



Request for Tender for Research Services

Estimating the scale of illicit markets in Ireland





Request for Tender for Research Services

Applications for tenders must be returned to research@justice.ie by COB 05/07/19

Section 1. Background information and invitation to tender

1.1 The Department of Justice and Equality

The Department of Justice and Equality (“the Department”) is a department of the Government of Ireland. The Department’s mission is to work to make Ireland a safe, fair and inclusive place to live and work. It has a wide range of responsibilities including, state security, the protection of life and property, the prevention and detection of crime, maintaining and promoting fairness and equality, providing services for the buying and selling of property, managing inward migration to the State, providing a Courts Service, updating our criminal and civil laws, developing the Insolvency Service and various other regulatory services.

1.2 Background to the tender

The Department of Justice and Equality invites tenders to conduct research on methodologies for estimating the scale of illicit markets and the best application of such methods in the Irish context.

Estimating the scale of illicit markets can be extremely challenging. Those involved in criminal enterprises necessarily attempt to conceal their activities and as a consequence, the normal means by which a market’s value might be estimated such as production rates, prices, quantities consumed, etc., are unobtainable or obscure. Notwithstanding these challenges, researchers have developed and utilised both demand and supply methodologies to provide estimates of illicit drug markets which are among the most researched and best understood of all criminal markets. Furthermore, research is now also available for a wide range of other illicit markets including the illicit trade in tobacco products, counterfeiting, digital piracy, organised property crime, trafficking in human beings, and various forms of fraud.

There are a limited number of studies on the size of illicit markets in Ireland, the most up-to-date of which was carried out in 2015 under the Organised Crime Portfolio Project coordinated by Transcrime which estimated the annual revenues generated by illicit markets to be €1.7 billion.¹

The Department wishes to commission research which will provide an overview of the current methodologies for estimating the value of criminal markets, evaluate these methodologies in terms of their strengths and weaknesses and apply the best suited methodologies to the Irish context so as to provide an estimate of the size of illicit markets.

Further research relating to the subject of proceeds of crime may follow the completion of this research project.

¹ Ernesto U. Savona and Michele Riccardi (eds), *From Illegal Markets to Legitimate Businesses: The Portfolio of Crime in Europe – Methodological Annex*, Methodological Annex of the Final Report of Project OCP – Organised Crime Portfolio (Trento: Transcrime – Università degli Studi di Trento, 2015), pp. 35-36.



1.3 Research aims

Firstly, the tenderer should undertake a literature review on methodologies commonly used to measure the size of illicit markets, including, but not limited to the following markets²

- Drugs
- Fraud (Missing Trader Intra Community fraud, Illicit Trade in Tobacco Products, fuel laundering, insurance fraud, payment card fraud, and other fraud)
- Intellectual property offences (counterfeit products including counterfeit medicine)
- Environmental crime
- Migrant smuggling

In conducting this review the tenderer should set out the following

- What are the current methodologies for estimating the size of illicit markets?
- Where and how have these been used to estimate illicit markets?
- How robust are these estimates?

Secondly, as part of the literature review, the tenderer should evaluate each of the methodologies in terms of their advantages and deficiencies, particularly with a view as to how these might be applied to the Irish context.

Finally, having set out and evaluated the various methodologies, the tenderer should apply the most appropriate methodologies to the Irish context for the purposes of estimating the size of the aforementioned illicit markets.

1.4 Research outputs

The tenderer will be required to produce the following outputs

1. A literature review which provides an overview of the methodologies used to measure the size of illicit markets. The review should cover scholarly literature published from 1990 to 2019. The peer-reviewed publications reviewed should provide an international focus. A minimum of four different countries should be referenced in the literature review, and a minimum of two of these should be EU Member States. The review should set out the current methodologies used for estimating the size of illicit markets according to the peer-reviewed literature, where and how have these been used to estimate illicit markets and how well these estimates appear to stand up to scrutiny.
2. An evaluation of the existing methodologies used in the peer-reviewed articles. This should fully set out the methodologies used and the application of said methodologies used as well as a critique of these including the limitations of said methodologies and any assumptions contained in the methodologies underlying the estimations.
3. Application of the most appropriate methodologies to estimate the scale of illicit markets in Ireland, including, but not limited to the following markets:
 - Drugs
 - Fraud (Missing Trader Intra Community fraud, Illicit Trade in Tobacco Products, fuel laundering, insurance fraud, payment card fraud, other fraud .)
 - Intellectual property offences (counterfeit products including counterfeit medicine)
 - Environmental crime

² The markets listed are those of primary interest, however there are other illicit markets, e.g. human trafficking, cultural artefacts etc. Any other relevant markets should also be addressed.



- Migrant smuggling

Estimations should include reference to the data sources used and fully set out the application of the methodologies used.

