to any 3rd party travel suppliers such as airfares, hotel rates, rail fares etc.

To this end, throughout the term of the Contract, the Travel Service Provider will offer cost effective, transparent and competitive pricing for:

- a) the service fees it charges the ESM; and
- b) any and all travel products including but not limited to air, ground transportation and accommodation and/or other travel options that the ESM will require. The detailed pricing model is included in Annex 4.

8. Invoicing Requirements

The Travel Services Provider's invoices must be sent to the ESM in a timely manner, on the same day as the ticket/invoice charge is issued. The Travel Service Provider must invoice the ESM for all 3rd party travel services and payments (such as airline and rail tickets / hotel and car rental reservations), as well as the Travel Service Provider's fees.

Mandatory invoice requirements include, but are not limited to :

Name and address of Service Provider	ESM address	Invoice Number
Invoice date	Traveller Name	Guest Traveller identifier
Travel Requester name	Travel Supplier name	Service Description
Travel date	GL Account Number	Department
Project Code	Employee ID	Missed Savings (if applicable)
Chargeable amount in Euro	Travel Service Provider transaction fee (if applicable)	VAT

Such information will be provided to the ESM either during the travel request process, the travel authorisation or contained within the traveller profile.

ESM invoicing requirements may change as necessary during the term of the Contract, for which the Travel Service Provider will be advised with reasonable notice to make the necessary adaptations.

9. Payment for travel

The ESM primary payment mechanism will be an ESM corporate lodge card account for air and rail tickets, as well as for the Travel Service Provider's transactional service fees.

Hotel reservations may be requested to be pre-paid by the Travel Service Provider, covering the cost of the room rate and breakfast if included.

For any travel payments not settled by a credit card or corporate lodge account, invoicing will be as stated above in section 8, on the basis of an accurate monthly invoice fully supported by all relevant travel details and approvals and including all detailed cost elements. Payment terms are 30 days after receipt of a correct invoice accepted by the ESM.

The Travel Service Provider is responsible to provide the ESM with a monthly summary statement report of all transaction fees charged per month.

10. Services Transition

The ESM currently uses a third party (existing Travel Service Provider) to render the Travel Services. Accordingly, if a transition to a new Travel Service Provider is required, this will be undertaken in a professional, well-planned, coordinated scheduled and risk mitigated manner, and the new Travel Service Provider will be required to play the lead role to facilitate activities and/or address issues to ensure a seamless transition in accordance with a transition plan to be supplied to and agreed with the ESM.

To support the success of any required transition, the ESM recommends that forward travel bookings are not transferred between Travel Service Providers, with a clearly communicated cut-off date respected by all parties. However, the exact details of a transition plan will be discussed and agreed as required.

Once the contract starts, a transition period of maximum ten (10) weeks will take place. The incumbent and the new Travel Service Provider will work together to transition the services smoothly to the new Service Provider.

11. Services Evolution

While the functional requirements described are to be viewed as comprehensive, there is also a possibility that during the lifetime of the Contract the ESM may have a requirement to expand, adjust and/or modify the Travel Services to encompass any new or additional requirements or modifications to the Travel Services which may be necessary for the ESM's evolving operational needs. Any such new or additional requirements or modifications to the Travel Services may be considered at the ESM's sole discretion in compliance with the ESM Procurement Policy.

11.1 Offline Service and business model transition

Until travel volumes grow sufficiently to warrant a 100% FTE Prime Agent, the ESM requires a high-touch consistent offline service from the Travel Service Provider; with a Prime Agent, and a maximum of 2 Backup Agents, with both a dedicated telephone number and email address for communication with ESM travel bookers.

Transition from the initial transaction-based financial model to a management fee for the services of one dedicated FTE Agent, will be triggered when a pre-agreed productivity level is

reached. The ESM expects such productivity level to be in the region of 2,500 bundled travel bookings per year – to be agreed before the signature of the Contract with the Travel Service Provider. Such a transition will be initiated by the ESM once during the Contract term and discussed during one of the scheduled bi-annual Business Review meetings and will be subject to the Travel Service Provider's satisfactory performance.

Should transaction volumes subsequently fall below the pre-agreed productivity level or the ESM decides to change its operational delivery model and implement significantly higher OBT adoption rates, the ESM reserves the right to transition back to the original non-dedicated service and transaction fee financial model. Such a transition will be initiated by the ESM once during the Contract term and discussed during one of the scheduled Business Review meetings and will be subject to the supplier's satisfactory performance.

Transition of financial models will be delivered within one calendar month from the date of the Business Review meeting and will bear no additional costs for the ESM other than the fees and charges agreed and accepted in the Travel Service Provider's financial proposal and reflected in the Contract.

