Study Service Contract

Contract title: Modelling of labour markets in the European Union

Contract reference No: VC/2007/0344

The above title and reference No must be quoted in all correspondence with the Commission.

Contractor: 

Other administrative information

Department: DG EMPL/D/1

Prior information: O.J. ref. No of notice publication: 

Call for tender: DG EMPL ref. No: VT/2007/056 of 

Tender information: O.J. ref. No of notice publication: 

EPIC: Record No: 

Databases: SMART record No: 

Service category: No: A11

Other accounting information

Commitment No: SI2. This commitment No must be quoted in correspondence relating to invoices / payments.

Type of Contract: V/SE/STUSEC02
The European Community (hereinafter referred to as “the Community”), represented by the Commission of the European Communities (hereinafter referred to as “the Commission”), which is represented for the purposes of the signature of this Contract by Radek MALY, Head of Unit - EMPL/D/1, Employment, Social Affairs and Equal Opportunities DG, on the one part,

AND

………(official name in full), registered legal form: ………, statutory registration number: ………, official address in full: ………, VAT registration number: ………, (hereinafter referred to as “the Contractor”), represented for the purposes of the signature and management of the present Contract by ………(forename and name in full), ………(function), of the other part,

HAVE AGREED

the Special Conditions and the General Conditions below and the following Annexes:

− Annex I Tender Specifications (Invitation to Tender No. VT/2007/056 of ………) and Monitoring
− Annex II Contractor’s Tender (Registre CAD Ref. No. ……… of ………)
− Annex III Breakdown of prices
− Annex IV CVs and classification of experts
− Annex V Fiscal provisions regarding invoicing by the Contractor

which forms 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) and in the Breakdown of prices (Annex III) shall take precedence over those in the Tender (Annex II).

Subject to the above, the several instruments forming part of this Contract are to be taken as mutually explanatory. Ambiguities or discrepancies within or between such parts shall be explained or rectified by a written instruction issued by the Commission, subject to the rights of the Contractor under Article I.7 should he dispute any such instruction.
I. Special conditions

Article I.1 Subject

I.1.1. The subject of the Contract is the following study: Modelling of labour markets in the European Union.

I.1.2. The Contractor shall execute the tasks assigned to him in accordance with the Tender Specifications annexed to the Contract (Annex I).

Article I.2 Duration

I.2.1. The Contract shall enter into force on the date on which it is signed by the last contracting party. The date of signature of the present Contract is that of the date stamp applied by the postal services of Employment, Social Affairs and Equal Opportunities DG on the title page of the present Contract after it has been signed by both parties.

I.2.2. Execution of the tasks may under no circumstances begin before the date on which the Contract enters into force.

I.2.3. The duration of the tasks shall not exceed 16 months. This period and all other periods specified in the Contract are calculated in calendar days. Execution of the tasks shall start from the date of entry into force of the Contract. The period of execution of the tasks may be extended only with the express written agreement of the parties before such period elapses.

The Commission is not obliged to react to any request for extension of the duration of the tasks received less than 30 days before expiry of the period of execution or with less than one third of the period of execution left to run, whichever period is the shorter.

Article I.3 Contract price

I.3.1. Maximum total amount
The maximum total amount to be paid by the Commission under the Contract shall be EUR 0.00 covering all tasks executed.

I.3.2. Price revisions
Not applicable.

I.3.3. Travel, subsistence and shipment expenses
In addition to the total amount specified in Article I.3.1, travel, subsistence and shipment expenses shall be reimbursed in accordance with Article II.7, as shall other expenses provided for by the Tender Specifications up to a maximum amount of EUR 0.01. The daily subsistence allowance referred to in Article II.7.4(d) shall be determined in accordance with Annex III, 2.2.1.

Article I.4 Payment periods and formalities

Payments under the Contract shall be made in accordance with Article II.4. Payments shall be executed only if the Contractor has fulfilled all his contractual obligations by the date on which the invoice is submitted. Payment requests may not be made if payments for previous periods have not been executed as a result of default of negligence on the part of the Contractor.
I.4.1. **Pre-financing**  
Not applicable.

I.4.2. **Interim payment**  
Requests for interim payment by the Contractor shall be admissible if accompanied by
- an interim technical report in accordance with the instructions laid down in Annex I,
- the relevant invoices,
- statements of reimbursable expenses in accordance with Article II.7,
provided the report has been approved by the Commission.

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

Within 30 days of the date on which the report is approved by the Commission, an interim payment corresponding to the relevant invoices, up to maximum 70% of the total amount referred to in Article I.3.1, shall be made.

I.4.3. **Payment of the balance**  
The request for payment of the balance of the Contractor shall be admissible if accompanied by:
- the final technical report in accordance with the instructions laid down in Annex I,
- the relevant invoices,
- statements of reimbursable expenses in accordance with Article II.7,
provided the report has been approved by the Commission.

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

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

I.4.4. **Performance guarantee**  
Not applicable.

### Article I.5  
**Bank account**

Payments shall be made to the Contractor’s bank account denominated in euro ¹, identified ² as follows:
- Name of bank: ..........  
- Address of branch in full: ..........  
- Exact designation of account holder: ..........  
- Full account number including codes: ..........  
- IBAN or, if non available, BIC code: —

### Article I.6  
**General administrative provisions**

Any communication relating to the Contract shall be made in writing and shall bear the Contract number. Ordinary mail shall be deemed to have been received by the Commission on the date on which it is registered by the department responsible indicated below. Communications shall be sent to the following addresses:

**Commission**  
European Commission  
Directorate-General Employment, Social Affairs and Equal Opportunities  
EMPL/D/1  
B-1049 Brussels (Belgium)

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¹ Or local currency where the receiving country does not allow transactions in EUR.
² By a document issued or certified by the bank.
Contractor

……… (Mr/Mrs/Ms + forename and name)
……… (function)
……… (company name)
……… (official address in full)

Article I.7  Applicable law and settlement of disputes

I.7.1. The Contract shall be governed by the national substantive law of Belgium.

I.7.2. Any dispute between the parties resulting from the interpretation or application of the Contract which cannot be settled amicably shall be brought before the courts of Brussels.

Article I.8  Other special conditions

Definition of the term “payment request” regarding the interests for late payments

It is understood that a payment request, as mentioned in Article II.5.3, will only be considered as complete, if all specific documents mentioned in Article I.4; are joined to this request. If these specific documents are not sent to the Commission all together with the payment request, the 45 days shall only run from the date of the first registered receipt of the last document, making the payment request complete. As regards payments subject to the prior approval of a report (or to the signature of a certificate of final acceptance for supplies delivery) by the Commission, according to Article I.4, the period of 45 calendar days shall start only on the date when both the complete payment request has been registered and the report has been approved (or the certificate of final acceptance has been signed) by the Commission, provided the Commission has itself respected the time limits set in the present Contract and its annexes for such approvals.

