

## ***SPECIFICATIONS – TENDER VT/2006/044***

### **BENEFIT SYSTEMS AND THEIR INTERACTION WITH ACTIVE LABOUR MARKET POLICIES IN THE NEW MEMBER STATES**

#### **1. Title of the contract**

VC/2006/0613 – Benefit Systems and their interaction with Active Labour Market Policies (ALMPs) in the new Member States

#### **2. Background**

##### ***The Lisbon challenges and the role of the European Employment Strategy***

The Luxembourg Job Summit (1997) launched a European Employment Strategy (EES) aiming at rendering employment policy more active, more preventive and more effective towards combating unemployment. A strengthened policy co-ordination process was established at European Union (EU) level. The integrated strategy set out in Employment Guidelines provides the framework for the development and implementation of National Action Plans for employment (NAPs), while ensuring consistency with the Broad Economic Policy Guidelines (BEPGs) where the reform of welfare systems is a priority issue. Subsequent European Councils have further developed these orientations.

The Lisbon European Council (2000) shaped a long-term agenda for the EU to exploit the possibilities of, and gear the transition to, a knowledge-based society. The Lisbon conclusions set a new strategic goal for the next decade based on the modernisation of the European social model and economic reforms for a complete and fully operational internal market to fully reap the benefits of product and capital markets liberalisation and established a co-ordinated strategy that entails the setting of targets for employment: raising the employment rate to more than 60% for women and 70% overall by 2010. The Stockholm European Council (2001) stressed the need to meet the challenges of an ageing society and Member States were invited to set national targets for raising the rate of employment to 50% for older workers at EU level by 2010. The Barcelona European Council which called for a progressive increase of about 5 years in the effective average age, at which people stop working in the European Union, should be sought by 2010. The relaunched Lisbon Strategy underpinned by the integrated guidelines 2005-08, bringing together in a single document the BEPGs and the Employment Guidelines, aims at setting out the appropriate responses to achieving higher growth potential and more and better jobs in the EU.

##### ***The Employment Guidelines in an integrated policy framework***

Employment Guidelines advocate a more employment friendly stance on benefits systems focusing on promoting more active labour market policies and reform tax-benefit systems, placing emphasis on shifting from passive measures to active policies with a view to increase employability of those out of work and to help them find jobs and remain in work.

According to Employment Guidelines 2005 as adopted by the Council on 12 July 2005 (integrated guideline No 19) Member States will develop policies to "ensure inclusive labour markets, enhance work attractiveness and make work pay for job-seekers including disadvantaged people, through active and preventive labour market measures including early identification of needs, job search assistance, guidance and training as part of personalised action plans ... and continual review of incentives and disincentives resulting from the tax and benefit systems, including the management and conditionality of benefits." Moreover, Member States are invited (integrated guideline No 18) to "promote a lifecycle approach to work through support for active ageing and ... modern social protection systems, including pension and healthcare ... so as to support participation and better retention in employment and longer working lives." Within this lifecycle approach Member States are invited by the 2006 Spring European Council to pursue the shift towards active and preventative policies encouraging and helping people to find paid employment..

In an earlier edition of the Employment Guidelines (2003) Member States were invited to "...develop active and preventative measures for the unemployed and the inactive designed to prevent inflow into long-term unemployment and to promote the sustainable integration into the

employment of unemployed and inactive people." and "ensure that, by 2010, 25% of the long term unemployed participate in a an active measure in the form of training, retraining, work practice or other employability measure, with the aim of achieving the average of the three most advanced Member States." and "reform financial incentives with a view to making work more attractive and encouraging men and women to seek, take up and remain in work. In this context, they were invited to "...review and, where appropriate, reform tax and benefit systems and their interaction with a view to eliminating unemployment, poverty and inactivity traps". Moreover, they were invited to develop policies for active ageing by "fostering working conditions conducive to job retention" and by "eliminating incentives for early exit from the labour market notably by reforming early retirement schemes and ensuring that it pays to remain active in the labour market; and encouraging employers to employ older workers." For six consecutive years, the NAPs provide substantial evidence of efforts deployed by several Member States in reviewing their tax and benefit systems and in particular, those covering the unemployed, in order to ensure greater consistency with activation and prevention policies.

