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Prague 1, Růžová 6, House 943, Postal Code 110 00, Czech Republic
Represented by: Tomáš Hebelka, MSc, CEO
(hereinafter referred to as „Contracting Authority“)

In Prague, dated *as per the electronic signature*

EXPLANATION OF TENDER DOCUMENTATION - VI.

The Contracting Authority of the below-threshold public contract „**Supply the Hot Stamping Foil with Diffractive Optically Variable Image Devices for the Commemorative Banknote**“ being awarded in simplified below-threshold procedure pursuant to Act No. 134/2016 Coll., On Public Procurement¹, as amended (hereinafter referred to as “Act”), hereby explains the tender documentation in accordance with Sec. 98 of the Act.

Question No. 1:

Additional point acc. TS 2.1 Application of the foil and related requirements

In section 2.1 of the TS it is written: “There will be several passing of the foil through the machine by the application.

Q: Could you please explain what exactly is meant by this sentence.

Also in 2.1 the following sentence is given: “Vertical distance between two elements on the foil applied in one step: 90 – 109 mm (ideally 94mm).”

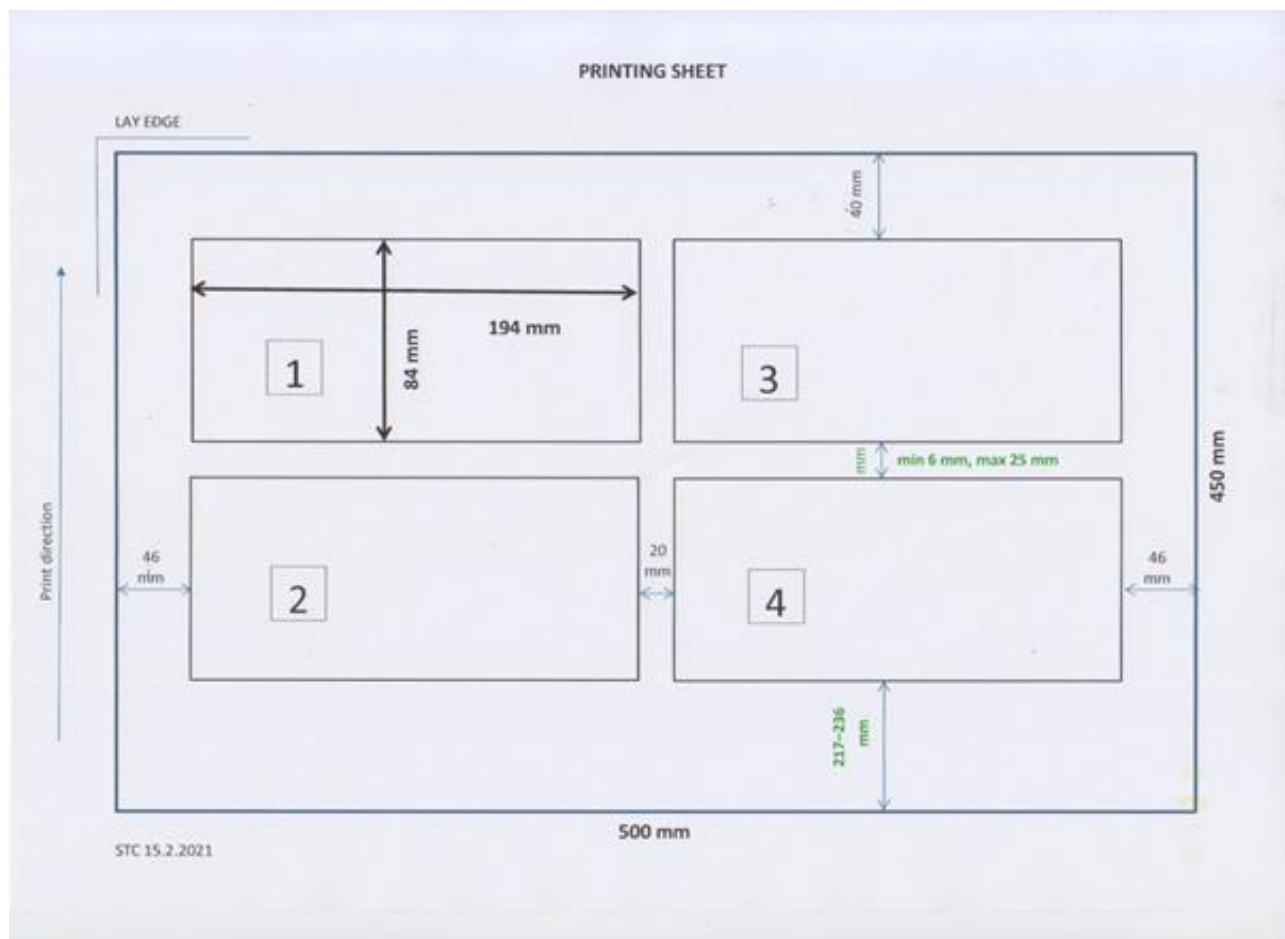
Q: According to our understanding the Cavomit machine used by STC applies several patches at the same time. Hence the distance of DOVIDS positioned on the foil is related to the banknote height. As the note height is 84 mm we unfortunately do not understand the above requirement and ask for an explanation.

