

# EGI\_DS

## OPTION ANALYSIS

### WP4 DESIGN STUDY OF THE EGI LEGAL AND ORGANISATIONAL OPTIONS

#### EU DELIVERABLE: D4.2

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**Abstract:** Following the track laid by D4.1, in which WP4 presented a preliminary study meant to:

- identify EGI's specific characteristics as well as decision criteria significant for the choice of a legal structure,
- and use them throughout an analysis of existing types of legal structures for Research Infrastructures (RI) within Europe;

D4.2 intends to bring all elements necessary to the process of selecting a legal structure for EGI.

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## 1. INTRODUCTION

### 1.1. PURPOSE

Following the track laid by D4.1, in which WP4 presented a preliminary study meant to:

- identify EGI's specific characteristics as well as decision criteria significant for the choice of a legal structure,
- and use them throughout an analysis of existing types of legal structures for Research Infrastructures (RI) within Europe;

D4.2 intends to bring all elements necessary to the process of selecting a legal structure for EGI.

### 1.2. DOCUMENT ORGANISATION

This can be achieved by using the following methodology:

- First, to identify EGI's needs and how they could impact on its legal structure: this part shall present legal framework requirements for EGI. These requirements result from the interface with the other WPs, who brought their input on functionality to our first preliminary study. Thanks to these requirements, legal structures that are best adapted to EGI's needs can be outlined. We present examples from our preliminary study of these adequate legal structures.
- Second, following the assumption that the location mostly defines the law applicable to the legal structure and not the other way around, to present the first draft of a call for tender for the location of the EGI central office. This part will define, among other things, the participating rules, the elements to be brought by the applicants as well as the evaluation criteria for the selection process.

### 1.3. APPLICATION AREA

This document is intended primarily for the use of the EGI\_DS participants. However it will be of interest to any actor wishing to follow the process of the selection of the EGI location and legal structure as well as those willing to reply to the call for tender.

Also we would like to attract the attention of the reader on the fact that the information about the call for tender is not yet definitive. The actual call will be published in due time.

### 1.4. DOCUMENT AMENDMENT PROCEDURE

Amendments, comments and suggestions should be sent to the authors.

### 1.5. TERMINOLOGY

This subsection provides the definitions of terms, acronyms, and abbreviations required to properly interpret this document.

#### Glossary

CERN	European Center for Nuclear Research
EC	European Commission
EGEE	Enabling Grids for E-scienceE
EGI	European Grid Initiative
ERI	European Research Infrastructure
ESFRI	European Strategy Forum on Research Infrastructures
IPR	Intellectual Property Rights
NGI	National Grid Initiative

VAT	Value Added Taxes
WP	Workpackage

## 2. EXECUTIVE SUMMARY

This document follows the track laid by D4.1 in which WP4 presented a preliminary study meant to identify EGI's specific characteristics as well as decision criteria significant for the choice of a legal structure, and used them throughout an analysis of existing types of legal structures for Research Infrastructures (RI) within Europe. D4.2 goes further: it presents the options considered most adequate for EGI. These are determined according to the needs of the future EGI, introduced by the EGI functionality definition.

Thanks to this input we could define a list of requirements that a legal entity should fulfil in order to be adapted to EGI:

- EGI requires an autonomous legal entity
- EGI's legal structure should be open to public and private organisations
- EGI's legal structure should be open to non-EU member states
- EGI should have a not-for-profit status
- EGI should limit the liability of its members
- EGI's schedule requires a legal structure which is fast to create
- EGI should be located in a EU country

Thanks to these we propose to determine which legal structures could be adapted to EGI :

- some possible structures are based on national law such as the French Société Civile, the English Company Limited by Guarantee or the Association
- another one is the new European Research Infrastructure, which is currently being created by the EC. As a matter of fact, the EU Commission has announced that the structure could be ready by the end of 2008, which would fit our schedule. We could also receive more information on its characteristics and how they would fit to our requirements.

In both cases we concluded that a location needs to be defined for the EGI central office and so decided to launch a bidding process in order to select the location. In this deliverable we try to prepare this process by drafting the call as well as a possible selection process. This has been well received by the NGI representatives in Rome and should be pursued by the Policy Board.

