EUROPEAN COMMISSION

DIRECTORATE-GENERAL

Directorate D - Culture and Creativity
Unit D1 - Cultural diversity and innovation

CALL FOR TENDERS

Open procedure N° EAC/04/2015

Study on

"An Updated Study on the Economy of Culture –

Creative Value Chains"

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 Procurement[1] 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. Nevertheless, tenderers must designate a single point of contact for the Contracting Authority.

After the award, the Contracting Authority will sign the contract either with all members of the group, or with the member duly authorised by the other members via a power of attorney.

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 are required to identify all subcontractors whose share of the contract is above 10%.

The Tenderer must indicate clearly in their offer which tasks, roles, activities and responsibilities will be subcontracted.

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

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 below)

Part B: Evidence for exclusion criteria (see section 4.2)

Part C: Evidence for selection criteria (see section 4.3)

Part D: Technical offer (see section 4.5)

Part E: Financial offer (see section 4.6)

1.6. Identification of the tenderer: legal capacity and status

The tender must include Annex 1 presenting the name of the tenderer (including all entities in case of joint offer) and identified subcontractors if applicable, and the name of the single contact person in relation to this tender.

If applicable, **Annex 1** must indicate the proportion of the contract to be subcontracted.

In case of joint tender, Annex 1 must be signed by a duly authorised representative for each tenderer, or by a single tenderer duly authorised by other tenderers (with power of attorney).

Subcontractors must provide a letter of intent stating their willingness to provide the service foreseen in the offer and in line with the present tender specification.

In order to prove their legal capacity and their status, all tenderers 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 where such evidence has already been submitted to it for the purposes of another procurement procedure and provided that the issuing date of the documents does not exceed one year and that they are still valid.

The tenderer (or the single point of contact in case of joint tender) must provide a Financial Identification Form and supporting documents. Only one form per offer should be submitted (no form is needed for subcontractors and other joint tenderers). The form is available on: http://ec.europa.eu/budget/contracts_grants/info_contracts/index_en.cfm

Tenderers must provide the following information if it has not been included with the Legal Entity Form:

- 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.

2. TECHNICAL SPECIFICATIONS

2.1. BACKGROUND

Policy framework and Legal base

As stated in the **2007 European Agenda** for Culture[2], 2015-2018, the cultural and creative sectors are substantially contributing to European GDP, growth and employment. These sectors and the creativity which they generate are an essential asset for Europe's economy and competitiveness in a context of globalisation.

Major challenges are brought about by globalisation and the digital shift but the necessary adaptations are yet to be promoted to allow these sectors to realise their full potential and Europe's long-standing excellence to be better valorised as a comparative advantage on the world scene and the potential of these sectors in the EU to contribute to growth and jobs needs to be further exploited, according to the **2012 Communication** on promoting cultural and creative sectors for growth and jobs in the EU[3].

Rapid technology changes and growth of the digital economy present great opportunities but raise also challenges for policies and instruments in support of cultural diversity. A **Digital Single Market (DSM) for Europe**[4] aims at bringing down fragmentation and barriers and help to create growth and jobs.

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[2] Communication on a European agenda for culture in a globalizing world, SEC(2007) 570, http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52007DC0242

[3] Communication on promoting cultural and creative sectors for growth and jobs in the EU, COM(2012) 537 final, http://eur-lex.europa.eu/procedure/EN/201995

[4] Commission Communication COM(2015) 192 final of 6 May 2015, http://ec.europa.eu/priorities/digital-single-market/docs/dsm-communication_en.pdf

The **Creative Europe programme**[5] supports European cinema and the cultural and creative sectors[6], enabling them to increase their contribution to jobs and growth. With a budget of €1.46 billion for 2014-2020, it will support tens of thousands of artists, cultural and audiovisual professionals and organisations in the performing arts, fine arts, publishing, film, TV, music, interdisciplinary arts, heritage, and the video games industry.

In order to promote transnational policy cooperation, the Cross-sectoral Strand of the Creative Europe Programme (2014-2020) shall support "the collection of market data, studies, analysis of labour market and skills needs, European and national cultural policies analysis and support for statistical surveys based on instruments and criteria specific to each sector and evaluations, including measurement of all aspects of the impact of the Programme" (Art. 15.1.b).

The new **Council Work Plan for Culture** 2015-2018[7], which was adopted in November 2014, has among its priorities support to the cultural and creative sectors, addressing in particular the creative economy and innovation.

