



INVITATION TO SHIFT2RAIL JU
ASSOCIATED MEMBERS TO SUBMIT AN
ANSWER IN VIEW OF THE
REALIGNMENT OF THEIR ACTIVITIES
AND ADDITIONAL COMMITMENT TO
THE SHIFT2RAIL PROGRAMME

Ref. S2R.17.AM

20 June 2017

1. Background

The Shift2Rail Joint Undertaking (S2R JU) was established by Council Regulation (EU) No 642/2014 of 16 June 2014 (S2R Regulation). The S2R JU is a Public/Private Partnership (PPP) in the railway sector established under Article 187 of the Treaty on the Functioning of the European Union, providing a platform for the railway sector as a whole to work together with a view to driving innovation in the years to come.

Rail Research and Innovation conducted within S2R JU must contribute to addressing the challenges faced by the rail sector, through a comprehensive and coordinated approach to Research and Innovation focusing on the needs of the rail system and of its users.

In accordance with Articles 1(4) and 2(a) of Annex I to the S2R Regulation, the Governing Board of the S2R JU has approved the S2R Master Plan, endorsed by the Council of Ministers of Transport on 10 February 2015, which identifies the key priorities of S2R JU and indicates the main operational and technological innovations that are required to achieve the objectives of the JU.

The S2R Master Plan was detailed in the Multi-Annual Action Plan, adopted by the Governing Board on 27 November 2015 and into result oriented annual work plans, accompanied by detailed investment plans reflected in S2R JU's members Membership Agreements, that allow for continuity, synchronicity, and long-term investment, and ensure its effective and efficient implementation; ensure the supervision of activities related to the development of common products and solutions aligned with the S2R Master Plan; financially support indirect actions on Research and Innovation, mainly through grants to its members and to participants through the most appropriate measures, such as procurement or the award of grants following calls for proposals to achieve the objectives of S2R JU, in accordance with Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in Horizon 2020; organise the technical work of research, development, validation and study, to be carried out under its authority while avoiding fragmentation of such activities; ensure the effectiveness and efficiency of European Rail Research and Innovation activities and follow progress towards the achievement of the S2R JU objectives through adequate monitoring and evaluation processes.

2. Objective of the present Invitation

The PPP nature of the S2R JU is geared toward achieving a greater impact on Research and Innovation by combining the Horizon 2020 resources and private-sector funds in key areas where Research and Innovation can contribute to the Union's wider competitiveness goals, leverage private investment, and help tackle societal challenges.

Accordingly, the S2R partnership is based on a long-term commitment, including a balanced contribution from all partners and an alignment with the Union's strategic goals relating to Railway Research and Innovation.

In addition to its 9 Founding Members, the S2R JU has 19 Associated Members selected through an open, competitive and transparent procedure, launched and managed by the European Commission in accordance with Article 4(2) of Annex I (hereinafter the Statutes) of the S2R Regulation. The Commission adopted its final decision¹ on the selected S2R JU Associated Members on 8 December 2015.

This Decision resulted from:

¹ C(2015)8674.

- a) the S2R JU Governing Board decision of 16 July 2015 on the selection of the applicants that successfully passed the second stage of the evaluation process,
- b) the negotiations between candidate Associated Members & S2R JU's Executive Director ad interim, and;
- c) the adoption of the underpinning model Membership Agreement.

As a result of the aforementioned call and the relevant negotiations, the selected Associated Members' net contribution to S2R activities amounts to EUR 144.1 million against the minimum requirement of Article 4(2)a of the S2R Regulation of EUR 150 million.

A similar gap appears in terms of the co-funding to be allocated by the S2R JU to the Associated Members. In accordance with Article 17(1)b of the S2R Statutes, as further agreed within the GB on 7 June², "*up to 30 % [of the Union contribution] shall be allocated to associated members and their affiliated entities*". Out of EUR 131.0 million, a remaining amount of EUR 5.6 million remains to be allocated.

On 7 June 2017, the Governing Board has mandated the Executive Director to establish the necessary process to allocate the aforementioned amount of EUR 5.6 million, ensuring transparency and equal treatment. The Executive Director shall submit to the Governing Board for adoption his proposal for the allocation of the aforementioned resources, at the latest by 31 December 2017.