As theory predicts and evidence supports, labour supply is affected both by active policies and the structure of tax-benefit systems through their impact on economic incentives for work. When eligibility conditions are closely monitored and work tests are used to assess availability for work, potential disincentives to participate in the labour market or training may be minimised and early participation in active labour market programmes encouraged. On the other hand, high level of unemployment or other out-of-work benefits combined with long benefit duration and permissive administration of eligibility rules may undermine incentives for taking up jobs or participating in active labour market programmes and thus increase the risk of long term benefit dependency.

Therefore, if the unemployment benefits systems are over-generous and poorly managed, it is very difficult to operate active policies in such a way as to help increase labour market efficiency and reduce persistent and high structural unemployment. On the other hand, when the unemployment benefits are characterised by very low coverage and/or insufficient support, it is less likely to influence the behaviour of the unemployed and prevent their exclusion from the labour market.

#### *Benefits systems and active policy interrelationship*

Social protection systems provide security against the loss of income due to unemployment, but mechanisms for promoting employability have been developed only recently. The recognition that the reasons for weak employment growth and persistent unemployment are complex and multidimensional has led the EU to agree on a comprehensive labour market reform based on co-ordinated process - the Luxembourg process.

There is a need for an in-depth examination of the tax-benefit systems in the new Member States, placing emphasis on unemployment benefit systems, and similar passive income support schemes, and their interaction with active policies. There is also a need to examine the interrelationship between passive and in-work benefits, particularly for the lower paid and older workers. In this context, there is a need to examine the on-going reforms over the last four years, focusing on poverty and unemployment traps, and their interaction with the employment guidelines on prevention, activation and promotion of active ageing. In doing this, account should be taken of the main characteristics of their labour markets and the specific situations facing the new Member State.

A recent Commission study<sup>1</sup> conducted in 2003-04 is focusing on the relationship between benefits and active labour market policies for the EU15. This study analyses, the ways in which benefit schemes interact with active labour market policies; the extent to which they interact with each other; and assesses the problems that Member States have to tackle when carrying out their activation and making work pay policies. It contains valuable information about recent benefit reforms implemented by the EU15. All benefit systems and active labour market policies are analysed at the general level, whilst a more in-depth analysis is carried out for two labour market

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<sup>1</sup> See, [http://europa.eu.int/comm/employment\\_social/news/2004/oct/benefit\\_systems\\_report\\_en.html](http://europa.eu.int/comm/employment_social/news/2004/oct/benefit_systems_report_en.html)

transitions: (a) moving from unemployment/ inactivity to work and (b) moving from work to retirement, with emphasis placed on active ageing. Simulations carried out for six Member States on selected policy measures look at their impact on unemployment and on employment rates and policy implications of the main results are examined in relation to the European Employment Strategy.

Moreover, as underlined in the Communication in modernizing social protection with a view to making work pay<sup>2</sup>, whilst the problems facing social protection systems in the new Member States greatly differ among them, the following features seem to be more widely present: (i) low participation rates: with some exceptions, they show low participation rates partly reflecting high unemployment and high dependency ratios, which result from the extensive use of early retirement and invalidity pensions been applied during the economic restructuring processes and (ii) weak social protection and non-employment friendly tax systems: despite current reforms, existing welfare systems are not very generous in financial terms, have loose eligibility conditions and provide weak access to social protection.

### **3. Subject of the Contract**

The main purpose of the study is to analyse the way and the extent to which passive schemes interact with active policies and the type of problems the New EU10 Member States need to tackle in carrying out their activation policies in line with the provisions of the relaunched Lisbon Strategy underpinned by the integrated (employment) guidelines. It should enlarge the findings of the above Commission study carried out for the original EU15 Member States<sup>3</sup>. The study should aim at drawing conclusions from the perspective of providing incentives for work. In this context the Study should:

- (a) Identify the main strengths and weaknesses of the current tax-benefit systems in the new (10) EU Member States and the main challenges for reform, including the gender and age structure dimension in this policy domain;
- (b) Carry out a comparative analysis on recent developments and the likely labour market effects of shifting the emphasis from passive to active labour market policies undertaken by these Member States. Similarly, examine the interrelationship between passive and in-work benefits, where applicable and the likely effects on labour participation and employment rates;
- (c) Carry out an assessment of the applied eligibility criteria, benefit duration and job availability requirements in benefit systems on the behaviour of the unemployed as well as the beneficiaries of social assistance, disability or long-term sickness and early retirement schemes with regard to their employability;
- (d) Examine the implications for policy development with a view to help the Commission in the design of future employment policy and of individual country recommendations to Member States;

Tenders may propose additional issues for analysis within the overall framework of the present Study, if they are relevant with the general purpose of the Study.