Context

Rapid technology changes exert a strong pressure on the cultural and creative sectors (CCS) to innovate. These changes also have a transformative effect – they transform the "traditional" value chains of the cultural and creative sectors and give rise to entirely new value chains when the input and innovation from the cultural and creative sectors is applied in other sectors. The CCS are characterised by a very large number of SMEs as well as by complex and multidimensional value chains where various players (authors and other creators, producers/publishers and other actors investing in creation, as well as service providers and other intermediaries) interact and influence the different underlying business models and their competitiveness. The complexity of the supply chains in the cultural and creative sectors also make it challenging to calculate accurate figures for the gross value added by each sub-sector.

Technological changes and market developments have been marked by the emergence of new actors such as platforms and aggregators together with new formats while usage patterns have changed radically. As a result, new business models and new configurations of the value chains have emerged. In these processes, companies have adapted by trying to gain a competitive edge and achieve higher efficiency. Changes affect, for instance, the revenue-models (that can be, for some cultural and creative sectors, customer-based through fixed fees, pay-per-use, and subscription; or seller-supported through cross-subsidies or freemium;

[5] Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020), http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32013R1295

[6] See section 2.2. Objectives for an exact definition of cultural and creative sectors

[7] http://data.consilium.europa.eu/doc/document/ST-16094-2014-INIT/en/pdf

or finally Third-Party Supported through advertising or sponsorship) as well as distribution models, where the sales of products is increasingly accompanied or replaced by a model based on access to services.

The concept of creative value chains

The concept of value chains for economic analysis is already widely used in the context of globalised trade. Global value chains follow a new conceptual framework for statistics, which take into account the emerging realities of globalisation, international sourcing, intermediate goods and services and intra-group transactions.

A value chain has been described as "a sequence of activities during which value is added to a new product or service as it makes its way from invention to final distribution". The creative chain consists of an initial creative idea, which is usually combined with other inputs to produce a cultural good or service, through a series of interlinked stages between their production and use. A culture and creativity product must be created, produced, possibly manufactured or reproduced, and then monetised and/or distributed before it reaches, or is used by, a consumer. The different stages in the creative process are statistically reflected in national accounts.

The CCS contribution to GDP and employment

According to a recent independent study[8], in 2014, the cultural and creative sectors account for up to 4.4% of EU GDP (2011 data), a slight decrease as compared to the 2010 report based on 2008 data (4.5% of EU GDP), and represent 3.8% of total European workforce (i.e. same for 2008 and 2011).

According to the same study, in terms of value added, the economic contribution of the cultural and creative sectors has been rather stable in Europe between 2008 and 2011. However, this overall stability hides a strong heterogeneity within the different sub-groups, which can be explained by the variety of the underlying drivers of growth. Within the core creative sectors, there is a decrease in all activities except for TV broadcasting and movie production. On the contrary, ICT-related activities included in the core creative sectors post a significant growth, mostly driven by web development, data hosting and processing and computer software programming.

For all sectors, the economic contribution of the cultural and creative sectors in terms of job creation has been weaker than the contribution in terms of GDP. The overall tendency has been the job losses within most sub-groups, particularly for the traditional core activities, for which job losses have been particularly significant. The diverging tendencies between GDP and employment growth seem to illustrate a change in the productive system of the cultural

[8] TERA-study: http://www.teraconsultants.fr/en/issues/The-Economic-Contribution-of-the-Creative-Industries-to-EU-in-GDP-and-Employment

and creative sectors, which rely more on capital (particularly ICT-type of capital investment) than on labour.

The present study should have a look at the underlying factors and examine the reasons by having a closer look at the processes in the value chains, including also from a revenue distribution point of view.

Digitisation and resulting evolution of revenues for CCS

The increasing digitisation process has led to a transformation of value chains for the cultural and creative sectors, which in turn had an effect also on the revenue models. Internet intermediaries can rely on different revenue models such as the advertising model, data monetisation models, fee models, brokerage models or voluntary donations and community models.

Internet intermediaries have considerable impact on revenue sharing. They have used their bargaining power on the creative value chain to enjoy considerable growth based on abundant and cheap cultural and creative content. Creators complain about decreasing revenues on their side and the lack of transparency of negotiated contracts in particular with internet intermediaries.

