

# 1<sup>st</sup> CONCERTATION MEETING OF ALL ON-GOING PCP PROJECTS

10 February 2014 Brussels

## Minutes

The first PCP concertation meeting was attended by 58 participants from all on-going FP7 PCP pilot projects, 2 networking actions on PCP/PPI and 2 collaborative R&D projects planning the implementation of a PCP. Projects that attended were: SILVER, CHARM, PRACE3IP, DECIPHER, V-CON, SMART@FIRE, THALEA, ENIGMA, IMAILE, NYMPHA-MD, UNWIRED HEALTH, PREFORMA, Cloudforeurope, HBP, ECHORD++, INSPIRE, P4ITS.

The concertation meeting started with a welcome speech by Mr. Viorel Peca Head of the Innovation Unit in DG CNECT.

A presentation by Lieve Bos, policy officer for PCP and PPI in the Innovation Unit in DG CNECT on the lessons learnt from FP7 PCP piloting and the link with H2020 followed. During the presentation emphasis was given to the reinforced support for PCP/PPI in Horizon 2020 which takes into account already some key lessons learnt from the PCP/PPI piloting projects. In addition, information on the upcoming calls on PCP/PPI cofund actions and Coordination and Support Actions in the framework of H2020 were provided during this presentation

A tour de table of all on-going PCP projects followed. 13 PCP projects, 2 networking actions on PCP/PPI and 2 collaborative R&D projects that plan to execute a PCP in the framework of their project implementation, covering an important range of public interest domains, presented the goals and the accomplishments so far.

During these presentations points were highlighted structured around the following axes:

- Synergies – possibilities for cooperation

Some projects clustered around the same area of public interest (e.g. in e- health) have already identified synergies and are developing cooperation between themselves.

Many recently started PCP projects that are now preparing their PCP are building on the work that has already been done by ongoing PCP projects that already started in previous years (i.e. by learning from advanced projects like PRACE 3IP, CHARM and SILVER for the drafting of their tendering documents)

- Problems – Issues to be addressed

Differences in languages across Europe was mentioned as an issue that needs careful handling in EU PCP projects to make sure the tender documents are consistent. Differences in national procurement legislation on joint procurement affects the implementation of the current PCP pilots, an issue that the EU is addressing by providing a clear uniform basis for joint procurement via the new 2014 EU public procurement directives. Political changes and changes in the economic climate in the organizations and countries of the procurers and were mentioned as a factor that can affect the consortium building. Differences in VAT rates across Europe were reported as a difficulty in setting up the PCP pilots, an issue that the EU has foreseen to leverage out better in Horizon 2020 where VAT becomes an eligible cost.

- Proposals – Suggestions

Suggestions included for the EU to create a common website where information about the tendering status of all PCP projects would be centralized and communicated, as well as common tools to implement the PCP procedure would be made available to all PCP projects. This links to another suggestion regarding avoiding duplication of deliverables.

Another proposal concerned the creation of an EU help desk for PCP/PPI that would provide practical tools (model contract documents etc) and legal assistance on how to get started.

Several projects mentioned the need for wider promotion and awareness raising about PCP across Europe as they experience that the market (both demand and supply side) is not sufficiently aware yet about PCP in several EU countries.

After the presentation of all on-going PCP projects 2 advanced PCP projects that have already launched their PCP call for tender (CHARM and PRACE 3IP) were invited to share their experience with the other participants on PCP implementation.

CHARM and PRACE 3IP provided information on

- the public sector challenges addressed by their specific PCP
- the planning of their PCP execution
- the budget allocation per phase (and per lot) regarding the PCP implementation
- their tendering and evaluation procedure
- the achievements so far

At the end of the meeting a discussion took place tackling some issues related to PCP implementation such as the following:

- The IPR arrangements: Some projects received unhappy reactions from industry when they proposed additional or more strict IPR conditions compared to the basic IPR conditions for PCP required by the Commission in the FP7 work program. Examples mentioned were that

PRACE 3IP project chose to set the period for the IPR call back clause to 3 years, which is considered short by industry (average period used in the US is 5 years). Another example discussed was an unhappy reaction from industry when the HBP project proposed to extend the license free usage rights not only to the contracting authorities performing the PCP, but to all partners in the HBP. The Commission reminded projects that the IPR conditions for PCPs required by the Commission are the ones generally accepted and used in similar procurements also in other parts of the world (e.g. in the US, China's Bay-Dohle act) and reminded projects to make sure that, if they add additional conditions to that, the total package of IPR conditions for their PCP should not become unrealistic for industry.

- The way to evaluate the offers based on the principle best value for money: CHARM project mentioned that specifying many individual evaluation criteria can introduce a level of rigidity in the evaluation (e.g. instead of being a separate criterion on its own, risk management could have been perhaps better part of another bigger evaluation criterion on project planning). CHARM also mentioned the importance of setting the weight for the price criterion correctly in order to still receive enough good quality offers. PRACE 3IP explained their use of a clause for abnormally low bids to tackle this issue as well.

- The way to ensure confidentiality regarding the prototype that will be tested by the services of the procurer: SMART@FIRE asked other projects for feedback on how they deal with confidentiality of vendor solutions/information in their PCPs. Ongoing projects referred to confidentiality obligations on the group of procurers in their contracts. There was a discussion on the importance of asking vendors to inform the procurers about any confidential information (e.g. when patenting inventions, when submitting their end of phase reports) and the role of procurers to respect this and not to disclose confidential information of one vendor to another.

- The splitting of the R&D for the PCP into 3 phases with evaluations in between: New PCP projects asked why it is mandatory that all 3 phases are covered by the PCP as separate phases with evaluations in between. The discussion highlighted several reasons for this. The phase approach reduces the investment risk/cost for the procurers. The phased approach with separate smaller contracts per PCP phase facilitates the participation of smaller innovative companies to the PCP. Phase 3 is implemented as separate from phase 2 to retain the flexibility to define the testing requirements and the budget distribution across suppliers for phase 3 based on the lesson learnt from phase 2. First pilot projects (e.g. SILVER) that are near the end of phase 1 confirm that the procurers are not able to fix all the phase 3 parameters yet near the end of phase 1. Phase 1 needs to be procured as part of the PCP (not somehow replaced by the market consultation) for a number of reasons. Firstly, to ensure that procurers retain the PCP IPR related rights that prevent supplier lock-in also for information shared with suppliers during the solution design phase (which is not the case for information shared with suppliers during a market consultation before PCP contracts are signed). Secondly, to maximize the chances for consortia of procurers to be able to define and

agree on common specifications for the PCP (in case different procurers would have already undertaken solution designs with different suppliers in their respective countries, vested interests in own solution approaches would make agreement among procurers on common procurement specifications for the PCP impossible).

The meeting ended with networking between the participants and bilateral contacts with the European Commission.