

PRE TENDER NOTICE – DOCUMENT 1

1. CONTRACTING AUTHORITY

Bruegel, 33 rue de la charité, 1210 Brussels, attention : Delphine MICHEL, email : delphine.michel@bruegel.org

General address of the contracting authority: <http://www.bruegel.org>

Type of the contracting authority and main activities

Think tank - non-profit and of international utility (Association Internationale Sans But Lucratif)
Bruegel's objective is to enhance the quality of economic policy-making in Europe through open, fact-based and policy-relevant research, analysis and discussion.

2. OBJECT OF THE CONTRACT

Bruegel (awarding authority) wishes to sign a service contract for the provision of a cross-country firm-level data collection in Europe in the framework of an EU FP7 funded project entitled EFIGE “European Firms in a Global Economy: internal policies for external competitiveness”.

The tendering process is a restricted procedure, which will be held in the following two stages:

- A pretender phase where all potential candidates are invited to express their interest to the contracting authority and to present their project according to the specifications of this document (entitled document 1) and of document 2 (draft questionnaire), as posted on Bruegel website. Interviews will take place in Brussels.
- A tender phase, where only the candidates who have been selected during the first stage and given the full tender document, are invited to submit and present their proposal to the contracting authority. Interviews will be held in Brussels.

Indicative maximum budget: EUR 1.545.000 **including** VAT. Offers above this amount will not be considered.

3. BACKGROUND

Bruegel is the project Coordinator of the EFIGE project: “European Firms in a Global Economy: Internal policies for external competitiveness”, together with seven other European partners. For a period of 4 years, starting on September 10th, 2008, EFIGE partners have been working on the internationalization of European Firms.

Competitive pressure has been rising steadily in international and domestic markets. New technologies, the loosening of trade barriers and the rise of the emerging economies are forcing European firms to readjust and reorganise their activities so as to cope with increasingly globalised markets and production networks. These patterns affect manufacturers but also

service companies, given the increasing tradability of their products. They also influence the geographic distribution of economic activities within and outside the EU internal market.

Understanding the interaction between globalisation and the European economy requires an in-depth analysis of how firms are coping with this challenging environment, and particularly how they are reorganising their international activities in the internal market and outside Europe.

4. OBJECTIVES

Looking at firms is an extremely fruitful approach to understand in detail how globalisation affects the overall European economy and the welfare of European citizens.

The reason is that much of the adjustment to the globalization shock does not run only between sectors; increasingly both winners and losers from globalisation can be found also within sectors.

This intra-sectoral dimension is quite a conundrum for the standard analysis of trade specialisation, which traditionally sets industries and the characteristics of their production processes at the core of the international division of labour. In particular, its solution requires the collection of harmonized and highly detailed firm-level data across European countries that at the moment just do not exist. This is an unavoidable prerequisite for pushing ahead the boundaries of research to provide innovative tools for sound policy making, which is the final aim of the EFIGE project.

Both the scientific and the policy communities agree on the fact that the setup of a firm-level database on trade, comparable across several European countries, will allow research to go well beyond the state of the art, and answer questions that were left aside until now because of the lack of data. This, in turn, will improve the understanding of how globalization affects European firms and thus policy making in Europe.

To this extent, apart from leading academic institutions in Europe, the partners of the project include Central Banks (Bundesbank, Bank of France, Bank of Italy, Bank of Spain and Bank of Belgium) and international institutions (OECD).

The data collection is the first work package of the EFIGE project without which any other work packages of the project can be properly performed. The data collection shall be conducted from March 2009 to November 2009.

The aim is to create a pilot dataset, based on a survey of firm-level data in seven countries (Austria, France, Germany, Hungary, Italy, Spain and the UK). Through this newly established firm-level dataset the EFIGE partners should be able to provide a detailed assessment of the internationalisation patterns of European firms.

The other work packages will build on the data gathered to investigate major issues for research and policy in a number of interrelated areas:

- Size, productivity and internationalisation;
- Firm organisation and internationalisation;
- The geographical scope of internationalisation;
- Skills, tasks and internationalisation;

- Innovation and internationalisation;
- Financial constraints to internationalisation;
- Internationalisation and the Euro.

Based on the experience of the pilot dataset, the plan is to have the survey regularly carried out in the next years by the European Commission.

5. PROPOSED METHODOLOGY OF THE STUDY

5.1. Methodology

The data collection will be performed through a survey, which will gather both qualitative and quantitative information at the firm level. The questionnaire submitted to the firms will cover different topics:

- General information, such as company ownership and control
- Business groups
- Workforce employed in the firm
- Investment, technological information and related financing
- Research and development, innovation and training activities
- Export and internationalisation processes
- Market structure and competition
- Financial structure and bank-firm relationship

A draft of a possible outline of the questionnaire, already agreed among all participating institutions and covering the different research dimensions of the project, is attached as Document 2.

