PUBLIC SECTOR AS GALILEO AND/OR COPERNICUS USER

The new EUSPA PCP topic – published on 27 October 2022

EUSPA
European Union Agency for the Space Programme

Things we hear from public entities

- *"I don't have neither **time nor money** for R&D"*
- *"Innovation is good but I want **solutions that work**"*
- *"I procure things that work and I can **trust**"*
- *"I don't trust **innovative** solutions"*

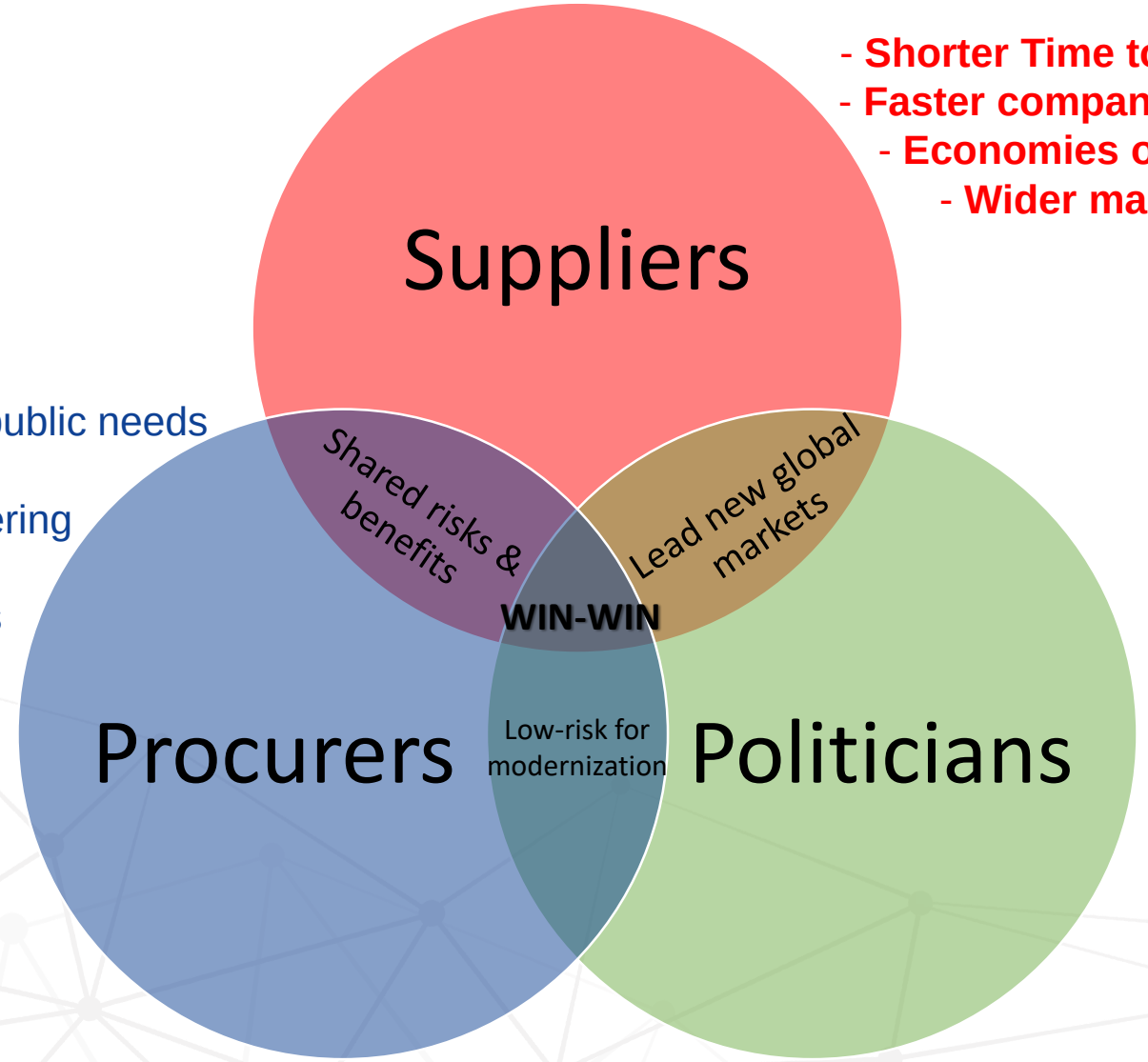
Why Pre-Commercial Procurement?

