

Info and Networking Day PCP actions in FP7-ICT-2011-8

Call open to proposals in any domain
of public interest under Objective 11.1

Call open to photonics related proposals
under Objective 3.5

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EU Commission, DG INFSO

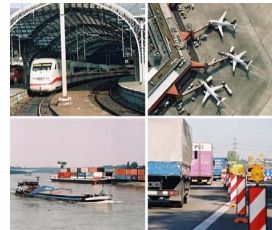
Lisbon policy directorate

Strategy for ICT research and innovation unit



What is the rationale behind PCP?

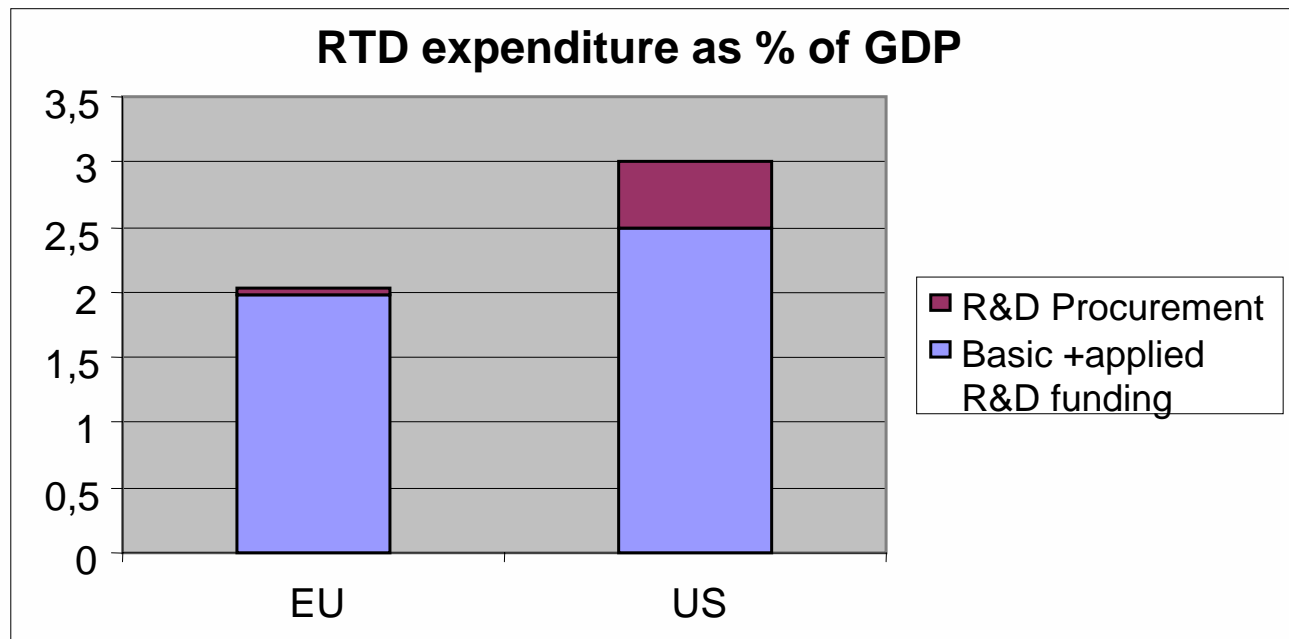
- Health care
- Climate Change
- Energy Efficiency
- Transport
- Security
- ...



- Public sector is faced with important **societal challenges**.
- Addressing these, often requires public sector transformations so technologically demanding, that **no commercially stable** solutions exist on the market yet, and forward looking public procurement strategies (incl. procurement of **R&D**) are needed

