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CALL FOR TENDERS (CFT)

TD1

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BUYERS GROUP

SUPPORTED BY

Abstract:

The EU pre-commercial procurement project CircularPSP is calling for Suppliers to design, develop and test an innovative 'circular economy solution' (CE-solution) that enables municipalities and their staff as well as businesses in the local economy to apply circular practice more quickly, frequently, widely and effectively. Individual users at City and Business are empowered through access to information, knowledge, circular wisdom, guidance and training to act more circular more often and increasingly impactful whilst transitioning to a CE mindset.

Keywords:

pcp, circularpsp, call for tenders, procurement preparation, tender profile, evaluation

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REVISION HISTORY

The revision history will be kept as one changelog for all documents contained as a separate file in the updated archive of documents.

To receive updates on changed documents and/or critical FAQ changes ensure to enlist in the matchmaking platform or express interest to the Buyers Group via the contact form.

PREFACE

This Call for Tender should be read in conjunction with other documents related to this Pre-Commercial-Procurement (PCP), listed hereunder:

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

The files are ordered chronologically regarding when documents will typically be handled and / or assessed.

In addition, any tenderer questions and other frequently asked questions (FAQ) are listed and answered in the FAQ section of the website. Questions can be submitted using the contact form or during training events to be launched and recorded in the early phase of the tender.

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Abbreviations

The following is a joined table of abbreviations for TD1 and TD2.

Abbreviation	Definition
AI	Artificial Intelligence / short-hand for any relevant data analytics
API	Application Programming Interface
CE	Circular Economy
CSR	Corporate social responsibility
CPV	Common Procurement Vocabulary
ERP	Enterprise Resource Planning
GDPR	General Data Protection Regulation
GPA	Government Procurement Agreement
IP(R)	Intellectual Property (Rights)
KPI	Key Performance Indicator
MOOC	Massive online-only course
NLP	Natural language processing
OECD	Organisation for Economic Cooperation and Development
OMC	Open Market Consultation
PCP	Pre-commercial procurement
PPI	Public Procurement Innovation
PSP	Public Service Platform
R&D	Research & Development
SME	Small and medium enterprise
SoA	State-of-the-art
UI	User interface
VET	Vocational Education and Training
WTO	World Trade Organisation

A short description on core terms used by CircularPSP can be found in TD2 Challenge Brief, Summary under the heading Terminology.

Foreword

Acceptance of all the information stated in this document is a prerequisite for placing a tender to this call. All tenderers that bid for the tender are deemed to have accepted the rules stated in this document and the provisions of the Turkish law.

1 General context and background

This procurement is a **pre-commercial procurement (PCP)**.

PCP means that public procurers challenge innovative players on the market, via an open, transparent and competitive process, to develop new solutions for a technologically demanding mid- to long-term challenge that is in the public interest and requires new Research and Development (R&D) services. The distinctive features of PCP include:

- Competitive development in phases to identify solutions offering the best value for money (section 1.1.1);
- Public Procurement of R&D services (section 1.1.2);
- Joint Procurement by public organisations represented by Lead Procurer (section 1.1.3);
- An open, transparent, and non-discriminatory process will be followed, with the exception of large-scale deployments (section 1.1.4);
- Sharing of Intellectual Property Rights (IPR) related risks and benefits under market conditions (section 1.1.5);
- Exemptions from EU public procurement directives, the WTO Government Procurement Agreement (GPA), and EU state aid rules (section 1.1.6);
- A Preparatory Phase - Open Market Consultation (section 1.2);
- EU funding (section 1.3).

1.1 General features of pre-commercial procurement (PCP) tender

1.1.1 Competitive development in phases to identify solutions offering the best value for money

PCP targets situations that require radical or transformative innovation or R&D and for which there are typically no solutions on or close to the market yet. Multiple approaches to solve the problem might exist with no evidence as to which is the most effective solution to the customer's needs.

PCP simultaneously awards R&D contracts to a number of competing contractors at the same time, in order to compare different approaches to solving the problem. This gives procurers the opportunity to compare different solutions. Innovators benefit from multiple feedback loops during R&D and gain a first customer reference.

The R&D process is divided into three Phases as shown in Figure 1:

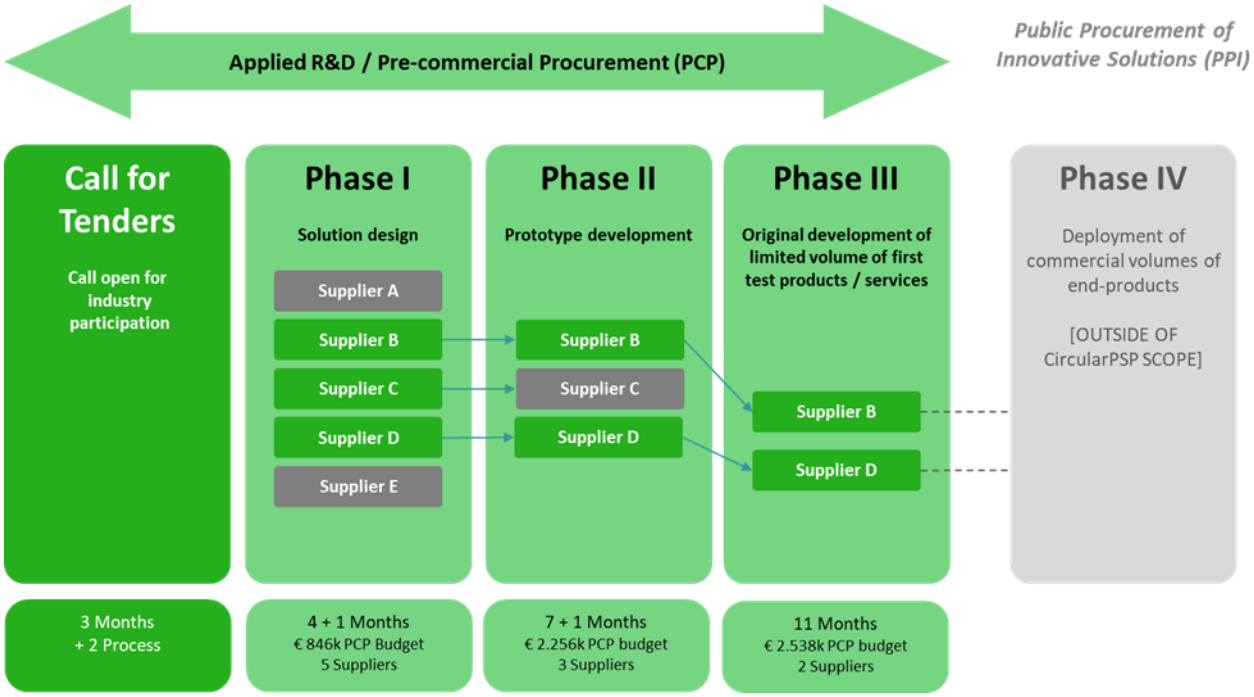
- Phase I Solution Design,
- Phase II Prototype Development,
- Phase III Original Development and Testing of a limited series of products or services.

Evaluations after each phase will progressively identify the solutions that offer the best value for money and meet the customers' needs. This phased approach allows successful contractors to improve their offers for the next phase, based on lessons learnt and feedback from procurers in the previous phase. The incrementally enlarging contract scope across phases facilitates Small and Medium Enterprises' (SMEs) participation, enabling gradual business expansion.

A preparatory Phase 0 has been already carried out, encompassing preliminary market research and nine Open Market Consultation (OMC) events. The OMC events are listed in section 1.2 and relevant findings from OMC, which shaped the tendering process, can be found in the Annexes of the Challenge Brief (TD2).

Depending on the outcome of the PCP, procurers may or may not decide to follow-up the PCP with a public procurement to deploy the innovative solutions at large scale (PPI).

Figure 1. The PCP Phases in CircularPSP



Remark: Budget values exclude and do not require VAT.

1.1.2 Public procurement of R&D services

PCP addresses mid- to long-term public procurement needs for which either no commercially stable solutions yet exist on the market, or existing solutions exhibit structural shortcomings which require further R&D to resolve. PCP is a way for procurers to trigger the market to develop new solutions that address these shortcomings. PCP focuses on specific identified needs and provides customer feedback to businesses from the early stages of R&D. This improves the likelihood of commercial exploitation of the newly developed solutions.

For a deeper understanding of PCP, refer to the PCP communication COM/2007/799 and the associated staff working document SEC/2007/1668. The R&D services can cover research and development activities ranging from solution exploration and design, to prototyping, right through to the original development of a limited set of 'first' products or services in the form of a test series. Original development of a 'first' product or service may include limited production or supply in order to incorporate the results of field-testing and demonstrate that the product or service is suitable for production or supply in quantity to acceptable quality standards. R&D does not include quantity production or supply to establish the commercial viability or to recover R&D costs.[1] It also excludes commercial development activities such as incremental adaptations or routine or periodic changes to existing products, services, production lines, processes or other operations in progress, even if such changes may constitute improvements.

1.1.3 Joint procurement by public organisations represented by Lead Procurer

PCP is conducted as a joint procurement from multiple public organisations together forming the Buyers Group, which is represented by the Lead Procurer. The Lead Procurer launches and subsequently signs contracts on behalf of the other procurers. In case of CircularPSP, invoicing and

[1] See also Article XV(1)(e) WTO GPA 1994 and the Article XIII(1)(f) of the revised WTO GPA 2014.

payment is also centralised with the Lead Procurer avoiding administrative burden from contractors. The parties to this PCP are described in section 2.3.

1.1.4 Open, transparent, non-discriminatory approach – No large-scale deployments

- *All entities must be established in EU Member States or in Horizon Europe associated countries.*
- *At least 50% of the contracted R&D services are required to be performed in EU Member States or Horizon Europe associated countries.*
- *At least 50% of the contracted R&D services are required to be staff related cost.*

Unless there are specific participation and/or control restrictions (see section 3.1) PCP procurements are normally open at least to all operators in EU Member States or HE associated countries, on equal terms, regardless of the size, geographical location or governance structure.

In all cases, there is, however, a Place of Performance condition, requiring performing at least half of the contracted R&D services in EU Member States or Horizon Europe associated countries (see 3.4.1).

All communication (before, during and after the procurement) will be carried out in English (see section 5.1).

Any subsequent Public Procurement of Innovation solutions (PPI) for the commercial volumes of the solutions developed in the PCP will be carried out under a separate procurement procedure after this project ended. Participation in the PCP is thus not a prerequisite for the provisioning of a solution on a commercial scale.

1.1.5 Sharing of IPR-related risks and benefits under market conditions

- *Contractors must provide financial compensation for keeping IPR ownership.*
- *Contractors must grant rights to procurers for internal use of results.*

PCP procures R&D services at market prices, thus providing contractors with a transparent, competitive and reliable source of financing for the early stages of their research and development.

In giving each contractor the ownership of the IPRs attached to generated results during the PCP (foreground), contractors can widely exploit the newly developed solutions commercially. In return, the tendered price must contain a **financial compensation**[2] for keeping the IPR ownership — compared to the case where the IPRs would be transferred to the procurers (the tendered price must be the 'non-exclusive development price'). Moreover, the procurers must receive license-free rights to use the R&D results for internal use, and licensing rights subject to certain conditions (see also TD8).

The contractors retain ownership of their background rights (albeit subject to certain rights of use by the procurers, see section 2.6).

For more information, see PCP on the Europa website.

[2] The financial compensation compared to exclusive development cost should reflect the market value of the benefits received and the risks assumed by the participating R&D provider. In case of IPR sharing in PCP, the market price of the benefits should reflect the commercialisation opportunities opened up by the IPRs to the R&D provider, the associated risks assumed by the R&D provider comprise for instance the cost carried by the R&D provider for maintaining the IPRs and commercialising the product.

1.1.6 Exemption from EU public procurement directives, the WTO Government Procurement Agreement (GPA) and EU state aid rules

PCP procurements are exempted from the **EU Public Procurement Directives** because the procurers do not retain all the benefits of the R&D (the IPR ownership stays with the contractors)[3].

They are also exempted from the **WTO Government Procurement Agreement (GPA)** because this Agreement does not cover R&D services[4] (the PCP being limited to such services — and any subsequent PPI procurements relating to commercial-scale supply of such solutions not being part of the PCP procurement).

PCP procurements do not constitute state aid under the **EU state aid rules**[5] if they are implemented as defined in the PCP communication[6], namely by following an open, transparent, competitive procedure with risk- and benefit-sharing at market price. The division of all rights and obligations *(including IPRs)* and the selection and award criteria for all phases must be published at the outset; the PCP must be limited to R&D services and clearly separated from any potential follow-up PPI procurements; PCP contractors may not be given any preferential treatment in a subsequent procurement for provision of the final products or services on a commercial scale.

1.2 Preparatory Phase – CircularPSP Open Market Consultation

Participation in the OMC events is not a prerequisite for submitting a tender for this call.

The start of the PCP procurement was preceded by an Open Market Consultation (OMC). The recordings and proceedings of the OMC events and Q&As have been published on the website and are available to any interested party.

Additionally, a **matchmaking service** was provided by the project to aid potential bidders in identifying collaboration opportunities.

Circular Economy Taxonomy Working Group

In addition, a Circular Economy Taxonomy event was organised describing the component of the overall common challenge that will be developed publicly and jointly across suppliers, academia and interested parties. The initial White Paper, presentation and recording are available on the website. Prior participation is a not a prerequisite for submitting a tender for this call.

Suppliers will be obliged to use the CE Taxonomy during development of their CE-solution in Phase I-III. In particular, suppliers are expected to train their AI using the terminology identified and attempt to access at least the data sets identified in the CE Taxonomy. The harmonised use of one CE Taxonomy has multiple benefits: i) it is more efficient to share the effort across suppliers rather than duplicate it; ii) it ensures higher quality of the CE Taxonomy with a higher chance of becoming standardises; iii) it ensures the Buyers Group is able to compare the results of AI outputs and its quality; iv) it provides the opportunity that multiple CE-solutions can exist in parallel still able to exchange information on circularity.

Towards the end of the CircularPSP project, an iteration or parts of the White Paper will be published as a policy paper and presented to relevant stakeholders including the European Commission (EC) for consideration in upcoming regulatory or standardisation efforts.

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3 See Article 16(f) of Directive 2004/18/EC (Article 14 of Directive 2014/24/EU), Article 24(e) of Directive 2004/17/EC (Article 32 of Directive 2014/25/EU) and Article 13(f)(j) of Directive 2009/81/EC.

4 See the EU's Annex IV of Appendix I to the WTO GPA.

5 See Point 33 of the Commission Communication on a framework for state aid for research and development and innovation (C(2014) 3282).

6 Commission Communication: Pre-Commercial Procurement: driving innovation to ensure sustainable, high quality public services (COM(2007) 799) and PCP staff working document (SEC(2007)1668).

Training and matchmaking

Participation in the training events is not a prerequisite for submitting a tender for this call.

Within the early weeks after release of tender, training events to present the Call for Tender, Challenge Brief and application templates will be organised and proceedings made available on the website. At the end of each event, potential tenderers will have opportunity to exchange with other interested parties to form consortia.

1.3 EU funding

Note: The EU has given a grant for this procurement but is not participating as a contracting authority in the procurement.

This PCP is part of a project that is funded by the European Union's Horizon Research and Innovation Programme, under grant agreement No 101092208 – CircularPSP (see https://circularpsp.eu/).

The procurement must therefore comply with the rules and conditions imposed by the EU Horizon Europe grant agreement, see the *Funding & Tenders Portal Online Guidance & Manuals*.

