



**Public Demand Driven Innovation
Innovation Procurement (PCP and PPI)
in Horizon 2020
Updated version for WP2018-20 calls**

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State of Play

PCP-PPI



Dual objective



- 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



PPI – Public Procurement of Innovative Solutions



- **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**

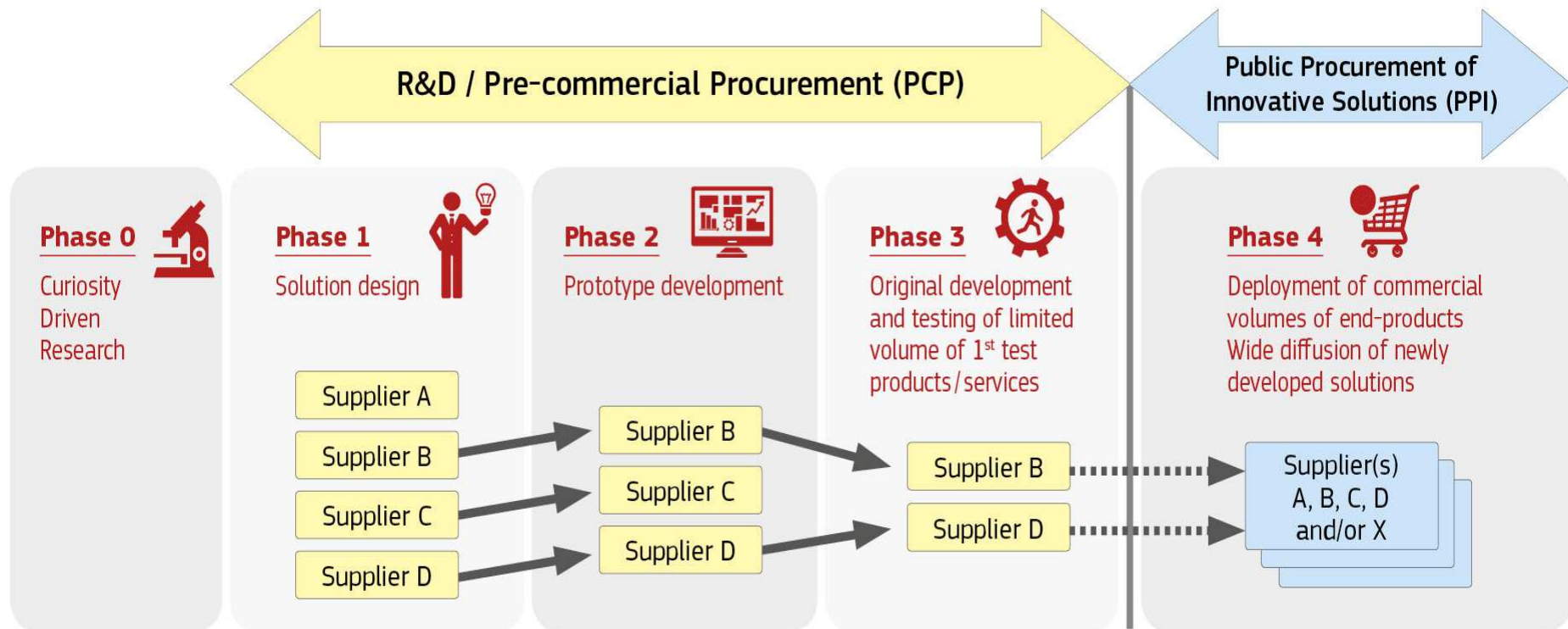
- Public sector buys R&D from **several suppliers in parallel** (comparing alternative solution approaches), in form of competition **evaluating progress after critical milestones** (design, prototyping, test phase), risks & benefits of R&D (in particular related to IPRs) shared with suppliers to maximise incentives for wide commercialisation



Innovation Procurement: PCP + PPI Complementarity



- **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



Complementarity / split between PCP and PPI and phased approach enables to...



- 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, HU, IE, FR,...
EE, LV develop innov. proc. strategy*

*DE, PL put innov. proc. in R&D&I strategy
IT (€ 150M), ES (€ 250M) to PCP/PPI struct 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&I 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&I strategy

UK NHS and MOD PCPs and PPIs, NL launching customer (PPI)

