CircularPSP Pitch Deck

Last update: January 2024

This project has received funding from the European Union’s Horizon Europe under Grant Agreement n° 101092208.
CircularPSP Common Challenge

Common challenges of cities to transition to Circular Economy
Project

Leading Circular Cities are tackling a common challenge together

- Istanbul, Turkey
- CircularBerlin, Germany
- Helsinki, Finland
- Sandyford, Ireland
- Guimarães, Portugal
- City Network Sweden
- City Network Slovenia
- ReLondon, UK

8 Procurers – 8 Countries
45 million citizens

Representing Europe’s leading circular cities and regions

Common challenge: accelerate transition towards a Circular Economy (CE)

€5.64 million investment in R&D

Budget spent in a 3-phase competition

A wide-reaching Follower Network which will continue to grow

1 Associated Partner involved in all activities
**Consortium**

**Followers***

**Supported by**

*As of 10 January 2024*
Sustainability transitions mapped

CE is the most challenging transition

- **Electricity** = “upgrade”
- **Mobility** = “substitution”
- **Heat** = lots of legacy issues, complex, but “solved to a good part”

**Circular Economy**
= “fundamental revolution”

You are one of the leading thinkers on how to make public demand and local economy circular.
The problems and needs to transition to CE

Cities face a complex problem across four interlinked areas, each with its own needs

<table>
<thead>
<tr>
<th>Problem</th>
<th>Area</th>
<th>Needs</th>
<th>CE-solution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AI</td>
<td>No access to CE knowledge</td>
<td>A dedicated solution to enable cities, business and their staff to deploy circular economy action</td>
</tr>
<tr>
<td></td>
<td>Linear mindset</td>
<td>No routine in acting circular</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operation</td>
<td>No capacity for a CE transition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Change &amp; Upskilling</td>
<td>Access to and understanding of CE knowledge</td>
<td></td>
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<tr>
<td></td>
<td>Organisation</td>
<td>Making circular workable on city-level and day-to-day</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>One location for information, people and tracking</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customised capacity-building and training</td>
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</tr>
</tbody>
</table>
Who are the users?

Immediate users are both CE-experts as well as regular staff/workers of any level; all are to be empowered.

**CITY**

The development first focuses on cities...

Intermediaries are individuals with systemic expertise and responsibility for circular economy across the organisation and who build capacity within departments.

Any municipal staff who would advance circular economy in the own department or across the entire city.

Decision makers during implementation / cycles.

**BUSINESS (LOCAL ECONOMY)**

...with most results transferable to businesses 1:1 or through use of AI

Any local business to deploy and supply or become part of the local circular economy. Users of the market platform, bidders to local procurements.
CircularPSP is technology neutral

Our focus is to describe the actual problem – you need to come up with technical and practical solutions

Buyers Group defined a (very complex) problem + pathway + criteria

Critical remark: we do not know what data sets are best to train AI on CE = a challenge. (See also CE Taxonomy)

Suppliers are to define the solution

...any constellation of technologies is thinkable if it fulfils design principles and requirements etc. ...
CE Taxonomy, a shared effort

It would be impossible to compare solutions if anyone could use any terms + inefficient; hence, intel on what is public is shared

**ELEMENTS AND PROCESS**

- **White Paper**
  - Analysis and consolidation of contributions
  - Publication of revised White Paper
- **Working Documents**
  - Online edits and additions
  - Additional supplier contributions in offers
- **Working Group Meetings**
  - Wide invitation to Working Group Meeting
- **Presentation of White Paper, Open Discussion**

**PURPOSE**

- **Mission | Supplier relevance**
  - A Must: Define core terminology (i.e. Taxonomy) to ensure different artificial intelligences (AIs) do not increase confusion about circular economy but lead to more clarity.
  - A Help: Identify a set of core data sources for AIs to ensure that the learning does cover all relevant circularity areas in a city instead of being dominated by the most advanced value chain or region etc.
  - A Guidance: Document a core set of data standards and protocols to ensure the intended scalable solutions are fit for purpose to operate in a field with diverse IT ecosystems.