Market imperfections in the creative value chains

The empirical evidence points to a series of market imperfections, in particular in the digital market for cultural goods and services, such as the following: oligopolistic/monopolistic structures, market dominance and competition issues, entry barriers, fragmentation and segmentation of markets, access and price discrimination, deadweight loss and value destruction, role of licensing, contractual issues as well as market intransparency and the problem of asymmetric information. The study should look further into these issues and also conduct an analysis of creative value chains and its different subsectors.

2.2. OBJECTIVES

The overall objective of the study is to closely look at trends at the heart of the current cultural policy debate and the answers that economic analysis can provide.

The specific objective of the present study is to analyse the value chains in cultural and creative sectors covered by the Creative Europe Programme[9], which include inter alia

[9] According to Article 2 of Regulation (EU) No 1295/2013 of 11 December 2013 establishing the Creative Europe Programme, 'cultural and creative sectors' means all sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management.

architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts.

The study will carry out a structural analysis. Its main focus will be on qualitative analysis using the value chain concept and will identify the different stages in the value chain in the cultural and creative sectors, as well as the different players and the relationship between them. The study will examine market imperfections, in particular in the digital market for cultural and creative goods and services.

The study will also analyse the underlying factors of the share of the cultural and creative sector's contribution to GDP and employment and attempt to capture the broader contribution of CCS to employment and GDP by also taking into account the effects in other industries and sectors.

Work undertaken so far in this field[10]

In the context of European statistics, the ESSnet final report for Culture[11] provides the framework for the production of culture statistics, in which 6 economic functions related to the cultural process are taken into account.[12] Eurostat has also undertaken some work on global value chains and the European Cluster Observatory[13] has carried out analytical work on cross-sectoral trends in creative industries.

Other studies have tried to measure the contribution of cultural and creative sectors to GDP and employment. These studies have looked at the issue either from a European or from a regional/national point of view, and have come up with different figures and approaches concerning the definition of core/non-core cultural industries and weighing factors.

Regarding the contribution of the cultural and creative sectors in terms of value chain analysis, there are studies that have looked at the issue rather from a qualitative than a quantitative angle and a lot of questions remain open.

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[10] A non-exhaustive bibliography will be made available by the Commission at the beginning of the contract for further reference.

[11] ESSnet-Culture (European Statistical System Network on Culture), Final Report, Luxembourg, 2012, http://ec.europa.eu/culture/library/reports/ess-net-report_en.pdf

[12] Eurostat has also undertaken some work on global value chains – see report for Eurostat by T. Sturgeon, "Global Value Chains and Economic Globalization", MIT, May 2013, http://ec.europa.eu/eurostat/documents/54610/4463793/Sturgeon-report-Eurostat

[13] Two analytical reports for DG GROW "Cross-sectoral Clustering Trends in Creative Industries" focus on cross-sectoral dynamics by analysing Mergers and Acquisitions, Joint Ventures and Alliances and cross-sectoral trends mostly related to the digitalisation of creative industries. The "European Cluster Trends Report" focuses on three specific aspects: 1) internationalisation of clusters 2) cross-sectoral transformations and 3) foresight analysis as well as the Methodological report for the "European Cluster Trends report" at http://ec.europa.eu/DocsRoom/documents/10043/

The present study should take into account previous work in the field and in particular look at the issues listed under tasks below:

2.3. TASKS OF THE CONSULTANTS

Task 1: Analysis of creative value chains

Different actors (such as creators, managers/publishers, distributors, retailers, consumers) occupy various positions in the value chains and carry out specific activities to drive the process further, such as investment, production, distribution or sales, as well as international sourcing.

The study will propose a methodology and carry out an analysis of the creative value chains covering the 28 EU Member States for each one of the different cultural and creative sectors covered by the Creative Europe Programme. These include inter alia architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts.

The following questions will be addressed for the cultural and creative sector as a whole as well as for its subsectors:

- Where and how in the creative value chain process is value being generated?
- How is this value monetised at each stage?
- What stages of transformation and value added occur and how are they reflected in prices?
- What kind of progression can be observed? Linear? Exponential? Other?
- What role does technological change ("digital shift") play in these processes? How do changes caused by the digital shift affect the stages of value added generation and monetisation?
- In addition to technological change, which other non-technological innovation sources are decisive and how?
- In addition to the flow of products, services and investment, what are the equity and ownership ties and the channels of control and information exchange?[14]
- How can the equity and ownership ties between the creators and the intermediaries best be described, which contractual or other relationship links them, what are the terms (exclusivity, non-disclosure clause, etc.) and what are the implications for revenue creation and sharing?

