

FAQ – Public Procurement of Innovative solutions (PPI) pilot CIP-ICT-PSP Seventh call

v1

Standard Disclaimer

These Frequently Asked Questions does not supersede the rules and conditions laid out in particular in Council and Parliament Decisions relevant to the Competitiveness and Innovation Programme, the CIP Model grant agreement or the Call for proposals. They are provided as a help to specific questions and present only the current view of the Information desk of CIP-ICT. Readers should not regard these views as a statement of the official position of the European Commission.

1. PPI PILOT CHARACTERISTICS

1.1. How many PPI pilots will be selected for funding?

It is intended to support PPI actions in the objective *3.2 Supporting innovative solutions in eHealth, assisted living and for mobility (in particular through PPI)*; in each of two sub-objectives:

- a) *eHealth*
- b) *Active and healthy ageing and assisted living*

The exact number in each sub-objective will depend on the quality of the proposals, the budget requested and the budget available.

1.2. What is the duration of a PPI pilot?

The indicative duration for a PPI pilot is 36 months.

2. CONSORTIUM COMPOSITION

2.1. Can public administrations be beneficiaries of a grant agreement?

In accordance with the Financial Regulation and its Implementing Rules, grants can be awarded to existing legal entities (that is, entities with legal personality). Exceptionally entities which do not have legal personality under the applicable national law are eligible provided their representatives have the capacity to undertake legal obligations on their behalf and assume financial liability.

Governments and public administrations have participated and are participating in programmes such as eTEN, FP6 and FP7 etc. There are several examples of ministries having signed grant agreements with the EC. Generally, if the national government or administration wishing to participate in a project does not as such have legal personality, the grant agreement would be concluded with the legal person the government or administration belongs to (this could

2.2. Can a consortium be changed - in particular be extended to include new partners during the course of the project?

At any time during the running of a project it will be possible to change, in agreement with the Commission, the consortium either by adding partners / beneficiaries or because it is decided that partners leave the consortium.

The addition of new beneficiaries is done through the completion of the so-called Form B of the grant agreement – accession request of new legal entities to the agreement. The procedure for the accession of a new beneficiary will be described in the grant agreement. Essentially the coordinator must request the accession of the new beneficiary in writing on behalf of the consortium, and the Commission has to explicitly accept the request. The new beneficiary will be subject to a legal and financial viability validation as any other beneficiary and assume the same rights and obligations as established by the grant agreement. The date on which the new beneficiary assumes these rights and obligations is specified in the Form B.

The conditions and consequences of termination of the participation of a beneficiary will be described in the grant agreement. Either the Commission may terminate the participation of a beneficiary or a beneficiary may request to withdraw from the project. The Commission will not object to the withdrawal of a beneficiary unless this would substantially impair the implementation of the project.

Normally any change of the consortium requires an update of the Description of Work (Annex I to the grant agreement), in order to clearly identify who is doing what and the budget per beneficiary.

In general the conditions that need to be fulfilled when implementing changes to the consortium are:

The maximum Community contribution cannot be increased.

Collective technical responsibility remains applicable which implies that normally the Description of Work agreed in the negotiation process will have to be implemented.

The changes in the consortium do not fundamentally change the scope and the innovation / exploitation potential of the project and would not put in doubt the initial selection of the project.

2.3. Can SMEs participate and/or benefit from ICT PSP?

SMEs can indirectly benefit from PPI pilots by responding to the procurement request.

The overall ICT PSP offers both direct and indirect benefits for innovative SMEs in the ICT sector and for SMEs that can make good use of ICT to improve their products, services and business processes.

2.4. Can entities established in countries outside the European Union participate in ICT PSP? Under what conditions?

Legal entities established in countries which have associated themselves with the programme (and have therefore made a financial contribution to the ICT PSP) may participate on the same basis as organisations in Member states. These countries are listed in the Guide for applicants.

Up to date information on new countries which associate to the programme is provided to applicants on the ICT PSP website.

<https://ec.europa.eu/digital-agenda/en/ict-policy-support-programme>

The Community may allow also participation of entities from other countries which are not associated to the Programme in individual actions on a case-by-case basis. Such entities will not receive Community funding, and do not count towards the minimum number of partners required in the consortium (see below).

2.5. How many partners must participate in the consortium for PPI pilots? Which type of entities should be participating?

The consortium should consist of a buyers group, of public and possibly private procurers, with sizeable market share to provide the required demand-pull for industry to bring the targeted innovations to the market with the required price/performance requirements.

The buyers group must be composed of at least three mutually independent procurers from at least three different Member States or ICT PCP Associated Countries, of which at least two are public procurers that are established as public bodies (but possibly from different level: national, regional or local).

