

# FP7-ICT-2011-12 Pre-Commercial Procurement (PCP) Actions

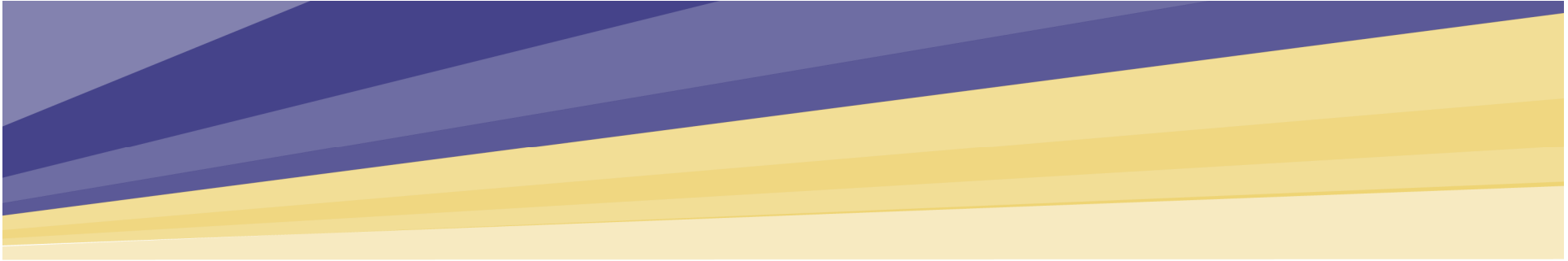
Open call in Objective 11.1

Calls for PCPs in specific public sector domains  
in objectives 5.3, 5.4 and 3.5

[lieve.bos@ec.europa.eu](mailto:lieve.bos@ec.europa.eu)

**Strategy for ICT research and innovation unit  
DG Information Society and Media  
EU Commission**

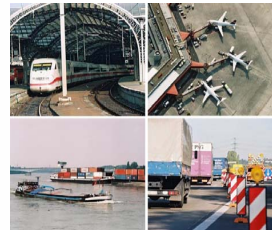




- Rational behind PCP

# What is the rationale behind PCP?

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



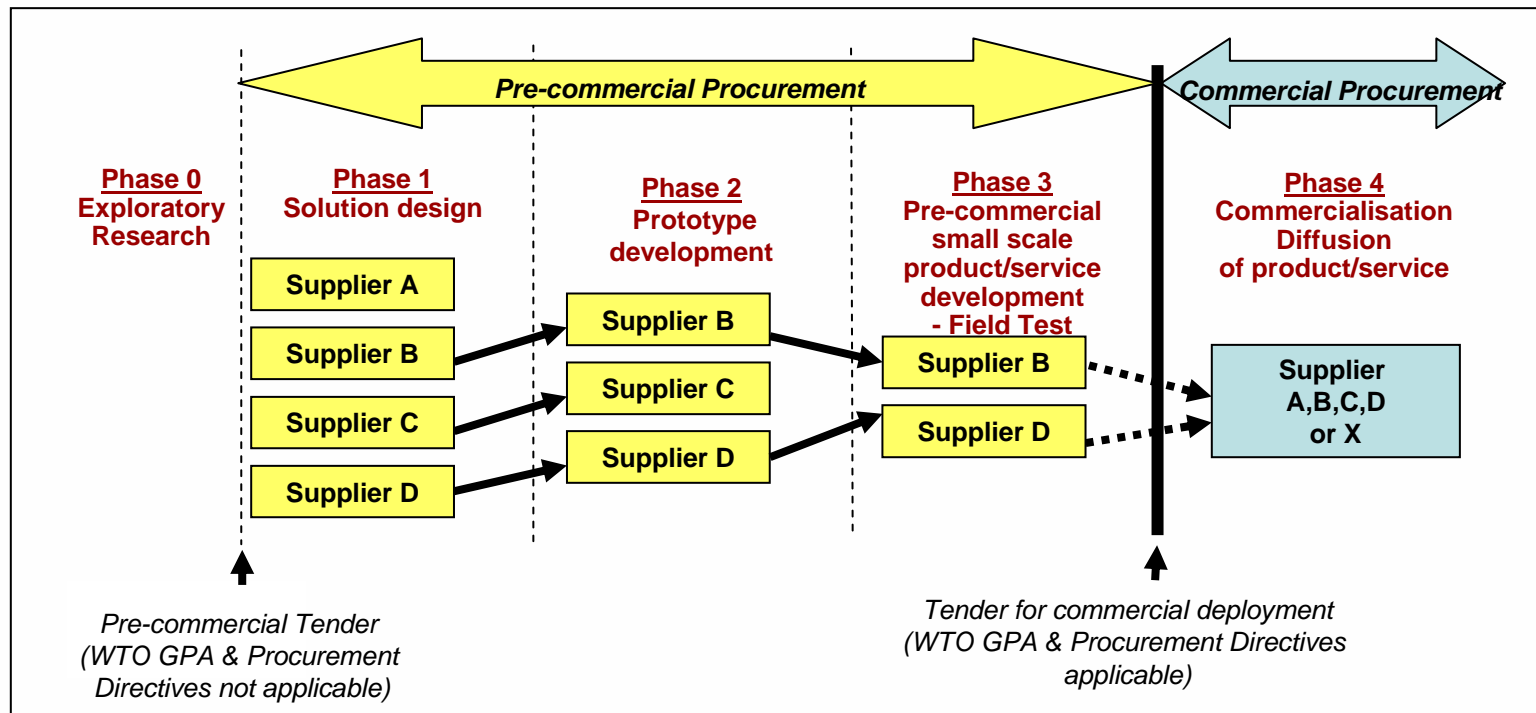
- Public sector is faced with important **societal challenges**.
- Addressing these, often requires public sector transformations so technologically demanding, that **no commercially stable** solutions exist on the market yet, and forward looking public procurement strategies (incl. procurement of **R&D**)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