[14] Analogous to Sturgeon's approach to global value chains and definition of economic globalization http://ec.europa.eu/eurostat/documents/54610/4463793/Sturgeon-report-Eurostat, page 9

- What is the impact of international sourcing and globalisation in the creative value chains?
- How can the analysis of creative value chains help us to better understand the impact of the digital shift on the quantity and quality of employment and wages/revenues and mobility in the cultural and creative sectors?
- Which other obstacles and barriers hindering a full exploitation of the potential of creative value chains across the different EU countries can be observed in this context? (f.ex. necessary digital skills or network infrastructure, other obstacles experienced by both consumers and content providers,..)
- Other[15]

Task 2: Analysis of market imperfections in the creative value chains

The study will focus more in detail on the market imperfections exacerbated through the digital shift in the cultural and creative sectors and will examine them at sectoral and sub-sectoral level:

- Oligopolistic/monopolistic structures
- Market dominance and related competition issues
- Entry barriers
- Fragmentation and segmentation of markets
- Access and price discrimination,
- New business models and consequences,
- Role of online platforms
- Deadweight loss and value destruction,
- Role of licensing and other IPR aspects
- Contractual issues and lack of market transparency/ asymmetric information
- Other

Task 3: Possible actions at EU-level

The study will formulate conclusions and recommendations with regard to the questions listed under tasks 1 and 2.

[15] Any additional issue deemed relevant to the objectives of the study will also be addressed.

In particular, it will strive to identify at which points of the value chain an action at EU level could have an impact in order to redress existing imbalances. The study will describe in detail the problems to be addressed.

Other considerations

In the analysis and recommendations of the present study, particular attention will be given to the specific situation of the creators and the question of fair remuneration and revenue sharing.

The analysis should go beyond the existing information and avoid mere repetition or updating of already available descriptive information on the different sub-sectors, already provided by different reports[16].

While recognising the difficulties of covering the different issues raised above from a methodological or data availability point of view, the European Commission is seeking for an ambitious and innovative study, innovative in its approach and using unconventional data sources including internet text and data mining[17].

2.4. SCOPE AND DURATION

To implement the action, the European Commission will select one contractor in charge of the specific tasks described above.

The geographical area to be covered includes the 28 Member States of the European Union.

The contract shall enter into force on the date on which it is signed by the last contracting party. The period of implementation of the tasks shall not exceed 12 months.

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[16] See f.ex. the information provided in the background concept note (will be distributed after the beginning of the contract) or different sectorial reports such as the one by the European Commission JRC/EPIS "State of the Art of the European Creative Content Industry and Market and National/Industrial Initiatives", or "Technology Trends in the Creative Content Sector" or other.

[17] Provided that they respect basic ethical principles in line with European Commission practice

2.5. INDICATIVE TIMETABLE

T0	Contract start
T0 + 4 weeks	Kick-off meeting with the Commission
T0 + 6 weeks	Submission of draft Inception Report (see point 2.6.1)
T0 + 8 weeks	Submission of the Inception Report (see point 2.6.1) + *First interim payment* (20%)
T0 + 5 months	Submission of the draft Interim Report (see point 2.6.2) + 2nd meeting with the Commission
T0 + 7 months	Submission of the Interim Report (see point 2.6.2) + *Second interim payment* (40%)
T0 + 10 months	Submission of the draft Final Study (see point 3.1) + 3rd meeting with the Commission
T0 + 12 months	Submission of the Final Study by the Commission + *Final payment* (40%)

2.6. INCEPTION AND INTERIM REPORTS REQUIREMENTS

2.6.1 Inception Report

The draft inception Report must be submitted 2 weeks after the Kick-off meeting with the Commission.

The inception report must be submitted 8 weeks after the entry into force of the contract and must include at least:

- Detailed work plan and timetable for implementing the work;
- Details on the approach to be followed for each task;

2.6.2 Interim Report

The draft interim report must be submitted 5 months after the entry into force of the contract. It shall include a proposal for the structure of the Final Study for the contracting authority's comments and approval.

The Interim Report must be submitted 7 months after the start of the contract. It will contain:

- complete information on the activities carried out in pursuit of the results set out in the technical specifications;
- Problems encountered, solutions found or proposed, and impact on future work;
- A detailed timetable and methodology for completion of the work.

