Non-binding English translation

Request to participate in a competitive negotiation procedure

COMPETITIVE BIDDING RELATED TO GROWTH ENGINES (nr 2)

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ANNEX 1: Template for request to participate

# Contracting entity (tendering entity)

The contracting entity (tendering entity) is the Innovation Funding Agency Business Finland (hereinafter Business Finland, BF)

Tekes – the Finnish Funding Agency for Innovation and Finpro Oy were merged on 1 January 2018. Tekes became the Innovation Funding Agency Business Finland and Finpro became Business Finland Oy. Together the funding agency and the company constitute an actor collectively called Business Finland: a functional entity with a unified management, consisting of a national authority (the funding agency) and a company responsible for customer operations (Business Finland Oy).

For further information, please contact: [www.businessfinland.fi](http://www.businessfinland.fi)

# Tendering procedure: competitive negotiation procedure

According to the contracting entity’s estimate, the total value of the tender exceeds the European Union threshold value. Although this is not a public procurement, we have put the subjects of funding out to tender in accordance with the competitive negotiated procedure pursuant to sections 36 and 37 of the Act on Public Procurement (1397/2016).

Based on the legal provision mentioned above, the contracting entity may choose a negotiated procedure in a procurement:

1) in which the needs of the contracting entity cannot be met without adapting existing solutions;

2) that includes design or innovative solutions;

3) for which the contract cannot be awarded without prior negotiations, because of specific circumstances related to its nature, complexity or legal and financial form, or because of the risks pertaining thereto; or

4) in which the description of the procurement cannot be drafted with sufficient precision with reference to a standard, European Technical Assessment, common technical specification or technical reference.

The purpose of negotiations is to identify the contents of the final call for tenders, such as the best implementation practices, boundary conditions, impact targets and indicators.

The request to participate consists of the material submitted by a candidate. The event where the requests to participate are opened is not open to the public. Requests to participate are evaluated by applying the comparison criteria specified in this document.

The contracting entity may interrupt the tendering procedure if none of the requests to participate meet the requirements of the call for tender, or the circumstances materially change during the tendering procedure. If the tendering procedure needs to be interrupted, the contracting entity shall give a written decision on this with relevant justifications.

# Background of the procurement

In 2018 and 2019, a total of EUR 60 million will be allocated to growth engines.

The objective of the competitive bidding procedure for growth engines is to build and grow business ecosystems that are vital for the national economy. The capital funding provided by the state/BF allows the creation of platforms that contribute to the development and growth of ecosystems. The competitive bidding combines the public procurement procedure and state funding. Capital funding provided by the state allows risk sharing with the private sector and enables the platform company to develop its operations. The public procurement procedure helps to establish a market price for the necessary state funding. The state seeks return on its capital funding. State aid regulation does not apply when the price is determined on a competitive market.

# Subject and scope of procurement

The subject of the competitive bidding is:

* In compliance with the mission of Business Finland: the renewal and development of business and industry by means of technology and innovation; increasing international networking; increasing added value; strengthening the growth and international competitiveness of the business sector; increasing exports, tourism targeting Finland, and international and capital investments in Finland; as well as enhancing productivity, employment and wellbeing.
* It is expected that the development of the operations of the platform companies or operators belonging to the Growth Engine ecosystem will contribute to meeting the targets mentioned above. The impact is expected to manifest itself in the actors involved in the Growth Engine ecosystem in particular. At an annual level, the operations of a platform company or operator should generate **new business and/or exports and/or new investments in Finland based on innovation, amounting to at least 1 billion euros among the actors involved in the Growth Engine ecosystem.** In addition, the impacts of the operations of a platform company or operator may become visible in the number of jobs, increased tax revenues and as indirect effects on the wellbeing in Finland.

The remuneration is

* **a capital loan granted to a new or existing platform company/operator by the funding agency.** The funding is provided as a capital loan in accordance with the Limited Liability Companies Act in Finland. The funding agency does not become an owner of the beneficiary nor does it define the expected return on investments from the platform company, but this is also part of the tendering procedure. Funding can only be granted to companies registered in Finland.

Use of the remuneration/capital loan

* The tenderer shall use the granted capital loan for **the launch and development of the platform company or operator’s activities**. The funding may not be transferred to another company. The platform company’sown operations should be sustainably established and profitable, so that it can repay the loan in due course. Through its own operations, the platform company should enable or substantially accelerate the growth and success of the surrounding ecosystem. It is estimated that the highest impact can be achieved through ecosystem impacts.

The amount of capital loan is estimated to range from 2 to10 million euros. Other amounts may also be considered.

The competitive bidding is not restricted to particular sectors. The objective is to make funding decisions for several actors that may come from different sectors.

