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Directorate for Culture and Creativity
Cultural Policy

CALL FOR TENDERS

N° EAC/14/2018

STUDY ON

Music Moves Europe – The feasibility study for the establishment of a European Music Observatory, and a gap analysis of funding needs for the music sector

TENDER SPECIFICATIONS

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1. INFORMATION ON TENDERING

1.1. Participation

Participation in this procurement procedure is open on equal terms to all natural and legal persons coming within the scope of the Treaties, as well as to international organisations.

For British candidates or tenderers:

Please be aware that after the UK's withdrawal from the EU, the rules of access to EU procurement procedures of economic operators established in third countries will apply to candidates or tenderers from the UK depending on the outcome of the negotiations. In case such access is not provided by legal provisions in force candidates or tenderers from the UK could be rejected from the procurement procedure.

It is also open to all natural and legal persons established 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 plurilateral Agreement on Government Procurement¹ concluded within the World Trade Organisation applies, the participation to this procedure is also open to all natural and legal persons established in 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. Compliance with applicable law

The tender must comply with applicable environmental, social and labour law obligations established by Union law, national legislation, collective agreements or the international environmental, social and labour conventions listed in Annex X to Directive 2014/24/EU².

1.4. Joint tenders

A joint tender is a situation where a tender is submitted by a group of economic operators (natural or legal persons). Joint tenders may include subcontractors in addition to the members of the group.

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

² Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

In case of joint tender, all members of the group assume joint and several liability towards the Contracting Authority for the performance of the contract as a whole, i.e. both financial and operational liability. Nevertheless, tenderers must designate one of the economic operators as a single point of contact (the leader) for the Contracting Authority for administrative and financial aspects as well as operational management of the contract.

After the award, the Contracting Authority will sign the contract either with all members of the group, or with the leader on behalf of all members of the group, authorised by the other members via powers of attorney.

1.5. Subcontracting

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

Tenderers are required to identify subcontractors whose capacity is necessary to fulfil the selection criteria and whose share of the contract value is above 10%

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

1.6. Structure and content of the tender

The tenders must be presented as follows:

Part A: Identification of the tenderer (see section 1.7)

Part B: Technical offer

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

Part C: Financial offer

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

Part D: Non-exclusion (see section 4.3)

Part E: Selection (see section 4.4)

1.7. Identification of the tenderer

The tender must include the annex 1 signed by an authorised representative presenting the name of the tenderer (including all entities in case of joint tender) and identified subcontractors if applicable, and the name of the single contact point (leader) in relation to this procedure.

In case of joint tender, the annex 1 must be signed either by an authorised representative for each member, or by the leader authorised by the other members with powers of attorney. The signed powers of attorney must be included in the tender as well. Subcontractors that are identified in the tender must provide a letter of intent signed by an authorised representative stating their willingness to provide the services presented in the tender and in line with the present tender specifications.

All tenderers (including all members of the group in case of joint tender) 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.

The tenderer (or the leader in case of joint tender) must provide a Financial Identification Form with its supporting documents. Only one form per tender should be submitted. No form is needed for subcontractors and other members of the group in case of joint tender. The form is available on: http://ec.europa.eu/budget/contracts_grants/info_contracts/index_en.cfm

2. TECHNICAL SPECIFICATIONS

General Background

Policy framework and legal base

Overall EU policy context for culture

The European Union's role in the culture area is specified in the [Article 167 of the Treaty of the Functioning of the EU](#). The European Commission's activities in this area are framed in particular by the [European Agenda for Culture](#), which aims to reinforce the role and position of culture in an increasingly globalised world. The role of the European Commission is to help address common challenges, such as the impact of the digital shift, changing models of cultural governance, and the need to support the innovation potential of the cultural and creative sectors. The Commission is committed to promoting cultural diversity, protecting cultural heritage, easing obstacles to the mobility of cultural professionals, and supporting the

contribution of cultural and creative industries to boosting growth and jobs across the EU, in line with the principles of the European Agenda for Culture. EU cooperation on culture will be strengthened further in the future under a New European Agenda for Culture³.

Since 2014 Creative Europe has served as a consolidated framework programme in support of Europe's cultural and audiovisual sectors. Creative Europe consists of two sub-programmes Culture and MEDIA, and is supported by a cross-sectoral strand. It has supported the implementation of actions in line with the EU's cultural policy. In the context of the preparations of the next Multiannual Financial Framework (MFF) post-2020, discussions on the future EU programme for culture have started⁴.

About the music sector in Europe

Music constitutes an important pillar of European culture. There is the economic significance of the sector – it employs more people than film and generates more than 25bn EUR revenue annually. It is also an essential component of Europe's cultural diversity and it has the power to bring positive changes to many levels of society.

Over the past decade, Europe's music sector has been heavily influenced by the digital shift and increased competition from global players. It has been experiencing significant challenges that have led to fundamental changes in the way music is created, produced, distributed, consumed and monetised. The music industry is changing (e.g. powerful digital players, new production, distribution and consumption patterns) and adapting to use the opportunities offered (e.g. new business models, extending audience reach, new way of interacting) paving the way for other content industries. Apart from the many opportunities for the sector, important challenges remain. For instance, the battle for the repartition of revenue and fair remuneration of artists in this new digital environment has replaced the struggle against online piracy. The so-called “value gap” has become a subject of much discussion at national and European level in the past few years.

Europe is a strong global player all along the music value chain, including online distribution. Streaming revenues grow extremely rapidly, compensating declines in physical formats and downloads. Europe is home to the world's biggest music markets (e.g. Germany, UK, France and Italy). Europe's music industry can be considered one of the most creative and diverse in the world. However, the European music ecosystem is a fragmented, diverse and complex landscape with structural differences between its main operator groups or sub-sectors (such as classical and amateur music sub-sector, live music sub-sector, recorded music sub-sector, digital distribution sub-sector, etc.). There is also a great deal of national fragmentation along with language barriers, which hamper promotion and visibility of music repertoire across national borders within Europe and beyond. Non-English music repertoire from Europe struggles to cross European borders and obstacles exist to internationalising the careers of artists. The United States and the United Kingdom enjoy a better access to the European

³ Following the request from the Leaders' meeting in Gothenburg in November 2017, the Commission is currently preparing an initiative for a New European Agenda for Culture, scheduled for adoption in May.

