Public Demand Driven Innovation
Innovation Procurement (PCP and PPI)
in Horizon 2020
Updated version for 2016-17 calls

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European Commission

DG CONNECT (Communication Networks)
F2 unit ("Innovation")
State of Play

PCP-PPI
Public sector efficiency...
- Health care
- Climate Change
- Energy Efficiency
- Transport
- Security

- Public sector is faced with **important challenges**. Addressing these, often requires public sector transformations.
  - In many cases, solutions are near the market and would be provided if clear requirements/sufficient demand expressed by the market (PPI)
  - In other cases, still R&D required to de-risk technology, still competing solution approaches to compare before committing to large scale deployment (PCP)

- Public procurement/demand driven innovation can open markets for industry/researchers **creating growth & jobs in Europe**
- However, potential is **underutilised in EU** due to fragmentation of demand, lack of incentives -> transnational PCPs/PPIs
• **When**
  - Challenge requires solution which is *almost or already on the market in small quantity* but not meeting requirements for large scale deployment yet. Desired solutions would be provided if clear requirements/sufficient demand would be expressed by the market. **Incremental innovation** (production adaptation, scaling up of production) or non-R&D innovation (e.g. organisational/process innovation) can deliver required quality/price, so no procurement of R&D involved.

• **What**
  - Public sector acts as launching customer / *early adopter* / first buyer for **innovative** products and services that are newly arriving on the market (**not widely commercially available yet**)  

• **How**
  - Public sector acts as facilitator establishing a **buyers group** with critical mass that triggers industry to scale up its production chain to bring products on the market with desired quality / price ratio within a specific time. After potentially a **test / certification / labelling**, the buyers group buys a significant volume of solutions.
**PCP - Pre-Commercial Procurement**

- **When**
  - Challenge needs radical innovation, no solution 'on' or 'close to' market yet. There are different competing 'potential' solution approaches / ideas, but still **R&D needed** to de-risk and compare / validate the pros and cons of different technological alternatives: **No commitment to large scale deployment (PPI) yet**. Procurer wants to **induce step change in the market** (e.g. moving from proprietary / vendor lock-in situation to better open systems and multiple vendor environment including new players).

- **What**
  - Public sector buys R&D to **steer development of solutions to its needs**, gather info about pros / cons of alternative solutions to be **better informed to make specs for a follow-up PPI** possibly later, to **avoid supplier lock-in** (create competitive supply base).

- **How**
  - Public sector buys R&D from **several suppliers in parallel** (comparing alternative solution approaches), in form of competition **evaluating progress after critical milestones** (design, prototyping, test phase), risks & benefits of R&D (in particular related to IPRs) shared with suppliers to maximise incentives for wide commercialisation.
• **PCP** to steer the development of solutions towards concrete public sector needs, whilst comparing/validating alternative solution approaches from various vendors

• **PPI** to act as launching customer / early adopter / first buyer of innovative commercial end-solutions newly arriving on the market
• Get 20% better value for money products (US defense data)
• Use PPI also if no (more) R&D needed for procurement need
• Use a small budget PCP to de-risk a large budget PPI
  • PPI spec can be 'completely rephrased' benefiting from PCP lessons learnt
• Use conditions that encourage job creation 'in Europe'
  • Because PCP falls outside WTO rules
• Prevent foreclosing of competition & crowding out of private investment in R&D
  • Companies that are not financing their R&D via procurement/PCP (e.g. via grants, own company resources) can still bid for deployment contracts/PPIs
• Facilitates access to procurement market for SMEs
  • Gradually increasing contract sizes, tasks, required manpower
  • Stringent financial guarantee/qualification requirements: 'no' in PCP, 'ltd' in PPI

... above not the case if R&D is procured as part of/inside large deployment contract
Growing impact at Member State level

PCP and PPI in ESIF: PL, FR, EE, LV develop innov. proc. strategy

DE, PL put innov. proc. in R&D&E strategy
IT (€ 150M), ES (€ 250M) to PCP/PPI project funds
Baltics (LT, LV, EE) join Norden Agreement
FR sets 2% target for innov proc.