### 3. EGI LEGAL FRAMEWORK REQUIREMENTS

In Deliverable 4.1, we analysed options and defined decision criteria in the most neutral, objective way, however keeping in mind EGI's specific characteristics. This preliminary study required the input from WP2 to acknowledge the structure and status of the NGIs; and from WP3 to precise EGI's actual needs and functions. Thanks to these interfaces, we have been able to define a more precise outline of EGI's future legal structure and thus trim our wide range of options. It should nevertheless be noted that, the work of WP3 being still under way, their functional definitions were at the time not yet finalised, and therefore we decided to avoid putting too many limitations and to keep possibilities open for EGI. Here we present the result of a large number of meetings, i.e. the final minimal legal requirements for EGI's legal structure and how we came to these conclusions. In the following part we present the remaining types of legal structures that best match these requirements for EGI.

#### 1. EGI requires an autonomous legal entity

WP3 defines the various functions that EGI will undertake when in operation. Obviously input from WP3 is most significant to us as the very first criteria to consider when creating an entity is indeed to know what it is actually going to do, i.e. whether it will manage an infrastructure, whether it will require to hire its own personnel... etc. Although the functionality definition was still under way, WP3 participants were able to bring us relevant answers, since we do not need to get into any technical detail:

- The EGI shall not own any production hardware - that shall be owned by the National Grid Initiatives and some users. Nevertheless EGI will own some pieces of infrastructure for its research and development activities.
- The operation of EGI will require a workforce of up to 80 people, a significant part of which shall be distributed into the NGIs while the rest will be localised in a central office for which the site is yet to be defined. This structure shall follow the subsidiarity principle meaning that tasks that are more effectively performed at the national or regional level should be left to the National Grid Initiatives<sup>1</sup>.
- EGI will have significant cash flows and will require funding/finance,
- EGI will have some research and development activities,
- EGI will provide services to third parties on a non-commercial basis.

In view of the above and given that the aim of EGI is to provide a sustainable infrastructure, the EGI organization should be an autonomous legal entity so that it can hire its own staff and have its own budget. As a consequence, a Memorandum of Understanding (MoU) to support the EGI activities can only be envisaged as a transitional solution in case the need for such a solution should arise (see section 4.2 for example)

#### 2. EGI's legal structure should be open to public and private organisations

WP2 collected information and use cases from NGIs. Since NGIs are to be the founding members of EGI, it is very important for us to consider their structure in order to make sure that they will all be actually *able* to become EGI members and to act as such. Not only are they localised in different countries, but NGIs are free to organize as they see fit in their particular environment, which

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<sup>1</sup> See D5.2 Draft Statutes for EGI.

means that they may have different kinds of legal structures and are operating in different legal environments with their particular constraints. Though guidelines for NGIs are yet to be issued<sup>2</sup>, we have to take this into account as well as those that are already organized. This is why we settled as second requirement: EGI's legal structure should allow for any kind of member to join, whether public or private.

### **3. EGI's legal structure should be open to non-EU member states**

The result of these discussions with the other WPs is: on the one hand EGI members are not all located in the European Union and on the other hand EGI should allow for International Organisations (such as CERN) to join. It will be possible to distinguish different levels of membership in the statutes without it having any impact on the legal structure. However, some types of structure put limitations on the membership that are based on the members' nationality. This is mainly the case for organisations based on community law, like the Joint Undertaking or the European Economic Interest Grouping (EEIG), which limit the membership to organisations originating from EU member states. Therefore they wouldn't be adapted for EGI.

Given that not all NGI members are within the EU, we settled as next requirement that EGI's legal structure should not limit its membership on the base of nationality.

### **4. EGI should have a not-for-profit status**

According to the current status of the EGI\_DS project, EGI shall fulfil the following activities:

- a. The EGI shall operate the European level of the production Grid infrastructure for a wide range of scientific disciplines linking National Grid Initiatives. The regional level of operation is ensured by the National Grid Initiatives.
- b. The EGI shall provide Grid services and support at the pan-European level, complementing and coordinating national services.
- c. The EGI shall coordinate middleware development and standardization to enhance the infrastructure by soliciting targeted developments from leading EU and National Grid middleware development projects.
- d. The EGI shall integrate, test, validate and package software from selected Grid middleware providers and make it widely available.
- e. The EGI shall coordinate and implement a security policy.
- f. The EGI shall link to other e-infrastructure projects and standardization bodies in Europe and elsewhere.
- g. The EGI shall support the National Grid Initiatives in matters of training, dissemination and outreach<sup>3</sup>.