2008 2009 2010 2011 2012 2013 2014 2015 2016

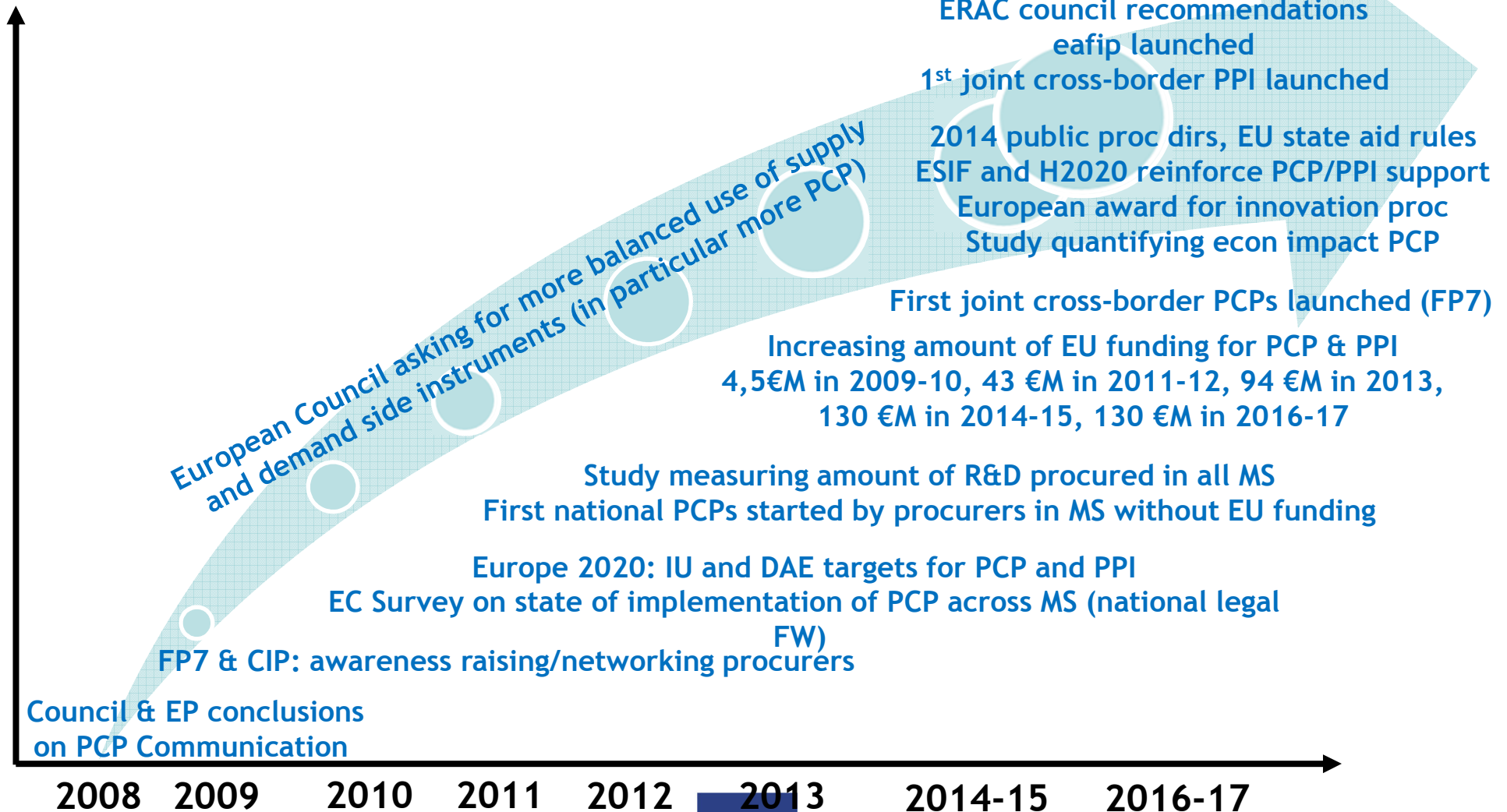


Growing impact at European level



More info on these EU policy initiatives on innovation procurement
http://ec.europa.eu/information_society/newsroom/cf/dae/itemdetail.cfm?item_id=16605

Network national competence centers on innov proc



What can countries/regions do?



Political encouragement

- Modernising public sector 'a priority'
Quality-efficiency improvement targets
e.g. Lombardia/IT, UK
- 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, EE, DE)
- Innov Proc financial support program
(e.g. SE, FI, ES, EE, HU, DE)

Encourage demand side to meet supply side

- Early notification innov proc needs
- Open market consultations
Meet the buyers events

