CIRCULAR SPC

CircularPSP Pitch Deck

Last update: January 2024

Procurers

ISTANBUL METROPOLITAN MUNICIPALITY · circular BERLIN · FORUM VIRIUM HELSINKI · SANDYFORD BUSINESS DISTRICT · MUNICÍPIO DE GUIMARÃES · Skupnost občin Slovenije *Association of Municipalities and Towns of Slovenia* · Swedish Association of Local Authorities and Regions

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CircularPSP Common Challenge

Common challenges of cities to transition to Circular Economy

Project

Leading Circular Cities are tackling a common challenge together

CIRCULAR PSP C

Istanbul, Turkey	Guimarães, Portugal	**8 Procurers – 8 Countries** 45 million citizens
CircularBerlin, Germany	City Network Sweden	**Representing Europe's leading circular cities and regions**
Helsinki, Finland	City Network Slovenia	**Common challenge: accelerate transition towards a Circular Economy (CE)**
Sandyford, Ireland	ReLondon, UK[1]	**€5.64 million investment in R&D**
A wide-reaching Follower Network which will continue to grow		**Budget spent in a 3-phase competition**

[1] Associated Partner involved in all activities

Consortium

Procurers

Supported by
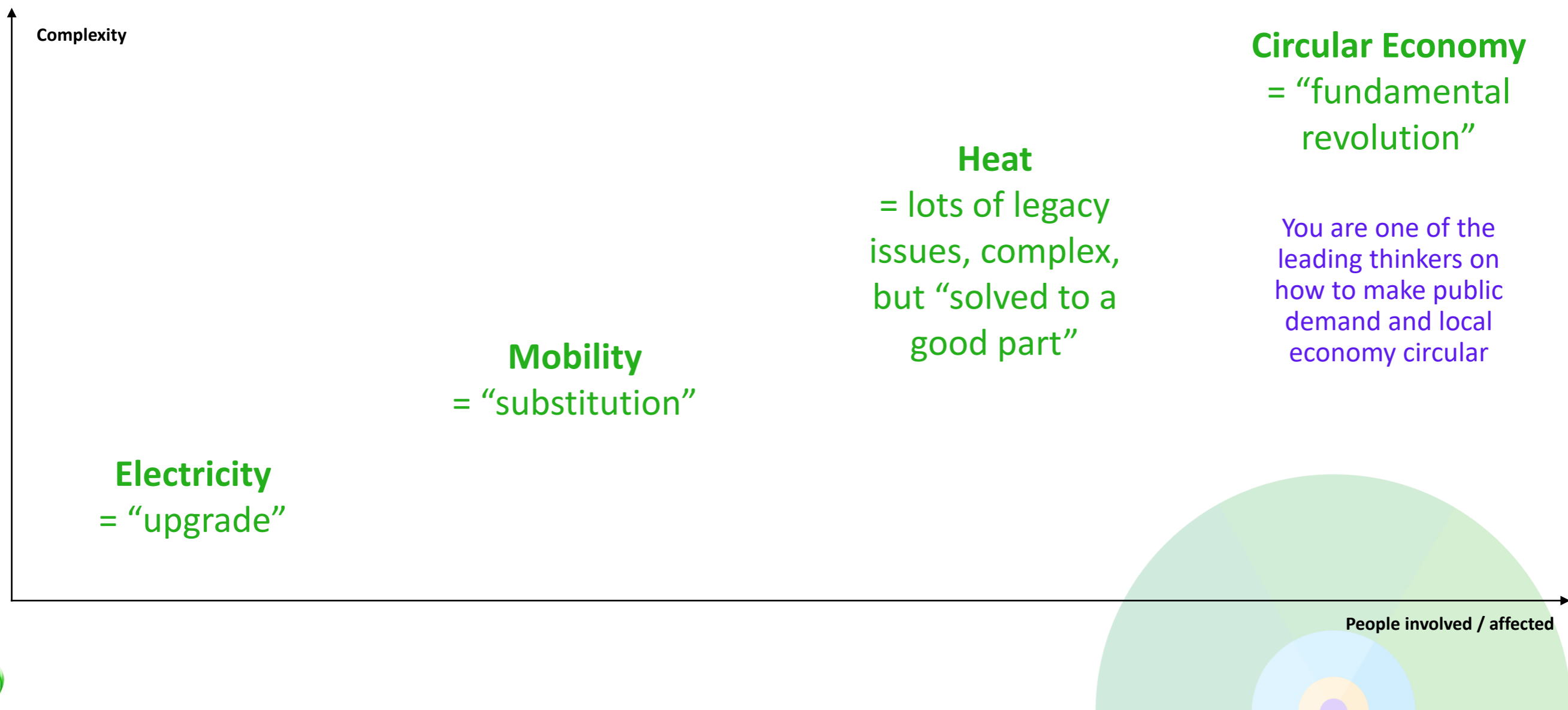

Followers*

Individual Cities & Regions

City Collectives & other CE-initiatives
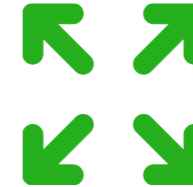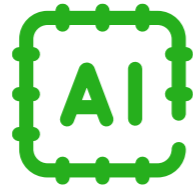

*As of 10 January 2024

Sustainability transitions mapped

CE is the most challenging transition

