

GENERAL INVITATION TO TENDER
ECFIN/B/2009/007
Open procedure

**FRAMEWORK SERVICE CONTRACT FOR THE
SUPPLY OF ECONOMIC STUDIES IN THE
AREA OF THE STRUCTURAL PERFORMANCE
OF THE EUROPEAN ECONOMIES,
STRUCTURAL REFORMS AND THE
ECONOMIC EVALUATION OF COMMUNITY
POLICIES.**

TENDER SPECIFICATIONS

These specifications follow the publication of
- the prior information notice in OJEU 2009 / S 51-072969
- the contract notice in OJEU 2009 / S 188-269888

Part I: Technical description
Part II: Administrative details
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Part I: TECHNICAL DESCRIPTION

1. NATURE OF THE CONTRACT

An open call for tenders is launched by the European Commission's Directorate General for Economic and Financial Affairs (DG ECFIN) for the *signature of a framework contract with a single economic operator for maximum of four years* in order to facilitate the procurement of economic studies and economic assistance in the area of the structural performance of the European Economies, structural reforms and the economic evaluation of Community policies.

The tasks or assignments to be performed will be *governed by specific contracts*. Their description and the procedure for their conclusion can be found in point 5 hereafter.

No assurance can be given on the volume, value and frequency of the assignments under the framework contract. The price of each specific contract will vary in accordance with the complexity of the tasks that will be required. However it is emphasised that tenderers should have the capacity to carry out 3 to 4 major studies a year in parallel. The maximum total budget for the use of the framework contract is set at 3,600,000 EUR.

Signature of the framework contract does not commit the Commission to placing orders and does not give the contractor any exclusive rights to the services covered by the framework contract. The Commission reserves the right, at any time during the framework contract, to cease placing orders without the contractor thereby having the right to any compensation.

The variety of the tasks to be performed under this framework contract leads the Commission to believe that joint offers or offers from consortia would be more realistic. In case companies would want to create a consortium for the purposes of this contract, they should indicate their intention to make a consortium agreement specifying the collaboration and designating the project leader in a declaration which should be submitted together with the bid. The project leader must be designated as prime Contractor and agent responsible. The lead Contractor will be responsible for all contractual matters and will exercise overall control over the content of reports supplied to the Commission. The lead Contractor together with the declared participants should be able to cover collectively the major tasks of economic analysis and production of studies and reports.

2. BACKGROUND

The Treaty on the European Union (EU) places upon DG ECFIN, specific tasks of economic policy and analysis for the Euro Area and the EU as a whole.

To ensure the smooth functioning of Economic and Monetary Union, DG ECFIN's responsibilities focus on economic surveillance, monitoring of budgetary policy, public finances, economic policy coordination and forecasting, integration of EU capital markets, freedom of capital movements, economic relations with third countries and other important financing operations.

The DG also has an economic service role, ensuring that the Commission's decisions on Community policies are built on a strong economic rationale. It does this by providing

economic analysis and policy advice on structural reforms in the context of the renewed Lisbon Strategy, both at national and Community level, regarding labour and product markets and the quality of public finances, including taxation issues. It also provides economic analysis, evaluation, and policy advice upstream from the policy development and impact assessment phase through to the downstream phase.

Finally, it provides an analytical framework for the evaluation of structural reforms and by co-ordinating DG ECFIN's contribution to the renewed Lisbon Strategy and the formulation of the Broad Economic Policy Guidelines.

3. OBJECTIVE OF THE FRAMEWORK CONTRACT

The framework contract intends to provide a facility through which the production of economic studies concerning the determinants of the structural performance of the European economies can be obtained by a swift and simple procedure.

More specifically, it will deal with the determinants and impact of structural reforms on economic performance, the functioning of European labour and product markets, the effectiveness and efficiency of the utilisation of infrastructure and natural resources, the economic evaluation of Community policies, to be used mainly for the preparation of ECFIN publications, as well as in acquiring a broader understanding of issues relating to the efficient functioning of the European economies.

Tasks or *assignments* under the framework contract *will take the form of specific contracts*.

4. CONTENT

4.1. Tasks to be performed by the contractor

4.1.1. Fields to be analysed

The economic studies to be carried out will focus on the performance of European economies along the following aspects.

- The determinants and impact of structural reforms on economic performances. Structural reforms include reforms in the field of regulation, competition, trade, business environment, R&D and innovation, transport, environment, energy, industry and services.
- The functioning of European sectors. This approach may also include a sectoral component (e.g. manufacturing and service industry) at the appropriate level of aggregation of the nomenclature of the economic activity -NACE 2 – at 2 or 3 digit or more if needed. (In depth sectoral monitoring).
- The functioning of European labour markets.
- The effectiveness and efficiency of the utilisation of infrastructure and natural resources (including the international aspects of it when relevant).
- The economic evaluation of Community policies.

4.1.2. Production of economic studies

The production of economic studies should take into account the dimensions described below (examples of topics included in annex 5).

- **Literature Survey**

The Contractor will draw on analytical work by academics, research institutes, management consultants, public authorities and international organisations as well as the results of benchmarking work undertaken by and for the Commission..

Review of the issues may suggest those areas where the present policy mix could require improvement and, on the basis of experience inside and outside Europe, alternatives which may be explored.

- **Quantification**

Quantification should be an important part of the economic studies. The Commission often needs to draw on ex ante and ex post evaluation of specific policy interventions. Depending on the area to be analysed, the use of economy-wide CGE (Computable General Equilibrium) or DSGE (Dynamic Stochastic General Equilibrium) models as well as the use of econometric models might be appropriate. The methodology and the interpretation of results should be clearly explained.

When preparing the studies, the Contractor will draw on existing most recent data, both public and private. Data should in principle cover all EU27 as a whole and EU Member States or least a representative sample of EU countries. Depending on the topic, other benchmark countries as well as accession countries may be brought in. Wherever possible, the use of Eurostat data is recommended as a means to assure comparability across Member States. This does not pre-empt the use of other more specific database.

- **Policy recommendations**

Besides the analytical results the studies should present policy recommendations. They should be based on strong theoretical foundations and the results of empirical evidence. In addition, they should be consistent with the EU agenda and the EU institutional set-up and be operational.

4.2. Case scenarios – theoretical offers to be submitted

In order to assist potential tender participants in understanding the type of studies that they can be expected to carry out during the execution of the contract and *to provide a common basis for the evaluation of their financial proposal*, two case scenarios are described below.