European public sector can do better

Our competitors use public demand for R&D more



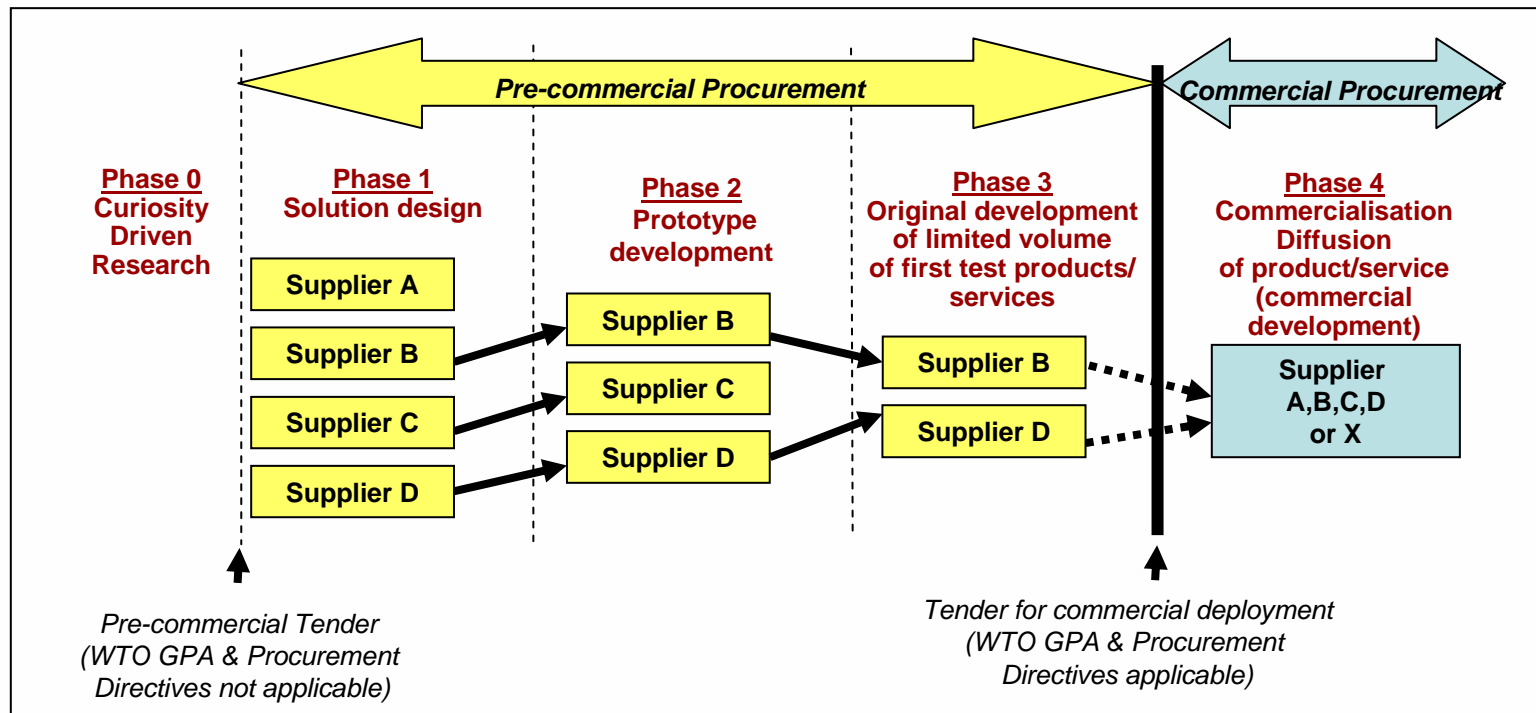
- Public expenditure is 47% of EU-25 GDP, but >20 times less is spent on R&D procurement in EU (~2,5 Bn€) versus US (~55Bn€, 2007)
- More demand to develop new innovative solutions for public sector challenges for which there are no products on the market yet (R&D procurement) can fill half of the EU-US R&D investment gap

Pre-commercial procurement

Bridging the innovation gap through public demand pull

- Specific approach for public sector to procure R&D services, enabling
 - Price/quality products that better fit public sector needs
 - Earlier customer feedback for companies developing solutions
 - Better take-up/Wider commercialisation of R&D results

(COM/2007/799 &
SEC/2007/1668)



Current EU support for PCP

Networking & awareness raising activities

- 2009 calls for proposals
 - support the establishment of networks of public authorities on pre-commercial procurement
 - promote awareness-raising and experience-sharing on PCP, debate mid-to-long term public needs requiring R&D of new technology solutions with potential role for PCP strategies

3 CSAs in FP7 ICT



PCP in
Intelligent
Transport
Systems



PCP in ICT
for health
and energy
domains



PCP in egov
in eastern
European
countries

2 INTERREG IV RFEC fast track networks



PCP at
regional level
in Hungary,
Poland, UK



New project,
speed up innovation
time-to-market
from demand side

Aim of new FP7 ICT WP2011-12 PCP actions?

