

EIT Manufacturing

Procurement Policy Extract for Suppliers

Knowledge & Innovation Community on Manufacturing,
part of the European Institute of Innovation and Technology (EIT)
Updated in July 2024

<http://www.eitmanufacturing.eu>

INTRODUCTION

EIT Manufacturing ASBL has established a Procurement Policy, describing the tendering and contracting procedures and processes applied to all purchases made by EIT Manufacturing ASBL, hereafter referred to as “EIT Manufacturing”. The updated version of the Procurement Policy entered into force on July 16, 2024.

The Procurement Policy sets out the basic procurement principles and rules, as well as explains the practical step-by-step implementation of the procurement process.

In order to ensure transparency, EIT Manufacturing hereby informs economic operators on the procurement rules followed and the bidders’ rights, by publishing the relevant parts of the Policy on its website.

This extract of the Procurement Policy will include the following information:

1. *An executive summary including the different thresholds and the procurement rules followed*
2. *Basic rules:*
 - 2.1 *The general principles applied*
 - 2.2 *The essential rules for award procedures (procedural safeguards)*
3. *The relevant parts of the supplier selection procedures:*
 - 3.1 *Proposal submission and evaluation*
 - 3.2 *Notification of award*
 - 3.3 *Appeal procedure*
 - 3.4 *Signature of the contract*
4. *Direct award*

1. EXECUTIVE SUMMARY

Please see herewith an executive summary of the different thresholds and the procurement rules followed:

Thresholds (EUR)	Up to EUR 15,000 (very low value)		EUR 15,000.01 - EUR 60,000 (Low value)	EUR 60,000.01 - EUR 143,000 (Middle value)	EUR 143,000.01 – 220,999.99 (High value)	Equal or above EUR 221,000 (EU procurement value)	Direct award
	EUR 0-EUR 5,000 Single payment against invoice	EUR 5,000.01 – EUR 15,000 Negotiated procedure with single tenderer (direct award) or tenderers					
Min. potential suppliers to be Invited	n/a	n/a	3	5	n/a	n/a	1
Language	Local language or English	Standardised offers (e.g. those that are downloaded from the website) can be in the local language. Customised quotes must be provided in English.	English	English	English	English	English language or local language
Evaluation committee members	n/a	n/a	A committee containing at least 3 members (and an odd number) must be established. The members of the committee shall be appointed by the Requestor of the RfP and may be internal evaluators (employees of EIT Manufacturing) or external evaluators (contracted experts). The members of the evaluation committee must sign a declaration of absence of conflict of interest.				
Standstill period (min. days for appeal before contract conclusion)	n/a	n/a	At least 3 days	At least 3 days	At least 5 days	At least 10 days	n/a
Min. days for proposal submission	n/a	n/a	At least 7 days	At least 10 days	At least 15 days	At least 30 days, with possible reduction to 15 days in case of a prior information notice or duly substantiated state of urgency	At least 3 days

Advertising (Publication of notice) and competition	n/a	n/a	Request for proposal sent to at least 3 bidders	Request for proposal sent to at least 5 bidders	Publication on EIT Manufacturing website, open procedure or procedure with qualification stage (except in the cases foreseen in the EU public procurement directive)	Publication on TED and EIT Manufacturing website to ensure widest possible reach at EU level. Open procedure or procedure with qualification stage (except in the cases foreseen in the EU public procurement directive)	n/a
Contract modification	n/a		YES (according to clearly defined cases in the Procurement Policy)	YES (according to clearly defined cases in the Procurement Policy, no substantial changes without new procurement)	YES (according to clearly defined cases in the Procurement Policy, no substantial changes without new procurement)	Possible under the conditions provided in the EU public procurement directive: Modifications that may be introduced during the term of an awarded contract: (i) modifications, irrespective of their monetary value, that have been clearly provided in the initial procurement documentation, (ii) additional works, services and supplies, (iii) modifications due to unforeseen circumstances, (iv) replacement of a contractor, (v) low value modifications and (vi) other non-substantial modifications.	YES (according to clearly defined cases in the Procurement Policy)
Contract form or terms of contract	n/a	EIT Manufacturing's contract template/EIT manufacturing terms and conditions + supplier's own contract form or only supplier's own contract form	EIT Manufacturing's contract template / EIT Manufacturing terms and conditions + supplier's own contract form	EIT Manufacturing's contract template or detailed contract conditions as part of the tender dossier, to be prepared also in English	EIT Manufacturing's contract template or detailed contract conditions as part of the tender dossier, to be prepared also in English	EIT Manufacturing's contract template or terms of contract, to be prepared also in English	EIT Manufacturing's contract template / EIT Manufacturing terms and conditions + supplier's own contract form