# 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)



- 
- Concrete case examples

# (1) Famous international cases

Life changing technologies resulting from R&D procurements

- Air crafts
- Semiconductor technology
- Internet protocol
- GPS
- Wireless CDMA protocol technology (Qualcomm)
- High performance computing technology
- First single chip processors (Intel)
- First applications for hydrogen, biotech (Genentech), nanotechnology

Study "Opportunities for technology procurement in ICT-related sectors in Europe,  
Ramboll management, June 2008"

## (2) Famous international cases Computer development case - US

- Since the 60s US government has set itself the ambition to actively spur continuing technological progress in computing by demanding ever higher levels of technical performance.
  - Regular long term planning of R&D procurements across agencies
- The cost per unit of computing power has reduced a trillion times over 60 years of US R&D computing procurements.
  - Enormous cost savings to computing-intensive gov. departments
  - Large spill-over effects to PC affordability for consumer segment

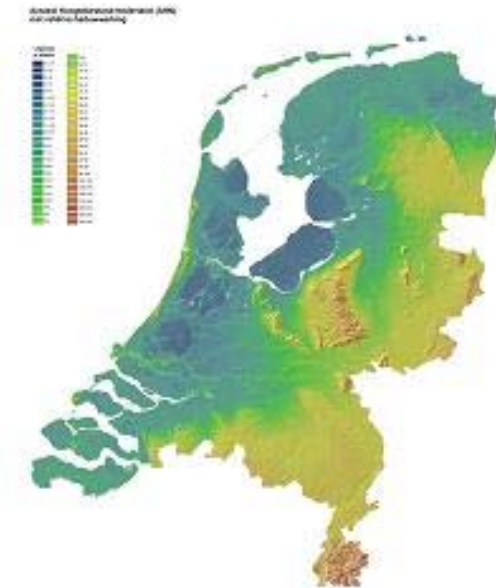
Chapter 8 'policy framework' of the book 'Getting up to speed: the Future of Supercomputing', Committee on the future of supercomputing, National Research Council, 2004

# Results: world leading companies life-changing technologies developed

| <b>Public Procurer</b>       | <b>Competing Companies</b> | <b>Technologies Developed</b>                               |
|------------------------------|----------------------------|---|
| DOD - DOE - NSA<br>(50s-60s) | IBM, CDC/ETA               | Multiprogramming<br>Memory protection<br>General Interrupts |
| DOE Laboratories (70s)       | Cray, IBM                  | Vector Processing   |
| DARPA, Universities (80s)    | DEC, CDC, IBM,<br>UNIVAC   | Timesharing   |
| Universities (80s)           | SUN, DEC, HP, IBM          | Work stations   |
| DOE (90s and beyond)         | HP, IBM, SGI, Cray, SUN    | Teraflop<br>(petaflop?) machines                            |

Table: Computer systems development supported by government purchases.  
SOURCE: ' May 2006 report for the US Center of Research and Development Strategy ',  
Gerald Hane, Special Assistant in the Office of Science and Technology Policy of the  
Executive Office of the US President on the interaction of trade and security  
on international science and technology policy, May 2006

## (3) Example PCP-like pilot in Europe



The Netherlands: 40% below sea level

- 17.000 km of dikes
- made of clay, sand, peat
- experience with high water
- visual inspection