Go one step further

Help groups of public authorities to progress from...to...

- (1) Awareness raising and exchange of experiences on PCP, preparing strategy for innovating public services that includes PCP
- (2) Validation of jointly defined PCP strategy through implementation of a joint PCP call for tender

Objectives

- Bring **radical improvements** to the **quality and efficiency of public services** with breakthrough solutions.
- Encourage public bodies **to work together** (reduce fragmentation of demand) on new ICT solutions responding to public sector needs.
- Cross-border cooperation on PCP can help better address **issues of common European interest** (interoperability and coherence of solutions across borders).

FP7-ICT-2011-12 support for PCP

What? How? How Much?

Calls for developing new ICT solutions that can improve quality and/or efficiency of public services through joint PCPs in:

Call 7: 28/09/2010 -> 18/01/2011

Objective 5.3(d)

3 Mio €

Call for **joint PCP**
in specific domain:

‘services for mobile
access to patient
health info’

**CP-CSA
only**

Objective 5.4(d)

3 Mio €

Call for **joint PCP**
in specific domain:

‘robotics solutions
for ageing well’

**CP-CSA
only**

Call 8: 26/07/2011 -> 17/01/2012

Objective 3.5(d)

3 Mio €

Call for **joint PCP**
in specific domain:

‘photonics based
solutions to improve
quality/efficiency,
of public services’

**CP-CSA
only**

Objective 11.1

5 Mio €

Open call for
**(a) Networking &
(b) joint PCPs**

in any domain of
public interest:

‘e.g. egov, transport,
energy, environment,
security, health etc’

**(a) CSA
(b) CP-CSA**

Previous networking sessions on Call 8

High Level Hungarian Presidency event on PCP



- When & Where (11-12 April 2011):
 - Day 1: High Level - Economic Drivers & Governance Models for PCP
 - Day 2: Thematic Breakout Sessions – Cross border PCP cooperation in areas of public interest
- Outcomes breakouts on potential areas for joint PCPs & contact people online:
 - ICT for healthcare, sustainability, transport, photonics
 - PCP Events webpage:
http://cordis.europa.eu/fp7/ict/pcp/events_en.html