# The minimum suitability requirements for the candidates

# An assurance of having satisfied the requirements

The candidate must meet the requirements of the European Single Procurement Document.

# The requirements set for the key persons in platform companies

The key persons of the platform companies must participate in the negotiations.

# Ethical principles – minimum requirements

The operations must be socially acceptable

# Selection of candidates to the negotiated procedure

# Submitting a request to participate & candidate exclusion

Candidates participate in the tendering procedure by submitting a request to participate, including a preliminary implementation plan (template provided as attachment) and required annexes.

In the first stage, the candidates that have been convicted of any of the offences specified in section 80 of the Act on Public Contracts (1397/2016), or who, based on the minimum requirements and the consideration by Business Finland, lack sufficient financial or technical capacity for the successful implementation of the subject of procurement, shall be excluded from competitive tendering.

The contracting entity may also exclude from competitive tendering any candidates or tenderers that fail to meet the minimum suitability requirements in accordance with section 5 above, or the requirements specified in section 81 of the Act on Public Contracts. The above-mentioned section can also be applied in order to exclude any tenderers from competitive tendering that are deemed to lack sufficient financial or other capacity for the implementation of the procurement, or that have neglected to pay their taxes or other statutory payment obligations.

In addition to the above-mentioned criteria, a candidate or tenderer may be excluded from competitive tendering if the platform company or operator is not deemed likely to generate new business operations or new exports to Finland or new investments in Finland amounting to 1 billion euros among the actors involved in the Growth Engine ecosystem.

# Candidate evaluation

The candidates invited to the negotiations will be selected based on the comparison criteria presented below.

A maximum number of 30 candidates will be selected to the first negotiation round to present the main content of their proposal. As a result of the evaluations and presentations, a minimum of three (3) but a maximum of eight (8) candidates will be selected for the next negotiation round.

Selection criteria:

1. **Platform company’s ecosystem impacts** (new turnover, jobs, exports, investments in Finland, indirect impacts, quality of the ecosystem, methods of yielding ecosystem influence). Weighting coefficient 60%
2. **The platform company: credibility, resources and planned return on investment for the capital loan** (the team’s resources and capabilities, co-investors/owners, business model and financing plan), the impacts of BF funding. The repayment schedule of the capital and the interest to be paid on it. Weighting coefficient 40%

The negotiations will be attended by Business Finland employees and external experts potentially invited by Business Finland.

The requests to participate and the negotiations are confidential. Each tender/proposal is evaluated and scored by at least four evaluators. Both comparison criteria with their subsections are awarded points on a scale of 1 (poor), 2 (weak), 3 (good) 4 (very good) to 5 (excellent). The final score of each candidate is decided on the basis of a consensus meeting, at which all evaluators are present. The maximum score is 10. Business Finland draws up a ranking list on the basis of the scores given by the evaluators.

Business Finland and potential external evaluators estimate the credibility of the information submitted by each candidate. When evaluating proposals, information other than that reported by the participants in the competitive tendering may also be used, as well as the views of Business Finland and/or external evaluators on matters such as the realistic nature of the information presented, the time span, risks and other factors related to the desired impacts or the repayment of the loan.

All candidates that submit the request to participate and meet the minimum criteria will be provided with a decision and will be informed of the potential invitation to the negotiation stage.

The final selection criteria and weighting coefficients will become more specific during the negotiation process.

# Selection of the party/parties to implement the procurement

After the negotiations, Business Finland will provide more detailed specifications and draw up a call for tenders to be targeted at the candidates still included in the negotiation procedure. The funding decision will be made on the basis of the selection criteria explained above, which will be further specified during the negotiation phase.

Business Finland will decide on funding for the best proposals submitted for competitive tendering.

# Timetable of the competitive bidding

The timetable of the competitive bidding is indicative and can change during the course of the bidding process.

Stage 1: Selection of candidates for the negotiated procedure

1. Information event 14.12.2018
2. The publication of the request for information on the call for tenders on 20 December 2018
3. Sparring discussions with potential applicants
4. The publication of the call for tenders/request to participate on 15 February 2019
5. The candidates may present additional questions in writing until 6 March 2019. Business Finland will publish the responses to the questions on its website 8.3.2019.
6. The deadline for submitting requests to participate is 18 March 2019 9:00 am.
7. Pitching of main content to a selection jury 20-23 March 2019, minimum half an hour / applicant.
8. The estimated date of the selection of candidates and the invitation to participate in negotiations is 1 April 2019.