Because using the PCP actions, **public entities can**:

1) **Be funded to procure** R&D for their purposes
2) **De-risk** the development and testing of new innovative solutions
3) **Validate** the new solutions to check fit-for-purpose.
4) **Get favorable conditions** for using/consuming the solution after the end of the PCP (e.g. special price)

Supply-demand side benefit

- Shape product development to public needs
- Increase technology knowledge
- Reduce risk in commercial tendering
- Reduce supplier lock-in
open up market to smaller players
- Economies of scale
- Usage / Licensing rights
- ‘First time right’ product
- ‘EU interoperable’
- Attractive to venture capitalists
- Reduce unforeseen expenditure



- **Shorter Time to market**
- **Faster company growth**
- **Economies of scale**
- **Wider market**

- **Implement political priorities**
- **Modernize public services**
- **Improve innovation climate**
- **Attract foreign investment**
- **Create growth and jobs**

The funding opportunity:

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- Demand-driven innovation by public authorities aiming at development and adoption of EGNSS/Copernicus applications which meet their needs.

Choice of market segment/ application left to the proposer, **examples include EGNSS and/or Copernicus for**:

- Monitoring of **infrastructure** (rail, road, critical infrastructure),
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- **Civil security applications** and border management,
- Mobility as a service, cooperative ITS, public transport, **smart cities** and air quality monitoring and forecasting,
- **Coastal area** monitoring and modelling etc.

Aim: Foster exploitation of space applications to match needs of public authorities at national, regional or local levels

Proposals should

- focus on clearly identified needs
- demonstrate sustainable solution beyond lifespan of the project