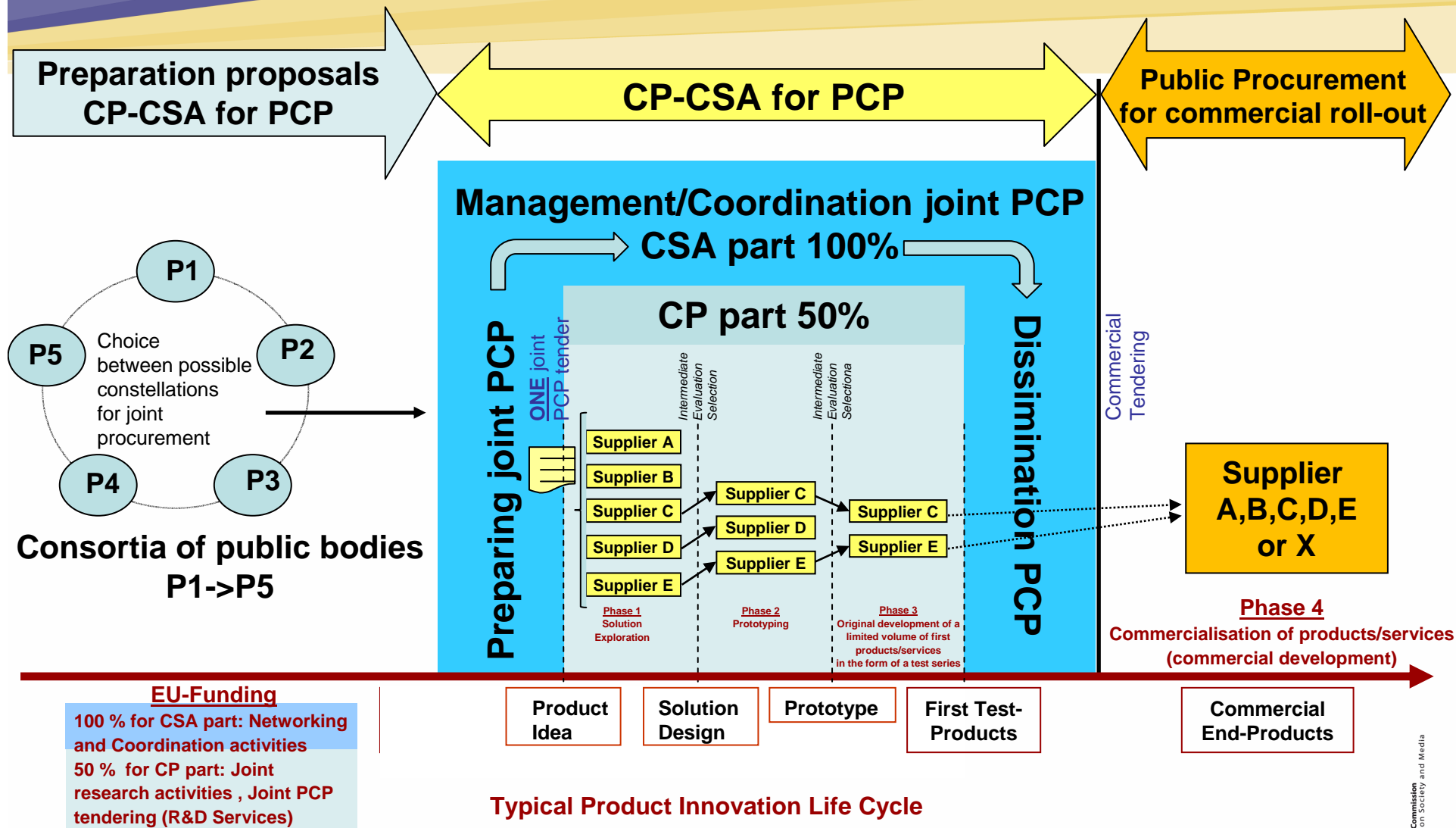
Funding scheme for 'new' support for PCP

Cross-border PCPs on topics of common EU interest

- Support for public authorities planning joint implementation of pre-commercial procurements on topics of common European interest
- EU contribution (CP-CSA): combination of
 - CSA: Reimbursement of eligible costs for **preparation, management and coordination** of the joint PCP call for tender (100% funded)
 - CP: Reimbursement of max 50% of the eligible costs for the **development of the new ICT solutions procured through the joint PCP** (for financing of the R&D to be performed by the bidders/subcontractors selected via the joint PCP)

* CP-CSA = combination of CP and CSA funding within the same EC grant agreement

What does "CP-CSA for PCP" EC financing cover



Important docs to check at proposal/evaluation stage

- **Work Programme 2011-12, Call fiche**
 - Read Obj. 11.1 and Appendix 6 (also for Obj. 3.5 proposals)
 - Every CP-CSA on PCP has to comply with requirements on the PCP procedure explained in Obj. 11 & Appendix 6
- **Guide for Applicants for CP-CSAs on PCP !**
 - Guidance on how to prepare and evaluate proposals
 - This is a GfA “specifically tuned” to the needs of CP-CSAs for PCP !
- **COM/2007/799, SEC/2007/1668 and FAQs**
 - See PCP website “key docs”
 - Contains the basics: why and how PCP

Expression of interest forms (one for 11.1, one for 3.5)

- Can help to find partners beyond traditional FP participants

Pre-proposal check

- Provides feedback on draft pre-proposal

Eligibility criteria consortia

- Minimum number of participants
 - **3 mutually independent public bodies** from 3 different Member States or FP7 Associated Countries
 - Critical mass of public **purchasers** necessary to trigger wide implementation of the public service innovation strategies and solutions that will be specified and/or developed during the PCP with clear financial commitments.
- Eligible public bodies
 - **Public purchasers**, planning to integrate PCP into their procurement programs
 - **Public authorities** (e.g. managing R&D&I programs) planning to provide incentives to public purchasers to do PCP

Eligibility criteria consortia ctd.