Each report will be submitted in **English, proof-edited by a native English speaker**, and sent to the responsible body in printed form (4 copies) and by e-mail. Electronic files must be in Microsoft ® Word for Windows format or equivalent.

In the absence of observations from the Commission within the payment deadline, the reports will be considered as being approved.

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

All studies 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 logo[18].

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

Pdf versions of studies destined for online publication should respect W3C guidelines for accessible pdf documents. See: http://www.w3.org/WAI/

3.1. Content and structure of the Final Study

Timing: As indicated under 2.5., the draft Final Study shall be submitted within 10 months after the entry into force of the Contract.

[18] 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

The **content** of the Final Study must reflect Task 1, Task 2 Task 3 and reflect also the other considerations specified under 2.3, as well as a bibliography.

In addition, the Final Study shall also include the following:

- **An Abstract**

  The purpose of the abstract is to act as a reference tool helping the reader to quickly ascertain the study's subject. Using keywords is a vital part of abstract writing, to facilitate electronic information retrieval, therefore even if tender specifications already mentions the abstract it is possible to extend its description by referring for instance to keywords.

  For studies for which the Commission does not have appropriate IPRs and/or are not intended to be published, only the abstract will be publicly available.

  The abstract shall not have more 200 words and shall be at least in EN and FR.

- **A publishable executive summary**

  An executive summary is a succinct overview of the whole study, which is published in isolation (separate document) from the main text and should therefore stand on its own and be understandable without reference to the study itself. It should report the latter's essential facts. Its purpose is to act a reference tool, enabling the reader to decide whether or not to read the full text.

  The executive summary shall provide information on:

  - Purpose, motivation, problem statement
  - Methodology, procedure, approach
  - Results, findings
  - Conclusion, implications and/or recommendations of the study

  The information included in the executive summary will however, depend largely on the content of the study itself. The executive summaries of published studies will be public.

  The executive summary will include graphs. The executive summary shall not have more than 6 pages and shall be at least in EN and FR.

- **The following standard disclaimer:**

  "The information and views set out in this [report/study/article/publication…] are those of the author(s) and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein."

  Specific IDENTIFIERS which shall be incorporated on the cover page provided by the Contracting Authority.

3.2. Graphic requirements

Graphic design of both the cover page and the internal pages of the study, shall apply rules set out in Visual Identity Manual. The professional font (EC Square Sans Pro) will be made available to the contractor free of charge upon acceptance of the terms and conditions of its use. Please contact comm-visual-identity@ec.europa.eu for further details[19].

4. EVALUATION AND AWARD

4.1. 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

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

4.2. 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 10%.

The successful tenderer shall provide the documents mentioned as supporting evidence in Annex 2 before signature of the contract and within the standstill period.

The standstill period is a period of 10 days during which the contract cannot be signed by the contracting authority. This period counts from the day after simultaneous dispatch of the notification by fax or electronic means to all tenderers (successful and unsuccessful).

If, due to technical reasons, the dispatch is made on paper, the standstill period is 14 days (Article 171 RAP). In the case of a negotiated procedure without prior publication of a

[19] 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

contract notice, the standstill period of 14 days is applicable and starts the day after the contract award notice is published in the OJ S.

If the requested evidence is not submitted in due time, the Contracting Authority can award the Contract to the Tenderer evaluated as the next-best. This requirement applies to all members of the consortium in case of joint tender and to identified subcontractors whose intended share of the contract is above 10%.

4.3. Selection criteria

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

The evidence requested should be provided by each member of the group in case of joint tender and identified subcontractor whose intended share of the contract is above 10%. However a consolidated assessment will be made to verify compliance with the minimum capacity levels.

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.

4.3.1 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 and identified subcontractors) must comply with the following criteria:

- Turnover of the last two financial years above € 300.000, 00 (per annum)

The analysis of the financial capacity will be performed by the Contracting Authority based on the following methodology: http://ec.europa.eu/dgs/education_culture/calls/evaluation-procurements_en.htm.

The following evidence should be provided:

- Annex 3 " Economic and financial capacity analysis form" filled in with the relevant statutory accounting figures, in order to calculate the financial ratios

- for economic operators required under national law to keep a complete set of accounts: the balance sheet, profit and loss account and annexes of the last two years for which accounts have been closed;

- for economic operators required under national law to keep a simplified set of accounts: the statement of expenditure and revenue and the annex showing assets and liabilities for the last two financial years for which accounts have been closed;

- in all cases, a statement of overall turnover and turnover concerning the supplies or services covered by the contract, provided over the last two financial years for which accounts have been closed.

