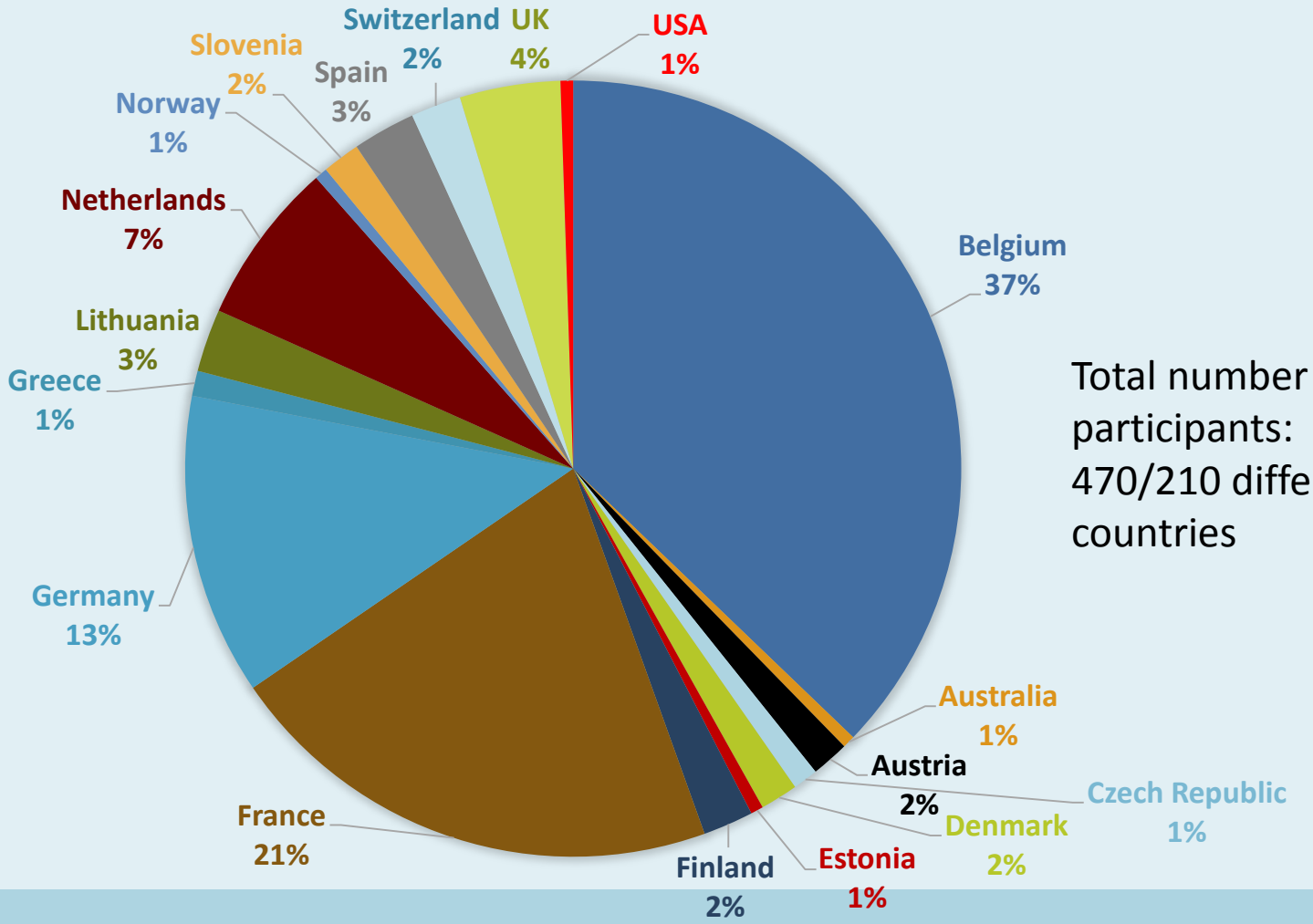
Pre-commercial Procurement
The Market Consultation
05/03/2015 Brussels Concertation Meeting

