INVITATION TO TENDER No: AO/ECFIN/R1/08/05

**Annex 1: Specifications** 

## **Specifications**

## DG ECFIN in-house training requiring external consultant

## 1 Introduction

DG ECFIN must organize a course on "Topics in Micro econometrics.

## 2 Subject

Directorate General Economic and Financial Affairs is searching for an external trainer to deliver a course in English on "**Topics in Micro econometrics**"

### 2.1 Objective

The purpose of the course is:

- To give officials skills and practical knowledge in the field of micro econometrics, particularly in terms of cross-sections and panel data estimations.
- To provide an update of the newest developments in estimation techniques in the field of panel data models.

## 2.2 Language

The training is to be given in English. All documentation and other material for participants must be made available in this language.

#### 2.3. Duration

The training should correspond to a number of hours equivalent to 3 days.

## 2.4. Venue

The training should be carried out in the premises of the European Commission in Brussels.

## 2.5. Number of participants

The number of participants should ideally be 20-30 staff members.

#### 2.6. Content of the training

The training shall be organised over a three day period. The first two days shall be dedicated to theory on cross-section and basic panel data models. Half of the third day shall be dedicated to computer based data analysis and estimation using the theory from the first two days. The other half of the third day shall be dedicated to an overview of the most recent developments in panel data models and estimation techniques. The training should be based on well-known and high standard research papers and/or textbooks in the area of micro econometrics.

The course should cover the following topics:

- Cross-section estimations, specification and hypothesis tests, including the estimation of SUR equations
- Estimations of basic panel-data models, including fixed effects, random effects, dynamic panels as well as appropriate specification and hypothesis tests

• Newest developments in panel data models including different types of non-linear panels

The instructor should have strong knowledge of the subject and appropriate pedagogical skills with proven corresponding academic qualifications and teaching experience. He/she should speak English fluently.

#### 2.7. The deadlines for execution

A suitable date for arranging the course between June-July or September-December 2008 will be discussed with the selected contractor.

## 2.8. Preparation and implementation of the course

On the basis of the proposals made by the Contractor, the course will be fine tuned in cooperation with the departments concerned.

The contractor will be required to work:

- On his/her own premises, for planning and preparation.
- In Brussels, for the actual training sessions.

## Phase 1 Preparation:

The contractor, in cooperation with the Commission departments concerned, will:

- Finalize the course programme
- Prepare the documentation (including a specialised bibliography) and the teaching materials to be used by the participants in the course. Preparatory reading materials will have to be made available at least two weeks before the delivery of the course so as to enable participants to prepare.

### Phase 2 Implementation:

- Delivery of the course.
- Supplementary documentation for participants (e.g. copies of presentations used during the course, additional reading material where relevant, etc.) must be supplied.

# 3 Documents and information to be submitted with the dated and signed offer:

For the tender to be admissible the following documents have to be submitted:

- a) A dated and signed cover letter.
- b) Price schedule (Annex 2), duly completed, dated and signed, in accordance with the specifications.
- c) A detailed description of the proposed work programme, clearly stating the content of the training planned.
- d) A brief overview of the teaching methods and suggested documentation planned in order to achieve the objectives.

- e) The curriculum vitae of the teacher(s), listing relevant experience, references, diplomas, degrees and range of languages and further documentation demonstrating the professional capability of the tenderer.
- f) Standard form (Annex 3) concerning the exclusion criteria, duly signed by the tenderer.
- g) Financial Identification Form + supporting documents
- h) Legal Entity Form + supporting documents

The draft model contract (purchase order) in Annex 4 is attached for your information only and should not be returned to DG ECFIN. After the decision has been made regarding the award of contracts, DG ECFIN will draw up a complete purchase order for signature by the contracting parties.

## 4. Payment

See Article 4 "Request for Payment" and Article 5 "Provisions concerning payments" of the General Conditions of Contract (Annex 7). The invoice must be accompanied by all documentation mentioned in Section 2.8 above, in electronic format.

#### 5. The tender must include:

- □ All the information and documents required by the authorising department for the appraisal of tenders on the basis of the award criteria set out at point 7;
- □ The price, in accordance with point 6.