This describes an organisation with a scientific not-for-profit character, aimed at providing research services to researchers: as such it calls for a not-for-profit status.

### **5. EGI should limit the liability of its members**

Although we have very few information on the subject - most NGIs are not created yet - we can suppose most of them will be public or private legal entities designated by their governments, by a

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<sup>2</sup> Deliverable 4.3, "NGI Guidelines", end April 2008.

<sup>3</sup> See Deliverable 5.2, "Draft EGI Convention"

local funding agency, or under their control, not having economic activities as their main activity. This type of organisation mostly have restrictions concerning the ventures they may join to. One very relevant issue is the liability, because some legal structures impose that the contracting parties are held responsible (liable) for the organisation's debts if the organisation doesn't have the financial capacity to pay.

There are 3 different kinds of liability:

- unlimited several liability : any single member can be asked to refund the debts,
- unlimited joint liability : each member is liable up to their share of the capital,
- limited liability : members are liable up to the amount of their contribution .

Limited liability is more protective of the members' interests and is therefore the most preferred solution for public based organisations. That's why EGI's legal structure should limit the liability of its members.

## **6. EGI's schedule requires a legal structure which is fast to create**

The EGEE III project will finish in the first quarter of 2010 and it is the aim of EGI\_DS to finalize the creation of EGI by then, in order to be ready to take over EGEE's functions and replace them. Therefore, it is important for the EGI\_DS Project to choose a structure that implies ease and speed of creation in order to reach this goal; or to prepare some transitional solution.

## **7. EGI should be located in a EU country**

In order to be able to participate in EU funded programs, the EGI organisation should be located in an EU country.

To summarize, the legal framework requirements for EGI are:

- EGI requires an autonomous legal entity,
- EGI's legal structure should be open to public and private organisations,
- EGI's legal structure should be open to non-EU member States,
- EGI should have a not-for-profit status,
- EGI's legal structure should limit the liability of its members,
- EGI's schedule requires a legal structure which is fast to create,
- the organisation responsible for EGI should be located in an EU country.

In the next part, we present the legal structures that we consider appropriate for EGI according to these requirements.

## 4. POSSIBLE TYPES OF LEGAL STRUCTURES

From the many options we analysed in our first deliverable, only few match the above requirements.

As we saw, existing organisations based on Community law such as the EEIG and the Joint Undertaking are automatically excluded because of their limitations on membership. Furthermore, we concluded that organisations that are based on international law, although they would be appropriate particularly for the functioning of the organization and in reflecting the pan-European nature of EGI, should also be excluded for the choice of EGI's legal structure: they would require a very lengthy and complicated creation process which does not fit with our current schedule. We have retained not-for-profit national entities that seem to match the EGI requirements.

However, there might be another solution, as we already evoked in D4.1. Indeed, the European Commission has acknowledged the need for a new kind of legal entity for research infrastructures: *"The creation of new pan-European research infrastructures with several partners from different countries is needed to avoid sub-critical facilities. However, this setting-up of international consortia typically involves long and complex negotiations. One of the problems, it is widely agreed, is the choice of the legal form for the new infrastructures. This choice has long term implications for the running of the facility, notably on management, financial issues, human resources, access arrangements and intellectual property rights.*

*"Recent work carried out under the auspices of the ESFRI, has shown that in most cases the legal bases available under national, Community or internal law have proven inadequate in meeting the needs of these new pan-European research infrastructures. Legal forms under national law lack the trans-national character needed for pan-European research infrastructures, organisations based on international treaties are much too complex and cumbersome to set up and the economic orientation of existing Community instruments make them inappropriate for the research field."<sup>4</sup>*

Therefore the EC has decided to set up a Regulation that would create a new legal entity for European Research Infrastructures. The process is already underway and the EC announced that it might be operational by the end of the year 2008. Since we now have more indications on the timescale, we can start taking this option seriously into account for EGI.