NO, FI, SE, DK, IS min. agreement on cross border innov. proc. collaboration (including 2,5% target)

AT, NO, DK, IS, IT include innov. proc. in R&D&E strategy
ES (3%), NL and UK (2,5%) set expenditure target for innov. proc.

FI, SE, ES, Flanders (BE) launch support program & competence center for procurers

FI, SE, ES, Flander (BE) include innov. Proc. in R&D&E strategy

UK NHS and MOD PCPs and PPIs, NL launching customer (PPI)
What can countries/regions do?

**Political encouragement**
- Modernising public sector 'a priority'
  Quality-efficiency improvement targets
  e.g. Lombardia/IT, UK, Flanders/BE
- Target % proc budgets to innovation
  Monitoring framework
  e.g. UK, NL, ES, Nordics, FR

**Implementation**
- Innov Proc Competence center
  Training / assisting procurers
  (e.g. SE, FI, ES, Flanders/BE, DE)
- Innov Proc financial support program
  (e.g. SE, FI, ES, Flanders/BE, DE)

**Encourage demand side to meet supply side**
- Early notification innov proc needs
- Open market consultations
  Meet the buyers events

**Leverage EU funding**
- Horizon 2020
- ESIF
- EIB loans
  Increased support for innov proc

Overview of EU funded PCPs/PPIs: [http://ec.europa.eu/digital-agenda/eu-funded-projects](http://ec.europa.eu/digital-agenda/eu-funded-projects)
Examples PCPs
EU funded Transport

CHARM

3 road authority procurers: Rijkswaterstaat (NL), Highways Agency (UK), Department Mobility and Public Works - MOW (BE).

Joint procurement of R&D services via the PCP to move towards an open modular traffic management architecture by getting modules developed that will optimise network performance, increase road safety and reduce CO2 emissions by improving network management, incident prediction and prevention and cooperative ITS.

Benchmarking: 20% expected cost savings

URL: tinyurl.com/CHARM-PCP

Non-EU funded Health

Niguarda Hospital PCP

Entities involved: Lombardy region, Niguarda hospital, ARCA regional purchasing body

PCP to develop and test: easy-to-use automated universal system for moving hospital beds, with anti-collision and safety systems, not needing guide lines or tracks even on non rectilinear routes

Benchmarking: 40% expected cost savings (cheaper solution + less accidents and functional limitations)

6 healthcare purchasing groups from FR, UK, IT, BE and LU launched on 30 September 2014 the first 'joint' transnational PPI procurement in the healthcare domain in Europe: Resah-Idf (FR), NHS commercial solutions (UK), SCR Piemonte (IT), Centrale de Marchés Mercure (BE), Entente des hôpitaux (LU).

The French lead procurer is procuring (establishing a framework agreement with several vendors under French law) on behalf of the whole group of procurers to procure 5 different lots of equipment. All 6 purchasing groups can then setup specific contracts under their own national legislation to buy products from any vendor selected under the framework agreement.

Erasmus University Medical Center PPI

Robotics based bed washing system
One of the PPI procurements of www.ecoquip.eu
Won European PPI award 2014

More efficient and sustainable healthcare solution
Cost reduction: 35%
CO2 footprint reduction: 65%
- **Speed up public sector modernisation** – improve quality and efficiency of public services with breakthrough solutions

- **Get better value for money through cooperation** - enable public sector around Europe to share cost + experience to buy new solutions that can respond to concrete public needs

- **Address issues of common interest together** – e.g. where interoperability and coherence of solutions across borders, pooling of resources or market defragmentation is required

- **Create growth and jobs in Europe** – help innovators bring European R&D to the market (the majority of R&D in H2020 funded PCPs should take place in Europe, ltd set of first test products can be bought in the PPI from companies in the PCP)
## Overview of EU funded projects doing PCPs (FP7)