12. ESM Travel Programme background information – historical and projected

ESM staff travel primarily to cities within Europe and to a lesser extent to a small number of cities in the United States, Asia and Latin America. The ESM indicative annual travel volumes for 2018-2020 is set out below.

2018: EUR 830,650

2019: EUR 1,010,105 (detailed breakdown provided below)

2020*: EUR 100,000 **2020 = exceptional year of decreased travel volumes due to COVID-19 pandemic.*

2019 Travel Spend and Transaction (T/A) volumes

Air		Rail		Hotel		Rental Car		Other	
Spend	T/A	Spend	T/A	Spend	T/A	Spend	T/A	Spend	T/A
€740,205	983	€21,360	421	€248,195	1,055	€125	3	€220	7
Refunds	209	Refunds	53	Refunds	185	Refunds	1	Refunds	2

Additional 2019 travel information

- number of air ticket exchanges = 127
- bookings made, but no ticket issued = approximately 10% of transactions
- 34% of air tickets issued in business class (73% of spend), 66% of air tickets issued in economy class (26% of spend). 1% of air tickets issued in either first or premium economy classes.
- General ESM Travel Policy guidelines - use most direct and cost-effective routes, considering use of restricted tickets and advance purchase recommendations

2019 Top 10 Airlines – market share by number of tickets issued	
Lufthansa	41%
Luxair	27%
Swiss	6.5%

KLM	6%
BA	5%
United	3.5%
AF	3.5%
Austrian	3%
LOT	2.5%
TAP	2%

2019 Top 10 Destinations - market share by number of tickets issued	
Luxembourg*	21%
London	21%
Athens	14%
Frankfurt	12%
Washington	9%
Madrid	6%
Warsaw	5%
Dublin	4%
Amsterdam	4%
Helsinki	4%

*One way tickets issued due to high probability of changes

Travel volumes for 2022 onwards are projected to resume starting at approximately 70% of 2019 spend and increasing incrementally, however this is an estimation and is not to be interpreted as a commitment on behalf of the ESM, as actual volumes may vary.

The ESM has had local airline agreements in place with LHG, AF/KL BlueBiz, BA OnBusiness and LG. The ESM is entitled to use the EU Negotiated Rates for hotels and also has one local negotiated deal for a hotel in Luxembourg.

Travel Service configuration and staffing

The existing Travel Service Provider renders the current Travel Services using nominated dedicated agent. Historical travel volumes necessitated the services of a 100% dedicated agent who was based onsite at the ESM premises for a period of time before moving to a more offsite service model. Travel volumes since 2020 reduced significantly due to the COVID-19 pandemic, removing the need since 2020 for a dedicated agent, however this is continually reviewed and may change again in the future as foreseen in the section “11.1 Offline Service and business model transition” of the Terms of Reference.

Annex XXXX - Glossary of Terms

“24/7 Travel Service Centre” means the dedicated service delivery operation of the Travel Service Provider used outside of ESM Usual Working Hours for cases of urgent and emergency travel requests.

“Account Manager” means the Travel Service Provider’s employee who has been appointed to manage the Contract.

“Agent(s)” means a collective term for all front-line servicing staff of the Travel Service Provider including the Prime Agent, Backup Agent(s) and 24/7 Travel Service Centre Agents.

“Automated Airfare Checking System” means an automated solution which automatically scans all air and hotel bookings between the time of booking and date of departure, searching for lower airfares/hotel rates using pre-agreed search parameters. This system can be either proprietary or sub-contracted through a named 3rd party.

“Back-up Agent(s)” means the supporting service delivery staff of the Travel Service Provider who will provide Services to the ESM when the Prime Agent is unavailable at any time; meeting the ESM requirements to be fully trained and experienced, competent and service-oriented, and fully trained on all ESM working practices.

“CV” means curriculum vitae which is a written description of a candidate’s education, qualifications, experience and personal skills etc.

“ESM Operations Manual” means a detailed workbook which includes important and bespoke operational information, processes, policies and procedures relating to the ESM’s travel programme requirements; for use by the Agents.

“ESM Traveller” – ESM staff travelling on behalf of the ESM

“ESM Travel Booker- ESM staff, by principle team assistant or other designated person, who will request the booking on behalf of the ESM Traveller

“ESM Usual Working Hours” means the standard working time of the ESM staff which is usually 08:30 to 17:30 hrs Monday to Friday except during ESM holidays.

“EU Negotiated Rates” means the discounted airfares, hotel rates and rail fares which are centrally negotiated by the European Commission and made available to travellers of EU institutions and agencies.

