



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Directorate B - Internal Energy Market
B.3 - Internal Market III: Retail markets; coal & oil

CALL FOR TENDERS

N°ENER/B3/2013/415-1

concerning the Operation of the Covenant of Mayors' Office

TENDER SPECIFICATIONS

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1. INFORMATION ON TENDERING

1.1. Participation

Participation in this tender procedure is open on equal terms to all natural and legal persons coming within the scope of the Treaties and to all natural and legal persons in a third country which has a special agreement with the Union in the field of public procurement on the conditions laid down in that agreement. Where the Multilateral Agreement on Government Procurement¹ concluded within the WTO applies, the participation to the call for tender is also open to nationals of the countries that have ratified this Agreement, on the conditions it lays down.

1.2. Contractual conditions

The tenderer should bear in mind the provisions of the draft contract which specifies the rights and obligations of the contractor, particularly those on payments, performance of the contract, confidentiality, and checks and audits.

1.3. Joint tenders

A joint tender is a situation where a tender is submitted by a group of economic operators (consortium). Joint tenders may include subcontractors in addition to the joint tenderers.

In case of joint tender, all economic operators in a joint tender assume joint and several liability towards the Contracting Authority for the performance of the contract as a whole.

These economic operators shall designate one of them to act as leader with full authority to bind the grouping or the consortium and each of its members. It shall be responsible for the receipt and processing of payments for members of the grouping, for managing the service administration and for coordination. The composition and constitution of the grouping or consortium, and the allocation of the scope of tasks amongst the members, shall not be altered without the prior written consent of the Commission.

The tenderers should indicate in their offer whether the partnership takes the form of:

a) a new or existing legal entity which will sign the contract with the Commission in case of award

or

b) a group of partners not constituting a new legal entity, who via a power of attorney, signed by an authorised representative of each partner (except the lead partner), designate one of the partners as lead partner, and mandate him as lead contractor to sign the contract with the Commission in case of award.

¹ See http://www.wto.org/english/tratop_E/gproc_e/gp_gpa_e.htm

1.4. Subcontracting

Subcontracting is permitted in the tender but the contractor will retain full liability towards the Contracting Authority for performance of the contract as a whole.

Tenderers must give an indication of the part of the services and proportion of the contract that they intend to subcontract.

Tenderers are required to identify subcontractors whose share of the contract is above 20%.

During contract execution, the change of any subcontractor identified in the tender will be subject to prior written approval of the Contracting Authority.

1.5. Content of the tender

The tenders must be presented as follows:

Part A: Identification of the tenderer (see section 1.6)

Part B: Evidence for exclusion criteria (see section 2.2)

Part C: Evidence for selection criteria (see section 2.3)

Part D: Technical offer (see section 2.5)

Part E: Financial offer (see section 2.6)

Part F: Power of attorney (for consortia only)

1.6. Identification of the tenderer: legal capacity and status

- The tenderer's identification form in **Annex 1** shall be filled in and signed by:
 - The tenderer (including any member of a consortium or grouping)
 - subcontractor(s) whose share of the work represent more than 20% of the contract.
- In order to prove their legal capacity and their status, all tenderers (including any member of a consortium of grouping) must provide a signed **Legal Entity Form with its supporting evidence**. The form is available on:
http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm

Tenderers that are already registered in the Contracting Authority's accounting system (i.e. they have already been direct contractors) must provide the form but are not obliged to provide the supporting evidence.

- If it has not been included with the Legal Entity Form, tenderers must provide the following information
 - For legal persons, a legible copy of the notice of appointment of the **persons authorised to represent the tenderer** in dealings with third parties and in legal proceedings, or a copy of the publication of such appointment if the legislation which applies to the legal entity concerned requires such publication. Any

delegation of this authorisation to another representative not indicated in the official appointment must be evidenced.

- For natural persons, where applicable, a proof of registration on a professional or trade register or any other official document showing the registration number.

- The tenderer (only the leader in case of joint tender) must provide a **Financial Identification Form and supporting** documents. The form is available on: http://ec.europa.eu/budget/contracts_grants/info_contracts/index_en.cfm

2. EVALUATION AND AWARD

2.1. Evaluation steps

The evaluation is based on the information provided in the submitted tender. It takes place in three steps:

- (1) Verification of non-exclusion of tenderers on the basis of the exclusion criteria
- (2) Selection of tenderers on the basis of selection criteria
- (3) Evaluation of tenders on the basis of the award criteria (technical and financial evaluation)

Only tenders meeting the requirements of one step will pass on to the next step.

2.2. Exclusion criteria

All tenderers shall provide a declaration on their honour (see Annex 2), duly signed and dated by an authorised representative, stating that they are not in one of the situations of exclusion listed in the Annex 2.

The declaration on honour is also required for identified subcontractors whose intended share of the contract is above 20%.

The successful tenderer shall provide the documents mentioned as supporting evidence in Annex 2 before signature of the contract and within a deadline given by the contracting authority. This requirement applies to all members of the consortium in case of joint tender. In case of doubt on this declaration on the honour, the contracting authority may also request the evidence for subcontractors whose intended share of the contract is above 20%.

2.3. Selection criteria

Tenderers must prove their economic, financial, technical and professional capacity to carry out the work subject to this call for tender.

The tenderer may rely on the capacities of other entities, regardless of the legal nature of the links which it has with them. It must in that case prove to the Contracting Authority that it will have at its disposal the resources necessary for performance of the contract, for

example by producing an undertaking on the part of those entities to place those resources at its disposal.

2.3.1. Economic and financial capacity criteria and evidence

In order to prove their economic and financial capacity, the tenderer (i.e. in case of joint tender, the combined capacity of all members of the consortium) must comply with the following criteria:

- The annual turnover of the last three financial years above €2,000,000

Tenderers must provide proof of their financial and economic capacity by means of the following documents: the balance sheets or extracts from balance sheets for the last three financial years, and a statement of overall turnover and turnover relating to the relevant services for the last three financial years.

If, for some exceptional reason which the Contracting Authority considers justified, a tenderer is unable to provide one or other of the above documents, he or she may prove his or her economic and financial capacity by any other document which the Contracting Authority considers appropriate. In any case, the Contracting Authority 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.

2.3.2. Technical and professional capacity criteria and evidence

a. Criteria relating to tenderers

Tenderers (in case of a joint tender the combined capacity of all tenderers) must comply with the following criteria:

- The tenderer must prove at least five years' experience in the field of promoting European energy policy objectives, in particular energy efficiency and climate mitigation, at local level;
- The tenderer must prove experience in mobilising and providing technical assistance to regional and/or local public authorities in at least 10 EU countries;
- The tenderer must prove experience of maintaining and working on websites in at least 10 EU languages and by providing relevant materials for the requested language coverage;
- The tenderer must prove capacity to draft communication materials and very good quality technical reports in English.

b. Criteria relating to the team delivering the service:

The team delivering the service should include, as a minimum, the following profiles:

Project Manager: At least 7 years' experience in project management, including overseeing project delivery, quality control of delivered service, client orientation and conflict resolution experience in similar projects, with experience in management of team of at least 5 people. Experience in organising and speaking in international public events and conferences is required.

Team of experts: Members of the team should provide a good balance between technical skills and communication skills in order to fulfil all required tasks of the tender. At least one member of the team should have specific competences in relations with financial institutions and facilitating access to financing for relevant energy projects. Members of the team should cover collectively at least 6 EU languages, as demonstrated by a certificate or relevant experience.

c. Evidence:

The following evidence should be provided to fulfil the above criteria:

- List of relevant services provided in the past three years, with sums, dates and recipients, public or private. The most important services shall possibly be accompanied by certificates of satisfactory execution, specifying that they have been carried out in a professional manner and have been fully completed;
- The educational and professional qualifications of the persons who will provide the service for this tender (CVs) including the management staff. Each CV provided should indicate the intended function in the delivery of the service.

2.4. Award criteria

The tender will be awarded according to the best-value-for -money procedure. The quality of the tender will be evaluated based on the following criteria. The maximum total quality score is 100 points.

- **Methodology** (60 points – minimum threshold 60%)

Sub-criterion 1.1 Analysis of the current and future challenges of the Covenant of Mayors' initiative and structure (20 points – minimum threshold 60%)

Sub-criterion 1.2 Intervention logic and methodology proposed to achieve the objectives of each task of the tender (40 points – minimum threshold 60%):

- Capacity-building of signatories;
- Support to signatories in relation with SEAPs and share of good practices;
- Coordination and networking;
- Awareness raising and communication.

- **Organisation of the work** (30 points – minimum threshold 60%)

This criterion will assess how the roles and responsibilities of the proposed team and of the economic operators (in case of joint tenders, including subcontractors if applicable) are distributed for each task. It also assesses the global allocation of time and resources to the project and to each task or deliverable, whether this allocation and the proposed geographic and linguistic coverage is adequate for the work. The tender should provide details on the allocation of time and resources and the rationale behind the choice of this allocation.

- **Quality control measures** (10 points – minimum threshold 60%)

This criterion will assess the quality control system applied to the service foreseen in this tender specification concerning the quality of the deliverables, the language quality check,

and continuity of the service in case of absence of the member of the team. The quality system should be detailed in the tender and specific to the tasks at hand; a generic quality system will result in a low score.

Tenders must score above 60% for each criterion and sub-criterion, and above 70% in total. Tenders that do not reach the minimum quality thresholds will be rejected and will not be ranked.

After evaluation of the quality of the tender, the tenders are ranked using the formula below to determine the tender offering best value for money. A weight of 60/40 is given respectively to quality and price.

score for tender X	=	$\frac{\text{cheapest price}}{\text{price of tender X}}$	*	price weighting (in absolute value)	+	$\frac{\text{total quality score (out of 100) for all award criteria of tender X}}{100}$	*	quality criteria weighting (in absolute value)
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2.5. Technical offer

The technical offer must cover all aspects and tasks required in the technical specification and provide all the information needed to apply the award criteria. Offers deviating from the requirements or not covering all requirements may be excluded on the basis of non-conformity with the tender specifications and will not be evaluated.

2.6. Financial offer

The price for the tender must be quoted in euro. Tenderers from countries outside the euro zone have to quote their prices in euro. The price quoted may not be revised in line with exchange rate movements. It is for the tenderer to assume the risks or the benefits deriving from any variation.

Prices must be quoted free of all duties, taxes and other charges, including VAT, as the European Union is exempt from such charges under Articles 3 and 4 of the Protocol on the privileges and immunities of the European Union. The amount of VAT may be shown separately.

The quoted price must be a fixed amount which includes all charges (including travel and subsistence). Travel and subsistence expenses are not refundable separately.

3. TECHNICAL SPECIFICATIONS FOR THE INVITATION TO TENDER N°ENER/B3/2013/415-1 CONCERNING THE OPERATION OF THE COVENANT OF MAYORS' OFFICE

3.1 Introduction

Relevant EU policy context and sector background: reaching the 20-20-20 targets

The climate and energy policies of the EU are driven by targets set by EU leaders in March 2007, when they committed Europe to become a highly energy-efficient, low carbon economy.

These targets, known as the "20-20-20" targets, are also headline targets of the Europe 2020 strategy for smart, sustainable and inclusive growth. They set three key objectives for 2020:

- A 20% reduction in EU greenhouse gas emissions from 1990 levels;
- Raising the share of EU energy consumption produced from renewable resources to 20%;
- A 20% improvement in the EU's energy efficiency.

Following their adoption, a set of legislative and policy measures have been adopted to ensure the European Union meets its ambition for 2020. This reflects the recognition that tackling the climate and energy challenge contributes to the creation of jobs, the generation of "green" growth and a strengthening of Europe's competitiveness. Accordingly, the Communication *A Roadmap for moving to a competitive low carbon economy in 2050*² calls for a transition towards a competitive low carbon economy in the EU resulting in emissions reductions of 80% by 2050 compared to 1990.

To achieve the 20% renewable target, the Renewable Energy Directive³ set in 2009 mandatory national targets. Building on the national renewable energy action plans, the support systems put in place by Member States and the continuous investment in R&D, Europe's renewable energy sector has developed much faster than foreseen a few years ago and will help the EU to reach the target.

The Communication *A resource-efficient Europe – Flagship initiative under the Europe 2020 Strategy*⁴ highlights that resource efficiency is both a necessity and an opportunity for the EU. This flagship initiative sets out a framework to help ensure that long-term strategies in areas such as energy, climate change, research and innovation, industry, transport, agriculture, fisheries and environment policy produce results on resource efficiency.