⁴ The Commission's Communication "A Modern Budget for a Union that Protects, Empowers and Defends - The Multiannual Financial Framework for 2021-2027" was adopted on 2 May, COM(2018) 321 final; press release: http://europa.eu/rapid/press-release_IP-18-3570_en.htm. The Commission's proposals for the new programmes are expected in May-June 2018.

music market, for historical, cultural and linguistic reasons, but also because they host the majority of major music labels, international promoters, and distribution services. The dominance of English music repertoire crossing borders through live performances, radio and online services in Europe and powerful American-led corporations⁵ seem to hamper promotion and visibility of European acts. The fact that the European music market remains dominated by these American/Anglo-Saxon players points to a market failure somewhat similar to that experienced by the film industry. European music is often locked in national markets with little cross-border circulation of works. Concentration and distorted competition are key challenges for the music ecosystem in Europe.

There is a need to support the competitiveness and the diversity of the music sector and to promote musical creation.

EU support for music – Music Moves Europe

In late 2015, the European Commission started a dialogue with representatives from the music sector in Europe with the aim to identify key challenges and possible ways to tackle them, including EU support. “Music Moves Europe” has since become the framework for these discussions and more broadly for EU initiatives and actions to promote the diversity and competitiveness of Europe’s music sector, in terms of policy and funding. One important outcome of that dialogue is the [AB Music Working Group report](#) in 2016. The report revealed the need to support music creation, promote musical diversity and to explore the opportunities offered by music online and offline distribution more effectively.

Against this background, in the context of the EU budgetary procedure for 2018, the European Parliament secured a budget of 1.5m EUR for a *Preparatory Action “Music Moves Europe: Boosting European music diversity and talent”* with the aim to test suitable actions for more targeted EU funding for music post-2020. The focus should be on four strands of action: offline and online distribution, artist and repertoire development, professionalization and education, export of European music outside Europe.

The European Commission has been supportive to the process leading to this Preparatory Action considering that it comes at a timely moment when the proposals for new funding instruments within the new multiannual financial framework post-2020 are being prepared. The implementation of this Preparatory Action lies with the Commission. It is an opportunity to test new ideas on how to complement the existing forms of EU support for music, notably the co-financing of music cooperation projects, platforms and networks under the Creative Europe programme, the European prize for music (EBBA awards) and policy action impacting on the music sector (e.g. in the context of the Digital Single Market).

To implement the Preparatory Action, the Commission plans to launch four calls (two calls for proposals and two calls for tender) in the spring 2018 as follows:

(a) Music Moves Europe - Online and offline distributions

⁵ Music Moves Europe – A support programme for the European Music Sector, compiled and researched by Pop100 for Yourope, May 2016.

- (b) Music Moves Europe - The feasibility study for the establishment of a European Music Observatory, and a gap analysis of funding needs for the music sector
- (c) Music Moves Europe - Training Scheme For Young Music Professionals
- (d) Music Moves Europe - Study on a European Music Export Strategy

In parallel, the Commission has committed to having a regular dialogue with the European music sector on these and other themes, starting in 2018.

This call for tender addresses the feasibility study for the establishment of a European Music Observatory, and a gap analysis of funding needs for the music sector (b), and **encompass two lots:**

- **LOT 1 – Feasibility study for the establishment of a European Music Observatory**
- **LOT 2 – Analysis of market trends and gaps in funding needs for the music sector**

2.1. LOT 1 - Feasibility study for the establishment of a European Music Observatory

2.1.1. Background

Based on small and medium businesses with a strong potential for growth and job creation, the music sector has been strongly influenced by the digital shift: new distribution channels, powerful digital players, innovative start-ups, business models and consumption patterns have emerged. The sector is very much fragmented and characterised by a multiple of data for creation, distribution and consumption.

One of the main issues faced by the **music sector** in Europe⁶ is **the absence of reliable and systematic data to measure its main trends**. In such a fragmented, diverse and competitive market, there are no organised data collection bodies able to monitor flows of repertoire, mobility of artists and cross-border activity. **Reliable data on Europe's music ecosystem is lacking** and the sector is still struggling to measure precisely and consistently the nature and the magnitude of the challenges it faces at European and international level. A good analogue example of how the similar challenge of data availability was addressed in the audiovisual sector was the establishment of the European Audiovisual Observatory, which successfully overcome the lack of data by systematically monitoring the sector.

On European level, there are no specific collections of data pertaining to creation, distribution and consumption of music⁷. Existing culture statistics are derived from existing multi-purpose

⁶ The geographical area of Europe for this call includes the 28 Member States of the European Union., as well as the European Economic Area and partners of the Creative Europe programme.

⁷ Ancienne Belgique report. <https://publications.europa.eu/en/publication-detail/-/publication/f5479d95-2fca-11e7-9412-01aa75ed71a1>

data collections. Data collection resources greatly vary in Member States which leads to challenges to aggregate data on European level. Data providers often do not meet international definitions, standards and quality criteria; and alternative data are often not comparable with official statistics, not even between countries within the same dataset.

This results in a situation where there is not sufficient data for evidence-based policy making.

One of the objectives for the music sector is to create the conditions for reliable and regular data collection on the music sector at European level.

The European Music Observatory (here after "the Observatory") should act as a central data-gathering agency for identification, and analysis of trends, needs and opportunities for the full range of music sub-sectors across Europe. The Observatory would aim at improving data collection and comparability-compatibility of data from alternative data sources. It should make use of "big data" for the development of new methodologies to improve the mapping of the music ecosystem and monitor new forms of cultural participation. The Observatory would concentrate particularly on aggregating information that will help informed and efficient policy making at EU level in the field of music.

2.1.2. Objectives

General objective

This lot aims at **undertaking a feasibility study for the establishment of a European Music Observatory.**

The feasibility study should investigate a possible future full-scale establishment of a data collection organisation, called 'the Observatory' as a core strategic resource to drive relevance and value for future policy actions in the music portfolio and across the sector. It should demonstrate whether the establishment of the Observatory is feasible or not.