It should be stressed that the Commission reserves the right not to launch any specific study under the framework contract and the tasks mentioned in the scenarios will not necessarily be requested in one of the specific contracts. These scenarios are for illustration and tender evaluation purposes only and do not necessarily describe potential agreements under the framework contract.

The tenderers must, for both scenarios described below, present a detailed description of their understanding of the tasks and of the way they would carry out the work. In order to assess the costs, it should be assumed that the duration of the tasks for each scenario shall be for a period of 6 months with an interim report after 3 months. It should include the resources required, number of man-days, costs, proposed time schedule of meetings and reports – inception, interim, draft final and final.

Tenderers are also requested to specify the profile of the staff that they intend to use and the composition of the team (in terms of distribution of the workload over the different profiles) for these case scenarios.

The tasks include, among other, a preliminary outline of the study, including:

- a) the general approach to the topic, including a basic review of the relevant literature;
- b) the data to be used, including a critical assessment of it, and specific data and statistical issues pertaining to the topic under study;
- c) detailed description of the methodology, including the theoretical foundations and the empirical and quantitative methods to be used;
- d) a discussion of the policy issues relevant in the field.

Tenderers **must use the table in annex 3 to formulate their financial proposal**. This table shall become an annex to the framework contract and shall be the basis for the calculation of the prices to be considered for the specific assignments.

4.2.1 Scenario 1: Study on the impact of microeconomic reforms on growth and adjustment

- Background/rationale and policy context :

Microeconomic reforms that aim to improve the functioning of markets of goods and services by increasing competition amongst producers can positively affect productivity by reallocating resources (allocative efficiency) and by improving the utilisation of the production factors by firms (productive efficiency). In addition, competitive markets of goods and services are considered as a driver for innovation (dynamic efficiency), which in its turn is considered to be a factor for productivity growth and competitiveness. Finally, microeconomic reforms are most likely to improve the capacity of the euro area and its Member States to adjust to shocks.

The objective of the study is to assess the different channels through which regulation and reforms which liberalise or improve the functioning of markets affect the innovation activity and productivity growth, and to measure their respective impact on growth and adjustment in the EU. The aim of the study is to contribute to the analysis of microeconomic reforms, as an objective on its own, and to better understand how and to what extent microeconomic reforms may affect the EU economy at large or specific goods and services sectors as well as the capacity of European firms to innovate.

The study should be fundamentally analytical and it should carry out sound economic analysis of microeconomic reforms, using the appropriate analytical framework and the relevant data set.

In order to focus the proposal, the consultant should use the MICREF database¹ and select at least one dimension of the database (market integration, competition policy, sector specific regulation, improving the business environment, start-up conditions, R&D and innovation, education). The analytical framework, as well as the empirical work and methods, should be closely related to the relevant economic literature in the field.

- Main tasks for the contractor :

The study will cover the following tasks:

- Literature review:

The study should provide a review of theoretical and empirical literature showing the impact of microeconomic reforms contributing to more integrated and competitive markets on growth performance and capacity of adjustment to shocks. This review should also include the literature on potential spillovers of microeconomic reforms across policy areas and across countries.

- Evidence that markets within the EU do not function optimally:

The study should provide an analysis of available data on market integration, regulation and flexibility, and competition within the EU. It should investigate the substantial evidence suggesting that a lack of integration and competition on European product markets hinders the beneficial process of resource reallocation, limiting growth and adjustment.

- Identification of microeconomic reforms that are most likely to enhance growth and adjustment:

Based on an analysis of the relation between market structure (including market integration and regulation), market conduct (in terms of competitive behaviour) and performance (in terms of productivity growth and adjustment to economic shocks) the study should aim at identifying reforms that improve market functioning and facilitate adjustment. A second question is whether such reforms would also improve macroeconomic performance overall (in terms of productivity growth and job creation). Finally, the study should consider the linkages between product, labour and capital market reforms and discuss the implications for the sequencing of such reforms.

- Quantification of the macroeconomic impact:

The study should identify how and to what extent microeconomic reforms may affect the EU economy at large or specific sectors of goods and services. The analysis should quantify the macroeconomic benefits of microeconomic reforms in the EU in terms of growth and adjustment and measure the potential spillovers between different areas of reforms.

- Methodology :

The bidder will propose a detailed methodological approach for the study, building on the tasks described in point 4.1.2. The following issues should be addressed in the offer:

¹ http://ec.europa.eu/economy_finance/db_indicators/db_indicators10938_en.htm

- Data coverage:

Description of how the bidder proposes to collect the necessary information and perform the necessary analyses. Bidders should indicate the main literature sources and specify the data sources, private or public that they intend to use. The latter should provide the most up-to-date, harmonised and internationally comparable data.

- Quantitative methods:

A detailed presentation of the statistical and econometric methods proposed should be part of a methodological chapter. The quantitative methods including modelling tools should be anchored in the relevant literature, the main characteristics of the methods, the type of output to be provided, and a detailed explanation of the interpretation of results having in mind the objective of the study should be presented and discussed in the offers.

4.2.2. *Scenario 2: Study on labour market adjustment in EMU with a focus on labour mobility*

- Background/rationale and policy context :

The economic policy framework of EMU gives prominence to market adjustment mechanisms as the exchange rate is no longer available as a response to asymmetric shocks. The traditional literature on optimal currency areas highlights how the flexibility of production factors, in particular labour, allows a smooth adaptation to shocks that affect countries or regions differently.

The labour market response to shocks may occur through (i) wage cost flexibility, (ii) labour mobility, which has two dimensions: geographical and occupational and (iii) "quantity" adjustment of the numbers of people employed or through changes in the hours worked.

The aim of the proposed study is to analyse the role of labour market adjustment mechanisms in EMU, with a special focus on geographic and occupational labour mobility, and to make suggestions for policy makers in the Euro area (current and future members). The study should provide evidence on the operation of different mechanisms of adjustment in EMU and show their interaction in the short, medium and long run. This will help identifying the possible areas of policy intervention required to improve the adjustment capacity of the Euro area.

- Main tasks for the contractor :

The first part of the study should provide an overview of the literature on the role of the labour market in a monetary union and describe the labour market adjustment taking place in the euro area. The study should provide evidence on the relative importance of adjustment occurring via (i) changes in real wages, (ii) geographical and occupational mobility and/or (iii) employment and hours worked. It should identify what is working and what would require policy intervention. The study should also analyse to what extent EMU has created incentives to reform the labour market in order to enhance its role in the adjustment mechanisms.