The Study will take a broad view in analysing the developments in the tax and benefit systems and active policies in the new EU Member States complying with the following key elements;

- passive schemes aiming at providing replacement income to people not in employment (i.e. unemployment benefits, unemployment assistance, social assistance, disability, pension and other relevant benefits) taking into account the most representative family types such as single persons, lone parents and couples with children, since benefit systems across the EU tend to treat beneficiaries differently according to the existence or not of dependants.

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<sup>2</sup> See COM(2003)842/30-12-2003

<sup>3</sup> See, [http://europa.eu.int/comm/employment\\_social/news/2004/oct/benefit\\_systems\\_report\\_en.html](http://europa.eu.int/comm/employment_social/news/2004/oct/benefit_systems_report_en.html)

- Active policies including all those measures aimed at increasing prospects of employability of individuals (i.e. job broking and placement services, labour market training, job creation incentives).
- in-work benefits including all those social security and tax measures aimed at providing incentives and opportunities for working age population to re-enter or remain longer in employment for specific target groups, including low paid, lone parents, older workers and disabled (i.e. housing subsidies, family/child allowances, targeted tax credits, healthcare, tax credits/ wage subsidies).

#### 4. Participation

The competition is open to any physical person or legal entity coming within the scope of the Treaties and any other physical person or legal entity from a third country which has concluded with the Communities a specific agreement in the area of public contracts, under the conditions provided for in that agreement.

Where the Multilateral Agreement on Public Contracts concluded within the framework of the WTO applies, the contracts are also open to nationals of States that have ratified this Agreement, under the conditions provided for therein. It should be noted that research and development services, which come under category 8 of Annex II A of Directive 2004/18/CE, are not covered by this Agreement.

In practice, the participation of applicants from third countries that have concluded a bilateral or multilateral agreement with the Communities in the area of public contracts must be allowed, under the conditions provided for in that agreement. Bids submitted by applicants from third countries that have not concluded such an agreement may be accepted, but may also be rejected.

#### 5. Tasks to be performed by the Contractor

The selected contractor will undertake the responsibility to carry out the following tasks:

**5.1** *Review the state of play on tax and benefit systems and their interaction with active labour market policies based on critical review of literature and information in the new EU Member States (OECD inter alia) with a view to identify strengths and weaknesses and likely implications of recent policy reforms in this field. In this review, the most recent literature/statistical work and the on-going debate at OECD in this field should be taken into account.*

**5.2** *Design an appropriate methodology, reflecting data availability to analyse labour market transitions in the new Member States, including:*

- Unemployment and other out-of-work benefit schemes and their interaction with active labour market policies;
- Interrelationships between passive benefit schemes and in-work benefits, where appropriate;
- Interactions between tax-benefit structures and active ageing policies.

In the analytical tools, consider the possibility of carrying out a cross-country statistical analysis using, as appropriate, stylised facts and/or empirical data.

**5.3** *Carry out simulations of key policy instruments and their interactions in relation to labour supply, for at least 4 of the new Member States, having robust statistical information and forming a representative country group of the diversities of the tax and benefit systems in the new Member States. These simulations should be used to examine: (a) the potential impact of shifting from passive to active policies on combating high and persistent unemployment and (b) the potential impact on overall, female and older workers employment rates in view of the Lisbon, Stockholm and Barcelona targets set for 2010.*

**5.4** *Select and assess examples of good practice, by taking into account the experience of Member States in promoting tax-benefit reforms in recent years. In this, provide the following information: A factual description of the good practice; the scope of the*

practice; the time period that the policy measure/ initiative has been in place; the evaluation results, if available; other lessons to be learned.