For more information, see 'Innovation procurement' and 'Links to regional policy' in the Commission notice on synergies between ERDF funds and Horizon Europe.

2 Tender profile

Challenge & project: Section 2.1 presents the summary of the common challenge in (see also TD2).

Core tender terms: Section 2.2 states the closing time followed by identifying the procurers (2.4) and the contracting approach (2.3), budget and IPR issues (2.6) in context of PCP introducing elements of the Framework Contract (TD8).

The **time schedule** presented in 2.7 is indicative.

2.1 Description of services to be procured

This procurement is for R&D services to develop innovative solutions to tackle the following challenge shared by the Buyers Group: Suppliers are to design, develop and test an innovative 'circular economy solution' (CE-solution) that enables municipalities and their staff as well as businesses in the local economy to apply circular practices more quickly, frequently, widely and effectively. Individual users at Cities and Businesses are empowered through access to information, knowledge, circular wisdom, guidance and training to act more circular more often and increasingly impactful whilst transitioning to a CE mindset.

The R&D for this PCP will be split into 3 phases (Phase 1: solution design, Phase 2: prototyping and lab testing, Phase 3: original development, installation, wider field testing and validation of a limited set of 'first' products or services).

The PCP includes the purchase of a limited set of prototypes and/or first products or services resulting from the R&D. The purchase of refers to continued operation of the CE-solution for at least two additional years after the end of the project in the demonstration sites to permit unobstructed and continuous further testing pf the newly developed CE-solutions.

This section first presents the PCP common challenge followed by Summary of expected outcomes per phase the which are then described in more detail for Phase I (2.1.3), II (2.1.4), and III (2.1.5) complemented by general remarks (2.1.6).

2.1.1 PCP common challenge

The main quality/efficiency improvements sought are described in the following.

Section 2.1.1 ***is a copy of the summary*** *in the dedicated document TD2* ***– CircularPSP Challenge Brief****. The Challenge Brief provides a detailed description of the Common Challenge to be tackled through the technical proposal (i.e. scope, functionality functional and performance-based specifications including technical minimum requirements of the CircularPSP CE-solutions).*

Background, current situation, expected demand

Realising a green, sustainable and circular economy (CE) in Europe is essential to the European Green Deal, improving economic and societal resilience and promoting strategic autonomy. A more circular economy will help achieve climate neutrality by 2050, help meet 2030 SDG goals and ensure the long-term competitiveness of European enterprises. The pandemic and the war in Ukraine make the need for increased autonomy and resilience obvious; local economies which have started the CE transition have already proven to be more resilient and competitive.

Given its importance, it is unfortunate that the transition to a CE has been stalling. Globally, circularity declined from 9.1% in 2018 to 7.2% in 2022. The Organisation for Economic Cooperation and Development (OECD) reported that only 10% of cities defines themselves as advanced on circular transition. It seems that the CE transition is particularly complex. Key signs of complexity include a plethora of existing websites collecting information, the large number of individuals that need to be involved and hundreds of relevant CE indicators in the current OECD inventory.

Meanwhile, research typically focuses on developing isolated technologies without tackling slow replication and uptake. To unlock the full potential of CE, we must navigate this complexity, encourage collaboration, and prioritise scalable and adoptable solutions.

The Buyers Group of Procurers is representative of municipalities and regions which are linked to local economies in eight Cities associated through the CircularPSP consortium. In addition, the CircularPSP project is continuously building and growing the Follower Network of municipalities and other interested organisations. Followers are convinced that the concept of CircularPSP is universally transferrable to any organisation aiming to improve and grow its own circularity practices, whilst seeking means to efficiently and effectively integrating specialised external services. Hence, a large number of organisations ambitious or required to transition towards a CE is expected to adopt a well-priced and effortless entry into the complex transition.

The common challenge

Suppliers are to design, develop and test an innovative 'circular economy solution' (CE-solution) that enables municipalities and their staff as well as businesses in the local economy to apply circular practice more quickly, frequently, widely and effectively. Individual users at City and Business are empowered through access to information, knowledge, circular wisdom, guidance and training to act more circular more often and increasingly impactful whilst transitioning to a CE mindset.

Suppliers are to holistically solve the Common Challenge across four interlinked **areas of need** reflected in the sections to follow:

- **Information**: Cities and Business require support in accessing, understanding and applying the growing body of highly distributed and often unorganised knowledge on CE transition which is often not available in their native language. Fundamentally, the CE is lacking a common language and classifications, hindering not only the use of data but also the exchange between stakeholders. Suppliers are to use AI (see definition below) capable of localisation and limited personalisation for their CE-solution. The AI will identify and combine relevant data using Natural Language Processing (NLP) or other technologies of equal value, summarise knowledge and provide circular wisdom with transparency on sources and confidence about results. Critically, the model(s) and outputs are validated, tested and overseen by CE experts.
- **Operation**: Cities need a roadmap for their sustainable transition whilst all staff (municipal and business) must be enabled to act more circular in their day-to-day tasks taking their sector, experience and framework conditions into account. Currently, City strategies and targets for CE are incomplete or simplified. For instance, many Cities begin their circular journey in the procurement department without full understanding of what CE strategies could achieve at earlier stages including during concept (e.g. 'rethink', 'refuse' to 'reduce' the need for procurement), design and planning (e.g. 'repair' existing stock). Lastly, strategies and operation need to be tracked for results and impact through simple and robust CE indicators.
- **Organisation**: Many organisations including Cities and Business are eager to begin with CE transition but need to improve and expand organisational capacity to act circular. Only few Cities established specialised teams to implement CE transition; other Cities and most local Businesses do not have the resources to invest in long-term strategies. Other complications are legacy software not adequately reflecting circular action and the need to establish new relationships. Hence, Cities and Business need an advanced tool in which circular data and knowledge come together. Where novel CE strategies are made transparent for all staff and users are supported in their increasingly circular day-to-day activity. This includes improved communication and networking within and beyond municipal borders. Suppliers are to provide a platform which has simple and appealing interface and is interoperable to the largest possible degree.

- **Change & Upskilling**: A CE transition requires a new organisational culture. Individuals need a new mindset and knowledge as well as means to exchange experience to overcome the personal risks of acting differently to what has been done in the past decades. The motivation, initiation, encouragement and entrenchment of the CE-solution and the users' attempts to act circular must be supported by personalised upskilling (i.e. capacity building and training). This must be linked to problems a staff member is currently solving, rather than presenting abstract content. The expected organisational change requires the involvement, commitment and validation from City administration and/or departments.

The CircularPSP challenge is technology neutral (i.e. any technology can be used as part of the CE-solution as long as it aids to solve the Common Challenge) and not industry specific (i.e. value chains).

The Buyers Group is seeking a viable and reliable CE-solution to their Common Challenge which is to be procured and implemented in their organisations and local economy beyond the end of the project. Hence, Suppliers are to develop:

- A **Business Model** documenting how the CE-solution can be viably and reliably provided beyond the end of the project. Suppliers are to develop a commercial vision and Business Model suitable for both Suppliers and Cities.
- A **Commercialisation Plan** documenting how Suppliers plan to recruit a large number of Cities to achieve economies of scale to reduce costs and maximise the available circular knowledge and wisdom accessible through the CE-solution.

User groups, City and Business/SME users in the local economy

The CE-solution will be developed for and initially tested with municipal users including circular experts (intermediaries) and a range of staff in various departments as well as procurement officers. Near all functionality developed for the City operation is expected to be scalable and transferable and to be relevant for Businesses in the local economy. Hence, the platform will open the AI, Workflows, Upskilling and other features to Business, for example SMEs, via the second tier of the platform. Business will be able to list their circular products/services and especially SMEs will be supported to bid in local procurements through a matchmaking feature. The growing network of CE-minded Businesses is critical for the ability of the City to achieve the goals set in CE Missions. The platform will facilitate exchange between City and Business and between Businesses to grow circular economic activity.

2.1.2 Summary of expected outcomes per phase

*The following sections describe the **outcome to be delivered during the project** demonstrating and documenting the R&D results. Hence, R&D effort must be structured to enable the delivery of milestones foreseen and reflected in the project management section of the Technical Application.*

Summary of phase activities

This procurement is organised in stages in accordance with the PCP instrument (see section 1.1.1).

In their proposal, tenderers are requested to describe their CE-solution in response to the common challenge explained in detail in the Challenge Brief (TD2). The Technical Application is structured and rated according to the Weighted Award Criteria described in section 3.4.2. Starting with the proposal, all phases constitute R&D work on the CE-solution, resulting in continuous improvements based on lessons learnt during application and research.

In Phase I (2.1.3), the solution design will take place. The CE-solution will be specified in more detail, the critical components will be developed and their feasibility demonstrated.

In Phase II (2.1.4), the prototype development will take place. Initially core components (v1) and then an integrated operational system (v2) will be developed and tested.

In Phase III (2.1.5), selected suppliers will finalise the development of the CircularPSP pilot systems for demonstration under real-life conditions. Suppliers will install and deploy the pilot systems at each demonstration site (see Table 4) in close collaboration with the respective site partner.

After the end of the project, procurers intend to continue using at least one CE-solution and therefore it should remain operational. The scalable design of the CE-solution ensures that suppliers can quickly deploy their business plan and commercialisation model within a fleeting period after the project. Suppliers will have provided an important tool to fasten the currently slow transition towards a circular economy.

Procurer activities

CircularPSP will monitor and support the development effort throughout the project. We will aid future commercialisation with dissemination at events, publications and across the Follower Network which covering a growing number of city and region networks. During Phase III CircularPSP will seek a follow-up PPI project (see 5.5.5).

Summary of core outputs and results

Based on the Challenge Brief, each supplier will design, develop and test the following outputs which — taken together — constitute the **CE-solution**:

- **Information**: AI (CE Taxonomy is developed jointly)
- **Operation**: CE Mission, CE Workflows, CE Indicators
- **Organisation**: Public Service Platform (PSP), communication and networking
- **Change and Upskilling**: Change Framework, self-assessment tool, Upskilling, knowledge and wisdom creation

Based on the phased nature of the PCP instrument, Table 1 describes the critical paths determining the progress to be made on each of the results during Phase I, Phase II v1, Phase II v2 and Phase III (during the launch at demonstration sites, operation and at the end of the project). The stated result is to be achieved as a milestone or by the end of the phase.

Table 1. Progress and results to be achieved across phases

Phase/MS	Information	Operation	Organisation	Change
I	**AI** is developed and trained using the CE Taxonomy on case-study related data sets. **AI** is accessible permitting prompts on case studies and searches, based on different **self-assessment** profiles. The risk assessment is revised. Analysis on local data sets is performed.	**Workflow Framework** and complete drafts[7] of 2-3 Workflows, the content will be agreed upon at P1-kickoff. Concepts on **Mission** and **Indicators** are revised, designs are iterated and improved.	Develop and document a complete architecture and functionality of the **PSP**, including all necessary and envisaged components (e.g. **communication and networking**). **Complete IT requirement analysis** for each demonstration site (hosting, access data sets, data governance/privacy).	The **self-assessment tool** is fully defined, and results can be shared with AI. The concepts of the **Change Framework, upskilling** and **knowledge feature** are revised, and designs iterated and improved.

[7] Workflow and individual Module drafts do not have to run in browser but can be document based at this stage (e.g. within a PowerPoint presentation)

II v1	**AI** is trained & curated and able to access all CE Taxonomy data sets. **AI** demonstrates that it can learn/use selected mock-up data sets in selected cities. **AI** is capable of calculating first indicators and shows first ability on **Mission** and **Workflow** generation and quality checks of procurement packages.	The entire **Workflow Framework** including all Modules is fully developed. The **Mission** process and format is fully designed and discussed in workshop setting. First **Indicators** are provided in prompts and where possible shown in Workflows. AI is able to list and propose **procurement criteria.**	The core parts of the **PSP** are operationally accessible, and all core features can be tested in a demo setting. A complete UI design is available, at least as a mock-up. **Communication** can be tested on the PSP between different users.	The **Change Framework** is fully defined, and a sample timeline developed. **Upskilling** materials are selected, access validated and the integration in the Workflow and PSP is demonstrated at least as a mock-up. A complete mock-up for **knowledge creation** is available.
II v2	**AI** is trained & curated and demonstrates during testing that it is able to utilise local data and respond to local circumstances. **AI** is able to generate **Missions** and **Workflows**.	The AI is able to generate **Workflow**s based on prompts. The **Mission** process and all its components are tested in a faced procedure with 2-3 sites allocated to the supplier.[8] **Indicators** are fully reflected in Missions and other parts of the CE-solution. **AI** is able to quality check **procurement packages**.	The **PSP** is fully operational including all other components. At least two cities are set up for tests on the PSP with all relevant information present (i.e. Missions) and Test Users across the consortium are allocated to one of the test cities. The **matchmaking** tool is operational and works for testing Businesses. The **financing/incentive feature** provides first results.	The roll-out of the **Change Framework** is simulated during test sessions with allocated cities. PSP Test Users have access to all features of **Upskilling** and **knowledge creation** as part of a Workflow and where otherwise intended.
III Launch	The **CE-solution** is fully operational in real-life environment for all demonstration and additional testing sites (see Table 4). Data is collected to permit evaluation. **Missions** are developed with procurers, intermediaries and City representatives. Users are setup on the PSP and all features are fully operational.			The **Change Framework** is rolled-out in cooperation with each demonstration sites (and one additional testing site).
III Operation	The **CE-solution** remains fully operational in real-life environment for all demonstration and additional testing sites. Support is provided. The communication within and across cities is flawless. Quality of AI, Mission and Workflows is continuously improved.			**Upskilling** is provided. Change steps are taken to add additional users as they are recruited.
III End	Learnings from demonstration phase are taken on and reflected in iterated designs as well as in the CE-solution. A continuation plan and terms are prepared, and active continuation is possible			The Change Framework is evaluated with support of CircularPSP. The lessons of the Change Framework process are reflected in the design.

[8] The content and results generated will feed into Phase III (i.e. 2-3 Cites are partly prepared when entering real life demonstration).