In terms of outputs, the tenderer will also be required to provide the following to the Department:

- A final report on the findings.
- A presentation on the final report
- A policy focused briefing paper

Tender Requirements:

The tenderer will be required to outline the proposed approach to this work in the attached submission form. In doing so, the following key questions must be addressed as part of the overall response:

- The methodology to be used to conduct each of the three elements of the research, including the strengths and limitations of the proposed approach
- What the key search terms will be
- What academic databases or other sources will be used to sample from
- The process for deciding which articles to include for the review and which to exclude
- The data recording process (essentially, what are the key data points you will record for each study such as author, year of publication, what type of study, evaluation type and its strength)
- The process that will be used to assess the quality and methodological rigour of the articles
- How the findings within articles will be synthesised
- Data sources used to provide estimations
- Outline any assumptions or caveats underlying estimations
- Outline any potential methodological weakness underlying estimations

The successful tenderer is required to hold three meetings in person with the Department of Justice and Equality. The tenderer must propose people directly involved in undertaking the research for participation in the meetings. Both the Chief Information Office from the Department and the policy Division on whose behalf the work is being undertaken will participate.

- A meeting within one month of the tender award to discuss the proposed approach, clarify expectations and output.
- An interim meeting after 3 months to discuss progress (interim report to be provided by the tenderer).
- A final meeting at which the findings of the report are presented.

1.5 Timeframe

The Department is eager that the tenderer will be ready to start as soon as possible and asks that tenderers specify how soon they would be in a position to commence the work. The Department would like to see this research completed within six months from the date of the award of the tender.

1.6 Budget

The estimated budget for this study is €30,000 (including VAT).



Section 2. Instructions to Tenderers

2.1 Format of tenders

Tenderers should complete and submit the research tender submission form. Tenders submitted in formats other than the application form will not be considered.

2.2 Compliant tenders

To better ensure compliance with the tendering process, tenderers should read this document in full including Section 5 'Terms and conditions'. If a tenderer fails to comply in any respect with the requirements of this paragraph, the Department reserves the right to reject the tender as non-compliant or, without prejudice to this right and subject to its obligations at law, to take any other action it considers appropriate including but not limited to:

- Seeking written clarification from the tenderer;
- Seeking further information from the tenderer; or
- Waiving a requirement, which in the Department's view, is non-material or procedural.

Tenderers are required:

1. To submit all documentation which this Request for Tender (RFT) requires to be submitted with their tender;
2. To conform to and comply with all instructions and requirements set out in this RFT;
3. To submit the statement required on the research tender submission form.
4. Not to alter or edit this RFT in any way.

2.3 Submission of tenders and closing date for application

Completed application forms must be sent by email to research@justice.ie with subject line "Illicit Markets Research".

Completed application forms must be received no later than COB 05/07/19 (the 'tender deadline'). Application forms received after the tender deadline will NOT be considered.

Section 3. Queries and clarifications

All queries related to any aspect of this RFT must be directed to research@justice.ie. The Department reserves the right to issue or seek written clarifications. The Department reserves the right at any time before the tender deadline to update, cancel or amend the information contained in this document and/or to extend the tender deadline. Participating tenderers will be informed of any such clarification, amendment or extension by email.



Section 4. Evaluation of tenders and award of contract

4.1 Criteria for award of contract

The contract will be awarded out of a total of 100 marks on the basis of the most economically advantageous tender as identified in accordance with the following criteria:

- Proven and demonstrable track record, project description and demonstrated understanding of the work involved in conducting the research (35)
- Feasibility of the approach suggested to the research (20)
- Ability to deliver key outputs on time (10)
- Cost – broken down to show description of costs, justification for proposed costs and best use of resources (35).

Award of the contract to the highest ranked tenderer (as determined by the application of the above criteria) will be conditional upon the tenderer having submitted all the documentation required as part of the tendering process.

The Department does not bind itself to accept the lowest priced tender. This RFT does not constitute an offer or commitment to enter into a contract. No contractual rights in relation to the Department will exist unless and until a formal written contract has been executed by or on behalf of the Department.

The tenderer will be required, if necessary, to outline and agree the approach which it proposes to take to the research with the members of the Department's Research Advisory Group/Chief Information Office.

4.2 Payment conditions

- i. All prices quoted must be all-inclusive of all expenses anticipated and inclusive of VAT. The VAT rate(s) where applicable should be indicated separately.
- ii. Tenderers must confirm that all prices quoted in the tender will remain valid for three months following the tender deadline.
- iii. Payment for the delivery and implementation work will be on foot of appropriate invoices. Invoicing arrangements will be agreed with the successful contractor, following the award of contract.
- iv. The provisions of the Prompt Payment of Accounts Act 1997, as amended or revised, and the European Communities (Late Payment in Commercial Transactions) Regulations, 2002 shall apply to all payments. Incorrect invoices will be returned for correction with consequential effects on the due date of payment.



4.3 Taxation requirements

It will be a condition of any contract pursuant to this RFT that the successful tenderer shall, for the term of such contract, comply with all applicable EU and domestic tax laws. Tenders are referred to www.revenue.ie for further information. Prior to the award of any contract arising out of this RFT, the successful tenderer shall be required to supply its Tax Clearance Access Number and Tax Reference Number to facilitate online verification of their tax status by the Department. By supplying these numbers, the successful tenderer acknowledges and agrees that the Department has the permission of the successful tenderer to verify its tax clearance position online.