Data protection

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

Other additional special conditions

Article I.4.2 will be replaced as follows:

requests for interim payment by the contractor will be admissable if accompanied by:

- a first interim technical report in accordance with instructions laid down in annex I,
- the relevant invoices,

provided the report has been approved by the Commission.

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

Within 30 days of the date on which the first interim report is approved by the Commission, an interim payment corresponding to the relevant invoices; up to a maximum of 35% of the total amount referred to in article I.3.1, will be made.

Requests for interim payment by the contractor will be admissable if accompanied by:

- a second interim technical report in accordance with instructions laid down in annex I,
- the relevant invoices,

provided the report has been approved by the Commission.

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

Within 30 days of the date on which the second interim report is approved by the Commission, an interim payment corresponding to the relevant invoices, up to a maximum of 35% of the total amount referred to in article I.3.1, will be made.
II. General conditions

Article II.1 Performance of the Contract

II.1.1. The Contractor shall perform the Contract to the highest professional standards. The Contractor shall have sole responsibility for complying with any legal obligations incumbent on him, notably those resulting from employment, tax and social legislation.

II.1.2. The Contractor shall have sole responsibility for taking the necessary steps to obtain any permit or licence required for performance of the Contract under the laws and regulations in force at the place where the tasks assigned to him are to be executed.

II.1.3. Without prejudice to Article II.3 any reference made to the Contractor’s staff in the Contract shall relate exclusively to individuals involved in the performance of the Contract.

II.1.4. The Contractor must ensure that any staff performing the Contract have the professional qualifications and experience required for the execution of the tasks assigned to him.

II.1.5. The Contractor shall neither represent the Commission nor behave in any way that would give such an impression. The Contractor shall inform third parties that he does not belong to the European public service.

II.1.6. The Contractor shall have sole responsibility for the staff who execute the tasks assigned to him.

The Contractor shall make provision for the following employment or service relationships with his staff:

- staff executing the tasks assigned to the Contractor may not be given orders direct by the Commission;
- the Commission may not under any circumstances be considered to be the staff's employer and the said staff shall undertake not to invoke in respect of the Commission any right arising from the contractual relationship between the Commission and the Contractor.

II.1.7. In the event of disruption resulting from the action of a member of the Contractor’s staff working on Commission premises or in the event of the expertise of a member of the Contractor's staff failing to correspond to the profile required by the Contract, the Contractor shall replace him without delay. The Commission shall have the right to request the replacement of any such member of staff, stating its reasons for so doing. Replacement staff must have the necessary qualifications and be capable of performing the Contract under the same contractual conditions. The Contractor shall be responsible for any delay in the execution of the tasks assigned to him resulting from the replacement of staff in accordance with this Article.

II.1.8. Should any unforeseen event, action or omission directly or indirectly hamper execution of the tasks, either partially or totally, the Contractor shall immediately and on his own initiative record it and report it to the Commission. The report shall include a description of the problem and an indication of the date on which it started and of the remedial action taken by the Contractor to ensure full compliance with his obligations under the Contract. In such event the Contractor shall give priority to solving the problem rather than determining liability.

II.1.9. Should the Contractor fail to perform his obligations under the Contract in accordance with the provisions laid down therein, the Commission may - without prejudice to its right to terminate the Contract - reduce or recover payments in proportion to the scale of the failure. In addition, the Commission may impose penalties or liquidated damages provided for in Article II.16.
Article II.2 Liability

II.2.1. The Commission shall not be liable for damage sustained by the Contractor in performance of the Contract except in the event of wilful misconduct or gross negligence on the part of the Commission.

II.2.2. The Contractor shall be liable for any loss or damage caused by himself in performance of the Contract, including in the event of subcontracting under Article II.13. The Commission shall not be liable for any act or default on the part of the Contractor in performance of the Contract.

II.2.3. The Contractor shall provide compensation in the event of any action, claim or proceeding brought against the Commission by a third party as a result of damage caused by the Contractor in performance of the Contract.

II.2.4. In the event of any action brought by a third party against the Commission in connection with performance of the Contract, the Contractor shall assist the Commission. Expenditure incurred by the Contractor to this end may be borne by the Commission.

II.2.5. The Contractor shall take out insurance against risks and damage relating to performance of the Contract if required by the relevant applicable legislation. He 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 Commission should it so request.

Article II.3 Conflict of Interests

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

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

II.3.2. The Contractor shall abstain from any contact likely to compromise his independence.

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

II.3.4. The Contractor shall pass on all the relevant obligations in writing to his staff, board, and directors as well as to third parties involved in performance of the Contract. A copy of the instructions given and the undertakings made in this respect shall be sent to the Commission should it so request.

Article II.4 Payments

II.4.1. Pre-financing
Where required by Article I.4.1, the Contractor shall provide a financial guarantee in the form of a bank guarantee or equivalent supplied by a bank or an authorised financial institution (guarantor) equal to the amount indicated in the same article to cover pre-financing under the Contract. Such guarantee
may be replaced by a joint and several guarantee by a third party. The guarantor shall pay to the Commission at its request an amount corresponding to payments made by it to the Contractor which have not yet been covered by equivalent work on his part. The guarantor shall stand as first-call guarantor and shall not require the Commission to have recourse against the principal debtor (the Contractor). The guarantee shall specify that it enters into force at the latest on the date on which the Contractor receives the pre-financing. The Commission shall release the guarantor from its obligations as soon as the Contractor has demonstrated that any pre-financing has been covered by equivalent work. The guarantee shall be retained until the pre-financing has been deducted from interim payments or payment of the balance to the Contractor. It shall be released the following month. The cost of providing such guarantee shall be borne by the Contractor.

II.4.2. **Interim payment**

At the end of each of the periods indicated in Annex I the Contractor shall submit to the Commission a formal request for payment accompanied by those of the following documents which are provided for in the Special Conditions:

- an interim technical report in accordance with the instructions laid down in Annex I;
- the relevant invoices indicating the reference number of the Contract to which they refer;
- statements of reimbursable expenses in accordance with Article II.7.

If the report is a condition for payment, on receipt the Commission shall have the period of time indicated in the Special Conditions in which:

- to approve it, with or without comments or reservations, or suspend such period and request additional information; or
- to reject it and request a new report.

If the Commission does not react within this period, the report shall be deemed to have been approved. Approval of the report does not imply recognition either of its regularity or of the authenticity, completeness or correctness of the declarations or information enclosed. Where the Commission requests a new report because the one previously submitted has been rejected, this shall be submitted within the period of time indicated in the Special Conditions. The new report shall likewise be subject to the above provisions.

II.4.3. **Payment of the balance**

Within sixty days of completion of the tasks referred to in Annex I the Contractor shall submit to the Commission a formal request for payment accompanied by those of the following documents which are provided for in the Special Conditions:

- a final technical report in accordance with the instructions laid down in Annex I;
- the relevant invoices indicating the reference number of the Contract to which they refer;
- statements of reimbursable expenses in accordance with Article II.7.