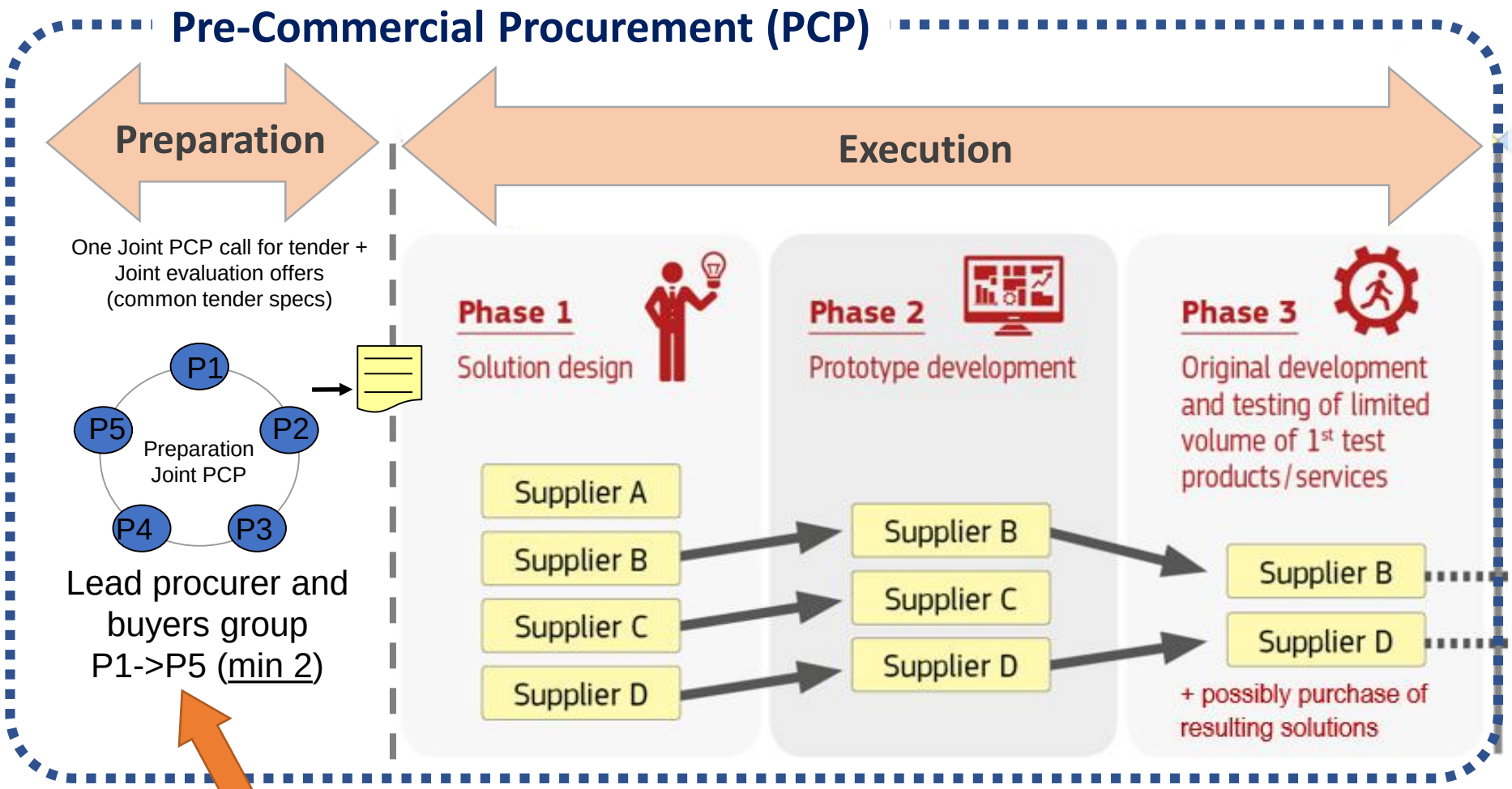
Requested solutions should be validated through field-testing in at least two European countries.

Potential PCP ideas and applications

- Better situational awareness and vehicle tracking for first responders using EU Space data
- Improving waste management systems with Copernicus and Galileo
- Safeguard regions from geohazards and weather extreme events
- Safeguard cities with better management of Wildland-Urban Interfaces (WUI)
- Land cover change detection systems for improved land management
- Managing better critical infrastructures
- Mobility for remote areas (e.g. drone operations to islands)
- Support local communities with more efficient irrigation management systems
- Coastal protection monitoring systems
- Many more….