**5.5 Carry out estimations on a comparable basis and analysis in a number of fields characterising the development of both passive and active policy schemes**, including:

- An analysis of the disincentives that each benefit scheme may create for active job search, acceptance of a job or participation in active measures.
- An estimation of the stock of beneficiaries in each major passive scheme (including unemployment benefits, unemployment assistance, social assistance, disability, long-term sickness, pre-retirement, early retirement) and their breakdown by age groups, gender and family type.
- An estimation of the number of beneficiaries of passive benefit schemes, also participating in active measures by age groups, gender and family type.
- An estimation of the number of beneficiaries of passive benefit schemes, also benefiting from in-work-benefits by age groups, gender and family types.
- An estimation of the number of beneficiaries of in-work benefit schemes, also participating in active measures by age groups, gender, family type.
- An estimation of the benefit dependency ratio for working age population i.e. No of beneficiaries of passive schemes aged 15-64/employed population aged 15-64; No of beneficiaries of passive benefit schemes aged 45-54 and 55-64 over employed population of same age group.
- A synoptic table comparing benefit schemes by key types in each category (i.e. unemployment benefits, unemployment assistance, social assistance, disability, pre-retirement and early retirement benefits).

**5.6 Conclude by highlighting the principal lessons emerging from the analysis and the overall findings.** Pinpoint the implications for policy development with the view to the Commission's future formulation of employment policy in relation to reforms on benefits and their interaction with ALMPs and its recommendations to individual Member States in this area.

**5.7** The empirical part of the Study should draw primarily on the following sources.

- European databases, like MISSOC, MISSCEEC, ERSEP and Eurostat (ESSPROS, ALMP, LFS, ECHP);
- OECD sources;
- Other reliable sources, including national statistical databases.

Moreover, the contractor could usefully consider the following relevant documentation:

- European Commission/ DG EMPL documentation;  
[http://europa.eu.int/comm/employment\\_social/index\\_en.html](http://europa.eu.int/comm/employment_social/index_en.html)
- Joint Employment reports and Commission supporting documents 1998 to date;
- "Time to move up a gear", The European Commission's 2006 Annual Progress Report on growth and jobs;
- Employment in Europe 2005, European Commission
- National Action Plans for employment;
- National Reform Programmes for growth and jobs, 2005-2008;
- "Benefit systems and their interaction with Active Labour Market Policies", European Commission study, 2004;  
[http://europa.eu.int/comm/employment\\_social/news/2004/oct/benefit\\_systems\\_report\\_en.html](http://europa.eu.int/comm/employment_social/news/2004/oct/benefit_systems_report_en.html)
- Communication on "Modernising social protection for more and better jobs: a comprehensive approach contributing to making work pay" COM (2003) 842.

[http://europa.eu.int/comm/employment\\_social/news/2004/oct/benefit\\_systems\\_report\\_en.html](http://europa.eu.int/comm/employment_social/news/2004/oct/benefit_systems_report_en.html)

- Employment Observatory;  
<http://www.eu-employment-observatory.net/en/publications/review/>
- OECD work/ publications in the field of benefits and ALMPs including "Benefits and wages: OECD indicators", 2004
- Indicators of unemployment and low-wage traps, Economic papers No 197, European Commission, Dec 2003, see [http://europa.eu.int/comm/economy\\_finance](http://europa.eu.int/comm/economy_finance).

## 6. Professional qualifications required

See Annex IV of draft contract, experts' CVs and section 12 below on selection criteria.

## 7. Time schedule and reporting

See article I.2 of the draft contract. The contract period will have an estimated duration of 15 months starting after the signature of the contract.

7.1. The contractor is required to deliver an *inception report* within *two months* from the signature of the contract. This report will consist of the following major elements.

- Presentation of refined and fully operational methodology
- Data description tools and procedures and analytical framework in detail, including proposed case studies.
- Detailed work schedule for the remaining 13 month period
- describing how the team's work will be structured, the technical means and methods that will be used and providing an indication of missions or visits required for the whole the project

7.2. Interim report after six months of research work.

The contractor is required to prepare an **interim report** presented as follows:

- summary of the work carried out according to the present Contract;
- work programme planned for the following period;
- present status of expected output documents, and comments on the degree of achievement;
- any comments, suggestions or recommendations judged useful or necessary by the Contractor;
- draft version of expected output documents.