In accordance with the Decision of the Governing Board of 7 June, the Executive Director hereby **requests the Associated Members of S2R JU to answer the present Invitation in view of their additional commitment to the S2R Programme R&I activities. The S2R JU shall co-fund the additional activities up to EUR 5.6 million in accordance with the provisions contained in the Membership Agreements approved by GB Decision 23/2015 of 11 December 2015. The answer shall also cover the contribution to the administrative costs of the S2R JU³.**

This approach would ensure the balanced distribution of resources between Founding Members, Associated Members and open calls.

In line with the model Membership Agreement approved by the GB⁴, applying the prescribed percentage of limited co-funding therein defined, the gross contribution expected is estimated to amount to a minimum of EUR 12.6 million of R&I.

The increased commitment entailed by the retained offers of the interested Associated Members will result in a proportional adjustment of their contribution to the administrative costs of the S2R JU, in accordance with the provisions of Article 16.2 of the S2R JU Statutes (estimated amount of EUR 0.3 million).

The award of the activities to be implemented with these additional resources by the relevant Associated Members will be subject to the same procedures and conditions foreseen in the original Call for interest to become an associated member of S2R JU, respectively in accordance with H2020 Rules of Participation and the S2R JU Financial Rules.

3. Scope

² Governing Board Decision No 2 of 7 June 2017.

³ In conformity with the 44.44% funding rate laid down in the Membership Agreements approved by GB Decision 23/2015 on the Approval of Membership Agreements adopted on 11 December 2015.

⁴ Ibid.

In accordance with the Decision of the Governing Board of 7 June 2017, this Invitation, under the conditions established in the following sections, has the following scope:

- request the Associated Members of S2R JU to answer the present Invitation to increase their commitment within the S2R Programme proposing activities to achieve the Multi-Annual Action Plan and its future evolution for an amount of at least EUR 12.6 million, that S2R JU will co-fund in accordance with the conditions established in the model Membership Agreement approved by the GB and, in any case, up to a maximum amount of EUR 5.6 million;
- request the Associated Members of S2R JU to assess the need and propose adjustments (re-balance) to their own participation in the different activities within the Programme in order to reach compliance with the objectives of the S2R Regulation, MP and MAAP.

The S2R JU, after having examined the Programme and its evolution and having had informal consultation with the Founding Member, considers that the additional commitment of the Associated Members should focus on:

- the overall activities described in the MAAP, in particular taking into consideration the evolving needs of the railway systems, in terms of automation (including next generation of fully automated control and traffic management systems), digitalisation, artificial intelligence, telecommunications, zero emission targets, to accelerate the move towards “*user-centred mobility as a service*”, ensuring an integrated role for the Railway Undertakings, Infrastructures Managers and manufacturers to implement disruptive innovation;

and, considering the specific needs of some IPs, on:

- a stronger presence of railway undertakings and urban operators expertise :
 - o within IP2, considering the different level of implementation of ERTMS and other relevant segment systems within the Union and the different market segments, and;
 - o IP4 to provide the necessary know-how to the Members already involved in the R&I activities related to travel shopping, booking and ticketing, trip tracker, etc. This appeared evident also in the initial preparation of the works related to the Interoperability Framework and, to the other extreme, in the Demonstration Activities planned for last part of the R&I activities.

In terms of sectorial representation, the urban operators’ needs are completely missing in the Membership of IP2 and IP4; up to now, the use of Open Calls and the input of Users Requirements and Implementation working group seem not to fill completely this gap.

4. Eligibility

This Invitation is addressed solely to the entities and consortia listed in the European Commission Decision C(2015) 8674 of 8 December 2015, the S2R JU Associated Members.

The associated members of S2R JU shall indicate in which manner they intend to increase their involvement in the activities of the S2R JU, e.g.:

- directly or through affiliated entities^{5 6},
- where relevant, additions to existing consortia with the participation of new joining entities, without distorting the initial objectives and nature of the relevant consortia,
- third parties with a legal link (linked third parties), in accordance with the provisions of Article 23 of the H2020 Rules of Participation.