Specific objective

The specific objective of the study **is to analyse different scenarios for the set-up and operation of the Observatory, including considering the models from other European (cultural) observatories and the European Audiovisual Observatory in particular, taking into account the specific characteristics and requirements of the European music sector⁸.**

The study should focus on the following aspects:

⁸ The European music sector consists of the companies and individuals that earn money by creating new songs and pieces and selling live concerts and shows, audio and video recordings, compositions and sheet music, and the organizations and associations that aid and represent music creators, regardless the genres of music they produce. The industry also includes a range of professionals who assist singers and musicians with their music careers (talent managers, artists and repertoire managers, business managers, entertainment lawyers); those who broadcast audio or video music content (satellite, Internet radio stations, broadcast radio and TV stations); music journalists and music critics; DJs; as well as music educators and teachers.

- 1) Scope of the future Observatory (what data to cover);
- 2) Identifying gaps in data availability;
- 3) Costs and organisational basis for a credible Observatory function.

The contractor should analyse different scenarios taking into account the above elements and should identify the most viable option.

The feasibility study will take into account the longer-term potential for the Observatory to undertake activities including but not limited to:

- 1) Appraising existing patterns and potential of cross-border circulation of artists and repertoire, identifying relevant methodologies to update, change or extend, as appropriate, the 2012 study commissioned by European Music Office and Eurosonic Noorderslag.⁹
- 2) Evaluating the health and sustainability of the live music sector across different territories, identifying the opportunities and threats that can be most effectively addressed through intra-sectoral and transnational collaboration.
- 3) Analysing education and training needs (including sub-sectoral features) and existing provisions outside formal education for early career music sector professionals.
- 4) Working to improve comparability of national datasets relating to industry scale, value and investment. This will support sectoral advocacy efforts and create the conditions within which more appropriate and effective policy interventions can be developed.

The feasibility study will also address how consistent, accessible and reliable data could be gathered and monitored on the following:

- 1) The composition of the music sector (SMEs, etc.)
- 2) Sales and income along the music value chain
- 3) Employment by economic operators in the music sector
- 4) Gross value added and the sector's contribution to European GDP
- 5) Consumer behaviour
- 6) Circulation of the European repertoire
- 7) Cultural diversity

2.1.3. Scope and Duration of the action under Lot 1

To implement the action under Lot 1, the European Commission will select one contractor to be in charge of the specific tasks described in section 2.1.4 below.

The geographical area to be covered includes the 28 Member States of the European Union, with a possible outlook to the European Economic Area and to the participating countries of the Creative Europe programme if considered relevant.

⁹ Monitoring the cross-border circulation of European music repertoire within the European Union. Report by Emmanuel Legrand for EMO & Eurosonic Noorderslag, January 2012. Available at: https://www.musicaustria.at/sites/default/files/emo_report_european_repertoire.pdf

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.

2.1.4. Tasks of the contractor

As a minimum, the study must comply with the mandatory requirements in sections 2.1.4.1-2.1.4.4. Tenders found not to be compliant with these minimum requirements will be rejected as non-compliant and will not be evaluated.

2.1.4.1. Task 1: Defining the scope of the future Observatory

The contractor will define the scope of monitoring and assess the feasibility of collecting and assessing data, taking into consideration the fields listed under the specific objective. The contractor may suggest additional fields or argue for the elimination of certain elements listed. The contractor will also carry out, by way of desk research, an inventory of already available relevant data that should be systematically monitored by the future Observatory. The contractor will provide justification and relevance of identified data to be collected in the light of the needs of the music sector.

2.1.4.2. Task 2: Identifying gaps in data availability

In the light of the proposed scope for the Observatory, the contractor will identify data which are not or only partially available, the collection of which would be essential for evidence-based policy making as well as for the analysis of trends, needs and opportunities of the sector across Europe. The contractor will assess the feasibility of methods that could address the gaps in data availability and will propose different scenarios of collecting various data in terms of costs and benefits.

2.1.4.3. Task 3: Proposing an organisational basis for the Observatory

The contractor will identify and assess different potential organisational models for the setting up and the operation of the Observatory and will propose the most viable option based on cost-benefit analysis.

2.1.4.4. Task 4: Visit to the European Audiovisual Observatory

The contractor will, within six months after the start of the contract, organise in cooperation with the European Commission, a stakeholder's meeting at the premises of the European Audiovisual Observatory in Strasbourg.

The objective of the stakeholders' meeting is twofold:

- Develop a collective insight on the work and specific challenges of the European Audiovisual Observatory to collect and analyse data in the European audiovisual sector and draw conclusions on the applicability of its working method to the possible future music Observatory;
- Present and discuss the intermediary results of the study with the stakeholders and collect their feedback in order to enrich the study, with special focus on the possible organisational models for setting up and operating the Observatory.

The contractor will prepare the content and design the structure of the meeting in agreement with the Commission and will ensure moderation and reporting. The cost of the participation of the contractor needs to be borne by the contractor. The costs of the organisation of the stakeholders' meeting as well as the participation of the stakeholders will not need to be borne by the contractor.

The contractor will prepare a separate short report on the outcome of the visit and the stakeholders' meeting, as described in section 2.1.6.3.

2.1.5. Methodology

The methodology for the action under Lot 1 as a whole, as well as for each single task, will be assessed as detailed in the section 4.1

The methodology proposed should include at least:

- 1) The description of methodology for desk research;
- 2) The description of methodology that will be used for the assessment of the relevance of available data to be included in the scope of the future Observatory;
- 3) The methodology that will be adopted for the identification of gaps in data availability;
- 4) The criteria for selecting relevant stakeholders to be interviewed;
- 5) The proposal for the methodology to be applied for the organisation of the stakeholders' meeting in order to ensure effective outcome;
- 6) The criteria that will be used for assessing the different options for the establishment and operation of the Observatory, including the selection of the most viable option.

In case the Commission will contract the two lots of this call with two different contractors, the Commission will, in the margin of the kick-off meeting, provide the possibility for the contractors to meet and discuss how they will ensure the synergies and the coherence between their works.

The methodology should be further presented in the inception report. The contractor may suggest an additional conceptual approach to be agreed upon by the Commission at the stage of the inception report.

2.1.6. Intermediate outputs and deliverables

2.1.6.1. Inception report

The draft inception report must be submitted within 6 weeks after the start of the contract and must include at least:

- The detailed work plan and timetable for implementing the study;
- Finalised methodology and the approach to be followed for each task.