Complexity

Circular Economy
= "fundamental revolution"

You are one of the leading thinkers on how to make public demand and local economy circular

Heat
= lots of legacy issues, complex, but "solved to a good part"

Mobility
= "substitution"

Electricity
= "upgrade"

People involved / affected

The problems and needs to transition to CE

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

Problem	No access to CE knowledge	No routine in acting circular	No capacity for a CE transition	Linear mindset
Area	Information	Operation	Organisation	Change & Upskilling
Needs	Access to and understanding of CE knowledge	Making circular workable on city-level and day-to-day	One location for information, people and tracking	Customised capacity-building and training

CE-solution	A dedicated solution to enable cities, business and their staff to deploy circular economy action

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

BUSINESS (LOCAL ECONOMY)

The development first focuses on cities…

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

Intermediaries are individuals with systemic expertise and responsibility for circular economy across the organisation and who build capacity within departments.
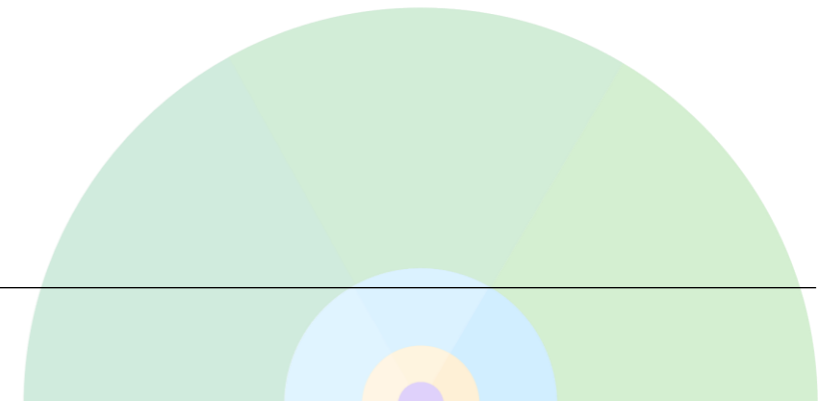
Any municipal staff who would advance circular economy in the own department or across the entire city.

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

Decision makers during implementation / cycles.