The second part of the study should focus on the past, current and potential role of labour mobility in the adjustment mechanisms in EMU. The issue should be addressed from both a

theoretical and empirical perspective. Different issues should be analysed, including, but not limited to, whether and to what extent an increase of geographical and occupational mobility could facilitate the adjustment to shocks, distinguishing the short-term from the medium and long-term. The study should also provide insights about the policies needed to make occupational and geographical mobility an effective adjustment mechanism and whether coordination mechanisms across Euro area members are needed and feasible.

4.3 Deliverables – reports and documents, participation in meetings, workshops

The Contractor is to provide the deliverables in accordance with the conditions of the specific contract. Delivery deadlines will also be specified in the specific contracts.

Each specific contract will specify what are the questions, outputs (reports, etc) and other services to be provided.

The physical and intellectual products generated by the contractor's assignment will remain the property of the Commission. The contractor undertakes not to use these products outside this assignment without the written agreement of the Directorate-General for Economic and Financial Affairs. As stipulated in articles II.8 and II.10 of the General Conditions of the Framework Contract, the copyright of the services undertaken under this Framework Contract will reside with the Commission.

Reports

Generally, the following *reports* for the economic studies are expected :

- Inception report, detailing the approach and first working assumptions
- Interim report(s)
- Draft final report
- Final report including an executive summary in English, of no more than 15 pages, of the main findings and conclusions. The executive summary should be publishable as a stand-alone paper

In addition, each specific contract may establish other reports to be delivered. All tables, charts and graphs will be precisely referenced and documented and the underlying data sets will be delivered in electronic format.

Each of the studies will be of a high linguistic standard, and their reading should not require a special effort for an informed reader. In particular, review of the studies by qualified economists to ensure consistency not only on linguistic grounds but also for correct professional terminology and interpretation is required as part of the contract.

The European Commission expects the contractor to adhere to the highest scientific and professional standards in the reports. In particular, the methodology and the techniques used to meet the requirements of the study shall derive from accepted standards of the profession. The reports should contain clear objectives and means deployed to reach those objectives. The reports shall in addition be original in its content and/or findings and represent a contribution with value-added compared to existing materials. The European Commission retains the right to refuse a study that does not meet those standards.

Meetings

In order to follow the preparation and progress of the studies, *meetings* between the Contractor and the Commission will take place during which the Contractor will inform the Commission of work progress and the Commission will give feedback to the Contractor on this work. The Contractor will take into account this feedback. The Commission may use independent experts as advisors in this context.

Complementary meetings may also take place at the Commission's or the Contractor's request. Monitoring of the preparation of the studies may also take other forms, such as e-mail or teleconference, according to circumstances.

Workshops - seminars

The contractor might also be requested to participate in *workshops/seminars* to present preliminary or final findings of the studies.

5. IMPLEMENTATION OF THE FRAMEWORK CONTRACT AND ITS SPECIFIC CONTRACTS

5.1 Starting date and duration of the framework contract

The framework contract shall enter into force on the date on which it signed by the last contracting party. Its duration will be **24 months**. On the basis of the results and effective use of the framework contract, its duration may be renewed twice for additional periods of 12 months, by means of an amendment, only with the express written agreement of the contracting parties before the on-going framework contract's expiry date.

The framework contract is expected to be signed in the first quarter of 2010.

5.2 Starting date and duration of the specific contracts – procedure

The execution of the tasks – by means of the signature of individual specific contracts under the framework contract – may not start before both the framework contract and subsequent specific contract(s) have been signed.

The period of execution of the tasks under the specific contracts may be extended, only with the written agreement of the contracting parties, before the end of the period originally stated in the specific contract.

Specific contracts under the framework contract must be signed before the framework contract's expiry date, but they can be executed up to a maximum of 12 months after this date.

Procedure for specific contracts :

All services (units) of the Commission that produce economic studies or reports can request work to be carried out by the Contractor, provided that the tasks fall under the technical specifications included in this call for tenders.

The framework contract specifies the basic conditions that are applicable to any assignment under the terms of this contract. The sequence for each specific contract is the following:

1) Request for service

A request for services will be sent by the Commission specifying the topic/issue that needs to be analyzed, the reasons for the launching of the service, the detailed technical specifications, the outputs to be produced, its indicative budget and the foreseen schedule for the completion of the work as well as planned meetings and/or workshop.

2) Availability of contractor

Within 5 working days of having received the request for service, the Contractor will inform in writing, by post or by e-mail, the assigning unit of the Commission whether he is available to carry out the services required.

Subject to prior agreement by the Commission, the tenderer awarded with the contract may use other organisations or individual experts specialised in specific areas. Such organisations or experts may be invited to participate in a single assignment or more than one assignment, as required. The participation of additional organisations or experts will be considered as subcontracting.

3) Offer and price quote from contractor

Within 15 working days following the request for service being sent by the Commission, the Contractor will propose a team (composed of profiles presented in the Contractor's tender), a work plan, a timetable and a price quote based on the request for services and the unit prices specified in the framework contract. The Contractor is expected to foresee an appropriate weighting and a correct balance between the different staff categories.

4) Task assignment – signature of specific contract

The Commission can accept, request an amended offer or reject this proposal. After having reached an agreement, a specific contract for formal agreement on the specifications of the assignment, proposed team, price, conditions of payment, work plan and timetable will be signed.

Within 15 working days of a specific contract being sent by the Commission to the Contractor, the Commission shall receive it back, duly signed and dated.

5) New assignments

For each new assignment, the Commission will submit a new request for services to the contractor.

Any proposal for replacement of one or more of the members of the team indicated in the offer from the selected contractor, before the signature of the contract or during the completion of the work, shall be submitted with a reasoned statement in writing for formal prior acceptance by the Commission. The person(s) proposed by the contractor will need to

meet all the qualifications required in the tender specifications. The Commission will have the possibility to refuse any changes of members of the team from those specified in the tender.

5.3 Place of performance

The place of performance of the tasks shall be the Contractor's premises or any other place indicated in the tender, with the exception of the Commission's premises.

