



# Deployment of Innovation in Transport Infrastructure

HORIZON 2020





# Public Procurement of Innovation

## A twofold objective

**Public sector** is faced with important challenges. Addressing these, often requires public sector transformation.

In many cases, solutions are near the market and would be provided if clear requirements and sufficient demand are expressed by the market (**PPI**).

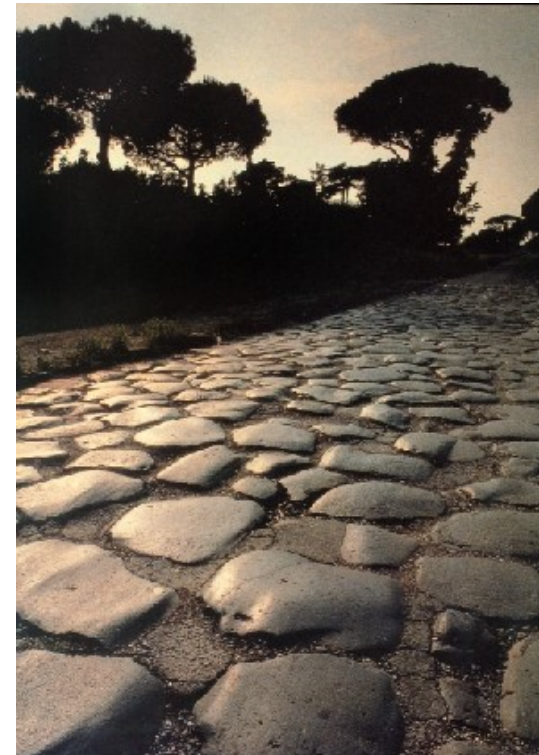
In other cases R&D is still required to de-risk technology and compare competing solutions before committing to large scale deployment (**PCP**)  
Demand driven innovation can open markets for **industry/researchers** creating growth & jobs in Europe.

The use of PCP/PPI contributes to the achievement of the **Internal Market** and fosters **open innovation**, mainly in SMEs often limited by a confined supply chain.



# The Transport Infrastructure Challenges

- European transport infrastructure is faced with multifaceted challenges (capacity, environment, climate change, economy). Key in the future will be to find **innovative solutions to increase the performance, robustness and efficiency of infrastructure** for all modes of transport.
- Many technological solutions are already available: the challenge consists in overcoming a **highly fragmented demand**.
- **Decision-makers are often unaware** of the availability and efficiency of high innovative solutions





## The PPI instrument is intended to facilitate

- **Public sector (\*)** to act as launching customer / early adopter / first buyer for innovative products and services that are newly arriving on the market (not widely commercially available yet) and to establish 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.
- **Buyers Groups** to share the risk linked to innovation.
- **Innovation providers** to upscale the production of their innovative products/solutions and enter a wider market and to cooperate and join forces with other suppliers to provide a complete set of products to match more complex challenges.

(\*) – infrastructure owners, operators, managers.





# PPI

## Public Procurement of Innovative Solutions

- **When**
  - Challenge requires solution which is almost on the market or already on the market in small quantity but not meeting public sector requirements for large scale deployment yet. **No R&D involved** (R&D already done, or no R&D needed to solve problem)
- **How**
  - Public sector acts as facilitator establishing a **buyers group** with critical mass that triggers industry to scale up its production to bring products on the market. After **testing / certification / labelling** (optional), the buyers group buys a **significant volume** of solutions.





## Call 'Mobility for Growth' /MG 8.3

**Facilitating market take-up  
of innovative transport infrastructure solutions**  
*2015 – Public procurement of innovative solutions – deadline 15-10-15*

### **SPECIFIC CHALLENGE:**

- Overcome highly fragmented demand and deploy available innovative solutions for transport infrastructure.

### **SCOPE:**

- Capacity building in the field of public purchasing of innovative solutions in transport infrastructure leading to implementation of available RTD projects results.