### Health

<table>
<thead>
<tr>
<th>Project</th>
<th>PCP</th>
<th>Description</th>
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<tbody>
<tr>
<td>THALEA</td>
<td>(PCP)</td>
<td>Tele-detection/care of ICU patients</td>
</tr>
<tr>
<td>NYMPHA-MD</td>
<td>(PCP)</td>
<td>Mental care for bipolar disorders</td>
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<td>SILVER</td>
<td>(PCP)</td>
<td>Robotics ageing well</td>
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<tr>
<td>UNWIRED-HEALTH</td>
<td>(PCP)</td>
<td>Mobile care for vaccination &amp; heart failure</td>
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<tr>
<td>DECIPHER</td>
<td>(PCP)</td>
<td>Services mobile health data</td>
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<tr>
<td>SMART@FIRE</td>
<td>(PCP)</td>
<td>Human Brain project</td>
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<tr>
<td>PRACE 3IP</td>
<td>(PCP)</td>
<td>Virtual road infrastructure modelling</td>
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<tr>
<td>SMART@FIRE</td>
<td>(PCP)</td>
<td>PCP on supercomputing/brain modelling</td>
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### Transport

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<thead>
<tr>
<th>Project</th>
<th>PCP</th>
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<tbody>
<tr>
<td>CHARM</td>
<td>(PCP)</td>
<td>Traffic Management</td>
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<tr>
<td>V-CON</td>
<td>(PCP)</td>
<td>Virtual road infrastructure modelling</td>
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### Sustainability

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<thead>
<tr>
<th>Project</th>
<th>PCP</th>
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<tr>
<td>IMAILE</td>
<td>(PCP)</td>
<td>High Performance Computing</td>
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### E-Gov

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<tr>
<th>Project</th>
<th>PCP</th>
<th>Description</th>
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<tbody>
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<td>Cloud for Europe</td>
<td>(PCP)</td>
<td>Cloud computing</td>
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<tr>
<td>PREFORMA</td>
<td>(PCP)</td>
<td>Long term digital preservation</td>
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### Education

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<tr>
<th>Project</th>
<th>PCP</th>
<th>Description</th>
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<tbody>
<tr>
<td>IMAILE</td>
<td>(PCP)</td>
<td>Personalised learning needs</td>
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### Safety

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<tr>
<th>Project</th>
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<tbody>
<tr>
<td>SMART@FIRE</td>
<td>(PCP)</td>
<td>Smart Textiles ICT for fire fighters</td>
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</table>
## Overview EU funded projects doing **PPIs (CIP)**


<table>
<thead>
<tr>
<th><strong>HEALTH AGEING</strong></th>
<th><strong>ECOQUIP &amp; LCB-HEALTHCARE (PPI)</strong></th>
<th><strong>STOP AND GO (PPI)</strong></th>
</tr>
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<tbody>
<tr>
<td>Healthy Ageing</td>
<td>Low carbon healthcare</td>
<td>Telecare for elderly with multiple conditions</td>
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<tr>
<th><strong>TRANSPORT</strong></th>
<th><strong>SYNCRO (PPI)</strong></th>
<th><strong>FIRED-UP (PPI)</strong></th>
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<tr>
<td></td>
<td>Smart roads communication</td>
<td>Vehicles Fire Fighters</td>
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<tr>
<th><strong>SUSTAINABILITY</strong></th>
<th><strong>PRO-LITE (PPI)</strong></th>
<th><strong>SPEA (PPI)</strong></th>
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<tbody>
<tr>
<td>Sustainable buildings</td>
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<tr>
<th><strong>INNOBOOSTER (PPI)</strong></th>
<th><strong>INNOBUILD (PPI)</strong></th>
<th><strong>INNOCAT (PPI)</strong></th>
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<tbody>
<tr>
<td>Office Furniture &amp; Lighting</td>
<td>Sustainable buildings</td>
<td>Sustainable catering</td>
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<th><strong>PROBIS (PPI)</strong></th>
<th><strong>PAPIRUS (PPI)</strong></th>
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<td>Sustainable construction</td>
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### EU funded CSAs/Networks of procurers (FP7/CIP/H2020)