Part II: ADMINISTRATIVE DETAILS

6. GENERAL TERMS AND CONDITIONS FOR THE SUBMISSION OF TENDERS

- Submission of a tender implies that the Contractor accepts all the terms and conditions set out in these specifications (including the annexes) and waives all other terms of business.
- Submission of a tender binds the Contractor to whom the contract is awarded during performance of the Contract
- Changes to tenders will be accepted only if they are received on or before the final date set for the receipt of tenders.
- Expenses incurred in respect of the preparation and presentation of tenders cannot be refunded.
- No information of any kind will be given on the state of progress with regard to the evaluation of tenders.
- Once the Commission has accepted the tender, it shall become the property of the Commission and the Commission shall treat it confidentially.
- The protocol on the Privileges and Immunities or, where appropriate, the Vienna Convention of 24 April 1963 on Consular Relations shall apply to this invitation to tender.

7. NO OBLIGATION TO AWARD THE CONTRACT

- Fulfilment of adjudication or invitation to tender procedure shall not involve the Commission in any obligation to award the contract.
- The Commission shall not be liable for any compensation with respect to tenderers whose tenders have not been accepted. Nor shall it be liable in the event of its deciding not to award the contract.

8. JOINT TENDERS

When a partnership or a consortium is envisaged three cases can arise:

- The offer originates from a consortium already formally set up as a separate and legal entity able to submit its statutes, mode of operation, technical and financial capacity, such as result from the contributions of its various members. It is such a consortium that will bear the technical and financial responsibility for the contract and will present the requested financial guarantee.
- The offer originates from companies not yet having created a consortium as a separate legal entity but planning to constitute one as referred to in item 1, if their joint offer is accepted. In such a situation, the tenderer will have to provide the legal form, the

envisaged draft statutes and mode of operation of the consortium, the various technical and financial contributions as well as the guarantees envisaged. However, the constitution of the consortium should not delay the signing of the contract.

- The offer originates from companies not wishing to constitute formally a consortium as a separate legal entity and thus constituting effectively an association. In such a case, the offer will be submitted in the form of subcontracting (cf. 9), in which case one of the companies shall assume the total responsibility for the offer. This company will sign the contract in its name, the other companies then being regarded as subcontractors of the first.

In all *cases of joint tenders*, the information required below under sections 11.1 “administrative proposal”, 12 “exclusion criteria” and 13 “selection criteria” must be provided for all members participating in the tender. The tender should also clearly indicate the lead contractor for both the operational and financial/contractual matters.

9. SUBCONTRACTORS

Subcontracting is defined as the situation where a contract has been or is to be established between the Commission and a contractor and where the contractor, in order to carry out that contract, enters into legal commitments with other legal entities for performing part of the service. However, the *Commission has no direct legal commitment with the subcontractor(s)*.

At the level of liability towards the Commission, tasks provided for in the contract may be entrusted to subcontractors, but *the contractor retains full liability towards the Commission for performance of the contract as a whole*.

A contract which includes subcontracting is subject to certain general conditions (see Article II.17 of the standard framework contract) in particular the provisions on subcontracting, checks and audits, and confidentiality. Where justified by the subject matter of the contract, a statement of confidentiality may be required to be submitted to the Commission. *The subcontracting arrangement between the contractor and his subcontractor is supposed to render directly applicable all those contractual obligations with regard to the Commission to the subcontractor*.

Accordingly,

- The Commission will treat all contractual matters (e.g. payments) exclusively with the contractor, whether or not the tasks are performed by a subcontractor.
- The Commission will privilege direct contacts with the contractor, who is responsible for executing the contract.
- Under no circumstances can the contractor avoid liability towards the Commission on the grounds that the subcontractor is at fault.
- Where, in a bid, the amount of the services executed by a subcontractor is equal to or exceeds 20% of the contract, the subcontractor must provide all the necessary documents

for assessing the bid as a whole with regard to the exclusion criteria, selection criteria (as a whole) and award criteria. Where those services represent less than 20% of the contract, the subcontractor shall not be required to provide documents on his financial and economic capacity.

- The bid must *clearly identify the subcontractor(s), specify the share (in %) of the services* that will be executed by the subcontractor(s) and document their willingness to accept the tasks and their acceptance of the terms and conditions set out in Part II point 6.
- Tenderers must inform the subcontractor(s) that Article II.17 of the standard framework contract will apply to them.
- Once the contract has been signed, Article II.13 of the above-mentioned service contract shall govern the subcontracting.

10. DETAILS OF THE CONTRACT

10.1 Terms of payment

The framework contract will be activated by means of the signature of individual specific contracts. Payments shall be made in accordance with Articles I.5 of the draft framework service contract (Part IV) and the conditions stipulated in the specific contract.

10.2 Contractual terms and guarantees

In drawing up his bid, the tenderer should bear in mind the provisions of the standard framework contract attached to this invitation to tender (Part IV)

No guarantee to be applied.

11. CONTENT OF THE TENDER

All tenders must be presented in three sections :

11.1 Administrative proposal

- *the tenderer's name and/or business name;*
- *a clear description of the tenderer's legal form;*
- *address of the tenderer's registered office;*
- *the tenderer's telephone and fax numbers, e-mail address and where available, Internet address;*
- *the names of the legal representatives (directors,etc) of the tenderer, authorised to sign contracts with third parties on behalf of the organization;*
- *the tenderer's VAT number and trade-register entry number;*

- *a bank identification form filled in and signed by an authorised representative of the tenderer and his banker. (see attached in Annex 1)*
- *A legal entity form filled in and signed by an authorised representative of the tenderer (see attached in Annex 2)*
- *A declaration of the candidate's eligibility; certifying that he/she is not in one of the situations listed in articles 93 and 94 of the Financial Regulation of the European Communities (Official Journal L 248 of 16/09/2002) (see attached Annex 4)*
- *Proof of Financial and Economic Capacity : documents listed in Part III – Point 13.2*
- *Proof of Technical and professional competence : documents listed in Part III – Point 13.3*
- *other substantiating documents if the candidate or tenderer cannot, for valid reasons, provide those indicated above.*

11.2 Technical proposal

This section is of great importance in the assessment of the bids, the award of the contract and the future execution of any resulting contract. Some guidelines are given below, but attention is also drawn to the award criteria, which define those parts of the technical proposal to which the tenderers should pay particular attention. The technical proposal should address all matters laid down in the specifications and should include models, examples and technical solutions to problems raised in the specifications. The level of detail of the tender will be extremely important for the evaluation of the tender. Tenderers must include in their bids the technical specifications set out in Part I, giving an answer to each of the points mentioned with regard to a.o. methodology, deadlines and organisation, etc.