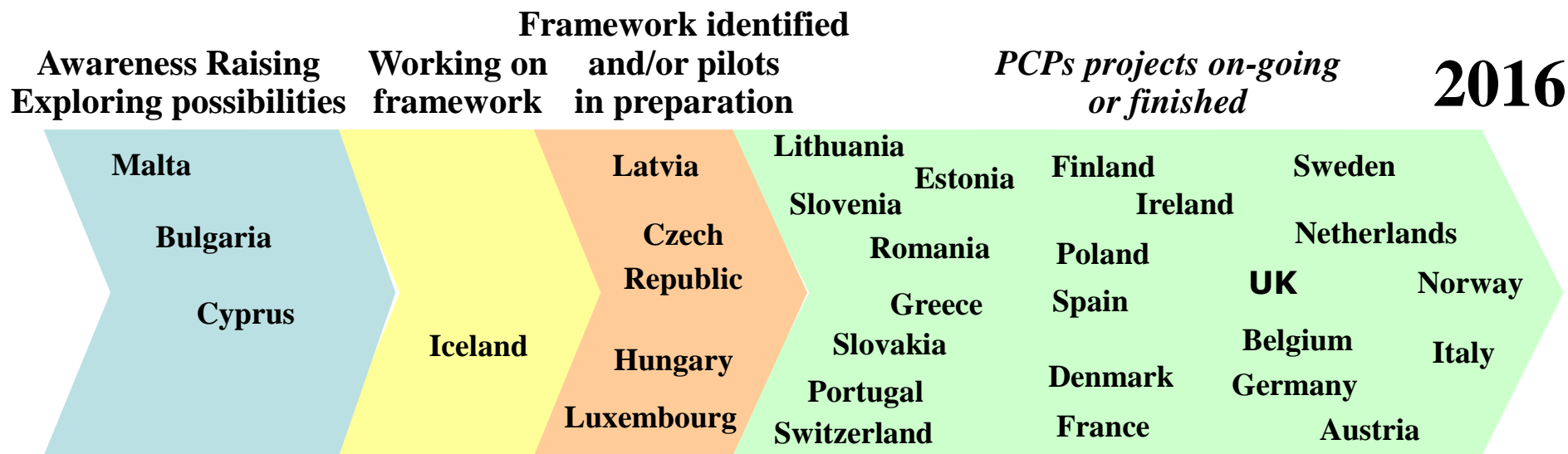
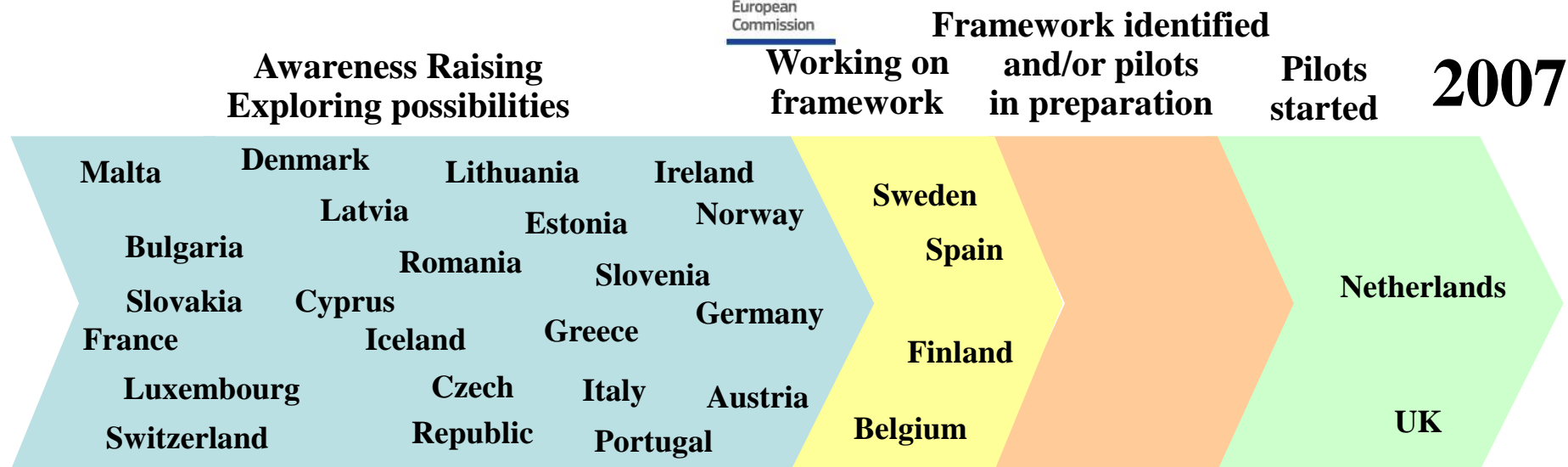
Leverage EU funding

- Horizon 2020
 - ESIF
 - EIB loans
- } Increased support for innov proc



Progress PCP implementation

Learn from first movers



Examples of initiatives without EU support: <http://ec.europa.eu/digital-agenda/news/innovation-procurement-initiatives-around-europe>
 Overview of EU funded PCPs/PPIs: <http://ec.europa.eu/digital-agenda/eu-funded-projects>

Examples PCPs EU funded Transport



Non-EU funded Health

CHARM



URL: tinyurl.com/CHARM-PCP

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



Niguarda Hospital PCP

URL: http://inspirecampus.eu/wp-content/uploads/2014/09/INSPIRE_case_study_LOMBARDY_hospital_pcp3.pdf

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)

