



#InvestEUresearch

Horizon 2020 Work Programme for Research & Innovation 2018-2020

2020 topics

Innovation procurement

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Research and
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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 (maximum 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)

Open Market
Consultation,
preparation
tender spec, etc

(1) PCP/PPI procurement

Following up progress suppliers
Validating, testing solutions
Dissemination activities
Standardisation, certification, etc
(2) Coordination & Networking Activities

Evaluation results
Preparing follow-up
PPI
Dissemination etc

Preparation
Stage

Execution
Stage

Every project goes through a preparation stage and an execution stage

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)

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 (the joint procurement budget)
- Also supervising of suppliers, testing of solutions and deployment 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

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 for tender(s)** 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, deployment and payments can be centralised or distributed

- How to find partners?
 - How to write / submit a proposal?
 - How will my proposal be evaluated?
 - How to combine other (e.g. national) financial support for PCP/PPIs?
 - How does a PCP or PPI procurement really look like?
 - Other FAQs?
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- More info on funding conditions, **and template tender docs for H2020 funded PCP/PPI procurements**: <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 PCP/PPI: http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/innovation-procurement_en.htm



Thank you!