The revised inception report must be submitted within two weeks after the progress meeting with the Commission.

2.1.6.2. Progress report

The progress report must be submitted within 5 months after the start of the contract and must include at least:

- A report on the result of the gap analysis of data availability, covering Task 2.
- A short report on the progress in the implementation (maximum 6 pages), including on problems encountered, solutions found or proposed, and impact on future work;
- A concept note on the preparation for the stakeholders' meeting in the frame of the visit to the European Audiovisual Observatory.

2.1.6.3. Interim report

The interim report must be submitted within 7 months after the start of the contract and must include at least:

- Information on the activities carried out in pursuit of the results set out in the inception report;
- A short report on the results of the visit and the stakeholders' meeting and on how the outcomes of the meeting will be used for the study (maximum 6 pages);
- A draft report covering Task 1 and 3.
- Proposal for the structure of the final report.

Each report will be submitted in English, proof-edited by a native English speaker, and sent to the Contracting authority in printed form (4 copies) and by e-mail. Electronic files must be drafted and editable in MS Word for Windows format.

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

2.1.7. Final output and main deliverable

The successful tenderer should prepare a high-quality Feasibility study for the establishment of a European Music Observatory. This document is the *main deliverable* in the context of Lot 1 of this Call.

The draft final report must be submitted within 9 months after the start of the contract and must reflect to Tasks 1-4.

The final report must contain the completed feasibility study for the establishment and operation of the Observatory. The report shall provide expert opinion on the feasibility of different options for the establishment, scope and operation of the Observatory and indicate the most viable options. The report shall provide information on the possible difficulties in establishing such Observatory and recommend policy or technical actions to overcome them.

The final report shall be accompanied by an executive summary of no more than 4 pages in English, German and French.

The draft final report will be discussed at the final meeting to be organised within 10 months after the start of the contract. The revised final report must be submitted to the Commission within twelve months after the start of the contract.

2.1.8. Organisation of work and timetable

Meetings with the contracting authority

Three meetings will be organised by the Commission's services at its premises in Brussels; the Commission will provide the meeting room; it will not cover travel and accommodation costs related to those meetings:

- Kick-off meeting within four weeks after the start of the contract;
- Inception meeting within eight weeks after the start of the contract to discuss the draft inception report;
- Final meeting within four weeks after the submission of the draft final report to discuss the draft final report and the achievements of the tasks. (i.e. 10th month of the project)

Indicative timetable

Time	Meeting/Deliverable	Payment
N+4 weeks	Kick-off meeting with the Commission	
N+6 weeks	Submission of draft Inception report	
N+8 weeks	Inception meeting with the Commission	
N+10 weeks	Submission of revised Inception report	Interim payment (40%)
N+5 months	Submission of Progress report	
N+6 months	Stakeholders' meeting at the European Audiovisual Observatory	
N+7 months	Submission of Interim report	
N+9 months	Submission of draft Final report	
N+10 months	Final meeting with the Commission	
N+12 months	Submission of the revised Final report	Final payment

N= August 2018, indicative date of receipt of contract signed by the successful tenderer.

The Commission Decision of 12 December 2011 on the reuse of Commission documents applies to the results of this contract.¹⁰

This Decision determines the conditions for the reuse of documents held by the Commission or on its behalf by the Publications Office of the European Union (the Publications Office) with the aim of facilitating a wider reuse of information, enhancing the image of openness of

¹⁰ COMMISSION DECISION of 12 December 2011 on the reuse of Commission documents (2011/833/EU) <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:330:0039:0042:EN:PDF>

the Commission, and avoiding unnecessary administrative burdens for re-users and the Commission services alike.

2.2. LOT 2 – Analysis of market trends and gaps in funding needs for the music sector

2.2.1. Background

The music sector is the third largest employer among the cultural and creative sectors in the EU with 1.168.000 employers in 2013¹¹. The music industry is driven by rapid technology changes, among other the development of new distribution channels with different monetisation logics. The industry disruption is driven by new powerful digital players, the development of new business models and new consumption patterns with the instant availability of music on mobile device and the rise of music streaming. Artists and other players have suffered from the industry's restructuring and are constantly being forced to adapt to a new landscape.

The music sector¹² is composed of many players along the value chain, such as artists, musicians, authors and composers, record companies, music publishers, live sector, collecting societies to manage copyrights, most of them are being micro, small or medium enterprises, and a number of operators for distribution. This music ecosystem is a fragmented, diverse and complex landscape with structural differences between its main operator groups or sub-sectors.

Micro enterprises are strongly reliant on the sale of original works and on resale rights. However, the digital shift is making it increasingly difficult for these enterprises to control their rights and linked remuneration. The rise of the streaming platform system to distribute music online has re-shuffled the way the music sector operates.

On the contrary, there is a high market concentration in the recorded music business: there are now three majors (none of them Europeans) controlling 80% of the recorded music sales and most of the catalogue available online, and a similar concentration can be witnessed in the festival music scene¹³.

Digitisation has brought many opportunities for the sector, but also challenges. For instance, the battle for the repartition of revenue and fair remuneration of artists in this new digital environment has replaced the struggle against online piracy. The so-called “value gap” has become a subject of much discussion at national and European level.

The sudden restructuring of the music sector needs adequate policy responses aiming at European level aiming at promoting the competitiveness of the European music sector,

¹¹ Ernst & Young, Creating Growth. Measuring cultural and creative markets in the EU, December 2014, based on 2013 figures.

¹² See footnote 8.

¹³ See footnote 7.

guaranteeing fair remuneration of artists, preserving diversity of European music and ensuring levelled ground to have access to consumers through various online distribution channels and live performances. The current EU support for the music sector provided by the Creative Europe programme is argued by many stakeholders not to be sufficient to address all the needs of the sector to achieve the above-mentioned policy objectives.

The sector is also characterised by an extreme fragmentation along the value chain, as well as by genres and geographical location of the operators. There is currently no overview of representative stakeholders by the sub-sectors on European level and their fields of expertise. This represents an untapped potential for the development of the sector.