In the following part, we will accordingly present the national structures satisfying EGI requirements, and the European Research Infrastructure (ERI) as recently presented by the Commission to possible stakeholders.

### 4.1. EXAMPLES OF APPROPRIATE NATIONAL ENTITIES

#### a. Société Civile

The Société Civile is a model that exists in France, in Italy under another name and most certainly also in other countries with little differences. This structure must have a civil object, with no speculative intentions, even though it may have some industrial or commercial activity on an exceptional basis (no more than 10% commercial receipts). It requires the constitution of a capital, but no minimum amount is imposed. Contributions to the capital can come in kind, cash or staff. A minimum two founding members (no maximum), moral or physical person is required to create a Société Civile. The liability is limited proportionately to the shares owned by each member. The governance occurs through one or several directors and the implementation of a management board.

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<sup>4</sup> Background document to the Meeting on "Legal Framework for the Construction and Operation of new pan-European Research Infrastructures" which took place on March 3<sup>rd</sup> 2008 in Brussels.

The director is nominated by the statutes, a separate act or a decision by the SC members. He has all powers to represent the SC with regards to third parties, within the limits of the Société's object. Some actions between the members may be forbidden or require authorization. The Société is managed under private law. The control processes are defined in the statutes. Its duration is limited to 99 years.

**b. The English Company Limited by Guarantee**

This type of structure is quite similar to the company limited by shares since it is a legal entity with (single-member) liability limited to the guarantee determined by its members. However, there is no obligation for the founding members to constitute a capital for the creation of the company. The capital can thus be constituted progressively thanks to donations, subscriptions... etc.

The main difference between a company limited by shares and a company limited by guarantee is that a company limited by shares can raise external finance whereas a company limited by guarantee has to rely on funding raised through subscriptions paid by its members or funding provided by its members. The members of a company limited by guarantee do not own the company but are the decision makers for the company. This means that the profits of a company limited by guarantee cannot be distributed to the members through dividends and that they do not have any claim on the company's assets.

**c. Various models of Association within Europe**

An association is a group of individuals or legal entities who voluntarily enter into an agreement to form a body (or organization) to accomplish a purpose. In many jurisdictions no formalities are necessary to start an association. In some jurisdictions, there is a minimum for the number of persons/legal entities starting an association. Some jurisdictions require that the association registers with the police or other official body to inform the public of the association's existence. In many such jurisdictions, only a registered association is a legal entity separate from its members and with its own liability. Any group of persons may, of course, work as an association but in such case, the persons making a transaction in the name of the association are all responsible for it. Associations that are organized for profit or financial gain are usually called partnerships. Associations may take the form of a non-profit organization or they may be not-for-profit corporations; this does not mean that the association cannot make benefits from its activity, but all the benefits must be reinvested. Most associations have some kind of document or documents that regulate the way in which the body meets and operates.

#### **d. Foundation**

This legal form is typical for non-profit organisation, governed by national law. In The Netherlands, this legal form is commonly used for research organisations. It emphasises the non-profit character of the research work and allows for a flexible governance structure with a board consisting of representatives from the stakeholders/financing parties and a management, reporting to the board, but having full authority for the daily management of the organisation. Even if, there are some successful examples (e.g. the *German-Dutch Wind Tunnels (DNW)*) it is not clear that this model can be generalised.

## 4.2. THE EUROPEAN RESEARCH INFRASTRUCTURE

The background of the Commission's initiative on the legal framework dedicated to pan-European research infrastructures (ERI) is the work carried out in the framework of ESFRI which concluded that there was a need to develop a dedicated legal instrument for pan-European research infrastructures at Community level.

The objective of the initiative is to provide a legal instrument with the following characteristics:

- it must provide a legal personality which is recognised in all Member States;
- it must reflect the spirit of a truly European venture;
- it should be flexible to adapt to the requirements of the different specific infrastructures;
- it should be easy to use and speed up the process of setting up the infrastructures;
- it should provide some of those privileges and exemptions which are allowed at a national level for non-for-profit research.

The Commission has a very ambitious timetable which foresees an adoption of the ERI by the EU Council at the end of 2008:

- Adoption by the Commission of the proposal (July 2008);
- Submission to the Council and the European Parliament (September 2008);
- Adoption by the Council (December 2008).

