



City Expert Support Facility Process and Governance Strategy

Deliverable D3.6

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Abbreviations and acronyms

Acronym	Description
CA	City Advisor
CCC	Climate City Contract
CESF	City Expert Support Facility
CFS	City Finance Specialist
CFSS	City Finance Specialist Services
CoP	Community of Practice
CSG	City Support Group
GARAC	Grant and Resource Allocation Committee
NMC	Non-Mission Cities
NZC	NetZeroCities
PCP-FSTP	Pilot Cities Programme – Financial Support to Third Parties
PM	Person-month
RFQ	Request for Quote
SGA	Specific Grant Agreement
WP	Work Package

Summary

This deliverable D3.6 “City Expert Support Facility (CESF) Process and Governance Strategy” outlines the methods in which NetZeroCities, as the Cities Mission Platform, scopes and deploys resources to complement activities within SGA2-NZC for national engagement and finance expert services. This includes the principles and governance structures designed to process the procurement, as well as an overview of the resources and their allocation for deployment. This deliverable refers to internal processes and governance structures and is thus sensitive.

Keywords

Governance, process, principles, city expert support facility, procurement, allocation, deployment, national platform support, city finance specialist.

1 City Expert Support Facility - Introduction

The City Expert Support Facility (CESF) is an EU-funded resource designed to provide expertise and support to cities navigating the complexities of achieving climate neutrality. Support is provided by both NetZeroCities (NZC) consortium partners and, where expertise is not available from within the consortium itself but is critical to a proper development and implementation of activities, external parties and/or local partners are engaged, including from within the NZC Community of Practice (CoP). Local partners are engaged where capacity is needed for context, culture, and/or language capabilities, or where more intensive local capacity is needed.

1.1 Overview of SGA2-NZC City Expert Support Facility

The City Expert Support Facility (CESF) in SGA2-NZC aims at providing financial support to cities specifically for National platforms in WP1 and for hiring City Finance Specialists in WP2.

Work Package 1 – Task 1.6 serves as an expert deployment mechanism aimed at enhancing collaboration among cities within their national contexts. The development of multi-actor national ecosystems (also called “national platforms”) is a crucial component in advancing the objectives of the EU Cities Mission, supporting 112 cities to achieve climate neutrality by 2030. Fostering collaboration between cities within the same national framework, involving different stakeholders and primarily engaging national and regional governments is essential for cities to effectively develop and implement their decarbonisation plans.

In this context, the support provided by T1.6 focuses on integrating cities interested in achieving climate neutrality into these collaborative spaces offered by national platforms, allowing them to engage in joint workspaces with Mission Cities. The goal is to support cities by facilitating peer learning and capacity building through collaboration with Mission Cities via the community of practices provided by different national ecosystems, thereby accelerating their development processes. Therefore, under Task 1.6, a dedicated support programme is being organised to strengthen communities of practice among cities, support collaborative work between them in their national environment, and advocate for greater participation of cities that are not part of the 112 Mission Cities.

This targeted support is intended as seed funding with the primary objective of maximising impact by strengthening collaborative networks within each country.

Through **Work Package 2** “Finance and investment services to Mission Cities”, and more specifically SGA2-NZC WP2 Task 2.3, support is provided for hiring of City Finance Specialists (CFS).

CFS are city-driven and provide on-the-ground support, largely in the form of deliverable, for the financial needs of Mission Cities. The focus of the CFS is to support cities in the implementation of their Climate Investment Plans – supporting project development, identifying public and private funding opportunities and ensuring that capital requirements are met for the implementation of climate actions. It should be noted that the CFS will prioritise support to cities that have received their Mission Label.

A subcontracting budget is dedicated to subcontract experts for the 19 Mission Cities in countries not covered by the initial direct 12 CFS personnel allocation of the relevant jurisdictions, allowing for these hires. The service provider(s) engaged to be the CFS equivalent (CFSS) will be expected to provide services and deliverables standards sufficient to either match or surpass those provided by the hired CFS.

2 Principles and Governance

2.1 Principles

The following principles are employed in the procuring of services and resources under the CESF for SGA2-NZC, to ensure processes are well governed, consistent, and that there is value for money.

2.1.1 Fairness

Fairness as a principle in procurement is an idea that a process is free from preference, judgement, self-interest and favouritism.

It is granted by ensuring consistency across all evaluation whether intra or extra. Whilst the decision on the procurement route shall be made independently and there shall be a different approach to contracting, no distinction is made between partners or suppliers in the evaluation regardless of the route.

2.1.2 Transparency

Whilst transparency goes hand in hand with fairness, it is a practice rather than a concept. A transparent process is one that is auditable, complies with established rules and ensures healthy and open communication, meaning it must be fair.

Therefore, the evaluation criteria shall be shared with tenders prior to bidding and all vendors are entitled to feedback on their submission if requested. The relevant person providing feedback must provide as much information as reasonably possible, without providing detail on competitors (such as names or pricing).

2.1.3 Value for Money

Value for money is quite a complex principle with a range of applications, to achieve the most advantageous combination of cost, quality and sustainability.

For the purpose of the CESF the key practice to ensure value for money will be obtained via ensuring competition is maximized as much as practical.

As Partner rates have generally been established outside of a competitive process (or at least this process), Partners are however encouraged to provide new rates in the interests of competition.

2.1.4 Consistency

Whilst consistency is not a universally agreed procurement principle as per the items above, in practice it is the best approach to conduct an intra and extra procurement process considering the Risks outlined in paragraph 8. A consistent approach mitigates individual bias, a consistent approach is transparent as everyone shall receive the same information and a sharable evaluation criterion, and if the approach is implemented correctly a consistent approach ensures value for money by having every application go through the same competitive process (except where there is decision to sole source with the Direct Route).

Consistency will be ensured by applying the exact same Evaluation Matrix to all bids, whether partners or new suppliers, regardless of whether it is an intra or an extra procurement process. All scores will be out of 5, with a clear criterion outlined that supports reasoning for any score from 0-5. This score will then be converted to the % weight on a pro rata basis.

Regarding cost criteria, the traditional "Lowest Price / Tendered Price x Weight" formula shall be applied. This means the lowest price shall receive the full points, with the balance being scored by how they compare to this price. This means that price is not actually evaluated by individuals, rather it is a formula which can be viewed as far more objective.

2.2 Governance

A robust governance process is required to ensure CESF funds are disbursed responsibly, with a clear end-to-end process, from the sourcing of need through to assignment of relevant expertise and delivery of support. Governance oversight of the deployment of the CESF across its various support activities and deployment modes is undertaken by the Mission Platform's Grant and Resource Allocation Committee (GARAC).

For information relating to purpose, scope, composition, and membership, please see Annex 1: *Grant and Resource Allocation Committee Terms of Reference*.