The Strategic Energy Technology (SET) Plan and the Energy Efficiency Plan set up the framework at EU level to work towards low-carbon economies. On 8 March 2011, the EC adopted the Communication "Energy Efficiency Plan 2011" for saving more energy through concrete measures. The set of measures proposed aims at creating substantial

² COM(2011)112

³ Directive 2009/28/EC

⁴ COM(2011)21

benefits for households, businesses and public authorities and should improve the EU's industrial competitiveness with a high potential for jobs creation.

More recently, the European Commission adopted the Energy Efficiency Directive 2012/27/EU bringing forward legally binding measures to step up Member States' efforts to use energy more efficiently at all stages of the energy chain – from the transformation of energy and its distribution to its final consumption. Measures include the legal obligation to establish energy efficiency obligations schemes or policy measures in all Member States. These will drive energy efficiency improvements in households, industries and transport sectors.

In the context of the above actions, the Intelligent Energy – Europe (IEE) Programme supports EU energy efficiency and renewable energy policies, with a view to reaching the EU 2020 targets (20% cut in greenhouse gas emissions, 20% improvement in energy efficiency and 20% of renewables in EU energy consumption). As one of the specific initiatives launched in the framework of the IEE, the Covenant of Mayors supports signatory cities which formally commit themselves to go beyond the objective of 20% reduction of greenhouse emissions through the adoption and implementation of Sustainable Energy Action Plans (SEAPs).

The Covenant of Mayors initiative and its achievements until now

The above mentioned European and the corresponding national initiatives created a framework for a transition towards a low carbon economy. In this transition not only the national governments and the industry are the main actors, but also local actors, hence the municipalities have a crucial role to play. For this reason, the European Commission has launched the Covenant of Mayors initiative, in particular aiming to increase local municipalities' capacity to act in an integrated way and defining long term priorities. The Covenant of Mayors is an unconditional and voluntary commitment by signatory towns and cities to go beyond the objectives of EU energy policy (decrease of CO₂ emissions by at least by 20% by 2020) in terms of reduction in CO₂ emissions through enhanced energy efficiency and cleaner energy production and use. In order to attain this objective Covenant signatories (cities, municipalities, provinces or regions) commit:

- to develop and implement Sustainable Energy Action Plans (SEAPs) within one year following signature of the Covenant. The Action plans must include the analysis of current energy consumption in relevant sectors (buildings, urban transport, local energy infrastructure etc.), CO₂ emissions inventory, outline of measures and actions to be implemented and their expected outcomes in terms of energy and CO₂ emissions savings;
- to inform the Commission on progress of the SEAP implementation, through the monitoring reports, to be submitted every 2 years after submission of the SEAP;
- to accept the right of scrutiny and exclusion of the city in case of non-compliance.

The Covenant has grown far beyond original expectations, with more than 4,600 (February 2013) signatory local authorities and some 115 regions and provinces supporting them in their commitments. At the beginning of 2013, more than 2000 SEAPs have been submitted to the Commission (Joint Research Centre) for analysis and the first implementation reports are due to arrive. The initiative has also met large international success with currently 162 (February 2013) signatory cities outside of the European Union, and EC supporting programmes in Europe's Eastern and Southern neighbourhood regions. The web portal of the Covenant exists in 35 languages and provides visibility to SEAPs developed by signatories and their implemented actions via the Benchmarks of Excellence catalogue. Through the Covenant extranet, webinars and e-learning, signatories can exchange their

experience; receive direct assistance from their provinces and regions as well as supporting networks. The Covenant Helpdesk provides further direct support on both administrative and technical questions, as well as financing instruments. This unprecedented success requires the extension and strengthening of support and services provided to the Covenant signatories and supporting structures.

The EU supports the implementation of the Covenant of Mayors, through:

- the Covenant of Mayors Office, based in Brussels.
- the provision of scientific and methodological support for the preparation, evaluation and monitoring of SEAPs and CO₂ inventories, by the European Commission's Joint Research Centre in Ispra.

To further support the Covenant signatories, the Commission also appoints supporting structures:

- The Covenant Territorial Coordinators are public administrations, such as national and regional public bodies, counties, provinces, agglomerations, mentor cities, that are in a position to provide strategic guidance, as well as financial and technical support to signatories.
- The Covenant Supporters are networks of local and regional authorities that commit to improve the Covenants' impact by promoting the initiative, liaising with their members, facilitating the exchange of experience and defending common interest in the appropriate fora. There are currently 81 supporters (February 2013), which mainly include networks or associations of regional or local authorities. Their contribution to the implementation of the Covenant initiative is not limited to promotional and communication activities, as they often provide technical support for the definition and implementation of SEAPs.
- The Associated Partners, recently enhanced as the result of an increased demand and interest expressed on behalf of the private sector to participate in the activities of the Covenant initiative and to promote the diffusion of products, services and technologies among the Covenant signatories (e.g. energy performance contracting).

The mid-term evaluation of the Covenant initiative, which took place during 2012, concluded that: 'The Covenant of Mayors is a success. It has played a strong role in involving local authorities in sustainable energy policy and in spreading the culture of CO₂ emission measurements and reduction across European municipalities. The Covenant has contributed to putting climate change mitigation on the agenda of municipalities in Europe, and in doing so, it has provided them with a strong methodology to plan and implement CO₂ emission reduction projects.'

A first sample of the first 1666 SEAPs (covering over 88 million inhabitants), evaluated in an aggregated manner by the JRC, shows that signatories have set, on average, a CO₂ reduction objective of 28,6% and have shown commitment to implementing tangible actions in energy efficiency and renewable energy that should lead to an estimated 150 million tonnes of CO₂ reduction by 2020.

Information on the Covenant of Mayors' initiative is available on http://www.covenantofmayors.eu/index_en.html

Related EU programmes and initiatives

There are numerous EU programmes and initiatives providing support to Covenant signatories to achieve their CO₂ reduction objectives:

- Intelligent Energy – Europe (IEE) Programme⁵ is a multiannual programme of the EU, targeting the removal of barriers hampering wider energy efficiency and renewable energy deployment. Under the specific key action on Local energy leadership, the IEE provides capacity-building and co-financing for projects submitted by local and regional authorities, their groupings, energy agencies and other local and regional stakeholders. Good examples include the European Energy Efficiency Fund (EEEF); Mobilising Local Energy Investments (MLEI) and the European Local Energy Assistance (ELENA) facility which is run by the European Investment Bank (EIB).
- ManagEnergy Initiative⁶ is an EU initiative which aims to provide technical support local and regional actors from the public sector and their advisers working on energy efficiency and renewable energies at the local and regional level. The Covenant signatories and Supporting Structures benefit from the networking and technical capacity building activities organized in the framework of ManagEnergy. Following the adoption of the Energy Efficiency Directive, ManagEnergy Initiative and the Covenant of Mayors cooperated to disseminate the EU-Energy Performance Contracting Campaign that supports Member States and market actors with the rolling-out of a functioning energy services market.
- EU Sustainable Energy Week (EUSEW) - Sustainable Energy Europe Campaign⁷ is an EU initiative, which aims to raise public awareness and promote sustainable energy production and use among individuals and organisations, private companies and public authorities, professional and energy agencies, industry associations and NGOs across Europe. Through bottom-up efforts, organisers of EUSEW Energy Days, events and activities connect directly with citizens and energy stakeholders at local, regional and national levels. The combined results of EUSEW efforts are helping Europe reach its energy goals.
- European Innovation Partnership (EIP) for Smart Cities and Communities is a recent EU initiative, building on the related Industrial Initiatives of the EU SET-Plan⁸, and aims at supporting integrated technological innovation and deployment in urban settings. This initiative also uses the results of the Concerto and Civitas programmes⁹. The most ambitious Covenant signatories might have a possibility to benefit from this initiative in the future and the Covenant is well placed to disseminate results on technological innovations to those municipalities which are not directly involved.
- The Pact of Islands is an EU supported initiative of island communities with a similar approach and goals to those of the Covenant, implemented on the territory of EU Islands. Its EU co-financed project Isle-Pact ended in November 2012 and developed over 50 Island Sustainable Energy Action Plans and a number of potentially bankable projects for each of the project partners. More information can be found here: <http://www.islenet.net>

⁵ <http://ec.europa.eu/energy/intelligent>

⁶ <http://www.managenergy.net>

⁷ <http://eusew.eu> and www.sustenergy.org

⁸ http://ec.europa.eu/energy/technology/initiatives/doc/2012_4701_smart_cities_en.pdf

⁹ See <http://www.concertoplus.eu> and <http://www.civitas-initiative.org>

- The parallel launch of the Covenant of Mayors in the Eastern Neighbourhood (and Central Asia) and Southern Neighbourhood regions by the EC (DG DEVCO), aims at encouraging local authorities in these regions to sign the Covenant of Mayors and at supporting them in the preparation and implementation of their Sustainable Energy Action Plans (SEAPs). Technical assistance is provided to both regions' local authorities, and grants for the Eastern Neighbourhood, in order to encourage them implementing a more sustainable local energy policy.
- The Green Digital Charter¹⁰ was launched in 2009 by the EC (DG CNNECT) to encourage cities to reduce the carbon footprint of their ICT and roll-out ICT solutions which lead to greater energy efficiency in areas such as buildings, transport and energy. So far, 28 cities have signed up to the Green Digital Charter and the Covenant of Mayors has been associated for the dissemination of information.
- Following the Commission's legislative proposals for EU cohesion policy for 2014-2020, notably under EU regional policy, there will be an increased focus on climate change and energy issues and a strong emphasis on integrated urban development. This is expected to result in a significant increase of the funds allocated to investments in energy efficiency and renewable energy compared to 2007-2013, possibly approaching a doubling. Moreover, much more intensive use of financial instruments (public funds leveraging the private capital) is also encouraged, rather than relying mainly on grants. In addition, investment priorities relate to the promotion of low-carbon strategies in urban areas, including the promotion of sustainable urban mobility and mitigation relevant adaptation measures, and to actions to improve the urban environment, including regeneration of brownfield sites and reduction of air pollution.

¹⁰ http://ec.europa.eu/information_society/activities/sustainable_growth/green_digital_charter/index_en.htm

3.2 Purpose of the contract

The specific objective of the contract is the operation of the Covenant of Mayors Office in close cooperation with the European Commission services, and the provision of the following priority services:

- Cooperation and coordination with the JRC, from an operational and technical point of view, to assist the JRC in the evaluation and monitoring of the Sustainable Energy Action Plans and the progress reports by the participating municipalities and supporting structures
- Providing, in cooperation with the JRC, a coherent and efficient system for the collection and dissemination of the practical results of the Covenant achieved by participating municipalities and supporting structures, taking into account and addressing the language barriers (Benchmark of Excellence database, thematic and national leaflets)
- Facilitating effective and innovative networking activities within the Covenant and with other relevant networks, through the exchange of experience and joint initiatives
- Operating and further developing the Covenant helpdesk, providing first-line technical and administrative support to Covenant signatories
- Liaising with the Covenant branch offices in the Eastern and Southern Neighbourhood regions
- Liaising with relevant stakeholders, namely national/regional/local supporting structures, networks of cities and regions, Commission and other EU institutions services
- Coordinating with other relevant EU initiatives and policies assisting the dissemination of sustainable energy solutions in an urban and local context, exploiting possible synergies of action and avoiding overlaps
- Supporting front running projects and practices, in order to provide incentives for more advanced municipalities to remain engaged and share good practices
- Supporting those signatories having difficulty in delivering their commitments, with targeted advice and information on possible financing schemes and implementation tools.

Current challenges and priorities

The CO₂ emissions reduction planned by the Covenant signatories so far is impressive: the Covenant of Mayors' initiative has contributed to the widespread recognition of the crucial role of decentralised energy policies and actions to achieving European carbon-reduction targets and contributing to a successful transition towards a low-carbon economy. The Covenant initiative has developed a unique model of multi-level governance and a participatory approach that facilitates the involvement of local stakeholders in reaching the European and national energy and climate goals.

While the main focus of the Covenant office contracts so far has been the promotion of the Covenant initiative and supporting the preparation of Sustainable Energy Action Plans (SEAPs), the forthcoming stage will help the Covenant initiative to consolidate into an effective and sustainable movement. This will require the Covenant office and its Helpdesk to concentrate on encouraging signatories to act and implement their SEAPS in spite of the difficulties due to the financial crisis in Europe. Given that many municipalities face budgetary restrictions, raising awareness of available financing schemes and implementation tools will be important. Further liaising with national requirements and initiatives, while ensuring the involvement of a wide range of stakeholders including citizens, local industry and energy agencies, will also be necessary.