The technical proposal must meet the technical specifications set out and provide, as a minimum, all the information needed for the purpose of awarding the contract.

11.3 Financial proposal

- *Prices must be quoted in euro, including for the countries which do not form part of the euro zone. For the tenderers of the countries which do not form part of the euro zone, the amount of the offer cannot be revised because of exchange rate movements. The choice of exchange rate belongs to the tenderer, who assumes the risks or opportunities associated with these exchange rate movements.*
- *Prices should be quoted free of all duties, taxes and other charges, i.e. also free of VAT, as the Communities are exempt from such charges in the EU under Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities of 8 April 1965 (OJEC L 152 of 13 July 1967). Exemption is granted to the Commission by the governments of the Member States, either through refunds upon presentation of documentary evidence or by direct exemption.*
- *For those countries where national legislation provides an exemption by means of a reimbursement, the amount of VAT is to be shown separately. In case of doubts about*

the applicable VAT system, it is the tenderer's responsibility to contact his national authorities to clarify the way in which the European Community is exempt from VAT.

▪ **Price schedule :**

A table of unit prices for :

- *personnel fees per professional profile (see annex 3 for the description of the staff categories)*
- *travel and subsistence costs for one person for one working day when attending a meeting or workshop in the Commission's premises in Brussels*

will constitute the future contractual basis for the pricing of the specific contracts. In this regard, the table of unit prices will be an integral part of the Framework contract.

Personnel fees must include all costs (e.g. project management, training, social security, etc. – this list not being exhaustive).

Prices for specific contracts will be determined as a lump-sum on the basis of the unit prices attached to the framework contract.

In principle, any other costs directly or indirectly linked to the tasks entrusted to the contractor will not be reimbursable unless explicitly foreseen in the price quote for the specific contract and agreed between the Contractor and the Commission services before signature of the specific contract (e.g. purchase cost for a database, ...).

▪ **Price indexing :**

Unit prices shall be fixed and not subject to revision during the first 12 months of duration of the framework contract.

From the beginning of the second year of duration of the Contract, each price may be revised upwards or downwards each year, where such revision is requested by one of the contracting parties by registered letter no later than three months before the anniversary of the date on which it was signed. The Commission shall purchase on the basis of the prices in force on the date on which orders or specific contracts are signed. Such prices shall not be subject to revision.

This revision shall be determined by the trend in the harmonised consumer price index MUICP first published by the Office for Official Publications of the European Communities in the Eurostat monthly bulletin at <http://www.ec.europa.eu/eurostat/>.

Revision shall be calculated in accordance with the following formula:

$$\mathbf{Pr = Po \times (Ir / Io)}$$

where:

Pr = revised price;

Po = price in the original tender;

Io = index for the month corresponding to the final date for submission of tenders;

Ir = index for the month corresponding to the date of receipt of the letter requesting a revision of prices.

- **Standard presentation** of the financial proposals of the two theoretical offers :

In order to allow a correct evaluation of the tenders, information relating to costs is to be provided for the two case scenarios of point 4.2. Tenderers must use the form in annex 3 to formulate their financial proposal.

The costs per man-day for each staff profile and the cost per travel need to be indicated. As far as travel is concerned, tenderers will specify the cost for a travel for one person, for one working day, to Brussels.

The price quotation must be signed by the tenderer or his duly authorised representative.

The Commission reserves the right to request additional evidence in relation to the bid submitted for evaluation or verification purposes within a time-limit stipulated in its request.

Part III: ASSESSMENT AND AWARD OF A CONTRACT

The assessment will be based on each tenderer's bid.

All the information will be assessed in the light of the criteria set out in these specifications. The procedure for the award of the contract, which will concern only admissible bids will be carried out in three successive stages. Only bids meeting the requirements of stage one will be examined in the following stage.

The aim of each of these stages is:

1) to check, in the first stage (exclusion criteria), whether tenderers can take part in the tendering procedure and, where applicable, be awarded the contract (see annex 4);

2) to check, in the second stage (selection criteria), the technical and professional capacity as well as the economic and financial capacity of each tenderer who has passed the exclusion stage (see Part III, point 13 – selection criteria);

3) to assess on the basis of the award criteria each bid which has passed the exclusion and selection stages (see Part III, point 14 - award criteria).

The volume and variety of the tasks to be performed under this framework contract lead the Commission to believe that joint offers or offers from consortia would be more realistic. Please note that all tenderers in a joint bid and the relevant members of the consortium, if any, have to prove that they meet the requirements of all criteria.

In the case of consortia, the exclusion, selection and award criteria will thus be applicable to all the members of the consortium. The same principle will also be applied in the case that there are sub-contractors.

The bid must clearly identify the subcontractors and document their willingness to accept the task and thus acceptance of the terms and conditions set out in point 6.

Tenderers must inform the subcontractors that Article II.17 of the standard framework contract will be applied to them.

Once the contract has been signed, Article II.13 of the above mentioned service contract shall govern subcontractors.

12. EXCLUSION CRITERIA

Tenderers falling within one or more of the following categories will automatically be excluded from the tendering procedure.

Tenders will not be considered if the candidates are in any of the following situations:²

- (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 judgment 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 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 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;
- (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;
- (g) they are faced with a conflict of interest;
- (h) they have been guilty of misrepresentation in supplying the information required or have failed to supply this information.

Tenderers or their representatives must fill in and sign the form in Annex 4 to these specifications. By completing this form, tenderers:

- ***state whether or not they are in one or more of the situations described in the form; and***
- ***undertake to submit to the Commission any document relating to the exclusion criteria that the Commission may see fit to request.***

The tenderer to whom the contract is to be awarded shall be required to submit, before signing the Contract, evidence confirming his declaration on honour, by providing:

² In compliance with articles 93 and 94 of the Financial Regulation applicable to the general budget of the European Communities.

- for point (a), (b) or (e): a recent extract from the judicial record or, failing that, an equivalent document recently issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied.
- for point (d), a recent certificate issued by the competent authority of the State concerned. Where no such 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.

Depending on the national legislation of the country in which the tenderer or candidate is established, the documents referred to in the above two paragraphs 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.

Wherever the tenderer is a consortium of firms or groups of service providers, the above-mentioned information must be provided for each member or group.

However, in case such evidence confirming the declaration on honour has already been submitted to the Commission for the purpose of another procurement procedure, and provided that the issuing date of the documents does not exceed one year and that they are still valid, the tenderer to whom the Contract is to be awarded is allowed to send a copy of the relevant documentation together with a declaration on honour that no changes in his situation have occurred.