Examples PPIs

EU funded Transport



Non-EU funded Health

HAPPI

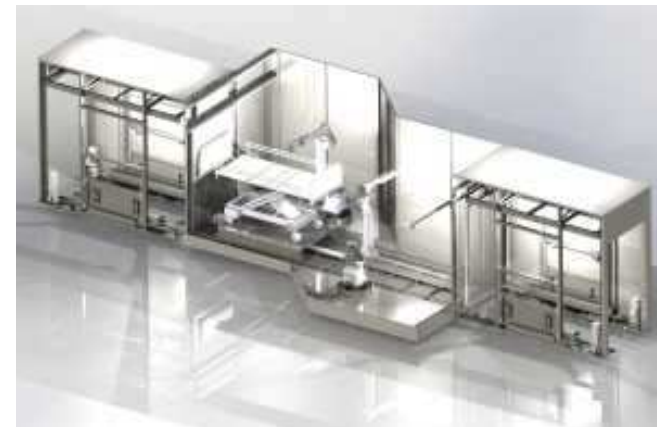


URL: www.happi-project.eu

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 (established 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 have 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



URL: <http://www.innovation-procurement.org/award/erasmus-mc/>

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%

Why European cooperation on PCP-PPI?



- **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 EU funded projects doing PCPs (FP7)

More info on: <http://ec.europa.eu/digital-agenda/en/eu-funded-projects>



HEALTH AGEING

THALEA (PCP)

Tele-detection/care of ICU patients

SILVER (PCP)

Robotics ageing well

DECIPHER (PCP)

Services mobile health data

MAGIC (PCP)

Post stroke recovery

EMPATTICS (PCP)

Chronic disease self-management

NIGHTINGALE (PCP)

Wearable sensors

STARS (PCP)

Stress reduction

NYMPHA-MD (PCP)

Mental care for bipolar disorders

PCP in Human Brain Project

PCP on supercomputing / brain modelling

RELIEF (PCP)

Pain self-management

ANTISUPERBUGS (PCP)

Detection of superbugs

LIVE INCITE (PCP)

*Life style interventions
in perioperative care*

PROEMPOWER (PCP)

Diabetes disease self-management



Overview EU funded projects doing PCPs (FP7/H2020)

More info on: <http://ec.europa.eu/digital-agenda/en/eu-funded-projects>



E-GOV

SELECTforCities (PCP)

Open City IT platform for cities

Cloud for Europe (PCP)

Cloud computing e-gov

HNSciClouds (PCP)

Research Science Cloud

PREFORMA (PCP)

Long term digital preservation

TRANSPORT

CHARM (PCP)

Traffic Management

V-CON (PCP)

Virtual road infrastructure modelling

EDUCATION

IMAILE (PCP)

Personalised learning needs

SAFETY

SMART@FIRE (PCP)

Smart Textiles ICT for fire fighters

SUSTAINABILITY

PRACE 3IP (PCP)

High Performance Computing

MARINE-EO (PCP)

Earth Observation, marine-security

RESEARCH

QUACO (PCP)

More powerful quadrupole magnets

SMART-MET (PCP)

Smart Metering water sector

Overview EU funded projects doing PPIs (CIP/H2020)

More info on: <http://ec.europa.eu/digital-agenda/en/eu-funded-projects>



HEALTH AGEING

HAPPI (PPI)

Healthy Ageing

STOP AND GO (PPI)

Telecare for elderly with multiple conditions

ECOQUIP & LCB-HEALTHCARE (PPI)

Low carbon healthcare

THALEA II (PPI)

Telemedicine for ICU patients

RITMOCORE (PPI)

Remote care for Arrhythmia / Pacemaker patients

TRANSPORT

FIRED-UP (PPI)

Vehicles Fire Fighters

SYNCRO (PPI)

Smart roads communication

ICT

PPI4HPC

High Performance Computing

SUSTAINABILITY

PRO-LITE (PPI)

Cities/Metro Lighting

INNOBUILD (PPI)

Sustainable buildings

INNOCAT (PPI)

Sustainable catering

INNOBOOSTER (PPI)

Office Furniture & Lighting

PROBIS (PPI)

Sustainable construction

SPEA (PPI)

Sustainable buildings

PAPIRUS (PPI)

Sustainable construction

EU funded CSAs/Networks of procurers (FP7/CIP/H2020)

More info on: <http://ec.europa.eu/digital-agenda/en/eu-funded-projects>



HEALTH AGEING

SAEPP (preparing PCP)

Ambulance ICT

C4BI (networking)

Cities on healthcare

PRO4VIP (preparing PCP)

ICT for Visually impaired

EPP-eHealth (preparing PCP/PPI)

Cities on e-health

INSPIRE (Training PCP, link with VC)

E-health procurers

TRANSPORT

P4ITS (Preparing PPI)

Intelligent Transport Systems

TRANSFORM (Networking)

City/Regional transport

BUYZET (Networking)

City transport goods/services

SPICE (Networking)

City transport/mobility

ICT

PICSE

Research cloud

COMPLETE

Photonics broadband

Security

BROADMAP (Prep PCP)

Radio communications

SUSTAINABILITY

CEPPI 2 (prep PPI)

Cities – energy consumption

BRODISE (Prep PCP)

Soil decontamination

GREENS (prep PPI)

Energy agencies – CO2

SPP regions (capacity building)

PPI – sustainability

WATER PIPP

Water procurers

EURECA (prep PPI)