This will require that the Covenant office also delivers the following additional services:

- developing new specific activities, communication tools and training modules to increase the technical and administrative capacity of the signatories to prepare high-quality SEAPs and effectively implement them in order to fulfil their commitments;
- empowering and liaising more closely with the different types of Covenant supporting structures at all levels;
- strengthening the relations with national policy frameworks, and supporting the identification of existing support initiatives and funding sources at national level;
- with the aim of replication, supporting the dissemination of information from other initiatives that have developed synergies with the Covenant and which help the implementation of sustainable actions at local level;
- encouraging sustainable planning and actions implementation going beyond the 2020 targets and contributing to job creation and growth.

Description of main Tasks and deliverables

Task 1: Capacity-building of local authorities to implement and finance efficient CO₂ reduction strategies

Task 2: Supporting Covenant Signatories with their SEAPs implementation and sharing good practices

Task 3: Coordinating with other initiatives and supporting structures at European and national level

Task 4: Awareness raising activities and communication

The deliverables under these tasks should take primarily the form of a Helpdesk, a web-portal and databases, publications and web-communication, coordination meetings, training sessions and thematic workshops, high-level networking and capacity-building events.

Task 1. Capacity-building of local authorities to implement and finance efficient CO₂ reduction strategies

1.1 Targeted capacity building of local authorities

The Covenant office and its helpdesk provide support and technical guidance to signatories, in order to promote the efficient preparation and implementation of Sustainable Energy Action Plans. In this sense, the tenderer should build upon the current achievements of the Covenant office and be involved in the following key activities:

- Strengthening the capacity of the signatories' teams involved in climate change mitigation activities at local level;
- Encourage and support signatories in the elaboration of integrated policies and actions aimed at CO₂ emission reduction;
- Increase the coherence between local actions already designed in the field of energy efficiency and renewable energy introduction;
- Disseminate specific and technical knowledge to reduce CO₂ emissions among signatories;
- Support the exchange of best practices among signatories and increase the possibility of cooperative actions among municipalities at national level, but also at European level.

The Covenant office and its helpdesk should in particular further develop training possibilities through e-learning tools, virtual demonstrations, discussion groups or webinars adapted to relevant target groups. Attention should be paid to specific needs of signatories and supporting structures in terms of format and objectives of the training and events.

1.2 Building upon the co-operative, participative and multi-level principles of the Covenant initiative

The Covenant initiative has built upon an original bottom-up and multilevel approach, which has proved to be a major driving force. According to the mid-term evaluation, "there is widespread recognition among actors of the need and the relevance of this approach for reaching the objectives set by the current EU, national and local energy and climate change policy frameworks. In addition, the importance of enabling local actors to become actively involved in the sustainable energy transition and the promotion of sustainable development has also gained widespread recognition".

Municipalities are also key stakeholders, due to their detailed knowledge of the needs and conditions of their territories, and to the direct impact they can have on critical energy efficiency and renewable energy issues in fields such as district heating, transport, building and retrofitting and behavioural patterns. Due to their position, municipalities also commit to make more efficient use of public funding meant to promote sustainable development.

In this context, the Covenant office should continue its support to both large and small municipalities, whether or not they are front-runners, or lagging somewhat behind, to further encourage actions at local level and to promote innovation.

Cities in Europe face the challenge of combining competitiveness and sustainable urban development simultaneously. Building upon specific recent initiatives, such as the Smart Cities and Communities, the Concerto Premium programme, and the Covenant

Benchmarks of Excellence, the Covenant office should promote and help disseminating innovative technological solutions and pioneering measures that Covenant cities could use to progress in their SEAP implementation and to contribute to local growth and job creation. The Covenant office should further encourage the use of the Benchmarks of excellence as relevant examples of local initiatives which signatories or other Covenant actors have realised in their territories and could be useful for other local authorities to replicate.

The Covenant office should also highlight and support the role played by local authorities in attracting citizens, raising their awareness and catalysing their capacity to act in favour of the Covenant objectives at local level. In this view, a sub-page of the website should be dedicated to citizens and provide with information and good practices targeting directly citizens.

Apart from the Coordination and Supporting Structures, the Covenant office must work closely with networks of cities and regions, which have strong links and clear coherence with the Covenant agenda. In view of existing common objectives and mutual synergies, representatives of networks of cities and regions are particularly invited to get involved in this tender, either directly or through co-operation agreements.

Tenderers should be open to collaboration and contacts with the academic community in regard to researches and scientific analyses concerning the activities of the Covenant of Mayors. In this context, any release of non-publicly available information should be agreed first with the European Commission.

1.3 Addressing the challenge of mobilising finance: set up a Financing Group to support awareness of financing schemes and implementation tools

As pointed out by the Covenant mid-term evaluation, despite the existence of multiple funding sources for the development and implementation of SEAPs (own resources, national and regional funding, public-private partnerships, European programmes – e.g. Intelligent Energy Europe and Project Development Assistance facilities), access to funding remains one of the main barriers for SEAP development and implementation. This is particularly true in the case of smaller municipalities, and in countries that are hit hardest by the financial crisis, where budgetary cuts are endangering the implementation and sometimes even the approval of SEAPs.

One of the main obstacles, as perceived by signatories and covenant coordinators, are linked to a lack of information on funding opportunities, but also to the fact that existing tools are not necessarily adapted to the needs of signatories and there is little experience of attracting specific funding or managing European funds.

In the next phase of the Covenant initiative, the Covenant office should focus on capacity building of local authorities in budgeting implementation measures and identifying financing schemes at both national and European level. An internal Working Group on Financing SEAP implementation should be set up within the Covenant Office, in order to develop dedicated training and support to signatories. Particular attention should be brought to involvement of the private sector including investment funds, contacts with international financial institutions, notably with the European Investment Bank. The role of Associated partners should be further strengthened, in order to trigger beneficial co-operation and highlight the best public-private partnerships leading to practical solutions and results replicable among the Covenant signatories.

1.4 Strengthening the links with the Pact of Islands

As the Pact of Islands has very similar goals as the Covenant and puts similar obligations on its signatories (SEAPs, bi-annual activity reports), and given that many Pact signatories are also Covenant signatories, it is only logical that the support activities of the Covenant office could also be beneficial to those Pact signatories which are not part of the Covenant.

The EU co-financed Isle-Pact project carried out by a number of Pact signatories ended on 30 November 2012 and has developed over 50 Island Sustainable Energy Action Plans and a number of potentially bankable projects for each of the project partners.

Following the completion of the Isle-Pact project, the Covenant office should include these Pact of Islands' signatories in its communication, capacity building and training activities, whereas the JRC will follow-up the evaluation of their Action Plans and implementation reports.

Task 2: Supporting signatories with their SEAPs implementation and sharing good practices

2.1 Assistance to signatories during SEAP preparation and implementation

While the JRC manages the Helpdesk covering technical issues related to CO₂ emissions factors and inventories, as well as to measures for reducing CO₂ emissions, the Covenant office manages a General Helpdesk providing assistance and capacity-building to signatories to ensure an effective fulfilment of their commitment within the Covenant initiative.

The General Helpdesk is a single contact point for all administrative and technical questions for signatories, providing guidance throughout the adherence and SEAP development/implementation procedures, updating the information on the web portal including a cross-check of translations and other administrative tasks related to the helpdesk function. Technical questions to which the answer is clearly to be found in published documents (SEAP guidebook, FAQs) are to be dealt with by the Covenant office; technical questions to which answers are not available in published documents are to be forwarded by the Covenant office to JRC, which answers. The tasks also include the organisation of thematic events and meetings of municipalities to motivate clusters and joint activities, support to capacity-building activities and the dissemination of good practices, the development of specific technical or information packages as considered under the other Tasks of this tender.

The helpdesk shall be accessible via telephone and e-mail during working hours, as well as through technical FAQs on the CoM website.

2.2 Towards more efficient evaluation and monitoring processes

The analysis of SEAPs and monitoring reports is ensured by the European Commission's Joint Research Centre (JRC) in Ispra. The JRC performs an eligibility check of the documents, quantitative checks, and a detailed analysis on the basis of 10 key principles on the Covenant commitment and eligibility criteria. The JRC then sends a feedback report to the signatory, both in cases of acceptance and non-acceptance.

The Helpdesk should collaborate with the JRC on the development of tools to be applied for the analysis of SEAPs and monitoring templates. It ensures coordination and a participative development notably through the organisation of technical working groups

with experienced 'practitioners', as representatives of signatories, coordinators and supporters.

The huge number of signatories and SEAPs submitted so far has resulted in a significant workload for the JRC and the Helpdesk. In view of the upcoming new SEAPs and monitoring reports, a significant strengthening of the Helpdesk will be needed to provide continuous effective technical assistance and support to signatories, together with the JRC. In this framework, the Covenant office should participate in the development of more innovative, interactive and automated solutions in order to maintain and improve the high quality of the services provided. The close involvement of a team of IT experts, to work with the Covenant office and in particular the Helpdesk on this process, will be required. The Helpdesk should focus on technical soundness, overall quality and good timing of the support provided.

An important aspect of the credibility and success of the Covenant initiative is the efficient evaluation of the signatories Action Plans and monitoring reports. The Covenant office and its helpdesk should work closely with the JRC in order to regularly improve the online templates and processes to perform timely analysis of the SEAPs and provide quick feedback to signatories. The templates and processes should be simple and flexible enough to accommodate the needs and capacities of small municipalities, but also standardized and scientifically reliable to accompany the most innovative actions and provide relevant data and feedback to signatories. The close involvement of a team of IT experts will be needed for the further automation and simplification of the on-line tools and processes.

In order to make the SEAP analysis process quicker and more efficient, and building on the Coordinators' more in-depth knowledge of the national-regional circumstances, the Covenant office will support the JRC in involving the Coordinators in SEAP evaluation and monitoring through the grouped approach methodology (for SEAPs developed by signatories under a unique Coordinator and with the same methodology). This involvement of peer in the evaluation of SEAPs will strengthen further the sustainability of the Covenant initiative in view of its very high number of participants and of the expected further increasing membership.

Indeed, the Coordinators currently provide significant support to the implementation of the Covenant initiative and the mid-term evaluation has shown that the Covenant has been most successful in regions where Coordinators have been very active. Coordinators act as motivators in getting municipalities to join the Covenant and in providing them with support in the process of drafting and implementing SEAPs. They are also key in adapting the Covenant to local institutional frameworks and existing initiatives.

2.3 Identifying and disseminating good practices and innovative measures from SEAPs and monitoring reports

The Covenant office and the helpdesk should work closely with the JRC to gather from signatories, and extract from SEAPs and monitoring reports, the relevant information on good practices and innovative measures at local level.

The Benchmarks of excellence database should be further developed, enabling not only quick search according to pre-defined categories (i.e. sector, size of the city, region, country, supporting structure, financing schemes, etc.), but also the identification of the most cost-effective and successful actions. The tenderer should also propose innovative solutions to maximize and enhance the impact of the good practices dissemination activities.

An on-line Catalogue of results and good practices should be further developed, based on the data from SEAP and monitoring reports submitted by signatories, but also from

information gathered from national level (see 3.2) and from the Benchmarks of Excellence. The catalogue should be a major communication tool on the portal, presenting the Covenant implementation results and specific situation of its stakeholders to the public. The presentation in the Catalogue should be in a simple and easily understandable format (i.e. number of inhabitants, contacts, date of adhesion, current CO₂ emissions, current energy consumption, energy saving target, CO₂ emissions reduction target, main actions, etc.), and based on sound data sets at the same time. The Catalogue of measures should notably include information on the necessary budget and financing schemes for the measures adopted by cities, and should cooperate and exploit synergies with other existing initiatives supporting CO₂ reduction measures. Taking into account the number of signatories, the on-line Catalogue should be as automated as possible, but at the same time it should be possible to present the results of the Covenant initiative and aggregated figures according to selected criteria. The tenderers should present innovative proposals to enhance the dissemination and impact of good practices.

Task 3: Coordinating with other initiatives and supporting structures at European and national level

3.1 Support an efficient multi-level approach and strengthen the role of the Covenant Coordinators and Supporters in the challenge of reducing CO₂ emissions

The importance of enabling local actors to become actively involved in sustainable energy transition and the promotion of sustainable development has gained widespread recognition. One of the most important beneficial effects of the Covenant initiative has been the intense multi-level cooperation between municipalities, regions, networks and other committed third parties, while the bottom-up and multi-level approach has proven to be very effective in strengthening climate change mitigation as a political objective. The Covenant office should continue to promote and coordinate contributions provided by the supporting structures (Territorial Coordinators, Supporters, Associated Partners).