A two step procedure is proposed:

1. Adoption of Council Regulation setting up the legal framework of the ERI;
2. Individual Decision for the setting up of each ERI within the framework (this decision could be delegated to the Commission). It is foreseen that the creation of an ERI will be published in the J.O. of the EU, part C. There will probably a requirement to publish also the statues of the ERI as transparency is important.

### **The Main characteristics of the proposed legal structure are:**

#### **a. *Nature***

The ERI must fulfil several criteria:

- it must be of scientific not-for-profit character.

The ERI will be entitled to provide services to third parties but on a not-for-profit basis, it must provide world-class research services to researchers with due attention to the principle of excellence and it must be of pan-European interest.

#### **b. *Membership***

Eligible membership will be limited to states and possibly public or private legal entities designated by them or under their control, not having economic activities as their main activity.

The Commission confirmed that intergovernmental organizations could be members of an ERI.

An ERI should include a minimum of three members from different EU states (or mandated legal entities from such states). Membership should be open to non-EU countries. However, the European character should be guaranteed by a decision majority and a majority number of the members to be established in the Member States. It is not foreseen that the Community itself would be a founding member (but it could contribute to the funding).

***c. Seat and location***

The ERI's central administration should be located in the EU whereas its operations could be located in the EU or outside. Legally speaking, the requirement to allow a location outside the EU should be that the non-EU host state undertakes to give effect to the regulation and to the decision of creation in its national legal order. It may of course be that the ERI has activities or properties located on the territory of a non-EU country or in places governed by international law. In this case, it is sufficient that the third countries/organisations concerned recognize its legal personality.

***d. Organs***

ERIs should identify their organs and their competences in their statutes. However, the following organs at least should be foreseen:

- an assembly of (full) members which should have the widest possible competences;
- an executive director who implements the ERI's policies and is the ERI's legal representative. The Statutes could foresee that a board of directors is the executive body instead.

***e. Staff***

The Regulation would offer the possibility to adopt specific derogations from a Member State's national law applicable on a subsidiary basis. This derogation may not concern obligations imposed by applicable Community law. This provision includes a choice of law of another Member State than the one of the seat and even the possibility to design detailed specific staff rules.

However, the regulation would not envisage fiscal privileges for ERI staff.

***f. Liability of members***

Limitation of liability to the contribution which members have committed in a legally binding way can be foreseen.

***g. Privileges***

It is foreseen that the ERI would enjoy some privileges normally granted by governments to public institutions such as exemption for VAT for example and may be other fiscal advantages.

#### ***h. Governing Law-Jurisdiction***

It is foreseen that the ERI would choose its governing law and jurisdiction (probably the law of their location).

This implies that national laws create a specific framework regulating everything which is not covered by the regulation.

#### ***i. IPR – employees’ rights***

The regulation would have to deal with IPR issues and employees’ rights in this respect but the Commission does not have any clear idea as to how to regulate this issue yet.

Given its specific characteristics, the ERI might constitute an ideal legal framework for EGI. Till then it is our duty to express all of our comments to the Commission for them to be integrated in the final scheme. That’s why it would be appropriate to stay cautious and wait for the actual Regulation to be published.

However, if one were to choose this option one had to consider transitional measures for the probable scenario that the Commission will not be able to meet its timeline:

- One solution would be to create an entity under national law and then to transform it into an ERI, since this possibility is envisaged by the EU Commission. However this may imply a heavy dissolution process.
- Another solution would be to make a transitional Memorandum of Understanding (MoU). One partner could be chosen to take in charge the management of the collaboration during the transition phase. This preliminary agreement would also help identify those NGIs that are ready to commit and join to the EGI

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To conclude, both - some types of national entities and the ERI framework - could match the EGI requirements, although we will need to follow the evolution of the ERI Regulation closely in order to make sure that it really matches our needs.

In any case EGI will require a site for the location of its central office. In order to implement a transparent process regarding NGIs, it is our current stand to propose a call for tenders for the location of the EGI central office. Since we do not have the capacity to analyse all existing legal entities in Europe, applicants should present, in addition to their bids, examples of structures within their national legal framework that would fit EGI requirements as defined above. Although the Policy Board will evaluate of the bids and take the final decision on the location, it will stay within EGI\_DS competences to decide which legal structure to choose.