In drawing up his bid, the tenderer should bear in mind the provisions of the standard contract attached to this invitation to tender (Annex 4). The submission of a bid implies acceptance of these provisions and no amendments shall be made to the standard contract.

## 6. Prices

- □ Prices must be quoted in euros.
- Prices must cover the cost of the above-mentioned two phases and all the expenses incurred by the Contractor in performing the general contract, including estimated travel and subsistence expenses which must be indicated separately.

This estimate should be based on Annex 2 and include any travel required to meet representatives of ECFIN. In any event, it should represent the maximum amount of travel and subsistence expenses payable for all the services provided.

Prices should be quoted free of all duties, taxes and duties, including VAT, as the Communities are exempt from such charges under Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities.

## 7. Selection procedure

## 7.1 Exclusion criteria (cf. Annex 3)

Tenderers shall be excluded from participation in a procurement procedure if they are in one of the cases of exclusion in accordance with Articles 93 and 94 of the Financial Regulation

(Council Regulation 1605/2002 of 25/6/02) and Article 133 of the Implementing Regulation (Commission Regulation 2342/2005 of 23/12/05).

The proof of non exclusion has to be provided by the production of the standard form of the exclusion criteria, duly signed by the tenderer (Annex 3).

#### 7.2 Award criteria

The contract will be awarded to the best value for money evaluated on the basis of the following criteria:

- a) The best price will be awarded 30 points.
- b) The quality of the training offered in relation to the requirements and details set out in the specifications. In particular, quality will be assessed on the basis of:
  - the best outline of the proposed programme for the course (relevance of subjects covered, quality, topics covered, etc.) will be awarded 35 points.
  - the best teaching method including the suggested documentation, the experience of the trainers and proposed teaching materials for participants will be awarded **35 points**.

Offers must present a minimum quality level representing at least 50% of the offer with the best quality.

The contract will be awarded to the offer that has obtained the maximum of points of the total of selection criteria.

## 8. Applicable law and jurisdiction

The Contract shall be governed by Belgian law and any dispute shall be brought before the courts of Brussels.

## 9. Penalties

See Article 15 "Liquidated Damages" of the General Conditions of Contract.

## INVITATION TO TENDER No. AO/ECFIN/R1/08/05 Annex 2

## PRICE SCHEDULE

Prices must be firm and quoted in euros, free of VAT and other taxes, but they should cover all expenses incurred by the contractor including the cost of travel and subsistence.

| Parallel and Control                      | Cost Max: 7.000 € (seven thousand euros)   |               |  |  |  |  |  |
|---|--|---------------|--|--|--|--|--|
| Breakdown of costs                        | Base   | EUR           |  |  |  |  |  |
| Phase 1 :<br>Preparation                  | 1. Lump sum  |               |  |  |  |  |  |
| Phase 2 :<br>Delivery: Implementation     | 2. Lump sum  |               |  |  |  |  |  |
| Documentation/material for participants   | 3. Lump sum  |               |  |  |  |  |  |
| Estimated travel and subsistence expenses | 4. Lump sum  |               |  |  |  |  |  |
|   | Experience and the second seco | - Sensoppioni |  |  |  |  |  |
| Global Sum                                | 1+2+3+4  |               |  |  |  |  |  |
| Name:                                     |  |               |  |  |  |  |  |
| Date:                                     |  |               |  |  |  |  |  |
| Signature:                                |  |               |  |  |  |  |  |

#### Declaration on exclusion criteria

The undersigned (for organizations/companies the agent legally permitted to represent the tenderer with respect to third parties and acting on behalf of the company or of the above-mentioned organization):

Business name of the company or of the organization (if applicable):

Official place of residence:

License number (if applicable):

VAT number (if applicable):

### Criteria of exclusion for the participation in a procurement procedure:

Hereby the above mentioned organization/company/individual declares:

- a) is not in state of a bankruptcy or bankruptcy proceedings, is not having affairs administered by the courts, has not entered into agreement with creditors or suspended its business activities, is not the subject of proceedings concerning those matters or in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) is not the subject of conviction of an offence concerning their professional conduct by a judgment which has the force of res judicata;
- c) is not guilty or the subject of a grave professional misconduct proven by any means which the contracting authority can justify;
- d) has fulfilled its obligations relating to the payment of the Social Security contributions or obligations relating to the payment of its taxes in accordance with the legal provisions of the country in which he/she/it is established or the country of the contracting authority or those of the country where the contract is to be performed;
- e) is not the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity undermining the financial interests of the Communities;
- f) is not in serious breach of contract for failure to comply with their contractual obligations, following another procurement or grant award procedure financed by the Community budget.;
- g) is not faced with a conflict of interest;
- h) is not guilty of misrepresentation in supplying the information required or has not failed to supply this information.

| Administrative  | or financial penalties  | may be impos    | ed by the C     | Contracting I | Authority on  |
|-----------------|-------------------------|-----------------|-----------------|---------------|---------------|
| Tenderers who   | are in one of the cases | of exclusion pr | ovided for al   | oove, in acc  | ordance with  |
| Articles 93, 94 | & 96 of the Financial R | egulation (Cou  | ncil Regulation | on 1605/200   | 2 of 25/6/02) |
| and Article 133 | 3 of the Implementing   | Regulation (C   | ommission F     | Regulation 2  | 2342/2002 of  |
| 23/12/02).      |                         |                 |                 |               |               |

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Date:

## DRAFT

## INVITATION TO TENDER No: AO/ECFIN/R1/08/05 Annex 4:

| ** ** **<br>** **                           | EUROPEAN  | PURCHASE ORDER   | Number of              | Sheet            | Date ar      | d reference |  |  |  |
|---|---|--|------------------------|------------------|--------------|-------------|--|--|--|
| \$ \$\frac{1}{2}\$                          | COMMISSION  | (to be mentioned in all correspondence)  | sheets                 | No               | of yo        | ur quote    |  |  |  |
| COMMISSION                                  |   | No   |                        |                  |              |             |  |  |  |
| Ad  | ddress  |  |                        | 1                |              |             |  |  |  |
|   |   | Contractor code:   |                        |                  |              |             |  |  |  |
| DG and adn                                  | ninistrative unit:                                  | Country of origin:   | (Nar                   | ne and addi      | ress of Con  | ractor)     |  |  |  |
|   |   | Currency of payment: EUR   |                        |                  |              |             |  |  |  |
| Tel.:<br>Fax:                               |   | Code country of origin/currency  |                        |                  |              |             |  |  |  |
|   | act is governed by the 2                            | I<br>003 General Conditions published on the Internet at:  |                        |                  |              |             |  |  |  |
| http://europa.eu                            | .int/comm/budget/o                                  | ther main/low value contracts en.htm   |                        |                  |              |             |  |  |  |
| i , ,                                       | ation sent on [date] attac                          | •  |                        | n mli al         |              |             |  |  |  |
| i .   | •   | of the Contractor's quote submitted on [date] by [fax, e-n issue] [only if the delivery/performance dates stipulated |                        |                  |              |             |  |  |  |
| By agreeing to this                         | contract, the Contactor s                           | tates that he is familliar with and accepts the 2003 General   |                        |                  |              |             |  |  |  |
| waives all other tern                       | ns of sale or performanc                            | e of services.   |                        |                  | DDI          | CE in €     |  |  |  |
|   | DESCRIPTION OF                                      | THE GOODS OR SERVICES  | UNIT                   | QUANTITY         | UNIT PRICE   | TOTAL       |  |  |  |
|   |   |  |                        |                  |              |             |  |  |  |
|   |   |  |                        |                  |              |             |  |  |  |
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|   |   |  | Danie in in            | 1                | 1            |             |  |  |  |
| Pursuant to the prov                        | isions of Articles 3 and 4                          |  | Packaging<br>Insurance |                  |              |             |  |  |  |
| European Communit                           | ties, the Commission is                             | exempt from all taxes and dues, including value added  | Transport              |                  |              |             |  |  |  |
| tax, on payments di<br>request for VAT exer | ue in respect of this Co<br>motion. The invoice mus | ontract. [In Belgium, use of this Contract constitutes a<br>st include the following statement: "Commande destinée   | •                      |                  |              |             |  |  |  |
| à l'usage officiel des                      | Communautés Europée                                 | ennes, Exonération de la TVA; article 42 § 3,3 du code   | VAT                    |                  |              |             |  |  |  |
| de la TVA".]                                |   | -  |                        |                  |              |             |  |  |  |
|   |   |  | TOTAL:                 |                  |              |             |  |  |  |
|   |   |  |                        |                  |              |             |  |  |  |
| Place of delivery/p                         | erformance and/or Inc                               | coterm and opening hours:  |                        | Contractor       | 's signature |             |  |  |  |
| Dalinaarikaari                              |   | Ifrom to 1 [dots]  | Nama                   |                  |              |             |  |  |  |
| Delivery/performar                          | nce dates:<br>from receipt of the inv               |  | Name:                  |                  |              |             |  |  |  |
| . aymont. oo days                           | nom receipt of the lift                             | 1  | Position:              |                  |              |             |  |  |  |
| Contractor's bank                           | account: [please com                                |  |                        |                  |              |             |  |  |  |
| A   |   |  | Date:                  |                  |              |             |  |  |  |
| Acceptance of the                           | e quote by the Comr                                 | nission:   |                        |                  |              |             |  |  |  |
| Date of issue :                             |   |  |                        |                  |              |             |  |  |  |
| Signature [name a                           | nd position]:                                       |  |                        |                  |              |             |  |  |  |
| The request for pa                          | yment shall be admis                                | sible only if the Contractor returns a signed copy of  | this purchase          | e order with the | he invoice.  |             |  |  |  |
| This Contract sha                           | all be governed by f                                | Belgian] law and any dispute shall be brought  | before the co          | ourts of [Bru    | ssels].      | İ           |  |  |  |