While the allocation of CESF resources will be governed by the GARAC, they will be deployed through contracts/assignments managed by Climate-KIC Holding B.V., as the entity holding the unallocated resources and the Coordinator of NetZeroCities. This effectively means that Climate-KIC Holding B.V. is solely responsible and accountable for these resources and therefore, in line with this accountability, the policy and processes to deploy CESF resources follows Climate-KIC Holding B.V.'s internal legal policies and frameworks. Climate-KIC Holding B.V. will issue subcontracts/partner assignments to commit third party entities and/or SGA2-NZC Consortium Partners to deliver and report on the scheduled tasks, in a consistent, replicable, and streamlined manner, where possible.

As such, the CESF Manager and the Grant and Resource Allocation Committee have designed a process of scoping support needs and subsequent support delivery, and then allocating this activity to an appropriately qualified party, that enables:

- i) understanding the city/ies and the national ecosystems need, and contextually relevant information;
- ii) a clear plan for how the needs should be met, and the expertise and effort required to do so; and
- iii) assigning the best available organisational and individual expertise, skills, and experience to respond to those needs – whether from within, or external to, the NZC / SGA-NZC / SGA2-NZC Consortium

3 SGA2-NZC CESF Resources Allocation

The CESF in SGA2-NZC to support cities allocates resources following two strands:

Work Package 1:

- Pre-allocation of person-month (PMs) held by SGA2-NZC consortium partners (EnC, ICLEI, ERRIN, Polimi, R-Cities, UPM, VC / KTH). This allocation includes 159 PMs and other direct costs for 100,800€, to organise events and travel for partners.
- 1,136,000 € to engage external parties (national or local partners) when the needed expertise can't be found within the consortium.

Work Package 2:

- A budget of 1,625,750 € is dedicated to subcontracting experts in the following countries where the 12 dedicated CFS personnel initially hired are not present locally: Bulgaria, Czech Republic, Estonia, Hungary, Israel, Latvia, Lithuania, Romania, Slovakia and Turkey.

The allocation for these two strands will be described in greater detail below.

3.1 WP1: National platform support

Amount: 1,136,000 €

Description: This subcontracting mechanism will operate as support to T1.6 to enhance collaboration among cities within their national contexts. Under this task, countries participating in the Cities Mission have been grouped into five clusters based on the maturity of their national ecosystems, ranging from advanced ecosystems to those in the early stages of development. This clustering enables to focus support on countries where it can have the greatest immediate impact, accelerating the development of structures that support cities' climate efforts.

The following figure outlines the support provided to each cluster.

Cluster	Support
1 - Advanced program	(not supported as part of peer national collaboration task)
2 - Rising National Ecosystems	Light mentoring to transfer specific knowledge
3 - Developing National Ecosystems	Technical expertise and annual event
4 - Emerging National Ecosystems	Technical expertise and annual event
5 – Other national ecosystems	Gathering the national community during an annual event

Figure 1: Support provided to each cluster

Task T1.6 will support the organisation of annual in-person events in 28 countries for three years for countries in clusters 3, 4 and 5.

Mentoring and advice services will be provided to countries in cluster 2.

Tailored support in the format of technical assistance, co-design with national and local stakeholders, will be provided on an annual basis to the countries of clusters 3 and 4. These countries of clusters 3 and 4 have been identified to receive the most substantial support. More about the logic and approach behind this clustering can be found in D1.20 part 1 and D1.20 part 2

The amount of the CESF, 1,136k Euros, will be used to organise a national annual event in countries of Cluster 3, 4 and 5 and to provide additional resources to T1.6 partners in Cluster 3 and 4 where expertise is not available from within the consortium itself but is critical to a proper development of services, engage external parties and national or local partners.

Nothing is allocated within task T1.6 for cluster 1.

Deployment: according to the analysis done by the T1.6 partners, in terms of needs of the different national ecosystems, and the capacities of the T1.6 partners, we propose to deploy the CESF as indicated in the table below. The services not procured are provided by the resources (staff costs, or other direct costs) of the T1.6 partners as per the SGA2 – NZC Grant Agreement.

Clusters	Countries	Amount of the CESF to be deployed	Resources deployed from T1.6 partners
Cluster 2	Romania, Portugal, Netherlands, Austria, Finland	No use of the CESF	10 PMs
Cluster 3	France, Germany, Poland, Greece	- 182,500€ for technical support - 42,900€ for events' organisation	47 PMs 13,500€ (other direct costs) for events' organisation from T1.6 partners
Cluster 4	Belgium, Bulgaria, Croatia, Ireland, Slovenia, Italy, Czech Republic, Norway, Turkey	- 605,000€ for technical assistance - 104,400€ for events' organisation	30 PMs 22,500€ (other direct costs) for events' organisation from T1.6 partners
Cluster 5	Denmark, Estonia, Hungary, Latvia, Lithuania, Luxembourg, Malta, Cyprus, Slovakia, Albania, Bosnia and Herzegovina, Iceland, Israel, Montenegro, United Kingdom	- 184,500€ for events' organisation	30 PMs 27,000€ (other direct costs) for events' organisation from T1.6 partners

Table 1: CESF deployment- amounts and PMs per each clusters

Some of the considerations for the calculation of these estimates are:

- For clusters 3, 4, and 5 one event per year (over 3 years) will be organised in 28 countries - compulsory according to the grant agreement (however this might be negotiated in some countries where no cities are awarded the Mission label – to be further discussed with the European Commission). The budget for the organisation of a standard peer-to-peer national event is calculated as 4,700€ maximum including: catering, rent for venue, travel fees of experts, printing of support materials for workshops. Real costs might be lower. Additionally, the use of 2 PMs per country of T1.6 partners to (co-)organise 3 events (one per year) in countries of cluster 5.
- For clusters 3 and 4, whenever expert support will be procured (between 1 and 3 years according to countries), the logistical support for the event organisation will also be procured together, asking the subcontracted party to organise the in-person event and pay for the event organisation's direct costs.
- Tailored to the circumstances of each national context an additional support of 18 PMs per country, for countries in cluster 3 and 12 PMs for countries of cluster 4 is provided, to be used over a flexible duration between 1 and 3 years.

The budget of the CESF will be closely monitored and reallocated if needed. The expert support will be continuously evaluated (see paragraph 9 on monitoring and evaluation).

The expert support in each country will be procured for a maximum of 1 year (with possibility of renewal). The money will mostly be disbursed via annual assignments, as per below table where the amounts are to be considered for the entire task duration (2025, 2026 and 2027).

Current estimates for allocation and deployment total 1,128,300 €. The remaining amount to the budgeted 1,136,000 € will be further assessed for allocation.