In order to meet the S2R Regulation expectations of balanced participation to the Programme, the Associated Members are invited to consider associating to their work SMEs, Research Centres, Universities and ensure that the successful geographical and gender balance achieved thus far is further enhanced.

In order to avoid increasing the complexities of the Programme, new proposals including cross-participation of entities in different consortia will not be accepted.

In this respect, the S2R JU will promote this Invitation so as to create the business opportunities for associating additional entities to the existing Associated Members, whilst giving due consideration to the limited amount of resources available.

The date of the relevant event will be advertised sufficiently in advance to facilitate the brokerage event.

5. Answers to the Invitation and selection process

For the present Invitation to submit an answer, the assessment and selection phase is organised in the following steps:

- a. each Associated Member is invited to answer this invitation using the templates provided in the annexes hereto, which shall detail:
 - the specific activities per TD and IP, which the Member shall commit to contribute;
 - the values of the in kind and cash contributions offered;
 - the information shall be provided indicating any new entity joining the Associated Member in performing the work, per TD and IP;
 - the maximum co-funding requested, under the conditions of the present Invitation, *mutatis mutandis* the provisions of the Call for expressions of interest to become associated member of the Shift2Rail Joint Undertaking and the corresponding Membership Agreement;
 - the cash contribution, which will be proportionate to the in-kind contribution net of the estimated co-funding to be received from the S2R JU.

The templates made available in ANNEX II should be used.

Only those Associated Members wishing to propose the involvement of new entities should also make use of ANNEX III.

- b. interested Associated Members shall submit their answers to this Invitation by 25 September 2017. Once the deadline is closed, the answers received will be assessed in accordance with the process described in Section 9 of this document. The S2R JU may be assisted by experts independent from its Members and/or Associated Members to perform the assessment.

⁵ “Affiliated Entities” as defined in Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in Horizon 2020.

⁶ Any possible use of subcontracting shall be in accordance with the provisions of the Shift2Rail JU Model Grant Agreement applicable at the time of the award of the activities.

- c. Based on the results of the assessment, the Executive Director may enter into negotiations with the concerned Associated Members. The Executive Director may resort to the support of the IP Steering Committee or his/her Coordinator and/or a representative of the Scientific Committee and/or a representative of the States Representatives Group, subject to the relevant provisions governing the management of Conflicts of Interest.
- d. The selected answers to the Invitation, once negotiated if necessary in accordance with point c, will be submitted by the Executive Director to the Governing Board for the adoption of a decision on their acceptance. This Governing Board decision will be the basis for the amendment of the respective Membership Agreements of the concerned Associated Members.

6. Special Conditions of this Invitation

In order to ensure the consistency of the overall S2R Programme, the following conditions should be considered by the Associated Members answering this invitation:

- answers to this invitation shall be discussed at the level of IP with the objective to ensure integration and added value. Where, exceptionally, an answer would not be co-ordinated this shall be explicitly stated as well as the reasons behind it. In the latter case, the Executive Director will proceed with the negotiations mentioned under Section 5.c;
- the total value of the activities offered by the Associated Member in answering this Invitation added to the value of activities stated in the Membership Agreement in force shall not exceed the total value of the offer submitted by the concerned Associated Members in answering the Call for expressions of interest to become associated member of the Shift2Rail Joint Undertaking;
- in principle the Associated Members should offer activities in answer to this call in IPs where they are already present in accordance with the respective Membership Agreement. Where an Associated Member would contribute to other IPs, this should be duly justified and discussed at the level of IP/CCA with the objective of ensuring integration and added value;
- no offers resulting in “*sleeping-partners*” (entities which do not have the sufficient critical mass of activities to have an impact on a TD for the full duration of the S2R Programme) shall be accepted, unless for duly justified reasons in the overarching interest of the Programme.

7. Structure and Content of the Answer

Associated Members’ answers will be assessed solely on the content of their written submissions. Answers shall therefore be clear and sufficiently detailed to allow the S2R JU to assess their quality and in particular the capacity of the prospective joining entities added to the Associated Member to perform the proposed activities.

