Pre-Commercial Procurement (PCP) - written questions on the Tallinn challenge

Written questions as part of the Open Market Consultation, organized per the <u>notice nr. "285317-2025" published on Tenders Electronic Daily on May 2, 2025</u> within the framework of the project "Creative Circular Cities", financed by Interreg Baltic Sea Region programme.

1. Is the use of Al-supported analysis acceptable for business model evaluation and recommendation generation within the scope of this PCP?

If this challenge is selected for procurement, the PCP would support "the procurement of R&D services involving risk-benefit sharing under market conditions and competitive development in phases." Within that framework, the use of AI-supported analyses could be acceptable, provided it aligns with the overall objectives and requirements of the tender. Such a tool development preferably needs prior market research to determine what content the users of this tool (for example designers, decision-makers, artists) need and what are the specific expectations, etc.

2. Can the proposed tool operate (at least partially) without expert human intervention?

If this challenge proceeds in its current form, it is likely that tools capable of operating independently and with minimal external support would be preferred. However, final requirements will be confirmed in the tender documentation, should the challenge be advanced to the procurement stage.

3. Will solutions that generate actionable, AI-assisted improvement plans based on company-specific data (e.g., business model, supply chain, products) be evaluated equally with expert-based consultancy tools?

Assuming this challenge is selected and retains its current scope, preference may be given to solutions that are autonomous and scalable, provided they meet the tender's performance, usability, and impact criteria.

4. Are there any specific data protection or procurement restrictions on using cloud-based AI services (e.g., OpenAI, Azure AI) for analyzing SME business data, if no personal data is involved?

If the challenge moves forward, solutions must comply with data sovereignty, GDPR, and cybersecurity requirements. While there are no known restrictions on using cloud-based services where no personal data is involved, preference may be given to those ensuring

EU/EEA data storage or clearly disclosing data handling practices. All solutions must comply with applicable EU and national procurement regulations.

5. Will solutions that allow for future reuse or scaling to other cities (e.g., via modular architecture or open-source licensing) receive additional points in the evaluation?

In the event that this challenge is selected and the criteria remain aligned with current priorities, aspects such as modularity, scalability, and openness are expected to be positively evaluated. Final evaluation criteria will be defined in the call for tender.

6. In case the tool is a cloud solution, how can that be hosted and who will cover the tool IT-hosting costs?

Should this challenge advance, it is anticipated that tenderers will be expected to propose complete, self-managed hosting solutions. Hosting during the pilot phase may be included in the offer, but long-term hosting and maintenance would typically be the responsibility of the provider. These expectations will be detailed in the final tender documentation.

7. What is the expected price per each tool?

There is currently no fixed unit price. If the challenge proceeds to procurement, budget expectations and ceilings will be included in the tender. In general, cost-efficient, scalable pricing models (e.g., per-use, subscription-based) may be preferred, but final guidance will be provided in the procurement documentation.

8. Are there specific requirements on the training materials or manuals for the tool?

If this challenge moves forward, we would expect final solutions to include:

- Clear, user-friendly guidance for SMEs
- Training materials in English (Estonian may be considered)
- Optional: interactive onboarding tools, video tutorials, or "train the trainer" modules

Clarity, accessibility, and adaptability will be considered important, and open licensing is encouraged where appropriate. Final requirements will be confirmed in the tender documents.