2.2.2. Objectives

General objectives

This lot aims **at elaborating a study concerning the analysis of market trends and gaps in funding needs for the music sector in Europe, including a European inventory of stakeholders.**

The study should aim at developing a better understanding of the market trends in light of the funding needs of the music sector, in relation to the Creative Europe and other EU programmes supporting music.

Specific objectives of the action under Lot 2 are twofold:

The first specific objective of the study is to provide a state-of the art assessment on current market trends, explore opportunities offered to music by the digital economy, especially in relation to fairer structures of remuneration. The study will explore for each identified trend:

- What is currently being addressed sufficiently by the Creative Europe programme and how;
- What is currently not being addressed sufficiently by the European funding instruments and how it could be addressed by its successor programme.
- Provide convincing justification for the need of future support on European level, taking the principle of subsidiarity and the European dimension into account.

The analysis of the market trends should include a forecast for future trends and explore the possible impact of the development of Artificial Intelligence on the music sector in terms of employment, competitiveness and diversity in music supply and consumption.

The second specific objective of the study is to undertake a thorough stakeholder analysis by ensuring transparency of identification and inclusion of all relevant partners of the music sector with a focus on the European and level.

2.2.3. Scope and Duration

To implement the action under Lot 2, the European Commission will select one contractor to be in charge of the specific tasks described in section 2.2.4 below.

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 10 months.

2.2.4. Tasks of the contractor

As a minimum, the study must comply with the mandatory requirements in sections 2.2.4.1-2.2.4.5. Tenders found not to be compliant with these minimum requirements will be rejected as non-compliant and will not be evaluated.

2.2.4.1. Task 1: Provide a state-of the art assessment on current market trends in the music sector

The contractor will carry out through desk research and interviews with relevant stakeholders a market analysis on the latest development of the business trends in the music sector, with a view of possible EU support to address them by ensuring equal opportunities to reach consumers. The analysis will provide a list of areas where public intervention is, or would be, justified by explaining the notion of market failure to achieve the European policy objectives, i.e. to enhance the competitiveness of the European music sector and to safeguard music diversity by ensuring equal opportunities to reach consumers.

2.2.4.2. Task 2: Mapping of currently existing support schemes

The contractor will map the currently available EU support schemes for addressing the identified needs under Task 1. The contractor will not evaluate the effectiveness of these schemes, nevertheless it can formulate proposals how to better address these needs by changing or enlarging the scope of support.

2.2.4.3. Task 3: Proposal how to address uncovered development needs

The contractor will provide an analysis of identified needs that are currently not or not sufficiently addressed by available support schemes on European level. The contractor will identify possible means how these needs could potentially be addressed by future European interventions for supporting the music industry. Each proposal should reflect to how the proposed measure would:

- Contribute to the European objectives to enhance the competitiveness of the European music sector and safeguard music diversity by ensuring equal opportunities to reach consumers;
- Justify the policy intervention on European level taking into account the principle of subsidiarity and the European dimension.

2.2.4.4. Task 4: List of European stakeholders

The contractor will undertake a stakeholders' analysis of the music sector and will provide a list of relevant European stakeholders by applying transparent criteria for selection. The criteria should be drawn by ensuring representativeness of stakeholders with capacity to operate on European level by sub-sectors, geographies, economic potential and promotion of diversity.

2.2.5. Methodology

The methodology for the action as a whole, as well as for each single task, will be assessed as detailed in the section 4.1.

The methodology proposed should include at least:

- a) The description of methodology for desk research;
- b) The description of methodology that will be used for the identification of development needs in the music sector in light of the European policy objectives;
- c) The description of the methodology that will be used to map currently available support tools for the music sector;
- d) The description of the methodology that will be applied to identify development needs that are currently not addressed sufficiently and the proposed criteria to provide justification for future policy interventions on European level;
- e) The criteria for selecting relevant stakeholders to be interviewed;
- f) The criteria that will be used for compiling a list of stakeholders on European level.

In case the Commission will contract the two lots of this call with two different contractors, the Commission will, in the margin of the kick-off meeting, provide the possibility for the contractors to meet and discuss how they will ensure the synergies and the coherence between their works while avoiding any overlaps.

The methodology should be further developed in the inception report. The contractor may suggest an additional conceptual approach to be agreed upon by the Commission at the stage of the inception report.

2.2.6. Intermediate outputs and deliverables

2.2.6.1. Inception report

The draft inception report must be submitted within seven weeks after the start of the contract and must include at least:

- The detailed work plan and timetable for implementing the study;
- Finalised methodology and the approach to be followed for each task.

The revised inception report must be submitted within three weeks after the progress meeting with the Commission.

2.2.6.2. Interim report

The interim report must be submitted within five months after the start of the contract and must include at least:

- A short report on the activities carried out in pursuit of the results set out in the inception report (maximum 6 pages), including on problems encountered, solutions found or proposed, and impact on future work;
- A draft report covering tasks 1-3.
- Proposal for the structure of the final report.

Each report will be submitted in English, proof-edited by a native English speaker, and sent to the Contracting authority in printed form (4 copies) and by e-mail. Electronic files must be drafted and editable in MS Word for Windows format.

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

2.2.7. Final output and main deliverable

The successful tenderer should prepare a high-quality study concerning the analysis of market trends and gaps in funding needs for the music sector, including a European inventory of stakeholders. This document is the *main deliverable* in the context of the Lot 2 of this Call.

The draft final report must be submitted within eight months after the start of the contract and must reflect to Tasks 1-4.

The final report must contain the completed mapping exercise covering tasks 1-3 and the list of European stakeholders reflecting to task 4.

The final report shall be accompanied by an executive summary of no more than 4 pages in English, German and French.

The draft final report will be discussed at the final meeting to be organised within 9 months after the start of the contract. The revised final report must be submitted to the Commission within ten months after the start of the contract.

2.2.8. Organisation of work and timetable

Meetings with the contracting authority

Three meetings will be organised by the Commission's services at its premises in Brussels; the Commission will provide the meeting room; it will not cover travel and accommodation costs related to those meetings:

- Kick-off meeting within four weeks after the start of the contract;
- Inception meeting within eight weeks after the start of the contract to discuss the draft inception report;
- Final meeting within four weeks after the submission of the draft final report to discuss the draft final report and the achievements of the task.