## FINANCIAL IDENTIFICATION

|                      | tored in the Commission's accounting records for use in its payment procedures.  Jout such procedures will be able to consult it for this purpose. |
|----------------------|--|
|                      | ACCOUNT HOLDER   |
| NAME                 |  |
|                      |  |
| ADDRESS              |  |
|                      |  |
| TOWN/CITY            | POSTCODE POSTCODE  |
| COUNTRY              | VAT NUMBER   |
| CONTACT PERSON       |  |
| TELEPHONE            | FAX  |
| E - MAIL             |  |
|                      |  |
|                      |  |
|                      | BANK   |
| BANK NAME            |  |
|                      |  |
| RANCH ADDRESS        |  |
|                      |  |
| TOWN/CITY            | POSTCODE   |
| SORT CODE            | ACCOUNT NUMBER [ ] ] ] ]   |
| IBAN                 |  |
| REMARKS:             |  |
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|                      | ATURE OF BANK REPRESENTATIVE DATE + SIGNATURE ACCOUNT HOLDER:  |
| (Both Obligatory)(1) | (Obligatory)   |
|                      |  |
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<sup>(1)</sup> The bank stamp and signature of its representative are not required if this form is accompanied by a copy of a bank statement. The signature of the account holder is obligatory in all cases.

|   |   |   | - |   |   | _  |   |   |   |   | <br> | <br> | <br> | <br> |  |
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| L | E | G | Δ | L | E | N. | T | T | E | S |      |      |      |      |  |

This information is to be stored in the Commission's accounting records for use in its payment procedures. Commission staff carrying out such procedures will be able to consult it for this purpose.

## **INDIVIDUAL**

| <b>F</b>      |   |  |  |  |  |
|---------------|---|--|--|--|--|
| TITLE         |   |  |  |  |  |
| NAME          |   |  |  |  |  |
| FIRST NAME    |   |  |  |  |  |
| (NAME 2)      |   |  |  |  |  |
| (NAME 3)      |   |  |  |  |  |
| OFFICIAL      |   |  |  |  |  |
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| POSTAL CO     | ODE P.O. BOX  |  |  |  |  |
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| VAT NR        |   |  |  |  |  |
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| COUNTRY OF E  | BIRTH   |  |  |  |  |
| PHONE         | FAX   |  |  |  |  |
| E-MAIL        |   |  |  |  |  |
|               | RABLE AND SUFFICIENT TO SEND US THE ABOVE SHEET DULY D AND ACCOMPANIED BY A CLEAR COPY OF THE IDENTITY CARD DRT |  |  |  |  |