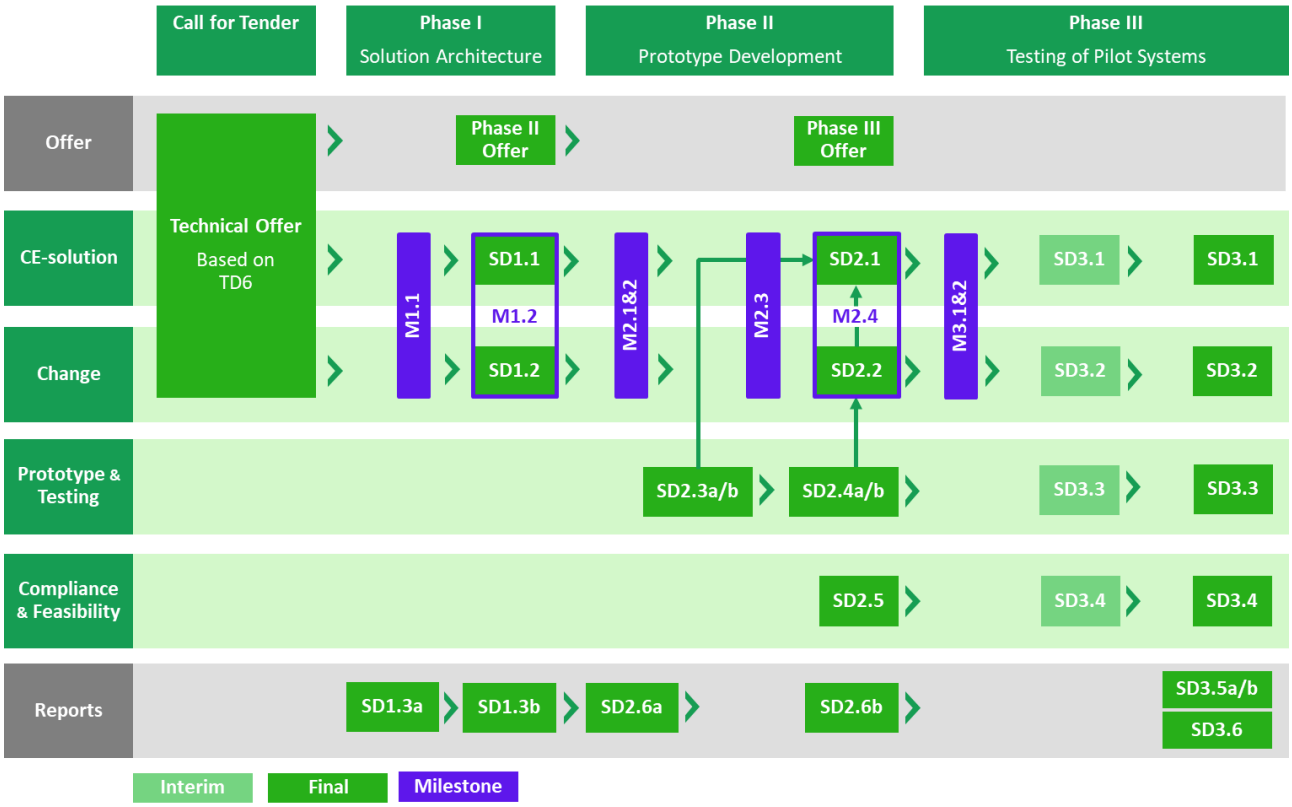
Whilst all outputs will be iterated throughout the project, it is expected that progress in a completed phase can be carried over to the following phase. This implies that outputs from prior phases do not have to be redeveloped (i.e. adequately designed from initiation) to enable the objectives of following phases.

Business Plans and Commercialisation are expected to be developed in parallel constituting a critical part of the call-off applications and resulting in an output during Phase III.

Summary on content creation and concept of living documents

Most expected content (i.e. documentation, reporting, presentations) will be continuously developed following a "living document" approach by gradually growing and improving the content with deliverables constituting intermediate versions. Hereby, the results, learnings and developments during each phase will be directly useful to incrementally update and improve the Technical Applications during call-offs. Figure 2 summarises all supplier deliverables and how they evolve throughout the project starting with the technical offer.

Figure 2. Expected supplier deliverables and milestones per phase



A further benefit is to keep administrative burden at a minimum for both sides by reducing the effort required to understand what structure is expected or has been delivered. Suppliers will be empowered to share intermediate results of deliverables for discussion during monitoring calls or commenting: a universal and compulsory communication and file sharing solution (MS Teams) is described in section 5.5.1.

Further detail is provided in sections 2.1.3 to 2.1.6.

2.1.3 Expected outcome Phase I – Solution design

In Phase I, selected suppliers will begin development. This phase aims to verify the conceptual, technological, organisational, regulatory and budgetary feasibility as well as potential impact of the solutions emerging from the application of the CE-solution.

Contractors have four (4) months for R&D. In total, the duration of Phase I is five (5) months with the last month reserved for assessment of offers, reporting and information of successful contractors.

Table 2. Phase I: Objectives, output, milestones and supplier deliverables

Objectives	Suppliers • To develop the CE-solution Design • To design and develop components along the critical path (see Table 1) • To collect and analyse the collected results Buyers Group • To monitor progress and assess Phase I results • To select successful suppliers for Phase II		
Output & results	• See Phase I in Table 1. Progress and results to be achieved across phases • Progress of the work is monitored in status calls • Written reports and offer for Phase II		
Milestones	**By when?**	**How?**	**Output & results**
M1.1 Initial results for feedback	Two months before end of phase	Meeting and Minutes	See Table 1
M1.2 Phase I results	One month before end of phase	Reports	SD1.1, SD1.2, Offer
Supplier deliverables	**By when?**	**How?**	**Output & results**
SD1.1 CE-solution	1 month before end of phase	Sent by email to the Lead Procurer	Improved and extended sections of the Technical Tender
SD1.2 Change	1 month before end of phase	Sent by email to the Lead Procurer	Improved and extended sections of the Technical Tender
SD1.3a Project abstract	Start of Phase	In the format required by the EU for publication Sent by email to the Lead Procurer	Written report (template will be provided)
SD1.3b End-of-phase report	End of phase	In the format required by the EU for publication Sent by email to the Lead Procurer	Written report (template will be provided)
Each end-of-phase report shall contain: • a project abstract (in the format required by the EU for publication) to be published on the website • a summary of the main results achieved by each contractor and conclusions from the phase (in the format required by the EU for publication) • a description of any results generated (including technical results and any videos submitted) • a section that explains the IPR measures taken by the contractor to protect the results • a list of names and location of personnel that carried out the R&D activities • a declaration that at least 50% of the work was carried out within the EU27 or a country associated to Horizon Europe			
Other	**By when?**	**How?**	**Output & results**
O1. Offer for Phase II	1 month before end of phase	Sent by email to the Lead Procurer	Technical (improved and extended initial offer) and Financial Application Administrative Application in case of changes

Optional	By when?	How?	Output & results
3-5 Pitch slides for communication of the project	2 weeks after the start of the phase	Sent by email to the Lead Procurer	PPT (or JPG or PDF) to be used in dissemination publication and presentations (each occasion to be agreed)
Presentation at event targeting the Follower Network	2 months before end of phase	Participation at online webinar	Brief Presentation

2.1.4 Expected outcome Phase II – Prototype development

In Phase II, selected suppliers conduct prototype development in two stages: initially core components separately (v1) and then an integrated operational system (v2) developed and tested. Prototypes are made available online for testing after a presentation. Testing will take place according to common protocols developed by the CircularPSP project as well as, optionally, protocols suppliers request Test Users to apply to generate required data. Test duration is four weeks including analysis and preparation of reporting. Test outcomes will be collected and analysed for design, to eventually serve as input for the selected suppliers' development of the pilot system.

Testing of the solution will be carried out according to Table 1 with multiple sites in parallel which should be reflected in the tenderer's resource planning. The exact location and/or departments and therefore users to be involved during testing will be determined during the project.

Contractors have seven (7) months for R&D. The duration of Phase II is eight (8) months with the last month reserved for assessment of offers, reporting and information of successful contractors. By the end of Phase II the contractors need to be able to demonstrate the developed prototypes to the European Commission (possibly as part of technical reviews in the projects).

Table 3. Phase II: Objectives, output, milestones and supplier deliverables

Objectives	Suppliers: • To develop and test the CircularPSP prototype systems in two iterations • To design, develop and test components along the critical path (see Table 1) • To collect and analyse the collected results Buyers Group: • To test v1 and v2 prototypes • To monitor progress and assess Phase II results • To select successful suppliers for Phase II		
Output & results	• See Phase II v1/v2 in Table 1. Progress and results to be achieved across phases • Progress of the work is monitored in status calls • Written reports and offer for Phase III		
Milestones	**By when?**	**How?**	**Output & results**
M2.1 Meetings with IT staff responsible at each site	1 month after start of phase	Meeting of all suppliers with each procurer	Update of CE Taxonomy on locally accessible data
M2.2 Prototype system v1 ready	3 months before end of phase	Presentation of prototypes of key system components	SD2.4a/b
M2.3 Prototype system v2 ready	2 months before end of phase	Presentation of all functional prototypes, demonstrating component behaviour and system-wide interaction	SD2.5a/b

M2.4 All detailed designs of the CE-solution	One month before end of phase	Reports	SD2.1, SD2.2, Offer
Supplier deliverables	**By when?**	**How?**	**Output & results**
SD2.1 CE-solution	1 month before end of phase	Sent by email to the Lead Procurer	Improved and extended version of SD1.1.
In addition to regular content, the supplier deliverable contains: • Annex: Self-standing and easily comprehensive AI instructions for use as per TD8 Annex D in English language			
SD2.2 Change	1 month before end of phase	Sent by email to the Lead Procurer	Improved and extended version of SD1.2.
SD2.3a Presentation of initial prototypes of key systems	3 months after start of phase Procurers welcome an earlier presentation	Online presentation to each procurer on a widely available web platform. Also sent by email to the Lead Procurer	Presentation of initial prototypes and first training materials.
The SD2.3a presentation and/or report includes: • Description of all IT-systems, services and components to be tested • Description on where above listed items are tested and the test protocol • The status of IT-systems and materials may not be complete or only partially functional. • With regard to user-facing IT-systems, permissions for remote online testing by procurers and selected users (operators and occupants) is provided in English language, procurers will recruit users for testing • With regard to upskilling and training: provided in English language– procurers will recruit users for testing			
SD2.3b Protocol of testing v1	4 months after start of phase	Sent by email to the Lead Procurer	Protocol of testing v1: test procedure, verifiable data sheets etc. Lessons learnt, improvements and critical data etc. are expected to be incorporated in SD2.1 and SD2.2. accordingly
SD2.4a Presentation of functional prototypes, demonstrating component behaviour and system-wide interaction	2 months before end of phase	Online presentation to procurers Also sent by email to the Lead Procurer	Improved and extended version of SD2.3a. Presentation of functional prototypes and training material.
The SD2.4a presentation and/or report includes: • Description of all IT-systems, services and components to be tested • Description on where the above listed items are tested and the test protocol • The status of IT-systems and materials is to be **complete and fully functional** • With regard to user-facing IT-systems, permissions for remote online testing by procurers and selected users is provided **in all procurer languages** – procurers will recruit users for testing • With regard to upskilling and training: provided in **all procurer languages** – procurers will recruit users for testing			
SD2.4b Protocol of testing v2	1 month before end of phase	Sent by email to the Lead Procurer	Improved and extended version of SD2.3b. Protocol of testing v2, verifiable data sheets etc. Lessons learnt, improvements and critical data etc. are expected to be incorporated in SD2.1 and SD2.2. accordingly

SD2.5 Compliance report	End of phase	Sent by email to the Lead Procurer	Tests and conformance report* on GDPR, AI Act, Data Governance and other ethics contexts if required; documentation on strategic autonomy
SD2.6a Project abstract	Start of Phase	In the format required by the EU for publication Sent by email to the Lead Procurer	Update of SD1.3a (template will be provided)
SD2.6b End-of-phase report	End of Phase	Sent by email to the Lead Procurer	Written report See SD1.3b for detail (template will be provided)
In addition to this end-of-phase report, contractors shall be: • able to demonstrate the developed v2 prototypes to the European Commission as part of regular technical reviews in EU projects • conducting a final demonstration to the EU of the final products or services developed during the 3 phases.			
Other	**By when?**	**How?**	**Output & results**
O2. Offer for Phase III	1 month before end of phase	Sent by email to the Lead Procurer	Technical and Financial Application Administrative Application in case of changes
Optional	**By when?**	**How?**	**Output & results**
3-5 Pitch slides for communication of the project	2 months after the start of the phase	Sent by email to the Lead Procurer	PPT (or JPG or PDF) to be used in dissemination publication and presentations (each occasion to be agreed)
Presentation at event targeting the Follower Network	2 months before end of phase	Participation at online webinar	Brief Presentation

* Suppliers will be informed during Phase II whether specific tests or formats are required. Irrespective, the documentation needs to fulfil the requirements laid out in the then valid EU regulations.

2.1.5 Expected outcome Phase III – Development & testing of pilot systems

In Phase III, selected suppliers finalise the development of the CircularPSP pilot systems for a test under real-life conditions in each country. Afterwards, suppliers install and deploy the pilot systems at each site in close collaboration with the respective site partner. Operation of all systems at each site is to be maintained at full quality. Moreover, suppliers set up and operate a help service and maintenance response team to address problems faced by users at all sites.

The demonstration sites to be provided in parallel are listed in the table below and should be reflected in the tenderer's resource planning. SOS and SKR representing networks of cities and regions might require more than one instance. The exact location and/or departments and therefore users to be involved during testing will be determined during the project. **The demonstration sites might be split** to reduce overall effort for suppliers and procures and/or to improve comparability of results or offers at a later stage. The allocation of sites, if any, for Phase III will be communicated in the Outcome Letter. The Follower Network is to be granted at least one non-permanent test user instance to be defined further during Phase II.

Table 4. Phase III: Demonstration sites

Procurers / CircularPSP Beneficiaries	Demonstration Site	Additional testing site
Istanbul Metropolitan Municipality [IMM]	x	
Circular City - Zirkuläre Stadt EV [CB]	x	
Forum Virium Helsinki Oy [FVH]	x	
Municipio de Guimarães [CMG]	x	
Sandyford BID CLG [SBID]	x	
Skupnost Obcin Slovenije [SOS]	x (1 or more*)	
Sveriges Kommuner och Regioner [SKR]	x (1 or more*)	
ReLondon [RL] – Part of CircularPSP consortium		x
Follower Network[9] (≥1 test instance)		x

* In case multiple larger cities choose to test the solution independently.

While user recruitment for Phases II and III is in the overall responsibility of the procurers, contractors support the process through a change framework and materials (e.g. by providing leaflets with more information in respective language about the solution, visuals, training, etc.). The procurers are responsible for evaluation. Contractors support the evaluation, e.g. by integrating questionnaires into the system, analysing raw data about the use of the interfaces, etc.

Contractors have ten (10) months for R&D. The duration of Phase III is eleven (11) months with the last month reserved for finalisation of evaluation, reporting and information of successful contractors. The CircularPSP project is planning for Open Pilot Days for public demonstrations to media, other procurers, public and the EU towards the end of the phase. At the end of Phase III, contractors must be prepared to provide a final demonstration to the EU of the final products or services developed during the 3 phases and shall provide a summary of overall lessons learnt and results achieved from the PCP.

Table 5. Phase III: Objectives, output, milestones and supplier deliverables

Objectives	Suppliers • To develop and deploy the CE-solution in real-life conditions • To develop and test components along the critical path (see Table 1) • To collect and analyse the collected results Buyers Group • To monitor the suppliers' development and introduction of the CircularPSP pilot systems • To test the pilot systems under real-life conditions • To monitor progress and assess Phase III results • To assess the outcomes and arrive at recommendations for procurement		
Output & results	• See Phase III in Table 1. Progress and results to be achieved across phases • Operational CE-solutions actively used by users • Evaluation of prototype systems • Progress of the work is monitored in status calls • Results, lessons and plans for future use are fully documented		
Milestones	**By when?**	**How?**	**Output & results**

[9] See for more information https://circularpsp.eu/follower-network/

M3.1 Pilot systems ready	3 months after start of phase	PSP Solutions are deployed tested, and performance verified	CE Missions are developed CE-solution is installed and tested City instances are set up
M3.2 Pilot operations start	4 months after start of phase	All systems are operational, and training of core staff is nearly completed	Instances are operational for all user groups and Change roll-out started including training of users
Supplier deliverables	**By when?**	**How?**	**Output & results**
SD3.1 CE-solution	6 months after the start of the phase 1 month before the end of the phase	Sent by email to the Lead Procurer	Improved and extended version of SD2.1.
SD3.2 Change	6 months after the start of the phase 1 month before the end of the phase	Sent by email to the Lead Procurer	Improved and extended version of SD2.2.
SD3.3 Operation	6 months after the start of the phase 1 month before the end of the phase	Sent by email to the Lead Procurer	Report on operation of platform and each demonstration site including and analysis and annex of critical logs
SD3.4 Provision of service contracts	6 months after the start of phase 1 months before the end of the phase	Sent by email to the Lead Procurer and allocated procurers	Full Business and Commercialisation Plans including contracts and terms for future operation and maintenance
SD3.5a Project abstract	Start of Phase	In the format required by the EU for publication Sent by email to the Lead Procurer	Update of SD2.6a (template will be provided)
SD3.5b Final report (end of phase report) including commercialisation plan	End of phase	Sent by email to the Lead Procurer	Written report See SD1.3b for detail (template will be provided)
In addition to the content described in SD2.6b, the final report shall include: • an updated assessment of procurer benefits and updated information on the evidence on which this assessment is made, including evidence generated by the contractor in Phase III of PCP implementation • an updated commercialisation plan based on an improved and extended version of O2			
SD3.6 Summary of the lessons learnt, and the results achieved by each contractor during the PCP for publication	End of phase	Sent by email to the Lead Procurer	Written report
Optional	**By when?**	**How?**	**Output & results**
3-5 Pitch slides for communication of the project	4 months after the start of the phase End of phase	Sent by email to the Lead Procurer	PPT (or JPG or PDF) to be used in dissemination publication and presentations (each occasion to be agreed)

Presentation at event targeting the Follower Network	2 months before end of phase	Participation at online webinar	Brief Presentation

2.1.6 General remarks on supplier deliverables, reporting and monitoring

Abstracts and end-of phase reports

Templates for "Project abstracts" and "Phase reports" will be provided at the beginning of Phase I.