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


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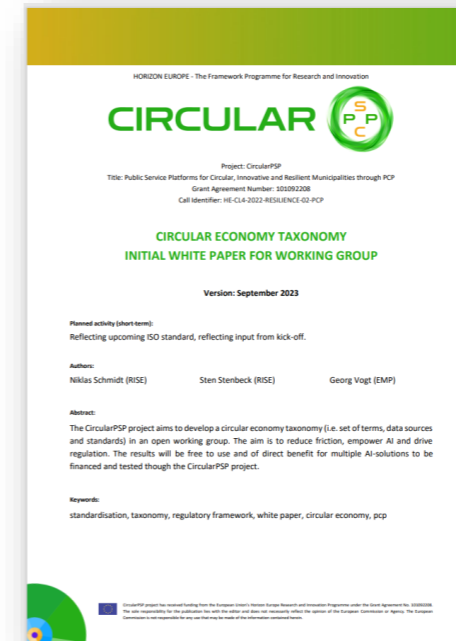
IPR-protected data sets are allowed and do not have to be made public!
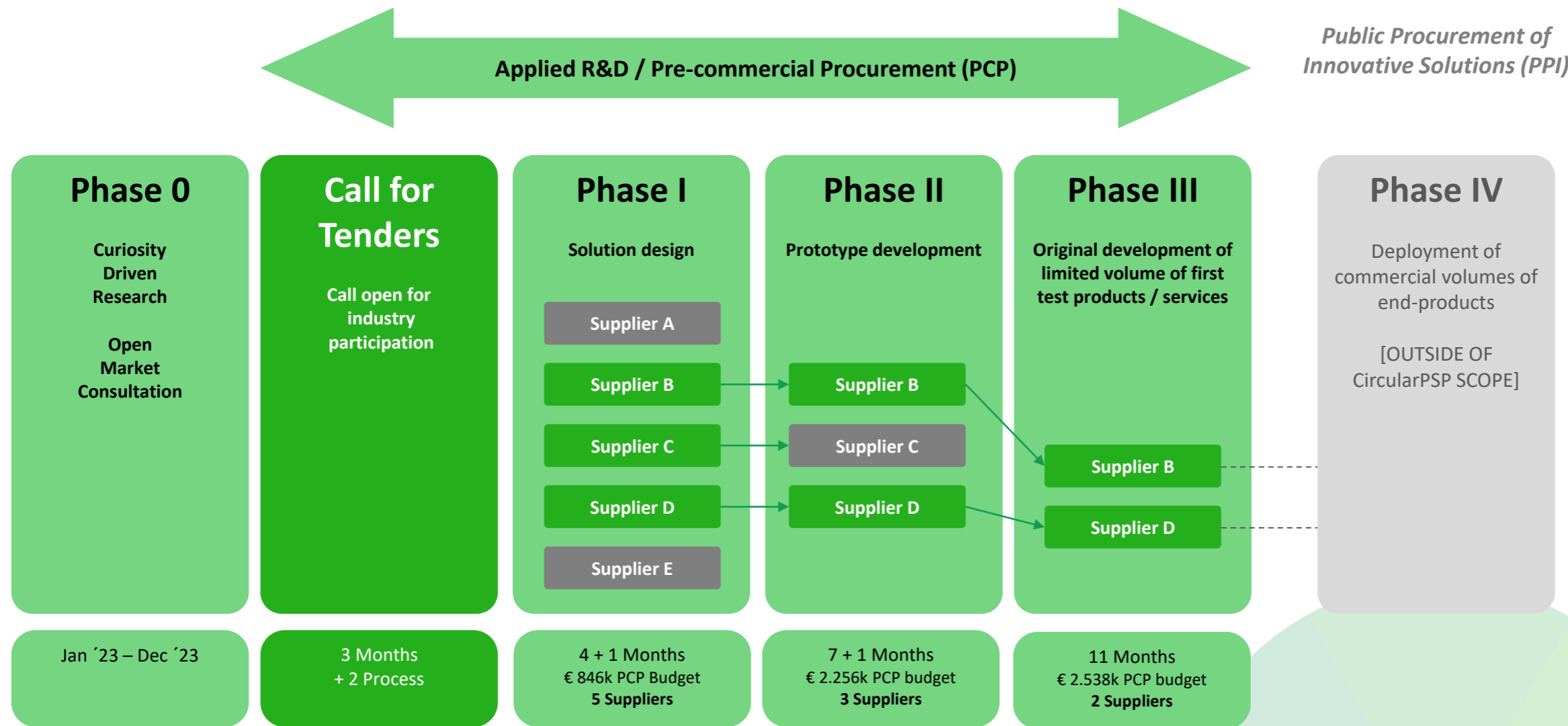
PCP Process and core terms