DATE AND SIGNATURE

## GENERAL CONDITIONS OF THE CONTRACT (2003)

## ARTICLE 1 - PERFORMANCE OF THE CONTRACT

- 1.1. The Contractor shall perform the Contract to the highest professional standards. The Contractor shall have sole responsibility for complying with any legal obligations incumbent on him, notably those resulting from employment, tax and social legislation.
- 1.2. The Contractor shall have sole responsibility for taking the necessary steps to obtain any permit or licence required for performance of the Contract under the laws and regulations in force at the place where the tasks assigned to him are to be executed.
- 1.3. Without prejudice to Article 3 any reference made to the Contractor's staff in the Contract shall relate exclusively to individuals involved in the performance of the Contract.
- 1.4. The Contractor must ensure that any staff performing the Contract have the professional qualifications and experience required for the execution of the tasks assigned to him.
- 1.5. The Contractor shall neither represent the Commission nor behave in any way that would give such an impression. The Contractor shall inform third parties that he does not belong to the European public service.
- 1.6. The Contractor shall have sole responsibility for the staff who execute the tasks assigned to him. The Contractor shall make provision for the following employment or service relationships with his staff:
  - staff executing the tasks assigned to the Contractor may not be given orders direct by the Commission;
  - the Commission may not under any circumstances be considered to be the staff's employer and the said staff shall undertake not to invoke in respect of the Commission any right arising from the contractual relationship between the Commission and the Contractor.
- 1.7. In the event of disruption resulting from the action of a member of the Contractor's staff working on Commission premises or in the event of the expertise of a member of the Contractor's staff failing to correspond to the profile required by the Contract, the Contractor shall replace him without delay. The Commission shall have the right to request the replacement of any such member of staff, stating its reasons for so doing. Replacement staff must have the necessary qualifications and be capable of performing the Contract

<sup>\*</sup> Applicable in particular to contracts for the purchase of low-value services and supplies (threshold set in Article 129(2) of the Rules implementing the Financial Regulation).

under the same contractual conditions. The Contractor shall be responsible for any delay in the execution of the tasks assigned to him resulting from the replacement of staff in accordance with this Article.

- 1.8. Should any unforeseen event, action or omission directly or indirectly hamper execution of the tasks, either partially or totally, the Contractor shall immediately and on his own initiative record it and report it to the Commission. The report shall include a description of the problem and an indication of the date on which it started and of the remedial action taken by the Contractor to ensure full compliance with his obligations under the Contract. In such event the Contractor shall give priority to solving the problem rather than determining liability.
- 1.9. Should the Contractor fail to perform his obligations under the Contract in accordance with the provisions laid down therein, the Commission may-without prejudice to its right to terminate the Contract-reduce or recover payments in proportion to the scale of the failure. In addition, the Commission may impose penalties or liquidated damages provided for in Article 15.

#### **ARTICLE 2 - LIABILITY**

- **2.1.** The Commission shall not be liable for damage sustained by the Contractor in performance of the Contract except in the event of wilful misconduct or gross negligence on the part of the Commission.
- 2.2. The Contractor shall be liable for any loss or damage caused by himself in performance of the Contract, including in the event of subcontracting under Article 12. The Commission shall not be liable for any act or default on the part of the Contractor in performance of the Contract.

## **ARTICLE 3 - CONFLICTS OF INTEREST**

3.1. The Contractor shall take all necessary measures to prevent any situation that could compromise the impartial and objective performance of the Contract. Such conflict of interest could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interest which could arise during performance of the Contract must be notified to the Commission in writing without delay. In the event of such conflict, the Contractor shall immediately take all necessary steps to resolve it.

The Commission reserves the right to verify that such measures are adequate and may require additional measures to be taken, if necessary, within a time limit which it shall set. The Contractor shall ensure that his staff, board and directors are not placed in a situation which could give rise to conflicts of interest. Without prejudice to Article 1 the Contractor shall replace,

immediately and without compensation from the Commission, any member of his staff exposed to such a situation.

