Dear Mr. Iakovidis,

Subject: Open call for tenders MARKT/2013/110/B

After examination of the tenders received in response to the above-mentioned call for tenders relating to the "Estimating displacement rates of copyrighted content in the EU", we regret to inform you that your bid has not been selected. We very much appreciate, however, your having taken time to prepare and submit an offer.

The decision has been taken to award the contract to Ecorys Nederland BV for a total amount of EUR [redacted]. Ecorys Nederland BV's proposal was ranked the highest in the light of the quality award criteria, as well as offered the best relation quality-price.

You can find sufficient information on the grounds for our decision in the annexed evaluation form concerning your offer. However, without prejudice to any legal appeal, if you so request in writing, you may obtain additional information, in particular, on the characteristics and relative advantages of the successful tender. However, certain details will not be disclosed if disclosure would hinder application of the law, would be contrary to the public interest or would harm the legitimate business interests of public or private undertakings or could distort fair competition between those undertakings. Any request should be sent to the Commission services by e-mail (ec-intmarket-contracts@ec.europa.eu) before the signature of the above mentioned contract. We will not be signing the contract with the successful tenderer for 10 calendar days from the day following the date of this letter. Should it not be possible to conclude the contract with this tenderer or should he withdraw, we reserve the right to review our decision and to award the contract to another tenderer, to close the procedure or to abandon procurement.
Thank you for your interest in the work of the European Commission. We trust that it will be renewed in future procurement procedures.

Yours Sincerely,

Authorising Officer

Contact:
E-mail: EC-INTMARKET-CONTRACTS@ec.europa.eu

Annex: European Economic Research’s evaluation form of tenderer.
Tenderer: Europe Economics  Date offer: 30/09/2013

A. Verification of supporting documents requested in Section 1.9 of the Tender Specifications
File complete:

☑ Yes  ☐ No

Request for additional information were sent on October 15th (Ares(2013)3313509). The tenderer replied on October 22nd (Ares(2013)3313542).

B. Verification of cases for exclusion and supporting documents requested in Section 2.2 of the Tender Specifications

☑ Accepted  ☐ Rejected

C. Verification of financial capacity and supporting documents requested in Section 2.3.1 of the Tender Specifications

☑ Accepted  ☐ Rejected

D. Verification of technical and professional capacity and supporting documents requested in Section 2.3.2 of the Tender Specifications

a. Criteria relating to tenderers

Criterion no 1: Tenderer must prove experience in the field of survey design and applied economic analysis of copyright issues (with at least 2 projects delivered in this field in the last three years).

☑ Yes  ☐ No

Criterion no 2: Tenderer must prove experience of working in the languages needed to field surveys in the EU countries covered by the study

☑ Yes  ☐ No
Criterion no 3: Tenderer must prove capacity to draft reports in English

Yes ☑ No □

Criterion no 4: Tenderer must prove experience of fielding surveys in the EU countries covered by the study

Yes ☑ No □

Criterion no 5: Tenderer must prove experience in survey techniques, data collection, statistical analyses and drafting reports and recommendations.

Yes ☑ No □

b. Criteria relating to team delivering the service

The team proposed by the tenderer shall possess the following combination of qualifications:

Criterion no 6: Understanding of economic analysis of copyright issues, particularly related to consumption copyright-infringing materials, and understanding of the copyright legislative framework at the EU level and at the Member State level for the EU countries covered by the study

Yes ☑ No □

Criterion no 7: Knowledge and understanding of welfare economics and economic valuation techniques, as demonstrated by relevant studies or other similar activities

Yes ☑ No □

Criterion no 8: Experience and expertise in designing questionnaires, planning and conducting interviews, surveys and market research, proven by previous projects

Yes ☑ No □

Criterion no 9: Expertise and capacity to collect and process statistical information and to apply econometric methods required for data analysis as demonstrated by relevant research

Yes ☑ No □
Criterion no 10: Capacity to include different Member States in the analysis taking into account the different institutional features and language regimes

☒ Yes ☐ No

Criterion no 11: Ability to carry out projects of this scale and scope, proven by previous projects of similar nature carried out

☒ Yes ☐ No

Criterion no 12: Strong record of independent and high-quality research as demonstrated by publications, previous research and/or other activities

☒ Yes ☐ No

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

Criterion no 13: Project Manager: At least 5 years’ experience in project management, including overseeing project delivery, quality control of delivered service, client orientation and conflict resolution experience in a project of a similar size

☒ Yes ☐ No

Criterion no 14: Language quality check: At least 2 members of the team should have native-level language skills in English or equivalent as guaranteed by a certificate or past relevant experience

☒ Yes ☐ No

Criterion no 15: Expert in Applied Economic Analysis of Copyright Issues: Relevant higher education degree and 3 years’ professional experience in the field of applied economic analysis in the field of copyright issues

☒ Yes ☐ No

Criterion no 16: The team delivering the service should include - Expert in Survey Design and Implementation: Relevant higher education degree and 3 years’ professional experience in survey design and implementation
Criterion no 17: The team delivering the service should include - Expert in data analysis: Relevant higher education degree and 2 years' professional experience in econometrics

X Yes □ No

Criterion no 18: Team for planning and conducting interviews or surveys: Collectively the team should have knowledge of all languages in the EU countries covered in the study and proven experience of minimum 20 years in planning and conducting interviews or surveys.