Cluster	Country	CESF Expenditures	Services to be procured
3	France	9,600	Logistical support for 2 events' organisation
	Germany	59,250	Expert support
		14,100	Logistical support for 3 events' organisation
	Poland	43,750	Expert support
		14,100	Logistical support for 3 events' organisation
	Greece	70,500	Expert support
		14,100	Logistical support for 3 events' organisation
4	Italy	9,600	Logistical support for 2 events' organisation
	Belgium	100,000	Expert support
		14,100	Logistical support for 3 events' organisation
	Bulgaria	56,250	Expert support
		14,100	Logistical support for 3 events' organisation
	Croatia	61,875	Expert support
		14,100	Logistical support for 3 events' organisation
	Ireland	100,000	Expert support
		14,100	Logistical support for 3 events' organisation
	Turkey	50,000	Expert support
		14,100	Logistical support for 3 events' organisation
	Norway	108,000	Expert support
		14,100	Logistical support for 3 events' organisation
	Slovenia	57,375	Expert support
		14,100	Logistical support for 3 events' organisation
5	Czech Republic	62,500	Expert support
		14,100	Logistical support for 3 events' organisation
	Denmark	9,600	Logistical support for 2 events' organisation
	Estonia	14,100	Logistical support for 3 events' organisation
	Hungary	14,100	Logistical support for 3 events' organisation
	Latvia	9,600	Logistical support for 2 events' organisation
	Lithuania	14,100	Logistical support for 3 events' organisation
	Luxembourg	14,100	Logistical support for 3 events' organisation
	Malta	14,100	Logistical support for 3 events' organisation
	Cyprus	9,600	Logistical support for 2 events' organisation
	Slovakia	9,600	Logistical support for 2 events' organisation
	Albania	9,600	Logistical support for 2 events' organisation
	Bosnia and Herzegovina	14,100	Logistical support for 3 events' organisation
	Iceland	14,100	Logistical support for 3 events' organisation
	Israel	14,100	Logistical support for 3 events' organisation
	Montenegro	14,100	Logistical support for 3 events' organisation
	UK	9,600	Logistical support for 2 events' organisation
	Total	1,128,300	

Table 2: CESF deployment- detailed amounts per country

Cluster	Total of countries	Total CESF Expenditures	CESF Expenditures For expert support	CESF Expenditures For Annual Mandatory Events
3	4	225.400	173.500	51.900
4	9	718.400	596.000	122.400
5	15	184.500	-	184.500
Total	28	1.128.300	769.500	344.700

Table 3: CESF deployment-overall amounts per cluster

Deviation from the grant agreement:

The grant agreement states “The subcontracting budget will be activated from M7 until M44, inviting all Non-Mission Cities to submit detailed requests for support (challenge, level of commitment, preferred type of support, language requirements, developed with support of their City Advisor). A maximum cap on expert support per NMC will be set to ensure fair access. The needs for support will be identified via the annual reports produced as part of T1.1 and ongoing diagnosis run by T1.2 Helpdesk and the Self-Assessment Tool. The use of this mechanism for subtasks T1.6.2 and T1.6.3 will follow a clear and rigorous subcontracting process in order to deploy resources based on the needs identified in T1.6.1. ”

The strategy of inviting Non-Mission Cities (NMCs) to submit individual support requests, as described in the Grant Agreement, does not align with the Task 1.6 approach and overarching objectives. Instead, the idea is to focus on fostering collaboration and capacity-building across networks of cities, leveraging shared resources and expertise to create scalable impacts.

Expert support is therefore conceived as a form of collective assistance rather than individual technical aid. This approach is specifically designed to address emerging challenges and context-specific needs while strengthening the national communities of practice among cities in different countries. By prioritizing collective support, this methodology aims to enhance collaboration, build mutual trust, and facilitate the exchange of knowledge and experiences between cities. Ultimately, this approach aims to reinforce one of the core elements of the national platforms and national ecosystems: the establishment and growth of strong communities of practice among cities, ensuring long-term cooperation and capacity development at national level.

3.2 WP2: City Finance specialist services

Amount: 1,625,750 €

Description: This subcontracting mechanism, activated from M6 until M44, will operate as support to T2.3 to ensure fairness in the access to financial expertise across the European countries. Its deployment and activation plan identifying starting time, duration, and locations for the procurement are provided in Deliverable D2.6. Five finance specialist services will be hired in countries not covered by consortium partners to support the following 19 Mission Cities:

Bulgaria	Czech Republic	Estonia	Hungary	Israel
Sofia Gabrovo	Liberec	Tartu	Budapest Miskolc Pecs	Eilat
Latvia	Lithuania	Romania	Slovakia	Turkey
Riga Liepāja	Vilnius Tauragė	Cluj Napoca Bucharest Suceava	Bratislava Košice	Izmir Istanbul

Table 4: Mission Cities for which CFS will be subcontracted

Since a clear and defined scope of work could not be established due to the diverse nature of tasks and their strong city-specific aspects combined with the need to have fixed price contracts, it was agreed to proceed with a competitive dialogue process. The scope and resource outline for the deployment of this subcontracting are described in D2.6 “Finance Expert Support Facility Process and Governance Strategy”. While the detailed requirements will be developed during this process, the key understood requirements include:

- Provision of tailored financial expertise,
- Deepening local knowledge and networks,
- Mobilizing private and public sector financing,
- Overcoming investment barriers,
- Supporting financial strategies.

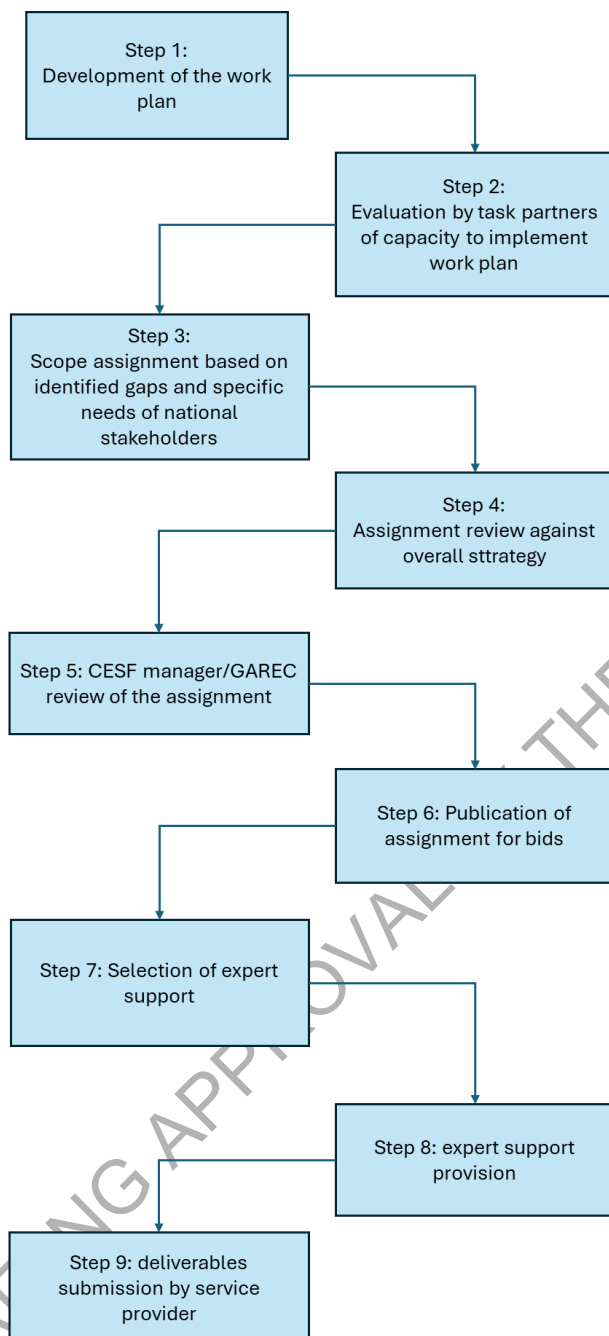
The estimate for the subcontracting budget, in relation to T2.3: Onboarding & Deployment of finance specialists, was calculated considering:

- 5FTE (full time equivalents) effort
- PM rate of ~9031,94 €
- Duration of 36 months.