- **3.2.** The Contractor shall abstain from any contact likely to compromise his independence.
- **3.3.** The Contractor declares:
  - that he has not made and will not make any offer of any type whatsoever from which an advantage can be derived under the Contract,
  - that he has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept, any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to performance of the Contract.

## ARTICLE 4 – REQUEST FOR PAYMENT

Within sixty days of completion of the tasks referred to in the purchase order, the Contractor shall submit to the Commission an invoice quoting the reference number of the Contract to which it relates.

### **ARTICLE 5 – PROVISIONS CONCERNING PAYMENTS**

- **5.1.** Payments shall be deemed to have been made on the date on which the Commission's account is debited.
- **5.2.** The payment period stipulated in the purchase order may be suspended by the Commission at any time if it informs the Contractor that his payment request is not admissible, either because the amount is not due or because the necessary supporting documents have not been properly produced.
  - The Commission shall notify the Contractor accordingly by registered letter with acknowledgment of receipt or equivalent. Suspension shall take effect from the date of dispatch of the better. The remainder of the period shall begin to run again once the suspension has been lifted.
- 5.3. In the event of late payment the Contractor may claim interest within two months of receiving the payment. Interest shall be calculated at the rate applied by the European Central Bank to its most recent main refinancing operations ("the reference rate") plus seven percentage points ("the margin"). The reference rate in force on the first day of the month in which the payment is due shall apply. Such interest rate is published in the C series of the Official Journal of the European Union. Interest shall be payable for the period elapsing from the calendar day following expiry of the time limit for payment up to the day of payment. Suspension of payment by the Commission may not be deemed to constitute late payment.

#### **ARTICLE 6 - RECOVERY**

- **6.1.** If total payments made exceed the amount actually due under the Contract or if recovery is justified in accordance with the terms of the Contract, the Contractor shall eimburse the appropriate amount in euro on receipt of the debit note, in the manner and within the time limits set by the Commission.
- 6.2. In the event of failure to pay by the deadline specified in the request for reimbursement, the sum due shall bear interest at the rate indicated in Article 5.3. Interest shall be payable from the calendar day following the due date up to the calendar day on which the debt is repaid in full.
- **6.3.** The Commission may, after informing the Contractor, recover amounts established as certain, of a fixed amount and due by offsetting, in cases where the Contractor also has a claim on the Communities that is certain, of a fixed amount and due.

## ARTICLE 7 – OWNERSHIP OF THE RESULTS – INTELLECTUAL AND INDUSTRIAL PROPERTY

Any results or rights thereon, including copyright and other intellectual or industrial property rights, obtained in performance of the Contract, shall be owned solely by the Community, which may use, publish, assign or transfer them as it sees fit, without geographical or other limitation, except where industrial or intellectual property rights exist prior to the Contract being entered into.

#### **ARTICLE 8 - CONFIDENTIALITY**

The Contractor undertakes to treat in the strictest confidence and not make use of or divulge to third parties any information or documents which are linked to performance of the Contract. The Contractor shall continue to be bound by this undertaking after completion of the tasks.

## <u>ARTICLE 9 - USE, DISTRIBUTION AND PUBLICATION OF INFORMATION</u>

- 9.1. The Contractor shall authorise the Commission to process, use, distribute and publish, for whatever purpose, by whatever means and on whatever medium, any data contained in or relating to the Contract, in particular the identity of the Contractor, the subject matter, the duration, and the amount paid. [Where personal data is concerned, Article 20 shall apply.]
- 9.2. Unless otherwise provided, the Commission shall not be required to distribute or publish documents or information supplied in performance of the Contract. If it decides not to publish the documents or information supplied, the Contractor may not have them distributed or published elsewhere without prior written authorisation from the Commission.

- **9.3.** Any distribution or publication of information relating to the Contract by the Contractor shall require prior written authorisation from the Commission and shall mention the amount paid by the Community. It shall state that the opinions expressed are those of the Contractor only and do not represent the Commission's official position.
- 9.4. The use of information obtained by the Contractor in the course of the Contract for purposes other than its performance shall be forbidden, unless the Commission has specifically given prior written authorisation to the contrary.