Time	Meeting/Deliverable	Payment
N+4 weeks	Kick-off meeting with the Commission	
N+7 weeks	Submission of draft Inception report	
N+8 weeks	Inception meeting with the Commission	
N+11 weeks	Submission of revised Inception report	Interim payment (50%)

N+5 months	Submission of Interim report	
N+8 months	Submission of draft Final report	
N+9 months	Final meeting with the Commission	
N+10 months	Submission of the revised Final report	Final payment

N= August 2018, indicative date of receipt of contract signed by the successful tenderer.

The Commission Decision of 12 December 2011 on the reuse of Commission documents applies to the results of this contract.¹⁴

This Decision determines the conditions for the reuse of documents held by the Commission or on its behalf by the Publications Office of the European Union (the Publications Office) with the aim of facilitating a wider reuse of information, enhancing the image of openness of the Commission, and avoiding unnecessary administrative burdens for re-users and the Commission services alike.

3. CONTENT, STRUCTURE AND GRAPHIC REQUIREMENTS OF THE DELIVERABLES

The contractor must deliver the study and other deliverables as indicated below.

3.1. Content

3.1.1. Final study report

The final study report for each lot must include:

- an abstract of no more than 200 words and an executive summary of maximum 6 pages in English, German and French;
- a ppt presentation using the Commission template of maximum 20 slides;
- specific identifiers which must be incorporated on the cover page provided by the Contracting Authority;
- the following disclaimer:

“The information and views set out in this study 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.”

¹⁴ COMMISSION DECISION of 12 December 2011 on the reuse of Commission documents (2011/833/EU) <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:330:0039:0042:EN:PDF>

The final study report for each lot should be enriched with graphics, graphs and visuals that enhance the readability and comprehensibility of the study.

The final study for each lot should not exceed 70 pages without annexes.

3.1.2. Publishable executive summary

The publishable executive summary for each lot must be provided in English, German and French and must include:

- specific identifiers which must be incorporated on the cover page provided by the Contracting Authority;
- the following disclaimer:

“The information and views set out in this study 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.”

3.1.3. Requirements for publication on Internet

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

For the publishable versions of the study, abstract and executive summary, the contractor must respect the W3C guidelines for accessible pdf documents as provided at: <http://www.w3.org/WAI/>.

3.2. Structure

The structure of the report for each lot shall be proposed by the contractor in the interim report and will be agreed by the European Commission.

3.3. Graphic requirements

The contractor must deliver the study and all publishable deliverables in full compliance with 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. The graphic rules, the Manual and further information are available at:

http://ec.europa.eu/dgs/communication/services/visual_identity/index_en.htm

A simple Word template will be provided to the contractor after contract signature. The contractor must fill in the cover page in accordance with the instructions provided in the

template. The use of templates for studies is exclusive to European Commission's contractors. No template will be provided to tenderers while preparing their tenders.

4. EVALUATION AND AWARD

The evaluation is based solely on the information provided in the submitted tender. It involves the following:

1. Verification of compliance with the minimum requirements set out in these tender specifications
2. Verification of exclusion and selection criteria based on Declaration on the honour.
3. Evaluation of tenders on the basis of the award criteria
4. Selection on the basis of selection criteria of tenderers whose tenders have been ranked first and second in relation to the assessment of the award criteria and to the ranking formula

The contracting authority may reject abnormally low tenders, in particular if it established that the tenderer or a subcontractor does not comply with applicable obligations in the fields of environmental, social and labour law.

The tenders will be assessed in the order indicated above. Only tenders meeting the requirements of one step will pass on to the next step.

4.1. Award criteria

The contract will be awarded based on the most economically advantageous tender, according to the 'best price-quality ratio' award method for each lot. The quality of the tender will be evaluated based on the following criteria. The maximum total quality score is 100 points for each lot.

4.1.1. LOT 1 - Feasibility study for the establishment of a European Music Observatory

The following criteria will be applied to assess the quality of the offers.

Criteria for Lot 1	Scores
Relevance and quality of the proposed methodology	60
<i>Methodology of implementing Task 1 and Task 2</i>	35
<i>Methodology of implementing Task 3</i>	20
<i>Methodology of implementing Task 4</i>	5
Organisation of the work and resources	30
Quality control measures	10
Total	100

4.1.1.1. Relevance and quality of the proposed methodology (60 points – minimum score 50%)

This criterion will assess the relevance and quality of the methodology for the project as a whole, as well as for each task. Tenders must score minimum 50% for each criterion and sub-criterion, and minimum 65% in total. Tenders that do not reach the minimum quality levels will be rejected and will not be ranked.

Sub-criterion A: Methodology of 2.1.4.1(Task 1) and 2.1.4.2 1(Task 2) (35 points – minimum score 50%):

This criterion will assess the quality of the methodology for task 1 and task 2, in particular a description of methodology that will be adopted for compiling a thorough inventory of existing data and identify missing or partially available data. It will assess how the relevant stakeholders to be interviewed will be identified with a view to represent the diversity of the music sector. Geographical balance to ensure wide coverage of 28 Member States of the European Union., the European Economic Area and partners of the Creative Europe programme for scrutinizing availability and lack of data as well as the geographical balance in identifying stakeholders from the entirety of the geographical area will be taken into account.

Sub-criterion B: Methodology of 2.1.4.3 (Task 3) (20 points – minimum score 50%)

This criterion will assess the quality of the proposed methodology that will be adopted for elaborating the various models for the setting up and the operation of the Observatory. The methodology of the cross-benefit analysis, as well as the quality of the method applied to provide different proposals and viable recommendations will be assessed.

Sub-criterion C: Methodology of 2.1.4.4 (Task 4) (5 points – minimum score 50%)

This criterion will assess the quality of the proposed methodology to organise the stakeholders' meeting at the visit to the European Audiovisual Observatory. It involves the proposal to ensure representativeness of invited stakeholders in terms of relevant sub-sectors and geographical balance, as well as the methodology applied to present how the outcome of the meeting will be used for completing Tasks 1-3.

4.1.1.2. Organisation of the work and resources (30 points – minimum score 50%)

The criterion will assess how the roles and responsibilities of the proposed team and the different economic operators (in case of joint tender, including subcontractors if applicable) are distributed for each task. It also assesses the global allocation of time and resources to the project and to each task or deliverables, and whether this allocation is adequate for the work. The tender should provide details on the allocation of time and human resources and the rationale behind the choice of this allocation. Details should be provided as part of the technical offer. It is not a budget requested as part of the financial offer.

