

Annex 1

Terms of Reference

Introduction

The European Stability Mechanism (the “ESM”) is a permanent crisis resolution mechanism established by the euro area Member States as an intergovernmental organisation under public international law, with its seat and principal office at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg (the “ESM Building”).

Its mandate is to safeguard the financial stability of the euro area and its Member States by providing financial assistance through a range of instruments.

For further information about ESM, please refer to the following link: <https://www.esm.europa.eu/>

The ESM has a lean organisational model with 223 staff members representing over 40 nationalities and a broad mix of professional backgrounds. Around 60% of staff come from public sector, while 40% come from the private sector. Our multicultural environment values collaboration, inclusion, and professionalism, and is anchored in a culture that emphasises teamwork, resilience, integrity, continuous improvement, and respect.

As part of its recruitment activities, the ESM makes regular use of external services to support the assessment and selection of staff. These services are intended to complement the selection and evaluation methods used by the ESM and to provide objective and structured input into the decision-making process.

The ESM intends to conclude framework agreements also called “**Contract(s)**” with a single or multiple providers depending on the lot (individually, “**Service Provider**” and collectively, “**Service Providers**”) to support the ESM on various areas as below defined.

For this purpose, the ESM is looking for one or more service provider for each of the LOT for the delivery of the following services:

- Lot 1 - Executive search services (for managerial positions)
- Lot 2 - Assessment centre services (primarily for managerial and leadership roles);
- Lot 3 - Psychometric and aptitude assessments (for staff across all levels)

Executive search services

The ESM occasionally engages executive search services to identify and attract highly qualified candidates for managerial positions where targeted search and market expertise are required. Executive search services are expected to support the ESM throughout market mapping to candidate identification, assessment, and presentation, in alignment with the ESM’s values, governance framework, and confidentiality requirements.

Assessment centre services

For managerial and leadership roles, the ESM makes use of assessment centres to evaluate candidates against a defined set of competencies relevant to the role and the organisational context.

Assessment centres typically involve a combination of exercises, simulations, and structured evaluations designed to assess leadership potential, decision-making, interpersonal skills, and other role-critical competencies. These services support both external recruitment and internal mobility or development processes.

Psychometric and aptitude assessments

As part of its recruitment activities, the ESM conducts around 15 selection process per year for roles across all divisions. To support this process, the ESM uses psychometric and aptitude assessment services to complement the use of the other selection tools (e.g. interviews, written tests). These assessments are primarily used for candidates shortlisted for the final interview stage, and are intended to provide objective and structured insights into candidates' cognitive abilities, behavioural preferences, personality traits, motivation, and potential fit with the role and the ESM's organisational culture. The outcomes of these assessments will support the hiring managers and selection panellists in making well-informed, fair, and evidence-based selection decisions.

Description of services, task and deliverables, key personnel

Lot 1: Executive search services

1. Description of the Services

The objective of the contract resulting from this procurement procedure is to select two (2) Service Providers to be able to provide potential candidate search and identification services in relation to senior expert and managerial roles. In an attempt to better ensure a high quality outcome and process, the Service Provider will search for the candidates around the globe and will provide the ESM with a diverse pool of suitable candidates who have undergone a thorough selection process, which will include, but will not be limited, to the use of recognised assessment tools and background checks.

2. Task and deliverables

| No. | Tasks and Deliverables | Deadlines |
|-----|--|---|
| 1. | <p>Task: Defining and Agreeing Objectives and Requirements</p> <p>At the beginning of each assignment, the Service Provider will arrange a briefing meeting/call with key ESM stakeholders, and the parties will agree, in detail, as to the final candidate specification (the “Assignment”</p> | <p>Within one week from the signature of each specific assignment</p> |