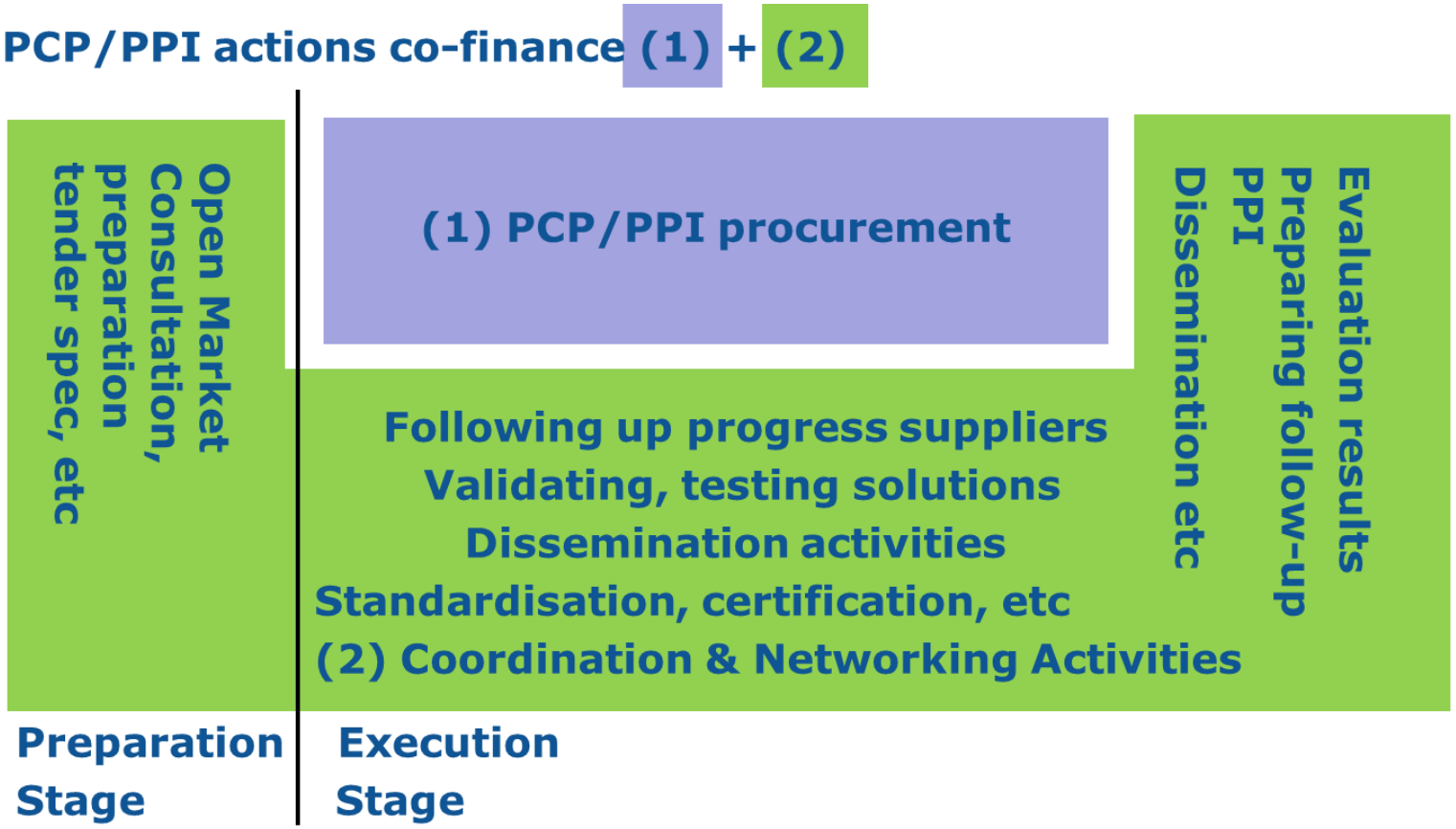
Think about the problem first

What is a PCP ???



Your public organization can be part of this group, along with other public entities from other Member States

PCP – What is covered



Every project goes through a preparation stage and an execution stage

When, What and How in the Pre-Commercial Procurement (PCP)

- **When**
  - R&D procurement needed to get new solutions developed, to de-risk tech
  - Pros / cons of # solution approaches not compared / validated yet
  - Still too risky to commit to go for large scale deployment, not possible yet to define final budget and/or final requirements
  - Still too risky to tie your hands to specific solutions / suppliers
  - Need to attract new players to tackle supplier lock-in issues

- **What**
  - Public sector buys R&D to steer development to its needs, to collect info about pros / cons of alternative solutions to make specs for a possible follow-up PPI, to create a future competitive supply base

- **How**
  - Public sector buys R&D from several suppliers in parallel (comparing # solution approaches) and possibly also limited volume of solutions
  - and evaluates progress after critical milestones (design, prototyping, test)
  - and shares risks & benefits of R&D (in particular the IPRs) with suppliers to maximise incentives for wide commercialisation