If the report is a condition for payment, on receipt the Commission shall have the period of time indicated in the Special Conditions in which:

- to approve it, with or without comments or reservations, or suspend such period and request additional information; or
- to reject it and request a new report.

If the Commission does not react within this period, the report shall be deemed to have been approved. Approval of the report does not imply recognition either of its regularity or of the authenticity, completeness or correctness of the declarations and information enclosed. Where the Commission requests a new report because the one previously submitted has been rejected, this shall be submitted within the period of time indicated in the Special Conditions. The new report shall likewise be subject to the above provisions.

**Article II.5 General Provisions concerning Payments**

II.5.1. Payments shall be deemed to have been made on the date on which the Commission's account is debited.

II.5.2. The payment periods referred to in Article I.4 may be suspended by the Commission at any time if it informs the Contractor that his payment request is not admissible, either because the amount
is not due or because the necessary supporting documents have not been properly produced. In case of doubt on the eligibility of the expenditure indicated in the payment request, the Commission may suspend the time limit for payment for the purpose of further verification, including an on-the-spot check, in order to ascertain, prior to payment, that the expenditure is eligible.

The Commission shall notify the Contractor accordingly by registered letter with acknowledgment of receipt or equivalent. Suspension shall take effect from the date of dispatch of the letter. The remainder of the period referred to in Article I.4 shall begin to run again once the suspension has been lifted.

II.5.3. In the event of late payment the Contractor may claim interest within two months of receiving the payment. Interest shall be calculated at the rate applied by the European Central Bank to its most recent main refinancing operations ("the reference rate") plus seven percentage points ("the margin"). The reference rate in force on the first day of the month in which the payment is due shall apply. Such interest rate is published in the C series of the Official Journal of the European Union. Interest shall be payable for the period elapsing from the calendar day following expiry of the time limit for payment up to the day of payment. Suspension of payment by the Commission may not be deemed to constitute late payment.

Article II.6 Recovery

II.6.1. If total payments made exceed the amount actually due under the Contract or if recovery is justified in accordance with the terms of the Contract, the Contractor shall reimburse the appropriate amount in euro on receipt of the debit note, in the manner and within the time limits set by the Commission.

II.6.2. In the event of failure to pay by the deadline specified in the request for reimbursement, the sum due shall bear interest at the rate indicated in Article II.5.3. Interest shall be payable from the calendar day following the due date up to the calendar day on which the debt is repaid in full.

II.6.3. The Commission may, after informing the Contractor, recover amounts established as certain, of a fixed amount and due by offsetting, in cases where the Contractor also has a claim on the Communities that is certain, of a fixed amount and due. The Commission may also claim against the guarantee, where provided for.

Article II.7 Reimbursements

II.7.1. Where provided by the Special Conditions or by Annex I, the Commission shall reimburse the expenses which are directly connected with execution of the tasks on production of original supporting documents, including receipts and used tickets.

II.7.2. Travel and subsistence expenses shall be reimbursed, where appropriate, on the basis of the shortest itinerary.

II.7.3. 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;
(d) travel outside Community territory shall be reimbursed under the general conditions stated above provided the Commission has given its prior written agreement.

II.7.4. Subsistence expenses shall be reimbursed on the basis of a daily allowance as follows:
(a) for journeys of less than 200 km (return trip) no subsistence allowance shall be payable;
(b) daily subsistence allowance shall be payable only on receipt of a supporting document proving that the person concerned was present at the place of destination;
(c) daily subsistence allowance shall take the form of a flat-rate payment to cover all subsistence expenses, including accommodation, meals, local transport, insurance and sundries;
(d) daily subsistence allowance, where applicable, shall be reimbursed at the rate specified in Article I.3.3.

II.7.5. The cost of shipment of equipment or unaccompanied luggage shall be reimbursed provided the Commission has given prior written authorisation.

Article II.8 **Ownership of the Results – Intellectual and Industrial Property**

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

Article II.9 **Confidentiality**

II.9.1. The Contractor undertakes to treat in the strictest confidence and not make use of or divulge to third parties any information or documents which are linked to performance of the Contract. The Contractor shall continue to be bound by this undertaking after completion of the tasks.

II.9.2. The Contractor shall obtain from each member of his staff, board and directors an undertaking that they will respect the confidentiality of any information which is linked, directly or indirectly, to execution of the tasks and that they will not divulge to third parties or use for their own benefit or that of any third party any document or information not available publicly, even after completion of the tasks.

Article II.10 **Use, Distribution and Publication of Information**

II.10.1. The Contractor shall authorise the Commission to process, use, distribute and publish, for whatever purpose, by whatever means and on whatever medium, any data contained in or relating to the Contract, in particular the identity of the Contractor, the subject matter, the duration, the amount paid and the reports. Where personal data is concerned, Article I.8 shall apply.

II.10.2. Unless otherwise provided by the Special Conditions, the Commission shall not be required to distribute or publish documents or information supplied in performance of the Contract. If it decides not to publish the documents or information supplied, the Contractor may not have them distributed or published elsewhere without prior written authorisation from the Commission.

II.10.3. Any distribution or publication of information relating to the Contract by the Contractor shall require prior written authorisation from the Commission and shall mention the amount paid by the Community. It shall state that the opinions expressed are those of the Contractor only and do not represent the Commission's official position.

II.10.4. The use of information obtained by the Contractor in the course of the Contract for purposes other than its performance shall be forbidden, unless the Commission has specifically given prior written authorisation to the contrary.

Article II. 11 **Taxation**

II.11.1. The Contractor shall have sole responsibility for compliance with the tax laws which apply to him. Failure to comply shall make the relevant invoices invalid.

II.11.2. The Contractor recognises that the Commission is, as a rule, exempt from all taxes and duties, including value added tax (VAT), pursuant to the provisions of Articles 3 and 4 of the Protocol on the Privileges and Immunities of the European Communities.
II.11.3. The Contractor shall accordingly complete the necessary formalities with the relevant authorities to ensure that the goods and services required for performance of the Contract are exempt from taxes and duties, including VAT.

II.11.4. Invoices presented by the Contractor shall indicate his place of taxation for VAT purposes and shall specify separately the amounts not including VAT and the amounts including VAT.

Article II.12  Force Majeure

II.12.1. Force majeure shall mean any unforeseeable and exceptional situation or event beyond the control of the contracting parties which prevents either of them from performing any of their obligations under the Contract, was not due to error or negligence on their part or on the part of a subcontractor, and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making it available, labour disputes, strikes or financial problems cannot be invoked as force majeure unless they stem directly from a relevant case of force majeure.

II.12.2. Without prejudice to the provisions of Article II.1.8, if either contracting party is faced with force majeure, it shall notify the other party without delay by registered letter with acknowledgment of receipt or equivalent, stating the nature, likely duration and foreseeable effects.

II.12.3. Neither contracting party shall be held in breach of its contractual obligations if it has been prevented from performing them by force majeure. Where the Contractor is unable to perform his contractual obligations owing to force majeure, he shall have the right to remuneration only for tasks actually executed.