- What is meant by “public purchasers”
 - **Public bodies & Utilities** that are contracting authorities as in public procurement directives 2004/18/EC & 2008/17/EC
 - These are the **public bodies that would have to purchase the new solutions** that could be developed as a result of a pre-commercial procurement to obtain the required quality and efficiency improvements in their public service offering.
 - **Examples:** public hospitals / transport operators, ministries (e.g. for health, welfare, transport, environment, justice, etc), water or energy utilities, local/regional authorities, police or fire fighters

Eligibility criteria consortia ctd.

- Other stakeholders
 - Whose participation well justified -> may participate, but...
- Universities
 - May participate **on the buyers side** as “public bodies” interested in procuring the development of new solutions
 - If “for profit”, may participate **on the supply side** as bidders/contractors developing solutions in the PCP
- Private bodies
 - **Potential suppliers** of solutions sought for by the public bodies -> not eligible to participate as EC grant beneficiaries (to avoid conflicts of interest)
 - **Not potential suppliers** of solutions sought for by the public bodies -> may participate as EC grant beneficiaries (e.g. private demand side actors such as private hospitals)

Getting solutions developed through the joint PCP Subcontracting


- Private bodies that are potential suppliers of solutions in the area sought for by the selected PCP CP-CSA consortia can only get “financing” after the CP-CSA is started
 - The selected PCP CP-CSA consortia will launch an EU wide open call for tender to invite industry to send in offers for the research and development of the solutions sought for
 - For the CP-CSAs for PCP, the eligible costs for the development of ICT solutions that are procured by the consortia participants from subcontractors selected through the joint PCP call for tender, can be reimbursed up to maximum 50%

Type of activities supported under CP-CSA

- **CSA part: Networking and Coordination activities**
 - for public bodies in Europe to cooperate in the innovation of their public services through a strategy that includes PCP. Relates to the development and implementation of common, joint, strategic PCP activities – even if in a pilot form.
- **CP part: Joint research activities**
 - related to validating the PCP strategy jointly defined by the public bodies participating in the action. This includes the exploration by the participating public bodies, through the execution of a joint pre-commercial procurement, of possible solutions for the targeted improvements in public sector services, and the testing of these solutions against a set of jointly defined performance criteria.
- The two categories of activities are **mandatory** in a CP-CSA due to the synergistic effects between the two components.

Type of activities supported under CSA part of CP-CSA ctd.

- Defining the mid-to-long term **solution requirements** for the required public service innovation, and resulting **specifications** for a joint PCP call for tender

 Note: In their proposal for a CP-CSAs for PCP, consortia shall have jointly identified a concrete challenge in the mid-to-long term innovation plans of the participating public purchasers that requires new R&D and that is proposed to be procured in cooperation through PCP

- Establishing and implementing **good practices for multinational PCP evaluation and monitoring** (common evaluation criteria & implementation methods)

Type of activities supported under CSA part of CP-CSA ctd.

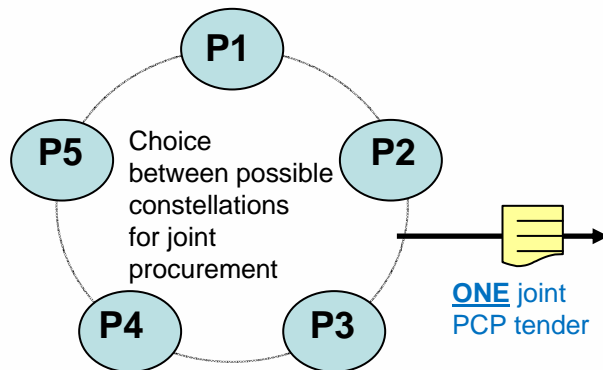
- Other networking and coordination activities essential to the **preparation, management and coordination of a joint PCP call for tender**, such as:
 - Building cooperation with other stakeholders essential for the implementation of a PCP strategy (e.g. public purchasers, R&D&I agencies, public procurement policy makers, other stakeholders).
 - Updating of the joint PCP action/implementation plan based on the outcomes of the PCP evaluations after each phase of the joint PCP (e.g. joint regulatory agreements, joint standardisation activities)

Type of activities supported under CSA part of CP-CSA ctd.