These CFSs will be deployed to support Mission Cities. However, the number of FTE will depend on the outcome of the procurement process.

4 Process workflow

WP 1



Step 1 - The strategy to support the community of practices of cities and strengthen national ecosystems in each Mission State is designed from SGA2 T1.6. Each NZC partner, assigned to a country, develops a gap analysis and a **General Work Plan** in conjunction with their contact points (national authorities, city networks, Mission Cities, Pilot and/or Twin Cities, City Advisors, etc.) within each national ecosystem (cf. D1.20).

Step 2 - Task partners of T1.6 evaluate their capacity to implement the **General Workplan** in an efficient and effective manner for the different countries, and assesses if they meet the Minimum Requirements needed for supporting entities for Cluster 3 and 4 - (cf. D1.20).

Step 3 - For countries that cannot be advantageously supported by T1.6 partners, one T1.6 partner, in conjunction with stakeholders from the national ecosystem, will scope a **Detailed Workplan**, based on the gaps identified in each country, and the expressed needs of national stakeholders. This detailed workplan includes clear services, objectives, milestones, deliverables and Key Performance Indicators.

Step 4 - The **Detailed Workplan** per country is reviewed by the coordinators of the T1.6 (Energy Cities, UPM and ERRIN) to ensure that all proposals are aligned with the overall strategy.

Step 5 - CESF Manager / GARAC undertakes a review of the assignment, and provides feedback if necessary regarding missing inputs.

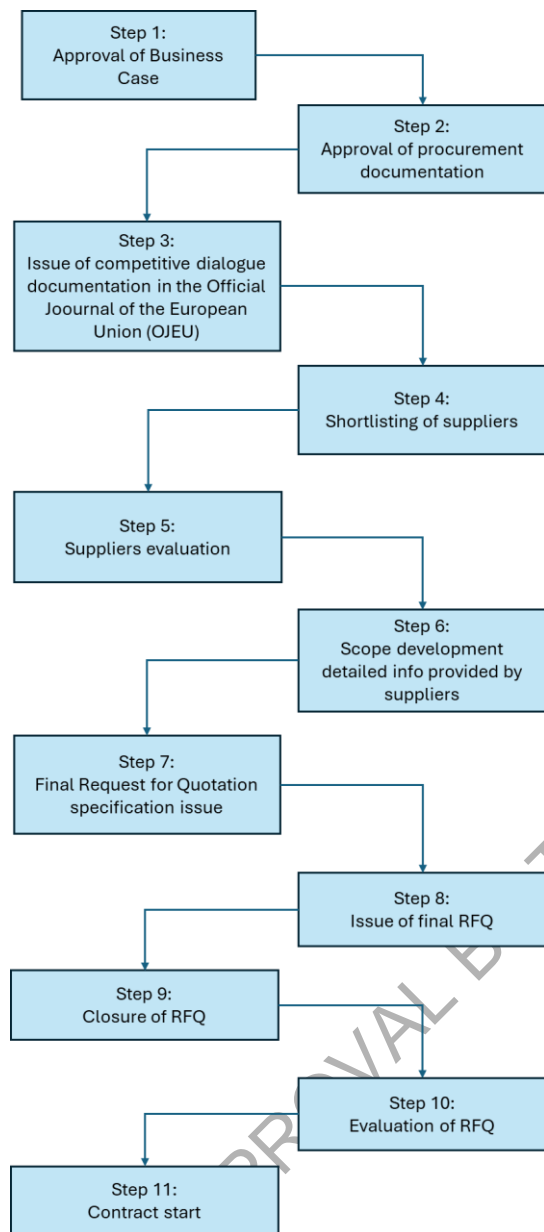
Step 6 - Approved Assignment is published, and service providers can bid. In each country of Cluster 3 and 4 an individual tender will be carried out exclusively for that national context.

Step 7 - Expert support provider is selected to provide the agreed service.

Step 8 - Expert support is provided in each Country of Cluster 3 & 4 in coordination with NZC partners. Regular meetings (at least monthly) are organised with the T1.6 partner in charge of the concerned country.

Step 9 - Expert support provider develop the activities and submits the deliverables according to intended schedules.

WP 2



Step 1: Approval of Business Case

Step 2: Procurement Documentation Approved

- It has been agreed that the externally shared budget will be €1,225,750 (75% of the total budget) to allow for higher bids and uncertainties.

Step 3: Issue of Competitive Dialogue Documentation in the Official Journal of the European Union (OJEU)

- Competitive Dialogue will remain open until a minimum of three potential bidders are identified.
- We will wait to secure at least two participants from each country to ensure competition.

Step 4: Shortlisting of Suppliers for Scope Development and Negotiations

Step 5: High-Level Evaluation of Shortlisted Suppliers

Step 6: Suppliers Provide Detailed Information for Scope Development

Step 7: Partners Provide Relevant Details for Final Request for Quotation (RFQ) Specification

Step 8: Final RFQ Issued

Step 9: RFQ Closed

Step 10: RFQ Evaluated

Step 11: Contract Start Date

This subcontracting process will be conducted via the CESF using Route 4: Competitive Dialogue.

5 Organisational structure

The activation and monitoring of CESF in SGA2-NZC involves a number of teams and partners that work under the coordination of the CESF manager according to the diagram below.