II.12.4. The contracting parties shall take the necessary measures to reduce damage to a minimum.

Article II.13  Subcontracting

II.13.1. The Contractor shall not subcontract without prior written authorisation from the Commission nor cause the Contract to be performed in fact by third parties.

II.13.2. Even where the Commission authorises the Contractor to subcontract to third parties, he shall none the less remain bound by his obligations to the Commission under the Contract and shall bear exclusive liability for proper performance of the Contract.

II.13.3. The Contractor shall make sure that the subcontract does not affect rights and guarantees to which the Commission is entitled by virtue of the Contract, notably Article II.17.

Article II.14  Assignment

II.14.1. The Contractor shall not assign the rights and obligations arising from the Contract, in whole or in part, without prior written authorisation from the Commission.

II.14.2. In the absence of the authorisation referred to in 1 above, or in the event of failure to observe the terms thereof, assignment by the Contractor shall not be enforceable against and shall have no effect on the Commission.

Article II.15  Termination by the Commission

II.15.1. The Commission may terminate the Contract in the following circumstances:

(a) where the Contractor is being wound up, is having his affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

(b) where the Contractor has been convicted of an offence concerning his professional conduct by a judgment which has the force of res judicata;
(c) where the Contractor has been guilty of grave professional misconduct proven by any means which the contracting authority can justify;
(d) where the Contractor has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which he is established or with those of the country applicable to the Contract or those of the country where the Contract is to be performed;
(e) where the Commission seriously suspects the Contractor of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
(f) where the Contractor is in breach of his obligations under Article II.3;
(g) where the Contractor was guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the Contract procedure or failed to supply this information;
(h) where a change in the Contractor's legal, financial, technical or organisational situation could, in the Commission's opinion, have a significant effect on the performance of the Contract;
(i) where execution of the tasks has not actually commenced within three months of the date foreseen, and the new date proposed, if any, is considered unacceptable by the Commission;
(j) where the Contractor is unable, through his own fault, to obtain any permit or licence required for performance of the Contract;
(k) where the Contractor, after receiving formal notice in writing to comply, specifying the nature of the alleged failure, and after being given the opportunity to remedy the failure within a reasonable period following receipt of the formal notice, remains in serious breach of his contractual obligations.

II.15.2. In case of force majeure, notified in accordance with Article II.12, either contracting party may terminate the Contract, where performance thereof cannot be ensured for a period corresponding to at least to one fifth of the period laid down in Article I.2.3.

II.15.3. Prior to termination under point e), h) or k), the Contractor shall be given the opportunity to submit his observations.

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

II.15.4. Consequences of termination
In the event of the Commission terminating the Contract in accordance with this article and without prejudice to any other measures provided for in the Contract, the Contractor shall waive any claim for consequential damages, including any loss of anticipated profits for uncompleted work. On receipt of the letter terminating the Contract, the Contractor shall take all appropriate measures to minimise costs, prevent damage, and cancel or reduce his commitments. He shall draw up the documents required by the Special Conditions for the tasks executed up to the date on which termination takes effect, within a period not exceeding sixty days from that date.

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

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

Article II.16 Liquidated Damages

Should the Contractor fail to perform his obligations under the Contract within the time limits set by the Contract, then, without prejudice to the Contractor's actual or potential liability incurred in relation to the Contract or to the Commission's right to terminate the Contract, the Commission may decide to impose liquidated damages of 0.2% of the amount specified in Article I.3.1 per calendar day of delay. The Contractor may submit arguments against this decision within thirty days of notification by registered letter with acknowledgement of receipt or equivalent. In the absence of reaction on his part or of written withdrawal by the Commission within thirty days of the receipt of such arguments, the
decision imposing the liquidated damages shall become enforceable. These liquidated damages shall not be imposed where there is provision for interest for late completion. The Commission and the Contractor expressly acknowledge and agree that any sums payable under this article are in the nature of liquidated damages and not penalties, and represent a reasonable estimate of fair compensation for the losses that may be reasonably anticipated from such failure to perform obligations.

Article II.17 Checks and Audits

II.17.1. Pursuant to Article 142 of the Financial Regulation applicable to the general budget of the European Communities, the European Court of Auditors shall be empowered to audit the documents held by the natural or legal persons receiving payments from the budget of the European Communities from signature of the Contract up to five years after payment of the balance.

II.17.2. The Commission or an outside body of its choice shall have the same rights as the European Court of Auditors for the purpose of checks and audits limited to compliance with contractual obligations from signature of the Contract up to five years after payment of the balance.

II.17.3. In addition, the European Anti Fraud Office may carry out on-the-spot checks and inspections in accordance with Council Regulation (Euratom, EC) No 2185/96 and Parliament and Council Regulation (EC) No 1073/1999 from signature of the Contract up to five years after payment of the balance.

Article II.18 Amendments

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

Article II.19 Suspension of the Contract

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

Signatures

1. For the Contractor, …… (forename and name) …… (position) …… (company name)
2. For the Commission, Radek MALY Head of Unit - EMPL/D/1 Employment, Social Affairs and Equal Opportunities DG

Done at ……………………………… (place), Done at Brussels,
………………………………………………… (date) …………………………………………………… (date)

In duplicate in English.
1. Background

The renewed Lisbon Strategy sets out an integrated agenda of policy reforms, including labour market reforms in a context of globalisation, enlargement, demographic change and rapid technological progress (see Integrated Guidelines 17-24). Such policy reforms should contribute to higher employment rates, better quality of jobs and labour productivity, as well as social and territorial cohesion. The envisaged labour market reforms should focus on flexicurity, life-cycle strategies and increasing labour market participation of people at the margins of the labour market.

Flexicurity policies are based on a combination of and interaction between:

- Flexible contractual arrangements (both from the perspective of the employer and the employee);
- Active Labour Market Policies (ALMP) which help people to cope with unemployment spells and transitions to new jobs;
- Lifelong learning (LLL) systems to ensure the continual adaptability and consequently employability of workers;
- Modern Social Security systems which combine the provision of income support with labour market mobility.

Lifecycle approaches to work include employment measures and social security reforms aiming at increasing labour supply in all groups (young people, women, older workers) while facilitating the conciliation of work and family life.

The main policies for raising the employment of people at the margin include targeted job creation (e.g. in the social economy and incentives in tax and benefit systems) and other labour market policies, such as expenditure on public employment services.

The Commission is expected to assess the effectiveness of labour market policy reforms in the context of the Lisbon Strategy, and to assess the impacts of its own proposals on labour markets and social conditions. Although the effects of labour market reforms can only be fully assessed using a combination of quantitative and qualitative methods, economic models can provide a theoretical and empirical basis for identifying the direction and intensity of the effects. As existing models only cover these needs in a partial way, there is a clear requirement for a labour market model that is able to evaluate the labour market effects of policies along the lines spelled out in the European Employment Strategy.

2. Purpose of the Contract

This study aims to provide a labour market model, which can be used to evaluate the effects of labour market reforms in the context of the European Employment Strategy, with a special focus on measures affecting flexicurity, life-cycle aspects of employment, and social protection and cohesion.