Q&A on PCP

- **How many public entities have to be involved in the PCP?**
- Min 3 independent legal entities from 3 different Member States or Associated Countries, **min 2 of which are public procurers from 2 different Member States or Associated Countries**. Of these 2 at least 1 is established in a Member State (minimum requirement buyers group).
- **I'm a public research institution that has connections with public end-users that can act as buyers. Can I participate?**
- Yes. Other entities may participate in the action (e.g. technical/legal adviser) to assist the public entities in the implementation of the action, on the condition that they are not potential suppliers of solutions sought for by the PCP and they have no other type of conflict of interest with the PCP.
- **What activities are expected in the framework of the PCP for a public entity/buyer?**
- Preparation stage (approx. 1 year): You have to prepare 1 joint PCP with the other public entities. To do that you will have to organise one market consultation, verify market readiness to meet your needs. Execution stage: Procurement of the solutions, validation of performance, assessment & publication of the outcomes of the procurement etc.

Actors and roles

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

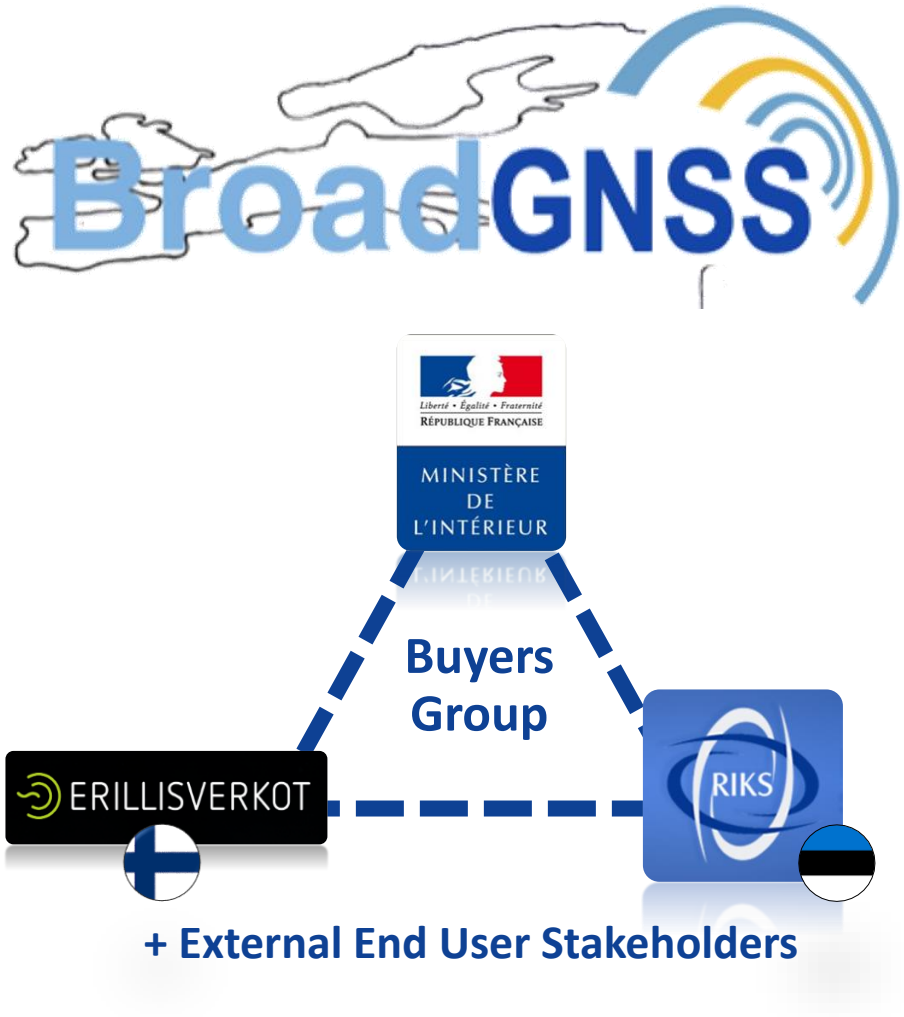
Lead procurer

- 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

Example: The BroadGNSS experience (ongoing project)