Those entities which are not public procurers, but whose participation is well justified in particular by similar procurement needs, participate in the consortium on the condition that they are not potential suppliers of products or services in the area of solutions sought for by the buyers group in the project.

2.6. Who should coordinate the consortium?

Any willing and competent legal entity can coordinate the project. However the partner who undertakes the role of team leader for the joint or coordinated procurement must be a Contracting Authority according to the public procurement Directives 2004/18/EC and 2004/17/EC.

2.7. Can International (inter-governmental) organisations participate in ICT PSP?

As the work programme does not foresee their eligibility for funding, International organisations can participate in projects on a case by case basis, but are not eligible for funding.

3. FUNDING

3.1. What funding rate is applied?

The European Union funding will comprise:

- 20% of the cost of the joint or coordinated procurement
- 100% of the coordination costs of the buyers group (up to 30% of the recommended funding and no more than 1 M€)
- 7% of the buyers group's personnel costs as a contribution to their Indirect costs

3.2. Can costs incurred by public administrations be reimbursed? Can public administrations participate without asking for reimbursement of costs?

Costs incurred by beneficiaries can be reimbursed if the eligibility conditions are fulfilled. These conditions will be detailed in the grant agreement. Essentially the conditions are that these costs need to be necessary for the implementation of the project, be actually incurred by the beneficiary during the project, be recorded in his accounts and be identifiable and verifiable.

The new Implementing Rules for the revised Financial Regulation, which have entered into force on 1 May 2007, explicitly indicate in Article 172a paragraph 2(e) that 'administrative expenditure, staff and equipment costs, including the salary costs of personnel of national administrations to the extent that they relate to the costs of the activities which the relevant public authority would not carry out if the project concerned were not undertaken' can be considered as eligible by the Commission's authorising officer.

The grant agreement may provide that a beneficiary which so wishes can participate without reimbursement of its costs.

3.3. Is subcontracting possible in PPI pilot?

As will be indicated in the grant agreement, where it is necessary to subcontract certain elements of the work, the recourse to the award of subcontracts must be indicated in the Description of Work and hence agreed with the Commission beforehand. The costs of the subcontract can be considered as an eligible cost if it is awarded to the bid which is offering the best value for money under conditions of transparency and equal treatment.

Subcontractors do not sign the grant agreement. The beneficiaries retain sole responsibility for the implementation of the project and compliance with the provisions of the grant agreement.

Subcontracting is an allowed exception to the principle that work under the project should be carried out by the beneficiaries themselves.

A public legal entity must use the normal rules applicable to it for the selection of service providers (call for tender or other procedure foreseen under the public procurement rules) and a private legal entity must at least require submission of several quotes (usually a minimum of three), unless it has an established framework contract for the provision of those services.

For ancillary tasks (minor tasks such as for example copying services), beneficiaries may use external support services without identification of these tasks in Part B of the proposal.

3.4. How can indirect costs be charged to a project?

As stated in 3.1 above: the European Union funding will include 7% of the buyers group's personnel costs as a contribution to their Indirect costs

3.5. Which activities within the PPI pilot will be funded?

The main focus of PPI pilots is the first application/commercialisation of ICT innovations which have already been technically demonstrated with success but which, owing to residual risk, have not yet successfully penetrated the market in which the procurers in the project operate. The EU will therefore fund exclusively the related cost.

PPI does not include the procurement of R&D: PPI pilots can be used when no R&D is needed to satisfy the procurement needs or when industry R&D has already progressed up to a point where first products are nearly or already in limited amounts on the market, but not scaled up yet to meet mass market price/quality requirements.

Please review in the ICT PSP Workprogramme the section "Conditions and characteristics" for the objective which your proposal is addressing.

4. OTHER TOPICS

4.1. What is the difference between Call for Tender and Call for Proposal?

The procedures are different and there are differences relating to the amount and nature of the financial contribution. Whereas public procurement (which requires a call for tender or other appropriate public procurement procedure) consists of the payment of a market price for goods provided or services rendered, grants (selected after a call for proposals) are limited to a contribution to certain costs (or in special cases a lump sum payment or flat rate financing) incurred by the beneficiary. Therefore, public procurement permits a profit whereas grants forbid any profit and normally cover only a part of the total costs.

The results of a call for tender will be owned by the Community, while following a call for proposals the consortium has the ownership of the results, such as IPR (notwithstanding any specific requirements set out in the grant agreement as to the use and accessibility of the results).

4.2. Who will carry out the evaluation of the proposals submitted?

All eligible proposals will be evaluated by the Commission with the assistance of independent experts. The experts will be identified on the basis of a call for independent experts.