In particular, the role of Territorial Coordinators in SEAP drafting, analysis and implementation should be enhanced, in line with the evaluation methodologies proposed by the JRC. Therefore, the Covenant office is to further promote the involvement of Territorial Coordinators in particular for the following activities:

- Promoting accession to the Covenant of Mayors among municipalities in their area and providing support and coordination to those municipalities signing up;
- Providing technical and strategic assistance to those municipalities willing to join the Covenant but lacking the necessary resources to prepare a sustainable energy action plan;
- Providing and/or promoting financial support to the municipalities for expenditure related to SEAP preparation;
- Supporting implementation of SEAPs and organization of local energy days to raise awareness; and
- Reporting regularly to the Commission on the results obtained and participating in the strategic implementation of the Covenant;
- Supporting the SEAP analysis and monitoring process (see Work Package 2)

With respect to Covenant Supporters and Covenant Associated Partners, the Covenant office should encourage their involvement in activities where they would make their skills and know-how available to signatories and would foster partnerships between local authorities and other actors. In view of the high number of signatories, particular attention should therefore be paid to liaising with Supporters and Associated Partners that can

provide specific support to signatories on a local level, considering their ability to adapt the Covenant objectives and messages in a way that makes sense to the realities on the ground.

In order to continuously improve the quality and maximize the impact of the initiative, an Expert Advisory Group, including 4 to 6 external high-level European and/or international experts and representatives of organisations acting towards the same objectives as the Covenant of Mayors, will meet every year. This Expert Advisory Group will provide recommendations on the implementation of the Covenant's communication strategy, the identification of good practices and their dissemination, the complementarity aspects and interaction of the initiative with other European and international programmes, but also with possible research initiatives and financing schemes. The Expert Advisory Group will provide relevant information and inputs from other related initiatives, in order to keep the Covenant of Mayors at the forefront of action with local authorities for CO₂ reduction objectives. The Expert Advisory Group will also support the dissemination of the Covenant's objectives and results throughout the European relevant public, networks and institutions. The Covenant Office should organise this yearly meeting of the Expert Advisory Group.

3.2 Liaise and coordinate with national initiatives

The exchange of experience between signatories at European level has been very positive so far, but there is also a need for more in-depth support at national level, taking account of the national regulatory and implementation specificities of each country. Over the last four years, a number of Member States have adopted new measures and regulatory frameworks to engage local authorities in energy efficiency and renewable energy activities. In parallel to the Covenant framework, a number of national Covenant clubs or dialogue platforms have been set up in order to encourage synergies with existing national structures, instruments and initiatives.

In this context, the Covenant office should strengthen its relations with the national funding authorities, actions and initiatives which could support SEAP implementation. An improved coordination with the Covenant Territorial Coordinators and Supporters at national level, including national Covenant Clubs, is therefore important in order to better answer signatories' expectations and specific needs. National experts acting as possible contact points should be nominated within the Covenant office in order to keep a regular dialogue with Coordinators at national level and to map existing actions, legal instruments and financing sources which could be of interest to signatories in order to facilitate the SEAP implementation. As far as possible and for the most relevant countries, the national experts should be able to communicate effectively in the language(s) of the countries for which they are responsible.

3.3 Coordinate and create synergies with other projects related to the Covenant of Mayors' objectives

In addition to the specific cooperation required with the Pact of Island (see Task 1.4), for which the general principles expressed here below should also apply, the Covenant Office should also promote synergies with the following projects and structures:

Local and regional energy agencies (LAREA) are important facilitators for the successful implementation of the Covenant of Mayors. A methodology for close liaison and joint

activities with relevant initiatives such as the ManagEnergy Initiative is requested from the tenderers. It can include joint events, dedicated sections in the respective websites, etc. More information on ManagEnergy is available at www.managenergy.net.

The Local Energy Leadership Key Action within the Intelligent Energy Europe Programme (more information at <http://ec.europa.eu/energy/intelligent>) needs to be considered in the proposed methodology as relevant contributor to the Covenant. Other EU initiatives, such as the European Green Capital, should also be taken into account.

The European Innovation Partnership (EIP) for Smart Cities and Communities is a recent EU initiative, building on the related Industrial Initiatives of the EU SET-Plan, and aims at supporting integrated technological innovation and deployment in urban settings. The Covenant as a dissemination platform can serve as a natural vehicle to channel solutions from relevant initiatives such as CIVITAS, CONCERTO to a wide range of municipalities, therefore appropriate cooperation has to be ensured.

Since the Covenant as a model is growing beyond EU borders, liaison with and providing of limited assistance to different Commission services responsible for specific actions in the non-EU countries will be also required. Thus, the geographical scope of the Covenant is being extended with support to related projects in both the Eastern and Southern neighbouring regions focussing on capacity development for local authorities. In this framework, the Covenant office should work very closely with the responsible contractors and their regional offices in order to ensure efficient coordination and communication. The Covenant office will allow these projects to use the logo and other relevant communication tools and guidelines established under the initiative for promotion purposes. In particular, the Covenant office should ensure coordination through relevant links to or whenever possible integration of the Neighbourhood regions Covenant websites into the Covenant main web-portal, in order to ensure coherence and to avoid discrepancies. Staff resources will need to be allocated to these coordination activities, including three co-ordination meetings a year, and participation in steering committees and joint strategic or methodological events.

Moreover, the Green Digital Charter also targets local municipalities but specifically focuses on the reduction of ICT CO₂ footprint.

In addition, the Commission will be launching an initiative for climate change adaptation for cities in 2013/2014, using an approach similar to the Covenant of Mayors, engaging local authorities to develop and deliver urban adaptation strategies.

To the extent that these parallel initiatives/actions/movements involve clear synergies with the Covenant agenda related to CO₂ emission reduction, the Covenant office should also provide support as a dissemination platform to reach and provide information to local municipalities.

Task 4: Awareness raising & communication

4.1 Maintaining an efficient web portal

The Covenant website www.eumayors.eu is the principal means of communication with stakeholders and the main public information tool of the Covenant. It is currently available in 35 languages. The website includes an Extranet, which is a password-protected interface for

signatories, coordinators and supporting structures, and administrators, including the JRC. The Covenant office should further develop and enhance the website, on the basis of the following characteristics:

- It consists of two websites, a public one and a password protected one.
- For both the used technology has been: Web language: PHP Version 5.1.6; Database engine: MySQL 5.0.77; Visual part: HTML 4, CSS 2, Javascript, AJAX; OS: GNU Linux Fedora; Webserver: nginx;
- The websites are hosted on two twin machines;
- The protected website (www.eumayors.eu/mycovenant) is a CMS written from the ground up to fit the specific needs of the CoM helpdesk team;
- The public website (eumayors.eu) has around 700 static pages, around 7000 dynamic pages and around 2460 files (images, documents);
- The protected website (www.eumayors.eu/mycovenant) has around 20000 dynamic pages;
- During the last year, the website had 415020 visits and 7013039 page views.

Tenderers are invited to propose up-to-date technology for the development and maintenance of the web-portal, enabling cost-efficient and quick changes to the relevant sections, independently from other parts of the portal; inter-operability between different databases and sections, notably with the JRC managed databases; and automated links of SEAP templates stored in web databases with an on-line web catalogue of Covenant signatories.

Permanent work is required to ensure efficient processing of data, enabling better presentation of the Covenant results, sharing of the web-content and automated production of best practices. The portal should be the 'IT mirror' of all tasks under this tender, and should therefore further develop the social networking facility, a powerful and reliable search engine and easy access to e-learning tools and webinars. Accessibility checks should be managed daily during the contract period and any access problem will be the contractor's responsibility.

Tenderers should take into account that the technical helpdesk of the Covenant is the shared responsibility of the COMO and the JRC. The portal must be programmed in a way to enable interactivity, smooth data collection, analysis and management and content sharing between the COMO and the JRC. A proper management of databases, including automated checks, feedbacks and references, is required.

The portal must be hosted on powerful server(s), enabling large capacity of data processing and storage, quick accessibility, navigation and proper functioning of IT applications to the end users. Tenderers should describe how this will be secured and how troubleshooting will be managed.

Tenderers should propose the methodology for compliance with the highest data security and copyright standards. Furthermore, the methodology for securing the high quality of translations in all official EU languages including the troubleshooting should be described and appropriate resources must be allocated for this purpose.

Although the web portal shall be a copyrighted product of the European Commission, it has to keep its own identity and will be operated independently from the European Commission web-site. The Covenant website needs to contain a section with links to other relevant websites of EU initiatives. All publications and other audiovisual material related to the Covenant should be made freely downloadable from the portal. A restricted access area including database of contacts and actions, evaluation systems and other should be maintained. Unless explicit and specific consent is not given by the signatory, their non-public data can't be made available to third parties.

The contractor will be obliged to consult the European Commission and respect its communication guidelines on the information that is placed in the portal. At any time the European Commission may request to move the portal of the Covenant, its contents and structure, to the European Commission's web-site 'Europa'.

All necessary details and technical elements shall be transferred to the Commission by the end of the contract to allow for continuity beyond the end date of the contract, and back-up copies of all information should be made available every year to the Commission .

4.2 Communication strategy

The communication strategy of the Covenant office should target existing and potential signatories, existing and potential supporting structures and facilitators, European and local media. In its communication strategy, the Covenant office should pay attention to the geographical balance of the whole Covenant initiative, in particular the geographical balance of news posted on the website, and also keeping the objective to attract signatories from countries where the Covenant presence has been limited so far. A comprehensive communication strategy should be proposed aiming at developing an efficient visibility of the initiative in the media, promoting a credible and qualitative image of the initiative and encouraging signatories to further work with the Covenant, deliver on their commitment and share their experience with their peer.

The Covenant office should promote the Covenant initiative through a broad web presence and social media strategies, including posting of relevant news and agenda update, newsletters, press articles, pictures and videos on the Covenant website and share of information with other relevant websites. The Covenant office should send regular newsletters to signatories and supporting structures in order to keep them informed of the latest developments, while the use of new social media instruments should be also promoted.

The Covenant office should design and produce promotional material, as necessary during the three years implementation phase. As a basis, promotional materials developed and distributed in the period 2011-2013 may be considered (see www.eumayors.eu). This material could include presentation brochures, thematic leaflets, newsletters for Covenant signatories, Co-ordination Structures and Supporting Structures, promotional material for Annual Events, promotional material for participating at other events and/or for distributing at energy days, certificates and other material showing registration, short videos (youtube-like), thematic articles etc. Whilst the main language of communication will be English, the tenderers should make the necessary provisions in the offer in order to ensure that at least part of the presentation brochure and thematic leaflets, but also part of the regular newsletters, are available in all EU official languages. Specific emphasis should be placed on ensuring the highest possible quality of texts produced and their translations, which need to be understandable, technically and linguistically correct and adapted to the

end users. Periodicity, quantity, languages and foreseen contents of the promotional materials proposed by the tenderer should be described. In addition, tenderers are invited to provide description of translation/linguistic services to be employed.

One of the priority aspects of the communication strategy of the next phase of the Covenant initiative will be to promote the efficient implementation of Action Plans by signatories. For this purpose, both the internet and extranet will be used to share best practices, funding opportunities and relevant initiatives implemented at a local level. Based on the analysis of SEAPs and monitoring reports by the JRC, the Covenant office will highlight financing and implementation tools, and provide a catalogue of the most efficient measures used at local level. The Extranet, and in particular the Benchmarks of Excellence section, will allow signatories to share relevant technical information and best practices with other local authorities. As explained in section 2.3, the Benchmarks of Excellence should focus on easy replicable and innovative technologies and state-of-the-art methodologies in the different sectors already defined.

4.3 Organisation of events

The Covenant office should also organise the Covenant signing ceremony, which has so far been held in the Hemicycle of the European Parliament, as well as a number of thematic workshops and events as described below.

Under this tender, organisation of up to three high-visibility annual events/signing Ceremony is requested (one per year in 2014, 2015 and 2016). This task will comprise all activities linked to the organisation of the event, from its conception to its promotion, logistic, administrative and technical arrangements, registration, programme follow-up, proceedings, media relations and liaison with EU institutions involved. The event date and programme, choice of speakers/panellists and media strategy is to be made in close consultation with the European Commission.