Christophe Veys
Senior Procurement Legal Advisor
Teamleader Knowledge Centre Innovation Procurement (since 2009)
Project Director Smart@Fire
e-mail: cve@iwt.be

Overview

- European FP7 project (2012-2015) to develop smarter firefighting solutions by 2015
- 11 partners
- 6 countries (Belgium, the Netherlands, France, Germany, UK, Hungary)
- 7 Work Packages for a successful completion of the challenging objectives
- Goal: Reduce the risks inherent to firefighting by creating a smarter suit through the integration of innovative ICT solutions in Personal Protectective Equipment (PPE)

Succes factor: market consultation



Total number of participants: 470/210 different/18 countries

Stages of a Market Consultation

Stage 1: Preparation of the Market consultation

Stage 2: Informing the market

Stage 3: The Market consultation sessions

Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

Stage 1: Preparation of the market consultation

Stage 1: Preparation of the Market consultation

LIST OF ACTIVITIES

- A. Needs assessment
- B. State-of-the-art
- C. Standardisation
- D. Legal Framework
- E. Risk assessment

Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

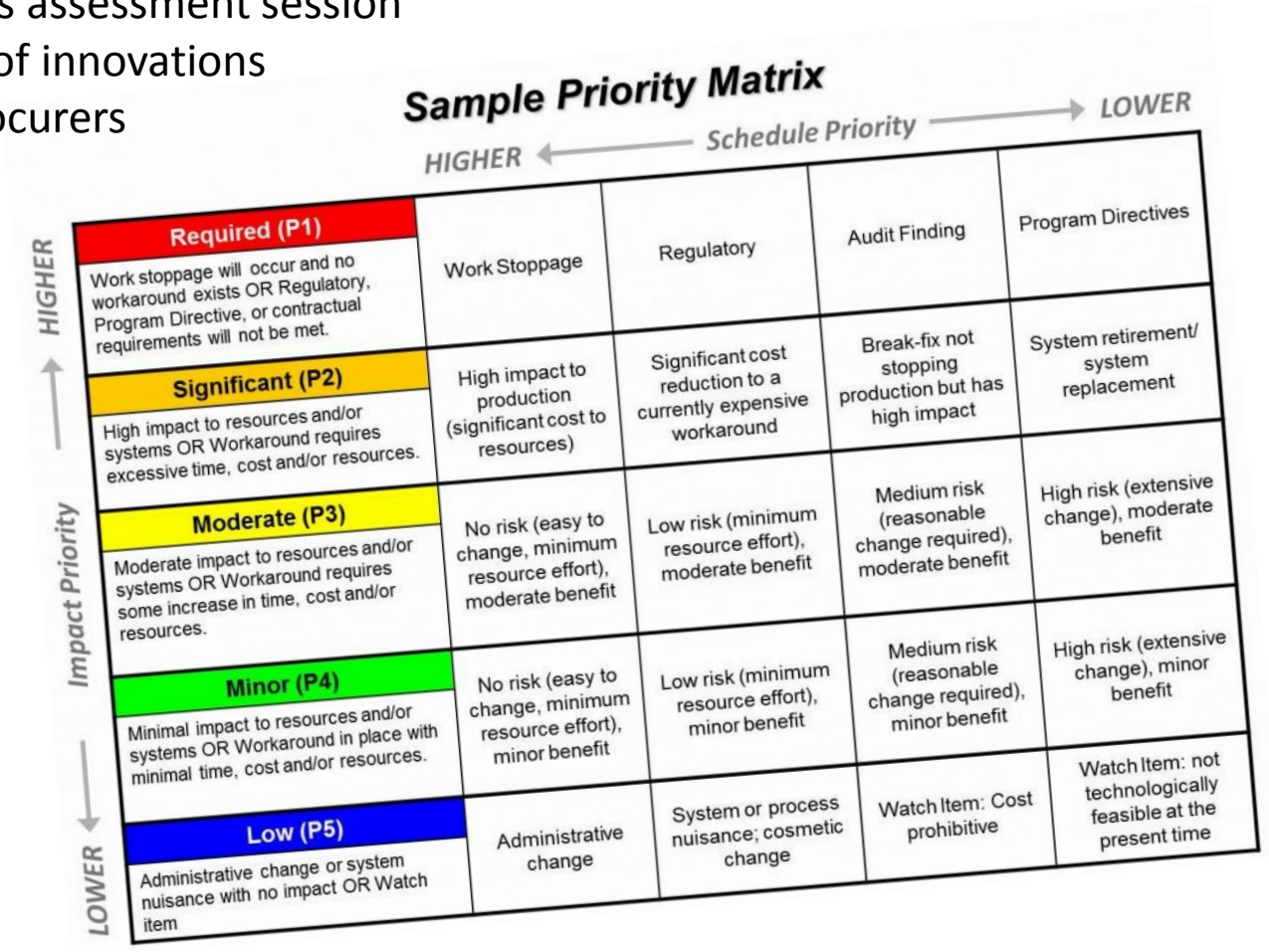
A. Needs assessment

What is the innovation potential from an end-user perspective? Added value for the end-user? Which needs are being answered?

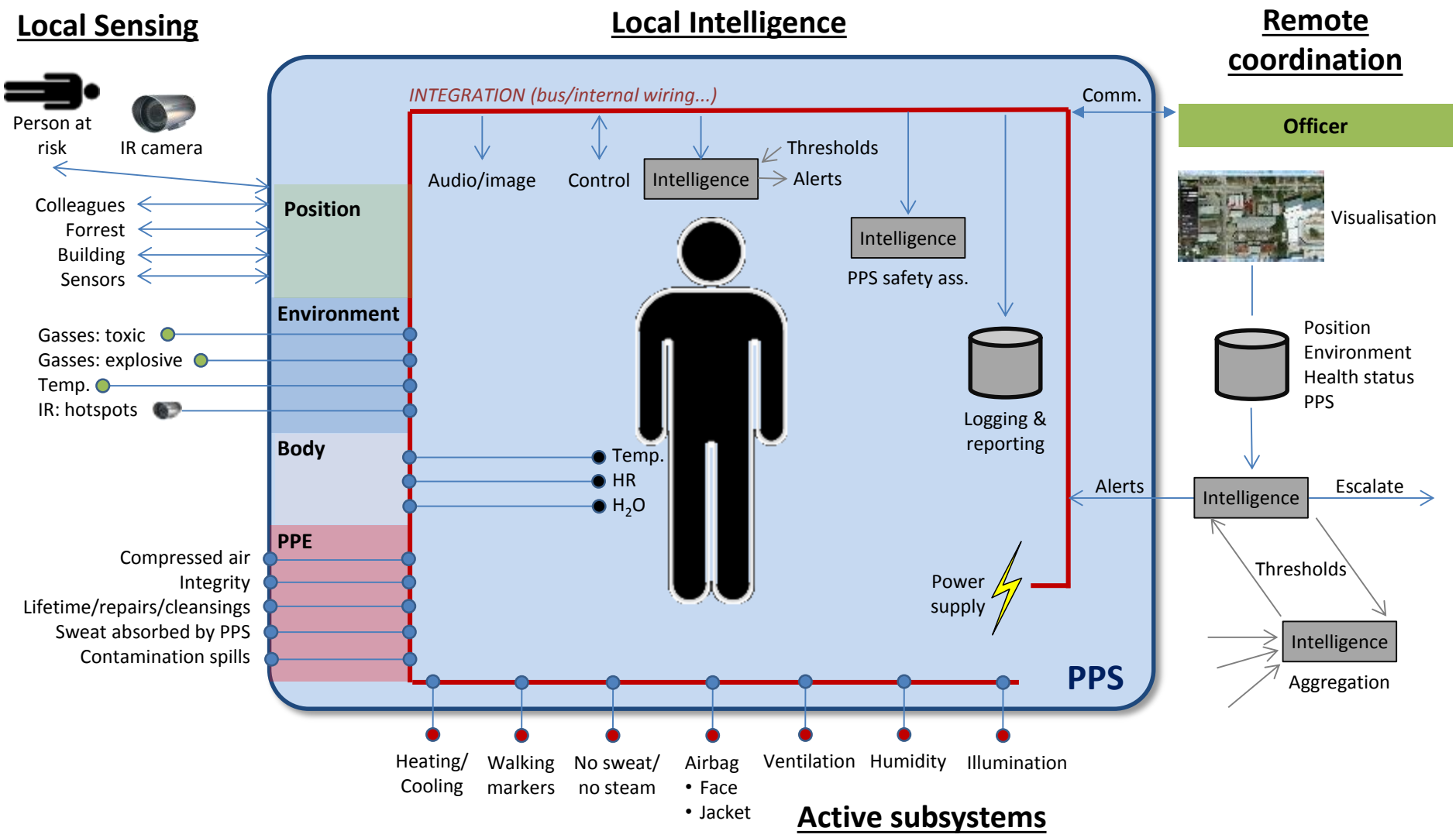
- Innovation is driven by the end-user (use cases). If the procurer is not the end-user make sure to involve them.
- Determine the needs, not only outcome rather user requirements, organise scoping sessions!
- Detect common high priority user needs.

Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

The result od the needs assessment session is a prioritasation grid of innovations expectations of the procurers



User Expectation System Architecture



B. State-of-the-art through market sounding

Where does today's state-of-the-art technology stand?

- **IP scan – scientific journals – web search – EU-projects - investigation and <u>interview (70)</u>**
- **Insure the envisaged solution goes beyond the state-of-the-art**

C. Standardisation – Conformity assessment

The central question within a project context is:
can the innovation expectation/potential be realized within the boundaries of known harmonized standards and directives?

Within ICT-related products and systems, **5 levels of directives and harmonized standards** can be distinguished:

Environmental standards & directives	• E.g. MIL-STD 810, IP67, etc. • Extra: explosive environments: ATEX, IEC-Ex
Functional specifications and standards	• Pressure Equipment Directive (PED): 97/23/EC • EN 50217:2001 (Kat-Ex sensors methane tot nonane) • Standard location protocols: ETSI LIP, Motorola LRRP • TETRA Speech codec (ACELP) according to EN 300 395
Radio & communication compatibility	• RTTE: Directive 1999/5/EC • FCC regulation • TETRA specs: EN 300 392 V+D Air Interface, …
Medical standards (contact with body)	• IEC 60601-1 (General Medical Electrical Standard) • ECG Type: EC38 Type 3
Material –related standards and directives:	• REACH 1907/2006/EC • RoHS 2002/95/EC

These are **known by vendors** as products and systems comply with these standards and directives. Vendors obtain certification through test procedures specified in the harmonized standards, carried out by **known certified bodies.**

For ICT sometimes **no harmonized standards and directives** exist today.

Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

D. Legal Framework

Validation of the legal framework for PCP by partnering countries

- ✓ Check the legal framework of partnering countries
- ✓ Check how the exception 16f was implemented in the partnering legal framework. Any additional national constrain?
- ✓ Identify legal obstacles
- ✓ Determine the legal construction of the PCP (Lead Partner vs buyers group - Preferred partners)
- ✓ “Previous knowledge?”

Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

E. Procurement Risk assessment & Contengency Plan

Phase	Risk	Risk degree	Remedy
I. Planning and preparation phase			
Establishing needs	Procurers are buying a Personal Protective System (PPS) that will not fit 100% their needs	Low	Thorough needs assessment is a pre-requisite. (In smart@Fire needs assessment was done in Belgiu France, UK, … (961 fire fighters were involved))
	In Belgium, IBZ is the procuring entitiy for all 17000 fire fighters but not all have the same needs nor the same requirements for their PPE	Moderate	Find a good compromise and prioritize the needs
	Buying a PPS that covers the needs of the contracting authorities in Smart@Fire	low	Elaborate a list of common use-cases between French and Belgian Fire fighters. The use-cases ar the starting point from which the market consultaion is organised
Market consultation	Procurers don't always know what is (yet) available on the market	Low	A thorough state-of-the-art is needed to identify innovation potential from a user and technologica prespective. By engaging with the industry: marke research and market consultation
Project definition: what are we buying?	Public procurers are afraid of buying innovation, they like to stay with what they know	Low	Organise training sessions for public procurers an use bench learning, establishing a database with best practices
	"Adaptation risks": when public procurers are buying innovative PPS there is a risk that it will not be used in the field	High	Consultation rounds with end-users are crucial. In addition the development must be done taking in account the minimum requirements set in the European Standards. For PPE EN 469 to be sure th solutions could be used by fire fighters in perilous situations
	Number of PPS that will be bought after the PCP is unsure: if the amount is estimated to low, the tenderer will not be willing to invest in innovative solutions (economy of scale)	Moderate	Obtain a commitment of the participating procure for the final tender. One important condition is of course thaht the proposed solution is in line with expectations. Consultation rounds with all stakeholders to establish a good investment plan

Stage 2: Informing the market

1. Upfront efficient communication:
   - Broad communication channels eg PIN (5%)
   - Clear message and expectations + timeline
   - Detect your potential suppliers
   - Inform about market potential
   - Invite right profile (engineers – universities – standardisation experts - innovators)
2. Create close collaboration with sectorial organisations and business organisations for dissemination
3. Web and media
   - Speak their language (eg IT infrastructure)
   - Smart@Fire 470 participants!

Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

Stage 3: The market consultation sessions

Goals

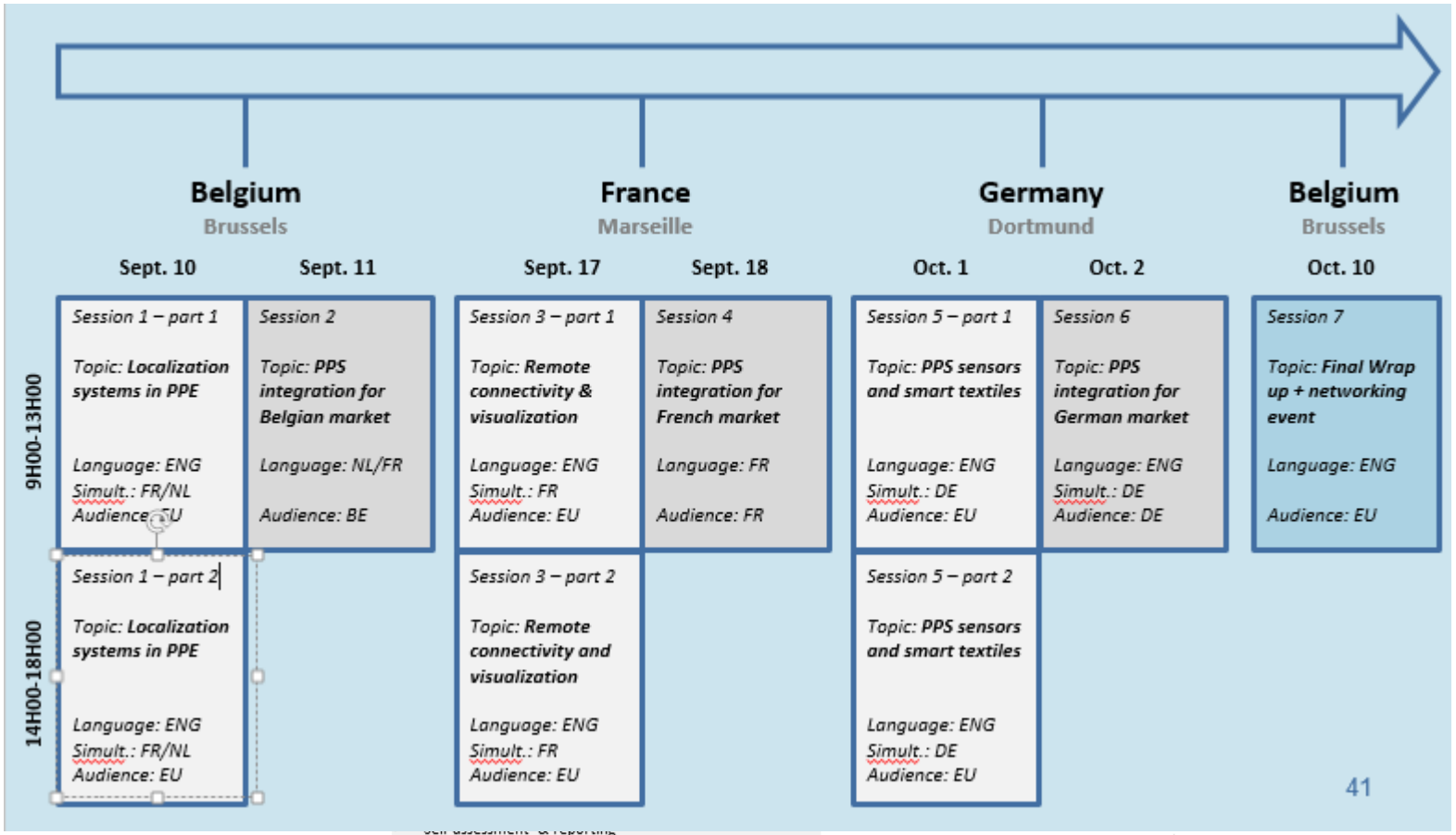
1. Bridging the demand and supply side
2. Stage 1 Market sounding ➔ State-of-the-art ➔ double check your findings with the market
3. Attract the suitable players
4. Identification of the innovation potential
   - Technological point of view
5. Feasability-check = capacity&capability to supply the innovation
6. Technological risks assessment
7. Forum for the supply side to meet each other (consortia)
8. Persuade the market of a real commitment and market potential
9. Inform the market on legal issues