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<thead>
<tr>
<th>HEALTH AGEING</th>
<th>SAEPP (preparing PCP)</th>
<th>C4BI (networking)</th>
<th>PRO4VIP (preparing PCP)</th>
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<tr>
<td></td>
<td>Ambulance ICT</td>
<td>Cities on healthcare</td>
<td>ICT for Visually impaired</td>
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<td>EPP-eHealth (preparing PCP/PPI)</td>
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<td>Cities on e-health</td>
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<td></td>
<td>INSPIRE (Training PCP, link with VC)</td>
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<td>E-health procurers</td>
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<tr>
<td>TRANSPORT</td>
<td>P4ITS (Preparing PPI)</td>
<td>TRANSFORM (Networking)</td>
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<td></td>
<td>Intelligent Transport Systems</td>
<td>City/Regional transport</td>
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<tr>
<td>ICT</td>
<td>PICSE (Preparing PCP/PPI)</td>
<td>COMPLETE (Preparing PPI)</td>
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<td></td>
<td>Cloud computing research cloud</td>
<td>Photonics broadband</td>
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<tr>
<td>SUSTAINABILITY</td>
<td>WATER PIPP</td>
<td>CEPPI 2 (prep PPI)</td>
<td>BRODISE</td>
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<td>Water procurers</td>
<td>Cities – energy consumption</td>
<td>Cities brown field decontamination</td>
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<td>EURECA (prep PPI)</td>
<td>SPP regions (capacity building)</td>
<td>PPI4WASTE</td>
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<td>Green data centers</td>
<td>PPI – sustainability</td>
<td>Authorities</td>
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<td></td>
<td>GREENS (prep PPI)</td>
<td>InnProBio Forum (capacity building)</td>
<td>Waste management</td>
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<td></td>
<td>Energy agencies – CO2</td>
<td>PPI – bio based products</td>
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</table>
• **Shortening of time-to-market:** Customer drive & feedback-> solution design to tested product -full R&D- in 18 mths (e.g. Lombardy PCP)

• **20% cheaper products and higher product quality:** evidence from US defense multi-competitor, multi-phase PCP procurements

• **Removal of supplier lock-in -> 20% cost reduction:** outcome of benchmarking of CHARM PCP on new traffic management centres

• **Opening market to new players and stimulating cross-border company growth:** in EU funded PCPs 2,5 X more new players and 25 X more cross-border contracts compared to procurement average in EU

• **Creating lead markets:** Companies in UK ministry of defence PCPs are selling now also to US department of defence

• **Retaining lead market position:** possible via sustained PCP/PPI procurements (e.g. 60 ys of supercomputing PCPs -> IBM, Cray, HP)

• **Benefits on local economy:** Estonia PPI buying Mitsubishi electric vehicles increased local Estonian economic activity in related sectors

Evidence on impact from successful examples
Data collected from first 7 ongoing FP7 funded PCPs

• 7 first FP7 funded PCPs in ICT that are ongoing
  - 45 tenderers/consortia of tenderers have been awarded contracts in total

• Opening route-to-market for new players/SMEs
  - 75.5% of contracts won by SMEs (SME lead bidder, bidding alone or with partners)
  - Compared to 29% in public procurements across Europe
    Mostly small young SMEs: 34.5% below 10 people, 81% below 50 people, 56% less than 10 years old

• Stimulating cross-border company growth
  - 33% of contracts won by bidders that are not from a country of any of the procurers in the buyers group (e.g. DE company working for UK+NL procurers)
  - Compared to 1.26% in public procurements across Europe

• Relevance of PCPs also to universities
  - 33% of winning contracts have university/R&D center partner in consortium
  - Winning SMEs are also often university start-ups

• Encouraging wider market commercialisation
  - Bidders offered on average 50% cheaper R&D price for keeping their IPRs (they see IPR value/real market beyond the first potential buyers, the PCP procurers)

• Creating growth and jobs in Europe
  - All bidders do 100% of R&D in Europe (except 1 doing 85% of R&D in Europe)
Still companies out there that don’t know about these procurement opportunities. Remaining 7 out of 14 FP7 PCPs will launch their call for tenders this year. Who can help promote upcoming PCP/PPI call for tenders in their countries?