Stage 2: Negotiations

1. Implementation of negotiations: weeks 15−18 (financial details 8-12.4, ecosystem impact 24.4-3.5)

At the negotiation stage, the participants may be asked to perform preliminary tasks and/or may be requested to submit preliminary tenders, which will be processed in the negotiations. During the negotiations, the number or tenderers may be reduced step by step based on the criteria described under section 6. It is estimated that no more than three negotiation sessions will be arranged per tenderer. The key persons of the parties that have submitted a request to participate must participate in the negotiations.

Stage 3: Completion of the final call for tenders and reception of tenders.

1. Final call for tenders 6 May 2019
2. Final tenders by 20 May
3. Evaluation
4. Funding decision and the announcement of the decision in June 2019

# Funding period and other terms and conditions

It is estimated that the funding decision will enter into force in June 2019 and remain valid for the period to be defined in the decision. The duration of the period depends on the proposed financing plan.

The financing plan, repayment plan, timetables, the interim goals and the terms and conditions related to the payments are part of the negotiation phase, and form an essential part of the funding decision. Loan installments may be taken out based on the progress made or the achievement of interim goals. A capital loan may not be transferred to a parent company or a subsidiary in the form of a group contribution, for example. The granted funding must be available to the company for activities performed in accordance with the plan presented.

# Subcontractors

The participants in the competitive bidding must give an account of the potential use of subcontracting. The participant is responsible for the work of a subcontractor as it would be for its own. The subcontractors participating in the direct implementation of the work must be named, and an account of the basic information on the company must be provided.

The participants in the competitive bidding must present the key subcontractors – used in the production of the service referred to in the contract – for approval by Business Finland. Business Finland has the right to withhold approval of a subcontractor if strong grounds exist for doing so.

# Additional questions

Additional questions concerning the request to participate may be sent between 14 February and 6 March 2019 only by email, to the address kilpailutus@businessfinland.fi. **The subject of the message with questions should read “Kysymykset 2/25/2019”**

Business Finland will gather all questions together and respond to them in writing on the Growth Engines pages on the https:\\www.businessfinland.fi\kasvumoottorikilpailutus website by 8 March 2019. To ensure the equitable treatment of the candidates, we will not respond to any questions presented by telephone.

# Submission of the request to participate

A request to participate and its annexes must be delivered to Business Finland by 9:00 18.3.2019. Participants are requested to submit their requests to participate by email or via the national tendering portal

1. The request to participate should be sent to the address

kirjaamo@businessfinland.fi, or using a secure connection <https://asiointi.businessfinland.fi/suojaposti>

 When sending requests to participate, the participants should observe the following:

* The name of the party submitting the request to participate and the subject identification, “Osallistumishakemus 2/25/2019”, must be clearly written on the address field of the email or on the envelope.
* The maximum size of the email with attachments is 9 Mt. The attachments can be sent in zipped form (Winzip). The attachments must be primarily submitted as .pdf and .tif files. The attachments may also be submitted as .rtf files as well as .doc and .docx Word files, .xls and .xlsx Excel files, and .ppt and .pptx Powerpoint files.
* A request to participate sent by email is considered to have been delivered to Business Finland, when the message/s and their attachments are available for use in readable format in the email of Business Finland record office. If the contents of the request to participate are sent in several messages, steps must be taken to ensure that the tender is deemed to have arrived on time, with all messages containing parts of the tender having been delivered to Tekes by the date specified above.

Requests to participate can also be delivered by mail, or by bringing them in a closed envelope to Business Finland’s reception desk at the address:

Business Finland/Kirjaamo

P. O. Box 69 (Porkkalankatu 1)

FI-00101 Helsinki

1. Requests to participate can also be submitted via the national tendering portal: <https://tarjouspalvelu.fi/TPPerustiedot.aspx?p=279&g=eaeff968-26f9-4dd7-86e4-1953f04233d9&tpID=223170>

All the tendering documentation can be found at <https://tarjouspalvelu.fi/hanki>

# The request to participate and the required annexes

REQUEST TO PARTICIPATE (in Finnish, Swedish or English) with the following sections:

* PRELIMINARY IMPLEMENTATION PLAN (the attached template must be used)
* Annex 1: PRELIMINARY FINANCING PLAN
* Annex 2: PRELIMINARY BUSINESS PLAN
* Annex 3: Written statements of commitment by ecosystem partners
* Annex 4: CVs of the key persons (max. 7 CVs)
* Annex 5: The European Single Procurement Document form (ESPD)

During the negotiations, the participants will be requested to provide additional information and specifications for the documents mentioned above.

**Annex I.**

**PRELIMINARY IMPLEMENTATION PLAN FOR THE REQUEST TO PARTICIPATE**

**NAME OF PROJECT AND CONTACT DETAILS**

**Name of project:**

**Name of the organization participating in the competitive bidding:**

**Name of the contact person:**

**FUNDING REQUESTED**

Total amount of funding:

Return on capital funding:

Loan raising plan:

Loan period, repayment plan:

Milestones:

The recommended numbers of pages are indicative only. Headlining must be followed

1. **Back ground information**

**1.1 Global significance of the theme (max. 2 pages)**

The significance of the theme on a global scale, the size of the market now and in the future, potential disruptions.

