



Pre-Commercial Procurement (PCP)

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Rationale



- Health care
- Climate Change
- Energy Efficiency
- Transport
- Security
- ...

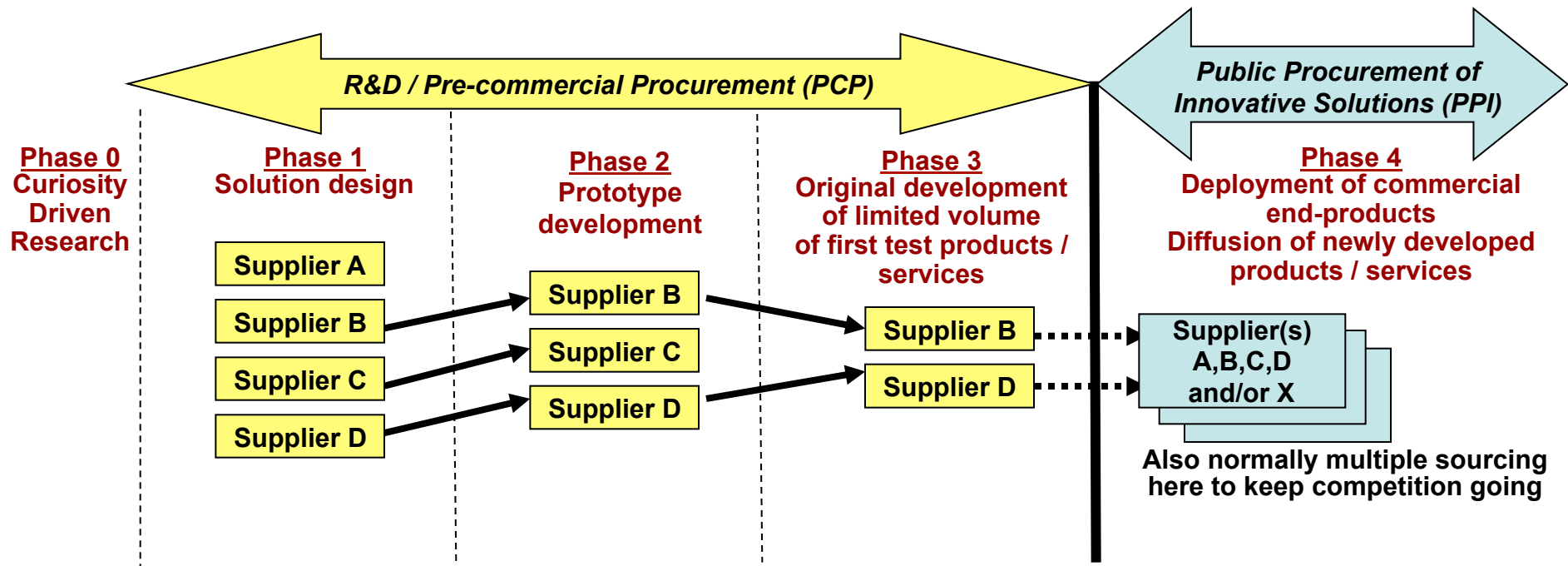


- ❑ Public sector is faced with important **societal challenges**.
- ❑ Addressing these, often requires public sector transformations so technologically demanding, that **no commercially stable** solutions exists on the market yet, and forward looking public procurement strategies are needed
- ❑ However, public procurement driving innovation from demand side is **underutilised in EU** versus other parts of the world

How does it work



- ❑ Specific approach for public sector to procure R&D services, enabling
 - Price/quality products that better fit public sector needs
 - Earlier customer feedback for companies developing solutions
 - Better take-up/Wider commercialisation of R&D results



Win-win for all stakeholders



Suppliers

- Better products
- Economies of scale
- Wider market size
- Shorter Time to market

- New lead markets
- Increase export
- Global competitiveness

Politicians

- Quality of public services
- Focus on political priorities
- Improve innovation climate
- Attract foreign investment
- Increase employment

- First buyer in early R&D
- Shared risks & benefits

Pre-commercial Procurement

- Reduce cost of procurement
- Reduce risk of innovation

Get the 'Best Product'...