Overview on-going projects: http://ec.europa.eu/digital-agenda/en/eu-funded-projects
Horizon 2020
Funding Instruments
in support of PCP-PPI
Coordination and Support Actions (100% funding rate):
- Support only coordination activities e.g. preparation of a PCP or PPI by a group of procurers (investigating feasibility to start PCP/PPI, open market consultation with industry before initiating a concrete PCP or PPI etc)
- CSAs do not provide EU co-financing for an actual PCP or PPI procurement

PCP Actions (90% funding rate):
- Provide EU co-financing for an actual PCP procurement (one joint PCP procurement per action) + for related coordination and networking activities (e.g. to prepare, manage and follow-up the PCP call for tender)

PPI Actions (35% funding rate):
- Provide EU co-financing for an actual PPI procurement (one joint PPI procurement per action) + for related coordination and networking activities (e.g. to prepare, manage and follow-up the PPI call for tender)

! New !
In addition, other entities can also participate

- In buyers group: also private/NGO procurers providing services of public interest
- In coordination/networking activities: any private/public type of entity (e.g. experts, end-users, certification bodies that assist procurers) that has no conflict of interest (no potential suppliers of solutions for the PCP/PPI)

**Sole participants** can be also eligible if the minimum conditions are met by the legal entities forming the sole participant (e.g. central purchasing bodies, European Research Infrastructure Consortia, European Groupings of Territorial Cooperation)

Public procurers are contracting authorities or contracting entities as defined by the EU public procurement directives

MS = Member States, AC = Countries Associated to Horizon 2020
**Beneficiaries and third parties**
- Action involves beneficiaries that undertake together the PCP or PPI procurement, i.e. the buyers group & the lead procurer.
- Action can include third parties that can make in-kind contributions (make available resources / equipment to the beneficiaries to carry out the PCP or PPI). E.g. end-users (fire brigades) as 3rd party associated to procurer/beneficiary (min. of interior).

**Buyers group**
- Procurers in the action that provide the financial commitments for the PCP or PPI.
- Min 2 public procurers from 2 different Member States or associated countries.
- Representing the demand side (responsible for acquisition and/or regulatory strategy, or having a mandate from one of more of such procurers to act on their behalf in the procurement e.g. central purchasing bodies).
- Seeking ambitious quality and/or efficiency improvements in services of public interest.

**Lead procurer**
- Procurer appointed by buyers group to lead and coordinate the PCP or PPI. Can be one of the procurers in the buyers group or another procurer.

**Subcontractors**
- Successful tenderers, selected by the buyers group & lead procurer as result of the PCP or PPI call for tender, to provide the R&D services (PCP) or innovative solutions (PPI). They do 'NOT' enter the grant agreement with the EC and are not paid by the EC.
Every project goes through a preparation stage and an execution stage.
In the proposal, the consortium shall already identify

• **A concrete 'common challenge' on which the PCP/PPI will focus**
  (e.g. new solution needed to improve energy efficiency of data centres)

• **KPIs (targeted quality/efficiency improvements) for the PCP/PPI**
  (e.g. target is energy efficiency improvement of min 30%)

• **Illustrating how this challenge fits in the innovation strategy / plans of the participating procurers that require innovative solutions**
  (e.g. city procurer a/b/x aims to upgrade x/y/z data centres by 2018)

• Requested budget per participant and plan for preparing and executing the procurement + for the coordination and networking activities

Example proposal: contact IMAILE PCP project ([www.imaire.eu](http://www.imaire.eu))
Note this is an FP7 not H2020 proposal (differences in funding rates & proposal template)

Material Info day: Practical info how to find partners, how to prepare a proposal etc ([ppts + video](#))

Attractive success rates for proposers
PCP and PPI actions - Eligible activities

- **Preparation stage**
  - Preparation of **one** joint PCP or PPI procurement per action
    - Open market consultation / verification of market readiness to meet procurement need
  - Outcome
    - Agreed common tender specifications + Joint procurement agreement
    - Confirmation of availability of financial commitments to start PCP/PPI

- **Execution stage**
  - Joint procurement of the R&D services (PCP) or innovative solutions (PPI)
  - Follow-up of suppliers and validation of results
    - PCP: Validation/comparison of the performance of the competing PCP solutions against jointly defined criteria in real-life operational conditions
    - PPI: Evaluation of results of deploying and operating the procured solutions in real-life operating conditions
  - Dissemination/exploitation of results