“FTE” means full time equivalent, referring to the unit of measurement relating to the number of hours considered as a full time role.

“GDS” means the Global Distribution System, a computerised network system that enables transactions between travel industry service providers and travel agencies.

“KPI” means key performance indicator which is a measurement that provides essential information about the required performance standard of Services delivery.

“LCC” is an industry-standard abbreviation of the term Low-Cost Carrier, meaning an airline which operates with a high emphasis on minimizing operating costs and without some of the traditional services and amenities included in the published fare.

“Lowest Fare Guarantee” means a price promise that the Travel Service Provider will always offer the lowest air and rail fares available for all trip requests; and that a lower fare cannot be found from any other travel booking source using the same criteria.

“NDC” is an industry-standard abbreviation of the term New Distribution Capability, which is a standardised new booking channel for airlines to provide additional fares and content outside of the traditional GDS booking channel.

“OBT” is an industry-standard abbreviation of the term Online Booking Tool, meaning a corporate booking tool allowing for clients to research and self-book their travel requirements.

“Offline Service” means the Travel Service Provider’s travel booking and ticketing service, when the means of contact with the ESM travel requester is by telephone, email or other communication channel excluding an online booking tool (OBT).

“Online Service” means the Travel Service Provider’s travel booking and ticketing service, when the means of contact and booking by the ESM travel requester is through the OBT.

“Out of Hours service” – Services performed outside of the usual ESM working hours (usually 08:30 to 17:30 hrs Monday to Friday except during ESM holidays).

“PNR” is the industry-standard abbreviation of the term Passenger Name Record, meaning a traveller’s reservation/booking confirmation made in the GDS.

“Prime Agent” means the primary service contact of the Travel Service Provider, fulfilling the requirements of the ESM – a named and designated, fully trained and highly experienced, competent and service-oriented primary travel agent to work offsite at the Travel Service Provider’s premises, in accordance with the ESM Usual Working Hours.

“Business Review” means a formal review meeting with a fixed agenda between the Service Travel Provider’s Account Manager and the ESM main contact, to monitor the service performance against contract expectations, identify spend and travel pattern spends, resolve any service issues and identify future opportunities to improve the ESM travel programme.

“Services” means the Services to be furnished by the Service Provider as set forth in the Contract.

“Service level agreement” (SLA) means the agreement between the ESM and the Service Provider on performance, measurement and conditions of service delivery with respect to the Service levels applicable.

“Travel Services” means the Services to be furnished by the Travel Services Provider as set forth in this Terms of Reference and included in the scope of the Contract.

“Travel Service Provider” means the candidate who has been awarded the Contract.

“Work Related Missions” means travel on professional grounds (missions, business conferences, seminars, trainings etc.) undertaken by staff of the ESM for the account of the ESM.

Annex 2

ELIGIBILITY AND EXCLUSION CRITERIA, SELECTION CRITERIA AND OTHER REQUIRED INFORMATION AND DOCUMENTS

1. Eligibility and Exclusion Criteria

1.1. Declaration on eligibility

1.2. Non-Collusion Declaration

Note: See the separate document with the above declarations

2. Selection Criteria

As part of their Application, Candidates are requested to address each item/question below and supply the requested evidence in the correspondingly named and numbered way.

The selection criteria apply to the Candidate as a whole, i.e. a consolidated assessment of the combined capacities of all involved entities will be carried out.

Please note that for the purpose of the evaluation of the Applications, the ESM will assess the responses provided to the items set out below in this Section 2.

2.1. *Economic and financial standing*

Candidates must comply with the following selection criteria in order to prove that they have the necessary economic and financial capacity to perform the Contract.

	Item No		SELECTION CRITERIA	RESPONSE REQUIREMENTS
Economic and Financial Standing	1	Pass/Fail	The Candidate must have an annual, global revenue in excess of €800,000 in each of its last three (3) most recent completed fiscal years.	Copy of Audited financial accounts for the last three years. The ESM will apply the discretionary exclusion for the year 2020 and 2021, e.g. if the Candidate's turnover for these two years is less than €800,000, the Candidate will be considered for the next stage of the procurement if they are able to supply additional evidence and explanation supporting good economic and financial standing.

2.2. *Technical or professional ability*

Candidates must comply with the following selection criteria in order to prove that they have the necessary technical or professional ability to perform the Contract.