Negotiation allowed	Yes	Yes	Possible, according to clearly defined cases and procedures in the Procurement Policy in line with general principles	Possible, according to clearly defined cases and procedures in the Procurement Policy in line with general principles	Not possible for open and restricted procedures; Possible for negotiated procedure in line with general principles	Not possible for open procedures; Possible for negotiated procedure in cases foreseen in the EU procurement directive ⁴	
Minimum docs. to be provided	<ul style="list-style-type: none"> Invoice 	<ul style="list-style-type: none"> Contract signed Invoice 	<ul style="list-style-type: none"> RFP e-mail or document Submitted Offers Best Value for Money assessment Contract signed Invoice(s) 		<ul style="list-style-type: none"> RFP + publication on EIT Manufacturing's website Submitted Offers Best Value for Money assessment Contract signed Invoice(s) 	<ul style="list-style-type: none"> RFP + publication on EIT Manufacturing's website Submitted Offers Best Value for Money assessment Contract signed Invoice(s) 	<ul style="list-style-type: none"> Direct Award Approval (incl. the motivations to go directly) Submitted Offer Contract signed Invoice(s)

For the calculation of the value of the procurement, the general rules of the EU procurement directives shall be observed.

For any question regarding the procurement process please contact procurement@eitmanufacturing.eu.

In duly justified cases and in full respect of the general principles outlined in the Procurement Policy it might be possible to deviate from the rules and procedures detailed in the Procurement Policy. Any deviation would have to be previously (i) informed to the Procurement Officer and (ii) approved by the Chief Financial Officer (CFO) or by the Chief Operations Officer (COO) when the CFO is not available. In all other cases, non-compliance with the Procurement Policy might damage the financial interests and credibility of EIT Manufacturing, as well as lead to rejection of the related costs.

2. BASIC RULES

2.1. General principles to be applied

The goal of procurement is to award timely and cost-effective contracts to qualified contractors, in accordance with certain procedures and the following principles:

- **Best value for money:** In brief, ensuring value for money in procurement means: choosing the right item, with proper quality (not only with the minimum acceptable quality), at a proper price, following sound financial and legal procedures.
- **Transparency:** The main objective is to introduce a system of openness, which is essential to ensure, non-discrimination, equal treatment and competition.
- **Non-discrimination:** This principle prohibits any discrimination on grounds of nationality, meaning

that all participants should be treated in the same manner, unless the difference is objectively justified.

- **Equal treatment:** Equal treatment requires that comparable situations are not treated differently and that different situations are not treated similarly unless such a difference or similarity in treatment can be justified objectively.
- **Green procurement:** EIT Manufacturing is committed to the Green Procurement Principle, integrating environmental considerations into all procurement decisions. This principle emphasizes the selection of products and services that minimize environmental impact throughout their life cycle, from production to disposal. By prioritizing eco-friendly options, EIT Manufacturing aims to reduce carbon emissions, promote sustainable resource use, and support the circular economy.
- **Competition:** Competition is a key requirement for ensuring compliance with the best value for money principle. The greater the competition, the better the chances to have lower price and higher value.
- **Proportionality:** To ensure proportionality in procurement means to guarantee that the procurement measure at issue is appropriate for attaining the objective pursued and does not go beyond what is necessary to achieve the objective.
- **Non conflict of interest:** All kind of conflict of interests and/or favouritism should be avoided, any link with any of the party involved in the procurement process should not have influence on the outcomes and financial provisions.

2.2. Essential rules for award procedures (procedural safeguards)

The following procedural safeguards are taken into account by EIT Manufacturing:

- **No conflict of interest:** EIT Manufacturing must take all measures to prevent any situation where the impartial and objective exercise of the functions of an actor in the procurement process is compromised for reasons involving economic interest, political or national affinity, family or emotional life or any other direct or indirect personal interest.
- **Awarding principles:** All contract awards financed by EIT Manufacturing must obey the general principles to be applied, as included in Section 2.1 above and need to follow the procedures set out in the Procurement Policy. Any deviation would have to be previously (i) informed to the Procurement Officer and (ii) approved by the Chief Financial Officer (CFO) or by the (Chief Operations Officer) when the CFO is not available.
- **Non-retroactivity:** Contracts take effect from the date of signature of the last signatory. In case the start date differs from the contract signature date, it should be explicitly mentioned in the contract.
- **Use of standard documents:** Standard contracts and document templates must be used.
- **Communication:** As a rule, all communications relating to the procurement procedure shall be made in writing between the contracting entity (Business Requestor) and the economic operators (preferably by e-mail). Oral communication may in the preparatory phase shall be limited to the timing of the procedure, basic information about the scope of the procurement and the planned duration of the contract. Providing substantial information via phone should be avoided.
- **Record keeping:** Written records of the entire procurement procedure shall be stored for five years following the calendar year in which the contract has been completed. EIT Manufacturing retains

ownership of all proposals received under any tendering procedure. Proprietary information identified as such, which is submitted by tenderer in connections with all procurements, shall be kept confidential.