The answer shall comprise a cover letter, and the completed documents made available in Annexes I, II and, in the event of proposed additional entities, III.

The structure and content of each answer shall comply with the relevant templates annexed hereto.

a. Cover letter

The cover letter (ANNEX I) shall contain the following elements:

- The names, telephone, fax numbers and e-mail addresses of the persons who will be responsible for the technical and contractual management, if different from the existing Membership Agreement;
- The name, address, fax, telephone number and e-mail addresses of the contact person to whom all communications relating to this invitation should be addressed to;
- The full name and function of the person empowered to sign the amendments to the Membership Agreement;
- The reference number of the S2R JU Invitation;
- The length of the validity period of the answer;
- Acknowledgment of the acceptance of the rules and procedures set out in this invitation.

The Associated Members shall either provide the detailed information contained in the bullet points above, only in the case of modifications compared to the information provided to the S2R JU and included in each respective Membership Agreement, or shall clearly state that no changes are needed.

In addition, in the case of new entities joining the Associated Member to perform the activities, the Cover Letter shall identify the new joining entity/ies (see Annex III).

b. Proposed adjusted activities

Associated Members should, by making use of the template made available in ANNEX II, describe in detail how they intend to adjust their contribution to S2R activities and its Programme, as well as the consequences of such adjustments from a financial standpoint.

c. Proposed new entities

Administrative Offer

The templates made available in ANNEX III shall be filled in only in the case of new entities that the Associated Member proposes to be added in its work to contribute to the Programme Activities, such as new affiliates, third parties with a legal link or consortia participants.

In this case, each joining entity shall provide the following, through the Associated Member:

- The duly filled in and signed legal entities' form that can be downloaded from the following website: http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm

It is imperative that the form be accompanied by all the supporting documents requested at the bottom of this form. Furthermore, consortia should provide a signed memorandum of understanding defining the relationship between constituent entities of the consortia and mandating the consortium leader. Groupings should provide proof of the legal links among involved entities.

- A statement certifying that entity is not an affiliate to a founding member of the S2R JU.
- A statement that the entity (or, in the case of consortia and groupings, all of their members) is not involved in any other applications on the same Innovation Programme.
- A statement of acceptance, confirming the acceptance of the entity of the provisions of the S2R Statutes contained in Annex I of the S2R Regulation.

The Administrative Offer will be subject to Stage 1 and Stage 2 described below.

Operational and Financial Offer

Each Member shall submit the information requested in Section 3, by making use of Annexes I and, in the event of proposed new entities, III.

8. Procedure: presentation and submission of the answers, contacts, period of validity

a. Presentation

Associated Members answering this Invitation shall upload the relevant documents in the S2R cooperation tool (<https://www.cooperationtool.eu/projects/> under the project name “S2R-AM INVITATION”). Once the documents are uploaded, a duly empowered representative, as far as possible the Governing Board representative, shall confirm by email to info-AM@s2r.europa.eu that the documents are uploaded and the S2R JU may have access to them in their final versions.

Deadline for the upload and receipt of the email: 25 September 2017, 23:59 Brussels Time.

Documents uploaded after this time will be disregarded.

The following meeting/conference calls will be organized during the Invitation

Date	Subject	Location	Details
23 June 2017	Info-invitation	Conference call	Explanation of the content of the invitation
13 July 2017 – tentative	Webinar on Invitation	Webinar	Webinar with all third parties interested to join an Associated Member in the context of future work
18 July 2017	First draft submission	Email	Each Associated Member shall indicate the expected increase commitment and/or re-balance to their contribution per IP
20 July 2017	Feedback to IP Coordinators	Conference call	The JU will inform the IP Coordinators on the results of the First Draft Submission. Where a coordinator is an Associated Member, the alternate Founding Member or a TD leader representing a Founding Member shall take part to the present process
6 September 2017 – tentative	Event with third parties	White Atrium	B2B opportunity

12 September 2017	Second submission	draft	Email	Each Associated Member shall indicate the expected increase commitment and/or re-balance to their contribution per IP
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b. Language

Answers shall be drafted in English.

c. Contacts between the S2R JU and the Associated Members

Before the submission of the answers:

The S2R JU may provide additional information for the purpose of clarifying the content of this Invitation. Any request for additional information shall be made by e-mail at the following e-mail address: info-AM@s2r.europa.eu

Request for additional information shall clearly indicate the reference number of this Invitation.