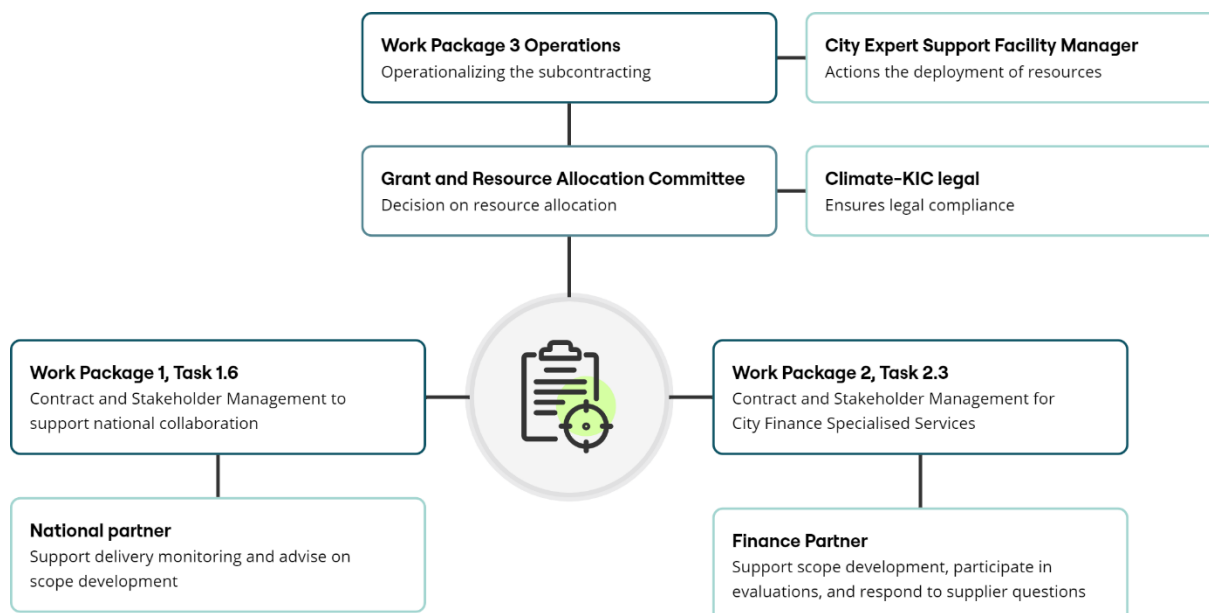


Figure 2: CESF organisational chart

The CESF manager oversees the full process and coordinates activities across both strands (T 1.6 and T 2.3).

The NetZeroCities Grant and Resource Allocation Committee (GARAC) is one of the Mission Platform sub-committees and was created with the aim of ensuring an open, fair, and transparent management of the Financial Support to Third Parties and the City Expert Support Facility funds. It is a small and agile decision-making structure, ensuring prevention of conflict of interest with an oversight over grant resources deployment.

Both the CESF manager and GARAC receive legal support from Climate-KIC to ensure compliance of procurement.

Task 1.6 and its national partners support delivery and monitoring. One of their main tasks is on scope development. Due to the diversity of needs in each national ecosystem, each task partner was assigned to a specific country to collaborate with key stakeholders—such as national authorities, city networks, Mission Cities, and City Advisors—to develop a comprehensive Work Plan tailored to the specificity of each national context, as outlined in D1.20. This Work Plan will serve as the foundation for issuing country-specific calls for tenders to subcontract necessary services.

Task 2.3 and its finance partner scopes and manages the city finance specialised services. Further details of the scoping work can be found in D2.6.

6 Communication and confidentiality management

For the purposes of CESF SGA2-NZC, there are no direct channels where cities request for support, but everything is managed either through the national platform or through the finance partners.

6.1 Confidentiality

Confidentiality of the information provided by cities and National authorities (ie.e. data contained in the investment plan of the Climate City Contract) is guaranteed. External parties receiving this information during discussions, correspondence, and negotiations are not authorised to disclose it to any other party or use for any other purpose whatsoever without the prior written permission of Climate-KIC Holding B.V. or relevant subsidiary (hereinafter "Climate-KIC").

The Supplier must not disclose any such information, materials, specifications, or other documents to any third parties or to any other part of the Supplier's group or use them for any purpose other than for the preparation and submission of quote (during tendering), and for the execution of the activity (after the purchase order has been placed). The Supplier must not make any press announcements or publicise in any way Climate-KIC's name, this document, the quotation process or any subsequent agreement without the prior written consent of Climate-KIC.

Climate-KIC may require the execution of Non-Disclosure Agreements for present and future commercial engagements as well as for consortium personnel made part of sensitive data.

As part of preparation for the submission of the response and in any subsequent negotiations, the Supplier is allowed to disclose confidential information to others within the Supplier organisation, external advisors, or subcontractors, provided that the confidentiality conditions are adhered to.

Employees of either party who have access to confidential information must be notified of their obligations with regard to confidentiality and of the disciplinary proceedings which will result if confidentiality conditions are breached.

7 Risk management

During the deployment of CESF resources risks will be monitored periodically. Possible risks could arise from one of these areas: budget allocation, subcontracting, deliverables quality, deliverable sign-off, etc.

The CESF manager will map and manage identified risks ranking them in a probability/impact matrix following the existing NZC risk management process. The CESF manager will also ensure risks are prioritised and addressed to satisfaction.

The following procurement risks (and management strategies) were established prior to the execution of the CESF and are considered to be applicable:

No.	Risk	Principle	Management	Accountability
1.	<i>Partners have pre-established relationships (and therefore information), will deliver work via PM's and will often be engaged prior to procurement for scoping.</i>	Fairness	The management strategy for this risk is that internal suppliers will be given the option to either support the scoping in preparation for the procurement under existing payment models established by being a partner OR they may wish to enter the competitive process provided they have not been involved in scoping (and other	GARAC

			preliminary works) and do therefore not have an unfair advantage.	
2.	<i>There is a risk of “reverse favouritism” where GARAC may believe prior to evaluation that a partner may not have capacity for work tendered. It would be against general Public Procurement Principles (and directives) to prohibit suppliers or discriminate based on our impression of their workload, rather than the merits of their proposal isolated from our prejudice.</i>	Fairness, Transparency	There will be no prohibition based on our understanding of their workload. Each submission will be evaluated with the Capacity Criteria (current workload) having a weight of 20% and measures to deal with capacity issues having a weight of 10%. Therefore, if any partner (internal or external) has a capacity risk, it is unlikely they will win as they will not receive a strong score for 30% worth of points in the evaluation.	Evaluator
3.	<i>Where a supplier has completed an Intra Process which ultimately failed, they may wish to enter the Intra / Extra Route.</i>	Fairness	Where this occurs, a supplier shall not be allowed to provide a second submission as this would result in an unfair advantage compared to the external providers. An exception to this may occur where changes to the scope occur, which may result from the failed internal process or generally.	GARAC
4.	<i>Partners have pre-agreed rates for work delivered under PM's, that were established via a separate process and may not be competitive.</i>	Fairness, Value for Money	The rates provided in the partnership comments have been tied to WP's which will be utilised where a Partner is successful in this procurement process. The rates under these arrangements shall not be mandatory in tender responses. In the interests of fairness and value for money GARAC has agreed to allow Partners to bid for scopes of work under the CESF competitively.	GARAC

5.	<i>Cities may consistently request small scopes with a singular supplier to stay under the 60k threshold and the transparency obligations contained in that process. le abuse the process via disaggregation</i>	Fairness, Value for Money	This risk is managed via two gates. Prior to the procurement stage there is a scope validation and a GARAC review, where a new scope is requested after having received services of a similar nature from the same requestor (City), this will be flagged for review and a decision will be made as to whether the scope is new in nature or presents and attempt to abuse the disaggregation proposed in this document. This first gate is critical for the Direct Route (Partners Only) as there will be no competition. For the competitive Intra/Extra process, where this first check is satisfied, the supplier will still need to submit a strong offering to be evaluated by GARAC (rather than the city), who are satisfied that this supplier remains the best option for the new scope requested.	GARAC + CKIC Legal team
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Table 5: Procurement risk assessment

8 Monitoring and Evaluation

The budget of the CESF will be closely monitored, to ensure dynamic reallocation based on the real costs of the activities procured. The expert support in each country will be procured for a maximum of 1 year (with possibility of renewal) and will be continuously evaluated (see process below).