13. SELECTION CRITERIA

Only the tenders fulfilling all the selection criteria will be examined in the light of the award criteria.

This part of the tender concerns the criteria and documents relating to the technical and professional capacity and economic and financial capacity of the service provider(s) involved in the bid. It should also contain any other document that the tenderer(s) wish(es) to include by way of clarification.

If several service providers are involved in the bid, each of them must have and show that they have a) the professional and technical capacity to perform the tasks assigned to them in the tender, and b) the required economic and financial capacity.

This rule applies to all service providers, regardless of the percentage of tasks they intend to execute, once they have chosen to be tenderers.

However, if the tender includes subcontractors whose tasks represents less than 20% of the contract, those subcontractors are not obliged to provide evidence of their economic and financial capacity.

13.1 SELECTION CRITERIA
1. FINANCIAL AND ECONOMIC CAPACITY
1.1. Sufficient financial and economic capacity to carry out the tasks requested
2. TECHNICAL AND PROFESSIONAL CAPACITY
2.1 knowledge and relevant experience of the team/jointbid/consortium who will carry out the tasks, in particular with regard to:
<ul style="list-style-type: none"> ▪ Sound professional experience in conducting economic analysis with expertise in the fields identified in 4.1.1. ▪ Ability to establish large datasets and use of quantitative methods of analysis ▪ Drafting and publishing high quality reports on economic issues in the English language in the fields listed in 4.1.1
2.2 Size and capabilities of the team/joint bid/consortium
<ul style="list-style-type: none"> ▪ Competencies in the area of economic analysis; ▪ Capacity to carry out 3 to 4 major studies in parallel (minimum 12 economists with a minimum 3 years professional experience, including team leaders with experience in project management); ▪ Sufficiently diversified experience in the areas of structural performance of the European Economies, structural reforms and the economic evaluation of Community policies, with particular emphasis on the fields identified under 4.1.1 ▪ Adequate skills in English, which will be the working language for contacts with the Commission and in which reports will be presented to the Commission.

13.2 Evidence of the economic and financial capacity of the service provider(s)

All tenderers (and subcontractors whose tasks are equal to or exceed 20% of the contract) must provide proof of economic and financial capacity by presenting the following documents:

- *a complete copy, certified by the tenderer's authorised representative, of the tenderer's audited annual accounts (balance sheet, profit and loss account, notes on the accounts and auditors' remarks) of the past three years, as approved by the general assembly of the company and, where applicable, published.*
- *a statement of overall turnover and turnover concerning the tasks, supplies or services covered by this contract for the last three financial years;*
- *appropriate statements from banks or evidence of professional risk indemnity insurance.*

If, for some exceptional reason which the Commission considers justified, a tenderer is unable to provide one or other of the above documents, he may prove his economic and financial capacity by any other document which the Commission considers appropriate. In any case, the Commission must at least be notified of the exceptional reason and its justification in the

tender. The Commission reserves the right to request any other document enabling it to verify the tenderer's economic and financial capacity.

13.3 Evidence of the technical and professional capacity of the service provider(s)

The ability of service providers to perform services will be assessed in particular with regard to their know-how, efficiency, experience and reliability.

Evidence of the technical and professional capacity of the providers involved in the tender may be furnished on the basis of the following documents:

- *Information about human resources: i) A summary table indicating the experts made available for the work; ii) Signed curriculum vitae (in the Europass format, as available at http://europass.cedefop.europa.eu/europass/preview.action?locale_id=1.) for each of the experts listed in the summary table specifying the expertise and experience related to economic analysis in the fields described in 4.1.1, indicating dates, place of work and recipients (sector, nature etc) of the work (in particular those services implemented on behalf of the tenderer); iii) Statements that the experts included in the offer are able to work and produce reports in English, and iv) The precise contractual link (staff, interim, contract period, subcontractor...) of each person with the tenderer will also be described, along with their role in the team.*
- *a list: i) of the principal services provided and supplies delivered in the past three years, with the sums, dates and recipients, public or private; ii) of the services carried out in the last five years, with the sums, dates and place. The list of the most important services shall be accompanied by certificates of satisfactory execution, specifying whether they have been carried out in a professional manner and have been fully completed;*
- *a description of the measures employed to ensure the quality of supplies and services, and a description of the firm's study and research facilities;*
- *a statement of the average annual manpower and the number of managerial staff of the service provider or contractor in the last three years;*
- *an indication of the proportion of the contract which the service provider may intend to subcontract.*
- By submitting a tender, each service provider involved therein accepts the possibility of a check being carried out by the Commission on his technical capacities and, if necessary, on his study and research facilities and quality control measures.
- In addition, all tenderers are informed that they may be asked to prove that they are authorised to perform the contract under national law, as evidenced by inclusion in a professional or trade register or a sworn declaration or certificate, membership of a specific organisation, express authorisation, or entry in the VAT register.

Tenderers' attention is drawn to the fact that any total or partial omission of information for which one or more service providers involved in the tender are responsible may lead the Commission to exclude the tender from the rest of the procedure.

14. AWARD CRITERIA

The contract will be awarded to the most cost-effective tender. The following award criteria will be applied:

N°	Qualitative Award criteria	Weighting	Max. points
I	<u>General aspects relating to the organisation of work under the tender</u>	40%	160
	1. Understanding of the work to be performed	10%	40
	2. Presentation of the team and organisational aspects of the team in relation to the global tasks to be performed	10%	40
	3. Extent of coverage of specialised fields (see section 4.1.1)	20%	80
II	<u>Economic Studies</u>	60%	240
A	Scenario 1	30%	120
	1. Quality of methodological approach	10%	40
	2. Composition of the team in relation to the tasks	8%	32
	3. Quality of proposed outline	4%	16
	4. Use of information and data sources provided for the analyses (MICREF - as per link provided in Scenario 1)	8%	32
B	Scenario 2	30%	120
	1. Quality of methodological approach	10%	40
	2. Composition of the team in relation to the tasks	8%	32
	3. Quality of proposed outline	4%	16
	4. Quality of the choice of information and data sources to be used in analyses	8%	32
Total quality points			400

The tender are assessed according to the above qualitative award criteria and the weighting applicable to each criterion.

Tenders scoring less than 65 % in the total quality points or less than 50% in the points awarded for the general aspects (Number I) and each of the scenarios (Numbers IIA and IIB) will be excluded from the rest of the assessment procedure.