Answer to the question No. 1:

The Contracting Authority is now publishing the layout of the printing sheet, please see the picture below, for a clear understanding of article 2.1 of Technical Specification (“TS”). There are four banknotes on the printing sheet. We have to have a gap (min 6 mm) between the banknotes because of the design. Motif 1 will be stamped on banknotes 1 and 2, and Motif 2 will be stamped on banknotes 3 and 4. The Contracting Authority assumes that not all of the possible Contractors can change the circumference of their embossing tool. We will try to adjust the distance between the banknotes. Consequently, the total distance between the two elements can be 90 – 109 mm (ideally 94mm). See article 2.1 Application conditions of the TS.

¹ Please find the English version of the Act under this link: https://portal-vz.cz/wp-content/uploads/2019/06/Zakon-c-134_2016-Sb-o-zadavani-verejnych-zakazek-EN.pdf Please note that unfortunately it is not the final version of the Act, which has been amended afterwards.

The Contracting Authority counts on the possibility that Motif 1 will be stamped first and then Motif 2 will be stamped in the next step. Therefore, the Contracting Authority states in article 2.1 of TS: "There will be several passing of the foil through the machine by the application".



Question No. 2:

Acc. to Q No. 3 Design of DOVIDs

A: ... the data shall be from a scanned template.

Proposal: [REDACTED] suggests to receive vector image files.

Q: Will the technical specification be reconsidered accordingly with the winner of the tender?

Answer to the question No. 2:

The Contractor shall be aware that the contract itself may not be changed after the tender submission and especially not based on the identification of the winning supplier. According to the Art. 124 (4) of the Act, "The contracting authority shall conclude the contract in accordance with the tender submitted by the selected economic operator".

Thus, the published tender conditions, including the business and payment conditions, are **binding for all Contractors** to the same extent, among others mainly due to the main principle of ensuring a comparability of all submitted tenders and principle of non-discrimination and transparency.

Regarding the given question the Contracting Authority states the following.

The Contracting Authority will receive the templates from the final customer in the above mentioned scanned version, due to the fact that it **is not** possible to provide the vector image files.

As stated above, the technical specification **will not be** reconsidered accordingly with the winner – the conditions are the same for all participants. TS will not be changed after the submission of tenders.

Question No. 3:

Acc. to Q No. 6:

A1: The Contracting Authority assumes that the original banknote paper for this commemorative banknote will be likely delivered not sooner than in June 2021, thus the sample provision shall not be guaranteed, mainly due to shortage of time. Nevertheless, the Contracting Authority presupposes that Contractor has experience with a supply of hot stamping foil with DOVIDs for application on 100% cotton paper. This is the reason for laying down the given technical qualification as well. Moreover, please see the answers for the questions below.

Proposal: For preliminary tests in our facility, it is absolutely necessary to receive original paper samples with at least a representative offset print in terms of color and area coverage. Otherwise it will be difficult to determine a suitable foil formulation for your specific Cavomit application device. None of our world-wide banknote clients use a Cavomit application device together with your type of banknote paper that we could refer to for banknote applications.