**IPR-protected data sets are allowed and do not have to be made public!**
PCP Process and core terms

PCPs create incentives in domains where mature solutions are missing and reduce risks for both procurers and suppliers to innovate.
PCPs follow a multi-staged process to select the most suitable and promising innovation; R&D services are funded at all stages.
Funding principles

A PCP is a tender, not a grant

Financial offers are requested for each phase (up to the ceiling) – Note: no VAT applies

The offer has to include all costs (including taxes if applicable)

The payment is made based on the offered price …

… after receipt of invoice and approval of work
### PCP Tendering | Core requirements for Suppliers

All core requirements are derived from the EU directive on competition

<table>
<thead>
<tr>
<th>ELIGIBILITY CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Tender is restricted to entities <strong>established in EU Member States and Horizon Europe Associated Countries</strong>*</td>
</tr>
<tr>
<td>▪ A minimum of 50% of the project R&amp;D activities/budget must take place in the EU or Horizon Europe Associated Countries*</td>
</tr>
<tr>
<td>▶ Tender is open to all <strong>types of operators</strong> (companies or other type of legal entities), regardless of their size or governance structure</td>
</tr>
<tr>
<td>▶ Both <strong>single entity</strong> or <strong>joint tender offers</strong> and subcontracting (consortia) are possible</td>
</tr>
<tr>
<td>▶ On-off award criteria can be considered as extension of selection criteria, if you are not able, you need a partner</td>
</tr>
<tr>
<td>▶ Participation in the open market consultation or this event is not a condition for submitting a tender</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GENERAL REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electronic Submission via e-mail</strong></td>
</tr>
<tr>
<td><strong>Submission deadline: 1 April 2024 – Istanbul Time(!)</strong></td>
</tr>
<tr>
<td><strong>Official language is English</strong></td>
</tr>
<tr>
<td><strong>IPR sharing, if suppliers do not exploit results</strong></td>
</tr>
</tbody>
</table>

*List of HE Associated Countries: [https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/list-3rd-country-participation_horizon-euratom_en.pdf](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/list-3rd-country-participation_horizon-euratom_en.pdf)
## Contract award | Project

For each of the three phases the same rules on contract, monitoring, payments and IPR apply

<table>
<thead>
<tr>
<th>One Lead Procurer</th>
<th>All contracts, invoices and payments go through the lead procurer who acts on behalf of all procurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting</td>
<td><strong>Framework agreement</strong> with specific contracts in each phase</td>
</tr>
<tr>
<td>Monitoring</td>
<td>During each phase, contract implementation is <em>monitored periodically</em> and reviewed <em>against the expected outcomes</em></td>
</tr>
<tr>
<td>Completion criteria</td>
<td><strong>Satisfactory completion</strong> of milestones and deliverables: requirement for payment --- <strong>Successful completion</strong> permits entering next Phase</td>
</tr>
<tr>
<td>Intellectual property rights (IPRs)</td>
<td>Suppliers <em>keep ownership of the IPRs</em> attached to the results generated during the PCP implementation, but must exploit</td>
</tr>
</tbody>
</table>
Framework agreement includes AI Clauses

We/you are one of the first users of AI Act compliant clauses

PUBLIC BUYERS COMMUNITY
- CircularPSP has joined two communities on the Public Buyers Platform (DG GROW):
  - Procurement of AI
  - Circular and Fair ICT Pact (CFIT)

CONTRACTUAL AI CLAUSES
- Drafted for public organisations wishing to procure an AI System
- Largely based on the AI Act*
- The Non-High Risk version applies to CircularPSP, incorporated in Framework Agreement

Reading remarks

There is a structure across the documents
Everything is (linked) on tender website

https://circularpsp.eu/tender/
## Tender documents overview

We did our best to make it transparent and avoid duplication, however, it is a large contract and will be some effort.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
<th>Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender</td>
<td>Central documents on conditions, content and challenge</td>
<td>TD1 Call for Tender (current document)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TD2 Challenge Brief (includes Annexes)</td>
</tr>
<tr>
<td>Proposal to be</td>
<td>Administrative Forms to be filled by tenderers</td>
<td>TD3a Declaration of Honour - Exclusion Criteria</td>
</tr>
<tr>
<td>submitted</td>
<td></td>
<td>TD3b Declaration of Honour – On/off Award Criteria</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TD4 Power of Attorney</td>
</tr>
<tr>
<td></td>
<td>Application Templates to be filled by tenderers</td>
<td>TD5 Tender Application Template – Administrative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TD6 Tender Application Template – Technical</td>
</tr>
<tr>
<td></td>
<td>Application Submission</td>
<td>TD7 Tender Application Template – Financial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TZ1 Tender submission zip-archive</td>
</tr>
<tr>
<td>Project</td>
<td>Contract Templates to be signed by successful contractors</td>
<td>TD8 PCP Framework Agreement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TD9 PCP Specific contract for Phase I-II-III</td>
</tr>
</tbody>
</table>

Depending on your role you read one or the other first.

It should be extensively streamlined but if you have questions or ideas, please let us know.