In the second part, we draft the elements of the call for tender for the location, that is the participation conditions, the content of the offer, as well as evaluation criteria for the final decision process.

## 5. LOCATION BIDDING PROCESS

In order to define the future location of the central office of EGI\_DS, we propose to launch a call for tenders that would be restricted to future EGI members residing in the EU. Bidders should provide a proposed accommodation for the EGI central office as well as indications on possible legal national structures that could be adopted for EGI. Strict requirements will be defined for both.

The proposals for the legal structures should fit all the requirements defined above. However, it is still to be defined whether we will need to have the bidders propose a legal structure. Indeed, as said before, if the EC Regulation on the creation of the ERI is published before the opening of the call and that we decide to adopt it for EGI, this mention might be unnecessary. If not, it should be kept, and if the Regulation is published before the date of the bid reception and that we decide to adopt it, all potential bidders shall be informed. In any case, it will stay EGI\_DS's sole competence to define the legal structure for EGI.

This part presents a draft of the call according to the various issues that are necessary components of a call, such as: background, eligibility, requirements, timetable, elements to be brought etc. Further requirements should be provided by the Work Package working on the definition of the EGI functions (WP3), since they are to determine how many people will be working on the site and whether it will require specific equipments and facilities.

In the next phase, it is the Management Board as well as the Advisory Board of EGI\_DS who should decide on how to implement this procedure and on the precise content of the call. This process might require some auditing from external experts.

It should be noted that the following is a draft to be proposed to the EGI\_DS MB and AB which will most probably undergo some changes before the official launch.

### 5.1. DRAFT CALL

#### Background

The European Grid Initiative (EGI) will coordinate and operate research and production grids throughout Europe. It will be an organisation based on the international membership of the National Grid Initiatives, which are EGI's relay at national level.

The EGI shall carry out the following activities:

- The EGI shall operate the European level of the production Grid infrastructure for a wide range of scientific disciplines linking National Grid Initiatives. The regional level of operation is ensured by the National Grid Initiatives.
- The EGI shall provide Grid services and support at the pan-European level, complementing and coordinating national services.
- The EGI shall coordinate middleware development and standardization to enhance the infrastructure by soliciting targeted developments from leading EU and National Grid middleware development projects.
- The EGI shall integrate, test, validate and package software from selected Grid middleware providers and make it widely available.
- The EGI shall coordinate and implement a security policy.
- The EGI shall link to other e-infrastructure projects and standardization bodies in Europe and elsewhere.
- The EGI shall support the National Grid Initiatives in matters of training, dissemination and outreach.

## **Purpose**

The purpose of this call is to invite eligible/interested organisations to define a location for the future central office of EGI that is to be created by January 2010 and propose a legal framework based on the local national law satisfying the EGI criteria.

## **The Requirement**

Interested/eligible organisations are invited to bid to provide permanent accommodation to host up to 50 people, located in an EU member state (for funding reasons) and propose a legal structure that will satisfy the criteria set out below.

EGI will own a limited amount of hardware and will need a team/workforce of around 50 - 80 people to perform all the desired functions. A significant fraction of the team will have to be hosted in a central location (the rest being performed by teams residing in certain NGIs). EGI will have important cash flows and EGI will require funding/finance. EGI will undertake some research and development activities as well as have some commercial activities.

## **Eligibility**

Organisations eligible/qualified to bid will be the future members of EGI that reside in a EU member state.

## **Timetable**

xx/xx/2008 – Opening of call for tender

Month 0-4 – Reception of bids

Month 4-6 – 1<sup>st</sup> Evaluation → Short List

Month 6-8 – 2<sup>nd</sup> Evaluation → Decision

## **Information to be provided**

Bidders must provide the following information in their bid (with appropriate supporting evidence):

- Name, address, legal status
- Why they want to host EGI.
- What they have to offer.
- Details of the accommodation to be provided, how and on what basis.
- Details of the legal structure proposed and how this will meet the criteria set out above.
- How they will provide this.
- How the organisation intends to meet the evaluation criteria.
- What contribution or unique advantages they can offer EGI.
- Experience of offering or providing similar facilities to other research infrastructures (national, European or international).