**1.2 Current status in Finland (max. 2 pages)**

Current status in Finland, the potential of the theme from Finland’s perspective. Factors enhancing or slowing down the advancement.

1. **The platform company’s ecosystem impacts**

**2.1 Network and professional competences; description of the Growth Engine ecosystem (max. 5 pages)**

Who is involved now, who will be involved in the future, driver companies and SMEs? Roles of the actors involved. The strengths and weaknesses of the network, possible additional professional competences needed in Finland. International partners and roles in the strengthening of the ecosystem. The ongoing R&D&I activities of the parties involved (e.g. BF, EU funding). The key ecosystem operators are required to attach a written statement of commitment to the tender. *Evaluation: the credibility of the ecosystem/network actors, professional competences, commitment and division of labor, identified professional competences or lack thereof.*

**2.2 Implementation plan of the project; how will the platform company/the granted capital loan promote strengthening of the ecosystem (max. 5 pages)**

The measures by which the ecosystem impacts will be generated. How and by what means, and within what time scale, will the platform company promote the growth and development of the ecosystem? The activities can be described, for example, per work package or by using Gantt charts. *Evaluation: is the implementation plan realistic and the selected means suitable for it, do the measures promote the competitiveness and success of the ecosystem?*

**2.3 The effectiveness of the project (max. 3 pages)**

An estimate of the platform company’s direct benefits: growth in turnover, exports, number of employees of the parties involved in the Growth Engine ecosystem, and its impact on inward investment into Finland.

|  |  |  |
| --- | --- | --- |
| **Situation today** |  | **Year 2019** |
| Turnover (M€) | Platform company |  |
| Ecosystem partners (part of turnover that is contributing to this growth engine ecosystem) |  |
| Exports (M€) | Platform company |  |
| Ecosystem partners (part that is contributing to this growth engine ecosystem) |  |
| Jobs (nr) | Platform company |  |
| Ecosystem partners (nr that is contributing to this growth engine ecosystem) |  |

Direct benefits, total:

|  |  |  |
| --- | --- | --- |
| **Total** | **Estimate 2025** | **Estimate 2029** |
| New turnover generated by new business in Finland (M€)* platform company
* growth engine ecosystem in Finland
 |  |  |
| New Export (M€)* platform company
* growth engine ecosystem in Finland
 |  |  |
| New jobs (nr)* platform company
* growth engine ecosystem in Finland
 |  |  |
| New foreign investments in Finland (M€) |  |  |
| New turnover generated outside Finland (M€)* platform company
* growth engine ecosystem
 |  |  |
| New jobs outside Finland (nr)* platform company
* growth engine ecosystem
 |  |  |

The applicant must explain how the calculations have been made. Estimate of indirect benefits, to be described in writing if they cannot be quantified.

*Evaluation: will the ecosystem create business/exports/etc. amounting to 1 billion euros, is the estimate credible? Significance of the indirect benefits.*

1. **The platform company’s credibility, resources and return on investment for the capital loan**

**3.1 Platform company/back ground organizations**

Owners, personnel, when is the company established, structure, recources and growth vision.

*Evaluation: credibility of organisation.*

**3.1 Team (max. 3 pages)**

Who are involved in the platform company now and who will be involved in the future, commitment. Professional competences and background of the operative management and co-investors. *Evaluation: professional competences and background of the management running the platform company.*

**3.2 Business model (max. 2 pages + a separate business plan)**

The desired business model of the platform company/operator (on the Business Model Canvas template, a preliminary business plan as an annex to the request to participate). The role/competitive advantage/business spearhead the platform company is striving for. The market potential of the selected business spearhead. The, ownership, use and significance of the IPR possibly generated. Potential competing or alternative solutions. *Evaluation: the credibility of the platform company’s business model, has the candidate found a credible business spearhead that enables the achievement of a significant foothold in the market? The significance of the proposed platform company for the business ecosystem*

**3.3 The growth and funding plan for the platform company’s business operations, planned use of the capital loan**

Other funding providers, the status of funding negotiations, amount of capital loan from BF and timetable, repayment plan, interest, share of the returns. Risk assessment. Templates for cash flow forecast calculations and funding plans can be found on sites such as the following: <http://yritystutkimusry.fi/?page_id=9> *Evaluation: The funding status and financial resources of the platform company for successfully implementing the project.* *Return on investment obtained by the state, risk assessment for state funding*