Q1: Will it be possible to receive at least samples with a representative offset print regarding colour and area coverage immediately when the project starts?

Q2: Could you provide us with a substrate sheet layout drawing (sheet size, sheet margins, size of note, number of notes per sheet)?

Q3: Who will be your substrate supplier for this project?

A2: The Contracting Authority further specifies, that the intaglio printing will be on both sides of the commemorative banknote. The Contracting Authority wants to underline again that intaglio printing will partly cover the DOVID element.

According to your specification Intaglio will be applied after the foil application and in 3.2 noted that “After hot-stamping and gravure printing there should be no obvious reduction as well as remarkable haze of DOVID image quality and all finest details of the element has to be maintained and visible.”

The reverse gravure printing will inevitably affect the visual appearance of the DOVID. The

requirement of 3.2 can therefore not be met objectively.

Proposal: In order to avoid the negative effect of reverse side Intaglio we suggest either to abstain from the reverse side Intaglio or to apply the reverse side Intaglio before the foil application process. For the second case, however, it must also be noted that the achievable resistance performance will be somewhat worsened, since the foil anchoring will be worsened by the Intaglio compression of the paper. In such case Q1 of A1 has to be amended: we do require representative substrate regarding offset printing colours, area coverage and blind reverse side intaglio.

Q1: Will the technical specification be reconsidered accordingly with the winner of the tender?

Q2: Who will be your Intaglio and Offset ink supplier for this project?

Answer to the question No. 3:

AddA1

A1: The Contracting Authority **cannot** provide samples of alternate paper with alternate offset printing after the start of the project. The Contracting Authority specified the type of paper (see article 1.4 of TS) and specified the design of the banknote (see article 6.1 of TS). The Contracting Authority considers this information to be sufficient in this phase of tender procedure in order to draw up and process a tender of the Contractor.

However, the Contracting Authority shall be prepared to approve any tests or actions which will be performed by the Contractor to ensure perfect quality. Nevertheless, the Contracting Authority considers these actions as additional and supplementary. These actions cannot substitute conditions and actions which were stipulated in the Tender Documentation or the Draft Purchase Contract.

Regarding the questions above the Contracting Authority emphasizes that the approval of the Pilot DOVIDs in accordance with Art. III (5) and (6) of the Draft Purchase Contract shall be crucial and relevant.

A2: The Contracting Authority provided the printing sheet in the Answer to Question no. 1. The Contracting Authority considers this information to be sufficient in this phase of tender procedure in order to draw up and process a tender of the Contractor.

A3: The Contracting Authority does not consider this information relevant and necessary to be provided in this phase of tender procedure in order to draw up and process a tender of the Contractor. The Contracting Authority can assure that the substrate supplier is a big and established supplier of banknote paper.

Add A2:

A1: The Contractor shall be aware that the contract itself may not be changed after the tender submission and especially not based on the identification of the winning supplier. According to the Art. 124 (4) of the Act, *"The contracting authority shall conclude the contract in accordance with the tender submitted by the selected economic operator"*.

Thus, the published tender conditions, including the business and payment conditions, are **binding for all Contractors** to the same extent, among others mainly due to the main principle of ensuring a comparability of all submitted tenders and principle of non-discrimination and transparency.

Regarding the given question the Contracting Authority states the following.

The Contracting Authority is aware of all possible influences that can cause problems during the application. Nevertheless, The Contracting Authority is convinced that all technical specifications are achievable, including article 3.2.

As stated above, basic information given by the Technical Specification will not be reconsidered accordingly with the winner, there are the same conditions for all of the participants. TS will not be changed after the submission of tenders.

A2: The Contracting Authority does not consider this information relevant and necessary to be provided in this phase of tender procedure in order to draw up and process a tender of the Contractor. The Contracting Authority can assure that the intaglio and offset ink supplier is a big and established supplier of banknote paper.

Question No. 4:

Acc. to Q No. 11:

Answer to the question No. 11:

The Contracting Authority states that any drier may be used, if the prescribed conditions for the test are met.