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| | <p>Kick-Off Meeting”). The parties may also finalise and agree on a target list.</p> | |
| <p>2.</p> | <p>Task: Search and Identification of Candidates</p> <p>The Service Provider will undertake a detailed analysis of its target candidates’ profiles, interacting with relevant contacts in the marketplace who serve as initial information sources to identify diverse candidates from around the globe.</p> <p>Deliverable: high-level summary report on candidates identified by the Service Provider as suitable to be interviewed and details about their profile (including for the suitable candidates having applied directly to the ESM job advertisement). Individual resumes should be provided for each candidate.</p> <p>Deliverable: Detailed report to the ESM on the refined list of candidates who have been interviewed by the Service Provider and indicated as suitable for interview with the ESM. The report will include results of interviews and tests performed by the executive search company.</p> | <p>Within 6 weeks from the signature of each specific assignment</p> |
| <p>3.</p> | <p>Task: Selection and completion</p> <p>The Service Provider will <u>liaise with candidates to check their availabilities for interviews with the ESM and will</u> arrange all meetings for the ESM with the recommended candidates within two weeks and assist in managing the “offer through to acceptance” process with the ESM’s chosen candidate. The Service Provider will advise the ESM on any issues of concern to the selected candidate and provide support in structuring, for example, the remuneration package.</p> <p>While the final selection is the ESM’s choice and the offer is made by the ESM, the Service Provider will maintain regular contact with the ESM and the selected candidate.</p> | <p>As required by the ESM at the end of the selection process ,</p> |

3. Key Personnel

The Candidate shall provide a dedicated team composed, at a minimum, of the key personnel specified (Account Manager, Project Manager, and Expert Consultant(s)). Roles and responsibilities of each team member shall be clearly defined, including reporting lines and escalation paths.

The Account Manager shall act as the primary point of contact and shall be responsible for overall contract management, client relationship, and service quality.

The Project Manager shall oversee the operational delivery of assignments, ensuring coordination of resources, adherence to timelines, and quality of outputs.

Expert Consultants shall be responsible for the execution of search assignments, including sourcing, screening, and assessment of candidates.

The Candidate shall ensure adequate capacity and continuity of the team throughout the duration of the contract, including appropriate back-up arrangements.

4. Availability and Continuity

Key personnel shall be available as required to meet the needs of the ESM.

Any replacement of key personnel shall be subject to prior approval and shall ensure equivalent or higher qualifications and experience.

The Candidate shall ensure knowledge transfer and continuity in case of personnel changes.

5. Escalation and Issue Management

The Candidate shall establish clear and efficient communication channels with the ESM

The Candidate shall define a clear escalation mechanism for resolving issues in a timely and effective manner.

Any risks or delays impacting service delivery shall be promptly communicated, together with proposed mitigation measures.

6. Reporting

The Service Provider will be required to produce for each assignment the following reports:

| Report type | Report content and format | Frequency |
|---------------------------|--|---|
| Progress report and calls | Unless otherwise identified by the ESM, the Service Provider will provide regular progress reports outlining the Services progress including i) the exact activities performed, ii) the potential candidates that are progressing in the process, iii) any feedback received | to be agreed for each specific assignment |

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| | <p>from potential candidates throughout the process of providing the Services. The Progress Reports will be delivered via email to HR and the hiring manager by the frequency agreed with the ESM at the beginning of the assignment. In addition, the Service Provider will organise regular update telephone calls with HR and the hiring manager (the exact timing, frequency, date and nature of which will be at their discretion) to ensure the Service Provider is provided with the ESM’s feedback on the Services progression amongst other related matters.</p> | |
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7. Meetings

The Service Provider will be required for each assignment to organise and attend the following meetings:

| Meeting type | Meeting content and format (online) | Frequency |
|-------------------------|--|-------------------------------------|
| Kick-off meeting | <p>On-line meeting: Duration: at least 1 hour Scope : the Assignment Kick-Off Meeting Participants: at least the account manager and or project manager and the ESM staff members</p> | Upon commencement of the assignment |
| Update meetings | <p>On-line meeting: Duration: at least 30 min Scope : monitor and reporting about the services Participants: at least the account manager and/or project manager and relevant the ESM staff members</p> | Bi-weekly |
| Final shortlist meeting | <p>On-line meeting: Duration: at least 30 min Scope : reporting on the Services Participants: at least the account manager and/or project manager and relevant ESM staff members</p> | End of the search |

The Service Provider will take minutes of all such meetings and will provide a copy to the ESM within one (1) week of the date of the meeting.

The Service Provider shall monitor performance through measurable KPIs defined above (timeliness, quality of outputs etc.) and provide reporting in an agreed format and frequency.

8. Place of Services Performance

The Services will be performed remotely only.

Lot 2: Assessment centre services

1. Description of the Services

The publications of managerial positions foresee the mandatory use of assessment services for candidates shortlisted for final interviews (three to five candidates). In this context, the ESM requires the Service Provider to assess the people management and leadership competencies of candidates for managerial positions through the provision of assessment both remotely and onsite at the Service Provider's assessment centres or at the ESM's premises. The ESM shall have full discretion to determine whether the Services are to be delivered onsite or offsite. The Service Provider will assess these competencies by means of different exercises, which may include a case study, a group exercise, a competency-based interview, psychometric tests, an e-tray, or other relevant methods. Candidates to be assessed may or may not have prior management experience.