Other coordination/networking activities relevant to the action (e.g. preparation of follow-up PPI, contribution to standardisation / regulation / certification)
- **Reimbursement rate direct costs**: Max 90% respectively 35% of eligible costs for PCP respectively PPI actions
  - Eligible direct costs to carry out eligible activities defined in WP include:
    - Price of the R&D services (PCP) or innovative solutions (PPI) procured (if procurement conducted in compliance with requirements in Annex E WP)
    - Eligible coordination and networking activities
    - May include in-kind contributions (e.g. third parties putting resources at disposal of beneficiaries e.g. for testing of solutions)
    - VAT is an eligible cost unless for beneficiaries that can deduct it
  - Requested reimbursement for coordination and networking activities can comprise max 30% (for PCP) / max 50% (for PPI) of total requested grant

- **Plus 25% for indirect costs**. But, no indirect costs on the price of the PCP/PPI procurement or on 3rd party resources not used at the beneficiary premises

- **Pre-financing**: Yes, 1st pre-financing at start project for costs for preparation stage, 2nd pre-financing before execution stage for rest of costs (incl. call for tender)
Example PCP action

- **Example: 5 €M PCP action grant**
  - EU contribution: e.g. 0,7 €M for coordination + 4,3 €M for PCP (procurement of 4,77 €M)
  - EU contribution: Max 1,5 €M for coordination + 3,5 €M for PCP (procurement of 3,88 €M)

- **Example: 3 €M PCP action grant**
  - EU contribution: e.g. 0,7 €M for coordination + 2,3 €M for PCP (procurement of 2,55 €M)
  - EU contribution: Max 0,9 €M for coordination + 2,1 €M for PCP (procurement of 2,33 €M)

Consortia of public procurers P1->P5 (min 2)
In their proposal, consortium shall have already identified one concrete procurement need as proposed focus for the PCP that is identified as a common challenge in the innovation plans of the buyers group and requires R&D!

- One joint call for tender published EU wide
- One joint evaluation of offers
- One lead procurer awarding all contracts in the name and on behalf of all procurers in buyers group
  - Each winning tenderer gets: 1 framework agreement to participate in the PCP + one specific contract per PCP phase (solution design, prototyping, testing)
- One joint total budget (grouping financial commitments of all procurers in buyers group) from which all R&D providers are paid

- But, actual payments can be carried out centralised or distributed
  - Either all R&D providers paid by the lead procurer
  - Or each R&D provider paid pro rata by each procurer in the buyers group according to the share of each procurer's contribution to the common pot

- Also supervising suppliers and testing of solutions can be centralised or distributed
  - Choice between testing all solutions of all R&D providers in 1 procurers site or on several sites procurers sites etc
Procedure: Compliance with applicable national procurement rules + compliance with additional specific requirements

- Definition PCP (Horizon 2020 RfP and PCP communication)
- EU-wide published open market dialogue and call for tender
- PCP call for tender open for at least 60 days
- Same objective evaluation criteria
- Functional / performance based specifications
- Best value for money award criteria
- Majority of R&D activities performed in MS/AS

IPR arrangements for PCP

- R&D providers generating results in PCP shall own attached IPRs
- Procurers shall enjoy royalty-free access rights to use R&D results for own use
- Procurers shall also enjoy the right to grant or to require participating R&D providers to grant non-exclusive licenses to third parties to exploit the results under fair and reasonable market conditions without any right to sublicense
Example PPI action

- **Example: 5 €M PPI action grant**
  - EU contribution: e.g. 0,2 €M for coordination + 4,8 €M for PPI (procurement of 13,7 €M)
  - EU contribution: Max 2,5 €M for coordination + 2,5 €M for PPI (procurement of 7,14 €M)

- **Example: 2,5 €M PPI action grant**
  - EU contribution: e.g. 0,2 €M for coordination + 2,3 €M for PPI (procurement of 6,57 €M)
  - EU contribution: Max 1,25 €M for coordination + 1,25 €M for PPI (procurement of 3,57 €M)

**Public Procurement of Innovative Solutions (PPI)**
Deployment of commercial end-products
Early adoption of new to the market products / services

One Joint PPI call for tender + joint evaluation offers (based on common tender specs)