- **Segregation of duties:** To organize a procurement, different roles are identified within EIT Manufacturing and further described in the Procurement Policy.
- **Approval process:** Agreements, order forms and other documents relating to the purchase of goods and services for the benefit of EIT Manufacturing resulting from the procurement processes should follow the approvals matrix as outlined in the Procurement Policy.

3. THE RELEVANT PARTS OF THE SUPPLIER SELECTION PROCEDURES

The parts of the supplier selection procedure included in the Procurement Policy that are relevant for the economic operators are the following:

- 3.1 Proposal submission and evaluation*
- 3.2 Notification of award*
- 3.3 Appeal procedure*
- 3.4 Signature of the contract*

3.1. Proposal submission and evaluation

The following needs to be noted:

- **Submission of tenders:** Proposals must be submitted by e-mail within the deadline indicated in the RFP document. **All proposals received after the deadline or lacking information/documentation should be rejected.**
In duly justified cases, however, no later than 1 calendar day before the original deadline, the submission deadline can be extended.
- **Detailed evaluation of proposals:** Timely received proposals submitted by the tenderers shall be examined, evaluated and compared in accordance with the criteria set out in the RfP as well as in the tender dossier. The contract shall be awarded to the highest ranked tenderer.

Stage 1 – Administrative assessment

- A proposal is considered to be conforming in administrative terms if it satisfies all the formal requirements set out in the request for proposals (submission deadline, submission of the required documentation such as the proposal, methodology, financial offer, declaration by the tenderer (if applicable), additional documentation (e.g. CVs, etc.)). The formal requirements for tenderers are described in the request for proposals document. The conformity of the submitted proposals shall be checked and in case of default should be reported as a comment in the Best Value for Money assessment.
- Where information or documentation to be submitted by tenderers is incomplete or erroneous or where specific documents are missing, EIT Manufacturing staff **may decide** whether to request the party concerned to submit, supplement, clarify or complete the relevant information or documentation within an appropriate time limit (this should be proportionate to the complexity of the missing documentation/information, a minimum of 1

day), provided that such requests are made in full compliance with the principles of equal treatment and transparency.

- No other documentation or information in addition to the requested documentation can be supplied by the tenderer(s) at this stage. If the missing information relates only to one or several specific tenderers, only the tenderer(s) concerned should be contacted. However, if the issue relates to something in the RFP that could have been wrong or misleading, the additional information request should be sent to all bidders simultaneously.

Stage 2 – Negotiation regarding the technical and financial solutions/proposals (this stage only applies to the procurements with a value that allows negotiation as described in the executive summary)

- All proposals for which negotiation is allowed and that are fully compliant with the formal requirements (Stage 1, above, completed) would move on to Stage 2. In this stage, the evaluators must review the detailed proposals of the tenderers assessing the technical content and can call the tenderers for negotiations. Negotiation(s) can only be held with the tenderers whose proposals are fully compliant, however, all fully compliant tenderers have to be called to participate and, equal treatment needs to be secured throughout the entire procedure.
- Negotiations can be held in the following cases:
 - if it is identified that the scope of services or technical specification issued by EIT Manufacturing is not detailed enough, incomplete or some areas are lacking crucial information to complete the procedure for direct awards or for purchases under EUR 143,000;
 - if EIT Manufacturing has the intention to reduce the offered prices to find the best value for money for purchases under EUR 143,000;
 - if all submitted prices are above the planned budget and it is everyone's interest to finish the procedure with success – in that case, price negotiation can take place. During a price negotiation, all tenderers are called to lower their prices by the same deadline in a written form for purchases under EUR 143,000;
 - the needs of the contracting authority cannot be met without adaptation of readily available solutions;
 - if the works, supplies or services sought include design or innovative solutions;
 - if the contract cannot be awarded without prior negotiations because of specific circumstances related to the nature, the complexity or the legal and financial makeup or because of the risks attaching to them;
 - where, in response to an open or a restricted procedure, only irregular or unacceptable tenders are submitted.
- EIT Manufacturing can organize as many rounds of negotiation as it is needed during the procedure in order to reach the highest quality of proposals and the best price.
- Whenever possible, the negotiations should be carried out in writing, however, in special cases, video conference or even live negotiation can be organized.
- During the negotiations, EIT Manufacturing needs to ensure the equal treatment of tenderers. EIT Manufacturing shall not provide information in a discriminatory manner which may give some tenderers advantage over the others. EIT Manufacturing shall inform all tenderers, whose tenders have not been eliminated in writing of any changes to the technical specifications or other procurement documents, other than those setting out the minimum requirements. Following these changes, EIT Manufacturing shall provide sufficient time for tenderers to modify and re-submit amended tenders, as appropriate. EIT Manufacturing shall