The ESM can request the Service Provider at any time during the term of the Contract, and for as many times as reasonably needed, to adapt any part of the overall framework for assessments (exercises, handbooks, manuals, reports, registration and transmission modalities, feedback mechanism).

The Service Provider will be required to submit the following deliverables in accordance with the below requirements. Please note that the following list is an indicative example of the ESM needs that can be updated, and each assignment, including specifications and deadlines for all the deliverables, will be communicated to the Service Provider for each assignment during the implementation of the Contract.

2. Task and deliverables

| No. | Tasks and Deliverables | Deadlines |
|------------|--|---|
| 1. | <p>Task: shortlisted candidates invited for final interviews will be assessed by the Service provider for half a day to assess people management skills of the final candidates.</p> <p>The assessments should include different exercises, including at least a simulation and/or in-basket exercise, a competency-based interview supported by psychometric tests and a role play with a direct report. The structure and timings of the assessments will be defined with the ESM.</p> <p>Each candidate shall be assessed by at least two consultants who shall be present at all exercise included in the assessment in order to ensure an objective evaluation. The two consultants will be diverse in terms of nationality and gender. The ESM will provide names of the candidates together with their contacts details. The Service provider will have to schedule the assessment in direct contact with the candidates and inform the ESM on the scheduled and confirmed dates of the exercises they will organise for each candidate.</p> | <p>Within 10 working days after the interview with the shortlisted candidate takes place.</p> |
| 2. | <p>Deliverables: The assessment centres should result both in an individual report provided to the ESM for each candidate assessed and a</p> | <p>Within 5 working days</p> |

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| | <p>meeting/phone call with the ESM in order to provide a clear debrief on the final assessment of each candidate, as well as their comparative assessment:</p> <p>-The detailed individual results of the assessment activities of each candidate with comments (the “Individual Results Report”). The Individual Results Report will contain: an assessment of each candidate's measured competencies; a summarized description and graphic representation of his/her strengths and weaknesses; a conclusion on the level of the candidate’s competencies for each of the main headings of the relevant competency framework; and a short individual personal development plan for the assessed candidate. The format and content of the report shall be subject to prior approval by the ESM. The report will be for the sole use of the ESM. The report will be drafted in English.</p> <p>The Service will organise a call with the ESM hiring management team to explain the comparative results following the completion of the assessments. The timing of the meeting will be indicated by the ESM.</p> | <p>after the assessment of the shortlisted candidate takes place.</p> |
| <p>3.</p> | <p>At the end of the selection process and once the selected candidate has accepted the offer, all candidates will receive a one-hour debrief of the results of the assessment they completed, and the selected candidate will receive a written report with their individual results of the assessment. The Service Provider will propose a template for providing a written summary of feedback to unsuccessful candidates. The ESM may opt to use the template at its discretion.</p> <p>Task: The oral feedback provided to all candidates will be in the form of a telephone conversation of one hour. The feedback on the candidate's performance in the assessment centre shall include concise, practical information for candidates regarding the future development of their competencies. This task shall be performed by one of the consultants who took part in the evaluation of the candidate for whom the feedback is requested.</p> | <p>As required by the ESM at the end of the process</p> |

3. Key personnel

The Service Provider will be required to provide a team of key personnel compliant with the requirements (Account Manager, Project Manager, and Experts Consultant(s)). Roles and responsibilities of each team member shall be clearly defined, including reporting lines and escalation paths.

The Account Manager shall act as the primary point of contact and shall be responsible for overall contract management, client relationship, and service quality.

The Project Manager shall oversee the operational delivery of assignments, ensuring coordination of resources, adherence to timelines, and quality of outputs.

Expert Consultants shall be responsible for the execution of search assignments, including sourcing, screening, and assessment of candidates.

The Candidate shall ensure adequate capacity and continuity of the team throughout the duration of the contract, including appropriate back-up arrangements.

4. Availability and Continuity

Key personnel shall be available as required to meet the needs of the ESM. Any replacement of key personnel shall be subject to prior approval and shall ensure equivalent or higher qualifications and experience. The Candidate shall ensure knowledge transfer and continuity in case of personnel changes.