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.

4.3.2. 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 and identified subcontractors) must comply with the following criteria:

- The tenderer must prove at least 7 years of experience in economic analysis and/or issues related to the digital economy and the creative sectors, including data collection and drafting reports and recommendations.

- The tenderer must demonstrate the capacity to work at a broad European level and have at least one project delivered in the field of economic analysis and/or in the field of digital economy in the last 3 years involving cross-national comparison of data in EU countries, with a minimum value of € 25.000.

- The tenderer must prove capacity to draft reports in English, as demonstrated by certificates or previous experience, and to have the final report edited by a native English speaker.

b) Criteria relating to the team delivering the service

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

One expert in economics, with a minimum of 15 years' professional experience at EU level and proven experience in economic theory and empirical research and analysis.

Two experts with a minimum of 7 years professional experience in at least two of the following fields:

- data collection and analysis of the cultural and creative sectors;
- cultural statistics and economics of culture;
- empirical research and analysis of different sectors of the digital economy;
- practical knowledge from the field of cultural and creative sub-sectors such as music, audio-visual etc.;
- practical knowledge of the cultural and creative sectors from the digital/ internet economy point of view;
- Expertise and practical knowledge of regulatory aspects relevant to the cultural and creative sectors in the digital context.

Linguistic skills: all personnel involved in the contract has to be fully operational in English, as demonstrated by certificates or previous experience.

The Tenderer will submit a declaration that all the experts will be available throughout the duration of the action to perform the tasks for which they are proposed.

c) Evidence

The following evidence shall 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, presented in a summary table. The most important services shall be accompanied by certificates of satisfactory execution, specifying that they have been carried out in a professional manner and have been fully completed.

- Detailed curriculum vitae for each of the team members of up to two A4 pages and covering relevant educational and professional qualifications. The CVs must specify:
  - The different diplomas obtained (copies of which may be requested by the contracting authority where appropriate);
  - Languages spoken;
  - Expertise and experience, including publications, relevant to the subject matter of the present invitation to tender

- A summary table indicating the members of the team and describing their roles and involvement in each project phase.

The contracting authority may reject tenderers at selection stage in case of professional conflicting interests that may affect the performance of the contract.

4.4. Award criteria

The purpose of these criteria is to choose between the best offers out of those submitted by tenderers which are not excluded and which meet the selection criteria.

The tenderers are invited to carefully study the Tender Specifications and its annexes and to address all information requested in their offer. It must be noted that any total or partial omission of information or non-conformity with requirements described in the Tender Specifications and its annexes may lead the Commission to exclude the offer from the award procedure.

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.

- Relevance and quality of the methodology (45 points)

The extent to which the tender addresses the priorities of the action and contributes to attain its objectives; the quality of the overall design of the activities proposed and of the

methodology to achieve the objectives, including risk assessment strategy and sustainability of the proposed actions.

- Management of the project/organisation of the work (35 points)

The quality of the tender regarding the capability to organize, coordinate and implement the various aspects of the proposed activities. Composition and quality of the team executing the required tasks with respect to their individual role. Assessment of the roles and responsibilities of the proposed team and the distribution of tasks. It also assesses the global allocation of human resources to the project and to each task or deliverable, and whether this allocation is adequate for the work. The tender should provide details on the allocation of human resources and the rationale behind the choice of this allocation.

- Quality control measures (20 points)

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 minimum 50% for each criterion and sub-criterion, and minimum 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 to quality and price.

Score for tender X = cheapest price / price of tender X * 40 + total quality score (out of 100) for all award criteria of tender X / 100 * 60

Score for tender X	=	cheapest price ——————— price of tender X	*	**40**	+	total quality score (out of 100) for all award criteria of tender X ——————— 100	*	**60**

4.5. 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.

4.6. Financial offer

The price for the tender must be quoted in euro (use Annex 4). 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.

Annex 4 - Price shall also include a detailed breakdown of costs per team member and number of hours / days each team member will spend on each project phase.

5. ANNEXES

The following documents are annexed to these Tender Specifications and form an integral part of them:

Annex 1	:	Tenderer Information
Annex 2	:	Declaration on Honour
Annex 3	:	Economic & Financial Capacity
Annex 4	:	Price
Annex 5	:	Draft Contract