Green data centers

InnProBio Forum (capacity building)

PPI – bio based products

PPI4WASTE

Waste management

Evidence on impact from successful examples

More info - PCP impact study- on: <https://ec.europa.eu/digital-agenda/en/news/quantifying-impact-pcp-europe-study-smart2014-0009>



- **Shortening of time-to-market:** Customer drive & feedback-> solution design to tested product -full R&D- in 18 mths (e.g. THALEA PCP)
- **Min 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 e.g. Lombardy and CHARM PCP
- **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

Info about impacts of EU funded PCPs

<https://ec.europa.eu/digital-single-market/en/news/results-eu-funded-pre-commercial-procurements>



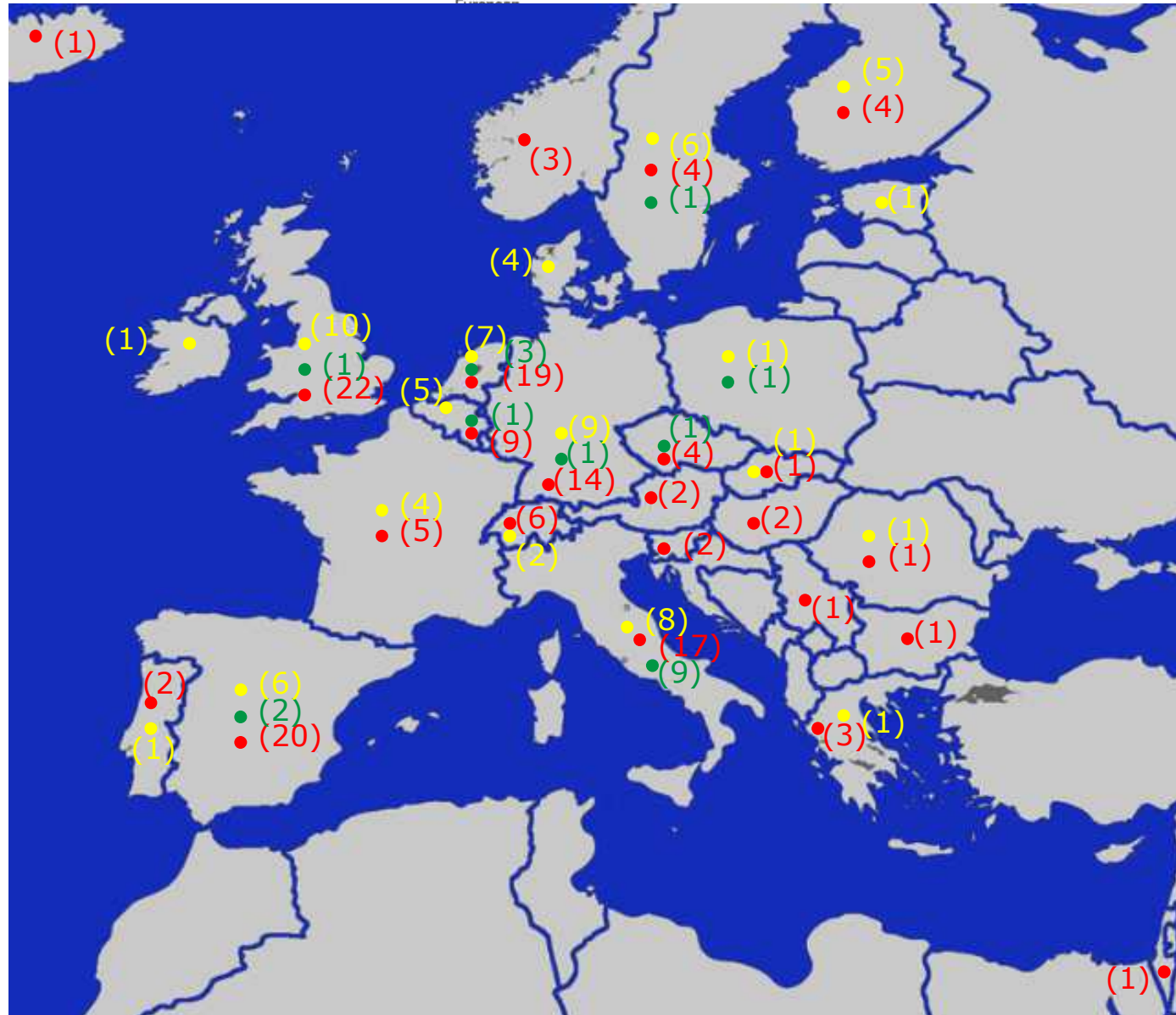
- **Opening a route-to-market for new players/SMEs**
 - 71% of contracts won by SMEs (SME lead bidder, bidding alone or with partners)
 - Compared to 29% average in public procurements across Europe