Having assessed the qualitative award criteria, the evaluation committee will proceed to consider which tender is the most economically advantageous by means of computation of the final score according to the following formula :

Final Score	
	Total Quality Points / Total Price

Tenders should elaborate on all points addressed by these specifications in order to score as many points as possible. The mere repetition of mandatory requirements set out in these specifications, without going into details or without giving any added value, will only result in a very low score. In addition, if certain essential points of these specifications are not expressly covered by the tender, the Commission may decide to give a zero mark for the relevant qualitative award criteria.

15. OPENING OF TENDERS

Tenders will be opened at *11:00* on Monday **23.11.2009** at the following location:

Directorate General Economic and Financial Affairs
DG ECFIN Directorate B
BU-24 3/82
B-1049 Brussels

ECFIN-FRAMEWORK-STUDIES@ec.europa.eu

An **authorised representative** of each tenderer may attend the opening of the bids. Companies wishing to attend are requested to notify their intention by sending a fax or e-mail at least 48 hours in advance to the address given in the invitation letter. This notification must be signed by an authorised officer of the tenderer and specify the name of the person who will attend the opening of the bids on the tenderer's behalf.

16. AWARD COMMITTEE

The process of awarding will take place *within the premises of the European Commission in Brussels in November/December 2009*. An awarding committee is to be set up for this purpose.

17. INFORMATION FOR TENDERERS

- The Commission will inform tenderers of decisions reached concerning the award of the contract, including the grounds for any decision not to award a contract or to recommence the procedure.
- If a written request is received, the Commission will inform all rejected tenderers of the reasons for their rejection and all tenderers submitting an admissible tender of the characteristics and relative advantages of the selected tender and the name of the successful tenderer.
- However, certain information may be withheld where its release would impede law enforcement or otherwise be contrary to the public interest, or would prejudice the legitimate commercial interests of economic operators, public or private, or might prejudice fair competition between them.

18. AWARD OF THE CONTRACT

- The procurement procedure is concluded by a contract signed by the parties. In this case, the General Terms and Conditions applicable to service contracts referred to above shall apply. After the period of validity of the tender has expired, conclusion of the contract shall be subject to the tenderer's agreement in writing.
- The Commission shall not sign the contract with the successful tenderer until a standstill period of 14 calendar days has elapsed, running from the day after the simultaneous dispatch of the award decisions and decisions to reject.
- After the award, during standstill period, the Commission will request to the tenderer proposed for award the evidence on exclusion criteria defined in section 12. If this evidence was not provided or proved to be unsatisfactory the Commission reserves the right to cancel the award procedure or to change the award decision to the benefit of the next best ranked tenderer on condition that he satisfies with the provision of the evidence on exclusion.
- As this tender procedure concerns tasks for which the exact quantities and the precise timing of delivery or execution cannot be specified in advance, the contractual instrument that will be used with the successful tenderer will take the form of a framework contract. A framework contract places reciprocal obligations on both parties with regard to those elements which are unalterably and unequivocally established when the contract is concluded, such as price, subject, basic performance conditions and duration.
- In addition, it is not possible to foresee the exact nature of the services to be requested, nor can the security of supply be guaranteed. Because of the size of the contract and the variety of tasks and the response time required, the Commission intends to conclude a "framework contract" with the successful tenderer

19. CONTRACTUAL CONDITIONS

- The Commission will propose to the selected tenderer to sign a framework contract based on the draft framework contract in Part IV, completed by the Commission on the basis of the selected tender.
- The tenderer's unconditional agreement to sign this contract is one of the obligatory conditions of this call for tenders. Submitting a tender means acceptance of general and special conditions set out in the framework contract as well as of the provisions of this call for tenders. It also means that the tenderer explicitly waives his own standard terms and conditions.
- The tender's contents should be regarded as part of the specifications required by the Commission, in complement to the specifications included in these Terms of Reference.
- The draft framework contract specifies the basic conditions applicable to any assignment placed under its terms. Signature of the contract does not place the Commission under any obligation to place an assignment.
- The contractor will be responsible vis-à-vis the Commission for the provision of the services as specified under each assignment. The contractor has to comply with the provisions of the framework contract and provide the necessary resources and services.

PART IV – Draft Framework contract

See separate document

ANNEX 1- Financial identification form

http://ec.europa.eu/budget/execution/ftiers_en.htm

ANNEX 2- Legal entity form

http://ec.europa.eu/budget/execution/legal_entities_en.htm

ANNEX 3- Financial proposal

Name of candidate :

Price schedule based on the theoretical offers to be submitted.

The Price schedule will become an annex to the framework contract and shall be the basis for the calculation of the prices for the specific contracts (*)

Scenario 1

EUR

1. Staff costs	Category 1	Category 2	Category 3	Category 4	Total
Fee person/working day					
Number of working days					
Total fee / category					
2. Travel and subsistence costs for a one-day meeting in the Commission's premises in Brussels for one person					

PRICE SCENARIO 1	
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Scenario 2

EUR

1. Staff costs	Category 1	Category 2	Category 3	Category 4	Total
Fee person/working day					
Number of working days					
Total fee / category					
2. Travel and subsistence costs for a one-day meeting in the Commission's premises in Brussels for one person					

PRICE SCENARIO 2	
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TOTAL PRICE

(*) Prices must be quoted in euro, including for the countries which do not form part of the euro zone. For the tenderers of the countries which do not form part of the euro zone, the amount of the offer cannot be revised because of exchange rate movements. The choice of exchange rate belongs to the tenderer, who assumes the risks or opportunities associated with these exchange rate movements.

(*) Prices should be quoted free of all duties, taxes and other charges, i.e. also free of VAT, as the Communities are exempt from such charges in the EU under Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities of 8 April 1965. Exemption is granted to the Commission by the governments of the Member States, either through refunds upon presentation of documentary evidence or by direct exemption.

.....
Signature of authorized person

Description of categories

The definition of personnel shall be done according to the following categories.

Category I

Highly qualified member of personnel, having assumed important responsibilities in his/her profession recruited for his/her management/supervisory, thought and creativity skills as regards professional practice. He/she must have at least 15 years professional experience of which at least 7 must be connected with the professional sector concerned and the type of tasks to be performed.

Category II

Highly qualified member of personnel having assumed responsibilities in his/her profession recruited for his/her management/supervisory, thought and creativity skills as regards professional practice. He/she must have at least 10 years professional experience of which at least 4 must be connected with the professional sector concerned and the type of tasks to be performed.