	Item No		SELECTION CRITERIA	RESPONSE REQUIREMENTS
	1	Pass/Fail	Confirm the ability to deliver without exception the Travel Services sought by the ESM as set out in Annex 1 to this PQD.	Candidate's confirmation

Technical or Professional Ability	2	Pass/Fail	Confirm the ability to provide one named, fully experienced 'Prime Agent' and up to two named, fully experienced 'Back-up Agents' to work offsite at the Travel Service Provider's premises	Candidate's confirmation
	3	Pass/Fail	Confirm the ability of the Prime Agent to provide the services onsite at the ESM premises (at no additional cost to the ESM) should the service levels drop below an agreed standard, for an agreed period of time to correct service issues and re-establish satisfactory service standards. The transition from the offsite to the onsite service model must happen within 10 working days.	Candidate's confirmation
	4	Pass/Fail	Confirm the ability to provide 24/7/365 days Travel Services coverage via a service centre or helpdesk as per the Annex 1 to this PQD.	Candidate's confirmation
	5	Pass/Fail	Confirm the ability and agreement to transition the operating and business model from a non-dedicated, transaction-fee service model to a dedicated agent, management fee service model - should the ESM's travel volumes reach the pre-agreed level. Additionally, this service model may change back to a non-dedicated service, transaction-fee model should volumes subsequently fall below the pre-agreed level or should the OBT adoption rates increase. Such transitions will only take place once for each circumstance during contract term.	Candidate's confirmation
	6	Pass/Fail	Confirm that all proposed Travel Services and communications will be supplied in English.	Candidate's confirmation
	7	Pass/Fail	Confirm the ability to start providing the Travel Services by no later than 01 February 2023.	Candidate's confirmation
	8	Pass/Fail	Provide evidence that the Candidate has experience in the provision of travel management services of similar scope, complexity and criticality as the Travel Services described in Annex 1 to this PQD.	Candidate's response which should be no more than three pages long and include the following: - a brief description of the services provided,

			<p>As evidence, provide at least three, but no more than five, recent (from the last three years) examples of the provision of services of similar size, scope and complexity as described in Annex 1 to this PQD which demonstrate a proven track-record of successful delivery of such services in Europe. At least one reference must be for the provision of services of similar size, scope and complexity as described in Annex 1 to this PQD for an EU institution, body, agency or international organisation.</p>	<p>- a description of a client including its size, type of entity, location, industry sector (provide also the name of client if possible),</p> <p>- contract term,</p> <p>- approximate contract value (to include travel costs incurred)</p> <p>- the services should be similar in the complexity and scope; the contracts should be completed in the last three years preceding the submission deadline.</p> <p>In addition to the above, the Candidate should provide three references issued by their clients:</p> <p>- the reference letters or emails provided by the clients for the provision of similar services.</p>
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2.3. *Authorisation and suitability to carry out the relevant professional activity*

Candidates must comply with the following selection criteria in order to prove that they have the necessary authorisation and suitability to perform the Contract.

	Item No		SELECTION CRITERIA	RESPONSE REQUIREMENTS
Authorisation and Suitability to Carry out the Relevant Professional Activity	1	Pass/Fail	Confirm and provide evidence that you have an authorisation to perform the Travel Services under national law that is applicable to the Candidate.	Candidate's confirmation and following evidence: - relevant supporting documents such as inclusion in a relevant professional or trade register and membership of a specific organisation (if such exists); and - a copy of a valid IATA accreditation.
Authorisation and Suitability to provide the ESM with the EU negotiated rates	2	Pass/Fail	Confirm and provide evidence that you have experience in offering and booking EU negotiated rates.	Candidate's confirmation <u>and</u> the following evidence: <ul style="list-style-type: none"> Name at least one other client for whom you apply/ applied the EU rates. Please provide a contact email address should we need to do a reference check. Name the products for which you used the EU rates (air/hotel/rail)?

Authorisation and Suitability to provide the ESM with passport and visa services	3	Pass/Fail	Confirm and provide evidence that you have experience, either directly or via a proposed subcontractor or consortium member, in providing passport and visa services (see Annex 1 section 2.3.8), including personal delivery/collection/visits to embassies and consulates.	<p>Candidate's confirmation <u>and</u> the following evidence:</p> <ul style="list-style-type: none"> • 2 examples of ongoing contracts with clients for provision of managed services of travel visas/permits/certificates as defined in 2.3.8. Note these 2 contracts can be delivered by a same organisation (Candidate / sub-contractor / consortium member) but should be for two different clients. • If this service will be provided by a third party, please provide the relevant forms under Annex 3 completed and signed.

Annex 3: Other Required Information and Documents

3.1. Cover certification form

3.2. Consortium declaration

3.3. Subcontractor commitment letter

Note: See the separate document with the above declarations