The expected content of end-of-phase reports are provided in Table 1 and expected outcome tables by phase above.

Delivery of supplier deliverables

"Sent by email to the Lead Procurer" refers to the final and official version relevant for contractual monitoring etc. Other forms of access for (current) versions are neither required nor discouraged. Monitoring

Progress on work is monitored during each phase, for detail see section 5.5.1.

2.2 Tender closing time

The **tender closing time is 01 April 2024, 19:00 Istanbul local time (UTC+3)**.

2.3 Procurers and other parties involved in the PCP

This procurement relates to a joint PCP that will be carried out by the following **Lead Procurer**: ISTANBUL METROPOLITAN MUNICIPALITY, [IMM], Turkey[10].

The Lead Procurer is appointed to coordinate and lead the joint PCP, and to sign and award the Framework Agreement and the Specific Contracts for all phases of the PCP, in the name and on behalf of the following **Buyers Group**:

- CIRCULAR CITY - ZIRKULARE STADT EV [CB, Germany
- FORUM VIRIUM HELSINKI OY [FVH], Finland
- MUNICIPIO DE GUIMARAES [CMG], Portugal
- SANDYFORD BID CLG [SBID], Ireland
- SKUPNOST OBCIN SLOVENIJE [SOS], Slovenia
- SVERIGES KOMMUNER OCH REGIONER [SKR], Sweden

The Lead Procurer is part of the Buyers Group. All legal names and registration numbers of the members of the Buyers Group can be found in the CircularPSP Prior Information Notice and any updates in subsequent notices.

Representing 45 million inhabitants, the procurers in the Buyers Group have a large need and potential for accelerating CE practices in their impact area as well as projecting the approach to the wider economy.

The following entities are participating in the PCP, but without being part of the Buyers Group:

- RELONDON: LONDON WASTE AND RECYCLING BOARD [RL], United Kingdom.
- RISE RESEARCH INSTITUTES OF SWEDEN [RISE], Sweden
- ENERGY EFFICIENCY IN INDUSTRIAL PROCESSES [EEIP], Belgium
- TAGES INFORMATION & INDUSTRY TECHNOLOGIES RDI INC., [TAGES], Turkey

[10] Official name: Istanbul Metropolitan Municipality
National registration number: TR4810024824
Postal address: Istanbul Metropolitan Municipality, Hacıahmet Mahallesi Muhsin Yazıcıoğlu Cad. No: 1, Kasımpaşa Beyoğlu, Istanbul, Turkey

- EMPIRICA GESELLSCHAFT FÜR KOMMUNIKATIONS- UND TECHNOLOGIEFORSCHUNG MBH, [EMP], Germany

These entities are **granted access to information shared during the PCP**, if they need this information in order to implement the CircularPSP Grant Agreement. They are bound by an obligation of confidentiality. They have no rights to results or IPRs from the PCP.

ReLondon is a leading circular economy organisation providing services to all boroughs of London and other cities in the United Kingdom. ReLondon will provide an **additional demonstration site** for CircularPSP.

RISE is the leading research organisation on CE (e.g. circular procurement, NLP, and AI tools for local governments). RISE supports the Challenge Design, but also consults in assessment, develops and observes tests and provides suppliers and procurers with input during solution design.

EEIP has an excellent network in Brussels in the energy domain and supports the partners in terms of dissemination and communication. This involves amongst others dedicated networking activities to recruit Preferred Partners and Follower Cities after tender release.

TAGES is experienced with CE concepts and innovation projects and has a good network in plastics, machinery and ICT industries. TAGES supports the Lead Procurer (IMM) on technical aspects.

EMP is a research and consultancy firm supporting innovation with new information technology across a wide international area and conducted numerous successful PCP projects. The entire process of Challenge Design, OMC organisation and PCP launch, assessment and implementation are supported by EMP. EMP Is the coordinator of the CircularPSP project.

Follower Network

It is of central interest to the Buyers Group that any successful solution scales quickly after commercialisation. Hence, the CircularPSP has and will continue to undertake significant effort to make future procurers (e.g. municipalities, regions, governmental organisations, multiplier networks and other procuring organisations) aware of the common challenge, upcoming solutions and suppliers thereof.

Suppliers will gain access to the Follower Network being able to present during common events.

The Follower Network receives only public information or information made public by the tenderer. The Follower Network has no rights to results or IPRs from the PCP.

The most recent list of confirmed Followers is available on the website.

2.4 Contracting approach

The PCP will be implemented by concluding a **Framework Agreement** with each successful tenderer and **Specific Contracts** for each of the three R&D phases.

The Framework Agreement sets framework conditions for the entire duration of the PCP (covering all the phases). There will be no renegotiation. The Framework Agreement will be signed before the start of Phase I and will remain binding for the duration of all phases for which contractors remain in the PCP. **Tenderers that are awarded a Framework Agreement will also be awarded a Specific Contract** for Phase I (evaluation of tenders for the Framework Agreement and Phase I is combined). Tenderers are therefore asked not only to submit their detailed offer for Phase I, but also to state their goals, and to outline their plans *(including price conditions)* for Phases II and III – thus giving specific details of the steps that would lead to commercial exploitation of the R&D results. A Framework Agreement and a Specific Contract for Phase I are planned to be awarded to a minimum of five contractors.

Call-offs for Phases II and III

The call-offs between Phases I – II and II – III require binding offers for the next respective phase, which are requested with the end-of phase supplier deliverables for the previous phase. All contractors will be invited to call-off provided the progress up to this point of any given phase has been successful.

A call-off will be organised for Phase II, with the aim of awarding a minimum of **three Phase II contracts**. Only offers from contractors that successfully completed Phase I will be eligible for Phase II.

A second call-off will be organised for Phase III, with the aim of awarding a minimum **of two Phase III contracts**. Only offers from contractors that successfully completed Phase II will be eligible for Phase III. Field-testing of the first products/services is expected to take place as identified in Table 4.

2.5 Total budget and budget distribution per phase

The total budget for the PCP is €5,640,000. The maximum budget available for Phase I is €846,000. The maximum budget available for Phase II is €2,256,000. The maximum budget available for Phase III is €2,538,000.

An individual supplier that participates in all three Phases can receive a total budget of up to €2,190,200.

For Phases I and II, offers will be accepted until the remaining budget is insufficient to fund the next best tender. The exact number of contracts finally awarded will thus depend on the prices offered and the number of tenders passing the evaluation. As leftover budget from the previous phase will be transferred to the next phase, the total budget available for Phases II and III may eventually be higher than stated here (but the maximum budget per contractor for Phases II and III will remain the same). The lower the average price of tenders, the more contracts can be awarded. However, the total value of the contracts awarded can also be lower than initially expected if there are fewer tenders than expected that meet the minimum evaluation criteria.

Based on procurer assessments for appropriate resourcing of each phase, including reductions due to IPR arrangements, the maximum allowed prices for each tender and phase are:

Table 6. PCP Phases setup, budget, duration and timing

	PCP Phase I Solution design	PCP Phase II Prototype development	PCP Phase III Testing pilot systems
Sum subcontracting budget	€846,000	€2,256,000	€2,538,000
No. of suppliers	5	3	2
Max. budget per supplier	€169,200	€752,000	€1,269,000
Duration for R&D/reporting	4/5 months	7/8 months	11/11 months
Estimated Start	15.05.2024	14.10.2024	16.06.2025
Estimated End	11.10.2024	13.06.2025	15.05.2026

The offer is subject to value for money (see section 3.5).

A **formal VAT exemption is granted to CircularPSP** by Turkish authorities. Should this exemption be revoked or not apply for any reason, the valid Turkish VAT legislation will be applied.

2.6 IPR issues

For more information, see the Framework Agreement that describes in more detail the rights and obligations regarding exploitation of results and IPR.

Ownership of results (foreground)

Each contractor will keep ownership of the IPRs attached to the results they generate during the PCP implementation. The tendered price is expected to take this into account.

During the project, Grant Agreement contributors can grant access to Results to third parties for the implementation of the project (e.g. testing in Phase II and demonstration in Phase III) without gaining any rights.

The ownership of the IPRs will be subject to the following, i.e. the Buyers Group has the right to:

- access results, on a royalty-free basis, for their own use;
- grant (or to require the contractors to grant) non-exclusive licences to third parties to exploit the results under fair and reasonable conditions (without the right to sub-license);
- require the contractors to transfer ownership of the IPRs if the contractors fail to comply with their obligation, notably concerning the protection or exploitation of the results or to protect public interests (including security interests). Each Contractor is responsible for the management and protection of its IPRs and bears the costs associated with this.

Commercial exploitation of results

The CircularPSP project represents lighthouse organisations in the transition towards a CE and has already attracted a significant Follower Network. Combined, the CircularPSP procurers represent municipalities in attractive national markets with 45 million citizens.

The contractors are expected to start commercial exploitation of the results within a short timeframe and at the latest four years (4) after the end of the Framework Agreement.

The contractors are obliged to prepare for exploitation as follows:

- If extension or modification of existing standards, or new standards, are required for or would promote exploitation, contractors must take any opportunity to offer their contributions to the relevant standards bodies. Notably, suppliers are expected to participate in and follow the CircularPSP CE Taxonomy Working Group. To provide brief slide decks and presentations at events targeting other interested procurers recruited by the CircularPSP project and at the Open Pilot Day. This does not imply sharing IPR.
- Support the project's communication efforts to promote (own) R&D results and the CircularPSP project among other private and public procurers.

The feasibility of the business plan to commercially exploit the R&D results will be assessed as part of the award criteria (see section 3.4.2).

Given the expected, attractive business case (positive cost-benefit relation), procurers intend to procure operational systems. The commercial exploitation of the results includes confirming offers to all members of the Buyers Group to deliver an operational system – without additional cost for IPR - at a price equal to or less that the total cost of ownership documented in the Phase III offer "Phase III total offered price". This price may only be exceeded by an increase in price for third party components agreed for inclusion in Results.

Procurers will promote the R&D results among other procurers and assist in widely disseminating the results of the contract.

In case of a public emergency, the contractors must (if requested by the granting authority) grant for a limited period of time specified in the request, non-exclusive licences — under fair and reasonable conditions — to their results to legal entities that need the results to address the public emergency and commit to rapidly and broadly exploit the resulting products and services at fair and reasonable conditions. For more information, see Article 5.7 in the Framework Agreement (TD8) that describes in more detail the rights and obligations regarding exploitation of results.

The ownership of pre-existing rights will remain unchanged.

In order to be able to distinguish clearly between results and pre-existing rights (and to establish which pre-existing rights are held by whom):

- tenderers are requested to elaborate the proposed list of pre-existing rights that they wish to use for their proposed solution in their offers;
- procurers and contractors will establish an agreed list of pre-existing rights to be used before the start of the Framework Agreement and this list will be updated at the start of each Specific Contract.

The procurers and third parties providing in-kind contributions to the PCP do not hold any pre-existing rights relevant to the PCP contracts.

The members of the Buyers Group receive rights to use the background rights related to the developed solution for free during and for the purpose of the PCP. They will be buying 'developed prototypes' as part of this PCP and therefore also receive rights to use the background rights related to the developed solution for a duration of at least two years after the PCP. This to be taken into account in your financial offer for the PCP.

Rights to use the background related to the developed solution must be granted under the same conditions as above, also to entities that are under the direct or indirect control of the Buyers Group, or under the same direct or indirect control as procurers of the Buyers Group, or directly or indirectly controlling procurers of the Buyers Group.

The Framework Agreement will contain a provision that describes in more detail the rights and obligations of the different parties regarding the pre-existing rights and results.

2.7 Time schedule

The time schedule summarises formal steps and reference dates, note that:

- *the time **schedule is indicative**. The Buyers Group reserves the right to adjust it.*
- *the **timing of deliverables and milestones** are listed in section 2.1.*
- *the **payment schedule** and monitoring are described in section 5.5.*
- *the list may not include any formal arrangements necessary to be at the start of each phase.*
- *results shall be completed at the latest two months before the end of the CircularPSP Grant Agreement.*

Table 7. Time schedule CircularPSP

Date	Activity
First tender procedure (Framework Agreement and Phase I contracts)	
01.03.2023	Publication of prior information notice (PIN) in TED
20.12.2023	Publication of contract notice in TED

08.03.2024	Deadline for submitting questions about tender documents
13.03.2024	Deadline for Lead Procurer to publish replies to questions (Q&A document)
01.04.2024	Deadline for submission of tenders
02.04.2024	Opening of tenders
30.04.2024	Tenderers notified of decision on awarding contracts
02.05.2024	Framework Agreement and Specific Contract sent for signature by tenderers
10.05.2024	Deadline for receipt of signed contracts
14.05.2024	Date of signature by Lead Procurer
20.05.2024	Signed contracts sent to tenderers
24.05.2024	Publication of contract award notice in TED
Implementation of Phase I	
15.05.2024	Start of Phase I
22.05.2024	Names of winning Phase I contractors and their project abstracts to be sent to EU and published on CircularPSP project website
14.06.2024	Visit or virtual meetings of Phase 1 contractors to the premises(s) of the procurer(s) to learn about the operational boundary conditions governing the design of targeted solutions
13.09.2024	Deadline for Phase I core milestones/supplier deliverables
27.09.2024	Assessment of milestones/deliverables; Phase I contractors notified as to whether they have completed this phase satisfactorily and successfully (invoices can be sent)
11.10.2024	End of Phase I
31.10.2024	Reports and Summary of the results and conclusions achieved by each contractor during the phase sent to EU
Second tender procedure (call-off for Phase II)	
16.08.2024	Launch call-off for Phase II (only offers from contractors that successfully completed Phase I are eligible)
30.08.2024	Deadline for submitting questions on Phase II call-off documents
06.09.2024	Deadline for Lead Procurer to circulate replies to questions to Phase II tenderers
13.09.2024	Deadline for submitting Phase II offers
16.09.2024	Opening of Phase II offers
23.09.2024	Contractors notified of decision on awarding Phase II contracts
24.09.2024	Contracts sent for signature by tenderers
08.10.2024	Deadline for receipt of signed contracts
11.10.2024	Date of signature by Lead Procurer
25.10.2024	Signed contracts sent to tenderers
Implementation of Phase II	
14.10.2024	Start of Phase II
21.10.2024	Names of winning Phase II contractors and their project abstracts to be sent to EU, published on CircularPSP PCP project website and as Contract Award Notice on TED
11.02.2025	Deadline for Phase II first version milestones/supplier deliverables
14.05.2025	Deadline for Phase II final milestones/supplier deliverables

28.05.2025	Assessment of milestones/deliverables; Phase II contractors notified as to whether they have completed this phase satisfactorily and successfully (second invoice on phase can be sent)
13.06.2025	End of Phase II
02.07.2025	Reports and summary of the results and conclusions achieved by each contractor during the phase sent to EU
Third tender procedure (call-off for Phase III)	
14.04.2025	Launch call-off for Phase III (only offers from contractors that successfully completed Phase II are eligible)
24.04.2025	Deadline for submitting questions on Phase III call-off documents
05.05.2025	Deadline for Lead Procurer to circulate replies to questions to Phase III tenderers
14.05.2025	Deadline for submitting Phase III offers
15.05.2025	Opening of Phase III offers
29.05.2025	Contractors notified of decision on awarding Phase III contracts
30.05.2025	Contracts sent for signature by tenderers
10.06.2025	Deadline for receipt of signed contracts
11.06.2025	Date of signature by Lead Procurer
23.06.2025	Signed contracts sent to tenderers
Implementation of Phase III	
16.06.2025	Start of Phase III
20.06.2025	Names of winning Phase III contractors and their project abstracts to be sent to EU, published on CircularPSP PCP project website and as Contract Award Notice on TED
15.04.2026	Deadline for Phase III final milestones/supplier deliverables
15.04.2026	Final demonstration of products/services developed during Phase III *(including to EU representatives)*
15.05.2026	Deadline for Phase III final reporting
15.05.2026	End of Phase III
20.05.2026	Assessment of milestones/deliverables; Phase III contractors notified as to whether they have completed this phase satisfactorily and successfully (second invoice in phase can be sent)
02.06.2026	Reports and summary of the results and conclusions achieved by each contractor during the PCP sent to EU for publication purposes.