Mostly small young SMEs: 23% below 10 people, 58% below 50 people, 51% less than 10 years old
- **Helping also larger market players bring products to the market**
 - 18% of contracts won by large companies as single bidder
 - 11% of contracts won by consortia of larger companies and SMEs bringing innovative products together to the market
- **Relevance to universities & bringing scientific results to market**
 - 28% of winning contracts have also a university/R&D center partner in consortium
 - Winning SMEs are also often university start-ups
- **Stimulating cross-border company growth**
 - 34,6% 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% average in public procurements across Europe
- **Creating growth and jobs in Europe**
 - 97,5% of bidders do 100% of R&D in Europe
(2 have committed to do minimum 68% resp. 85% of R&D in Europe)

Geographic location winning bidders & procurers



- Companies in winning bids (nr/country)
- Universities in winning bids (nr/country)
- Procurers (nr/country)





Horizon 2020 Funding Instruments in support of PCP-PPI



Forms of support



- ❖ **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 PCP action) + for related coordination and networking activities (e.g. to prepare, manage and follow-up the PCP procurement)

- ❖ **PPI Actions (35% funding rate):**
 - Provide EU co-financing for the actual PPI procurement(s) (one joint procurement or several separate but coordinated PPI procurements per PPI action) + for related coordination and networking activities (e.g. to prepare, manage and follow-up the PPI procurement(s))



PCP and PPI actions – participation requirement



Minimum 3 independent participants from 3 different MS or AC, of which minimum 2 public procurers (buyers group) from 2 different MS or AC

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



PCP and PPI actions - Role of different actors



❑ **Beneficiaries and third parties**

- Action involves beneficiaries that undertake together the PCP procurement or PPI procurement(s), 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(s)). 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(s)
- 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(s). Can be one of the procurers in the buyers group or another procurer.

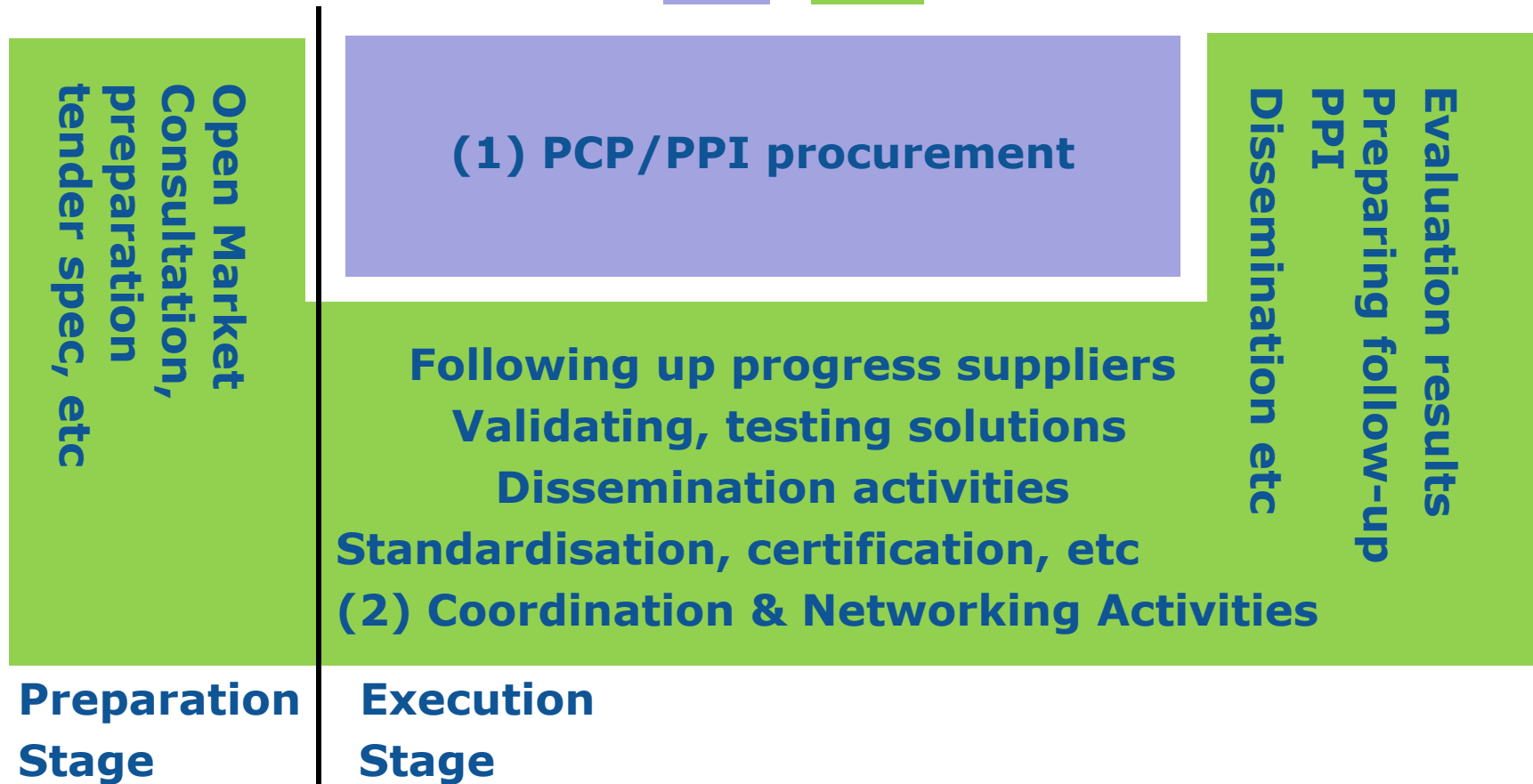
❑ **Subcontractors**

- 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

PCP and PPI actions – What is covered



PCP/PPI actions co-finance (1) + (2)