4.1.1.3. Quality control measures (10 points – minimum score 50%)

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.

4.1.2. LOT2 – Analysis of market trends and gaps in funding needs for the music sector

The following criteria will be applied to assess the quality of the offers.

Criteria for Lot 1	Scores
Relevance and quality of the proposed methodology	60
<i>Methodology of implementing Task 1</i>	20
<i>Methodology of implementing Task 2</i>	15
<i>Methodology of implementing Task 3</i>	15
<i>Methodology of implementing Task 4</i>	10
Organisation of the work and resources	30
Quality control measures	10
Total	100

4.1.2.1. Relevance and quality of the proposed methodology (60 points – minimum score 50%)

This criterion will assess the relevance and quality of the methodology for the project as a whole, as well as for each task. Tenders must score minimum 50% for each criterion and sub-criterion, and minimum 65% in total. Tenders that do not reach the minimum quality levels will be rejected and will not be ranked.

Sub-criterion A: Methodology of 2.2.4.1(Task 1) (20 points – minimum score 50%):

This criterion will assess the quality of the methodology for task 1, in particular a description of methodology that will be adopted for conducting a market analysis of the music sector. It will assess how the relevant stakeholders to be interviewed will be identified with a view to represent the diversity of the music sector. Geographical balance in covering EU15 and EU 10+3 Member States for the analysis as well as the geographical balance in identifying stakeholders to ensure representativeness of the entire EU will be taken into account.

Sub-criterion B: Methodology of 2.4.4.2 (Task 2) (15 points – minimum score 50%)

This criterion will assess the quality of the proposed methodology that will be adopted for mapping the development needs that are addressed by current European support schemes in

the light of the objectives of the study. The criterion will look into how the methodology proposed will collect and assess information on the existing support tools to reflect Task 2, without getting into the evaluation of these instruments.

Sub-criterion C: Methodology of 2.2.4.3 (Task 3) (15 points – minimum score 50%)

This criterion will assess the quality of the proposed methodology to identify uncovered development needs. The criterion will focus on the robustness of the principles to be applied to justify the need for intervention on European level, taking into account the European dimension and the principle of subsidiarity.

Sub-criterion D: Methodology of 2.2.4.4 (Task 4) (10 points – minimum score 50%)

This criterion will assess the quality of the proposed methodology to draw up the list of European stakeholders. It will involve the assessment of the criteria to define relevant stakeholders and the level of acquaintance with the relevant actors of the various sub-sectors of the music industry.

4.1.2.2. Organisation of the work and resources (30 points – minimum score 50%)

The criterion will assess how the roles and responsibilities of the proposed team and the different economic operators (in case of joint tender, including subcontractors if applicable) are distributed for each task. It also assesses the global allocation of time and resources to the project and to each task or deliverables, and whether this allocation is adequate for the work. The tender should provide details on the allocation of time and human resources and the rationale behind the choice of this allocation. Details should be provided as part of the technical offer. It is not a budget requested as part of the financial offer.

This criterion will assess how the roles and responsibilities of the proposed team and of the different economic operators (in case of joint tenders, including subcontractors if applicable) are distributed for each task. It also assesses the global allocation of time and resources to the project and to each task or deliverable, and whether this allocation is adequate for the work. The tender should provide details on the allocation of time and human resources and the rationale behind the choice of this allocation. Details should be provided as part of the technical offer. It is not a budget requested as part of the financial offer.

4.1.2.3. Quality control measures (10 points – minimum score 50%)

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.

4.2. Ranking of tenders

The contract for each lot will be awarded to the most economically advantageous tender, i.e. the tender offering the best price-quality ratio determined in accordance with the formula below. A weight of 60/40 is given to quality and price.

score for tender X	=	$\frac{\text{cheapest price}}{\text{price of tender X}}$	*	100	*	price weighting (in %)	+	total quality score (out of 100) for all award criteria of tender X	*	quality criteria weighting (in %)
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4.3. Verification of non-exclusion

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

In case of joint tender, each member of the group must provide a declaration on honour signed by an authorised representative.

In case of subcontracting, subcontractors whose share of the contract is above 10% must provide a declaration on honour signed by an authorised representative.

The Contracting Authority reserves the right to verify whether the successful tenderer is in one of the situations of exclusion by requiring the supporting documents listed in the declaration of honour.

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 electronic means to all tenderers whose tenders have been considered regular at the opening phase (Art. 161 RAP).

If, due to technical reasons, the dispatch is made when using other means, the standstill period is 15 days (Article 171 RAP). 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 each member of the group in case of joint tender and to identified subcontractors whose share of the contract is above 10% and whose capacity is necessary to fulfil the selection criteria.

The obligation to submit supporting evidence does not apply to international organisations.

A tenderer (or a member of the group in case of joint tender, or a subcontractor) is not required to submit the documentary evidence if it has already been submitted for another procurement procedure and provided the documents were issued not more than one year before the date of their request by the contracting authority and are still valid at that date. In such cases, the tenderer must declare on its honour that the documentary evidence has already been provided in a previous procurement procedure, indicate the reference of the procedure and confirm that there has been no change in its situation.

A tenderer (or a member of the group in case of joint tender, or a subcontractor) is not required to submit a specific document if the contracting authority can access the document in question on a national database free of charge.

4.4. Selection criteria

Tenderers must prove their legal, regulatory, economic, financial, technical and professional capacity to carry out the work subject to this procurement procedure.

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.

The tender must include the proportion of the contract that the tenderer intends to subcontract.

The tenderer (and each member of the group in case of joint tender) must declare whether it is a Small or Medium Size Enterprise in accordance with [Commission Recommendation 2003/361/EC](#). This information is used for statistical purposes only.

4.4.1. Declaration and evidence

The tenderers (and each member of the group in case of joint tender) and subcontractors whose capacity is necessary to fulfil the selection criteria must provide the declaration on honour (see Annex 2), signed and dated by an authorised representative, stating that they fulfil the selection criteria applicable to them. In case of joint tender or subcontracting, the criteria applicable to the tenderer as a whole will be verified by combining the various declarations for a consolidated assessment.