- Developing **personnel exchange and/or joint training activities** on PCP to support a wider cooperation between public purchasers on introducing innovative solutions in public services across Europe
- Establishing **specific cooperation agreements or (legal) arrangements** between participants to prepare for further trans-national PCP projects or programmes
- **Dissemination of results** and contribution to **standardisation** bodies (based on jointly defined requirements for the innovation of public services)

Type of activities supported under CP part of CP-CSA

- The exploration, through a joint PCP, of possible solutions for the targeted improvements in public sector services, and the testing of these solutions against a set of jointly defined performance criteria.



Consortia of public bodies
P1->P5

- **"Joint procurement"** means combining the procurement actions of two or more contracting authorities. The key defining characteristic is that there should be only one tender published on behalf of all participating authorities. One entity signing contracts with all suppliers on behalf of consortium.

- Different constellations for joint procurement are allowed

Typical joint procurement constellations under CP part of CP-CSA

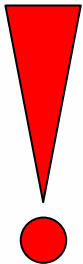
- In the "**common procurement entity**" constellation all involved public purchasing authorities commonly establish or designate one external legal entity to conduct the joint procurement with a joint mandate and joint resources of all public purchasing authorities.
- In the "**lead authority**" constellation a group of public purchasing authorities collaborate through their existing purchasing departments in such a way that one public purchasing authority of the group is designated as lead authority to take responsibility for sourcing markets, tendering and arranging contractual documentation for specific procurements, all in consultation with other purchasing authorities involved in the joint procurement.
- In the "**piggy-backing**" constellation one public purchasing authority executes the procurement and provides access to the results of the contract for a wider range of authorities, essentially by stating in the Contract Notice that other named public purchasing authorities may also wish to make use of the resulting contract a later date (normally during the timeframe of the original contract).

Obj. 11.1 & App. 6: specific requirements for joint PCP procurement in the CP-CSAs

- **EU wide publication** of PCP tender, at least in English
 - in compliance with Treaty principles
- All offers evaluated based on **same objective criteria**
 - regardless of company size, location of head office
- Use **functional/performance based specifications**
 - not prescribing specific solution approach
- Joint PCP has to cover **phase 1 to 3** and needs to have **multiple companies** developing in competition
 - one framework contract with 3 specific contracts/phases
- Tenders awarded based on **best value for money** (not just lowest price) and **market price** (no State aid)
- **IPRs shared**: ownership rights with companies, free usage rights & right to license with procurers
 - Financial compensation at market price to procurers for leaving IPR ownership rights with suppliers
- Support Europe 2020 objectives of **growth and job creation**
 - relevant portion of the activities related to PCP contract in Europe*

* In the EEA or a country having a Stabilisation and Association Agreement with EU

Financial regime

- CSA part
 - Direct eligible costs CSA part: funded at 100%
 - Indirect eligible costs CSA part: max 7% of direct eligible costs (excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the participant)
 - CP part
 - Reimbursement is limited for all participants to maximum 50% of the eligible (direct) costs for the development of the new ICT solutions procured through the joint PCP call for tender.
-  *This is a specific condition for this action. The 75% reimbursement rate for non-profit bodies, secondary and higher education establishments, research organizations and SMEs under R&D activities in other FP7 actions will not apply to CP-CSAs for PCP (see Special clause Nr.7 of the Grant Agreement).*
- No indirect costs (overheads)

Duration / Distribution of budget

- Overall Duration CP-CSA
 - No formal min / max duration (typically 2->4 years)
 - No conditions on duration for subparts (CP versus CSA)
- Distribution of budget over CP vs CSA part
 - Balance in budget needed for CP vs CSA part depends on
 - CP part: Small/easy vs big/complex solution to be developed
 - CSA part: Small versus large consortium, many 'side' networking activities or just preparation & management of joint PCP

No conditions on this in WP/calls -> consortia make proposal
Duration and budget distribution will be fixed in grant agreement