4.4 Subcontractors

Tenderers should note that where a tenderer is relying on the capacity of other persons or entities (for example subcontractors) for the purposes of fulfilling any of the award criteria set out above, it must ensure that each such person or entity, when requested by the Department, will submit proof, to the satisfaction of the Department, that it will place the necessary expertise at the disposal of the tenderer.

If a tenderer does not, upon request by the Department, provide evidence which is considered by the Department as sufficient to demonstrate the fulfilment, by any subcontractor on whose capacity the tenderer relies, of the award criteria (or any one of them) in accordance with this RFT, it shall be excluded from further participation in this tender process unless it replaces the subcontractor with one which meets all relevant requirements of this RFT. Any such replacement cannot affect the price submitted.



Section 5. Terms and conditions

5.1 Liability and warranty for tender information

While every effort has been made to provide comprehensive and accurate information in this request for tender, the Department does not accept any liability or provide any express or implied warranty in respect of any such information. Tenderers must form their own conclusions about the solution needed to meet the requirements set out in this RFT and may wish to consult their legal advisers as appropriate.

5.2 Data protection

With effect from 25 May 2018, a new Europe wide data protection regime has come into place under the General Data Protection Regulation (GDPR). The GDPR significantly increases the obligations and responsibilities for organisations and businesses on how they collect, use and protect personal data. All data will be processed in accordance with GDPR and relevant data protection law. Applicants are required to comply with the requirements of data protection legislation and the General Data Protection Regulation (GDPR).

5.3 Tendering costs

All costs and expenses incurred by tenderers relating to their participation in this RFT shall be borne by the tenderers exclusively.

5.4 Confidentiality

All documentation, data, statistics and information furnished by the Department to tenderers during the course of this RFT:

- i. are furnished for the sole purpose of replying to this RFT only;
- ii. may not be used, communicated, reproduced or published for any other purpose without the prior written permission of the Department;
- iii. shall be treated as confidential by the tenderer and by any third parties (including subcontractors) engaged or consulted by the tenderer; and
- iv. must be returned immediately to the Department upon cancellation or completion of this RFT if so requested by the Department.

5.5 Publicity

No publicity regarding this RFT or any contract pursuant to this RFT is permitted unless and until the Department has given its prior consent to the relevant communication.

5.6 Ownership

Ownership of any reports or material produced relating to any contract awarded as a result of this RFT rests with the Department.

5.7 Copyright and publication

Copyright of any reports or material produced shall rest with and be assigned to the Department. The Department shall have the right to publish, or not as the case may be, and to disseminate the report in both its original and in a modified form, without further reference to the tenderer. The tenderer will not be entitled to further payment if this occurs. The tenderer and the individual researchers will be entitled to be credited with the work that they have done on this project in any publication.

5.8 Registrable interest

Any registrable interest involving any tenderer or subcontractor and members of the Government, members of the Oireachtas, or employees and officers of the Department and their relatives must be fully disclosed in the tender or, in the event of this information only coming to the notice of the tenderer or subcontractor after the submission of a tender, must be communicated to the Department immediately upon such information becoming known to the tenderer or subcontractor.



The terms 'registrable interest' and 'relative' shall be interpreted as per section 2 of the Ethics in Public Office Acts 1995 and 2001, copies of which are available at www.irishstatutebook.ie. The Department will, at its absolute discretion, decide on the appropriate course of action, which may in appropriate circumstances include eliminating a tenderer from this RFT or terminating any contract entered into with a tenderer.

5.9 Anti-competitive conduct

Tenderers' attention is drawn to the Competition Act 2002 (as amended, the '2002 Act'). The 2002 Act makes it a criminal offence for tenderers to collude on prices or terms in a public procurement competition.

5.10 Freedom of information

Tenderers should be aware that, under the Freedom of Information Act 2014, information provided by them during this RFT may be liable to be disclosed.

Tenderers are asked to consider if any of the information supplied by them in their tender should not be disclosed because of its confidentiality or commercial sensitivity. If tenderers consider that certain information is not to be disclosed because of its confidentiality or commercial sensitivity, tenderers must, when providing such information, clearly identify the specific sections of their tender containing such information and specify the reasons for its confidentiality and commercial sensitivity.

5.11 Conflicts of interest

Any conflict of interest or potential conflict of interest on the part of a tenderer, subcontractor or individual employee or agent of a tenderer or subcontractor must be fully disclosed to the Department as soon as the conflict or potential conflict is or becomes apparent. In the event of any actual or potential conflict of interest, the Department may invite tenderers to propose means by which the conflict of interest might be removed. The Department will, at its absolute discretion, decide on the appropriate course of action, which may in appropriate circumstances include eliminating a tenderer from this tender process or terminating any contract entered into by a tenderer.

5.12 Withdrawal from the RFT process

Tenderers are required to notify the Department immediately by email to research@justice.ie if they decide to withdraw from the RFT process.

5.13 Insurance

The successful tenderer shall be required to hold for the term of the contract the appropriate level of insurance cover in order to carry out work associated with this project.