For clusters 3 and 4, whenever expert support will be procured (between 1 and 3 years according to countries), the logistical support for the event organisation will also be procured together, asking the subcontracted party to organise the in-person event and pay for the event organisation's direct costs. For example, in Ireland, this is intended to provide expert support for 1 year, thus during the 1st year, we'll procure together expert support and logistical support to organise an annual in-person Mission event. During year 2 and 3, we'll procure only logistical support.

Every month the CESF manager will monitor key indicators such as: quotes to be requested, quotes to be evaluated, service execution within deadline and within scope to ensure cities receive the needed support timely and with quality standards, plus the ones contained in the workplans.

Regarding evaluation, the CESF manager will engage with the stakeholders to ensure cities demand is being matched with partners and subcontractors offer. The engagement will be continuous so the be readjusted where needs were to change. The CESF manager will together with WP and task lead confirm if the allocation has fulfilled the needs and if not implement actions.

Purchased service will be considered completed when signed off by the task lead, meaning the fulfilment of needs has been verified before payment.

Suppliers will receive a survey to provide feedback on the services provided and these surveys will be used to improve the offer of support to cities.

The CESF manager together with the task leads and partners will gather information and collect learnings that can be used to set best practices.

Care will be taken to ensure subcontracted CFS will work according to the same procedures and with the same standards as the hired CFS.

9 Annexes

The remainder of this document provides, via Annexes, the details on process Governance (*Annex 1: Grant and Resource Allocation Committee Terms of Reference*) and the underlying procurement policy backbone (*Annex 2: Procurement Policy*), that sets the parameters for how resources are deployed through the CESF in a robust, fair and open process, and in line with Horizon Europe-compliant procedures.

9.1 Annex 1: Grant and Resource Allocation Committee Terms of Reference

NetZeroCities Grant and Resource Allocation Committee (GARAC)

Terms of Reference

/October 2024/

1. Purpose

The NetZeroCities Grant and Resource Allocation Committee (GARAC) is created with the aim of ensuring an open, fair, and transparent management of the Financial Support to Third Parties and the City Expert Support Facility funds.

2. Scope of Committee

2.1 City Expert Support Facility (CESF) – allocated and unallocated

- Oversight of Pilot Cities Programme Boot Camp resource deployment.
- Oversight of Core Support resource deployment for Pilot Cities.
- Oversight of Additional Support (Unallocated) for both Pilot Cities and Mission Cities.
- Definition of activities eligible for support from the unallocated and allocated CESF funds (“CESF funds”).
- Definition of rules and parameters by which Pilot and Mission cities access additional support funds from the CESF funds.
- Definition of process for
- identifying suitable consortium expertise to deliver support; and
- identifying external expertise to deliver support, if/where the consortium does not possess suitable people/organisations.
- In cooperation with the Project Coordinator, approval of CESF allocation in line with defined process, with documented and approved recommendations on allocation.
- Accountable for monitoring and evaluation of the delivery of CESF funds, and contribution to corresponding reports (i.e. quarterly reports to ExCom) including contribution to relevant Deliverables as required. This includes input to lessons learned as an output of CESF delivery by assigned consortium partners.
- Ensures services/support offered by the consortium through grant agreement activities is not duplicated by requests for additional, expert support; i.e., to ensure the CESF is not activated where support should reasonably be provided and funded through the activities via existing services and partner allocations.
- Reallocates underspent FSTP resources, following interim reporting and/or based on change requests in which subgrantees descope/release grant as not being absorbable.

- Review with a view to continuously improving the CESF request, allocation, and deployment mechanisms, proposing changes to processes and mechanisms for review and approval by the ExCom.
- Update and resubmit the CESF deployment mechanisms deliverable to CINEA, in the case of major changes.
- Communicate to the consortium on process changes and associated updates to the CESF deployment mechanisms and GARAC Terms of Reference.

2.2 Additional Expert Support Facilities

At such a time as required, in relation to SGA2, the Committee will extend its scope to include the oversight and governance of subcontracting funds via a sub-committee bringing experts on cities, governance, finance and other topical domains, if required.

2.3 Pilot Cities Programme (PCP-FSTP)

- Approves Call Guidelines prior to publishing and opening of Calls.
- Approves list of allocated External Reviewers in PCP assessment process, including cumulative deployment over multiple Calls.
- Receives, records, and consults on Call Stage outcomes and any procedural matters arising thereof, in relation to published procedures, prior to moving to next stage and associated communications.
- Approves membership of PCP Selection Committees.

2.4 Composition

The Grant and Resource Allocation Committee structure will involve five standing members, one temporary member and an observer. Every six months a chair and the secretary will be nominated to take on the roles detailed below. The Committee reserves the right to invite extraordinary representation from key stakeholders as required.

Additional observers may be invited to GARAC meetings whenever the GARAC needs / judges an external reviewer is needed for a CESF application, to complement one evaluator from GARAC standing members.

3. Committee Chair

The Grant and Resource Allocation Committee Chair will be responsible for overall facilitation of the committee meetings. Where appropriate the Committee Chair may refer a decision back to the Executive Committee.

4. Committee Secretary

The Committee Secretary will help facilitate the efficient and effective running of the committee by:

- Scheduling the Committee meetings to the schedule agreed by the Committee
- In conversation with Committee members compiling the agenda in advance of each meeting
- Taking committee notes and actions during each committee and sharing these with committee members. The notes and actions will be stored in an accessible location to the Consortiums
- Any other administrative task deemed necessary for the functioning of the Committee

5. Membership

5.2 Standing Members

- Joanna Kiernicka-Allavena (CKIC) – Chair
- Daria Barsuk (LGI) - Secretary (elected until March 2025)
- Will Wade (CKIC)
- Thomas Haddock (CKIC)
- Nick Rendle (EuC)

5.3 Observers

- Radka Reil, CESF Manager (CKIC)
- Jourdan Wetzlar, Legal and Procurement Business Partner (CKIC)

6. Ways of Working

- The Committee will establish a meeting frequency and rhythm for synchronous working, and procedures for asynchronous working and consultation as required.
- All Committee members are required to respond to requests for asynchronous input (i.e. via email) even in the case where no substantive comment or contribution is made (i.e. to acknowledge receipt and provide assent to recommendations in the event that no issues arise).
- Quorum is met whenever 3 out of 5 GARAC members are present

10. Review

These Terms of Reference will be reviewed on a six-monthly basis, in line with the change of Secretary.

