

D.Types of action: specific provisions and funding rates^{1,2}

Pre-Commercial Procurement (PCP) Cofund actions

Description: PCP cofund actions aim to encourage public procurement of research, development and validation of new solutions that can bring significant quality and efficiency improvements in areas of public interest, whilst opening market opportunities for industry and researchers active in Europe. A PCP cofund action provides Union cofunding for a group of procurers ('buyers group') to undertake together one joint PCP procurement, so that there is one joint call for tender, one joint evaluation of offers, and a lead procurer³ awarding the R&D service contracts in the name and on behalf of the buyers group. Each procurer in the buyers group contributes its individual financial contribution to the total budget necessary to jointly finance the PCP, enabling the procurers to share the costs of procuring R&D services from a number of providers and comparing together the merits of alternative solutions paths to address the common challenge. Consortia can choose to have all selected tenderers paid by the lead procurer, or pro rata by each procurer according to the share of the individual financial contribution of each procurer of the total budget. The PCP shall explore alternative solution paths from a number of competing providers to address one concrete procurement need that is identified as *a common challenge*⁴ in the innovation plans of the procurers in the buyers group that requires new R&D. Cross-border PCP cooperation should aim to better address issues of common European interest, for example where interoperability and coherence of solutions across borders is required.

Specific participation requirements: The buyers group in the consortium that provides the financial commitments for undertaking the joint procurement shall represent the critical mass that can trigger wide implementation of the innovative solutions and shall consist of minimum two independent legal entities which are public procurers that are established in two different Member States or associated countries. The procurers in the buyers group shall be responsible for the acquisition and/or regulatory strategy for the targeted innovative solutions with the aim to obtain ambitious quality and efficiency improvements in the area of public interest addressed by the joint procurement, or shall be entities with a mandate from one or more of such procurers to act on their behalf in the joint procurement (e.g. central purchasing bodies).

¹ Eligible costs for all types of action are in accordance with the Financial Regulation and the Rules for Participation. In addition, as training researchers on gender issues serves the policy objectives of Horizon 2020 and is necessary for the implementation of R&I actions, applicants may include in their proposal such activity and the following corresponding estimated costs that may be eligible for EU funding:

- i. Costs of delivering the training (personnel costs if the trainers are employees of the beneficiary or subcontracting if the training is outsourced);
- ii. Accessory direct costs such as travel and subsistence costs, if the training is delivered outside the beneficiary's premises;
- iii. Remuneration costs for the researchers attending the training, in proportion to the actual hours spent on the training (as personnel costs).

² Participants may ask for a lower rate.

³ The lead procurer is the beneficiary appointed by the buyers group to coordinate and lead the joint procurement. It can be either one of the procurers in the buyers group or another beneficiary in the action that is established or designated by the procurers in the buyer group to act as lead procurer.

⁴ A PCP that addresses a challenge that consists of several facets (sub-challenges or building blocks) is considered one joint PCP procurement as long as all procurers in the buyers group share the need for - and are willing to co-finance - all the facets of the common challenge.

The lead procurer and the public procurers in the buyers group must be contracting authorities or contracting entities as defined in the EU public procurement Directives.

In addition other types of procurers (e.g. private, NGOs) that provide services of public interest and share the same procurement need, and other entities (e.g. end-users, certification bodies) that add value to the action and whose participation is well justified may participate, on condition that they are not potential suppliers of solutions sought for by the procurement and have no other type of conflict of interest with the procurement undertaken in the action.

Sole participants shall explicitly indicate which of its 'members' are the procurers contributing to the budget of the proposed joint procurement that satisfy the above specific participation requirements and which are the respective procurement budgets of each of these members that are at the disposal for carrying out the procurement. A sole participant acting as buyers group shall have a mandate, well-defined procurement need and budget from its procurers to act on their behalf in the procurement..

Eligible activities:

A. Preparation stage

- Preparation of the joint PCP to be carried out in the execution stage. This shall be based on feedback from the needs analysis of the buyers group, prior art analysis and an open market consultation (ref Annex E). Active participation of the final end-users of the solutions shall be ensured at this stage.
- Allocation and training of additional resources for implementation (if appropriate)
- Building cooperation with other stakeholders (if appropriate)

The expected outcomes of the preparation stage are: (1) Completed tender documents based on the Horizon 2020 PCP model contract documents, using common functional/performance based specifications and common evaluation criteria; (2) Signed joint procurement agreement confirming the final collaboration modus including the financial commitment of the buyers group to pool resources for the PCP; and (3) Final confirmation of the lead procurer.

B. Execution stage

- Joint PCP procurement and implementation of the PCP contracts under the supervision of the buyers group, ensuring execution of the R&D services by the providers according to the action plan and requirements defined in the preparation stage.
- Validation and comparison of the performance of the competing PCP solutions against jointly defined criteria by the buyers group (and other concerned final end-users, if applicable) in real-life operational conditions to verify fitness for purpose in view of potential conversion into permanent service of the solutions.
- Dissemination of results and confirmation of the ex-post exploitation strategy based on the outcomes of the PCP

Also eligible are additional coordination and networking activities that embed the PCP into a wider set of demand side activities and clearly add value to the action. This includes activities to remove obstacles for introducing the solutions into the market (e.g. contribution to standardisation, regulation certification), awareness raising and experience sharing, activities preparing the ground for further cooperation among procurers in future PCPs or PPIs.

Funding rate:

The Union contribution will be limited to maximum 70% of the total eligible costs⁵ for the 'eligible activities' defined above, on condition that the PCP is executed in compliance with Annex E. Eligible costs include the price of the R&D services procured via the joint PCP and the costs of the eligible coordination and networking activities defined above. Eligible costs may include in-kind contributions of third parties linked to the grant beneficiaries (e.g. corresponding to resources put at the disposal of grant beneficiaries to carry out the project). VAT is an eligible cost except for beneficiaries that can deduct it.

The requested reimbursement of the estimated eligible costs of coordination and networking activities may not exceed 30% of the requested grant. The consortium may choose to use part of the Union contribution to increase the support to coordination and networking activities as long as the Union contribution does not exceed 70% of the sum of those costs and the price of the PCP call for tender. The consortium may choose to use part of the Union contribution to increase the support to the budget for the PCP call for tender as long as the Union contribution does not exceed 70% of the sum of those costs and the costs of the coordination and networking activities.

Indirect eligible costs are calculated as a flat rate of 25% of direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary. Thus, on the price of the PCP procurement carried out during the PCP Cofund action, no indirect costs are eligible.

⁵ See Rules for Participation on programme co-fund type actions.