More concretely and by way of illustration, the model should improve the Commission's understanding of the transmission mechanisms and the quantitative nature of the effects of relevant policy measures on labour supply and demand, productivity and social inclusion.

- the specification of the labour supply equation(s) could include, apart from "traditional" variables (such as net wages and unemployment levels), variables such as benefit duration and replacement...

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3 http://ec.europa.eu/growthandjobs/key/index_en.htm
4 For more details on quality in work, see http://ec.europa.eu/employment_social/employment_analysis/quality_en.htm
5 http://www.cc.cec/home/dgserv/sgi/impact/links_en.htm
rates, active labour market policies\(^6\), the attractiveness of non-standard labour contracts, incentives to work longer, the availability and affordability of childcare, etc.

- the specification of the labour demand equation(s) could include, apart from "traditional" variables (such as labour costs, output and productivity), variables such as working time arrangements and skills levels, employment protection legislation for standard and non-standard contracts, minimum wages, etc.

- the specification of labour productivity could include variables such as education and skills, investment in skills, the quality of work organisation and social dialogue, labour turnover (mobility) etc.

- the social cohesion dimension could be reflected on the one hand by focussing on the developments of unemployment, long term unemployment and/or inactivity, and on the other hand by specifying the equations where relevant and feasible in such a way that they take into account the specificity of target groups such as youth, the unskilled, older people and migrants. Moreover, the social cohesion dimension should be analysed from a 'static' as well as a 'dynamic' perspective: the 'static' perspective for example by evaluating the impact of reforms on the welfare levels of different skill groups; and the 'dynamic' perspective for example by evaluating the impact of reforms on transition rates between different skill groups. Finally, gender specificities should also be taken into account throughout the model.

Alternatives to the above relationships can be accepted, as long as they allow to answer the underlying issues. The model should allow policy conclusions relevant at the EU level, as well as at the level of an appropriate set of country groupings. It would be an advantage if the model would mirror interdependence between countries (e.g. through mobility of workers), and major regional disparities\(^7\).

The model equations should be, to the extent possible, derived from dynamic optimisation principles under constraints. The model should also make use of harmonised data (including Eurostat, DG EMPL indicators\(^8\), DG ECFIN's AMECO\(^9\), Structural Indicators and LABREF database\(^10\), the EU KLEMS database\(^11\), and OECD databases) to the broadest possible extent. The labour market model envisaged in this study should be designed to complement the existing macro-economic models of the Commission, including the Quest model and the models developed under the MODELS project (which covers the models GEM-E3, Worldscan, Mirage and Nemesis)\(^12\), and it should also be designed in such a way that it can be extended in a flexible way when new policy questions arise.

The study should be based on a brief review of the relevant literature on labour market modelling, thereby focusing on recent reported developments and relevant results in a European context. This review should result in a compendium of existing relevant labour market models. In a second phase, the study should proceed with the specification, estimation/calibration of a model able to assess the effects of reforms along flexicurity principles on the labour market and social cohesion, such as, changes in EPL, social and assistance policies and lifelong learning policies. Next, the study should illustrate the properties of the model by simulating the short- and long-run effects, as well as the inter-dependence between Member States of a comprehensive reform package for the labour market. The nature of this reform package is to be agreed with the Commission. At the end of the contract, the selected contractor will be requested to organise a seminar in Brussels (at Commission premises) to present the main findings of the study.

3. **Tasks to be performed by the Contractor**
   (including description of output documents to be created by the Contractor and submitted to the Commission for its approval)

The main results to be expected from the study include:
- the provision of expert advice and detailed information on the specification, estimation/calibration and simulation of a labour market model that is capable of evaluating labour market policies in the context

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\(^6\) For a definition, see Employment in Europe 2006, chapter 3

\(^7\) E.g. between Central-North and Southern Italy, and between East and West Germany.

\(^8\) http://ec.europa.eu/employment_social/employment_analysis/employ_2006_en.htm

\(^9\) http://ec.europa.eu/economy_finance/indicators/annual_macro_economic_database/ameco_en.htm

\(^10\) http://ec.europa.eu/economy_finance/indicators/labref_en.htm

\(^11\) http://www.euklems.net/

\(^12\) http://www.euresearch.ch/fileadmin/documents/PdfDocuments/media-2007/AIIFP6ENVprojects.pdf
of the European Employment Strategy, with special focus on flexicurity, the lifecycle approach to work, and people at the margins of the labour market;
- a detailed analysis of some concrete policy issues (conform the outline presented in section 3) by means of the labour market model;
- a software based application (including the provision of technical support) enabling the Commission to operate the model on an ad-hoc basis;
- a seminar in Brussels during which the main results of the study will be presented.

Description of the tasks

The main deliverables to be performed under this study include:
- an inception report; this report should be in English and cover at least 10 pages + annexes + one page with an executive summary;
- an interim report with a full literature review, a description of data sources to be used, and an outline of the model structure; this report should be in English and cover at least 35 pages + annexes + one page with an executive summary;
- a further interim report with a discussion and presentation of the data, specification, estimation/calibration and simulation of a labour market model conform the outline presented in section 2; this report should be in English and cover at least 75 pages + annexes + two pages with an executive summary;
- a final report that builds on the draft final report and the Commission’s comments on the draft final report; this report should be in English and cover at least 100 pages + annexes + 5/6 pages with an executive summary (in English, French and German); the report should also include a clear discussion of the merits and remaining deficiencies of the modelling approach developed and the way forward; the final version of the underlying program codes and data in an electronic format to be agreed with the Commission, (the programme codes and data should be well documented and technical support to operate the model in the Commission should be provided). The draft final report should be available in view of a seminar to be held in Brussels.

As outlined below the reports will be discussed during meetings with the Steering Committee in Brussels.

Guide and details how the tasks should be carried out

The PROGRESS Programme aims at promoting gender mainstreaming in all its five policy sections and commissioned or supported activities. Consequently, the Contractor will take the necessary steps to ensure that its proposed team and/or staff respects the gender balance at all levels. It will also pay due attention when appropriate to the gender dimension of the service he is asked to deliver as detailed in the description of tasks.

Equally, needs of disabled people shall be duly acknowledged and met while executing the requested service. This will in particular entail that where the Contractor organises training sessions, conference, issues publications or develops dedicated websites, people with disabilities have equal access to the facilities or the services provided.

Finally, the Contracting Authority encourages the Contractor to promote equal employment opportunities for all its staff and team. This entails that the Contractor shall foster an appropriate mix of people, whatever their ethnic origin, religions, age and ability.

The Contractor will be required to detail in its activity report accompanying the request for the final instalment the steps and achievements it made towards meeting these contractual provisions.

A. Coverage of the model
The model should underpin labour market analysis at the level of the EU, but may be extended to relevant neighbouring countries such as the EFTA-EEA.