From experience we know that the testing conditions do have significant influence on the result. It makes a big difference whether the samples lay down on a metal plate or are hanging in the drying oven without contact.

Proposal: If [REDACTED] wins the tender we suggest to specify the conditions of the heat resistance test.

Q: Will the technical specification be reconsidered accordingly with the winner of the tender?

Answer to the question No. 4:

The Contractor shall be aware that the contract itself may not be changed after the tender submission and especially not based on the identification of the winning supplier. According to the Art. 124 (4) of the Act, *"The contracting authority shall conclude the contract in accordance with the tender submitted by the selected economic operator"*.

Thus, the published tender conditions, including the business and payment conditions, are **binding for all Contractors** to the same extent, among others mainly due to the main principle of ensuring a comparability of all submitted tenders and principle of non-discrimination and transparency.

Technical Specification **will not be** reconsidered accordingly with the winner, there are the same conditions for all of the participants. TS will not be changed after the submission of tenders.

Question No. 5:

Acc. to Q No. 12:

Answer to the question No. 12:

The Contracting Authority states that the stipulated test shall be done because the samples can be exposed to light. UV protective layer may crack on the surface of the holographic foil and the layer may also show yellowing effect.

Proposal: If [REDACTED] wins the tender we suggest to further clarify the conditions of the Xenon test as this has never been used over such a long time period with 160 hrs for banknote security foils up to now.

Q: Will the technical specification be reconsidered accordingly with the winner of the tender?

Answer to the question No. 5:

The Contractor shall be aware that the contract itself may not be changed after the tender submission and especially not based on the identification of the winning supplier. According to the Art. 124 (4) of the Act, *"The contracting authority shall conclude the contract in accordance with the tender submitted by the selected economic operator"*.

Thus, the published tender conditions, including the business and payment conditions, are **binding for all Contractors** to the same extent, among others mainly due to the main principle of ensuring a comparability of all submitted tenders and principle of non-discrimination and transparency.

Technical Specification **will not be** reconsidered accordingly with the winner, there are the same conditions for all of the participants. TS will not be changed after the submission of tenders.

The Contracting Authority is aware and hereby as well states, that suppliers of hot stamp foil declare these values publicly, thus these values are publicly accessible for Contractors.

Question No. 6:

Acc. to Q No. 15:

Answer to the question No. 15:

Both of the motifs should be generally designed in correspondence with the whole appearance of the commemorative banknote and it should be consistent to the design of the rest of the commemorative banknote.

Q: Do we get the commemorative note design for the DOVID artwork creation to guarantee the requested design consistency?

Answer to the question No. 6:

The Contractor can use the note design which is presented in the Technical Specification (see article 6.1 of TS).

The Contracting Authority shall be prepared to discuss any proposals or actions which will be performed by Contractor to ensure perfect quality.

Question No. 7:**Acc. to Q No. 19:**

Answer to the question No. 19:

The Contracting Authority assumes that original banknote paper for this commemorative banknote will be likely delivered not sooner than in June 2021, thus the application test on the original paper performance shall not be guaranteed, mainly due to the shortage of time. Nevertheless, the Contracting Authority presupposes that Contractor has experience with a supply of hot stamping foil with DOVIDs for application on 100% cotton paper. This is the reason for laying down the given technical qualification as well.

Proposal: It is absolutely necessary to conduct pre-production test trials with a generic test foil provided by us on at least representative paper samples with at least a representative offset print in terms of color and area coverage and as the case may be with blind reverse side intaglio on your specific Cavomit application equipment. Otherwise it will be very difficult to determine a suitable foil formulation for your Cavomit application equipment. Additionally it will be instrumental in identifying the foil stretch for the Cavomit.

None of our world-wide clients use a Cavomit application device that we could refer to for banknote applications together with your type of banknote paper. A theoretical technical specification can provide the frame work but should consider as well the technical limits set by application machines, paper and foil material parameters.

Q1: Would it be possible to conduct pre-production trials as described with a generic test foil provided by us as quickly as possible when the project starts?