Requests for additional information received after 19 September 2017 at 23:59 will not be processed.

The S2R JU may, on its own initiative, inform interested parties of any error, inaccuracy, omission or other clerical error in the text of this invitation.

Any additional information will be published at the latest three days before the deadline indicated in Section 8.a on the S2R JU website: <http://shift2rail.org/>. The Associated Members must ensure that they visit regularly this website for updates.

After submission of the answers:

If, after the deadline for the submission of the answers some clarification is required in connection with an answer, or if obvious clerical errors in the submitted answer shall be corrected, the S2R JU may contact in writing the concerned Member.

Such contact may not lead to any alteration of the terms of the submitted answer. Any clarification to be provided by the Associated Members shall not involve substantial changes to the basic features of the answer submitted, unless this is part of the negotiation procedure opened by the Executive Director in accordance with Section 9.iii.

d. Period during which the answers are binding

The period of validity of the answers shall be one hundred and eighty (180) days after the deadline for the submission.

In exceptional cases and before the period of validity expires, the S2R JU may ask each Member to extend the period of validity of its answer for a specific number of days, which may not exceed additional one hundred and eighty (180) days.

Each Member shall maintain its answer for an additional one hundred and eighty (180) days from the date of notification that its answer has been selected.

9. Assessment of the Answers

The S2R JU will assess the offers and it might be assisted by representatives of the European Commission, European Agency for Railway, S2R JU Scientific Committee, S2R JU States Representatives Group and experts which comply with the relevant provisions governing the the Management of Conflicts of Interest.

The assessment will strictly be based on the content of the received answers and in the light of the criteria below corresponding to the phases of assessment:

- Stage 1 – The assessment of the **exclusion criteria** (see Section 9.i.) aims at checking whether an entity added to the existing Associated Member is eligible to take part to this selection phase,
- Stage 2 – The assessment of the **selection criteria** (see Section 9.ii.), aims at checking the technical and professional capacity as well as the economic and financial capacity of the entity indicated in Stage 1,
- Stage 3 – The assessment of the **selection criteria** (see section 9.iii.) aims at assessing each answer to determine its value for money in its potential inclusion in the Programme.

Please note that any attempt to obtain confidential information or influence the S2R JU during the assessment process of examining, clarifying, evaluating and comparing answers will lead to the rejection of the answer.

i. Stage 1 – Assessment of exclusion criteria

Each joining entity which is proposed by an Associated Member to participate with them in the Programme activities shall provide evidence of not being in any of the following situations:

- a) being bankrupt or wound up, having its affairs administered by the courts, having entered into an arrangement with creditors, having suspended business activities, being the subject of proceedings concerning those matters, or being in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) has been convicted of an offence concerning professional conduct by a judgment which has the force of res judicata;
- c) has been guilty of grave professional misconduct proven by any means which the S2R JU can justify;
- d) has not fulfilled all its obligations relating to the payment of social security contributions and the payment of taxes in accordance with the legal provisions of the country in which it is established, with those of the country of the S2R JU and those of the country where the activities are to be carried out;
- e) has been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the S2R JU/Union's financial interests;
- f) is subject of the administrative penalty for being guilty of misrepresentation in supplying the information required by the S2R JU as a condition of participation in a grant award procedure or procurement procedure or failing to supply an information, or being declared to be in serious breach of his obligation under contracts or agreements covered by the EU budget.