PCPs create incentives in domains where mature solutions are missing and reduce risks for both procurers and suppliers to innovate
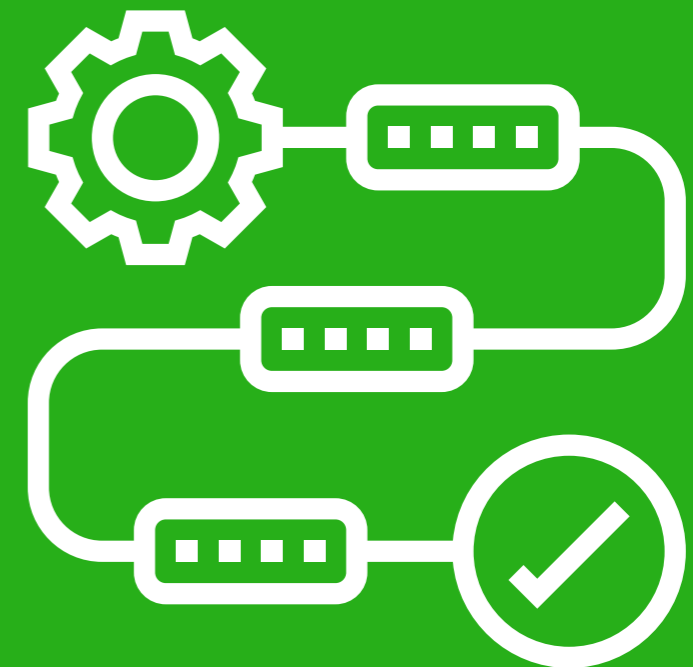
PCP Structure

PCPs follow a multi-staged process to select the most suitable and promising innovation; R&D services are funded at all stages

Applied R&D / Pre-commercial Procurement (PCP)

Public Procurement of Innovative Solutions (PPI)

Phase 0	Call for Tenders	Phase I	Phase II	Phase III	Phase IV
Curiosity Driven Research Open Market Consultation	Call open for industry participation	Solution design Supplier A Supplier B Supplier C Supplier D Supplier E	Prototype development Supplier B Supplier C Supplier D	Original development of limited volume of first test products / services Supplier B Supplier D	Deployment of commercial volumes of end-products [OUTSIDE OF CircularPSP SCOPE]
Jan ´23 – Dec ´23	3 Months + 2 Process	4 + 1 Months € 846k PCP Budget **5 Suppliers**	7 + 1 Months € 2.256k PCP budget **3 Suppliers**	11 Months € 2.538k PCP budget **2 Suppliers**	

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

ELIGIBILITY CRITERIA

▶ Tender is restricted to entities **established in EU Member States and Horizon Europe Associated Countries***

- A minimum of 50% of the project R&D activities/budget must take place in the EU or Horizon Europe Associated Countries*****

▶ Tender is open to all **types of operators** (companies or other type of legal entities), regardless of their size or governance structure

▶ Both **single entity** or **joint tender offers** and subcontracting (consortia) are possible

▶ On-off award criteria can be considered as extension of selection criteria, if you are not able, you need a partner

▶ Participation in the open market consultation or this event is not a condition for submitting a tender

GENERAL REQUIREMENTS

Electronic Submission via e-mail

Submission deadline: 1 April 2024 – Istanbul Time(!)

Official language is English

IPR sharing, if suppliers do not exploit results

*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

Contract award | Project

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

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

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

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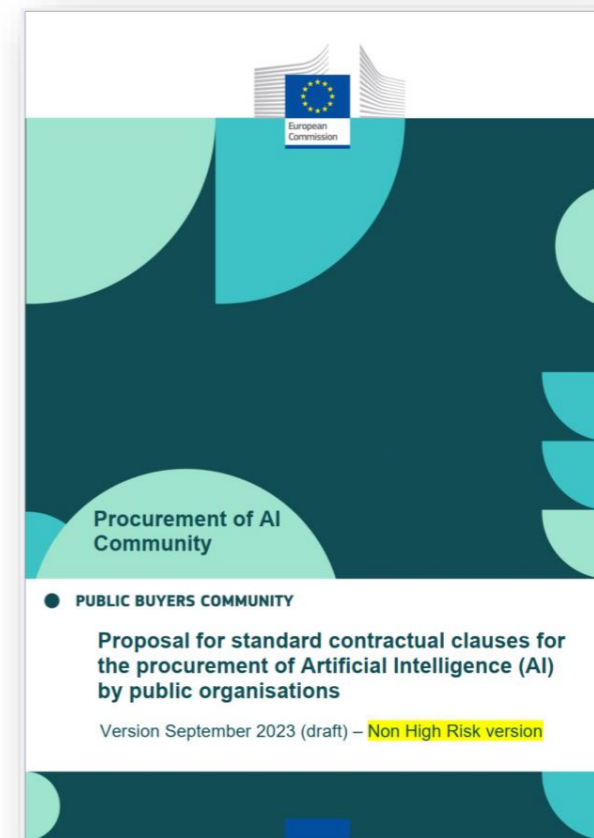
* Proposal for a Regulation of the European Parliament and of the Council laying down harmonised rules on artificial intelligence and amending certain union legislative acts, COM(2021)206 final.