Between 6 and 12 dedicated thematic workshops per year on particular areas of the Covenant initiatives are likely to be necessary, in combination or not with the annual event, and in relation with the European energy and climate policies, including related regional policies and programmes, the 2030 energy and climate objectives, the new Multi-Annual Financial Framework . A proposal for providing support for a number of such events is necessary. The Covenant office should also invite cities and Supporting Structures to organise Energy days in their own region, as well as other local decentralized events. Tenderers are invited to provide a sound strategy for the co-ordination and monitoring of these events.

The tenderers should include the conceptual work and organisation of a 'standard' representation of the Covenant, its initiatives and achievements at selected exhibitions, trade shows and other events Europe-wide which would be made available to cities or organisations willing to promote the action. The tenderer is responsible for proposing a suitable approach to this purpose. One compulsory element is the preparation of a regular update of a high-quality PowerPoint presentation of the Covenant.

Other promotional activities and tools, such as a Covenant exhibition stand and pup-up banners, might be needed as well.

Tenderers may wish to present the advantages and disadvantages of different promotional strategies.

3.3 Reports and documents to be produced - Timetable to observe

Execution of the tasks begins after the date on which the Contract enters into force.

In principle, the deadlines set out below cannot be extended. The Contractor is deemed solely responsible for delays occasioned by subcontractors or other third parties (except for rare cases of *force majeure*). Adequate resources and appropriate organisation of the work including management of potential delays should be put in place in order to observe the timetable below.

A **kick-off meeting** will take place in Brussels, at the latest 40 working days following the beginning of the contract, in order to settle all the details of the tasks to be undertaken.

Steering committee meetings should take place every two months.

Progress reports

The tenderers shall provide regular feedback to the Commission on the development and improvement of the Covenant on the basis of their day-to-day contact with the involved parties.

Progress reports showing progress of the work shall be submitted to the Commission by the end of months 6, 18, and 30 after the contract entered into force.

The Commission shall have twenty working days from receipt to approve or reject the report. Within 20 working days of receiving the Commission's observations, the Contractor will submit additional information or another report.

Final report

The contractor will submit a draft final report to the Commission at the latest 35 months after the contract entered into force.

The Commission shall have 15 days from receipt to approve or reject the draft final report, and the Contractor shall have 15 days in which to submit additional information or a new final report.

Report format

3 copies of the reports shall be supplied in paper form and one copy in electronic form, either in MS Word or in HTML format.

Duration of the tasks

The duration of the tasks shall not exceed **36 months**. This period is calculated in calendar days.

Place of performance

The tasks will be performed on the Contractor's premises. However, meetings between the contractor and the Commission may be held on Commission premises in Brussels.

Estimate of the amount of work involved

The amount of work involved to carry out this contract is assessed at **around 6000 man-days**.

4. CONTENT, STRUCTURE AND GRAPHIC REQUIREMENTS OF THE FINAL DELIVERABLES

All communication materials produced for the European Commission and Executive Agencies shall conform to the corporate visual identity of the European Commission by applying the graphic rules set out in the European Commission's Visual Identity Manual, including its logo¹¹.

The Commission is committed to making online information as accessible as possible to the largest possible number of users including those with visual, auditory, cognitive or physical disabilities, and those not having the latest technologies. The Commission supports the [Web Content Accessibility Guidelines 2.0](#) of the W3C.

For full details on Commission policy on accessibility for information providers, see: http://ec.europa.eu/ipg/standards/accessibility/index_en.htm

5. ANNEXES

1. Tenderer 's Identification Form
2. Declaration related to the exclusion criteria and absence of conflict of interest
3. Power of Attorney (mandate in case of joint tender)
4. Draft Contract

¹¹ The Visual Identity Manual of the European Commission is available upon request. Requests should be made to the following e-mail address: comm-visual-identity@ec.europa.eu

ANNEX 1

IDENTIFICATION OF THE TENDERER

(Each service provider , including any member of a consortium or grouping and subcontractor(s) whose share of the work is more than 20% of the contract must complete and sign this identification form)

Call for tender ENER/B3/2013/415-1

Identity	
Name of the tenderer	
Legal status of the tenderer	
Date of registration	
Country of registration	
Registration number	
VAT number	
Description of statutory social security cover (at the level of the Member State of origin) and non-statutory cover (supplementary professional indemnity insurance) ¹²	
Address	
Address of registered office of tenderer	
Where appropriate, administrative address of tenderer for the purposes of this invitation to tender	
Contact Person	
Surname:	
First name:	
Title (e.g. Dr, Mr, Ms) :	
Position (e.g. manager):	

¹² For natural persons

Telephone number: Fax number: E-mail address:	
Legal Representatives	
Names and function of legal representatives and of other representatives of the tenderer who are authorised to sign contracts with third parties	
Declaration by an authorised representative of the organisation¹³	
I, the undersigned, certify that the information given in this tender is correct and that the tender is valid.	
Surname: First name:	Signature:

¹³ This person must be included in the list of legal representatives; otherwise the signature on the tender will be invalidated.

ANNEX 2

Declaration of honour on exclusion criteria and absence of conflict of interest

(Complete or delete the parts in grey italics in parentheses)

[Choose options for parts in grey between square brackets]

The undersigned (*insert name of the signatory of this form*):

in [his][her] own name (*for a natural person*)

or

representing the following legal person: (*only if the economic operator is a legal person*)

full official name:

official legal form:

full official address:

VAT registration number:

➤ declares that [the above-mentioned legal person][he][she] is not in one of the following situations:

- a) is bankrupt or being wound up, is having its 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) has been convicted of an offence concerning professional conduct by a judgment of a competent authority of a Member State which has the force of *res judicata*;
- c) has been guilty of grave professional misconduct proven by any means which the contracting authorities can justify including by decisions of the European Investment Bank and international organisations;
- d) is not in compliance with all its obligations relating to the payment of social security contributions and the payment of taxes in accordance with the legal provisions of the country in which it is established, with those of the country of the contracting authority and those of the country where the contract is to be performed;
- e) has been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such activity is detrimental to the Union's financial interests;
- f) is a subject of an administrative penalty for being guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in a procurement procedure or failing to supply this information, or having been declared to be in serious breach of its obligations under contracts covered by the Union's budget.

- (Only for legal persons other than Member States and local authorities, otherwise delete) declares that the natural persons with power of representation, decision-making or control¹⁴ over the above-mentioned legal entity are not in the situations referred to in b) and e) above;
- declares that [the above-mentioned legal person][he][she]:
- g) has no conflict of interest in connection with the contract; a conflict of interest could arise in particular as a result of economic interests, political or national affinity, family, emotional life or any other shared interest;
- h) will inform the contracting authority, without delay, of any situation considered a conflict of interest or which could give rise to a conflict of interest;
- i) 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 award of the contract;
- j) provided accurate, sincere and complete information to the contracting authority within the context of this procurement procedure ;
- acknowledges that [the above-mentioned legal person][he][she] may be subject to administrative and financial penalties¹⁵ if any of the declarations or information provided prove to be false.

In case of award of contract, the following evidence shall be provided upon request and within the time limit set by the contracting authority:

For situations described in (a), (b) and (e), production of a recent extract from the judicial record is required or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied. Where the tenderer is a legal person and the national legislation of the country in which the tenderer is established does not allow the provision of such documents for legal persons, the documents should be provided for natural persons, such as the company directors or any person with powers of representation, decision making or control in relation to the tenderer.

For the situation described in point (d) above, recent certificates or letters issued by the competent authorities of the State concerned are required. These documents must provide evidence covering all taxes and social security contributions for which the tenderer is liable, including for example, VAT, income tax (natural persons only), company tax (legal persons only) and social security contributions.

For any of the situations (a), (b), (d) or (e), where any document described in two paragraphs above is not 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.

If the tenderer is a legal person, information on the natural persons with power of representation, decision making or control over the legal person shall be provided only upon request by the contracting authority.

¹⁴ This covers the company directors, members of the management or supervisory bodies, and cases where one natural person holds a majority of shares.

¹⁵ As provided for in Article 109 of the Financial Regulation (EU, Euratom) 966/2012 and Article 145 of the Rules of Application of the Financial Regulation

Full name

Date

Signature

ANNEX 3

POWER OF ATTORNEY

mandating one of the partners in a joint tender as lead partner and lead contractor ¹⁶

The undersigned:

– Signatory (Name, Function, Company, Registered address, VAT Number)

having the legal capacity required to act on behalf of his/her company,

HEREBY AGREES TO THE FOLLOWING:

- 1) To submit a tender as a partner in the group of partners constituted by Company 1, Company 2, Company N, and led by Company X, in accordance with the conditions specified in the tender specifications and the terms specified in the tender to which this power of attorney is attached.
- 2) If the European Commission awards the Contract to the group of partners constituted by Company 1, Company 2, Company N, and led by Company X on the basis of the joint tender to which this power of attorney is attached, all the partners shall be co-signatories of the Contract in accordance with the following conditions:
 - (a) All partners shall be jointly and severally liable towards the European Commission for the performance of the Contract.
 - (b) All partners shall comply with the terms and conditions of the Contract and ensure the proper delivery of their respective share of the services and/or supplies subject to the Contract.
- 1) Payments by the European Commission related to the services and/or supplies subject to the Contract shall be made through the lead partner's bank account: [Provide details on bank, address, account number].
- 2) The partners grant to the lead partner all the necessary powers to act on their behalf in the submission of the tender and conclusion of the Contract, including:
 - (a) The lead partner shall submit the tender on behalf of the group of partners.
 - (b) The lead partner shall sign any contractual documents — including the Contract, and Amendments thereto — and issue any invoices related to the Services on behalf of the group of partners.
 - (c) The lead partner shall act as a single contact point with the European Commission in the delivery of the services and/or supplies subject to the Contract. It shall co-ordinate the delivery of the services and/or supplies by the group of partners to the European Commission, and shall see to a proper administration of the Contract.

Any modification to the present power of attorney shall be subject to the European Commission's express approval. This power of attorney shall expire when all the contractual obligations of the group of partners towards the European Commission for the delivery of the services and/or supplies subject to the Contract have ceased to exist. The parties cannot terminate it before that date without the Commission's consent.

Signed in on [dd/mm/yyyy]

Place and date:

Name (in capital letters), function, company and signature:

¹⁶ To be filled in and signed by each of the partners in a joint tender, except the lead partner;

ANNEX 4
DRAFT CONTRACT



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Directorate B - Internal Energy Market
B.3 - Internal Market III: Retail markets; coal & oil

SERVICE CONTRACT

CONTRACT NUMBER – ENER/B3/2013/415-1

The European Union (hereinafter referred to as "the Union"), represented by the European Commission (hereinafter referred to as "the contracting authority"), which is represented for the purposes of the signature of this contract by Ms/Mr....., Director in the Directorate-General for Energy, Directorate B Internal Energy Market,

on the one part, and

[*full official name*]

[*official legal form*]¹⁷

[*statutory registration number*]¹⁸

[*full official address*]

[*VAT registration number*]

[(hereinafter referred to as 'the contractor'),][represented for the purposes of the signature of this contract by [*forename, surname and function*,]]

[The parties identified above and hereinafter collectively referred to as 'the contractor' shall be jointly and severally liable vis-à-vis the contracting authority for the performance of this contract.]

on the other part,

¹⁷ Delete if contractor is a natural person or a body governed by public law.

¹⁸ Delete if contractor is a body governed by public law. For natural persons, indicate the number of their identity card or, failing that, of their passport or equivalent.

HAVE AGREED

to the **special conditions**, the **general conditions for service contracts** and the following annexes:

Annex I – Tender specifications (reference No ENER/B3/2013/415-1 of [*insert date*])

Annex II – Contractor's tender (reference No [*complete*] of [*insert date*])

[*Other annexes*]

which form an integral part of this contract (hereinafter referred to as “the contract”).

- The terms set out in the special conditions shall take precedence over those in the other parts of the contract.
- The terms set out in the general conditions shall take precedence over those in the annexes.
- The terms set out in the tender specifications (Annex I) shall take precedence over those in the tender (Annex II).

I – SPECIAL CONDITIONS

ARTICLE I.1 – SUBJECT MATTER

- I.1.1** The subject matter of the contract is the operation of the Covenant of Mayors Office, and the provision of support to the Covenant signatories through technical assistance, running a Helpdesk and a website, communication and training activities in order to promote voluntary commitment by towns and cities to go beyond the objective of decreasing CO₂ emissions by at least 20% by 2020.
- I.1.2** The contractor shall execute the tasks assigned to it in accordance with the tender specifications annexed to the contract (Annex I).