Every project goes through a preparation stage and an execution stage



PCP and PPI actions – Proposal preparation



In the proposal, the consortium shall already identify

- **A concrete 'common challenge' on which the PCP/PPI(s) will focus**
(e.g. new solution needed to improve energy efficiency of data centres)
- **KPIs (targeted quality/efficiency improvements) for the PCP/PPI(s)**
(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.imaile.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 procurement per PCP action. Preparation of **one joint or several separate but coordinated** PPI procurements per PPI action
- Open market consultation/verifying market readiness to meet procurement need
- Outcome
 - Agreed common tender specifications + Procurement agreement
 - Confirmation of availability of financial commitments to start PCP/PPI

❑ **Execution stage**

- 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)



PCP and PPI actions – EU contribution



- ❑ **Reimbursement rate direct costs: Max 90% respectively 35% of eligible costs for PCP actions 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

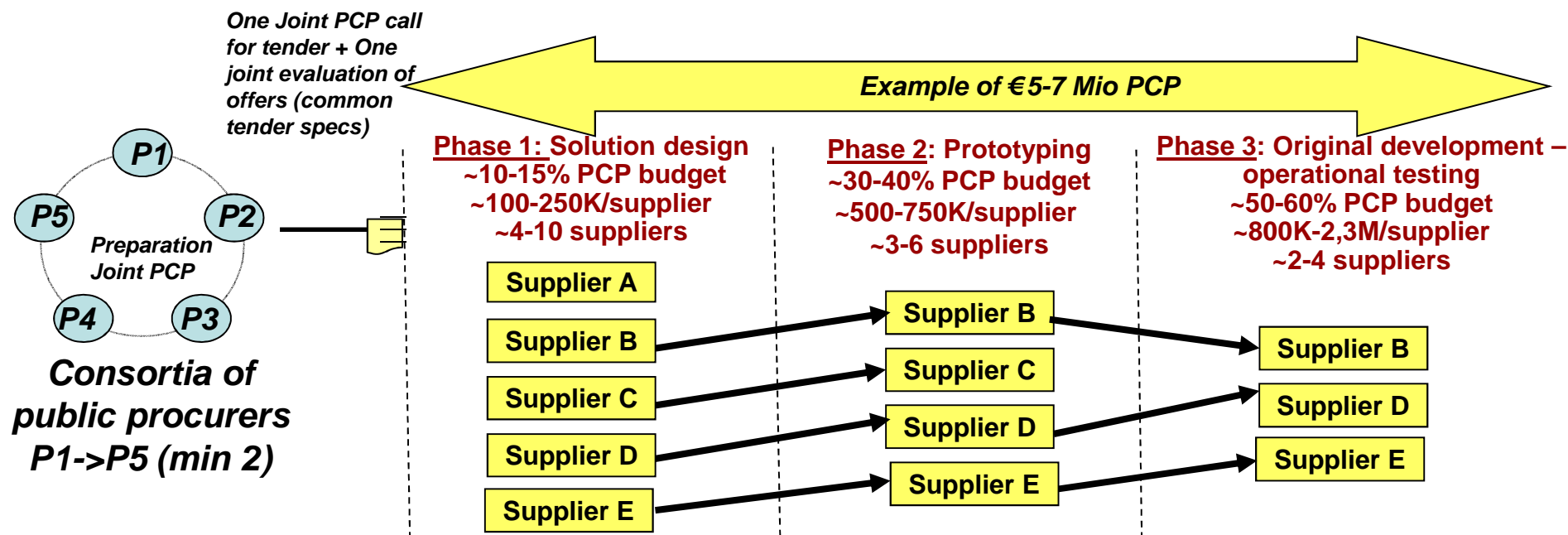


❑ Example: 5 €M PCP action grant

- ❑ 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)



One joint PCP coordinated by the lead procurer



- 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 based on common tender specs
- 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



Specific requirements PCP procedure (Annex E WP)