Unless otherwise provided, the report must arrive at the Commission no later than by the end of the 7<sup>th</sup> month.

7.3. Final report after the period of 15 months as established in the contract.

All three reports described above will be submitted in English language, in 3 hard copies as well as in electronic, CD-ROM form. The contractor will also be required to supply a summary report of 10-15 pages and an executive summary (2-3 pages) of the final report, in English, French and German. The contractor should anticipate 4 to 6 working meetings with the Commission Services.

## 8. Payments and standard contract

### 1) Pre-financing

Following signature of the Contract by the last contracting party, within 30 days of the receipt by the Commission of a request for pre-financing with a relevant invoice, a pre-financing payment equal to 20% of the total amount referred to in Article I.3.1 of the Contract shall be made.

### 2) Interim payment

Requests for interim payment by the Contractor shall be admissible if accompanied by

- an interim technical report in accordance with the instructions laid down in Annex I of the draft contract.
- the relevant invoices,

provided the report has been approved by the Commission.

The Commission shall have 45 days from receipt to approve or reject the report, and the Contractor shall have 30 days in which to submit additional information or a new report.

Within 30 days of the date on which the report is approved by the Commission, an interim payment corresponding to the relevant invoices, up to maximum 60% of the total amount referred to in

Article I.3.1 of the Contract, shall be made.

### **3) Payment of the balance**

The request for payment of the balance of the Contractor shall be admissible if accompanied by:

- the final technical report in accordance with the instructions laid down in Annex I of the draft contract
- the relevant invoices,

provided the report has been approved by the Commission.

The Commission shall have 45 days from receipt to approve or reject the report, and the Contractor shall have 30 days in which to submit additional information or a new report.

Within 30 days of the date on which the report is approved by the Commission, payment of the balance of the total amount referred to in Article I.3.1 of the Contract shall be made.

In drawing up the bid, the tenderer should take into account the provisions of the standard contract comprising the "General terms and conditions applicable to service contracts".

## **9. Price**

The indicative budget ceiling is €300.000.

Under the terms of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities, the latter are exempt from all charges, taxes and duties, including value added tax; such charges may not therefore be included in the calculation of the price quoted. The amount of VAT is to be indicated separately.

The price must be stated in EUR(€), net of VAT (using, where appropriate, the conversion rates published in the C series of the Official Journal of the European Union on the day when the invitation to tender was issued), and broken down according to the model in Annex III included in the attached standard contract.

- Professional fees and direct costs
  - Fees, expressed as the number of person-days multiplied by the unit price per working day for each expert proposed. The unit price should cover the experts' fees and administrative expenditure.
  - Other direct costs (please specify)

## **10. Composition of partnership or consortium**

If a partnership or consortium is envisaged, its composition should be clearly specified and the criteria listed under point 12 should be detailed to individual members of the partnership. In addition, one of the consortium members must be designated as lead Contractor, and must ensure full responsibility towards the Commission as regards both this bid and the future contract, if awarded.

## **11. Exclusion criteria and supporting documents**

### ***Governed by***

Article 93 of the Financial Regulations

#### **1. Applicants or tenderers shall be excluded if:**

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they have been convicted of an offence concerning their professional conduct by a judgement which has the force of res judicata;
- c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;

- d) they have not fulfilled their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- e) they have been the subject of a judgement which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- f) following another procurement procedure or grant award procedure financed by the Community budget, they have been declared to be in serious breach of contract for failure to comply with their contractual obligations.

2. Applicants or tenderers must certify that they are not in any of the situations listed in paragraph 1 above.

#### Article 134 of the Implementation Arrangements – Supporting documents

1. The contracting authority shall accept, as satisfactory evidence that the candidate or tenderer is not in one of the situations described in points (a), (b) or (e) of Article 93 of the Financial Regulations, production of a recent extract from the judicial record or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that these requirements are met.