Evaluation Criteria



Combination of All funding schemes, CSA & CP evaluation criteria
with specific connotation (detailed info in Guide for Applicants)

S/T QUALITY	IMPLEMENTATION	IMPACT
<ul style="list-style-type: none">• Soundness of concept and quality of objectives.• Progress beyond the state-of-the-art (relevant only to CP part of the proposal).• Contribution to the coordination of high quality research (relevant only to CSA part of the proposal).• Quality and effectiveness of the CSA mechanisms (mechanisms proposed to achieve the objectives of the networking and coordination CSA part of the project), and associated work plan• Quality and effectiveness of the S/T methodology and associated work plan (relevant only to CP part of the proposal).	<ul style="list-style-type: none">• Appropriateness of the management structure and procedures.• Quality and relevant experience of the individual participants.• Quality of the consortium as a whole (including complementarity, balance).• Appropriate allocation and justification of the resources to be committed (staff, equipment ...).	<ul style="list-style-type: none">• Contribution at the European level, to the expected impacts listed in the work programme under relevant topic/activity.• Appropriateness of measures for the exploitation of project results, dissemination of knowledge, through the engagement with stakeholders and the public at large, and the management of intellectual property and for spreading excellence.

S/T Quality

Read carefully the Guide for Applicants for CP-CSAs for PCP
Don't forget in particular the following points (non exhaustive)

S/T QUALITY	
• Soundness of concept and quality of objectives.	Overall approach for combining networking and coordination activities with joint research activities (PCP procurement of new ICT developments) to bring the targeted quality and efficiency improvements in the area of public interest addressed by the project
• Progress beyond the state-of-the-art (relevant only to CP part of the proposal).	The degree of ambition in the R&D services to be procured in the joint PCP Justification provided in proposal that the topic proposed for the joint PCP call for tender fits the scope of an R&D services contract
• Contribution to the coordination of high quality research (relevant only to CSA part of the proposal).	How the proposed joint networking and coordination activities strengthen the cooperation between public bodies in Europe in the innovation of their public services through a strategy that includes PCP, in particular through the preparation, management and coordination of a joint PCP call for tender
• Quality and effectiveness of the CSA mechanisms (mechanisms proposed to achieve the objectives of the networking and coordination CSA part of the project), and associated work plan	(1) Overall methodology to achieve objectives of the CSA part (2) Work Plan, Work Packages, Deliverables, Milestones for CSA part
• Quality and effectiveness of the S/T methodology and associated work plan (relevant only to CP part of the proposal).	(1) Overall methodology to achieve the objectives of the CP part incl. how the joint PCP call for tender will be implemented in line with objective 11.1 and Appendix 6 requirements (2) Work Plan, Work Packages, Deliverables, Milestones for CP part incl. joint procurement cost table

Implementation

Read carefully the Guide for Applicants for CP-CSAs for PCP
Don't forget in particular the following points (non-exhaustive)

IMPLEMENTATION	
• Appropriateness of management structure and procedures.	Organisational structure and decision-making process for overall CP-CSA and PCP part How this matches the complexity and scale of the project
• Quality and relevant experience of the individual participants.	Relates to the direct beneficiaries of the EC grant, not to the tenderers that will participate in the joint PCP (still unknown at time of grant signature before launch of joint PCP)
• Quality of the consortium as a whole (including complementarity, balance).	How participants collectively constitute a consortium capable of achieving project objectives: (1) Complementarity between participants (2) Balance in composition of the consortium in relation to the objectives of the project (3) Appropriate level of representation (local / regional / national) (4) Critical mass of public purchasers necessary to trigger wide implementation of the public service innovation strategies and solutions specified and/or developed during the PCP (5) Justification for subcontracting (in CSA / CP part), additional partners, other countries
• Appropriate allocation and justification of the resources to be committed (staff, equipment ...).	Mobilisation of resources (staff and equipment) incl. those complementing EC contribution How totality of resources will be integrated in a coherent way How the overall financial plan for the project is adequate Critical mass of public purchasers with clear financial commitments to undertake a joint PCP

Implementation

Read carefully the Guide for Applicants for CP-CSAs for PCP
Don't forget in particular the following points (non exhaustive)

IMPACT

- Contribution at the European level, to the expected impacts listed in the work programme under relevant topic/activity.
- Appropriateness of measures for the exploitation of project results, dissemination of knowledge, through the engagement with stakeholders and the public at large, and the management of intellectual property and for spreading excellence.