B. A literature review
The purpose of the literature review is twofold. Its first purpose is to inform the Commission about recent developments in the modelling of labour market issues that are the subject of this study. The
second purpose is to help the Contractor fine tune actual proposals within the specifications laid out below, subject to agreement of the Commission Services.

C. Nature of the model
The labour market model should help the Employment, Social Affairs and Equal Opportunities DG (DG EMPL) and the Commission Services in general to evaluate the effects of labour market policy measures as far as possible, thereby complementing and possibly informing the analysis provided by the macro-economic and economy-wide models that are currently in use in the Commission. It would be an advantage if the model could be adapted at a later stage to new policy issues, either by the contractor, the Commission Services or a third party, during the duration of the contract as well as after the contract has expired.

Research questions which should orient the specification of the model are for example:

- To what extent does employment growth lead to a decline in productivity growth, due to a change in the composition of employment (high-skilled/low-skilled) and/or employment of formerly inactive people? How does the use of different contract types affect the composition of employment growth?

- To what extent are measures targeted at specific groups effective? How does a minimum wage affect the employment and career prospects of the low skilled and low paid? How do family friendly policies, such as parental leave and childcare affect labour force participation and employment? What are the possible side effects on non-target groups or on undeclared work?

- How do life-long-learning policies and training for the low skilled affect productivity growth and labour force participation?

In many cases, the outcomes should be an input into the evaluation of the economic cost efficiency of measures.

It is also foreseen that the model serves as a tool to monitor progress with the implementation of policies along flexicurity principles.

Tenderers are expected to propose a concrete list of policy questions that they will address with the model. See for instance various issues of the Employment in Europe (EiE) report, and EIM studies for a general outline of relevant research topics that could be addressed by the model. The EiE reports are available at:

http://ec.europa.eu/employment_social/employment_analysis/employ_en.htm

while the EIM studies are available at:

http://ec.europa.eu/employment_social/incentive_measures/activities_en.htm

The model should be framed along the following lines, and the tenderers submitting a bid are requested to describe in a clear way how these issues will be covered, including a clear discussion of the proposed methodology and data sources (including their availability).

D. Specification of the model
The behavioural equations of the model should be based, where appropriate, on principles of dynamic optimization under constraints whereby employers maximise their profits, employees maximise their intertemporal utility, and employers and employees bargain over wages.

Special attention should be paid to the endogenisation of participation and retirement decisions, as well as of the formation of human capital/skills over the lifecycle, thereby distinguishing between education, work and inactivity and preferably also with a further disaggregation of age groups and gender.

The relevant equations of the model should differentiate with respect to skills, age and gender in such a way that they highlight substitutions and complementarities between different groups.
The specific constraints and choices that the different types of employees and employers face are to be modelled with due care, thereby paying special attention to the institutional constraints (including various forms of work and employment, hiring and firing rules, etc.) so that in the simulation of the policy variants the parameters and variables can be related to institutional variables as well. (The tenderers submitting a bid are asked specifically to describe clearly how they will model institutions.)

The interactions between employers'/employees' choices and labour market policies should be clearly specified in the model as the ultimate purpose of the model is to evaluate the effects of policy reforms on labour market outcomes. These labour market policies include social security policies, family friendly policies (e.g. childcare and parental leave), (active) labour market policies, unemployment benefit characteristics, employment protection legislation, early retirement provisions (including in some Member States unemployment benefits for older workers) and pension policies, and lifelong training/education policies. All in all, the model equations should allow for the measurement of the complementarities between different policy measures, such as those in the field of flexicurity. Labour market outcomes should be measured in terms of participation rates, employment rates (full time and part time), unemployment rates, wages and productivity.

The model should also have a rich dynamic structure so that information about adjustment processes can be obtained, and the timing of different policy measures can be evaluated. Variables that affect this adjustment process include for example labour market institutions (e.g. employment protection legislation/contract types) and the speed at which human capital is accumulated. The time periodicity of the model is preferably annual.

E. Estimation/calibration of the model
The estimation/calibration of the model should be conducted with due care and reflect the latest methodological developments, to the extent that data availability allows it.

Due to the lack of data availability the scope of the model could be restricted to a representative set of EU Member States, and, possibly, EFTA/EEA. Such a representative set of countries could include for instance France, Germany, Italy, the Netherlands, Poland, Spain, the Nordic countries and the United Kingdom. The concrete set of (clusters of) countries is to be proposed by the tenderer and agreed with the Commission. Any results obtained on the basis of such sets/clusters of countries should be extrapolated to the level of EU-27 for relevant policy conclusions.

The Contractor will be expected to provide the Commission with clear instructions for updating the model with new data as well as for re-estimating the model.

F. Data
The model should make use of harmonised Commission data (EMCO indicators) and build on the LABREF database to the broadest possible extent. See for example:
- the EU KLEMS database available at http://www.euklems.net/

Nevertheless, other data sources also have to be taken into account, including OECD data on composite labour market indicators.

The tenderers submitting a bid should spell out clearly which data sources they plan to use.

G. Simulation
The model should be able to simulate the effects of policy measures in the short-, medium- and long-run. Simulation results should be presented as deviations from a baseline. Therefore a baseline scenario should be constructed with due care.

Illustrative simulations that clarify the properties of the model should be presented and discussed. The illustrative simulations should be inspired by the type of questions raised in section 5, and the results should be briefly compared with results obtained elsewhere in the literature or with well documented evaluations of actually implemented measures (e.g. 35 hour week in France, Hartz reform in Germany, "New Deal" reforms in UK, measures to reduce undeclared work in Belgium, reforms in EPL in Denmark and Spain.)

At the end of the project the Contractor shall simulate a comprehensive reform package and discuss the results, including cost efficiency of measures. The concrete nature of this reform package is to be determined by the Steering Committee and the tenderer selected to perform the study.

H. Model transfer
The model should be user friendly, requiring inter alia that it is well documented as to its specification and estimation as well as to its data sources, that it runs on a platform that is user friendly (e.g. Eviews), that model results are easy to access, and that it is easy to update with respect to its specification as well as its data. This includes the installation of the software on Commission PCs; demonstration of the operation of the software and training of Commission staff in its application; as well as stand-by support for Commission’s first own applications of the model.

The model should be able to run on its own in the context of a predetermined macro-economic environment, but it should also be designed to provide inputs into macro-economic and economy-wide models already used at the Commission such as the models QUEST\(^{13}\), WorldScan\(^{14}\) and MIRAGE\(^{15}\)

To the extent that it is relevant for the specification of the labour demand and supply functions, the tenderer should identify at an early stage the nature of the macro-economic environment in which the labour market module has to run (e.g. underlying production function, degree of competition in the goods market, household intertemporal-utility calculus as well as the type of wage bargaining and labour-matching).

I. Seminar
The contractor will present the draft final report, and in particular the model and a selection of case study results, in a seminar which will be held in the Commission’s premises. The contractor will be responsible for proposing the agenda and the participants, who will include representatives from third countries participating in PROGRESS, to the Commission, facilitating the seminar and for preparing a report of the seminar and the presentations made for publication on the Commission’s website. The Commission will provide the conference facilities and reimburse the expenses for experts not belonging to the contractor.