- One lead procurer: French Ministry of Interior
- Two other publicly owned entities from 2 other Member states.
- Jointly assessed the market, through a Market Consultation (planned during the preparation phase of the project).
- Jointly issued an invitation to tender (ITT) to the industry for solutions on: Synchronisation & Monitoring of Critical Mobile Broadband Communication Infrastructure and Information Assets for Public Protection & Disaster Relief organisations

EU Contribution: €3,3M
PCP Procurement budget: €2.1M

Timeframes examples (indicatory)

- **Phase 0: Preparatory actions – 12 months:** Open market consultation, ITT preparation, awareness raising etc.
- **Phase 1: Solutions design – 4 months:** The selected providers according to the evaluation procedures and criteria will continue in PCP Phase 1. Each provider will focus on the elaboration of the solution design for its own specific implementation approach to address the procurement need. The solution designs are evaluated by the Evaluation Committee with the best solutions to PCP Phase 2.
- **Phase 2: Prototype development – 7 months:** During the second PCP phase of the project: The development of the technical solutions by the contractors whose designs have passed the first Phase of the PCP will be executed. Also, the prototypes are evaluated by the Evaluation Committee.
- **Phase 3: Operational validation – 9 months:** During the third PCP phase of the project: The operation of the technical solutions which have passed the second Phase of the PCP process will be done.
- **Evaluation and conclusions – 4 months:** The PCP project concludes its activities with the final evaluation and validation of the technical solutions tested takes place encompassing technical, operational and economical aspects.

Allocating budget in the PCP phases

Typical budget allocation (indicative)

Approx. 15%

- **Phase 1** (solution design) has more suppliers but less effort

Approx. 25%

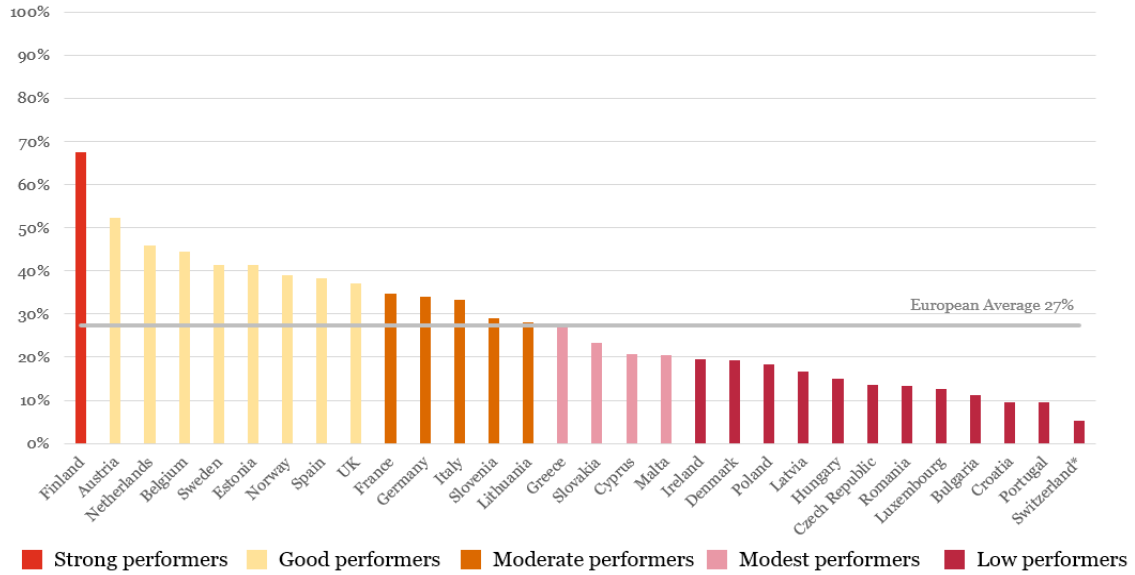
- **Phase 2** (prototype dev) has one supplier less but higher effort

Approx. 60%

- **Phase 3** (operational validation) has less suppliers but more effort and budget needs.