11. Glossary

CESF	City Expert Support Facility
FSTP	Financial Support to Third Parties
GARAC	Grant and Resource Allocation Committee

PCP	Pilot Cities Programme
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12. Recurring agenda

A proposed standard agenda is as follows; however, the agenda will be set for each meeting according to acute needs and matters arising:

1. Check-in
2. Reflections & improvements
3. New CESF requests or deployment needs
4. Monitoring of resources deployed
5. AOB

AWAITING APPROVAL BY THE EUROPEAN COMMISSION

9.2 Annex 2: CESF Procurement Procedure

1. Summary of the overall process

Support needs identified - Cities, City Advisors (CAs), City Support Group (CSG) Colleagues, and relevant task partners, work together to identify specific support needs related either to the progression of their pilot activities, or to advance their Climate City Contract (CCC) /Mission work.

Scope & Eligibility check - The CESF Manager reviews the submission for eligibility against the relevant Grant Agreement / CESF instance. The CESF Manager shares applications with the GARAC and Coordinator for comment, feedback, and or recommendations in how to take the scoping of support forward. This may result in the application being sent back for elaboration.

Support Assignment Scoping - A subset of Consortium Partners, with relevant knowledge and expertise, turns the support request into a 'Support Assignment', to be used as the opportunity 'tender'. Where other avenues of support via existing Mission Platform services are identified, feedback is provided to the submitter

Support Assignment Validation - The/a resulting 'Support Assignment' is shared with the CA, CSG, and city/ies, as appropriate, for validation. Once validated, the 'Support Assignment' is moved forward in the process to identify a relevant partner/third party who can provide the described support.

Procurement & Contracting – GARAC shall conduct either an Intra or and external procurement process via the correct Route, as outlined in this document.

Expert support delivery - The Consortium Partner(s) and/or external third parties deliver the agreed activities with the city/ies, and under the aegis of the relevant CSG as a partner.

Delivery reporting and evaluation - Upon completion of the activities, the Consortium Partner(s) / third party completes a summary report, validated by the recipient city/ies, and submits this to the CESF Manager. Qualitative content of the report relating to outcomes, learning, next steps/ follow-up is then analysed by the GARAC and shared with stakeholders as appropriate.

2. Routes

Summary

Route	Direct Route	Intra Route	Intra/Extra <60k	Intra/Extra >60k
Number of Suppliers/Partners	1	1-2 <20k 3+ <60k *Suppliers/Partners approached or considered	3 *Suppliers/Partners approached or considered	3+ *Quotes received
Max Value	20k	20k <3 suppliers 60k >3 Suppliers	60k	214k
Min Evaluators	1	1	1	3
Tender Docs	- NZC CESF Procurement Template - CESF Evaluation Matrix - Assignment Letter	- NZC CESF Procurement Template - CESF Evaluation Matrix - Assignment Letter	- NZC CESF Procurement Template - CESF Evaluation Matrix - Assignment Letter / C-KIC Services Agreement	- NZC CESF Procurement Template - CESF Evaluation Matrix (Group Score) - Assignment Letter / C-KIC Services Agreement - Website Advertisement Form
Target Timeline	Direct – 1 week	2 weeks = 1 week in market + 1 week evaluation	3 weeks = 2 week in market + 1 week evaluation	4 weeks = 1 week prep + 2 weeks in market + 1 week evaluation

Direct Route

A Direct Route procurement activity occurs where a partner has been identified that is clearly capable of delivering the work and have capacity. Their response shall still be evaluated in line with the technical criteria, however as there is one price and pre agreed rates, the price criteria shall automatically receive the full score as per the formula.

The requirements for this Route are:

- The total price shall not exceed EURO 20,000;
- There is a single partner identified that can deliver this work;
 - Where there is multiple, this should fall under the Intra Route Process.
- GARAC believes the Partner offers value for money, or pre agreed rates are utilized.

Intra Route

An Internal Route procurement activity occurs where multiple partners are identified that can deliver this work and there is budget within each of their PM's. Their response shall be evaluated in line with both the technical and price criteria.

The requirements for this Route are:

- The total price shall not exceed EURO 20,000;
 - However, where three or more Partners can genuinely be considered capable of this work, this limit can be raised to EURO 60,000, provided at least three Partners are invited.
 - ♣ This process must not be used for scopes over EURO 60,000
 - The EURO 60,000 limit shall remain regardless of whether all three submit proposal on time.
 - This is in line with the "approached or considered" terminology under the C-KIC Procurement Policy Version 4.0.
- Multiple partners have been identified that are capable of delivering this work.
- Partners may choose to bid competitively or use pre agreed rates.

Intra/Extra Route

Intra/Extra Route procurement activity occurs where the expertise or capacity cannot be found via the Partners. This can either be determined prior to the commencement of any procurement, or where the Direct Route or Intra Route has not resulted in a submission that offers value for money.

The Requirements for this Route are:

- Partners clearly lack the expertise to deliver on the scope in question.
- A Direct Route or Intra Route procurement exercise has failed to select a strong proposal.
- Where the value is <EURO 20,000 one supplier may be engaged where there is evidence value for money, or the requirement is genuinely too niche for an open process to add value.
 - An example of this is a City wishing to replicate another City's innovation, and there is a unique value in utilizing the expert who had supported said innovation.
- The value is >EURO 60,000.
 - Where any request for support shall exceed this amount, the process must be governed as per the Climate-KIC Procurement Policy with the key changes being:
 - ♣ Minimum of two weeks in the market;
 - ♣ A website advertisement to be placed by C-KIC in the interests of openness; and
 - ♣ There must be a minimum of three evaluators.
 - ♣ The work shall not exceed EURO 214,000 under this process.

- In the unlikely event that this shall occur, this process shall fall under the full Public Procurement Route 4 and managed via the Climate-KIC Legal and Procurement Team.

3. Evaluation

Evaluation across quality criteria

To ensure consistency across quality criteria evaluation, each criterion shall be scored on a scale of 0-5 using the following methodology. This score is to then be adjusted to align with the % weighting of the specific area being evaluated.

For example, if the specific criterion has a weighting of 15% and the supplier scores a 4 out of 5, the supplier would receive a weighted score of 12% for that specific criteria.

Score Awarded	Definitions	Commentary
0	An unacceptable response	No response at all or insufficient information provided in the response such that the solution is totally un-assessable and/or incomprehensible.
1	A poor response	Substantially unacceptable submission which fails in several significant areas to set out a solution that addresses and meets the requirements: little or no detail may (and, where evidence is required or necessary, no evidence) have been provided to support and demonstrate that the Bidder will be able to provide the services and/or considerable reservations as to the Bidder's proposals in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.
2	A below expectation response	Weak submission which does not set out a solution that fully addresses and meets the requirements: response may be basic/ minimal with little or no detail (and, where evidence is required or necessary, with insufficient evidence) provided to support the solution and demonstrate that the Bidder will be able to provide the services and/or some reservations as to the Bidder's solution in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.
3	A satisfactory response that meets expectations	Submission sets out a solution that largely addresses and meets the requirements, with some detail (or, where evidence is required or necessary, some relevant evidence) provided to support the solution; minor reservations or weakness in a few areas of the solution in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.
4	A good response	Submission sets out a robust solution that fully addresses and meets the requirements, with full details (and, where evidence is required or necessary, full and relevant evidence) provided to support the solution; provides full confidence as to the relevant ability, understanding, expertise, skills and/or resources to deliver the requirements.
5	A very good response	Submission sets out a robust solution (as for a 4 score – above) and, in addition, provides or proposes additional value and/or elements of the solution which exceed the requirements in substance and outcomes in a manner acceptable to EIT Climate-KIC; provides full confidence as to the relevant ability, understanding, expertise, skills and/or resources not only to deliver the requirements, but also exceed it as described.