- Address 'public market innovation failure'
- Shape product development to public needs
- Increase technology knowledge
- Reduce risk in commercial tendering
- Favour supplier competition

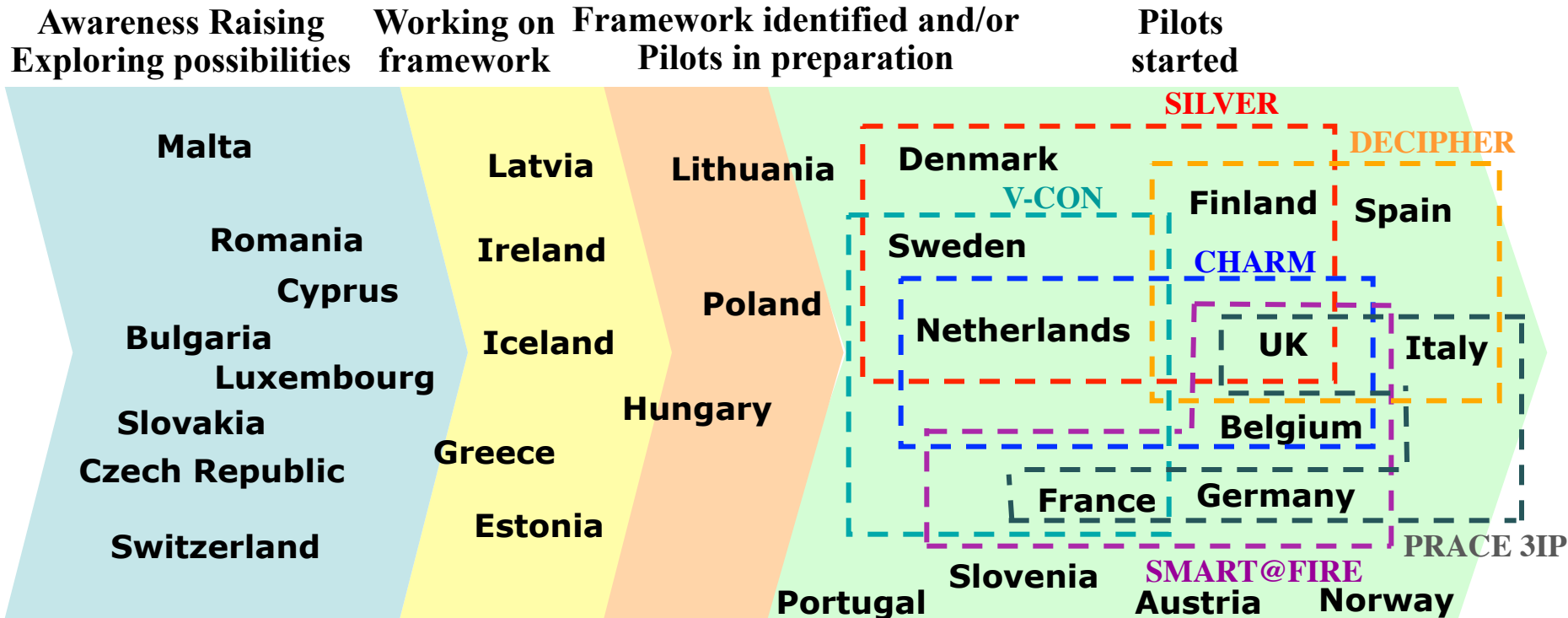
... at the 'Lowest Price'

- Pooling of resources
- Economies of scale
- No licensing costs
- 'First time right' product
- 'EU interoperable'
- Attractive to venture capitalists
- Reduce unforeseen expenditure

Procurers

Status of PCP implementation across Europe

December 2013



Examples of PCPs done by procurers in Member States without EU support: in Norway, Austria, Italy, Spain, UK, etc

->More Info about national PCP initiatives in Member States: http://cordis.europa.eu/fp7/ict/pcp/msinitiatives_en.html

Examples of on-going EC funded PCP projects doing joint cross-border PCP procurements:

