

JAVNO PREDUZEĆE ELEKTROPRIVREDA SRBIJE, BEOGRAD
Carice Milice 2
Number: 1855/10 -15
Belgrade, 22 -05- 2015

Subject: additional clarifications no. 5 in accordance with Article 63 paragraph 3 of Public Procurement Law ("Official Gazette of the Republic of Serbia" number 124/12 & 14/15) in an open public procurement procedure for the procurement of consulting services "Improving financial management and control in EPS group (internal controls and processes, reorganization, cost center/profit center, budgeting and reporting)" - Definition and implementation of EPS CFO organization model - PP number 85/14/DEFP, for which Invitation to Tender was published on Public Procurement Portal on 14.04.2015.

Five and more days prior to expiry date foreseen for submission of tenders in subject public procurement procedure, interested party has submitted to the Employer via e-mail request for additional information, i.e. clarifications, regarding which the Employer, i.e. Public Procurement Committee, in accordance with provision of Article 54 paragraph 12 item 1) of the Law shall provide the following information i.e. clarifications within three days from the day of the receipt of the request:

Question 1:

The first question refers to the manner to represent the economic proposal of our support; we are going to define a lump sum, including our consulting fees + all expenses/insurances occurring in the project. This lump sum will not include all the other "additional costs/taxes" (ie. Corporate tax) eventually required by Serbian law. It is accepted by Serbian procurement rules to highlight in our proposal that all "additional costs/taxes" eventually required by Serbian law will be paid directly by EPS?

Answer 1:

In accordance with tender documents, offered price has to cover and include all costs that the Tenderer has related to procurement execution.

Tax regulations of the Republic of Serbia tax the procurement by tax on general consumption (VAT) at 20% rate as follows:

- in the event when the Service Provider is not the resident of the Republic of Serbia, obligation of calculation and payment of VAT bears service receiver i.e. Employer
- in the event the service provider is the resident of the Republic of Serbia, obligation of calculation and payment of VAT bears Service Provider.

The procurement is not subject to accounting for income tax or withholding tax, or any other fiscal tax according to the currently applicable tax regulations.

Question 2:

The second question refers to the formal approach in performing this consulting project; according to Serbian rules, if a foreign consulting company (without a branch in the Serbian country) support a Serbian Public Company for a period of twelve months, does it has to establish a formal branch in your country?

Answer 2:

Consulting Services Contract with the Employer is concluded by the Tenderer whose tender is selected as the most favourable one.

According to the above stated, execution of consulting services is contractual obligation of the selected Tenderer who is Service Provider.

Therefore, and having in mind the provisions of the Company Law of the Republic of Serbia according to which „*Representative office of a foreign company is its separated organizational unit that may perform prior and preparational activities for the purpose of conclusion of legal transaction of that company*“, establishment of formal branch in Serbia for the execution of contracted services is not necessary.

These additional clarifications are submitted by email to the applicant and are published on Public Procurement Portal and web site of the Employer.

PUBLIC PROCUREMENT COMMITTEE 85/14/DEFP



Attachment:

- Additional clarifications No. 5 in Serbian/English language

Attn:

- Records Management Office
- Public Procurement Committee