- ❑ 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



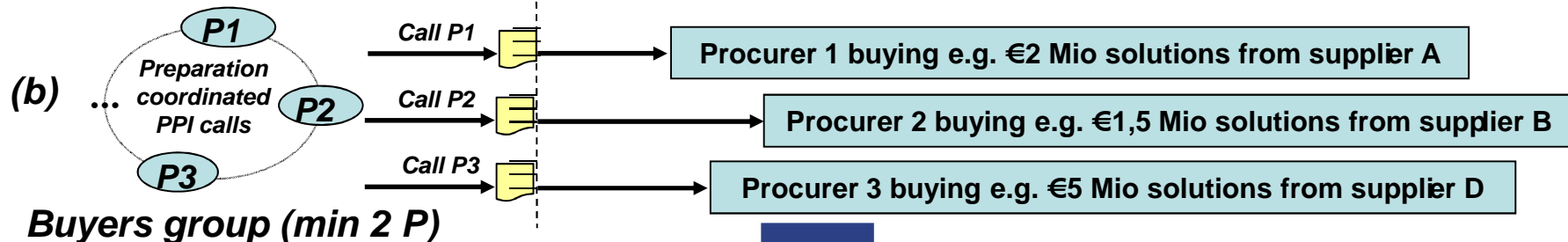
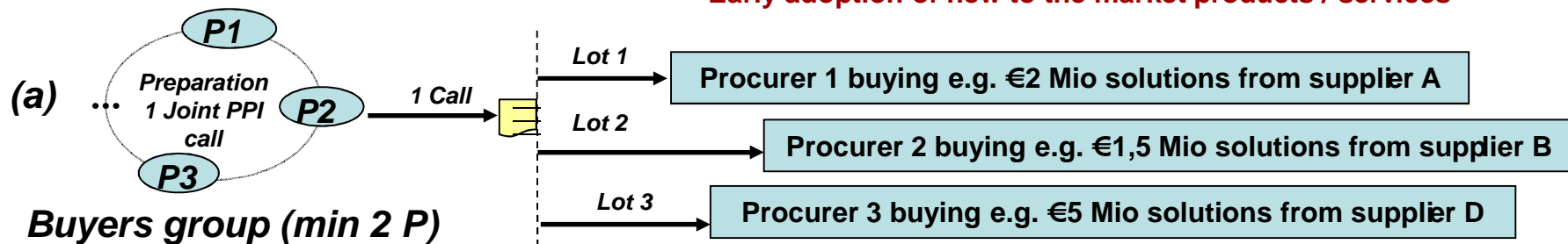
Example: 5 €M PPI action grant

- 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)

(a) One Joint PPI call for tender (e.g. with lots) or (b) several separate but coordinated PPI call for tenders. In both cases, evaluation of offers based on common tender specs ()



One joint PPI or several coordinated PPIs coordinated by the lead procurer



- 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!

- EU wide publication of **one joint or several separate call(s) for tenders** that are coordinated based on common tender specifications (If PPI procures a limited set of prototypes / test products developed in a preceding PCP, then negotiated procedure without publication foreseen in EU public procurement directives is possible)
- Evaluation of offers based on common tender specs (**same core functionality** and performance characteristics for solutions procured by all procurers, but possible **additional local functionality** for each procurer)

- But contract award can be centralised or distributed
 - In case of 1 Joint procurement:
 - 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
 - In case of several separate but coordinated procurements:
 - Each procurer awarding his own contract(s) directly himself
- Also supervising suppliers and payments can be centralised or distributed



Specific requirements PPI procedure (Annex E WP)



- Procedure: Compliance with applicable national procurement rules + compliance with additional specific requirements

Unless PPI limited to prototypes,
test-products developed during
pre-ceding PCP action

- 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 open market consultation and call for tender(s)
- PPI call for tender(s) open for at least 60 days
- PPI call for tender(s) open to tenderers from EU Member States and H2020 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)



Other obligations related to implementation of call



- 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



Differences PCP/PPI piloting vs Horizon 2020

Lessons Learnt



- ❑ 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
- ❑ Increased funding rates (90% for PCP, 35% for PPI)

- ❑ Especially for PPIs also: Choice to implement one joint or several coordinated procurements. Large scale testing is optional i.s.o. mandatory (was considered by some as tough requirement in CIP ehealth PPI pilot call).





- ❑ More info on Innovation Procurement (news, upcoming events, case examples):
<http://ec.europa.eu/digital-agenda/en/innovation-procurement>
- ❑ Ongoing PCP/PPI projects in ICT (and other) domains:
<https://ec.europa.eu/digital-single-market/en/eu-funded-projects>
- ❑ Overview ppts & FAQs on H2020 funding **and template tender docs for PCP/PPI**:
<https://ec.europa.eu/digital-single-market/en/news/calls-eu-funding-opportunities-pre-commercial-procurement-and-public-procurement-innovative>
- ❑ Section in Horizon 2020 online manual about innovation procurement:
http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/innovation-procurement_en.htm
- ❑ 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
- ❑ More detailed info on modalities of PCP/PPI action instrument, evaluation criteria etc in General Annexes to the H2020 Work Program:
http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html#h2020-work-programmes-2016-17
- ❑ Finding partners: [EU procurement forum](#), [PCP-PPI LinkedIn group](#)