### **EXPECTED IMPACT:**

- Better coordinated dialogue between procurers and suppliers; competence building in public sector; coherent basis for progressive step changes to regulation, standardization and public procurement practice.





# Co-fund actions

## Conditions for participation

- ❖ Minimum of **3 independent legal entities** (of which min. 2 public procurers) from 3 different Member States or Associated Countries
  - Public procurers are contracting authorities or contracting entities as defined in the EU public procurement directives
  - Sole participant possible, if minimum participation requirements met (e.g. Central Procurement Offices)
- ❖ They can be **complemented by other types of procurers** that are providing services of public interest and share the same need to procure R&D or innovative solutions
  - E.g. NGOs or **private procurers**
- ❖ Other entities may participate as direct beneficiaries on condition that they add value to the action, are not potential suppliers of solutions sought for by the PPI and have no other type of conflict of interest
  - Assisting the procurers in the preparation, implementation and follow-up





# Role of different actors

## ▣ **Beneficiaries and third parties**

- Action involves beneficiaries that undertake together the PPI procurement, 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 PPI, e.g. testing facilities)
  - **Buyers group**
    - Procurers in the action that provide the financial commitments to undertake the PPI procurement
    - Min 2 public procurers from 2 different Member States or associated countries
  - **Lead procurer**
    - Procurer appointed by buyers group to lead and coordinate the PPI procurement

## ▣ **Subcontractors**

- Successful tenderers, selected by the buyers group & lead procurer as result of the PPI call for tender, to provide the innovative solutions . They do 'NOT' enter the grant agreement with the EC.







## Eligible activities

In the proposal, consortium shall already identify a **specific challenge** in the innovation plans of the procurers that requires innovation + **KPIs** (targeted quality/efficiency improvements). Each selected project goes through a preparation stage and execution stage.

### ☐ Preparation stage

- Preparation of **one** joint PPI procurement per action
  - Open market consultation /**verification of market readiness** to meet procurement need
  - If relevant to the action, other networking or coordination activities
- Outcome
  - Agreed common **tender specifications**
  - Joint procurement **agreement**
  - Confirmation of **financial commitments** to start PPI

### ☐ Execution stage

- Joint **procurement** of the innovative solutions
- Implementation of the procurement **contracts** /payment of providers
- **Assessment** of the outcomes of the procurement
- Confirmation of 'after-PPI' strategy for **dissemination/exploitation** of results
- If relevant to the action, other networking or coordination activities (e.g. contribution to **standardisation / regulation**)





## EU contribution

### ☐ Eligible costs

- Innovative solutions (PPI) procured
- Networking and coordination activities supporting the preparation, coordination and follow-up of the joint call for tender + other if relevant
- Also in-kind contributions possible (e.g. third parties putting resources at disposal of beneficiaries e.g. for testing of solutions)
- Plus 25% for indirect costs; on the amount of the PPI procurement (= subcontracting type cost) no indirect costs are eligible
- VAT is a non-eligible cost unless for beneficiaries that are unable to deduct VAT
- Requested reimbursement for coordination and networking activities can comprise max 50% of total requested grant

- ### ☐ EU contribution = Proportional contribution to the total investment made by the beneficiaries in the action. Reimbursement rate **Max 20%** for PPI co-fund actions





## EU contribution

Consortium may choose to increase support for coordination activities as long as this is replaced by extra financial contribution from the beneficiaries themselves for the procurement budget. Other way around is also possible.