Reading remarks

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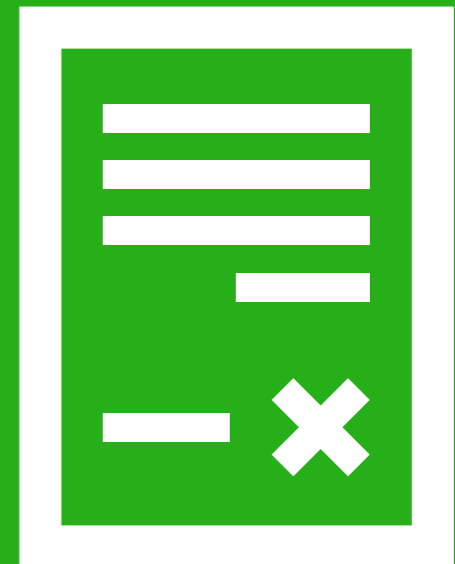
Everything is (linked) on tender website

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

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

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 = tender: TD2

The Challenge is structured along the Award Criteria as is the tender/proposal you are going to write

| (Weighted) Award Criteria | Call for tender TD1 | Challenge Brief | Challenge brief TD2 | Tender Application Template | Tender Application Template TD6 |

(Weighted) Award Criteria

| 1 Technical criterion |
| T1 – Overall approach to CE-solution |
| T2 – Information |
| … |

Section 3.4 and 3.5 include:

- ➢ Maximum points
- ➢ Thresholds & weights
- ➢ Assessment scheme
- ➢ Formulas

Challenge Brief

| 1 Technical criterion |
| T1 – Overall approach to CE-solution |
| T2 – Information |
| … |

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

| 1 Technical criterion |
| T1 – Overall approach to CE-solution |
| T2 – Information |
| … |

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
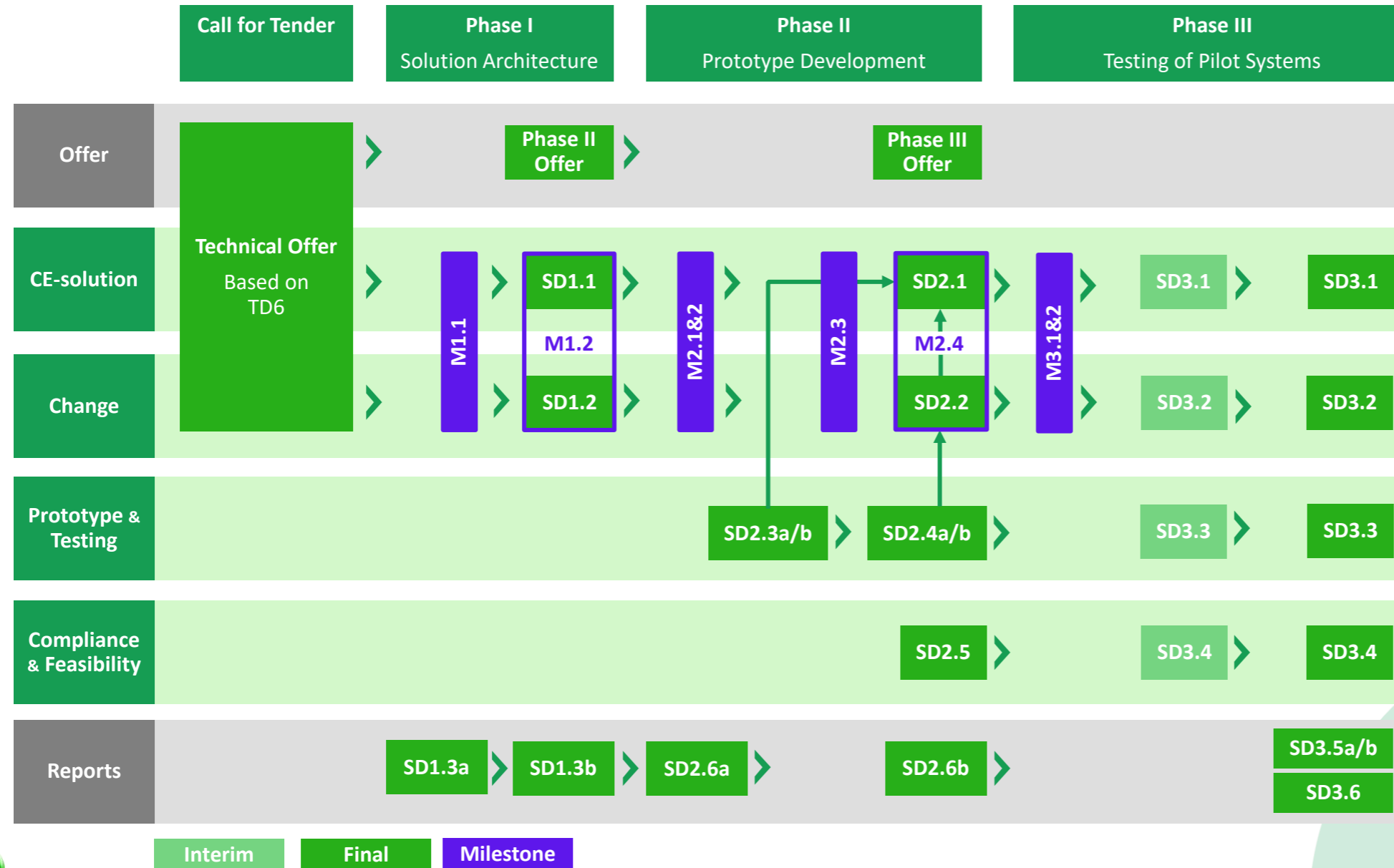
Graphic represents evolution of key documents to be delivered