Results

- Final report
- Preparation of the PCP tender documents

How

1. Findings and output stage 1
   - content and amount of sessions
   - geographical spread



procurers' countries)

How

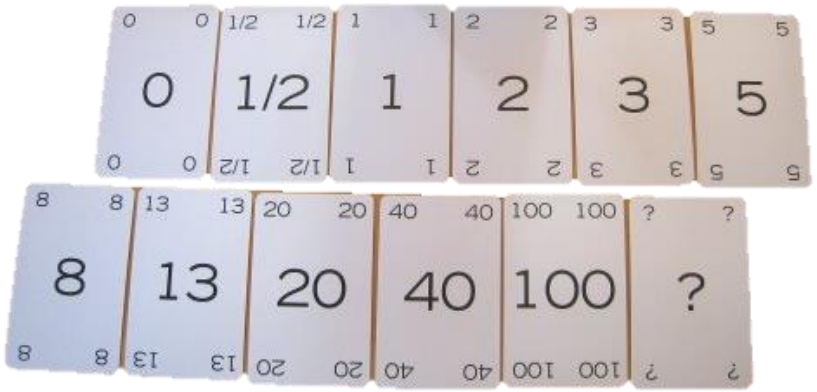
2. Sessions with representative stakeholders

   Active participation – Concrete technological questions and challenges – Profile of the participants

Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

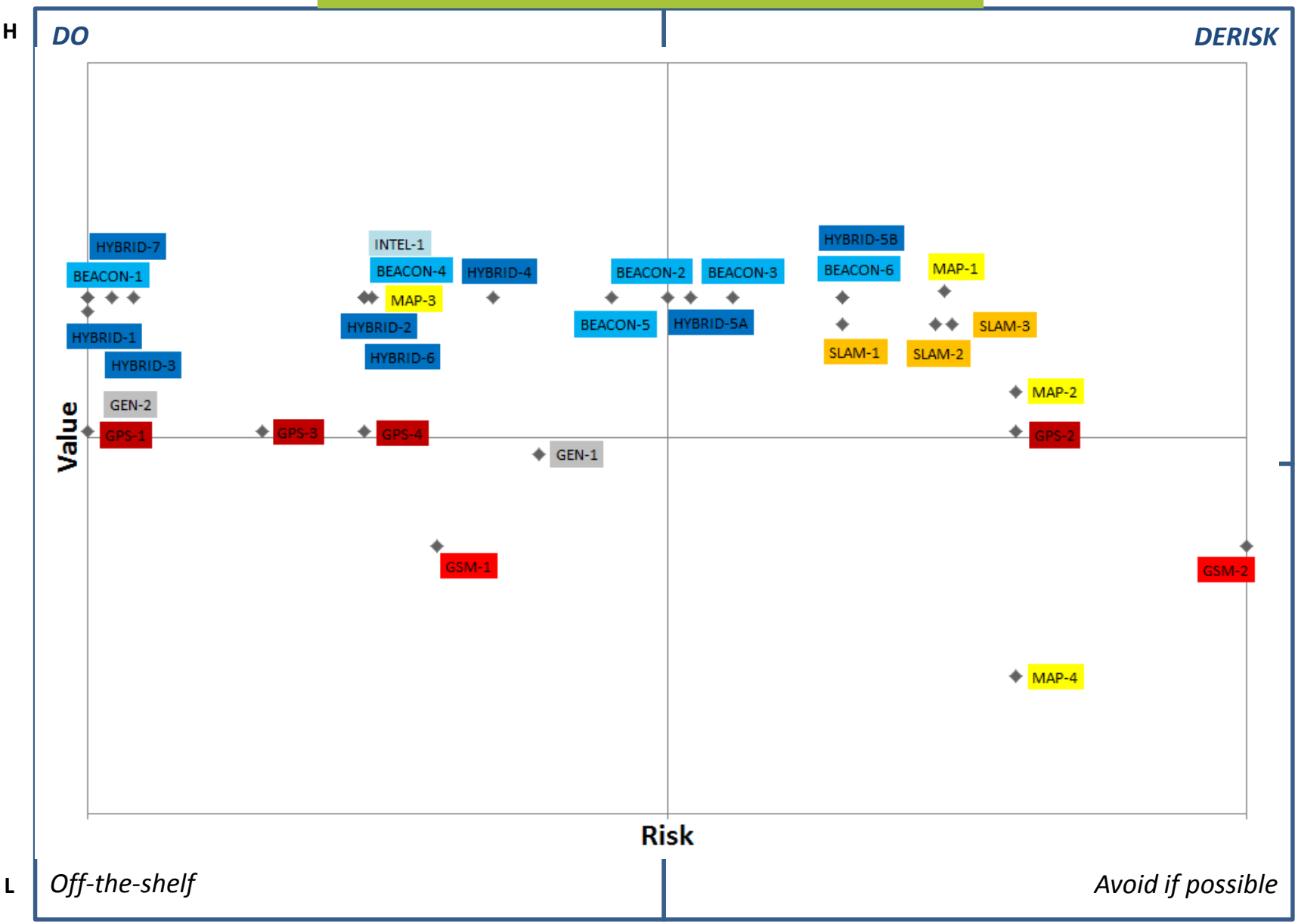
How

3. Proven Methodology



Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

Results



Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

SUMMARY

Formulate detailed answer on key questions:

1. What is the **innovation potential** from an **end-user perspective (stage 1)**?
   Added value for the end-user? Which needs are being answered?

2. Where does today's state-of-the art technology stand (Phase 1)?
   What is achievable today, where are extra breakthroughs required?
   What are the (implementation) risks?
   What is the **innovation potential** from a **technological point-of-view (stage 3)**?

3. What is the overall innovation potential (end-user & technological perspective)?
   What are the **priorities** for a **innovative prototype** solution?
   Where is **risk reduction** required before commercialization?

4. Which choices set the **final prototype scope** and **functional specifications (stage 3)**?

Christophe Veys IWT Project Director
Smart@Fire - cve@iwt.be

Questions?