ARTICLE I.2 – ENTRY INTO FORCE AND DURATION

- I.2.1** The contract shall enter into force on 1/01/2014 if it has already been signed by both parties.
- I.2.2** Under no circumstances may performance commence before the date on which the contract enters into force.
- I.2.3** The duration of the execution of the tasks shall not exceed 36 months. Unless otherwise specified, all periods specified in the contract are calculated in calendar days. Execution of the tasks shall start from 1/01/2014.

The period of execution of the task may be extended only in exceptional and duly justified cases and with express written agreement of the parties. If the request for extension is made by the contractor, he must send it to the contracting authority in good time before it is due to take effect and at all events one month before the period of the execution of the tasks elapses, except in cases duly substantiated by the contractor and accepted by the contracting authority.

ARTICLE I.3 – PRICE

- I.3.1** The maximum total amount to be paid by the contracting authority under the contract shall be EUR [*amount in figures and in words*] covering all tasks executed.
- I.3.2** **Price revision** – *Not applicable*

ARTICLE I.4 – PAYMENT ARRANGEMENTS

I.4.1 Interim payments

The contractor shall submit invoices for interim payments of EUR [*amount in figures and in words*] equal to 30 % of the total amount referred to in Article I.3.1.

Invoices for interim payment shall be accompanied by a progress report or any other document in accordance with the tender specifications. The contracting authority shall make the payment within 60 days from receipt of the invoice. The contractor shall have 20 days in which to submit additional information or corrections or a new progress report or documents if required by the contracting authority.

I.4.2 Payment of the balance

The contractor shall submit an invoice for payment of the balance.

The invoice shall be accompanied by a final progress report or/and any other document in accordance with the tender specifications. The contracting authority shall make the payment within 60 days from receipt of the invoice. The contractor shall have 20 days in which to submit additional information or corrections, a new final progress report or other documents if it is required by the contracting authority.

Where VAT is due in Belgium, the provisions of the contract constitute a request for VAT exemption No 450, Article 42, paragraph 3.3 of the VAT code (circular 2/1978), provided the contractor includes the following statement in the invoice(s): “Exonération de la TVA, Article 42, paragraphe 3.3 du code de la TVA (circulaire 2/1978)” or an equivalent statement in the Dutch or German language.

ARTICLE I.5 – BANK ACCOUNT

Payments shall be made to the contractor's bank account denominated in euro, identified as follows:

Name of bank:

Full address of branch:

Exact designation of account holder:

Full account number including [bank] codes:

[IBAN¹⁹ code:]

ARTICLE I.6 – COMMUNICATION DETAILS AND DATA CONTROLLER

For the purpose of Article II.6, the data controller shall be the Director of the Shared Resources Directorate.

Communications shall be sent to the following addresses:

Contracting authority:

European Commission

Directorate-General for Energy

Directorate B Internal Energy Market

Unit B3 – Retail markets; coal and oil

B-1049 Brussels

Email: Helisene.Habart@ec.europa.eu

Contractor:

[*Ms/Mr/Mrs*]

[*Function*]

[*Company name*]

[*Full official address*]

Email: [*complete*]

ARTICLE I.7 – APPLICABLE LAW AND SETTLEMENT OF DISPUTES

I.7.1. The contract shall be governed by Union law, complemented, where necessary, by the law of Belgium.

I.7.2. Any dispute between the parties in relation to the interpretation, application or validity of the contract which cannot be settled amicably shall be brought before the courts of Brussels.

¹⁹ BIC or SWIFT code for countries with no IBAN code.

ARTICLE I.8 - EXPLOITATION OF THE RESULTS OF THE CONTRACT

I.8.1 Modes of exploitation

In accordance with Article II.10.2 whereby the Union acquires ownership of the results as defined in the tender specifications (Annex I), these results may be used for any of the following purposes:

- (a) use for its own purposes:
 - (i) making available to the staff of the contracting authority
 - (ii) making available to the persons and entities working for the contracting authority or cooperating with it, including contractors, subcontractors whether legal or natural persons, Union institutions, agencies and bodies, Member States' institutions
 - (iii) installing, uploading, processing
 - (iv) arranging, compiling, combining, retrieving
 - (v) copying, reproducing in whole or in part and in unlimited number of copies

- (b) distribution to the public:
 - (i) publishing in hard copies
 - (ii) publishing in electronic or digital format
 - (iii) publishing on the internet as a downloadable/non-downloadable file
 - (iv) broadcasting by any kind of technique of transmission
 - (v) public presentation or display
 - (vi) communication through press information services
 - (vii) inclusion in widely accessible databases or indexes
 - (viii) otherwise in any form and by any method

- (c) modifications by the contracting authority or by a third party in the name of the contracting authority:
 - (i) shortening
 - (ii) summarizing
 - (iii) modifying of the content
 - (iv) making technical changes to the content:
 - necessary correction of technical errors
 - adding new parts or functionalities
 - changing functionalities
 - providing third parties with additional information concerning the result (e.g. source code) with a view of making modifications
 - (v) addition of new elements, paragraphs titles, leads, bolds, legend, table of content, summary, graphics, subtitles, sound, etc.
 - (vi) preparation in audio form, preparation as a presentation, animation, pictograms story, slide-show, public presentation etc.
 - (vii) extracting a part or dividing into parts
 - (viii) use of a concept or preparation of a derivate work

- (ix) digitisation or converting the format for storage or usage purposes
 - (x) modifying dimensions
 - (xi) translating, inserting subtitles, dubbing in all languages versions
- (d) the modes of exploitation listed in article II.10.4
- (e) rights to authorise, license, or sub-license in case of licensed pre-existing rights, the modes of exploitation set out in any of the points (a) to (c) to third parties.

Where the contracting authority becomes aware that the scope of modifications exceeds that envisaged in the FWC, specific contract or order form the contracting authority shall consult the contractor. Where necessary, the contractor shall in turn seek the agreement of any creator or other right holder. The contractor shall reply to the contracting authority within one month and shall provide its agreement, including any suggestions of modifications, free of charge. The creator may refuse the intended modification only when it may harm his honour, reputation or distort integrity of the work.

I.8.2 Pre-existing rights and transmission of rights

All pre-existing rights shall be licensed to the Union in accordance with Article II.10.3.

The contractor shall provide to the contracting authority a list of pre-existing rights and third parties' rights including its personnel, creators or other right holders as provided for in Article II.10.5.

ARTICLE I.9 – TERMINATION BY EITHER PARTY

Either party may, unilaterally and without being required to pay compensation, terminate the contract by formally notifying the other party by giving [one month's] notice. Should the contracting authority terminate the contract, the contractor shall only be entitled to payment corresponding to part-performance of the contract before the termination date. The first paragraph of Article II.14.3 shall apply.

SIGNATURES

For the contractor,

For the contracting authority,

[*Company name/forename/surname/function*]

[*forename/surname/function*]

signature[s]: _____

signature[s]: _____

Done at [Brussels], [date]

Done at [Brussels], [date]

In duplicate in English.

II – GENERAL CONDITIONS FOR SERVICE CONTRACTS

ARTICLE II.1 – PERFORMANCE OF THE CONTRACT

- II.1.1** The contractor shall perform the contract to the highest professional standards.
- II.1.2** The contractor shall be solely responsible 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 it are to be executed.
- II.1.3** Without prejudice to Article II.4 any reference made to the contractor's personnel in the contract shall relate exclusively to individuals involved in the performance of the contract.
- II.1.4** The contractor must ensure that the personnel performing the contract possesses the professional qualifications and experience required for the execution of the tasks assigned to it.
- II.1.5** The contractor shall neither represent the contracting authority nor behave in any way that would give such an impression. The contractor shall inform third parties that it does not belong to the European public service.
- II.1.6** The contractor shall be solely responsible for the personnel who executes the tasks assigned to the contractor.

The contractor shall stipulate the following employment or service relationships with its personnel:

- (a) personnel executing the tasks assigned to the contractor may not be given orders directly by the contracting authority;
- (b) the contracting authority may not under any circumstances be considered to be the employer of the personnel referred to in point (a) and the personnel shall undertake not to invoke against the contracting authority any right arising from the contractual relationship between the contracting authority and the contractor.
- II.1.7** In the event of disruption resulting from the action of one of the contractor's personnel working on the contracting authority's premises or in the event that the expertise of a member of the contractor's personnel fails to correspond to the profile required by the contract, the contractor shall replace him without delay. The contracting authority shall have the right to make a reasoned request for the replacement of any such personnel. The replacement personnel must have the necessary qualifications and be capable of performing the contract under the same contractual conditions. The contractor shall be responsible for any delay in the execution of the tasks assigned to it resulting from the replacement of personnel.
- II.1.8** Should the execution of the tasks be directly or indirectly hampered, either partially or totally, by any unforeseen event, action or omission, the contractor shall immediately and on its own initiative record it and report it to the contracting authority. 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 its obligations under this contract. In such an event the contractor shall give priority to solving the problem rather than determining liability.

- II.1.9** Should the contractor fail to perform its obligations under the contract, the contracting authority may - without prejudice to its right to terminate the contract - reduce or recover payments in proportion to the scale of the unperformed obligations. In addition, the contracting authority may claim compensation or impose liquidated damages in accordance with Article II.12.

ARTICLE II.2 – MEANS OF COMMUNICATION

- II.2.1** Any communication relating to the contract or to its performance shall be made in writing and shall bear the contract number. Any communication is deemed to have been made when it is received by the receiving party unless otherwise provided for in this contract.

- II.2.2** Electronic communication shall be deemed to have been received by the parties on the day of dispatch of that communication provided it is sent to the addressees listed in Article I.6. Without prejudice to the preceding, if the sending party receives a message of non-delivery to or of absence of the addressee, it shall make every effort to ensure the actual receipt of such communication by the other party.

Electronic communication shall be confirmed by an original signed paper version of that communication if requested by any of the parties provided that this request is submitted without unjustified delay. The sender shall send the original signed paper version without unjustified delay.

- II.2.3** Mail sent using the postal services is deemed to have been received by the contracting authority on the date on which it is registered by the department responsible referred to in Article I.6.

Any formal notification shall be made by registered mail with return receipt or equivalent, or by equivalent electronic means.

ARTICLE II.3 – LIABILITY

- II.3.1** The contractor shall be solely responsible for complying with any legal obligations incumbent on it.

- II.3.2** The contracting authority shall not be held liable for any damage caused or sustained by the contractor, including any damage caused by the contractor to third parties during or as a consequence of performance of the contract, except in the event of wilful misconduct or gross negligence on the part of the contracting authority.

- II.3.3** The contractor shall be held liable for any loss or damage sustained by the contracting authority in performance of the contract, including in the event of subcontracting, and for any claim by a third party, but only to an amount not exceeding three times the total amount of the contract. Nevertheless, if the damage or loss is caused by the gross negligence or wilful misconduct of the contractor or of its personnel or subcontractors, the contractor shall have unlimited liability for the amount of the damage or loss.

II.3.4 The contractor shall indemnify and hold the Union harmless for all damages and costs incurred due to any claim. The contractor shall provide compensation in the event of any action, claim or proceeding brought against the contracting authority by a third party as a result of damage caused by the contractor during the performance of the contract. In the event of any action brought by a third party against the contracting authority in connection with the performance of the contract, including any alleged breach of intellectual property rights, the contractor shall assist the contracting authority. Such expenditure incurred by the contractor may be borne by the contracting authority.

II.3.5 The contractor shall take out an insurance policy against risks and damage relating to the performance of the contract, if required by the relevant applicable legislation. It shall take out supplementary insurance as reasonably required by standard practice in the industry. A copy of all the relevant insurance contracts shall be sent to the contracting authority should it so request.

ARTICLE II.4 - CONFLICT OF INTEREST

II.4.1 The contractor shall take all the necessary measures to prevent any situation of conflict of interest. Such situation arises where the impartial and objective performance of the contract is compromised for reasons involving economic interest, political or national affinity, family or emotional ties, or any other shared interest.

II.4.2 Any situation constituting or likely to lead to a conflict of interest during the performance of the contract shall be notified to the contracting authority in writing without delay. The contractor shall immediately take all the necessary steps to rectify the situation. The contracting authority reserves the right to verify that the steps taken are appropriate and may require that additional steps be taken within a specified deadline.

II.4.3 The contractor declares that it 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, when such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, in so far as it serves as an incentive or reward relating to the performance of the contract.