Though TD1 contains key terms, there is more detail here.
Reading recommendations

Please keep the following things in mind when you tackle the documents

Read the preface / foreword / pink instructions – it explains what is to follow

TD1 CfT: Mostly formal, except section 2.1 which explains expected project progress

**TD2 Challenge Brief:** Only technical, read main section top to bottom

Cross-links work, search works, ask questions in doubt
The Challenge is structured along the Award Criteria as is the tender/proposal you are going to write.

<table>
<thead>
<tr>
<th>(Weighted) Award Criteria</th>
<th>Challenge Brief</th>
<th>Tender Application Template</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Technical criterion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T1 – Overall approach to CE-solution</td>
<td>T1 – Overall approach to CE-solution</td>
<td>T1 – Overall approach to CE-solution</td>
</tr>
<tr>
<td>T2 – Information</td>
<td>T2 – Information</td>
<td>T2 – Information</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

Section 3.4 and 3.5 include:
- Maximum points
- Thresholds & weights
- Assessment scheme
- Formulas

Challenge Brief includes:
- Challenge description for each criterion
- Minimum requirements as Must or in bold (in bullet lists)
- Aspects relevant for assessment
- Annexes

Tender Application Template includes:
- Pre-defined sections, sub-headings and some standardised tables
- Notes on content expected
The project: TD1 Section 2.1

Table 1 (of TD1) describes the progress on R&D documented in the deliverables depicted below.

Graphic represents evolution of key documents to be delivered.

TD1 Table 1 describes the progress on CE-solution (i.e. AI, Workflows, Platform, Change).
Background on PCP and PPI Instruments
Pre-Commercial Procurement vs. Traditional Public Procurement

Pre-Commercial-Procurements (PCP) create a new, competitive market for Research and Development (R&D) services and development

<table>
<thead>
<tr>
<th>Pre-Commercial Procurement</th>
<th>Traditional Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Joint Procurement</strong> (Buyers Group)</td>
<td><strong>Individual Procurement</strong> (single department)</td>
</tr>
<tr>
<td><strong>High degree</strong> of innovation / R&amp;D effort required</td>
<td><strong>Low degree</strong> of solutions’ innovation</td>
</tr>
<tr>
<td><strong>Prototype development</strong>: medium-/long-term</td>
<td><strong>Mature product/service</strong>: immediate/short-term</td>
</tr>
<tr>
<td><strong>Competitive development</strong>: several suppliers</td>
<td><strong>Single contract</strong>: one supplier</td>
</tr>
<tr>
<td><strong>New IPR – Risk/Benefit-sharing</strong></td>
<td><strong>Often based on existing IPR</strong></td>
</tr>
<tr>
<td><strong>Special legal framework</strong> in H2020/WTO</td>
<td><strong>National public procurement</strong> rules apply</td>
</tr>
<tr>
<td><strong>Development in multiple phases</strong></td>
<td><strong>Development in one phase</strong></td>
</tr>
</tbody>
</table>
### What is a Pre-Commercial Procurement (PCP)?

#### Core features

<table>
<thead>
<tr>
<th>WHAT IS A PRE-COMMERCIAL PROCUREMENT (PCP)?</th>
<th>WHAT ARE THE BENEFITS FOR SUPPLIERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instrument for public procurement of R&amp;D services</td>
<td>Create opportunities for companies to gain leadership in new markets</td>
</tr>
<tr>
<td>Public procurers act as demanding customers</td>
<td>Provides a large enough demand to incentivise industry to invest in wide commercialisation</td>
</tr>
<tr>
<td>Tool for innovation (EC sees the need but no offer on market)</td>
<td>Development in stages and testing of innovative ideas under real world conditions</td>
</tr>
<tr>
<td>Risk-benefit sharing under market conditions</td>
<td>Suppliers retain IPR ownership, procurers gains access under limited conditions</td>
</tr>
<tr>
<td>Interact closely with eight procurers operating 21,000 buildings</td>
<td>Visibility on EU-Level</td>
</tr>
</tbody>
</table>

- **Background on PCP and PPI Instruments**
- **Core features**
  - Tool for innovation
  - Risk-benefit sharing under market conditions
  - Interact closely with eight procurers operating 21,000 buildings
- **Public procurers act as demanding customers**
- **Instrument for public procurement of R&D services**
- **Tool for innovation** (EC sees the need but no offer on market)
- **Risk-benefit sharing under market conditions**
- **Interact closely with eight procurers operating 21,000 buildings**
Further information on PCPs

PCP references (selection)

- **Modalities and Horizon Annexes**

- **Official EC PCP FAQ**

- **PCP Project List**

- **Legal Basis for PCPs**
  - **Communication** [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52007DC0799](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52007DC0799)
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