Q2: Will the technical specification be reconsidered accordingly with the winner of the tender?

Answer to the question No. 7:

A1: The Contracting Authority **cannot** provide samples of a representative offset print in terms of colour and area coverage. The Contracting Authority specified the type of paper (see article 1.4 of TS) and specified the design of the banknote (see article 6.1 of TS) and the hot stamping machine (see article 2.1 of TS). The Contracting Authority considers this information to be sufficient in this phase of tender procedure in order to draw up and process a tender of the Contractor.

However, the Contracting Authority shall be prepared to approve any tests or actions which will be performed by the Contractor to ensure perfect quality. Nevertheless, the Contracting Authority considers these actions as additional and supplementary. These actions cannot substitute conditions and actions which were stipulated in the Tender Documentation or the Draft Purchase Contract.

Regarding the questions above the Contracting Authority emphasizes that the approval of the Pilot DOVIDs in accordance with Art. III (5) and (6) of the Draft Purchase Contract shall be crucial and relevant.

A2: The Contractor shall be aware that the contract itself may not be changed after the tender submission and especially not based on the identification of the winning supplier. According to the Art. 124 (4) of the Act, *“The contracting authority shall conclude the contract in accordance with the tender submitted by the selected economic operator”*.

Thus, the published tender conditions, including the business and payment conditions, are **binding for all Contractors** to the same extent, among others mainly due to the main principle of ensuring a comparability of all submitted tenders and principle of non-discrimination and transparency.

Technical Specification **will not be** reconsidered accordingly with the winner, there are the same conditions for all of the participants. TS will not be changed after the submission of tenders.

Question No. 8:

Acc. to Q No. 20:

Answer to the question No. 20:

The Contracting Authority unfortunately cannot provide the original paper substrate with the original offset printing.

Proposal: Without at least a representative substrate (as already described above), we cannot carry out an outgoing control of the foil product. Delivery would therefore not be possible without the outgoing control. It is absolutely necessary to provide at least representative paper samples with at least a representative offset print in terms of color and area coverage and as the case may be with blind reverse side intaglio.

Q1: Would it be possible to reconsider the supply of at least a representative substrate as described to carry out an outgoing control?

Q2: Will the technical specification be reconsidered accordingly with the winner of the tender?

Answer to the question No. 8:

A1: The Contracting Authority **cannot** provide samples of a representative offset print in terms of colour and area coverage. The Contracting Authority specified the type of paper (see article 1.4 of TS) and specified the design of the banknote (see article 6.1 of TS), and the hot stamping machine (see article 2.1 of TS). The Contracting Authority considers this information to be sufficient in this phase of tender procedure in order to draw up and process a tender of the Contractor.

However, the Contracting Authority shall be prepared to approve any tests or actions which will be performed by the Contractor to ensure perfect quality. Nevertheless, the Contracting Authority considers these actions as additional and supplementary. These actions cannot substitute conditions and actions which were stipulated in the Tender Documentation or the Draft Purchase Contract

Regarding the questions above the Contracting Authority emphasizes that the approval of the Pilot DOVIDs in accordance with Art. III (5) and (6) of the Draft Purchase Contract shall be crucial and relevant.

A2: The Contractor shall be aware that the contract itself may not be changed after the tender submission and especially not based on the identification of the winning supplier. According to the Art. 124 (4) of the Act, *"The contracting authority shall conclude the contract in accordance with the tender submitted by the selected economic operator"*.

Thus, the published tender conditions, including the business and payment conditions, are **binding for all Contractors** to the same extent, among others mainly due to the main principle of ensuring a comparability of all submitted tenders and principle of non-discrimination and transparency.

Technical Specification **will not be** reconsidered accordingly with the winner, there are the same conditions for all of the participants. TS will not be changed after the submission of tenders.

The Contracting Authority does not consider this explanation as alteration or supplementation of the tender documentation whose nature would demand extension of the time limit for the tender submission in accordance with Sec. 99 (2) of the Act, since the Contracting Authority does not alter the tender conditions.

Kind regards,

Mgr. Zuzana Šenoldová
Head of Public Procurement
for the contracting authority
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