## **5.2. PROPOSED SELECTION PROCESS**

### **Selection process:**

Election of an evaluation group composed of 3-4 volunteer AB members and taskforces from the EGI\_DS Consortium (WP5)

Evaluation Group reports to AB who votes on short list and gives a mandate to the Evaluation Group

The second evaluation stage requires that short-listed candidates present their bid publicly to the AB

Final decision requires a majority of 2/3 of all AB members

## Evaluating Bids

Bids will be evaluated using the following criteria. The total score of the evaluation will be calculated by multiplying the weighting value (A) with the mark obtained (B), which should go from 1 to 5, 1 being the lowest.

		<b>Weighting A</b>	<b>Marks B</b>	<b>Total Score A x B</b>
1.Accommodation	<ul style="list-style-type: none"> <li>●Place &amp; Facilities</li> <li>●Timing</li> <li>●Cost</li> <li>●Expansion possibilities</li> <li>●Meeting facilities</li> <li>●Connections/links to complementary activities</li> <li>●Long-term perspectives</li> </ul>	<b>5</b>		
2.Technical facilities	<ul style="list-style-type: none"> <li>●General infrastructure</li> <li>●Telecommunications / IT infrastructure</li> <li>●Neighbourhood with other organisations</li> <li>●Cultural environment</li> </ul>	<b>4</b>		
3.Fiscal environment	<ul style="list-style-type: none"> <li>●Profit rules</li> <li>●Capital taxes</li> <li>●Corporate taxes</li> <li>●Local taxes</li> <li>●VAT issues (no VAT on membership's contribution)</li> <li>●Contribution to be made by hosting country</li> <li>●privileges</li> </ul>	<b>4</b>		
4.Employment conditions	<ul style="list-style-type: none"> <li>●Salary costs</li> <li>●Income tax</li> <li>●Social security, pension</li> <li>●Health insurance</li> <li>●Dismissal rules</li> <li>●Labour flexibility</li> <li>●Availability of temporary staff</li> <li>●Local skills</li> <li>●Work permits</li> <li>●Types of contracts</li> <li>●Conditions for spouses</li> </ul>	<b>4</b>		
5.Quality of environment	<ul style="list-style-type: none"> <li>●School/ education</li> <li>●Attractiveness of place</li> <li>●Housing</li> <li>●Public transport</li> <li>●Ease of access by rail / air</li> <li>●Cultural environment</li> </ul>	<b>3</b>		

Tenders (hard copies plus an electronic version) should be submitted to \_\_\_\_\_ at \_\_\_\_\_ by 12 noon on \_\_\_\_\_ 2008. Proposals received after this time and date will not be considered.

Shortlisted tenderers will be invited to present and discuss their proposals in more detail with the Evaluation Group. A tenderer will not have an automatic right to attend an interview; such decisions are at the discretion of the Evaluation Group.

Any queries about this Call for Tender should be submitted to \_\_\_\_\_

### **Legal structure**

In addition to their bids, applicants are required to present one or several types of legal entities existing within their national legal framework and satisfying the following requirements:

- autonomous legal entity
- open to public and private organisations
- not limited to EU member states
- not-for-profit status
- limited liability
- located in an EU country
- permanent long term legal structure.

The suggested legal structure should match the statutes..

Legal structures should be presented according to the following table:

<b>Entity name</b>	
<b>Reference texts</b>	
<b>Object</b>	
<b>Legal issues</b> Legal entity Administrative requirements	
<b>Members</b> Number of member Liability of members	
<b>Management bodies</b> Nomination of director Powers of the director Civil and penal liability of director	
<b>Capital</b> Required minimum?  Nature and minimum amount of contributions  Share transmission	
<b>Investment financing</b>  Cotisations Contributions EU fund	
<b>Accounting control</b>	
<b>Taxes</b>	
<b>Human ressources</b>	
<b>Industrial cooperation/ business activity</b>	
<b>Access policy</b>	
<b>Duration</b>	
<b>Dissolution</b>	
<b>Management</b>	
<b>Advantages</b>	
<b>Disadvantages</b>	