II.4.4 The contractor shall pass on all the relevant obligations in writing to its personnel and to any natural person with the power to represent it or take decisions on its behalf and ensure that it is not placed in a situation which could give rise to conflicts of interest. The contractor shall also pass on all the relevant obligations in writing to third parties involved in the performance of the contract including subcontractors.

ARTICLE II.5 – CONFIDENTIALITY

II.5.1 The contracting authority and the contractor shall treat with confidentiality any information and documents, in any form, disclosed in writing or orally in relation to the performance of the contract and identified in writing as confidential.

The contractor shall:

- (a) not use confidential information and documents for any purpose other than fulfilling its obligations under the contract without prior written agreement of the contracting authority;
- (b) ensure the protection of such confidential information and documents with the same level of protection it uses to protect its own confidential information, but in no case any less than reasonable care;
- (c) not disclose directly or indirectly confidential information and documents to third parties without prior written agreement of the contracting authority.

II.5.2 The confidentiality obligation set out in Article II.5.1 shall be binding on the contracting authority and the contractor during the performance of the contract and for five years starting from the date of the payment of the balance unless:

- (a) the disclosing party agrees to release the other party from the confidentiality obligation earlier;
- (b) the confidential information becomes public through other means than in breach of the confidentiality obligation, through disclosure by the party bound by that obligation;
- (c) the disclosure of the confidential information is required by law.

II.5.3 The contractor shall obtain from any natural person with the power to represent it or take decisions on its behalf, as well as from third parties involved in the performance of the contract, an undertaking that they will comply with the confidentiality obligation set out in Article II.5.1.

ARTICLE II.6 – PROCESSING OF PERSONAL DATA

II.6.1 Any personal data included in the contract shall be processed pursuant to Regulation (EC) 45/2001 of the European Parliament and of the Council of 18 December 2000 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. Such data shall be processed by the data controller solely for the purposes of the performance, management and monitoring of the contract without prejudice to its possible transmission to the bodies charged with monitoring or inspection tasks in application of Union law.

II.6.2 The contractor shall have the right to access its personal data and the right to rectify any such data. The contractor should address any queries concerning the processing of its personal data to the data controller.

II.6.3 The contractor shall have right of recourse at any time to the European Data Protection Supervisor.

II.6.4 Where the contract requires the processing of personal data by the contractor, the contractor may act only under the supervision of the data controller, in particular with regard to the purposes of the processing, the categories of data which may be processed, the recipients of the data and the means by which the data subject may exercise his rights.

II.6.5 The contractor shall grant its personnel access to the data to the extent strictly necessary for the performance, management and monitoring of the contract.

II.6.6 The contractor undertakes to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned in order to:

- (a) prevent any unauthorised person from gaining access to computer systems processing personal data, and especially:
 - (i) unauthorised reading, copying, alteration or removal of storage media;
 - (ii) unauthorised data input, as well as any unauthorised disclosure, alteration or erasure of stored personal data;
 - (iii) unauthorised use of data-processing systems by means of data transmission facilities;
- (b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;
- (c) record which personal data have been communicated, when and to whom;
- (d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the contracting authority;
- (e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
- (f) design its organisational structure in such a way that it meets data protection requirements.

ARTICLE II.7 – SUBCONTRACTING

II.7.1 The contractor shall not subcontract without prior written authorisation from the contracting authority nor cause the contract to be de facto performed by third parties.

II.7.2 Even where the contracting authority authorises the contractor to subcontract to third parties, it shall nevertheless remain bound by its contractual obligations and shall be solely responsible for the proper performance of this contract.

II.7.3 The contractor shall make sure that the subcontract does not affect rights and guarantees granted to the contracting authority by virtue of this contract, notably by Article II.18.

ARTICLE II.8 – AMENDMENTS

II.8.1 Any amendment to the contract shall be made in writing before fulfilment of any new contractual obligations and in any case before the date of payment of the balance.

II.8.2 The amendment may not have the purpose or the effect of making changes to the contract which might call into question the decision awarding the contract or result in unequal treatment of tenderers.

ARTICLE II.9 – ASSIGNMENT

II.9.1 The contractor shall not assign the rights, including claims for payments, and obligations arising from the contract, in whole or in part, without prior written authorisation from the contracting authority.

II.9.2 In the absence of such authorisation, or in the event of failure to observe the terms thereof, the assignment of rights or obligations by the contractor shall not be enforceable against the contracting authority and shall have no effect on it.

ARTICLE II.10 – OWNERSHIP OF THE RESULTS - INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

II.10.1 Definitions

In this contract the following definitions apply:

(1) 'results' means any intended outcome of the performance of the contract which is delivered and finally accepted by the contracting authority.

(2) 'creator' means any natural person who contributed to the production of the result and includes personnel of the contracting authority or a third party.

(3) 'pre-existing rights' means any industrial and intellectual property rights, including background technology, which exist prior to the contracting authority or the contractor ordering them for the purpose of the contract execution and include rights of ownership and use by the contractor, the creator, the contracting authority and any third parties.

II.10.2 Ownership of the results

The ownership of the results shall be fully and irrevocably acquired by the Union under this contract including any rights in any of the results listed in this contract, including copyright and other intellectual or industrial property rights, and all technological solutions and information contained therein, produced in performance of the contract. The contracting authority may exploit them as stipulated in this contract. All the rights shall be acquired by the Union from the moment the results are delivered by the contractor and accepted by the contracting authority. Such delivery and acceptance are deemed to constitute an effective assignment of rights from the contractor to the Union.

The payment of the price as set out in the order forms or specific contracts is deemed to include any fees payable to the contractor in relation to the acquisition of ownership of rights by the Union including all forms of use of the results.

The acquisition of ownership of rights by the Union under this contract covers all territories worldwide.

Any intermediary sub-result, raw data, intermediary analysis made available by the contractor cannot be used by the contracting authority without the written consent of the contractor, unless the contract explicitly provides for it to be treated as a self-contained result.

II.10.3 Licensing of pre-existing rights

The Union shall not acquire ownership of the pre-existing rights.

The contractor shall license the pre-existing rights on a royalty-free, non-exclusive and irrevocable basis to the Union which may use the pre-existing right as foreseen in Article I.8.1 or in order forms or specific contracts. All the pre-existing rights shall be licensed to the Union from the moment the results were delivered and accepted by the contracting authority.

The licensing of pre-existing rights to the Union under this contract covers all territories worldwide and is valid for the whole duration of intellectual property rights protection.

II.10.4 Modes of exploitation

The Union shall acquire ownership of each of the results produced as an outcome of this contract which may be used for any of the following purposes:

- (a) giving access upon individual requests without the right to reproduce or exploit, as provided for by Regulation 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents;
- (b) storage of the original and copies made in accordance with this contract;
- (c) archiving in line with the document management rules applicable to the contracting authority.

II.10.5 Identification and evidence of granting of pre-existing rights and rights of third parties

When delivering the results, the contractor shall warrant that they are free of rights or claims from creators and third parties including in relation to pre-existing rights, for any use envisaged by the contracting authority. This does not concern the moral rights of natural persons.

The contractor shall establish to that effect a list of all pre-existing rights and rights of creators and third parties on the results of this contract or parts thereof. This list shall be provided no later than the date of delivery of the final results.

In the result the contractor shall clearly point out all quotations of existing textual works. The complete reference should include as appropriate: name of the author, title of the work, date and place of publication, date of creation, address of publication on internet, number, volume and other information which allows the origin to be easily identified.

Upon request by the contracting authority, the contractor shall provide evidence of ownership or rights to use all the listed pre-existing rights and rights of third parties except for the rights owned by the Union.

This evidence may refer, inter alia, to rights to: parts of other documents, images, graphs, tables, data, software, technical inventions, know-how etc. (delivered in paper, electronic or other form), IT development tools, routines, subroutines and/or other programs ("background technology"), concepts, designs, installations or pieces of art, data, source or background materials or any other parts of external origin.

The evidence shall include, as appropriate:

- (a) the name and version number of a software product;
- (b) the full identification of the work and its author, developer, creator, translator, data entry person, graphic designer, publisher, editor, photographer, producer;

- (c) a copy of the licence to use the product or of the agreement granting the relevant rights to the contractor or a reference to this licence;
- (d) a copy of the agreement or extract from the employment contract granting the relevant rights to the contractor where parts of the results were created by its personnel;
- (e) the text of the disclaimer notice if any.

Provision of evidence does not release the contractor from its responsibilities in case it is found that it does not hold the necessary rights, regardless of when and by whom this fact was revealed.

The contractor also warrants that it possesses the relevant rights or powers to execute the transfer and that it has paid or has verified payment of all due fees including fees due to collecting societies, related to the final results.

II.10.6 Creators

By delivering the results the contractor warrants that the creators undertake not to oppose that their names be recalled when the results are presented to the public and confirms that the results can be divulged. Names of authors shall be recalled on request in the manner communicated by the contractor to the contracting authority.

The contractor shall obtain the consent of creators regarding the granting of the relevant rights and be ready to provide documentary evidence upon request.

II.10.7 Persons appearing in photographs or films

If natural, recognisable persons appear in a result or their voice is recorded the contractor shall submit a statement of these persons (or of the persons exercising parental authority in case of minors) where they give their permission for the described use of their image or voice on request by the contracting authority. This does not apply to persons whose permission is not required in line with the law of the country where photographs were taken, films shot or audio records made.

II.10.8 Copyright for pre-existing rights

When the contractor retains pre-existing rights on parts of the results, reference shall be inserted to that effect when the result is used as set out in Article I.8.1 with the following disclaimer: © - year – European Union. All rights reserved. Certain parts are licensed under conditions to the EU.

II.10.9 Visibility of Union funding and disclaimer

When making use of the results, the contractor shall declare that they have been produced within a contract with the Union and that the opinions expressed are those of the contractor only and do not represent the contracting authority's official position. The contracting authority may waive this obligation in writing.

ARTICLE II.11 – FORCE MAJEURE

II.11.1 'Force majeure' means any unforeseeable and exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations under the contract, which was not attributable to error or negligence on their part or on the part of subcontractors and which proves to be inevitable in spite of exercising due diligence. Any default of a service, defect in equipment or

material or delays in making them available, unless they stem directly from a relevant case of force majeure, as well as labour disputes, strikes or financial difficulties, cannot be invoked as force majeure.

II.11.2 A party faced with force majeure shall formally notify the other party without delay, stating the nature, likely duration and foreseeable effects.

II.11.3 The party faced with force majeure shall not be held in breach of its contractual obligations if it has been prevented from fulfilling them by force majeure. Where the contractor is unable to fulfil its contractual obligations owing to force majeure, it shall have the right to remuneration only for the tasks actually executed.

II.11.4 The parties shall take all the necessary measures to limit any damage due to force majeure.

ARTICLE II.12 – LIQUIDATED DAMAGES

The contracting authority may impose liquidated damages should the contractor fail to complete its contractual obligations, also with regard to the required quality level, according to the tender specifications.

Should the contractor fail to perform its contractual obligations within the time-limits set by the contract, then, without prejudice to the contractor's actual or potential liability or to the contracting authority's right to terminate the contract, the contracting authority may impose liquidated damages for each and every calendar day of delay according to the following formula:

$$0.3 \times (V/d)$$

V is the amount specified in Article I.3.1;

d is the duration specified in Article I.2.3 expressed in calendar days.

The contractor may submit arguments against this decision within 30 days of receipt of the formal notification. In the absence of a reaction on its part or of written withdrawal by the contracting authority within 30 days of the receipt of such arguments, the decision imposing the liquidated damages shall become enforceable.

The parties 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 incurred due to failure to fulfil obligations which may be reasonably anticipated.

ARTICLE II.13 – SUSPENSION OF THE PERFORMANCE OF THE CONTRACT

II.13.1 Suspension by the contractor

The contractor may suspend the performance of the contract or any part thereof if a case of force majeure makes such performance impossible or excessively difficult. The contractor shall inform the contracting authority about the suspension without delay, giving all the necessary reasons and details and the envisaged date for resuming the performance of the contract.

Once the circumstances allow resuming performance, the contractor shall inform the contracting authority immediately, unless the contracting authority has already terminated the contract.

II.13.2 Suspension by the contracting authority

The contracting authority may suspend the performance of the contract or any part thereof:

- (a) if the contract award procedure or the performance of the contract prove to have been subject to substantial errors, irregularities or fraud;
- (b) in order to verify whether presumed substantial errors, irregularities or fraud have actually occurred.