- pay attention not to reveal to other participants confidential information communicated by a candidate or a tenderer without their specific agreement.
- The recommended sequence of negotiations to the allowed procurement procedures as provided in the executive summary of the Procurement Policy (from EUR 0,00 – EUR 143,000):
 - If the negotiations are carried out via videoconferencing or face-to-face, each tenderer can have a separate session, however, to save time a joint session can also be organised;
 - The Evaluation Committee shall indicate which areas of the proposals need to be adjusted (technical offer, personnel, financial offer, etc.);
 - Tenderers must be given a reasonable deadline to comply with the Evaluation Committee request (or alternatively must be given an opportunity to address the issue during the live negotiations meeting); The tenderers must be given a reasonable common deadline to submit any new or revised tenders;
 - Following the deadline, the Evaluation Committee shall assess the submitted content and perform a final technical evaluation of the proposals and award the contract to the winning tenderer;
 - If any tenderer does not provide a variant offer conforming to the Evaluation Committee's request, they will be excluded from any further assessment;
 - After each stage of negotiation, EIT Manufacturing must prepare minutes of the negotiations to be signed by the members of the Evaluation Committee. These minutes shall be annexed to the Tender Evaluation Report ("Best Value for Money Assessment").
 - Negotiations are not required if all compliant proposals are clear and there is no further need to clarify the proposed technical proposal or price or to have a price reduction.

Stage 3 – Evaluation of proposals (scoring, defining strengths and weaknesses, determining the winner):

- The Evaluation Committee shall complete the final scoring of the proposals according to the template of the Tender Evaluation Report ("Best Value for Money Assessment"). All tenderers deemed compliant shall be evaluated and compared against the contract award criteria specified in the RFP.
- All scores are recorded in the Tender Evaluation Report ("Best Value for Money Assessment"). In this table the Business Requestor is required to include detailed justification for the scores given to each award criteria for each tenderer and record it under the column (Rationale for scores). The scores shall be agreed by all Evaluation Committee members.
- The contract shall be awarded to the tenderer having submitted the most economically advantageous tender, as identified by the aggregate score following the assessment of the technical and financial offer.
- The Evaluation Committee is responsible for completing the Tender Evaluation Report ("Best Value for Money Assessment"). All sections of the report should be completed, including the information regarding the selection of potential suppliers during the market research phase.

3.2. Notification of award

The Procurement Officer shall inform each candidate and tenderer of decisions reached concerning the

award of a contract, including the grounds for any decision not to award a contract for which there has been a call for competition, or to recommence the procedure. The winning supplier will be sent the notification along with the contract to be signed (indicating the deadline by which the signed contract should be returned to EIT Manufacturing).

Prior to the notification, ensure that the budgetary commitments are approved in line with the segregation of duties.

Upon request from the candidate or tenderer concerned, EIT Manufacturing shall as quickly as possible, and in any event within 15 calendar days from receipt of a written request, inform:

- any unsuccessful candidate of the reasons for the rejection of its request to participate,
- any unsuccessful tenderer of the reasons for the rejection of its tender, including, if this is the case, its decision that the works, supplies or services do not meet the performance or functional requirements,
- any tenderer that has made an admissible tender of the characteristics and relative advantages of the tender selected as well as the name of the successful tenderer or the parties to the framework agreement,
- any tenderer that has made an admissible tender of the conduct and progress of negotiations and dialogue with tenderers.

Information referred to above may be withheld where the release of such information would be contrary to the public interest, would prejudice the legitimate commercial interests of an economic operator, or might prejudice fair competition between economic operators.