2. The contracting authority shall accept, as satisfactory evidence that the candidate or tenderer is not in the situation described in point (d) of Article 93 of the Financial Regulations, a recent certificate issued by the competent authority of the State concerned. Where no such document or certificate is issued in the country concerned, it may be replaced by a sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in his country of origin or provenance.

3. Depending on the national legislation of the country in which the tenderer or applicant is established, the documents referred to in paragraphs 1 and 2 above shall relate to legal entities and/or physical persons, including, where considered necessary by the awarding authority, company directors or any person with powers of representation, decision-making or control in relation to the tenderer.

#### Article 94 of the Financial Regulations

Contracts may not be awarded to candidates or tenderers who, during the procurement procedure:

- a) are subject to a conflict of interest;
- b) are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the contract procedure or fail to supply this information.

See Annex I (which may be used as a checklist) for the supporting documents accepted by the European Commission to be provided by applicants, tenderers or bidders.



**Any bid not including the supporting documents provided for in this Annex will be excluded.**

**A written self-declaration by the candidate that he is not in the situation described by article 93 § 1. a), b), d) and e) (see above) will not be accepted by DG Employment, Social Affairs & Equal Opportunities.**

## **12. Selection criteria**

Tenderers must include in their tenders all the information and documents giving evidence of the tenderer's financial and economic capacity and of his technical and professional competence<sup>4</sup>. Only tenders fulfilling all the selection criteria will be examined in the light of the award criteria. The criteria and documents to be included are set out below:

### a) Economic and financial capacity:

In order for the Commission to determine the sound economic and financial capacity of an undertaking to execute this contract, the following must be provided:

- balance sheets for the last three financial years.

In the case of legal entities which, by reason of the company law in the country in which they are established, are not obliged to publish their balance sheets, the audited accounts or audit certificates for the previous three financial years,

- a bank document, dated not more than 60 days prior to the cut-off date for submission of tenders, confirming the undertaking's financial capacity to handle a contract for the contract duration and for the price stipulated in the tender.
- a statement of the undertaking's overall turnover which must be equal to at least twice the contract amount
- its turnover in respect of the services to which the contract relates for the previous three financial years;

### b) Technical capacity:

Educational and professional qualifications of the service provider will be substantiated by providing

- Detailed CV's of all members of the study team responsible for providing the service,
- References that the proposed study team has good knowledge and experience in tax-benefit systems and active labour market policies (ALMP) in the EU, particularly the new Member States
- A list of principal services or studies provided in the relevant policy domain over the past 3 years.

## **13. Award criteria**

The contract will be awarded to the bid offering the best price / quality ratio), taking into account the following criteria:

- (i) *Quality of tender* ..... 40 points

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<sup>4</sup> Articles 135, 136 and 137 of the Implementing Rules of the Financial Regulation (Commission regulation 2342/2002).

- Understanding the nature and context of the project
- Clarity and efficiency of work-plan,
- Organisation of work within the team and strategy proposed to carry out the tasks

(ii) *Methodology of tender* ..... 60 points

- Understanding the tasks to carry out
- Methodology proposed

Please note that the contract will not be awarded to any bid that receives less than 70 % in the award criteria.

The points total will then be divided by the price offered, with the highest-scoring bid being chosen.

It should also be noted by tenderers that the initiation of the tendering procedure does not oblige the Commission to award the contract.

## **14. Content and presentation of the bids**

### **14.1 Content of the bids**

Tenders must include:

- All information and documents necessary to enable the Commission to appraise the bid on the basis of the selection and award criteria (see points 12 and 13 above);
- A bank ID form duly completed and signed by the bank;
- A "legal entity" form duly completed;
- The price;
- The detailed CVs of the proposed experts;
- The name and function of the contractor's legal representative (i.e. the person authorised to act on behalf of the contractor in any legal dealings with third parties);
- Proof of eligibility: tenderers must indicate the State in which they have their registered office or are established, providing the necessary supporting documents in accordance with their national law.

### **14.2 Presentation of bids**

- Bids must be submitted in triplicate (i.e. one original and two copies).
- They must include all the information required by the Commission (see points 9, 10, 11 and 12 above).
- They must be clear and concise.
- They must be signed by the legal representative. Unsigned bids will be rejected.
- They must be submitted in accordance with the specific requirements of the invitation to tender, within the deadlines laid down.