Contribution to impacts listed in work programme:

- (1) More forward-looking, cross-border public sector approach to societal challenges
- (2) Increasing opportunities for wide market uptake & economies of scale for supply side active in Europe (more info on slide 28)

- (3) Reducing fragmentation of public sector demand for new ICT solutions

The co-operation developed during the actions should also provide reliable indications that it could continue beyond the EU funding

Explain why this requires a European (rather than a national or local) approach

- (1) Wide publication of results of cross border PCP activities
- (2) Removal of barriers to market introduction for the developed PCP solutions through joint regulatory action or contribution to standardisation based on jointly defined public sector PCP solution requirements specifications
- (3) Division of IPR rights between public purchasers and companies participating in the PCP according to Appendix 6 of the work programme.
- (4) Appropriate consultation of stakeholders. Industrial/commercial involvement to ensure wide exploitation of the results, incl. opportunity of involving SMEs (more info on slide 29 & 30)

Evaluation criterion Impact bullet 1

Info about impact on encouraging job creation "in Europe"

- PCP procurement exempted from WTO GPA
 - FP7 co-financing for joint cross border PCPs can be used to foster job creation "in Europe"
- WP Appendix 6 requires (as per SEC(2007)1668):
 - "The PCP process should be organised so as to stimulate companies to locate a relevant portion of the R&D and operational activities related to the PCP contract in the European Economic Area or a country having concluded a Stabilisation and Association Agreement with the EU."

GPA = Government Procurement Agreement

Evaluation criterion Impact bullet 2

Info about possibility of stakeholder consultation

- Consortia of public bodies can organise open dialogue with stakeholders (industry, consumer organisations etc)
 - Can be part of the preparatory phase of the CSA (before launching the joint PCP call for tender)
 - Enables to broach the views of the market before starting the PCP tendering process
- Has to be done such that it does not have the effect of precluding / distorting competition
 - Open to anyone to join (notify start date of dialogue in OJ)
 - Same info shared with all external stakeholders etc

Evaluation criterion Impact bullet 2

Info about possible involvement of SMEs

- No restriction of PCPs to SMEs
 - To respect EU Treaty non-discrimination principle
- But, Guide for Applicants recommends not to use disproportionate qualification or financial guarantee requirements in the joint PCP call for tender
 - As such selection criteria can exclude SMEs
- Such selection criteria not useful in PCP
 - No supplier has customer references for something still to be developed that does not exist yet on market
 - Asking for min turnover of firms works counterproductive (innovative bids that can create radical quality / efficiency improvements in public service can be expected from SMEs)

Indicative Timetable for Call 7

Publication of call	<i>26 July 2011</i>
Deadline for submission of proposals	<i>17th January 2012; 17h00 Brussels time</i>
Evaluation of proposals	<i>February – March 2012</i>
Evaluation Summary Reports sent to all proposal coordinators	<i>Early April 2012</i>
Invitation letter to successful applicants to launch negotiations with Commission services	<i>Mid-April 2012</i>
Letters to unsuccessful applicants	<i>May 2012</i>
Signature of first grant agreements	<i>July 2012</i>

Please note that ICT Call 7 closes at
17h00 Brussels time on 17th January 2012

Pre-Commercial Procurement (PCP) website

Info on calls, EU funded projects, background docs, FAQs, etc

http://cordis.europa.eu/fp7/ict/pcp/home_en.html

Expression of interest forms for Call 8 PCP actions
(Share your contacts/area of interest to find potential partners)

http://cordis.europa.eu/fp7/ict/pcp/calls_en.html

Call 8 website

Official call docs: work programme, call fiche, guide for applicants,...

Contact details for pre-proposal check

Access to online proposal submission system: EPSS

<http://ec.europa.eu/research/participants/portal/page/cooperation?callIdentifier=FP7-ICT-2011-8>