In order to ensure standard statistical representativeness of the collected data, Bruegel aims at collecting operable information satisfying some agreed minimal response rates on a target sample of, on average, around 5000 firms for large countries (Germany, France, Italy, Spain and the UK), and some 2000 firms for smaller countries (Austria and Hungary), i.e. a total of 29,000 operable questionnaires (the exact numbers by country will be defined in accordance with appropriate sampling procedures).

The consensus in the profession is that, to achieve such target, at least 25,000 firms have to be contacted, on average, in each large country and some 10,000 in the smaller countries, for a total of a minimum of 145,000 firms to contact for all 7 countries.

To speed up the data collection process, together with the questionnaire Bruegel aims at providing the data collector with an appropriately large list of firms for every country from which the samples of firms to contact will be extracted. The lists include name, fiscal id, address and telephone numbers of firms, together with basic balance sheet data.

The list is composed, for each country, of firms having at least 10 employees in the manufacturing and related industries.

At this first stage of the tendering process, Bruegel is interested in obtaining information from the interested parties on the following:

- 1) Administrative information

- Tenderer's name and/or business name;
- Clear description of the tenderer's legal form;
- Address of the tenderer's registered office;
- Tenderer's telephone and fax numbers, e-mail address and where available, Internet address;
- Names of the legal representatives (directors, etc) of the tenderer, authorised to sign contracts with third parties on behalf of the organization;
- Tenderer's VAT number and trade-register entry number;
- Proof of Financial and Economic Capacity
- Proof of Technical and professional competence
- Other substantiating documents if the candidate or tenderer cannot, for valid reasons, provide those indicated above.

2) Technical information

- Methodology for carrying out the Survey (e.g. e-mailing and then CATI, only CATI, etc.);
- Criteria adopted for a proper stratification of the samples and their representativeness ex-ante and ex-post for every country;
- Procedure followed in order to ensure a response rate in accordance with some agreed thresholds, in particular the opportunity of conducting a pilot survey in the early phases of the project;
- Information on whether the Contractor will carry out the work from one central location or will use local affiliates / partners in the different countries to carry out the survey, in the latter case indicating whether subcontracting will be involved ;
- Information on whether the Contractor envisages some specific training for the personnel who will be working on the survey, given the technical nature of some of the questions, together with an assessment of their qualification;
- Information on whether and to what extent the Contractor intends to modify the draft questionnaire attached as Document 2

Note that Bruegel is aiming at award criteria based, among others, on the closeness between the questionnaire entitled Document 2 and the eventually modified questionnaire proposed by the Contractor

5.2. Delivery

Bruegel is aiming at the following tentative delivery procedure

- 1) Month 0: An initial meeting will be held within 1 week following the signing of the contract to kick off the project. The discussion at this meeting will focus on the finalization of the questionnaire, the structure of the database to be constructed and the sources of firm level data to be explored. The sampling and stratification criteria will also be defined for each country.
- 2) Month 1: a meeting to go through the results of a pilot survey covering a stratified sample of some 100/150 firms for every country, in order to identify potential criticalities in questions/countries.

3) Month 3: an intermediate meeting to monitor the ongoing progresses and evaluate questions with below-threshold response rates for eventual recall as well as corrections to the coverage / representativeness of the dataset.

4) Month 6: a final meeting. The final delivery will consist of all the rough data in the agreed format, and a final report, country by country, measuring the response rate of the questionnaire, the final sample description of participating firms and its validation with respect to Eurostat official statistics.

6. INDICATIVE TIMETABLE / INSTRUCTIONS

Time-limit for receipt of expressions of interest and interview arrangements: March 9th, 2009, 18h00 Belgian time.

Delivery in written or electronic form at : Bruegel, 33 rue de la charité, 1210 Brussels, attention : Delphine MICHEL, email : delphine.michel@bruegel.org

Interviews and short listing of the candidates: March 13th, 2009. Candidates are invited to present their proposal according to this document, "Document 1", and the draft questionnaire "Document 2". Location of the interviews: Bruegel's offices, 33 rue de la charite, 1210 Brussels.

For the shortlisted candidates at stage 1, the second stage will be as follows:

Dispatch of the tender document to shortlisted candidates: March 14th, 2009

Deadline for application: April, 1st, 2009, 18h00 Belgian time

Final selection of shortlisted candidates: April 7th, 2009

Expressions of interest, presentations and proposals are to be drawn up in English only.

The contract is due to be signed at the latest on April 30th, 2009.

The duration of the tasks shall be 6 months from the signature of the contract by both parties.