## **ARTICLE 10 - TAXATION**

- 10.1. The Contractor shall have sole responsibility for compliance with the tax laws which apply to him. Failure to comply shall make the relevant invoices invalid.
- 10.2. The Contractor recognises that the Commission is, as a rule, exempt from all taxes and duties, including value added tax (VAT), pursuant to the provisions of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities.
- 10.3. The Contractor shall accordingly complete the necessary formalities with the relevant authorities to ensure that the goods and services required for performance of the Contract are exempt from taxes and duties, including VAT.
- 10.4. Invoices presented by the Contractor shall indicate his place of taxation for VAT purposes and shall specify separately the amounts not including VAT and the amounts including VAT.

## **ARTICLE 11 - FORCE MAJEURE**

- 11.1. Force majeure shall mean any unforeseeable and exceptional situation or event beyond the control of the contracting parties which prevents either of them from performing any of their obligations under the Contract, was not due to error or negligence on their part or on the part of a subcontractor, and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making it available, labour disputes, strikes or financial problems cannot be invoked as force majeure unless they stem directly from a relevant case of force majeure.
- 11.2. Without prejudice to Article 1.8, if either contracting party is faced with force majeure, it shall notify the other party without delay by registered letter with acknowledgment of receipt or equivalent, stating the nature, likely duration and foreseeable effects.

- 11.3. Neither contracting party shall be held in breach of its contractual obligations if it has been prevented from performing them by force majeure. Where the Contractor is unable to perform his contractual obligations owing to force majeure, he shall have the right to emuneration only for tasks actually executed.
- **11.4.** The contracting parties shall take the necessary measures to reduce damage to a minimum.

#### **ARTICLE 12 - SUBCONTRACTING**

- 12.1. The Contractor shall not subcontract without prior written authorisation from the Commission nor cause the Contract to be performed in fact by third parties.
- **12.2.** Even where the Commission authorises the Contractor to subcontract to third parties, he shall none the less remain bound by his obligations to the Commission under the Contract and shall bear exclusive liability for proper performance of the Contract.
- **12.3.** The Contractor shall make sure that the subcontract does not affect rights and guarantees to which the Commission is entitled by virtue of the Contract.

#### **ARTICLE 13 - ASSIGNMENT**

- 13.1. The Contractor shall not assign the rights and obligations arising from the Contract, in whole or in part, without prior written authorisation from the Commission.
- 13.2. In the absence of such authorisation, or in the event of failure to observe the terms thereof, assignment by the Contractor shall not be enforceable against and shall have no effect on the Commission.

## **ARTICLE 14 - TERMINATION**

- **14.1.** The Commission may terminate the Contract in the following circumstances:
- (a) where the Contractor is being wound up, is having his affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) where the Contractor has been convicted of an offence concerning his professional conduct by a judgment which has the force of *res judicata*;

- (c) where the Contractor has been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
- (d) where the Contractor has 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 he is established or with those of the country applicable to the Contract or those of the country where the Contract is to be performed;
- (e) where the Commission seriously suspects the Contractor of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests:
- (f) where the Contractor is in breach of his obligations under Article 3;
- (g) where the Contractor was guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the Contract procedure or failed to supply this information;
- (h) where a change in the Contractor's legal, financial, technical or organisational situation could, in the Commission's opinion, have a significant effect on the performance of the Contract;
- (i) where execution of the tasks has not actually commenced within the delivery or performance period set in the purchase order, and the new date proposed, if any, is considered unacceptable by the Commission;
- (j) where the Contractor is unable, through his own fault, to obtain any permit or licence required for performance of the Contract;
- (k) where the Contractor, after receiving formal notice in writing to comply, specifying the nature of the alleged failure, and after being given the opportunity to remedy the failure within a reasonable period following receipt of the formal notice, remains in serious breach of his contractual obligations.
- 14.2. In case of force majeure, notified in accordance with Article 11, either contracting party may terminate the Contract, where performance thereof cannot be ensured for a period corresponding to at least to one fifth of the period laid down in the purchase order.
- **14.3.** Prior to termination under point e), h) or k), the Contractor shall be given the opportunity to submit his observations.