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

PRE-COMMERCIAL PROCUREMENT

Joint Procurement (Buyers Group)

High degree of innovation / R&D effort required

Prototype development: medium-/long-term

Competitive development: several suppliers

New IPR – Risk/Benefit-sharing

Special legal framework in H2020/WTO

Development in multiple phases

TRADITIONAL PROCUREMENT

Individual Procurement (single department)

Low degree of solutions' innovation

Mature product/service: immediate/short-term

Single contract: one supplier

Often based on existing **IPR**

National public procurement rules apply

Development in one phase

What is a Pre-Commercial Procurement (PCP)?

Core features

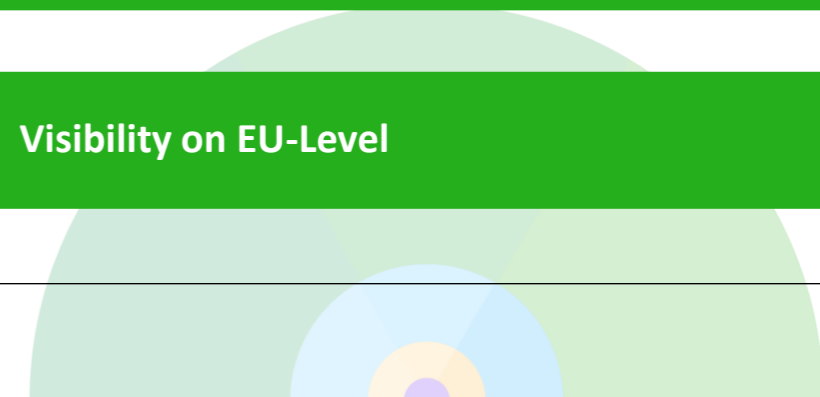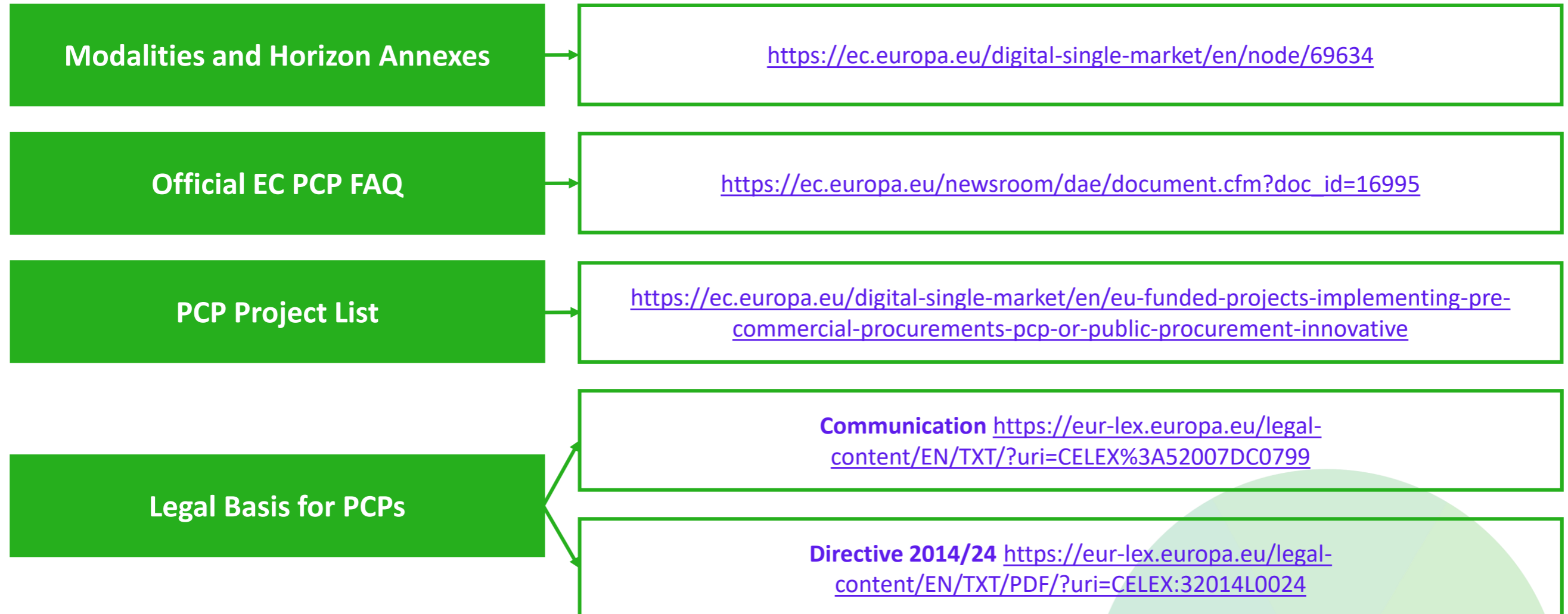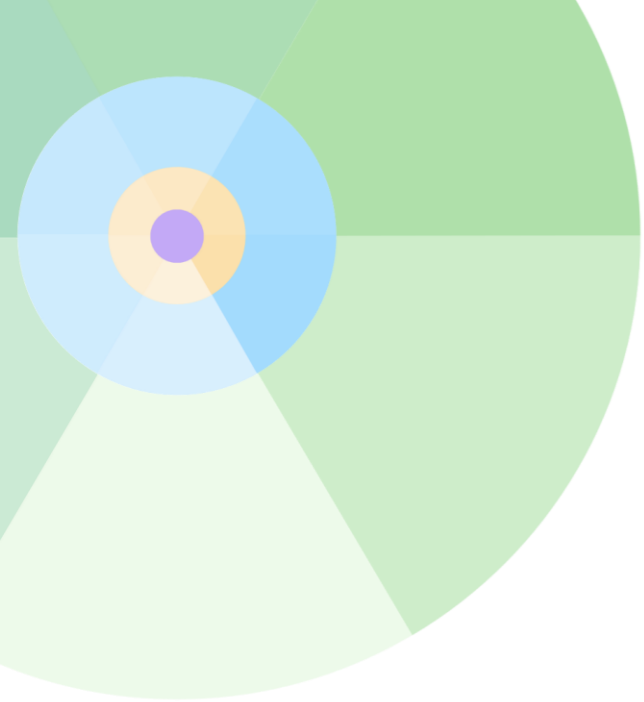| WHAT IS A PRE-COMMERCIAL PROCUREMENT (PCP)?		WHAT ARE THE BENEFITS FOR SUPPLIERS
Instrument for public procurement of R&D services		**Create opportunities for companies** to gain leadership in new markets
Public procurers act as demanding customers		**Provides a large enough demand** to incentivise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

Further information on PCPs

PCP references (selection)

Modalities and Horizon Annexes	https://ec.europa.eu/digital-single-market/en/node/69634
Official EC PCP FAQ	https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=16995
PCP Project List	https://ec.europa.eu/digital-single-market/en/eu-funded-projects-implementing-pre-commercial-procurements-pcp-or-public-procurement-innovative
Legal Basis for PCPs	**Communication** https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52007DC0799
	Directive 2014/24 https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024

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