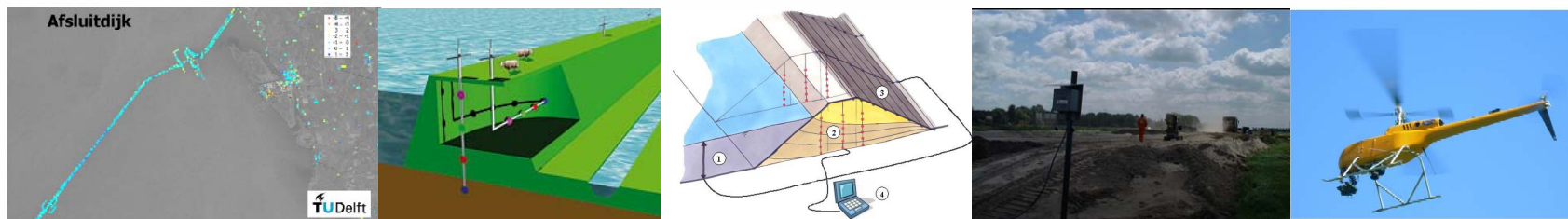
# Unexpected dike problems

- Dike burst in Wilnis (August 2003) caused by **dry** period that weakened peat dike
  - Leak in the dike in Spijk (January 2004) caused by broken water pipe **inside** the dike along the Juliana canal.
- Start programme Improvement inspection of dikes and dams:
- Need for new techniques for real time visual dike inspection and early warning systems



# Added value pilot

- New parties: from other sectors and starting companies
  - Budget for phase 1 (5 companies) – 250,000€
  - Budget for phase 2&3 (2 companies) – 850,000 €
- Instead of theoretic market studies, prospect of solving problem:
  - 2 systems entering the market within 5 years
  - today starting to sell to Dutch and US procurers
- Close participation of problem owners: dike managers
- Totally new approaches: satellite, chip, helicopter based etc
  - Better insight of pro & cons of different solutions
  - less risk to miss-specify tender specs for large roll-out
- No obligation to purchase large roll-out from any supplier



- 
- EU support for PCP

# Current EU support for PCP

## Networking & awareness raising activities

- 2009 calls for proposals
  - In FP7, CIP and INTERREG IV RFEC
  - 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
- 2 RFEC fast track networks



PCP in  
Intelligent  
Transport  
Systems



PCP in ICT  
for health  
and energy  
domains

**PROGR  
- EAST**

PCP in egov  
in eastern  
European  
countries



PCP at  
regional level  
in Hungary,  
Poland, UK

**MKW**  
Making Knowledge Work

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

# 'New' FP7-ICT-WP2011-2012 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)

# 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**
- 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
- What is meant by “public purchasers”
  - Public bodies & Utilities **as in public procurement directives**
  - E.g.: 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

- Other stakeholders
  - Whose participation well justified -> may participate, but...
- 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 hospitals, health insurance companies etc)
- Universities
  - May participate **on the buyers side** as “public bodies” interested in procuring new development of solution xyz
  - If “for profit”, may participate **on the supply side** as bidders/contractors developing solutions in the PCP

# WP2011-2012 support for PCP

## What? How? How Much?

- Two types of calls for PCP Actions
  - Calls focusing on **specific areas of public interest**
    - ICT for health & ageing (obj. 5.3(d) & 5.4(d), call 7)
    - Photonics (obj. 3.5(d), call 8)
  - **Open call** for any domain of public sector needs
    - Addressing ICT solutions for security, e-gov, transport, energy, environment, health, ageing etc (obj.11.1, call 8)
- Budget on PCP actions: 14Mio EURO total
  - 3 Mio per area for the specific calls in health, ageing, photonics
  - 5 Mio for the call open to any domain of public sector needs

**Call 7: 18 Sept 2010 -> 18 January 2011**  
**Call 8: +/- 1 year later**

# Where can I network / find partners? for submitting PCP proposals to call 7

- For call 7: PCPs on ICT for ageing & health
  - FP7 Info day (joint ageing / health PCP workshop)
  - Venue: 15 October 2010, Brussels
  - Agenda: [http://ec.europa.eu/information\\_society/activities/einclusion/events/info\\_day\\_call7/index\\_en.htm](http://ec.europa.eu/information_society/activities/einclusion/events/info_day_call7/index_en.htm)
- Other opportunities to meet health procurers & discuss PCP
  - E-health procurement workshop
  - Venue: 7 October 2010, Brussels
  - Agenda: <http://epractice.eu/en/workshops/ehealth>

## Interesting Links

### **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](http://cordis.europa.eu/fp7/ict/pcp/home_en.html)

### **Link to Work Programme FP7-ICT-2011-7**

[http://cordis.europa.eu/fp7/dc/index.cfm?fuseaction=UserSite.FP7DetailsCallPage&call\\_id=376](http://cordis.europa.eu/fp7/dc/index.cfm?fuseaction=UserSite.FP7DetailsCallPage&call_id=376)