3 Evaluation of tenders

Eligible tenderers and conditions thereof are described in 3.1

Evaluation applies exclusion criteria (3.2), selection criteria (3.3), award criteria (3.4) and a price-quality ratio (3.5) applying a formula on awarded quality and price offered.

Evaluation procedure is described in 3.6.

3.1 Eligible tenderers, joint tenders and subcontracting

Participation in the tendering procedure is **open** on equal terms to **all types of operators** that are established in EU Member States and Horizon Europe associated countries[11] regardless of size, geographic location, or governance structure. Participation in OMC is not a condition to submit a tender.

Please also note that participation in the **PCP contract is not open to entities that are subject to EU restrictive measures** under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)[12] — in any capacity (not as main contractor, member of a grouping/consortium, subcontractors, experts or any other type of entity on whose capacity the tender relies or other third parties that are cooperated with). In addition, the contractors must ensure that none of the contracted services are performed in countries nor by entities that are subject to EU restrictive measures (sanctions). They must ensure that none of the goods procured or used for the procurement were developed, produced or supplied in countries or by entities that are subject to such EU restrictive measures. In order to ensure that the EU restrictive measures are respected throughout the supply chain that will be involved in delivering the contract results, the contractors must ensure that these obligations also apply to their subcontractors, affiliated entities and other third parties (including suppliers of components used for the innovative solution) they cooperate with in the research, development, testing and subsequent commercialisation of the results, as well as to any entities succeeding them in their ownership or development of the results.

Tenders may be submitted by a **single entity** or in collaboration with others. The latter can involve either submitting a **joint tender** (see section 3.1.1) or **subcontracting** (see section 3.1.2), or a **combination** of the two approaches.

The following general requirements apply for all constellations:

- All entities (single tenderer, members of a consortium, subcontractors) must be established in EU Member States or Horizon Europe associated countries.
- More than 50% of the total value activities during Phase I/Phase II and more than 50% of the total value of activities covered by the PCP Framework Agreement must be R&D services. For detail, see Section 3.4.1, on-off award criterion A) Compliance with the definition of R&D services.
- At least 50% of the total value of activities covered by the Framework Agreement and for each Specific Contract must be performed in the EU Member States or Horizon Europe associated countries. The principal R&D staff working on the PCP must be located in the EU Member States or Horizon Europe associated countries. For detail, see Section 3.4.1, on-off award criterion C) Compliance with requirements relating to the place of performance of the contract.
- Prior participation in the Open Market Consultation is not a pre-condition for submitting a tender. However, for Phases II and III, participation is limited to tenderers that successfully completed the preceding phase.

3.1.1 Joint tenders

It is required for joint tenders that:

- each member of the group of tenderers assumes joint and several liability for the performance of the contract;

[11] List of Horizon Europe participating countries.

[12] Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the EU Sanctions Map The countries highlighted on the sanctions map might be under targeted sanctions limited to one or more sectors (i.e. not necessarily covering all entities).

- the group of tenderers must mandate one of them with the power to sign the Framework Agreement and Specific Contracts provided in their name and on their behalf ("Lead Contractor").

To meet these requirements, each of the members of a group of tenderers except the Lead Contractor must provide with the tender an originally signed power of attorney conforming to the template provided (TD4).

There may be no change in the composition of a group of tenderers that tendered at the beginning of the PCP procedure.

Exceptional changes in the composition of a group of tenderers

The Buyers Group may exceptionally authorise changes in the composition of a group that tendered at the beginning of the PCP procedure (during the proposal selection) and/or the formation of a new group different from the one that tendered at the beginning of the tendering process. Nevertheless, any such authorisation, to be provided in writing at the discretion of the Buyers Group, shall not apply if:

- It implies the entry of new participants different from those tendering individually or jointly at the beginning of the PCP procedure, or of participants previously withdrawn or excluded from said procedure or in default under the Framework Agreement or under a Specific (Phase) Contract.
- It leads to a reduction of the number of Specific Contracts in a phase below the minimum numbers set in section 2.5.
- It leads, according to an independent legal report, to IPR/confidentiality issues (i.e. if associated participants selected for Phase I decide to continue as individual entities or to join other consortia).
- The new bidder resulting from the change no longer meets the selection criteria required under section 3.3.
- It occurs during the execution of a specific (phase) contract, except in the event of the insolvency of one of the members of the consortium, corporate restructuring operations affecting one or several of the members of the tendering group or the merger, take-over, transformation or assignment of a company or business unit.

3.1.2 Subcontracting

Subcontracting refers to any contract or agreement between the tenderer and any third party, whereby that third party agrees to provide services to the tenderer to enable or assist the tenderer to provide all or any part of the services offered to the Buyers Group in the tender, including implementation and operation of solutions at all sites. The tenderer is to explain which parts of the offer is to be subcontracted.

The selection of a subcontractor to provide more than 10% of the work to be performed under any Specific Contract is subject to the approval of the Buyers Group unless such subcontractor was identified in the tender or in the tenderer's offer for a phase as the entity to deliver the work concerned.

The tenderer remains fully liable to the Buyers Group for the performance of the Framework Agreement and each Specific Contract.

The contractors remain fully liable to the procurers for the performance of the contract. Therefore, the following declaration has to be included in the DoH (TD3a) and originally signed by each subcontractor:

- agrees to be bound vis-a-vis the tenderer by the provisions of the Framework Agreement and Specific Contract (in particular in relation to IPR) mutatis mutandis,
- meets the qualification requirements for the subcontracted services,
- has placed the required resources at the tenderer's disposal for the full duration of the Specific Contract,
- agrees to be bound by and complies fully with obligations imposed on subcontractors under the CircularPSP Grant Agreement, including those relating to the place of performance, the definition of R&D services, confidentiality, results and IPRs, the visibility of EU funding, conflicts of interest, language, obligation to provide information and keep records, audits and checks by the EU, the processing of personal data, liability for damages and ethics and security requirements,
- will not subcontract any of the work so subcontracted.

Before subcontracted work begins in any Specific Contract, the tenderer must provide the Buyers Group with an originally signed agreement with the subcontractor including a clear description of the work or service to be subcontracted. A template is provided as annex to the Specific Contact (TD9).

Addition or replacement of subcontractors

If, subsequently, the tenderer needs to change or add new subcontractors (Phases I-III), these new subcontractors must observe the requirements described in the above section and following the same form. Subcontractors can be replaced or added during call-offs or during a Specific Contract in which case the tenderer must inform the Buyers Group at least five (5) days before any work or service is to be conducted.

Where the tenderer involves new subcontractors, the notice shall be accompanied by a Declaration of Honour (TD3a), the description of the involvement and if work is to begin shortly the originally signed agreement described in above section.

Changes and additions to subcontractors named in prior offers require authorisation by the Buyers Group. No change in subcontractor shall be possible if:

- It leads to a reduction of the number of Specific Contracts in a phase below the minimum numbers set out in section 2.5.
- It leads, according to an independent legal report, to IPR/confidentiality issues (i.e. if associated participants selected for Phase I decide to continue as subcontractor for another bidder).
- It prevents the tenderer from meeting the selection criteria required under section 3.3.

The approach to subcontracting (selection of subcontractors and management) is to be described in the tender.

3.2 Exclusion criteria

Table 8. Exclusion criteria

Exclusion criteria	Evidence
A) Conflict of interest	Declaration of Honour (TD3a)
B) Exclusion grounds as defined in Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014	

The Turkish law does not provide additional exclusion criteria not already listed.

Tenderers that do not comply with these criteria will be excluded.

Bidders shall explicitly assure that they are not subject to any of the exclusion criteria listed above by presenting a duly signed and stamped declaration of honour, using for this purpose the template provided in Declaration of Honour on Exclusion Criteria (TD3a).

In case of **joint tenders**, all members of the consortium or group of bidders must accredit their compliance with the above-mentioned criteria by providing a signed Declaration of Honour on Exclusion Criteria (TD3a).

In case of **subcontracting**, all subcontractors must provide a Declaration of Honour on Exclusion Criteria (TD3a) signed by an authorised representative including the declarations listed in 3.1.2.

Should there be any doubt as to any of these criteria, bidders may be requested to provide additional information and/or evidence.

A) Conflict of interest

Tenderers that are subject to a conflict of interest may be excluded. If there is a potential conflict of interest, tenderers must immediately notify the Lead Procurer in writing.

A conflict of interest covers both personal and professional conflicts.

Personal conflicts are any situation where the impartial and objective evaluation of tenders and/or implementation of the contract is compromised for reasons relating to economic interests, political or national affinity, family, personal life (e.g. family of emotional ties) or any other shared interest.

Professional conflicts are any situation in which the contractor's (previous or ongoing) professional activities affect the impartial and objective evaluation of tenders and/or implementation of the contract.

Note: If an actual or potential conflict of interest arises at a later stage (i.e. during the implementation of the contract), the contractor must contact the Lead Procurer, who is required to notify the EU and to take steps to rectify the situation. The EU may verify the measures taken and require additional information to be provided and/or further measures to be taken.

B) Exclusion grounds as defined in Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014

Grounds relating to criminal convictions

The Lead Procurer shall exclude a bidder if it has been the subject of a conviction by final judgement for one of the following reasons:

- Participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;
- Corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union and Article 2 of Council Framework Decision 2003/568/JHA (34), as well as corruption as defined in the national law of the Lead Procurer or the economic operator;
- Fraud within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests;
- Terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting or aiding or abetting or attempting to commit an offence, as referred to in Article 4 of the aforesaid Framework Decision;
- Money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;
- Child labour and other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council.

The obligation to exclude a bidder shall also apply where the person convicted by final judgement is a member of the administrative, management or supervisory body of that bidder or has powers of representation, decision or control therein.

Grounds relating to the payment of taxes or social security contributions

A bidder shall be excluded from participation in this procurement procedure where the Lead Procurer is aware that the bidder is in breach of its obligations relating to the payment of taxes or social security contributions, and where this has been established by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of the country in which it is established or with those of the country of the Lead Procurer.

Furthermore, the Lead Procurer may exclude from participation in this procurement procedure a bidder where the Lead Procurer can demonstrate by any appropriate means that the bidder is in breach of its obligations relating to the payment of taxes or social security contributions.

This paragraph shall no longer apply when the bidder has fulfilled its obligations by paying or entering into a binding arrangement with a view to paying the taxes or social security contributions due, including, where applicable, any interest accrued or fines.

Grounds of insolvency or professional misconduct

The Lead Procurer may exclude a bidder in any of the following situations:

- Where the bidder is bankrupt or is the subject of insolvency or winding-up proceedings, where its assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended, or it is in any analogous situation arising from a similar procedure under national laws and regulations;
- Where the Lead Procurer can demonstrate by appropriate means that the bidder is guilty of grave professional misconduct, which renders its integrity questionable; Where the Lead Procurer has sufficiently plausible indications to conclude that the bidder has entered into agreements with other economic operators with the intention of distorting competition;
- Where a conflict of interest cannot be effectively remedied by other less intrusive measures;
- Where a distortion of competition from the prior involvement of the bidder in the preparation of this procurement procedure cannot be remedied by other, less intrusive measures;
- Where the bidder has shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity or a prior concession contract which led to early termination of that prior contract, damages or other comparable sanctions;
- Where the bidder has been guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria;
- Where the bidder has undertaken to unduly influence the decision-making process of the Lead Procurer, to obtain confidential information that may confer upon it undue advantages in the procurement procedure, or to negligently provide misleading information that may have a material influence on decisions concerning exclusion, selection or award.

3.3 Selection criteria

The purpose of the selection criteria is to determine whether a tenderer has the financial, economic, technical and professional capacity necessary to carry out and perform the work.

These selection criteria will be evaluated on a pass/fail basis. “Fail” means that the evidence given does not provide sufficient indication of the tenderer’s expertise, ability and/or equipment to meet project’s objectives. Any tenderer that cannot meet all requirements in this section will not be selected. The selection criteria are summarised in Table 9.

Table 9. Selection criteria

Selection criteria	Evidence
A) Ability to perform R&D up to original development of the first products or services	Description of the capacity, materials and equipment that are available to the tenderer for research, prototyping and limited production and supply of the first set of products or services in quantity and to quality standards defined by the procurers.
B) Technical ability	Description of IT-related expertise and ability to develop transferable AI, platforms, workflow design and general ability to implement change (i.e. in digitisation or another relevant context).
C) Circular Economy expertise	Description of Circular Economy knowledge and expertise.
D) Experience with public organisations	Description of prior work with public organisations (e.g. municipalities, agencies, regions, governments).
E) Ability to commercially exploit the results of the PCP, including intangible results, in particular IPRs	Description of the financial and organisational structures that are available to the tenderer for management, exploitation and transfer of IPRs and for generating revenue by marketing commercial applications of the results (directly or through subcontractors or licensees).

Tenderers that do not comply with these criteria will be excluded.

Detailed instructions on each selection criterion and evidence to be provided are explained in the Administrative Tender Application Template (TD5).

Should there be any doubt as to any of these criteria, tenderers may be requested to provide additional information.

3.4 Award criteria

There are two types of award criteria: on/off criteria and weighted criteria.

3.4.1 On/off criteria

On/off award criteria can only have the value 0 or 1. The score of the other (weighted) award criteria is multiplied by this value (so that the total score becomes 0 if a tender scores 0 on an on/off award criterion). The on/off award criteria are shown in Table 10.