Table 1 - Quality Criteria scoring table

4. Evaluation Criteria

4.1 Expertise / Experience (30%)

Expertise and Experience as criteria determines whether or not the proposed supplier is able to actually deliver the services. The questions to be asked and evaluated in these criteria are:

1. Relevant Experience – does the suppliers response show a history of delivering on projects like the package currently being evaluated? (20%).
2. Relevant Expertise – do the individuals proposed for the delivery of this work have the relevant qualifications required to deliver this work? (10%)

4.2 Capacity to Deliver (30%)

Once it has been established that the supplier has the relevant expertise and experience, the next criteria examines whether the supplier has the capacity to take on the work. This criteria is to be addressed via the following questions:

1. Current Workload – The suppliers shall provide the current list of projects being delivered by the individuals proposed for this package, this shall include the effort required for existing work as a % of their time (20%).
2. Management Measures – The supplier shall provide detail into how they manage capacity issues as well as provide any additional resources or measures they have in place in the event of capacity issues, or if there is a need for scope increases or acceleration (10%).

4.3 Price Criteria (40%)

Price will consist of 40% of the evaluation weightings. The evaluation method will ensure that the lowest price total of the Pricing Schedule achieves the maximum available marks, with other Bidders scores calculated proportionately. The scoring methodology will be applied per pricing schedule section and combined to identify the overall lowest price submission. The lowest price submission will achieve the maximum available score with the other Bidders prices scoring points inversely proportionate to the lowest.

1. Pricing evaluation will follow the universally accepted formula of (Lowest Price / Tendered Price x Price Criteria Points (40)).
2. An example of how this formula operates in practice can be found below:

Description	Formula	Tenderer		
		T1	T2	T3
Tendered Price	A	€500	€490	€510
Lowest Price	B	€490		
Calculation	$C = B/A$	0.98	1.00	0.96
Convert to Points	$D = C \times 40^*$	39.20	40.00	38.43

* The conversion to points will be based on the weighting attributed to price in the total evaluation.

Table 2 - Example scoring methodology for price lots

4.4 Contracting

Upon completion of the evaluation, contracting is to commence. The contracting method for Partners and Suppliers differs, as outlined below.

4.5 Engaging Partners

Where a partner is selected to deliver a scope, the contracting shall occur via an Assignment. This assignment is governed by the wider consortium agreement; however it shall contain the following:

- The allocated PM's for the awarded scope;
- Key provisions/terms regarding to the delivery of the awarded scope; and
- Any other provision or term identified to bridge the gap between the consortium agreement and a Services Contract.

4.6 Engaging Supplier

Where a supplier is selected, they shall follow the standard Contracting steps as outlined in the C-KIC Procurement Policy and associated documents. A summary of the steps is as follows:

- A Draft Services Agreement is to be provided to the Supplier, along with the Supplier Set Up Form.
 - Draft Agreement to be reviewed and finalized up to execution, which shall occur once all other steps are complete.
 - Any proposed amendments to the terms shall be reviewed and approved by the C-KIC Legal & Procurement team prior to execution.
- The Supplier Set Up Form shall be returned to C-KIC who will commence the supplier setup process.
- C-KIC shall raise a requisition in their internal ERP to confirm financial approval.
- Once the requisition is raised and approved, this shall be included on Page 1 of the contract and the contract shall progress to execution.

4.7 Execution

All contracts with suppliers must be executed in line with the Climate-KIC Delegation of Authority as amended from time to time.

5. Principles of this Procedure

Fairness

Fairness as a principle in procurement is an idea that a process is free from preference, judgement, self-interest and favouritism.

This is to be managed by ensuring consistency across all evaluation whether intra or extra. Whilst the decision on the route shall be made independently and there shall be a different approach to contracting, no distinction is made between partners or suppliers in the evaluation regardless of the Route.

Further assessment and management strategies can be found in Annexure 1.

Transparency

Whilst transparency goes hand in hand with fairness, it is a practice rather than a concept. A transparent process is one that is auditable, complies with established rules and ensures healthy and open communication, meaning it must be fair.

Therefore, the evaluation criteria shall be shared with tenders prior to bidding and all vendors are entitled to feedback on their submission if requested. The relevant person providing feedback must provide as much information as reasonably possible, without providing detail on competitors (such as names or pricing).

Value for Money

Value for money is quite a complex principle with a range of applications, however for the purpose of the CESF the key practice to ensure value for money will be obtained via ensuring competition is maximized as much as practical.

As Partner rates have generally been established outside of a competitive process (or at least this process), Partners are encouraged to provide new rates in the interests of competition.

Consistency

Whilst consistency is not a universally agreed procurement principle as per the items above, in practice it is the best approach to conduct intra and extra procurement process considering the Risks outlined in Annexure 1. A consistent approach mitigates individual bias, a consistent approach is transparent as everyone shall receive the same information and a sharable evaluation criterion, and if the approach is implemented correctly a consistent approach ensures value for money by having every application go through the same competitive process (except where there is decision to sole source with the Direct Route).

Consistency will be ensured by applying the exact same Evaluation Matrix to all bids, whether partners or new suppliers, regardless of whether it is an intra or an extra procurement process. All scores will be out of 5, with a clear criterion outlined that supports reasoning for any score from 0-5. This score will then be converted to the % weight on a pro rata basis.

Regarding cost criteria, the traditional “Lowest Price / Tendered Price x Weight” formula shall be applied. This means the lowest price shall receive the full points, with the balance being scored by how they compare to this price. This means that price is not actually evaluated by individuals, rather it is a formula which can be viewed as far more objective.

6. Disaggregation

Disaggregation occurs where contracts and thus procurement exercises are broken into parts. Generally, this is not allowed under general procurement principles. The key risk with disaggregation is that a leaner low value procurement process is utilized several times, or just once with variations/addendums being used in lieu of a new process. This risk is not applicable to the application of CESF as each scope is tendered separately with the beneficiary being in separate cities (and often countries). Therefore, to take a Total Contract Value approach to Procurement Routes in the deployment of CESF funds, would limit the use of suppliers who are consistently performing as per (or above) expectations, ultimately leading to a prejudice in evaluation or even forced removal from a non-compliant procurement process.

Therefore, for the deployment of CESF, to deny disaggregation and not treat each scope individually would potentially result in unfair treatment of a consistent supplier and ultimately limit the support delivered to the end user, the City requesting support.

7. Modifying the Criteria/Procurement Process

Any amendment to the scoring criteria must be endorsed unilaterally by GARAC.

Any amendment to this Procedure must be endorsed by C-KIC Legal and Procurement.