Annex I

Exclusion criteria (Article 93(1) FR)	Supporting documents to be provided by applicants, tenderers or bidders	
	Procurement (Article 93(2) FR; Article 134 IR)	
<b>1. Exclusion from a procurement procedure, Article 93(1) FR :</b> <i>« Candidates or tenderers shall be excluded from participation in a procurement procedure if:</i>		
<b>1.1. (subparagraph a)</b> <i>they are bankrupt or being wound up,</i>  <i>are having their affairs administered by the courts,</i>  <i>have entered into an arrangement with creditors have suspended business activities, are the subject of proceedings concerning those matters,</i>  <i>or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations<sup>5</sup>;</i>	<ul style="list-style-type: none"> <li>– Recent extract from the judicial record <b>or</b> recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance <b>or</b></li> <li>– Where no such certificate is issued in the country concerned : sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in his country of origin or provenance</li> </ul>	–
<b>1.2. (subparagraph b)</b> <i>they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata<sup>6</sup>;</i>	Cf. supporting documents for Article 93(1)(a) FR above	

<sup>5</sup> See also Article 134(3) IR : Depending on the national legislation of the country in which the tenderer or candidate is established, the documents referred to in paragraphs 1 and 2 shall relate to legal persons and/or natural persons including, where considered necessary by the contracting authority, company directors or any person with powers of representation, decision-making or control in relation to the candidate or tenderer.

<sup>6</sup> Cf. footnote n° 1.

Exclusion criteria (Article 93(1) FR)	Supporting documents to be provided by applicants, tenderers or bidders	
	Procurement (Article 93(2) FR; Article 134 IR)	
<b>1.3. (subparagraph c)</b> <i>they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify;</i>	Declaration by the candidate or tenderer that he is not in the situation described	
<b>1.4. (subparagraph d)</b> <i>they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed<sup>7</sup>;</i>	Recent certificate issued by the competent authority of the State concerned confirming that the candidate is not in the situation described <b>or</b> – Where no such certificate is issued in the country concerned : sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in his country of origin or provenance	
<b>1.5. (subparagraph e)</b> <i>they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests<sup>8</sup>;</i>	Cf. supporting documents for Article 93(1)(a) FR above	
<b>1.6. (subparagraph f)</b> <i>following another procurement procedure or grant award procedure financed by the Community budget, they have been declared to be in serious breach of contract for failure to comply with their contractual obligations. »</i>	Declaration by the candidate or tenderer that he is not in the situation described	

<sup>7</sup> Cf. footnote n° 1.

<sup>8</sup> Cf. footnote n° 1.

Exclusion criteria (Article 94 FR)	Supporting documents to be provided by applicants, tenderers or bidders		
	Procurement	Grants	
<b>2. Exclusion from a procurement or grant award procedure Article 94 FR :</b> « <i>Contracts may not be awarded to candidates or tenderers who, during the procurement procedure:</i>			
<b>2.1. (subparagraph a)</b> <i>are subject to a conflict of interest;</i>	Statement by the applicant, tenderer or bidder confirming the absence of conflict of interests, to be submitted with the application, bid or proposal		–
<b>2.2. (subparagraph b)</b> <i>are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the contract procedure or fail to supply this information»<sup>9</sup>.</i>	<ul style="list-style-type: none"> <li>– No specific supporting documents to be supplied by the applicant, tenderer or bidder</li> <li>– It is the responsibility of the authorising officer, represented by the evaluation committee, to check that the information submitted is complete<sup>10</sup> and to identify any misrepresentation</li> </ul>		–

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<sup>9</sup> Cf. Article 146(3) of the FR Implementing Rules: « ...the evaluation committee may ask candidates or tenderers to supply additional material or to clarify the supporting documents submitted in connection with the exclusion and selection criteria, within a specified time-limit. » and Article 178(2) of the FR Implementing Rules: « The evaluation committee may ask an applicant to provide additional proof or to clarify the supporting documents establishing financial and operational capacity, within a specified time-limit. »

<sup>10</sup> Cf. footnote n°1