In order to comply with the principle of the best value for money and to prove the financial capacity of the winner in the implementation of the supply provision; in the tenders with the estimated value of upper than 60,000 EUR, the winner might be required to sign and submit the Declaration of Honour (DoH) containing the information and possible guarantee regarding the successful implementation of the contract. The winning supplier must sign this declaration after receiving the notification of award.

3.3. Appeals procedure

Tenderers believing that they have been harmed by an error or irregularity during the award process (as part of a selection or procurement procedure, or that the procedure was distorted by deficient administration) may file a complaint. Appeals should be addressed to EIT Manufacturing in the following email: procurement@eitmanufacturing.eu.

To allow for any such potential complaints, EIT Manufacturing shall observe a waiting period prior to signing of the contract with the winning tenderer (3 days for all tenders between EUR 15,000.01 and EUR 143,000; 5 days for tenders between EUR 143,000.01 and 220,999.99; and 10 days for tenders above EUR 221,000).

If appeals are received, the standstill period applied to the procedure should be extended until the appeals are properly reviewed and concluded. In this case the contract signature should be suspended until the completion of the appeals.

In their application to EIT Manufacturing the complainant shall explain what procedural aspects they

consider having been violated along with any recommendations or remarks. Such charges need to be supported with data and facts and, if possible, with documentation. An appeal whose sole purpose is to obtain a second evaluation for no reason other than that the complainant disagrees with the final award decision is to be rejected.

All complaints related to the procurement procedures organised by EIT Manufacturing shall be processed by the Appeal Committee consisting of the Procurement Officer and the Head of Legal which will conduct the process of appeal's revision with the support from the Business Requestor, the Budget Owner and Finance, if necessary.

All communication related to the complaints shall be conducted by e-mail (procurement@eitmanufacturing.eu). EIT Manufacturing should respond to such complaints without delay but no later than seven calendar days of the receipt of the complaint.

The possible outcomes of the complaint's procedure could be:

- Rejection of the complaint due to lack of merit;
- Acceptance of the complaint resulting in the re-evaluation of the proposal(s) and forming of a new decision.

3.4. Signature of the contract

- **Initial contract:**
 - o Contracts should be signed using the EIT Manufacturing contract templates according to the applicable rules for which thresholds as provided by in the executive summary of the Procurement Policy. When a supplier's contract template is used, it must be reviewed and approved by the Procurement Officer and/or member of Legal.
 - o The selected tenderer shall sign and date the contract first within the deadline set in the notification of award e- mail and return it to EIT Manufacturing. Failure of the winner to sign the contract within a given timeline may constitute grounds for annulling the decision to award the contract. In this event, EIT Manufacturing may award the tender to the second best or cancel the tender procedure.
 - o When signing multi-annual contracts (framework agreements), an initial duration of one year should be foreseen with a possibility to extend the contract by one year up to three times.
- **Contract modification:** As a rule, in case of a substantial change to the initial contract that renders the amended contract materially different in character from the one initially concluded, a new procurement procedure is required.
In certain cases, contracts may be modified without a new procurement procedure (only for the procurements with a value that allows contract modification as described in the executive summary of the Procurement Policy).

4. DIRECT AWARD

Direct award may only be used for

- (i) **very low value contracts** (up to EUR 15,000); or

- (ii) **in exceptional and well-justified cases** listed below, with an explicit written approval of the Chief Financial Officer (CFO). In such cases, EIT Manufacturing can waive the competitive procedure and purchase goods or services using the single supplier procurement procedure regardless of the estimated contract value.

In case Finance requests a Direct Award, the COO or the CEO will be in charge of approving the process.

The exceptional cases where the negotiated procedure without prior publication (direct award) may be applied are the following:

- Where no tenders or no suitable tenders or no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or restricted procedure, provided that the initial conditions of the contract are not substantially altered;
- Where the works, supplies or services can be only supplied by a particular economic operator for any of the reasons listed in the Procurement Policy, such as for example:
 - the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance;
 - competition is absent for technical reasons;
 - the protection of exclusive rights, including intellectual property rights;
 - ...

In the case of direct award (also known as negotiated procedure without prior publication), the Business Requestor shall follow the procedures provided in the Procurement Policy, including preparation of an RfP, receipt and evaluation of tender proposal and conclusion of a contract, using the same templates as noted in the respective steps. In most of the cases where this procedure may be used, the contract may only be concluded with one economic operator and therefore, the invitation is sent to the economic operator concerned. After the opening of the tender(s), EIT Manufacturing examines whether the tender(s) is in compliance with the conditions set out in the invitation and negotiates the tender with the tenderer(s).