Suspension shall take effect on the day the contractor receives formal notification, or at a later date provided in the notification. The contracting authority shall give notice as soon as possible to the contractor to resume the service suspended or inform the contractor that it is proceeding with the termination of the contract. The contractor shall not be entitled to claim compensation on account of suspension of the contract or of part thereof.

ARTICLE II.14 – TERMINATION OF THE CONTRACT

II.14.1 Grounds for termination

The contracting authority may terminate the contract in the following circumstances:

- (a) if a change to the contractor's legal, financial, technical or organisational or ownership situation is likely to affect the performance of the contract substantially or calls into question the decision to award the contract;
- (b) if execution of the tasks has not actually commenced within three months of the date foreseen, and the new date proposed, if any, is considered unacceptable by the contracting authority, taking into account Article II.8.2;
- (c) if the contractor does not perform the contract as established in the tender specifications or fails to fulfil another substantial contractual obligation;
- (d) in the event of force majeure notified in accordance with Article II.11 or if the performance of the contract has been suspended by the contractor as a result of force majeure, notified in accordance with Article II.13, where either resuming performance is impossible or the modifications to the contract might call into question the decision awarding the contract or result in unequal treatment of tenderers;
- (e) if the contractor is declared bankrupt, is being wound up, is having its 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;
- (f) if the contractor or any natural person with the power to represent it or take decisions on its behalf has been found guilty of professional misconduct proven by any means;
- (g) if the contractor is not in compliance with its 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 it is established or with those of the country of the

applicable law of this contract or those of the country where the contract is to be performed;

- (h) if the contracting authority has evidence that the contractor or natural persons with the power to represent it or take decisions on its behalf have committed fraud, corruption, or are involved in a criminal organisation, money laundering or any other illegal activity detrimental to the Union's financial interests;
- (i) if the contracting authority has evidence that the contractor or natural persons with the power to represent it or take decisions on its behalf have committed substantial errors, irregularities or fraud in the award procedure or the performance of the contract, including in the event of submission of false information;
- (j) if the contractor is unable, through its own fault, to obtain any permit or licence required for performance of the contract.

II.14.2 Procedure for termination

When the contracting authority intends to terminate the contract it shall formally notify the contractor of its intention specifying the grounds thereof. The contracting authority shall invite the contractor to make any observations and, in the case of point (c) of Article II.14.1, to inform the contracting authority about the measures taken to continue the fulfilment of its contractual obligations, within 30 days from receipt of the notification.

If the contracting authority does not confirm acceptance of these observations by giving written approval within 30 days of receipt, the termination procedure shall proceed. In any case of termination the contracting authority shall formally notify the contractor about its decision to terminate the contract. In the cases referred to in points (a), (b), (c), (e), (g) and (j) of Article II.14.1 the formal notification shall specify the date on which the termination takes effect. In the cases referred to in points (d), (f), (h), and (i) of Article II.14.1 the termination shall take effect on the day following the date on which notification of termination is received by the contractor.

II.14.3 Effects of termination

In the event of termination, the contractor shall waive any claim for consequential damages, including any loss of anticipated profits for uncompleted work. On receipt of the notification of termination, the contractor shall take all the appropriate measures to minimise costs, prevent damages, and cancel or reduce its commitments. The contractor shall have 60 days from the date of termination to draw up the documents required by the special conditions for the tasks already executed on the date of termination and produce an invoice if necessary. The contracting authority may recover any amounts paid under the contract.

The contracting authority may claim compensation for any damage suffered in the event of termination.

On termination the contracting authority may engage any other contractor to execute or complete the services. The contracting authority shall be entitled to claim from the contractor all extra costs incurred in this regard, without prejudice to any other rights or guarantees it may have under the contract.

ARTICLE II.15 – REPORTING AND PAYMENTS

II.15.1 Date of payment

Payments shall be deemed to be effected on the date when they are debited to the contracting authority's account.

II.15.2 Currency

The contract shall be in euros.

Payments shall be executed in euros or in the local currency as provided for in Article I.5.

Conversion between the euro and another currency shall be made according to the daily euro exchange rate published in the *Official Journal of the European Union* or, failing that, at the monthly accounting exchange rate established by the European Commission and published on its website, applicable on the day on which the payment order is issued by the contracting authority.

II.15.3 Costs of transfer

The costs of the transfer shall be borne in the following way:

- (a) costs of dispatch charged by the bank of the contracting authority shall be borne by the contracting authority,
- (b) cost of receipt charged by the bank of the contractor shall be borne by the contractor,
- (c) costs for repeated transfer caused by one of the parties shall be borne by the party causing repetition of the transfer.

II.15.4 Invoices and Value Added Tax

Invoices shall contain the contractor's identification, the amount, the currency and the date, as well as the contract reference.

Invoices shall indicate the place of taxation of the contractor for value added tax (VAT) purposes and shall specify separately the amounts not including VAT and the amounts including VAT.

The contracting authority is, as a rule, exempt from all taxes and duties, including VAT, pursuant to the provisions of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Union.

The contractor shall accordingly complete the necessary formalities with the relevant authorities to ensure that the supplies and services required for performance of the contract are exempt from taxes and duties, including VAT exemption.

II.15.5 Pre-financing and performance guarantees

Pre-financing guarantees shall remain in force until the pre-financing is cleared against interim payments or payment of the balance and, in case the latter takes the form of a debit note, three months after the debit note is notified to the contractor. The contracting authority shall release the guarantee within the following month.

Performance guarantees shall cover performance of the service in accordance with the terms set out in the tender specifications until its final acceptance by the contracting authority. The amount of a performance guarantee shall not exceed the total price of the

contract. The guarantee shall provide that it remains in force until final acceptance. The contracting authority shall release the guarantee within a month following the date of final acceptance.

Where, in accordance with Article I.4, a financial guarantee is required for the payment of pre-financing, or as performance guarantee, it shall fulfill the following conditions:

- (a) the financial guarantee is provided by a bank or an approved financial institution or, at the request of the contractor and agreement by the contracting authority, by a third party;
- (b) the guarantor stands as first-call guarantor and does not require the contracting authority to have recourse against the principal debtor (the contractor).

The cost of providing such guarantee shall be borne by the contractor.

II.15.6 Interim payments and payment of the balance

The contractor shall submit an invoice for interim payment upon delivery of intermediary results, accompanied by a progress report or any other documents, as provided for in Article I.4 or in the tender specifications.

The contractor shall submit an invoice for payment of the balance within 60 days following the end of the period referred to in Article I.2.3, accompanied by a final progress report or any other documents provided for in for in Article I.4 or in the tender specifications.

Upon receipt, the contracting authority shall pay the amount due as interim or final payment within the periods specified in Article I.4, provided the invoice and documents have been approved and without prejudice to Article II.15.7. Approval of the invoice and documents shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

Payment of the balance may take the form of recovery.

II.15.7 Suspension of the time allowed for payment

The contracting authority may suspend the payment periods specified in Article I.4 at any time by notifying the contractor that its invoice cannot be processed, either because it does not comply with the provisions of the contract, or because the appropriate documents have not been produced.

The contracting authority shall inform the contractor in writing as soon as possible of any such suspension, giving the reasons for it.

Suspension shall take effect on the date the notification is sent by the contracting authority. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further verification, including on-the-spot checks, is carried out. Where the suspension period exceeds two months, the contractor may request the contracting authority to justify the continued suspension.

Where the payment periods have been suspended following rejection of a document referred to in the first paragraph and the new document produced is also rejected, the contracting authority reserves the right to terminate the contract in accordance with Article II.14.1(c).

II.15.8. Interest on late payment

On expiry of the payment periods specified in Article I.4, and without prejudice to Article II.15.7, the contractor is entitled to interest on late payment at the rate applied by the European Central Bank for its main refinancing operations in Euros (the reference rate), plus eight points. The reference rate shall be the rate in force on the first day of the month in which the payment period ends, as published in the C series of the *Official Journal of the European Union*.

The suspension of the payment periods in accordance with Article II.15.7 may not be considered as a late payment.

Interest on late payment shall cover the period running from the day following the due date for payment up to and including the date of actual payment as defined in Article II.15.1.

However, when the calculated interest is lower than or equal to EUR 200, it shall be paid to the contractor only upon request submitted within two months of receiving late payment.

ARTICLE II.16 - REIMBURSEMENTS

II.16.1 Where provided by the special conditions or by the tender specifications, the contracting authority shall reimburse the expenses which are directly connected with execution of the tasks on production of original supporting documents, including receipts and used tickets, or failing that, on production of copies or scanned originals, or on the basis of flat rates.

II.16.2 Travel and subsistence expenses shall be reimbursed, where appropriate, on the basis of the shortest itinerary and the minimum number of nights necessary for overnight stay at the destination.

II.16.3 Travel expenses shall be reimbursed as follows:

- (a) travel by air shall be reimbursed up to the maximum cost of an economy class ticket at the time of the reservation;
- (b) travel by boat or rail shall be reimbursed up to the maximum cost of a first class ticket;
- (c) travel by car shall be reimbursed at the rate of one first class rail ticket for the same journey and on the same day;

In addition, travel outside Union territory shall be reimbursed provided the contracting authority has given its prior written consent.

II.16.4 Subsistence expenses shall be reimbursed on the basis of a daily subsistence allowance as follows:

- (a) for journeys of less than 200 km for a return trip, no subsistence allowance shall be payable;
- (b) daily subsistence allowance shall be payable only on receipt of supporting documents proving that the person concerned was present at the destination;
- (c) daily subsistence allowance shall take the form of a flat-rate payment to cover all subsistence expenses, including meals, local transport which includes transport to and from the airport or station, insurance and sundries;

- (d) daily subsistence allowance shall be reimbursed at the flat rates specified in Article I.3;
- e) accommodation shall be reimbursed on receipt of supporting documents proving the necessary overnight stay at the destination, up to the flat-rate ceilings specified in Article I.3.

II.16.5 The cost of shipment of equipment or unaccompanied luggage shall be reimbursed provided the contracting authority has given prior written authorisation.

II.16.6 Conversion between the euro and another currency shall be made as specified in Article II.5.2.

ARTICLE II.17 – RECOVERY

II.17.1 If an amount is to be recovered under the terms of the contract, the contractor shall repay the contracting authority the amount in question according to the terms and by the date specified in the debit note.

II.17.2 If the obligation to pay the amount due is not honoured by the date set by the contracting authority in the debit note, the amount due shall bear interest at the rate indicated in Article II.15.8. Interest on late payments shall cover the period from the day following the due date for payment, up to and including the date when the contracting authority receives full payment of the amount owed.

Any partial payment shall first be entered against charges and interest on late payment and then against the principal amount.

II.17.3 If payment has not been made by the due date, the contracting authority may, after informing the contractor in writing, recover the amounts due by offsetting them against any amounts owed to the contractor by the Union or by the European Atomic Energy Community or by calling in the financial guarantee, where provided for in Article I.4.

ARTICLE II.18 – CHECKS AND AUDITS

II.18.1 The contracting authority and the European Anti-Fraud Office may check or have an audit on the performance of the contract. It may be carried out either directly by its own staff or by any other outside body authorised to do so on its behalf.

Such checks and audits may be initiated during the performance of the contract and during a period of five years which starts running from the date of the payment of the balance.

The audit procedure shall be deemed to be initiated on the date of receipt of the relevant letter sent by the contracting authority. Audits shall be carried out on a confidential basis.

II.18.2 The contractor shall keep all original documents stored on any appropriate medium, including digitised originals when they are authorised by national law and under the conditions laid down therein, for a period of five years which starts running from the date of payment of the balance.

II.18.3 The contractor shall allow the contracting authority's staff and outside personnel authorised by the contracting authority the appropriate right of access to sites and

premises where the contract is performed and to all the information, including information in electronic format, needed in order to conduct such checks and audits. The contractor shall ensure that the information is readily available at the moment of the check or audit and, if so requested, that information be handed over in an appropriate form.

II.18.4 On the basis of the findings made during the audit, a provisional report shall be drawn up. It shall be sent to the contractor, which shall have 30 days following the date of receipt to submit observations. The final report shall be sent to the contractor within 60 days following the expiry of that deadline.

On the basis of the final audit findings, the contracting authority may recover all or part of the payments made and may take any other measure which it considers necessary.

II.18.5 By virtue of Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspection carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EC) No 1073/1999 of the European Parliament and the Council of 25 May 1999 concerning investigation conducted by the European Anti-Fraud Office (OLAF), the OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities. Where appropriate, the findings may lead to recovery by the contracting authority.

II.18.6 The Court of Auditors shall have the same rights as the contracting authority, notably right of access, for the purpose of checks and audits.