This declaration is part of the declaration used for exclusion criteria (see section 4.3) so only one declaration covering both aspects should be provided by each concerned entity.

In order to speed up the evaluation process, the tenderers are also required to provide, at the time of submitting their tender, the evidence that they fulfil the selection criteria.

A tenderer (or a member of the group in case of joint tender, or a subcontractor) is not required to submit the documentary evidence if it has already been submitted for another procurement procedure and provided the documents were issued not more than one year before the date of their request by the contracting authority and are still valid at that date. In such cases, the tenderer must declare on its honour that the documentary evidence has already been provided in a previous procurement procedure, indicate the reference of the procedure and confirm that there has been no change in its situation.

A tenderer (or a member of the group in case of joint tender, or a subcontractor) is not required to submit a specific document if the contracting authority can access the document in question on a national database free of charge.

4.4.2. Legal and regulatory capacity

Tenderers must prove that they are allowed to pursue the professional activity necessary to carry out the work subject to this call for tenders. The tenderer (including each member of the group in case of joint tender) must provide the following information if it has not been provided 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 applicable to the legal person requires such publication. Any delegation of this authorisation to another representative not indicated in the official appointment must be evidenced.

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

4.4.3. Economic and financial capacity criteria

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

Lot 1 Annual turnover of the last two financial years above € 150.000.

Lot 2 Annual turnover of the last two financial years above € 150.000

- Satisfactory results following the analysis of the financial capacity which will be performed by the Contracting Authority based on the following methodology:

http://ec.europa.eu/dgs/education_culture/calls/evaluation-procurements-2016_en.htm

The following evidence should be provided:

a. Contracts worth more than EUR 144 000 but equal to or less than EUR 260 000

For this category of contracts, in addition to the declaration on the honour in Annex 2 ('Declaration on the honour'), proof of financial capacity is also provided by a statement of overall turnover and turnover specifically related to the supplies or services covered by the contract for the last two financial years for which accounts have been closed.

However, in case of doubt, the evaluation committee reserves the right to request supporting documents and to carry out the financial analysis described in point 4 of the abovementioned methodology.

Along similar lines, entities falling into one of the following high-risk categories must provide proof of their financial capacity (see points 3.3, 3.4 and 3.5 of the methodology) and are required to undergo the financial analysis provided for in point 4 of the methodology:

- newly-established entities which have existed for less than a year and for which no financial history is available;
- new entities which have existed for between one and three years;
- entities against which one or more expired and unpaid recovery orders have been issued by DG EAC;
- entities that are the subject of suspicions of or findings relating to serious administrative errors or fraud;
- entities against which legal proceedings have been brought for serious administrative errors or fraud.

b. Contracts worth more than EUR 260 000

For contracts worth more than EUR 260 000, proof of economic and financial capacity is provided by the following documents:

- the declaration on the honour in Annex 2.
- the economic and financial capacity analysis form showing the financial data of the economic operator, completed and signed by the operator (see Annex 3, 'Economic & financial capacity form');
- for economic operators required under national law to keep a complete set of accounts: the annual accounts (balance sheet, income statement and annexes) for 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 specifically related to the supplies or services covered by the contract for 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, it may prove its 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. The Commission reserves the right to request any other document enabling it to verify the tenderer's economic and financial capacity.

4.4.4. Technical and professional capacity criteria and evidence for Lot 1 and Lot 2

A. Criteria relating to tenderers

Tenderers (in case of a joint tender the combined capacity of all members of the group and identified subcontractors) must comply with the criteria listed below.

The project references indicated below consist in a list of relevant services provided in the past three years, with the sums, dates and clients, public or private, accompanied by statements issued by the clients.

Criterion A1: The tenderer must prove experience in the field of the music sector providing economic analysis, data collection and process, statistical analyses and drafting reports and recommendations.

- **Evidence A1:** The tenderer must provide references (copies or web links) for at least two publications delivered in these fields in the last 5 years.

Criterion A2: The tenderer must prove experience in planning and managing European studies or projects, including data collection and analysis and drafting reports and recommendations.

- **Evidence A2:** The tenderer must provide references (copies or web links) for at least 2 European projects delivered in the last 5 years with a minimum value for each project of € 30,000 for each Lot.

Criterion A3: The tenderer must prove professional capacity to work and draft reports in English (level C1 or equivalent)

- **Evidence A3:** The tenderer must provide references (copies or web links) to 2 published documents (reports, studies, etc.) in this language delivered in the last five years showing this capacity.

Criteria relating to the team delivering the service:

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

Evidence will consist in CVs of the team responsible to deliver the service. Each CV should indicate the intended function in the delivery of the service.

B1 - Project Manager: At least 5 years of experience in project management, including overseeing project delivery, quality control of delivered service, client orientation and conflict resolution experience in project of a similar size and coverage (at least 5 countries covered), with experience in management of team of at least 5 people.

Evidence: CV

B2 - Language quality check: at least 3 members of the team should have at least C1 level in the Common European Framework for Reference for Languages¹⁵ in English.

Evidence: a language certificate or past relevant experience.

B3 - Expert in the music sector: Three experts, each with a minimum of at least 5 years of professional experience, should have professional experience in the European music sector.

Furthermore, the three experts, each with a minimum of at least 4 years of professional experience, should have professional experience in at least two of the following fields:

- Economic research and analysis;
- Business development in the music sector;
- Expertise and practical knowledge on methodology of collection and analysis of data, including big data;
- Organisational development;
- Expertise and practical knowledge of the legislative framework affecting the music industry, including copyrights and the Digital Single Market;
- Expertise and practical knowledge on digitisation and technological development in the music sector;

¹⁵ See http://www.coe.int/t/dg4/linguistic/Cadre1_en.asp

- Awareness of the activities of stakeholders on European level.

Evidence: CV

5. ANNEXES

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

- Annex 1 : Information on the tenderer
- Annex 2 : Declaration on Honour
- Annex 3 : Economic & Financial Capacity Form
- Annex 3a : Financial Capacity Methodology
- Annex 4 : Price – Lot 1
- Annex 5 : Price – Lot 2
- Annex 6 : Draft Contract