Termination shall take effect on the date on which a registered letter with acknowledgment of receipt terminating the Contract is received by the Contractor, or on any other date indicated in the letter of termination.

#### **14.4.** Consequences of termination:

In the event of the Commission terminating the Contract in accordance with this Article and without prejudice to any other measures provided for in the Contract, the Contractor shall waive any claim for consequential damages, including any loss of anticipated profits for uncompleted work. On receipt of the letter terminating the Contract, the Contractor shall take all appropriate measures to minimise costs, prevent damage, and cancel or reduce his commitments. He shall draw up the documents required for the tasks executed up to the date on which termination takes effect, within a period not exceeding sixty days from that date.

The Commission may claim compensation for any damage suffered and recover any sums paid to the Contractor under the Contract.

On termination the Commission may engage any other contractor to complete the services. The Commission shall be entitled to claim from the Contractor all extra costs incurred in making good and completing the services, without prejudice to any other rights or guarantees it has under the Contract.

## ARTICLE 15 – LIQUIDATED DAMAGES

Should the Contractor fail to perform his obligations under the Contract within the time limits set by the Contract, then, without prejudice to the Contractor's actual or potential liability incurred in relation to the Contract or to the Commission's right to terminate the Contract, the Commission may decide to impose liquidated damages of 0.2% of the amount specified in the purchase order per calendar day of delay. The Contractor may submit arguments against this decision within thirty days of notification by registered letter with acknowledgement of receipt or equivalent. In the absence of reaction on his part or of written withdrawal by the Commission within thirty days of the receipt of such arguments, the decision imposing the liquidated damages shall become enforceable. These liquidated damages shall not be imposed where there is provision for interest for late completion. The Commission and the Contractor expressly acknowledge and agree that any sums payable under this Article are in the nature of liquidated damages and not penalties, and represent a reasonable estimate of fair compensation for the losses that may be reasonably anticipated from such failure to perform obligations.

#### **ARTICLE 16 - CHECKS AND AUDITS**

Pursuant to Article 142 of the Financial Regulation applicable to the general budget of the European Communities, the European Court of Auditors shall be empowered to audit the documents held by the natural or legal persons receiving payments from the budget of the European Communities from signature of the Contract up to five years after payment of the balance.

The daily rate for liquidated damages may be modified in the purchase order where the subject of the contract so justifies.

### **ARTICLE 17 - AMENDMENTS**

Any amendment to the Contract shall be the subject of a written agreement concluded by the contracting parties. An oral agreement shall not be binding on the contracting parties.

## **ARTICLE 18 - SUSPENSION OF THE CONTRACT**

Without prejudice to the Commission's right to terminate the Contract, the Commission may at any time and for any reason suspend execution of the tasks under the Contract or any part thereof. Suspension shall take effect on the day the Contractor receives notification by registered letter with acknowledgment of receipt or equivalent, or at a later date where the notification so provides. The Commission may at any time following suspension give notice to the Contractor to resume the work suspended. The Contractor shall not be entitled to claim compensation on account of suspension of the Contract or of part thereof.

## **ARTICLE 19 - STRUCTURE OF THE CONTRACT**

The Contract consists of a purchase order and these General Conditions. In the event of conflicting interpretations, the purchase order shall take precedence over the General Conditions. If the specification and the Contractor's quote are annexed to the purchase order, the specification shall take precedence over the quote and the Contract shall take precedence over both. The several instruments shall be an integral part of the Contract and, subject to the above, they shall be taken as mutually explanatory.

#### **ARTICLE 20 - DATA PROTECTION**

Any personal data included in the Contract, including its execution, or relating to the Contract or the implementation thereof shall be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. It shall be processed solely for the purposes of the performance, management and follow up of the Contract by [entity acting as data controller] without prejudice to possible transmission to the bodies charged with a monitoring or inspection task in conformity with Community law. The Contractor shall have the right of access to his personal data and the right to rectify any such data that is inaccurate or incomplete. Should the Contractor have any queries concerning the processing of his personal data, he shall address them to [entity acting as data controller]. The Contractor shall have right of recourse at any time to the European Data Protection Supervisor.