**Buyers group of procurers**
e.g. P1->P10 (min 2)

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<th>Lot 2</th>
<th>Lot 3</th>
<th>Lot 4</th>
<th>Lot 10</th>
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<tbody>
<tr>
<td>Procurer 1 buying e.g. €2 Mio solutions from supplier A</td>
<td>Procurer 2 buying e.g. €1,5 Mio solutions from supplier B</td>
<td>Procurer 3 buying e.g. €5 Mio solutions from supplier D</td>
<td>Procurer 4 buying e.g. €2 Mio solutions from supplier A</td>
<td>Procurer 10 buying e.g. €2 Mio solutions from supplier X</td>
</tr>
</tbody>
</table>
In their proposal, consortium shall have already identified one concrete procurement need as proposed focus for the PPI that is identified as a common challenge in the innovation plans of the buyers group and requires innovative solutions!

One joint call for tender published EU wide (unless PPI procures limited set of prototypes / test products developed during PCP, then negotiated procedure without publication foreseen in public procurement directives possible)

One joint evaluation of offers

But contract award can be centralised or distributed

- Either one lead procurer awarding all contracts to all suppliers on behalf of all procurers in the buyers group
- Or one lead procurer only awarding a framework contract with lots to each supplier (e.g. lot per procurer), and each procurer awarding (a) specific contract(s) for his lot(s) to the supplier(s) delivering the solution(s) he buys
  - This means same **core functionality** and performance characteristics for solutions procured by all procurers, but possible additional local functionality for each procurer

Also supervising suppliers and payments can be centralised or distributed
Procedure: Compliance with applicable national procurement rules + compliance with additional specific requirements

- Definition PPI (Horizon 2020 RfP). Choice between procurement procedures covered by procurement directives that do not include procurement of R&D
- EU wide publication of open market consultation, early announcement of target date for launching the PPI and call for tender
- PPI call for tender open for at least 60 days
- PPI call for tender open to tenderers from EU Member States and Horizon 2020 associated countries + (if applicable) additional countries that ratified WTO GPA
- Possibility of conformance testing before contract award
- Same objective evaluation criteria
- Functional / performance based specifications
- Best value for money award criteria

IPR arrangements for PPI

- IPRs attached to results generated during PPI shall be owned by the party that generated the results, unless duly justified cases (e.g. party generating results is not able to exploit IPRs)
Beneficiaries must ensure wide publication for open market consultation & contract notice, unless for PPI procuring PCP results

- At least via H2020 sites and NCPs (encourage also via relevant brochures, specialised press, relevant major events, mailing lists relevant industry/research associations etc)

The beneficiaries must formally notify the Commission:

- 5 days before publication in OJEU: copy of PIN open market consultation
- 30 days before publication in OJEU: copy of contract notice & its contents

Open market consultation to be announced well in advance to market

- Min 2 months in advance via publication of PIN in OJEU (except for PPIs limited to procuring limited set of prototypes/first test products that are outcomes of PCP actions)

Joint call for tender shall remain open

- At least 60 days: for PCP and PPI
New 2014 public procurement directives will provide now clear legal basis for joint cross-border procurement in all EU countries

Flexible implementation of payment of suppliers possible (either all supplier paid by lead procurer or pro rata by each procurer in buyers group)

H2020 enables to better leverage out differences in VAT across EU countries

H2020 provides template PCP/PPI tender documents

Coordination/networking costs not reduced proportionally automatically if final call for tender price lower than expected e.g. cheaper offers received (coordination/networking costs max 30% / 50% of maximum requested grant amount – not actual spent grant amount - for PCP/PPI actions)

Sole participants also possible in PCP/PPI actions

Synergies between Horizon 2020 and structural funds (ESIF) possible

Flexibility to shift budget from networking/coordination to call for tender part of the grant or other way around

Especially for PPIs also: Large scale testing is optional i.s.o. mandatory (was considered by some as tough requirement in CIP ehealth PPI pilot call).

Note: PPIs are in H2020 also done as 'joint' procurement, but with flexibility to use 'lots' for different procurers/different subcomponents to be procured


Info about scope of each call topic, online drafting and submission of proposals on H2020 participants portal (search per topic e.g. ICT-34): [http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/search/search_topics.html](http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/search/search_topics.html)


Finding partners: EU procurement forum, PCP-PPI Linkedin group