5. Escalation and Issue Management

The Candidate shall establish clear and efficient communication channels with the ESM. The Candidate shall define a clear escalation mechanism for resolving issues in a timely and effective manner. Any risks or delays impacting service delivery shall be promptly communicated, together with proposed mitigation measures.

The Service Provider shall monitor performance through measurable KPIs defined above (timeliness, quality of outputs etc.) and provide reporting in an agreed format and frequency.

Lot 3: Psychometric and Aptitude Assessments

1. Description of the Services

As part of the ESM recruitment process, the use of psychometric and aptitude assessments is foreseen for candidates that are selected for the final stage of the recruitment process. The purpose of the psychometric testing of candidates shortlisted for final interviews is that of measuring attitudes, motivation, cultural fit and personality traits of the candidates. One of the tools that can also be used by the ESM to screen the candidates is an aptitude test measuring the knowledge and abilities of the candidates (e.g. competency: e-tray, cognitive, reasoning abilities: verbal, numerical, abstract).

The ESM requires a single Service Provider to provide an on-line system for psychometric and aptitude assessments (the “Online Testing System”). The Online Testing System will enable the ESM to arrange and manage psychometric and aptitude tests (together, the “Assessments”) with candidates. The Online Testing System will contain readily available and usable Assessments. The ESM will have the ability to decide on the Assessments to be sent to Candidates from the Online Testing System, the duration for completion of the Assessments that it will be given to each candidate and will have direct access to the generated reports that will follow the completion of the Assessments.

2. Tasks and Deliverables

The Service Provider will be required to submit the following tasks and deliverables in accordance with the below requirements:

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| No. | Tasks and Deliverables | Deadlines |
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| 1. | <p>Deliverable: Online Testing System</p> <p>The Online Testing System will include graphical reporting functionalities addressing the requirements for the different</p> | <p>Upon signature of the contract.</p> |

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| | <p>audiences (e.g. recruiters, managers and candidates) and the assessments within the Online Testing System will be customisable based on the ESM’s defined competencies. The Online Testing System will provide for the administration of the Assessments on-line, including the access to the Assessments, the dispatch of the Assessments to candidates and the access to the reports for the ESM and candidates (as applicable). The Online Testing System will be user friendly for the ESM staff who need to access the system and for candidates who will take the Assessments.</p> <p>The Online Testing System will:</p> <ul style="list-style-type: none"> • Be accessible to the ESM recruiters (between two and four on average) • Role-based reports (e.g. recruiter, managers, candidates) • Provide easy access to candidates to take the assessments • Allow for customisable reporting to extract the results of the Assessments (both pdf and excel) • Have access to the history of Candidates who have taken the Assessments at the ESM (in line with relevant retention periods) • Contain statistical reporting on assessments performed during the last year • Provide customisation based on the ESM’s defined competencies • Automate the dispatch of the invitation from the platform via email invitations with secure links and the possibility to customise the template will include ongoing maintenance and support services to ensure optimal performance, security, and usability. • Will include ongoing maintenance and support services during business hours (09:00–18:00) to ensure optimal performance, security, and usability. | |
| | <p>Deliverable: Ongoing trainings</p> <p>Use of the platform Upon signature of the contract, the Service Provider shall provide online training to the dedicated ESM staff member(s) covering the functionalities of the platform and its use (e.g functionality, reporting). In addition, ad-hoc technical support shall be made available in the event of technical difficulties.</p> <p>Interpreting the results Additionally, the Service provider should provide trainings, upon request, to dedicated ESM staff on how to interpret the assessment results and reports generated by the platform. The training shall support the correct and consistent use of the results in the context of the selection process.</p> | <p>Upon signature of the contract and upon request</p> |
| <p>2.</p> | <p>Deliverable: Psychometric assessments</p> <p>The purpose of the psychometric testing is to provide additional information about the candidate’s personality preferences in a</p> | <p>Upon signature of the contract</p> |

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| | <p>working environment, attitudes, motivation, cultural fit and/or personality traits to support the interview stage of the selection process. The underlying methodology must be adequately supported by scientific research.</p> | |
| <p>3.</p> | <p>Deliverable: Aptitude tests</p> <p>Aptitude tests will take place after candidates in an external recruitment process have been longlisted with the aim of further screening the candidates on the basis of their cognitive abilities, regardless of any specific skills in a certain subject. The results will be compared to a relevant and updated international norm group, established with the most accurate scientific standards.</p> | <p>Upon signature of the contract</p> |

4. Key Personnel

The Service Provider will be required to provide a team of key personnel compliant with the below requirements.

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