### ❑ **Example: 5 €M PPI co-fund grant**

- ❑ EU contribution: e.g. 0,2 €M for 20% coordination (1M€ total) + 4,8 €M for PPI (procurement of 24 €M)
- ❑ EU contribution: Max 2,5 €M for 20% coordination (12,5 M€ total) + 2,5 €M for PPI (procurement of 12,5 €M)

### ❑ **Example: 2,5 €M PPI co-fund grant**

- ❑ EU contribution: e.g. 0,2 €M for coordination + 2,3 €M for PPI (procurement of 11,5 €M)
- ❑ EU contribution: Max 1,25 €M for coordination+ 1,25 €M for PPI (procurement of 6,25 €M)



- **Annex H of Horizon 2020 WP & Model Grant Agreement**
  - Template tender documents
  - Key steps of procedure detailed in MGA (e.g. joint procurement agreement and confirmation financial commitments, EU wide publication open market consultations and call for tenders, call for tenders open for min 60 days, conflict of interest/IPR provisions etc)
- **Monitoring of projects**
  - Project proposal evaluated by external experts
  - Project Officer following each project
  - Regular reviews (with external experts) throughout project
    - E.g. before launch of call for tender – linked to pre-financing
  - Some pre-defined mandatory deliverables: e.g. details of procurement evaluation/selection procedure, demonstration of procurement outcome to EC/project officer



# Background info



## Official Horizon 2020 docs – funding conditions:

[http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference\\_docs.html#h2020-work-programmes-2014-15-annexes](http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html#h2020-work-programmes-2014-15-annexes) (Annex D&E)

## DG CNECT website on PCP and PPI:

FAQs, ongoing projects, initiatives in Member States, upcoming events, etc

**Keep informed: subscribe yourself to the CNECT PCP-PPI newsletter**

Pre-2014 info: [http://cordis.europa.eu/fp7/ict/pcp/home\\_en.html](http://cordis.europa.eu/fp7/ict/pcp/home_en.html)

Post-2014 info: <http://ec.europa.eu/digital-agenda/en/innovation-procurement>

Finding partners: [Procurement forum](#), [PCP-PPI Linkedin group](#)



# Knowledge and networking

- Visit [www.innovation-procurement.org](http://www.innovation-procurement.org)
  - Background information
  - Policy framework
  - Concrete examples
  - News & Events
- **Shared knowledge in the Resource Centre**
  - Centralised database
  - National & International focus
  - Strategy / Tools / Case Studies / Reports / Links
  - Registered Procurement Forum members can upload documents
- **A trusted space for discussion in the Procurement Forum**
  - Post comments and ask questions
  - Share community-wide or in private group
  - Manage projects





## Call 'Mobility for Growth'/MG 8.4

### Smart governance, network resilience and streamlined delivery of innovation

*2015 – RIA and CSAs – deadline 23-4-15 and 15-10-15*

#### **SPECIFIC CHALLENGE:**

- Overcome the lack of a common framework for governance, management and finance with the aim to enable transparent, risk-based optimization of investments within and across the transport modes..

#### **SCOPE:**

- Streamline delivery of infrastructure projects through innovative, harmonized and lean procurement process and management tools; advanced asset management, investment strategies and innovation governance.

#### **EXPECTED IMPACT:**

- Faster adoption of innovation as a result of reinforced coordinated public-private partnerships..



## Call 'Mobility for Growth'/MG 8.4

### IN SCOPE:

- Supporting **tools** from concept to deployment – e.g. **BIM** – Building Information Modelling
- Solutions for optimal **cost-effectiveness, asset management, smart monitoring** systems, e.g. SHM – Structural Health Monitoring
- **Innovative procurement, contracting, tendering** processes
- Advanced **investment strategies** and **innovation governance**

### Innovation governance







## Call 'Mobility for Growth'/MG 8.4

### 3 INSTRUMENTS FOR:



Advances in knowledge, including technology progress  
RIA 2 steps – deadline 23-04-15



Large scale demonstrators for real life implementation  
of innovative solutions  
IA 2 steps - deadline 23-04-15



Strengthening the network between owners and  
operators  
CSA single step – deadline 15-10-15





## Call 'Mobility for Growth'/MG 8.4

### EXPECTED IMPACT:

- Faster adoption of innovation
- Competence building in the area of innovative infrastructure management
- Improved maintenance planning, including optimal balance between short-term maintenance and long-term renewal





**Further information:**  
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**Thank you**  
**for your attention!**