Tenders must comply with the following on/off award criteria:

Table 10. On/off criteria

On/off criteria	Evidence
A) Compliance with the definition of R&D services	Declaration of Honour on On/off Award Criteria (TD3b)
B) Compatibility with other public financing	
C) Compliance with the requirements regarding the place of performance of the contract	
D) Compliance with ethics requirements	
E) Compliance with security requirements	
F) Compliance with 'do no significant harm' principle	

Compliance for the on/off wared criteria needs to be confirmed in dedicated sections of the Declaration of Honour – On/off Award Criteria (TD3b).

Tenders that do not comply with these criteria will be excluded. The offers for each phase will be evaluated against these criteria.

A) Compliance with the definition of R&D services

Tenders that go beyond the provision of R&D services will be excluded.

R&D covers fundamental research, industrial research and experimental development, as per the definition given in the EU R&D&I state aid framework[13]. It may include exploration and design of solutions and prototyping up to the original development of a limited volume of first products or services in the form of a test series. Original development of a first product or service may include limited production or supply in order to incorporate the results of field-testing and to demonstrate that the product or service is suitable for production or supply in quantity to acceptable quality standards.[14] R&D does not include quantity production or supply to establish commercial viability or to recover R&D costs. It also excludes commercial development activities such as incremental adaptations or routine or periodic changes to existing products, services, production lines, processes or other operations in progress, even if such changes may constitute improvements. The purchase of commercial volumes of products or services is not permitted.

The definition of services means that the value of the total amount of products covered by the contract must be less than 50 % of the total value of the PCP Framework Agreement.

The following evidence is required:

- the financial part of the offer for the Framework Agreement must provide binding unit prices for all foreseeable items for the duration of the whole Framework Agreement;
- the financial part of the offer for each phase must give a breakdown of the price for that phase in terms of units and unit prices for every type of item in the contract, clearly distinguishing the units and unit prices for items that concern products;
- the offers for all three phases may include only items needed to address the challenge in question and to deliver the R&D services described in the Call for Tender;
- the offers for all three phases must offer services matching the R&D definition above;
- the total value of products offered in Phase I/Phase II must be less than 50 % of the value of the Phase I/Phase II contract and the total value of products offered in the last phase must be so that the total value of products offered in all phases is less than 50% of the total value of the PCP Framework Agreement.

B) Compatibility with other public financing

Tenders that receive public funding from other sources will be excluded if this leads to double public financing or an accumulation of different types of public financing that is not permitted by EU legislation, including EU state aid rules.

C) Compliance with requirements relating to the place of performance of the contract

Tenders will be excluded if they do not meet the following requirements relating to the place of performance of the contract:

- At least 50% of the total value of activities covered by the Framework Agreement must be performed in the EU Member States or Horizon Europe associated countries[15]. The principal R&D staff working on the PCP must be located in the EU Member States or Horizon Europe associated countries.
- At least 50% of the total value of activities covered by the Specific Contract for each PCP phase must be performed in the EU Member States or in Horizon Europe associated countries. The

[13] See Point 15 of the Commission Communication on a framework for state aid for research and development and innovation (C(2014) 3282).

[14] See Article XV(1)(e) WTO GPA 1994 and the Article XIII(1)(f) of the revised WTO GPA 2014.

[15] List of Horizon Europe participating countries.

principal R&D staff working on each Specific Contract must be located in the EU Member States or Horizon Europe associated countries.

All activities covered by the contract are included in the calculation, i.e. all R&D and operational activities that are needed to perform the R&D services (e.g. research, development, testing and certifying solutions). This includes all activities performed under the contract by contractors and, if applicable, their subcontractors.

The principal R&D staff are the main researchers, developers and testers responsible for leading the R&D activities covered by the contract.

The following evidence is required:

- the financial part of the offer must provide binding unit prices for all foreseeable items for the duration of the whole Framework Agreement and give a breakdown of the price for the current phase in terms of units and unit prices (hours and unit price per hour), for every type of item in the contract (e.g. junior and senior researchers);
- a list of staff working on the Specific Contract (including for subcontractors), clearly indicating their role in performing the contract (i.e. whether they are principal R&D staff or not) and the location (country) where they will carry out their tasks under the contract;
- a confirmation or DoH that, where certain activities forming part of the contract are subcontracted, subcontractors will be required to comply with the place of performance obligation to ensure that the minimum percentage of the total amount of activities that has to be performed in the EU Member States or in countries participating in Horizon Europe is respected.

D) Compliance with ethics and research integrity

Tenders will be excluded if they:

- do not comply with the following rules:
  - ethical principles (including the highest standards of research integrity, notably as set out in the European Code of Conduct for Research Integrity[16], and, in particular, avoiding fabrication, falsification, plagiarism and other research misconduct;
  - applicable international, EU and national law;
- include plans to carry out activities that are prohibited in all Member States or in a country outside the EU (where those activities are allowed);
- include activities that do not focus exclusively on civil applications;
- do not comply with the ethics requirements specified in the Framework Agreement.

If the tender involves activities that raise ethical issues, the tenderer must submit an ethics self-assessment that:

- describes how the tender meets the legal and ethical requirements of the country or countries where the tasks raising ethical issues are to be carried out;
- explains in detail how the tenderer intends to address the ethical issues identified, in particular as regards:
  - objectives (e.g. dealing with vulnerable populations and dual-use goods[17]);
  - methodology (e.g. involvement of children and related consent procedure and protection of data collected);

[16] The European Code of Conduct for Research Integrity of ALLEA (All European Academies)) of March 2017.

[17] See Article 2(1) EU export control Regulation No 428/2009.

- the potential impact (e.g. issues relating to the dual use of goods, environmental damage, stigmatisation of particular social groups, political or financial retaliation, benefit-sharing and malevolent use of results, trustworthy AI systems).

If the tender involves development, deployment and/or use of artificial intelligence (AI)-based techniques, the self-assessment must address the ethics issues related to the involvement of AI in order to ensure that this is done in a way that is ethical, robust, safe and lawful.

For information on ethics issues, see the guidance for EU grant beneficiaries How to complete your ethics self-assessment.

Call-offs for Phases II and III may request that this information should be updated in the offers submitted for these phases.

Before starting the particular task that raises ethical issues, contractors must provide a copy of:

- any ethics committee opinion required under national law; and
- any notification or authorisation for activities raising ethical issues required under national law.

The Framework Agreement (TD8) contains a provision on ethics. CircularPSP requires compliance with the upcoming AI Act. Instructions on the necessary assessment and documentation is embedded in the Technical Application Template (TD6).

E) Compliance with security

Tenders will be excluded if they do not comply with EU, national and international law on dual-use goods or dangerous materials and substances. Tenders themselves must not contain any classified information.

If the output of activities or results proposed in the tender raise security issues or uses EU-classified information, the tenderer must show that these issues are being handled correctly. In such a case, tenderers are required to ensure and to provide evidence of the adequate clearance of all relevant facilities. They must examine any issues (*such as those relating to access to classified information or export or transfer control*) with the national authorities before submitting their offer. Tenders must include a draft Security Classification Guide (SCG), indicating the expected levels of security classification. If necessary for the tender procedure or for performing the contract itself, contractors will be requested to ensure appropriate security clearance for third parties (e.g. for external experts needed to evaluate the proposal).

Note: For information on security, see the guidance for EU grant beneficiaries: Guidelines on the classification of information in Horizon Europe projects and Guidance on how to handle security-sensitive projects.

Call-offs for Phases II and III may request that this security information should be updated in the offers submitted for that phase.

Before starting the particular task that raises security issues, contractors must provide a copy of any export or transfer licences required under EU, national or international law.

The Framework Agreement and/or the Specific Contracts will contain a provision on security.

F) Compliance with 'do no significant harm' principle

Tenderers must ensure compliance with the 'do no significant harm' principle[18] as per Article 17 of the EU Taxonomy Regulation (EU) No 2020/85243[19], i.e. is designed in a way that it is not significantly harming any of the six following environmental objectives of the EU Taxonomy Regulation:

- climate change mitigation
- climate change adaptation
- the sustainable use and protection of water and marine resources
- the transition to a circular economy
- pollution prevention and control and
- the protection and restoration of biodiversity and ecosystems.

Compliance means that the proposed activities must not support or carry out activities that do significant harm to any of the six above objectives. This needs to be assessed both for the activities that are proposed to be carried out during the course of the PCP contract (for the R&D activities and for complementary activities such as project management, travel, etc.), as well as for the expected lifecycle impact of the innovative solution at a subsequent commercialization stage.

Compliance of the tender's project methodology with this principle has several benefits. Not only will it enable to ensure that the newly developed innovative solution contributes to protecting the environment. It will also help to improve your position on the financial market, increasing your chances to obtain financial investments for your business, including in particular for further development and commercialisation of the innovative solution developed during the PCP. The EU Taxonomy Regulation provides uniform criteria that enable financial investors to determine the degree of environmental sustainability of different economic activities and shift their financial investments towards environmentally sustainable economic activities.

The descriptions of the weighted award criteria in the Challenge Brief (TD2) include several remarks with relevance to the principle.

Should there be any doubt as to any of these criteria, tenderers may be requested to provide additional information.

3.4.2 Weighted award criteria

The award criteria and the overall tender evaluation approach developed in CircularPSP are built upon the principle of delivering the best value for money, the guidelines in the Directive 2014/24/EU, the Horizon Europe approach to evaluating R&D projects[20], the EAFIP toolkit[21], the practical experiences of PCP projects led by EMP (e.g. HSMonitor[22] and procuRE[23]), and by the national and regional experiences of the seven procuring organisations.

A tender will be evaluated against the award criteria set out here only if the tenderer is not excluded through application of the exclusion criteria, and only if the requirements in the selection criteria, the on/off award criteria, and the administrative instructions are met.

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18 Guidance on the application of the 'do no significant harm principle' in Horizon Europe

19 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

20 https://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/from-evaluation-to-grant-signature/evaluation-of-proposals/elig_eval_criteria_en.htm

21 https://eafip.eu/toolkit/

22 https://hsmonitor-pcp.eu/

23 https://procure-pcp.eu/

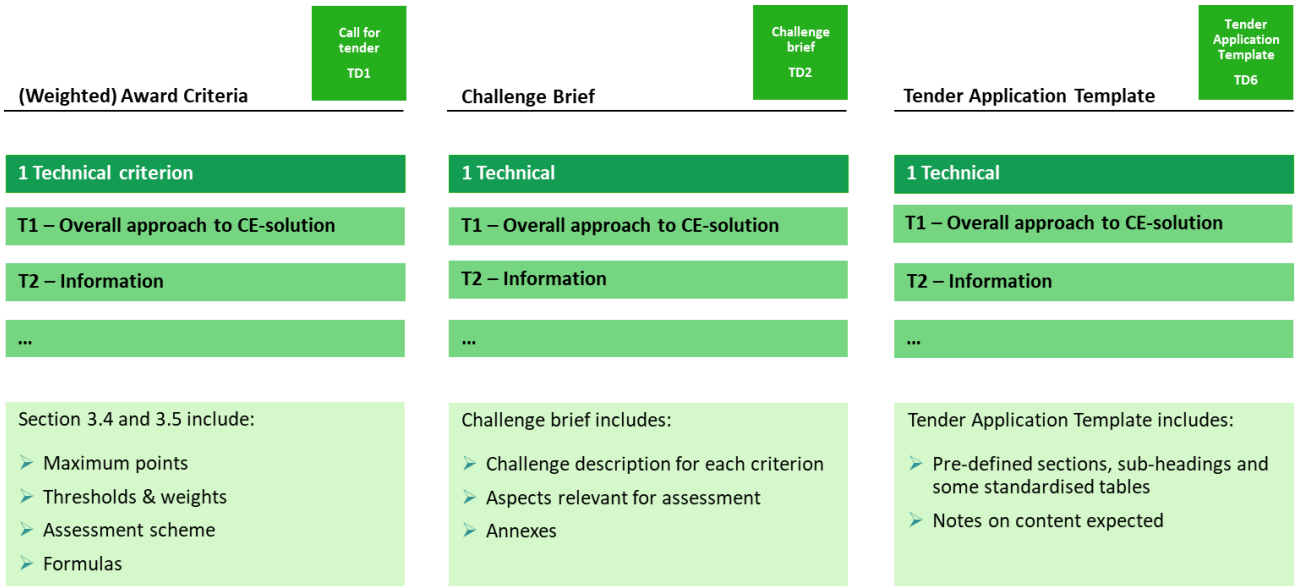
Structure of award criteria and link to Challenge Brief (TD2) and Technical Application Template (TD6)

There are three award criteria:

- **Technical**: Focuses on the overall and detailed approach and design including the technical description of the transformational CE-solution for municipalities.
- **Commercial feasibility**: Focuses on the presentation of innovation compared to state-of-art, the business model underlying the solution and the commercialisation plans to ensure future uptake.
- **Project management**: Focuses on the R&D project implementation such as the quality, efficiency and feasibility of the proposed approach.

To achieve a high degree of transparency for tenderers, **the award criteria are aligned with the description of the common challenge as stated in the Challenge Brief (TD2) and the Technical Tender Application Template (TD6),** as depicted in Figure 3. Each criterion is represented in Level 1 headings, and each sub-criterion is represented in Level 2 headings in the Challenge Brief and the Technical Tender Application Template. This ensures transparency as to where input is expected and how many points any given section will contribute to the overall score.

Figure 3. Aligned structure of weighted award criteria, challenge brief, and tender template



The CircularPSP weighted award criteria

The weighted award criteria are described in the Challenge Brief (TD2) and the Tender Assessment Scorecard (see below). There are three weighted award criteria defined accompanied with 10 sub-criteria. The development is linked to a range of decisions to be taken by the procurers including on best-value-for-money considerations, technical definitions, user, and expert input, regarding weights the priority of expected progress which can differ across Phases. The decisions are made jointly by the Buyers Group that is aided by input from horizontal partners EMP, RISE, RL, TAGES and experts on the External Advisory Board. The weighing of criteria will follow EC recommendations assigning weights to criteria and points of up to a total of 100 points for sub-criteria within a criterion. The threshold will be set for each criterion.

The assessment scheme will apply a rating on a 0-10 matrix equally applied to all sub-criteria listed in Table 11. This table describes the weights for each criterion as well as the maximum points and thresholds. The contents of each criterion are described in the Challenge Brief (TD2).

Table 11. Weighted Award criteria CircularPSP Phase I (initial tender)

Weighted award criteria for Phase I	Maximum points	Threshold	Weight
Technical Criterion			**50%**
T1 – Overall approach to CE-solution	25	50	
T2 – Information	20		
T3 – Operation	20		
T4 – Organisation	20		
T5 – Change and Upskilling	15		
Total for technical criteria	100	50	
Commercial Feasibility Criterion			**20%**
CF1 – Innovativeness compared to market SOA	55	50	
CF2 – Business Model	45		
CF3 – Commercialisation Plan*	-*	-*	
Total for commercial feasibility criteria	100	50	
Project Management Criterion			**30%**
PM1 – Quality and completeness of the work-plan as well as detail of task and result descriptions	45	50	
PM2 – Feasibility of plan and resources to meet the objectives	55		
Total for project management criteria	100	50	
Overall score for tender	**100**	**50**	**100%**

* Commercialisation Plan is only applicable for the call-offs for Phase II and III

Call-offs

Please note that the criteria for Phases II and III are subject to change, additional criteria may be added for the call-offs for Phases II and III, to refine the award criteria. The final list of criteria for these phases will be provided in the call-off documentation.