4. Expertise required\(^ {16}\)

See Annex IV.

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\(^{13}\) For a description of the Quest model, see for instance:

\(^{14}\) [http://www.cpb.nl/eng/model/worldscan.html](http://www.cpb.nl/eng/model/worldscan.html)

\(^{15}\) [http://www.dne.fr/cerpem/documents%20de%20travail/wpmirage.pdfau phi](http://www.dne.fr/cerpem/documents%20de%20travail/wpmirage.pdfau phi)

\(^{16}\) See Article II.1 as regards the replacement of experts.
5. Schedule of reports – Terms for approval, structure and content

See Article I.4.

Specific requirements other than those mentioned in Article I.4 (e.g. schedule of interim reports)

The duration of the tasks shall not exceed 16 months starting as of the signature of the contract. Within 1 month from the signature of the contract, the contractor is required to deliver an inception report. This report will be discussed with the Steering Committee in Brussels upon submission. Within 3 months from the signature of the contract, the contractor is required to deliver an interim report containing
- a full literature review,
- a description of the data sources to be used, and
- an outline of the model.
This report will be discussed with the Steering Committee in Brussels before the end of the 4th month. Within 9 months from the signature of the contract, the contractor is required to deliver an interim report containing
- a discussion and presentation of the data, specification, and estimation/calibration of a labour market model capable of addressing the issues mentioned in this tender,
- illustrative simulations of policy measures,
- a proposal for the simulation and discussion of an illustrative policy reform package.
This report will be discussed with the Steering Committee in Brussels before the end of the 10th month. Within 13 months from the signature of the contract, the contractor is required to deliver
- a draft final report that builds on the interim reports and the Commission's comments on the interim reports (including a full discussion of a comprehensive policy reform package), as well as
- the underlying program codes and data of the model in an electronic format to be agreed with the Commission.
Within 14 ½ months from the signature of the contract, and upon request from the Commission Services, the contractor is required to organise a seminar during which the main findings of the study will be presented and discussed. This seminar will take place in Brussels. Within 16 months from the signature of the contract, the contractor is required to deliver a final report that builds on the draft final report and the Commission's comments on the draft final report; the report should also include clear recommendations with respect to the further development of the labour market model. At the same time, the final version of the underlying program codes and data have to be delivered.

All reports described above will be submitted in English, in 3 hard copies as well as in electronic format. (The executive summary of the final report should be in English, German and French).

The underlying program codes and data are to be delivered in an electronic format to be agreed with the Commission, and the programme codes and data should be well documented.

The Contractor should also allow for possibly 2 additional meetings in Brussels

6. Schedule of audits to be carried out in accordance with Article II.17 of this Contract

7. Additional information to the Tender specifications and monitoring

See attached document(s): .......... pages.
Contractor’s Tender

ANNEX II
Registre CAD Ref. No. …….. of ……..

See attached document: …….. pages.
# ANNEX III Breakdown of prices

## 1. Breakdown of prices

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit price in €</th>
<th>Max No of units</th>
<th>Unit type</th>
<th>Sub-total per item</th>
<th>Total amounts in €</th>
</tr>
</thead>
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<td><strong>FEES AND DIRECT COSTS</strong> (fixed prices)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td>0 w.d.</td>
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<td>0,00</td>
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<tr>
<td>Details</td>
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<td><strong>REIMBURSABLE EXPENSES</strong> (max. prices)</td>
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<td>Journeys for experts as mentioned in Annex I</td>
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<td></td>
<td></td>
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<tr>
<td>Details</td>
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<tr>
<td>Details</td>
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<td></td>
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<td>Hotel for experts as mentioned in Annex I</td>
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</tr>
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</table>

w.d. = 1 working day for 1 expert

**Additional information to the Breakdown of prices**
See attached document: ........ pages.

## 2. Calculation of amounts due under the present Contract

### 2.1. Fees

Initial calculation based on unit price(s) per w.d. of expert(s) depending on the level of qualification of the expert(s) executing the mission. The unit price(s) is (are) expected to cover the expert(s) fees, the
Contractor’s administrative expenses, as well as the costs of producing the contractual number of copies of the required report(s) in the required format(s), but does not include the reimbursable expenses defined below.

N.B. Duration of the services: This includes, besides the time necessary for the carrying out of the services themselves, the necessary time for preparatory work, trips and travelling back and forth between the offices of the Contractor and/or the expert(s) and the places where the services are being carried out and for meetings with the services of the Commission, as well as time for the preparation of reports and output documents related to the work.

2.2. Reimbursements

If the reimbursement of expenses is foreseen in the Special Conditions, the Commission will reimburse only:

- the subsistence expenses of the Contractor and his staff,
- travel expenses (other than local transport costs),
- expenses for the shipment of equipment or unaccompanied luggage, directly connected with performance of the tasks specified in Article I.1. of this Contract.

2.2.1 DSAs (Daily Subsistence Allowances)

The daily subsistence allowance (DSA) is paid as a flat-rate amount and is considered to cover breakfast and two main meals, local travel, the cost of telecommunications, including fax and Internet, and all other sundries. They will be paid for each calendar day spent on mission away from the usual place of work, provided that the corresponding assignment is of a short-term nature. The DSA will vary according to the country in which the missions are to be carried out.

Daily subsistence allowances (DSA) are to be calculated as follows according to the length of the mission:

- 6 hours or less: reimbursement of actual expenses (on production of supporting documents);
- more than 6 hours but not more than 12 hours: 0.5 DSA;
- more than 12 hours, but not more than 24 hours: 1 DSA;
- more than 24 hours but not more than 36 hours: 1.5 DSA;
- more than 36 hours but not more than 48 hours: 2 DSA;
- more than 48 hours but not more than 60 hours: 2.5 DSA, and so on.

The agreed rates (in EUR per calendar day) to be used for the purposes of the present Contract are set as follows:

<table>
<thead>
<tr>
<th>Destinations</th>
<th>DSA in EUR</th>
<th>Maximum hotel price in EUR</th>
<th>Destinations</th>
<th>DSA in EUR</th>
<th>Maximum hotel price in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT Austria</td>
<td>95,00</td>
<td>130,00</td>
<td>IT Italy</td>
<td>95,00</td>
<td>135,00</td>
</tr>
<tr>
<td>BE Belgium</td>
<td>92,00</td>
<td>140,00</td>
<td>LT Lithuania</td>
<td>68,00</td>
<td>115,00</td>
</tr>
<tr>
<td>BG Bulgaria</td>
<td>70,00</td>
<td>205,00</td>
<td>LU Luxembourg</td>
<td>92,00</td>
<td>145,00</td>
</tr>
<tr>
<td>CY Cyprus</td>
<td>93,00</td>
<td>145,00</td>
<td>LV Latvia</td>
<td>66,00</td>
<td>145,00</td>
</tr>
<tr>
<td>CZ Czech Republic</td>
<td>75,00</td>
<td>155,00</td>
<td>MK Macedonia</td>
<td>50,00</td>
<td>160,00</td>
</tr>
<tr>
<td>DE Germany</td>
<td>93,00</td>
<td>115,00</td>
<td>MT Malta</td>
<td>90,00</td>
<td>115,00</td>
</tr>
<tr>
<td>DK Denmark</td>
<td>120,00</td>
<td>150,00</td>
<td>NL The Netherlands</td>
<td>93,00</td>
<td>170,00</td>
</tr>
<tr>
<td>EE Estonia</td>
<td>71,00</td>
<td>110,00</td>
<td>PL Poland</td>
<td>72,00</td>
<td>145,00</td>
</tr>
<tr>
<td>EL Greece</td>
<td>82,00</td>
<td>140,00</td>
<td>PT Portugal</td>
<td>84,00</td>
<td>120,00</td>
</tr>
<tr>
<td>ES Spain</td>
<td>87,00</td>
<td>125,00</td>
<td>RO Romania</td>
<td>60,00</td>
<td>170,00</td>
</tr>
<tr>
<td>FI Finland</td>
<td>104,00</td>
<td>140,00</td>
<td>SE Sweden</td>
<td>97,00</td>
<td>160,00</td>
</tr>
<tr>
<td>FR France</td>
<td>95,00</td>
<td>150,00</td>
<td>SI Slovenia</td>
<td>70,00</td>
<td>110,00</td>
</tr>
<tr>
<td>HR Croatia</td>
<td>60,00</td>
<td>120,00</td>
<td>SK Slovakia</td>
<td>80,00</td>
<td>125,00</td>
</tr>
<tr>
<td>HU Hungary</td>
<td>72,00</td>
<td>150,00</td>
<td>TR Turkey</td>
<td>55,00</td>
<td>165,00</td>
</tr>
<tr>
<td>IE Ireland</td>
<td>104,00</td>
<td>150,00</td>
<td>UK United Kingdom</td>
<td>101,00</td>
<td>175,00</td>
</tr>
</tbody>
</table>

17 All details on Monitoring and Reporting are to be indicated and included in the Tender Specifications.
2.2.2 Travel expenses

Travel expenses shall be reimbursed following the provisions of Article II.7.3.

3. Additional provision

It is understood that the Parts “Fees and Direct Costs” and “Reimbursable Expenses” are set as provisions only. They constitute a maximum for the overall cumulative value of all services rendered by the Contractor under the present Contract – they will be due only if services are actually rendered to the Commission according to this Contract and its Annexes, both in quantity and in quality.
ANNEX IV  CVs and classification of experts

1. Classification of experts according to level of expertise

<table>
<thead>
<tr>
<th>Level of qualification</th>
<th>Category of personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Highly qualified expert having assumed important responsibilities in his/her profession, recruited for his/her management/supervisory, thought and creativity skills as regards professional practise. He/she must have at least 15 years professional experience of which at least 7 must be connected with the professional sector concerned and the type of tasks to be performed.</td>
</tr>
<tr>
<td>II</td>
<td>Highly qualified expert having assumed responsibilities in his/her profession, recruited for his/her management/supervisory, thought and creativity skills as regards professional practise. He/she must have at least 10 years professional experience of which at least 4 must be connected with the professional sector concerned and the type of tasks to be performed.</td>
</tr>
<tr>
<td>III</td>
<td>Certified expert having received a high-level training in his/her profession, recruited for his/her thought and creativity skills as regards professional practise. He/she must have at least 5 years professional experience of which at least 2 must be connected with the professional sector concerned and the type of tasks to be performed.</td>
</tr>
<tr>
<td>IV</td>
<td>Junior expert, newcomer to the profession but holding a university degree or equivalent training related to the professional sector concerned and the type of tasks to be performed.</td>
</tr>
</tbody>
</table>

2. List of experts assigned

<table>
<thead>
<tr>
<th>Full names of experts assigned</th>
<th>Level of Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mister X</td>
<td>I</td>
</tr>
</tbody>
</table>

3. CVs of experts assigned

See Annex II.
ANNEX V

Fiscal provisions regarding invoicing by the Contractor

Choose 1 out of 4 options:

► (option 1: the Contractor is subject to VAT and his place of fiscal imposition is in Belgium)

Local supplies and services
Supplier with fiscal imposition place in Belgium – delivery address in Belgium

1. VAT exemption – Exemption level

In Belgium, the terms of the present Contract have the same value as the VAT exemption request No 450 (VAT exemption – Article 42, par. 3.3, VAT Code).

The European Commission benefits of a direct VAT exemption for all invoices EUR 123.95 and more.

2. Invoicing the Commission

An invoice will be made for each payment related to the present Contract. The applied VAT rate and amount shall be specified.

In view of VAT exemption, invoices addressed to the European Commission should bear the mention:

“Exonération de la TVA, article 42, § 3.3, du code de la TVA” or

“Vrijstelling van BTW, artikel 42, § 3.3, BTW-Wetboek”.

The above indication is given only as piece of information. The Contractor must refer to the Belgian national laws.

► (option 2: the Contractor is subject to VAT and his place of fiscal imposition is a Member State other than Belgium)

Intra-community supplies and services
Supplier with fiscal imposition place in a Member State other than Belgium – delivery address in Belgium

1. VAT exemption level

The European Commission benefits of a direct exemption of VAT for all invoices of EUR 123.95 and more.

2. Use of form 15.10

To allow the Contractor to justify to the fiscal authorities an invoicing to the European Commission using a 0% VAT rate (direct exemption) or to enable the benefit of the exemption by reimbursement, it is necessary to use the form 15.10.

These forms have recently been up-dated, and the new versions are the only ones to remain in official use. They entered into force on 01.04.1997, with a new ref. XXI/03278 – 01.04.1997.

See attached document: 2 pages and 1 page of explanatory notes.
3. **Signature of the form 15.10 – Delegation of signature**

The forms must normally be signed by the fiscal authorities of Belgium. However, a delegation of signature has been awarded by the Belgium authorities to the European Commission – ref. ET 76430 of 22.12.1992 (This ref. No should be inserted in box 7 of new form 15.10). The Commission being represented for the present Contract by the Director General of Employment, Social Affairs and Equal Opportunities DG, form 15.10 will therefore be signed by the latter.

4. **Invoicing the Commission**

An invoice will be made for each payment related to the present Contract. The applied VAT rate and amount shall be specified. Concerning the direct VAT exemption or VAT exemption by the way of reimbursement, the invoice shall bear all the necessary mentions. The above indication is given only as piece of information. The Contractor must refer to the national laws in force in his Member State of fiscal imposition.
► (option 3: the Contractor is not subject to VAT)

Not applicable to the present Contract.

► (option 4: the country of fiscal imposition of the Contractor is unknown)

Provisions to be applied depending on the country of fiscal imposition of the Contractor.