X Yes □ No

E. Verification of award criteria mentioned in Section 2.4 of the Tender Specifications

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Maximum number of points that can be awarded</th>
<th>Number of points awarded (Technical Score)</th>
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<tbody>
<tr>
<td>1: Quality and relevance of the proposed methodology</td>
<td>40</td>
<td>25</td>
</tr>
<tr>
<td>This criterion will assess the quality and relevance of the proposed methodology to achieve the main objectives of the study.</td>
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<td></td>
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<tr>
<td>2: Coverage of targeted populations and copyrighted materials</td>
<td>20</td>
<td>13</td>
</tr>
<tr>
<td>This criterion will assess the means by which the tenderer intends to ensure consistent coverage of the targeted populations and copyrighted materials in the Member States covered by the study.</td>
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<tr>
<td>3: Adequacy of resources and organisation of the work</td>
<td>30</td>
<td>19</td>
</tr>
<tr>
<td>This criterion will assess the adequacy of human, financial and technical resources allocated to the project, including how the roles and responsibilities of the proposed team and of the economic operators (in case of joint tenders, including</td>
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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 resources and the rationale behind the choice of this allocation.

4: Quality control measures

Assess the quality control system applied to the service foreseen in the tender specifications concerning the quality of the deliverables, the language quality check, and continuity of the service in case of absence of any member(s) 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.

| Total technical score | 100 | 63 |

**Justification concerning the points awarded to each criterion:**

1: The offer outlines the empirical challenges that are involved in the project in a clear way. Different elements in the methodology are discussed, with a reasoned assessment of several alternative options which could be used for tackling the measurement of displacement rates and estimating of willingness to pay.

The offer proposes to collect data cross-sectionally and estimating the results with a reduced form econometric model at the level of types of copyrighted materials. This is in accordance with several academic papers. When explaining the econometric approach taken, the offer discusses how difficult it is to find instrumental variables in this project, and lays-out the approach used to address this challenge. However the overall econometric approach may not be sufficient to control for all omitted factors and fully exclude the risk of biased estimations.

The data collection will be 100% CAWI, with sample stratification by age, gender and income.

One important shortcoming of the offer is that it does not explicitly state how it plans to address differences among member states. The methodology only discusses in very general terms the challenges posed by covering different countries in the analysis, but does not clearly address the need to account for national differences in the copyright context faced by the respondents. The offer does not convey an understand of the differences across copyright legal frameworks in different Member States to be covered. There is no explicit mention in the work plan of any concrete steps to account for national differences at all levels (consumers, legal framework, and suppliers) in the survey design.

Regarding the draft questionnaire in the offer, there is a clear understanding of the need to limit the burden on the respondents, but no particular attention is paid in that respect to the particular needs of younger respondents. Also, while there is a good discussion of the need to ensure that respondents understand the questions and promote honest replies, some of the questions in the draft questionnaire may not be the most appropriate to that end. For example, as prices for copyright materials, especially concerts, may differ considerably between top acts and local performers, further clarity on the characteristics of the material offered for consideration in the reply would be helpful in that regard.
Notwithstanding the need to avoid unreliable recall efforts, the fact that the questionnaire only refers to respondents' activities during the last month, could potentially prove risky due to seasonality which is not addressed in the proposal.

It is positive that the work plan includes an assessment on how the study might be extended to other Member States.

2: The sample size (1000 respondents per country) combined with gender, age income stratification seems at first view barely enough to allow for acceptable error levels in a survey of the general internet using population. However, given the subject matter of the study, there is a high likelihood that only a small fraction of respondents (maybe 10-20%) will actually have used (or be willing to admit having used) illegal copyrighted materials online, such that there is serious risk that not enough variation will be observed in the sample to allow for robust analysis. Furthermore, the offer does not clearly envisage any stratification also by types of copyrighted material usage, so as to ensure that appropriate coverage of all materials is established. As such, given that the prevalence of online consumption of copyright materials varies from one type of material to another, there is an extra risk that too few observations are obtained for those types of copyrighted materials which are less widely consumed online (such as books).

3: The broad roles of team member, including subcontractors are clear, as is the timing of each step. The resources made available and the organisation of the work seem to be sufficient to guarantee the execution of the tasks in a timely manner. Nonetheless, the allocation of resources could have been further detailed in the offer since it is only provided for the part of the work to be done by Europe Economics and not detailed for Accent. Moreover, few members of the team demonstrate experience in dealing with economics/regulation of copyright, with little redundancy/overlapping in expertise in this area.

Whereas there is a good plan for testing the survey in general, the offer fails to demonstrate how its research would be adapted to the national copyright contexts. It is also not clear from the offer what is the approach to be followed and which specific resources will be devoted to ensuring that the survey instrument will be fully adjusted to the specific copyright contexts of the different countries to be covered. Of particular concern is that the cognitive testing is only planned to be carried out in the UK, which is a serious limitation, given the legal and cultural differences across the different countries to be covered.

Whereas a significant proportion of working days (more than 10%) are planned for literature review, there isn't any indication that this work would also aim at covering the need to ensure that the survey instrument will be fully adjusted to the specific copyright contexts of the different countries to be covered.

The offer is also not explicit about delivering all raw data or the codes used in the estimation.

4: The quality control measures proposed in the offer are rather generic. The offer covers the selection of company staff and ex-post control, but nothing about mitigating the risks in the execution of the specific work at hand. In addition, there appears to be no specific
provisions to assure business continuity in case of contingency and no external quality control.

<table>
<thead>
<tr>
<th>Minimum number of points necessary for further evaluation</th>
<th>Offer considered to be further evaluated on the basis of price</th>
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<tbody>
<tr>
<td>70</td>
<td>☐ Yes</td>
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<tr>
<td></td>
<td>☒ No</td>
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