Table 12. Weighted Award criteria CircularPSP Phase II (call-off 1)

Weighted award criteria for Phase I	Maximum points	Threshold	Weight
Technical Criterion			**50%**
T1 – Overall approach to CE-solution	20	55	
T2 – Information	20		
T3 – Operation	20		
T4 – Organisation	20		
T5 – Change and Upskilling	20		
Total for technical criteria	100	55	
Commercial Feasibility Criterion			**25%**
CF1 – Innovativeness compared to market SOA	30	55	
CF2 – Business Model	35		

CF3 – Commercialisation Plan	35		
Total for commercial feasibility criteria	100	55	
Project Management Criterion			**25%**
PM1 – Quality and completeness of the work-plan as well as detail of task and result descriptions	50	55	
PM2 – Feasibility of plan and resources to meet the objectives	50		
Total for project management criteria	100	55	
Overall score for tender	**100**	**55**	**100%**

Table 13. Weighted Award criteria CircularPSP Phase III (call-off 2)

Weighted award criteria for Phase I	Maximum points	Threshold	Weight
Technical Criterion			**50%**
T1 – Overall approach to CE-solution	20	60	
T2 – Information	20		
T3 – Operation	20		
T4 – Organisation	20		
T5 – Change and Upskilling	20		
Total for technical criteria	100	60	
Commercial Feasibility Criterion			**30%**
CF1 – Innovativeness compared to market SOA	20	60	
CF2 – Business Model	40		
CF3 – Commercialisation Plan	40		
Total for commercial feasibility criteria	100	60	
Project Management Criterion			**20%**
PM1 – Quality and completeness of the work-plan as well as detail of task and result descriptions	50	60	
PM2 – Feasibility of plan and resources to meet the objectives	50		
Total for project management criteria	100	60	
Overall score for tender	**100**	**60**	**100%**

3.5 Price-quality ratio

The contracts will be awarded to the most economically advantageous tenders, i.e. the tenders scoring above all thresholds and offering the best price-quality ratio determined in accordance with the formula below.

$$Total\ Score_{\ Tender\ i} = 90\% * Quality_{\ Tender\ i} + 10\% * \left(\frac{lowest\ price\ of\ all\ tenders}{Price_{Tender\ i}} * 100\right)$$

The price applied is to be the total offered price relating to the next Specific Contract (contract for each phase) in the PCP. For the initial tender, the price for Phase I will be applied.

The maximum score for a tender is 100 points, of which 90% correspond to the technical quality and 10% to the financial offer, as shown in the formula above.

Should there be any doubt as to the application of any of these criteria to a tender / offer, tenderers may be requested to provide additional information.

3.6 Evaluation procedure: Opening of tenders and evaluation

Opening of tenders

Tenders will be evaluated in a non-discriminatory manner in accordance with the legal requirements provided for in relevant provisions under Turkish regulations. The Lead Procurer will open the tenders which have been submitted by the deadline mentioned in the time schedule in section 2.2, and register them.

The tender will be opened on the first working day after submission deadline at 9:00 CEST.

Upon the request addressed to the Lead Procurer, access to the minutes of the opening of tenders may be requested also by entities which have not submitted a tender.

Organisation of the tender evaluation

The tender evaluation is carried out by an Evaluation Committee, which is appointed by the Lead Procurer. Each of the seven procurers will nominate two or more experts to the Evaluation Committee they wish to represent them. Irrespective of the total number of experts, the expert members of a given procurer form that procurer's Evaluation Team. The Evaluation Committee is therefore made up of seven Evaluation Teams.

The experts in the Evaluation Committee should reflect relevant expertise areas – procurement, technical, business. The nomination is done by forwarding information on the identity, education, professional qualifications and experience of the relevant nominee to the Lead Procurer. When doing so, the procurers shall use the form provided by the Lead Procurer. It is a duty of each procurer to ensure the person appointed is in accordance with the requirements provided by the law in force and there are no reasons for excluding the candidate.

The Lead Procurer draws up a list of the members of the Evaluation Committee, based on persons appointed by the other procurers.

Note: Each member of the Evaluation Committee will sign in advance a Declaration of Absence of Conflict of interest and protection of confidentiality and in addition specifically notify the Lead Procurer if there is any conflict of interest with any of the tenderers.

When carrying out their tasks, the Evaluation Committee shall not seek or take instructions from the Lead Procurer, other procurers, any institutions, bodies, offices or agencies, from any government of a Procurer or from any other body. The Committee shall respect the general principles settled in relevant provisions under Turkish regulations, specifically the Turkish Code of Public Procurement (No 4734), and work in accordance with all the provisions and content of the Contract Notice.

The nomination and appointment of the Evaluation Committee shall take place in good time for meeting deadlines set for the evaluation of tenders.

Note: For Phases II and III, no differences in the composition of the Evaluation Committee or in the procedure are expected.

The Lead Procurer will keep duly certified copies of the Declaration of Absence of Conflict of interest and protection of confidentiality, signed by the Committee members. The Lead Procurer will refuse to accept a nomination if a conflict of interest is stated in the above-mentioned Declaration.

Clarifications and rejections

The Evaluation Committee may request clarification or additional evidence if needed. The tenderer concerned will be notified by the Lead Procurer by email. The tenderer will have five (5) calendar days (from the day he receives the notification) to send the clarifications and / or evidence requested. After this deadline, if no answer is received from the tenderer, the offer may be rejected and excluded from the tender evaluation.

Rejected tenderers – with or without a clarification procedure – will be informed by the Lead Procurer by email.

Evaluation

The Evaluation Committee will carry out the selection of requests to participate and will evaluate tenders on the basis of exclusion, on/off award and selection criteria (e.g. not meeting formal requirements).

Only tenders that satisfy the provided requirements, which are not excluded on the basis of the exclusion criteria and that meet the selection criteria, are admissible for evaluation under the weighted award criteria.

The Evaluation Committee plans to, within four weeks of the start of the evaluation, issue its reports on selection and award, respectively.

In summary, the Evaluation Committee will carry out the following steps:

- Step 0 — Checking for formal completeness of the offer. Offers where all versions of critical files are missing (i.e. TD5, TD6, TD7) will be rejected without seeking clarification.
- Step 1 — Checking whether the tenderer is not in one of the situations covered by the exclusion criteria and trigger of clarifications if applicable.
- Step 2 — For tenderers passing Step 1, assessing whether the tenderer has the capacities necessary to perform the contract, on the basis of the selection criteria and trigger of clarifications if applicable.
- Step 3 — For tenderers passing Step 2, evaluating the tender based on the on/off award criteria and trigger of clarifications if applicable.
- Step 4 — For tenders passing Step 3, evaluating the tender based on the weighted award criteria. No clarifications will be triggered for the technical offer. Errors or content missing will be noted in comments for future revision in case the tenderer is successful.
- Step 5 — For tenders passing Step 4, opening the financial offer and validating it is compliant.
- Step 6 — For tenders passing Step 5, the price-quality formulae is applied, and remaining tenders are ranked. For all tender outcome letters are prepared which include justification in case of a negative evaluation outcome, including the tender scoring and the tender rank. Selected tenders receive a separate summary report with evaluation comments that should be addressed by the selected tenders in the next PCP phase.

The Evaluation Committee will reach its decision by a Simple Majority vote (based on the seven (7) procurers and their Evaluation Teams, with each procurer / Evaluation Team having one vote). Should the vote result in a tie, the vote of the Lead Procurer breaks the tie. It is, however, expected that the Evaluation Teams make their best endeavours to reach unanimous decisions as to the content and conclusions of the reports. Each member of the Evaluation Committee shall carry out their tasks in an independent manner, applying their professional judgement.

For Step 6, the Evaluation Committee will incorporate evaluation comments from all Evaluation Committee members. The CircularPSP Expert Board may be requested to provide input to the comments provided. The Board consists of non-procuring partners and represents leading experts and organisations in their respective fields.

Expert Board members may be requested by the Evaluation Committee to provide comments on weaknesses of the tenders from their respective expert perspective. Inclusion in the evaluation summary reports remains at the discretion of the Evaluation Committee.

Note: Each member of the Expert Board will sign in advance a Declaration of Absence of Conflict of interest and protection of confidentiality and in addition specifically notify the Lead Procurer if there is any conflict of interest with any of the tenderers.

Call-offs

For Phases II and III, no differences in the composition of the Evaluation Committee or in the procedure are to be expected apart from the fact that the evaluation will have only two steps: evaluating the offers based on the on/off and weighted award criteria.

The Buyers Group headed by the Lead Procurer will evaluate the tenders and offers for the call-offs for Phase II and III jointly and make a *joint* award decision.

For each phase and each tender received, the Lead Procurer will send an evaluation form to the Commission or its agency as part of the project deliverables to be submitted at the end of the tender evaluation. It will include: the final scores awarded, a qualitative appraisal per evaluation sub-criterion, minutes of the evaluation meeting, the final ranking list, decisions taken, notification of the decisions, any challenge by suppliers and replies to a challenge, if any.

4 Content and format of tenders

Table 14 provides an overview of the tender documents part of this call for tender package.

Table 14. List of tender documents

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

4.1 Format

Tender content

The following requirements for tender content apply:

- The files are to be placed in a zip-archive with three folders: Administrative, Technical and Financial each preceded with the tender identifier (e.g. 'SMART – Technical). A recommended zip-folder structure is provided with the tender document package (TZ1).
- Distinctly separate files (e.g. legal forms) are *not* to be combined or embedded (as it invalidates digital signatures and complicates the evaluation process).
- All files are to include the 'tender identifier' (e.g. an acronym such as 'SMART') and the file identifier (e.g. TD3a) followed by some descriptive detail (e.g. DoH IMM) resulting in a string ('SMART TD3a DoH IMM').
- Technical (TD6) and Administrative Applications (TD5) must be word searchable. Files which are not word-searchable will not be taken into evaluation.
- All offers must indicate their minimum validity period from submission (at least six months) in the Technical Application (TD6).

Table 15 describes the content and relevant references for each document that must be submitted as part of the tender. Table 16 provides further detail for selected tender documents following from the detailed sections.

Table 15. Summary and references on tender documents to be submitted by the tenderer

Documents	Content	Required
Legal Entity Form	Tenderers prove the legal capacity and the representation of the bidders, as explained in section 4.2	Lead tenderer and all members of the group
Financial Identification Form	Tenderers share banking details and account holder's data, as explained in section 4.2	Lead tenderer
TD3a Declaration of Honour – Exclusion Criteria	Tenderers assure that they are not subject to any of the exclusion criteria, as explained in section 3.2	All, including subcontractors
TD3b Declaration of Honour – On/off Award Criteria	Tenderers assure that they comply with all on/off criteria, as explained in section 3.4.1	Lead tenderer
TD4 Power of Attorney	Tenderers accept joint and several liability and mandate one tenderer to sign contract, as explained in section 3.1.1	All members of a group (i.e. not for single tenderer)
TD5 Tender Application Template – Administrative	Tenderers assure that they comply with the Selection criteria, as explained in section 3.3	Yes (PDF)
TD6 Tender Application Template – Technical	Tenderers assure that they comply with the Award criteria, structured in technical, commercial feasibility and project management criteria, as explained in section 3.4.2. Tenderers submit a detailed technical offer, as stated in section 4.3	Yes (PDF)
TD7 Tender Application Template – Financial	Tenderers submit a detailed financial offer, as stated in section 4.4	Yes (PDF and xlsx)

Table 16. Checklist for submission of tender documents

Document title	Format	Page Limit	Searchable	Email	Signature*
TD3a Declaration of Honour – Exclusion Criteria	PDF	-	-	Yes, in TZ1 zip-archive	Yes
TD3b Declaration of Honour – On/off Award Criteria		-	-		
TD4 Power of Attorney		-	-		
TD5 Tender Application Template – Administrative		-	Yes		
TD6 Tender Application Template – Technical		See Template	Yes		
TD7 Tender Application Template – Financial		-	-		
TD7 Tender Application Template – Financial	xlsx format	-	-		No

* Both digital signatures and scanned paper-signatures are accepted.

Tender submission

The following requirements for tender submission apply:

- The email must be sent to **supplier@circularpsp.eu** with all the attachments before the deadline stated in section 2.2.
- The size of the email with all attachments must not exceed 150 megabytes.
- Only emails with the attachments will be accepted, hosting and FTP services such as WeTransfer will not be accepted.

Tenderers must act with due diligence and in accordance with the diligence of a good businessperson when preparing and submitting a tender in electronic form. A tender shall be deemed submitted on time if the Lead Procurer receives it before the time limit for receipt of tenders specified in section 2.2. Upon submission of the tender, a confirmation of the submitted tender is sent to the economic operator's e-mail address.

The economic operator may withdraw or modify its tender by the time limit for submission of tenders. If the economic operator withdraws its tender by email, the tender shall be deemed not to have been submitted. If the economic operator modifies its tender by email, the Lead Procurer shall have access to the modified tender.

All costs associated with the preparation and submission of the tender (and following call-offs) shall be borne by the economic operator itself.

Any questions on the Call for Tender, tender documents or tendering process must be sent in accordance with the procedure outlined in section 5.3.

Tenders that do not comply with the formal and delivery requirements described in this and the following sections will be rejected.

Call-offs

The requirements for tender content and submission of call-offs are expected to remain unchanged. More detailed information about additional documents and the final layout requirements for the Phase II and III offers will be provided before each call-off.

4.2 Administrative section

Tenderers are requested to use the tender template TD5. There is no page limit.

The Administrative Section shall contain information and evidence on the legal capacity, non-disqualification from exclusion criteria, economic and financial standing of the bidder, technical and professional solvency and fulfilment of the on/off award criteria, to be provided by means of the documents and forms described below:

- The legal capacity and the representation of the bidders shall be proved by a **signed Legal Entity Form** with its supporting evidence. All tenderers (including all members of the group in case of joint tender) must provide this form. The form is available in section *Legal entities* on: https://ec.europa.eu/info/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/forms-contracts_en
- The tenderer (or the leader in case of joint tenders) must provide a **Financial Identification Form** with its supporting documents. Only one form per tender should be submitted. No form is needed for subcontractors and other members of the group in case of joint tender. The form is available in section *Financial Identification* on: https://ec.europa.eu/info/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/forms-contracts_en
- In the case of a joint tender, the documentation referred to in section 3.1.1 of this Call for tender shall be provided.
- In the case of subcontracting, the documentation referred to in section 3.1.2 of this Call for tender shall be provided.
- The non-subjection of the bidder to any of the exclusion grounds contained in section 3.2 of this Call for tender shall be proved by means of the types of evidence referred to in that section.
- The fulfilment of the bidder of the selection criteria contained in section 3.3 of this Call for tender shall be proved by means of the types of evidence referred to in that section.
- The fulfilment of the bidder of the on/off award criteria contained in section 3.4.1 of this Call for tender shall be proved by means of the types of evidence referred to in that section.
- The documentation to be included in the administrative section may be submitted in English, or in a language other than the previous ones, provided that, in the latter case, the original documents are accompanied by their translation into English and a duly signed and stamped copy is annexed to the bid.

Should there be any doubt as to any of these requirements, bidders may be requested to provide additional information and/or evidence.

Call-offs

Provided the tender composition remains unchanged, the administrative section will not have to be re-submitted. In case of changes, only current information will be required.

4.3 Technical section

Tenderers are requested to use the tender template TD6 and follow the instructions therein. The Technical Application has a page limit.