Associated Members are required to provide a Declaration on honour for each of the new entities they wish to involve, by making use of the document available in Annex III.

ii. Stage 2 – Assessment of selection criteria

Each joining entity which is proposed by an Associated Member to participate with them in the Programme activities shall submit **evidence** of their legal, professional, economic and financial capacity to perform activities where they are expected to be involved

- **Legal capacity**
Entities shall prove that they are authorised to perform the activities under the agreements under the national law by providing original documentation evidencing inclusion in a trade or professional register, or a sworn declaration or certificate, membership of a specific organisation, express authorisation or entry in the VAT register, dated less than three months, along with a certified English translation thereof (see Legal Entity Form);
- **Technical & professional capacity**
Entities and their staff shall prove that they have the necessary professional qualifications, experience and technical capacity to perform the activities they are bidding for.
- **Economic & financial capacity**
Entities shall be in a stable financial position and have the economic and financial capacity to perform the activities under the Membership Agreement;

iii. Stage 3 – Assessment of selection criteria

The Associated Member's Technical and Financial answers shall only be evaluated, when relevant, if they fulfil the requirements of Stages 1 and 2 above.

The activities shall be selected according to the criteria given below, on the basis of the **economically most advantageous answer (best value for money principle)**.

The assessment of the answers on the basis of the award criteria will be done per each Associated Member based on its proposed contribution.

Only Answers that have reached a total score of a minimum of 70% will be taken into consideration for selection of the activity.

Technical evaluation - Quality assessment

The quality of each technical Answer will be evaluated in accordance with the criteria detailed in the table below:

N°	Criteria	Maximum Score
1.	Scientific and/or technological excellence of the Answer. Soundness of concept and quality of objectives, such as <ul style="list-style-type: none"> • Progress beyond the state-of-the-art, • Quality and effectiveness of the scientific and/or technical methodology and associated work plan: <ul style="list-style-type: none"> ○ Proposed preliminary work plan for the project, ○ Description of engineering and research methodologies, proposed to carry out the project, ○ Description of validation methodologies proposed to carry out the project, including innovative validation methods, ○ Capability of the Member to reproduce the tests/validation activities in the European context. 	30

2.	<p>Understanding of the requirements, objectives and discussion of the problem areas of the IP and per SPD, ITD and TD for which activities are answered, such as</p> <ul style="list-style-type: none"> • Scale of impact on the S2R objectives of improved services for users and customer quality, reduced system costs, simplified business processes and enhanced interoperability, in particular; • Business benefits in terms of market uptake and accelerated deployment in Europe and globally; • Proportionality, feasibility and acceptability; • Potential synergies with other sectors. 	30
3.	<p>Quality and suitability of the proposed activities, in particular with regard to:</p> <ul style="list-style-type: none"> • its ability to provide incremental and delivery oriented approach, • description of Answers and how they were discussed at the level of IP with the objective to ensure integration and value added, • The level of participation of SMEs and research organisations. • Coverage of the activities. 	35
4.	<p>Overall quality and consistency of the Answer in terms of format, structure and content as requested in this invitation.</p>	5
Total number of points		100

Financial evaluation – Cost assessment

The Associated Members’ financial Answers shall only be evaluated if their technical Answers satisfy all the criteria in accordance with the above section.

The financial score of each Answer per IP will be calculated by adding up all the costs requested and quoted in the financial Answer.

Recommendation for the selection of the retained answers and/or opening of the negotiations

Based on the results of the assessment process, the Executive Director may open negotiations with relevant Associated Members to define an updated plan reflected in their Membership Agreement by way of an amendment, which may be submitted to the Governing Board for decision.

The scope of the negotiations would be to adjust the received answers within the limits of their initial submission in the interest of the Programme. The results of the negotiations shall be recorded and reported to the Governing Board for final decision.

10. Selection and signature of amendments to the Membership Agreements

After the finalisation of the selection and negotiation process, the amended Membership Agreements shall be submitted by the *Executive Director* to the S2R JU Governing Board for approval and adoption of the final decision. The decision of the Governing Board shall be notified to the Members. The selection of the activities to the Associated Members will be formalised through the signature of amendments of the individual Membership Agreements with the S2R JU.

Notwithstanding the above, Associated Members shall note that the S2R JU may, before the amendments to the Membership Agreements are signed, cancel the procedure without the Associated Members being entitled to claim any compensation.