Related initiatives

www.eafip.eu



PROCURE2 INNOVATE

European Network of national competence centers for innovation procurement

More info - Overview EU funded innovation procurements
https://ec.europa.eu/digital-single-market/en/innovation-procurement
http://ec.europa.eu/digital-agenda/en/eu-funded-projects

Interesting links

- **More detailed ppt** on how PCP/PPI action instrument works, how to prepare a proposal, **FAQs** and **template tender docs** for PCP/PPI procurements: https://ec.europa.eu/digital-single-market/en/news/calls-eu-funding-opportunities-pre-commercial-procurement-and-public-procurement-innovative
- 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
- Overview **ongoing EU funded PCP/PPI projects** in ICT and other domains: https://ec.europa.eu/digital-single-market/en/eu-funded-projects
- More info about **results of completed and ongoing PCPs**: https://ec.europa.eu/digital-single-market/en/eu-funded-projects
- **Background info** on Innovation Procurement (news, events, case examples): http://ec.europa.eu/digital-agenda/en/innovation-procurement
- 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
- **Finding partners**: EU procurement forum, PCP-PPI Linkedin group, National Contact Points for Horizon 2020, EU network of National Competence centers for innovation procurement

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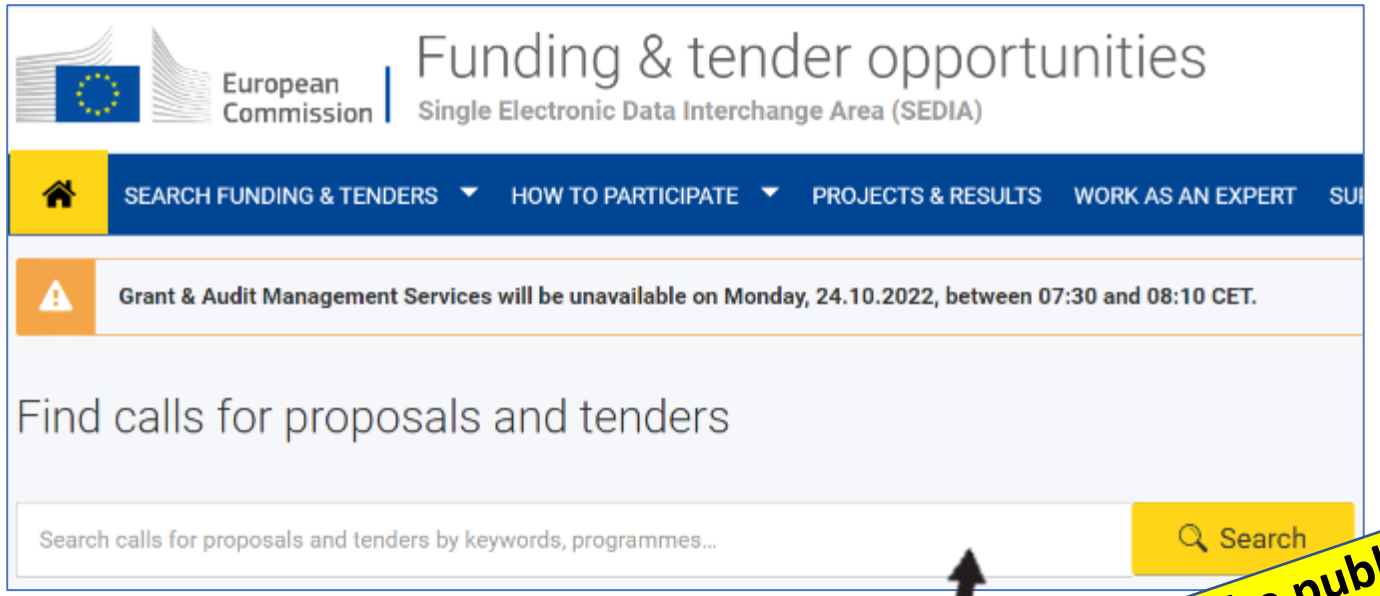
Horizon Europe Work Programme 2021-2022

https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home



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Linking space to user needs

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