Tenders must include a detailed **technical offer**, containing:

- a technical plan that outlines:
  - the tenderer's idea for addressing all the requirements described in the Challenge Brief (TD2) and section 2.1 relating to functionality and performance,

  - technical details of how this would be implemented including the proposed approach for complying with the do no significant harm principle,
  - an explanation of the methodology, a work plan and details of supplier deliverables and milestones for Phase I,
  - an explanation of the plans for and objectives of the subsequent Phases II and III and beyond,
- a draft business plan that explains the proposed approach to commercially exploit the results of the PCP and to bring a viable product or service onto the market,
- a list of the pre-existing rights (background) relevant to the tenderer's proposed solution, in order to allow IPR dependencies to be assessed,
- a risk assessment and risk mitigation strategy,
- a reply to the question "Does this tender involve ethical issues? (YES/NO)" and if YES, an ethics self-assessment, with explanations how the ethical issues will be addressed (see section 3.4.1),
- a reply to the question "Does this tender involve: activities or results that may raise security issues and/or EU-classified information[24] as background or results? (YES/NO)" and if YES information on how these issues will be addressed (see section 3.4.1),
- an indication of the minimum validity period from submission (at least six months).

Tenders failing to meet these requirements will be excluded.

The information provided in the technical section of the tender will be used to evaluate the tenders, on the basis of the weighted award criteria and the on/off criteria A, D and E.

Call-offs

Tenderers will re-submit an updated and extended Technical Tender Application for each call-off. The revised Technical Application will make use of current phase results and learnings to improve or further specify the CE-solution foreseen for the following phase. To support this progress, the template (TD6) for the call-offs during Phases I and II may differ from the current version. Such changes will be based on learning from exchange with suppliers. Contractors will be informed during each Phase about changes in writing and during a common meeting.

In addition, the technical proposals during call-offs are to include a commercialisation plan.

4.4 Financial section

Tenderers are requested to use the tender template TD7. Instructions and formulas embedded in the template are indicative and must be validated by the tenderer. There is no page limit.

The tender must include a detailed **financial offer** (TD7) specifying:

- binding **unit prices** for all items needed for carrying out Phase I and for items that are expected to be needed for Phases II and III (given in euros, excluding VAT but including any other taxes and duties);
- a fixed **total price** for Phase I and an estimated total price for Phases II and III, broken down to show unit prices and the number of each unit needed to carry out Phase I (given in euros, excluding VAT but including any other taxes and duties).

[24] See Decision 2015/444/EC, Euratom on the provisions on security of EU-classified information.

Note: The unit prices quoted for each category of items (e.g. hourly rates for junior and senior researchers, developers and testers) remain binding for all phases (i.e. for the duration of the Framework Agreement).

In addition, the financial section must include:

- a **price breakdown** that shows the **price for R&D services** and the **price for supplies of products**, to demonstrate compliance with the definition of R&D in on/off criterion A;
- a **price breakdown** that shows the **location or country** in which the different categories of activities are to be carried out *(e.g. x hours of senior researchers in country A at x euro/hour; x hours of junior developers in country B at x euro/hour)*, to demonstrate compliance with the requirement relating to place of performance in on/off criterion C;
- the **financial compensation** valuing the allocation of ownership of the **IPRs** generated during the PCP to the tenderer, by giving an absolute value for the price reduction between the price offered in the tender compared to the exclusive development price (i.e. the price that would have been quoted were IPR ownership to be transferred to the procurers) in order to ensure compliance with the EU R&D&I state aid framework.

The financial compensation for IPRs must reflect the market value of the benefits received (i.e. the opportunity that the IPRs offer for commercial exploitation) and the risks assumed by the contractor (e.g. the cost of maintaining IPRs and bringing the products onto the market).

The fixed total offered price after applying financial compensation **must be equal to or lower than the budget** limit described in section 2.52.4 for each Phase.

The information provided in the financial section of the tender will be used to evaluate the tenders on the basis of the price award criteria and the on/off award criteria A and C. Tenders failing to meet these requirements will be excluded.

Payment information is provided in section 5.5.3.

Call-offs

Price breakdowns will be requested for the call-offs for Phases II and III. The price for Phase II and III offers must be based on the binding unit prices in the tender and the price conditions set out in the Framework Agreement. Where **new units/unit prices** *(e.g. for new tasks or equipment)* are subsequently added to the Phase II or III offers, they will become binding for the remaining phases. The total offer price for Phase III will be binding for delivery.

More detailed information for the Phase II and III offers will be provided in the call-off.

5 Miscellaneous

5.1 Language

- *All communication, offers and supplier deliverables must be submitted in English.*
- *Prototypes v2 should and pilot tests must be available in all local languages.*

All communication (relating to either the tender procedure or the implementation of the contract) must be carried out in English according to the CircularPSP Grant Agreement.

Tenders as well as offers for Phases II and III call-offs must be submitted in English. Supplier deliverables must be submitted in English.

For prototype testing version 2 in Phase II and pilot testing in Phase III, the CE-Solution should also be available in the local languages (German, Swedish, Slovenian, Turkish, Finnish and Portuguese).

This relates to tasks such as demonstration of prototypes, continuous communication with key procurer personnel and support staff on the ground (i.e. municipal staff), maintaining a helpdesk throughout the pilot phase, etc.

With the submission of their proposals, tenderers accept these requirements.

5.2 Tender constitutes binding offer

A signed tender will be considered to constitute a firm, irrevocable, unchangeable, and binding offer from the tenderer.

The signature of an authorised representative will be considered as the signature of the tender and will be binding on the tenderer or, for joint tenders, the group of tenderers.

5.3 Unauthorised communication – Questions

- *Questions can be addressed exclusively to supplier@circularpsp.eu or via the website contact*
- *FAQ and following answers are provided on this page of the CircularPSP website*

Any questions on the Call for Tender, tender documents or tendering process must be sent at supplier@circularpsp.eu or via the website contact form before the deadline set in the timeline (section 2.7) in this document. The Buyers Group is not obliged to respond to the requests for additional clarifications submitted through other channels. The answers to these questions will be sent by email and published anonymised on the project website. It is the responsibility of all prospective bidders to check for additional information during the tender period.

All other contacts (or attempted contacts) will be considered unauthorised and may lead to the exclusion of your tender.

All answers, including the preliminary FAQ, Q&A from the Open Market Consultation and questions received during tender can be found on this page of the CircularPSP website.

Call-offs

For the call-offs for Phases II and III, the answers will not be published, but distributed to all contractors that successfully completed the previous phase.

5.4 Confidentiality

Tenderers must keep confidential any information obtained in the context of the tender procedure (including EU-classified information[25]).

5.5 Contract implementation

Successful tenderers will be requested to sign both a Framework Agreement for the entire duration of the PCP and Specific Contracts for Phases I, II and III *(see the models given in TD8 and TD9)*.

5.5.1 Monitoring

During each phase, contract implementation will be monitored periodically and reviewed against the expected outcomes (*milestones, supplier deliverables and output or results*) for the phase.

Each contractor will be assigned a main contact person (their supervisor) from the monitoring team appointed by the procurers.

[25] Commission Decision 2015/444/EC, Euratom of 13 March 2015 on the security rules for protecting EU-classified information.

There will be bi-weekly or monthly monitoring online meetings between each contractor and the supervisor/monitoring team. The Buyers Group can request a higher frequency of monitoring meetings, where necessary.

The contractor will be asked to discuss the results achieved in the preceding period and present an updated work plan. The monitoring team and supervisor are allowed to visit the contractor's premises to monitor progress. The contractor can also visit the procurer's premises, at its own expense.

The contractors are asked to obtain all information necessary for their performance. The procurers will do their best to provide the contractors with information required. The contractor must cover its own costs and thus foresee personnel and travel budgets in its offer.

The monitoring team and/or supervisor will provide written feedback to contractors after meetings or visits. Detailed information on the role of the supervisor will be provided after award of a Specific Contract. The role is intended to allow contractors to improve the way in which their solutions address the problem set out in the PCP description.

Monitoring in Phase II includes testing of prototypes v1 and v2 with end-users of the procurers. The testing is done as demonstration meetings and feedback is given to the suppliers by the procurers. The demonstration meetings are not subject to evaluation and should be seen as milestones in the PCP process.

Communication and data infrastructure

EMPIRICA will set up a Microsoft Team up for the CircularPSP consortium and all Suppliers. The 'MS Team' serves as the common and only file repository. The 'General Channel' will contain publicly shared information such as templates and give opportunity to ask generic questions surrounding upcoming Call-Offs etc. In addition, a 'Private Channel' will be created for each Supplier and shared with the CircularPSP project (i.e. not other Suppliers). Here, files can be shared and co-edited where useful and bilateral questions shared. The Private Channel will be used to exchange files and links and include means of tracking outcomes and issues. Suppliers will be able to request specific apps or tabs for which they are fully responsible. After evaluation of call-offs, unsuccessful Contractors will lose access to the Team.

5.5.2 Payments based on satisfactory completion of milestones and supplier deliverables of the phase

Payments *corresponding to each PCP phase* ***will be subject to the satisfactory completion*** *of the supplier deliverables and milestones for that phase.*

Satisfactory completion will be assessed by the Evaluation Committee composed of representatives of the Buyers Group.

Satisfactory completion will be assessed according to the following requirements:

- if the work corresponding to that milestone/supplier deliverable has been carried out,
- if a reasonable minimum quality has been delivered,
- if the reports have been submitted on time,
- if the monies have been allocated to the planned objectives,
- if the monies have been allocated and the work has been carried out according to the on/off criteria (place of performance, public funding, and R&D definition criteria), and
- if the work has been carried out in compliance with the provisions of the contract (including in particular verification if the contractor has duly protected and managed IPRs generated in the respective phase).

'Reasonable minimum quality' of a report means that:

- the report can be read by somebody who is familiar with the topic, but not an expert,
- the report gives insight in the tasks performed in and the results,
- the report uses any reasonable template or form provided to the tenderer.

'Reasonable minimum quality' of a demonstration (for Phase II or III) means:

- the demonstration can be understood by somebody who is familiar with the topic, but not an expert (for instance, somebody with operational but not technical knowledge),
- the demonstration shows how the innovation works, how it can be used and (if applicable) how it is operated and maintained,
- the demonstration is accessible to parties appointed by the procurers unless these are direct competitors of the contractor.

Satisfactory completion in each of the phases does not mean successful completion (a PCP could for instance be satisfactorily completed even if it concludes that the innovation is not feasible).

The assessment will consider the efforts made by contractors to consider the feedback from the supervisor or the monitoring team. The Buyers Group aims to approve as 'satisfactory' or reject submitted supplier deliverables within fifteen (15) calendar days.

Where the Evaluation Committee judges the completion of supplier deliverables or milestones to be unsatisfactory, the Buyers Group may decide to reduce or withdraw payments for that supplier deliverable and/or may terminate the contract according to the Framework Agreement.

Invoices must be submitted to the Lead Procurer after the Lead Procurer declares satisfactory completion of the supplier deliverables and milestones related to a payment.

Contractors must notify the Lead Procurer in good time of the bank account to which payments are to be made. This should be in a document bearing the signature of the authorised signatory of the contractor, following procedures reasonably required by the Lead Procurer.

Contractors' invoices must provide:

- a **price breakdown** showing the price for R&D services for staff and other items to demonstrate compliance with the definition of R&D in on/off award criterion A;
- a **price breakdown** showing the location or country in which the different categories of activities were performed *(e.g. x hours of senior researchers in country A at x euro/hour, x hours of junior developers in country B at x euro/hour)*, to demonstrate compliance with the requirement relating to the place of performance in on/off award criterion C.

5.5.3 Payment Schedule

Table 17 provides an overview of the payment schedule each depending on the satisfactory completion of the connected milestone, supplier deliverable and/or output.

Table 17. Indicative payment schedule CircularPSP

Phase	Satisfactory completion of	Invoices in % of contractors' total price in each phase
Phase I	M1.1., SD1.1, SD1.2, SD1.3a/b, M1.2	P1-M5: 100%
Phase II	SD2.6a	P2-M1: 20%
	SD2.1, SD2.2, SD2.4b, SD2.5, SD.26b, M2.3	P2-M8: 80%

Phase III	SD3.4a	P3-M1: 20%
	M3.1, M3.2	P3M4: 30%
	SD3.1, SD3.2, SD3.3, SD3.4	P3-M6: 15%[26]
	SD3.4, SD3.5b, SD3.6	P3-M11: 35%

Please note that the months specified in the third column refer to months within each phase.

All suppliers will be paid by the Lead Procurer IMM (centralised payments). Invoices must be submitted electronically in accordance with EU standards. Payments will be made to the bank account provided by the contractor within thirty (30) days from the date of receipt, by EMPIRICA upon instruction of the Lead Procurer, of an approved invoice. The final payment of Phase III will be settled only after the CircularPSP project consortium receives a full grant from the European Commission at or after the end of the project.

Any costs, fees or charges resulting from the bank transfer (e.g. bank account outside of SWIFT) are to be paid in full by the recipient.

The contractor must submit no later than 60 days of the payment of final invoice in each phase its written statement and a written statement by any subcontractor, stating that the subcontractor has received payment for the works performed or the services or products supplied that are directly linked to the subject matter of the Specific Contract.

5.5.4 Eligibility for the next phase based on successful completion of the phase

***Eligibility** for participation in the next phase **will be subject to successful completion** of the current phase.*

Successful completion of a phase will be assessed by the Evaluation Committee against the following requirements:

- if all milestones have been successfully completed,
- if the R&D results meet the minimum functionality/performance requirements of the challenge description (i.e. the minimum quality/efficiency improvements which the procurers set forth for the innovative solutions to achieve),
- if the results of the R&D are considered to be promising.

'Promising' means:

- for Phase I, that the feasibility is convincing,
- for Phase II, that the feasibility, the applicability in an operational setting and the potential impact of the product is convincing.

Note that there is a difference between satisfactory completion (requirement for payment) and successful completion (prerequisite for passing from one phase to the next).

5.5.5 Finalisation of Phase III and possible follow-up PPI procurements

A new call for tenders may be launched for a follow-up public procurement of innovative solutions (PPI) to deploy a commercial volume of innovative solutions.

[26] Should the funding in Phase I and II not have been fully utilised, the Buyers Group will revisit whether this payment could be increased.

Follow-up PPI procurements for a *limited* set of prototypes and/or test products developed during this PCP procurement *('limited follow-up PPIs')* may be awarded by negotiated procedure *(with invitation to at least three potential providers, including those that successfully completed this PCP)*.

Follow-up PPI procurements for a *commercial volume* of the innovative solutions developed in this PCP procurement will be subject to a new call for tenders.

5.6 Cancellation of the tender procedure

The procurers may, at any moment, cease to proceed with the tender procedure and cancel it with or without reason.

The procurers reserve the right not to award any contracts at the end of the initial tender procedure or at the end of call-offs including to reverse award decisions should the tenderer unduly delay the signature or attempt to negotiate the content of the Specific Contract or other significant reasons.

The procurers are not liable for any expense or loss the tenderers may have incurred in preparing their offer or during the period before signature of the Specific Contract.

5.7 Procedures for appeal

Tenderers can seek review for each phase beginning from the award decision and notification ending with the date of signature by the Lead Procurer.

Any clarification or questions must be submitted in writing to supplier@circularpsp.eu before the date stated in 2.7.

Any legal claim, petition or application for judicial review with regard to the CircularPSP PCP Procedure shall be heard by the competent court, administrative or civil, in Istanbul. By submitting a Tender, the Tenderer accepts the exclusive jurisdiction of Turkish courts.

Decisions taken with regard to the selection of tenders may be challenged only by means of an administrative remedy before the court.

Dispute resolution after signature of Framework Agreement

Tenderers are referred to the Framework Agreement on the subject of dispute resolution in the performance of a Framework Agreement.