Category III

Certified member of personnel having received a high-level training in his/her profession recruited for his/her management/supervisory, thought and creativity skills as regards professional practice. He/she must have at least 5 years professional experience of which at least 2 must be connected with the professional sector concerned and the type of tasks to be performed.

Category IV

Junior member of personnel, newcomer to the profession but with a training related to the professional sector concerned and the type of tasks to be performed.

ANNEX 4- Declaration of the candidate's eligibility

Tenders will not be considered if the candidates are in any of the following situations:

- (a) They are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have ceased trading, 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 judgment 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 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 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;
- (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.
- (g) They are subject to a conflict of interest;
- (h) They have been guilty of misrepresentation in supplying the information required or have failed to supply this information.

The awarded tenderers commit themselves *to provide the evidence* that they are not in one or more of the situations described in the form before signing the contract with the Commission.

..... (Name)

..... (Date + Signature of representative)

ANNEX 5 - Examples of topics for economic studies

The following topics are hypothetical. They are provided as examples of possible future coverage in order to facilitate bidders in understanding the nature of the tasks to be performed and by no means commit the Commission to include them to address them in any other way under the framework contract.

- In depth analysis of the impact of microeconomic reforms that aim to improve the structural performance of the European economies on the conditions of competition and static allocative efficiency, the innovation activity and therefore the dynamic allocative efficiency, hence the growth and adjustment capacity of the European economy and its long run competitiveness and sustainability; the quantification of the macroeconomic impact of these reforms for the EU economy at large or specific sectors of goods and services. The microeconomic reforms covered are those related to the following areas: measures contributing to a better integration of markets and a greater openness to trade and investment, to the creation of a competition-friendly environment; sector specific regulation; measures aiming at enhancing entrepreneurship improving the capacity to innovate of enterprises; measures aiming at a more effective and efficient use of infrastructure and finite natural resources.
- The Single Market for services is less well developed than that for goods. The Services Directive has illustrated the limits of what can be achieved in terms of legislative action to create a better functioning services market. It may be worthwhile to consider what economic tools can be used to create better functioning services markets by providing the right incentives for entrepreneurs to scale the remaining barriers. In this context, horizontal analysis of the performance of the services sectors may be required. For example, empirical evidence indicates that services markets within the euro area are not well integrated and suffer from a relatively high degree of price stickiness. The underlying factors responsible for such shortcomings could be investigated, looking in particular at factors that are amendable to policy intervention.
- A more systematic and integrated approach to monitoring the functioning of key goods and services markets is an important component of the new agenda for the Single Market , which is a key element of the Lisbon strategy. In this context, the Commission has proposed a market monitoring methodology which encompasses two steps. The first consists of a horizontal screening exercise to identify the sectors that are important for adjustment, growth and households and that present symptoms of malfunctioning. The second step involves a market-based investigation of the sectors that have been identified in the screening stage. The Commission is looking for technical assistance in carrying out such in-depth sector investigations. The work could consist of diverse tasks: advising on appropriate methodologies, econometric and analytical work, screening of relevant literature and building of a database. .
- Over the past decade the EU and its Member States have taken a number of steps to liberalise the network industries. Within the context of such market opening, the Commission intends to evaluate the functioning of network industries providing Services of General Economic Interest. In particular, the objective is to identify how the regulatory framework affects the level of competition in markets and supply chains, and how this in turn affects industrial performance, sustainability and thus consumer welfare.

- The policy monitoring in the context of the Lisbon Strategy should be enriched with a careful assessment of the contribution of physical and research infrastructure to long-term GDP growth in the various Member States and in the EU. This would require suitable policy indicators related to the maintenance and new investments in infrastructure. The Commission would therefore be interested in an overview of the available empirical evidence on the growth impact of infrastructure, both growth accounting exercises on the macro-economic level and specific growth impact estimates for specific pieces of infrastructure. Specific attention is required for (cross-border) infrastructure investments which aim to enhance and deepen the Internal Market, through improved market functioning and more competition.
- The Commission is in the process of developing a better analytical basis for assessing the efficiency and effectiveness of public expenditures, in order to reach the competitiveness, sustainability, growth and adjustment objectives. This would include analysis about growth-enhancing expenditure items and about possible efficiency gains within specific public spending items.
- The Commission needs to provide suggestions on how to improve the design of policies aimed at increasing investment in R&D, ICT and innovation policies with a view to integrate these policies in the broader economic framework of competitiveness and sustainability.
- As regards the functioning of labour markets and the use of human capital, the Commission needs to draw on ex-ante and ex-post evaluation of specific policy interventions enacted at Country level within the framework of the multilateral surveillance and the renewed Lisbon strategy. Ex-ante evaluations provide an assessment of policy interventions based on the estimation and simulation of general equilibrium models (and the use of structural econometric models to calibrate these simulations) of the behaviour of economic agents. (Ex-ante simulations would want to examine the behaviour of all of the agents in the economy, in particular firms, not just of households. These types of simulations are best done with economy-wide CGE or DSGE models, depending on the simulation, but the use of structural econometric models to calibrate these simulations can be useful). An example of this type of analysis is the modelling of the labour-supply effects of tax and benefits systems and the simulation of reforms of these systems. The exploitation of national based micro-data would assist the Commission in understanding how individual behaviour changes in response to policy interventions (i.e. of survey data that register various characteristics of individual economic and social behaviour) and allow the identification of the distributional impact of such policies. Specific studies could include :
 - the effectiveness of ALMPs,
 - the effectiveness of policies to combat poverty and inequality;
 - assessment of policies that aim at creating the incentives for certain groups to gain and retain employment or of earnings enhancing measures once in employment;
 - labour supply decisions of certain groups of workers (e.g. single parents, or older workers);
 - micro-econometric studies assessing the effect on job opportunities of target groups of the interaction between social programmes (e.g. incapacity benefits) and labour market policies (e.g. unemployment benefits systems retirement incentives);

- education reform and productivity performance: Survey of changes in education policies in MS and, estimating whether it is reflected in changes in productivity performance;
- health-care reform and health-care costs: investigate which reforms have been implemented so as to cut costs in MS, and the extent to which costs have been contained and efficiency enhanced;
- pension saving incentives and crowding-out of other private' savings: survey of reforms that introduce tax-favoured pension-saving plans (3rd pillar), and the extent to which this has crowded-out other private savings.