SILVER (Robotics solutions for elderly care), CHARM (Traffic management), V-CON (Virtual Construction / Modelling of Roads), SMART@FIRE (Integrated ICTs for Smart Personal Protective Equipment for Fire Fighters and First Responders), DECIPHER (applications based on Distributed EC Individual Personal Health Records), PRACE 3IP (high energy efficient high performance computing). **New PCP projects recently started in 2013:** C4E (Cloud computing), ENIGMA (lighting solutions for cities), IMAILE (e-learning), THALEA (telemedicine for ICU patients at increased risk) + 3 more projects to start soon in e-health and digital preservation

->More info about EU funded cross border PCP projects: http://cordis.europa.eu/fp7/ict/pcp/projects_en.html

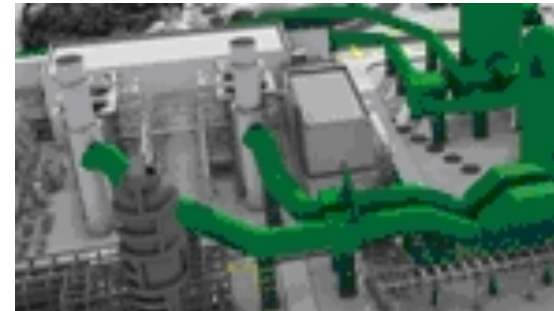
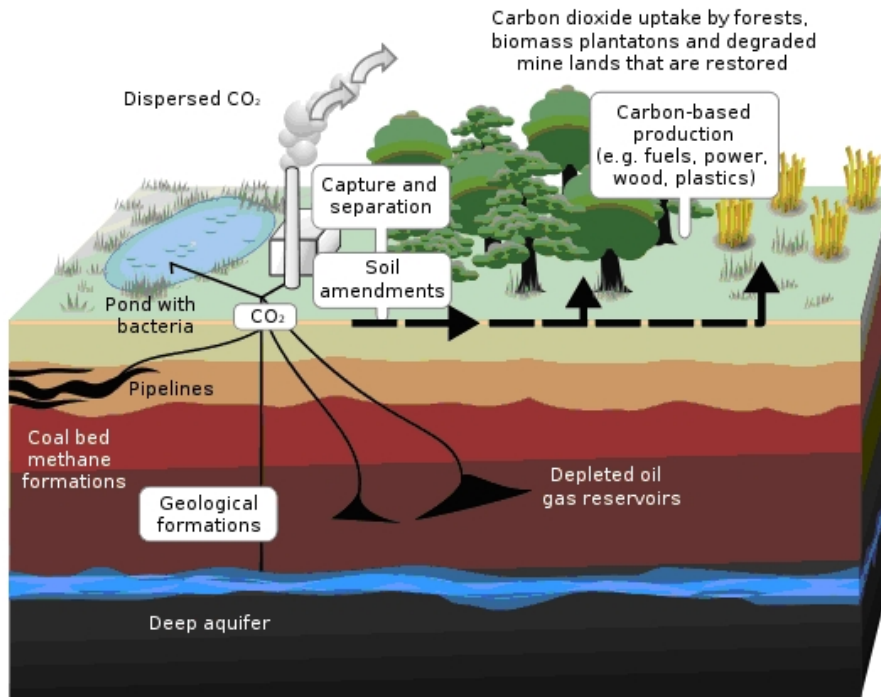
Examples from PCPs in member States done without EU support

Carbon capture – Norway

Statoil/Gassnova



Large project
attracting large firms



- ❑ Regulatory requirement to seriously reduce CO₂ emissions by 2016 without negative effects on health/environment, beyond what market is able to offer
- ❑ PCP started mid 2011, finished end 2012 (time to market shortened)
- ❑ compared solution approaches of 5 vendors
- ❑ Follow-up procurement for deployment in preparation for 2014 (open to whole market)

More info on this case on: <http://cordis.europa.eu/fp7/ict/pcp/docs/statoil-pcp-case-v2.pdf>

Examples in Healthcare

Small projects attracting mainly SMEs

European
Commission

Larger project, but demanding innovation requirements, interests both SMEs+larger vendors



Potential £19m p.a. saving



£4,000 per HCAI avoided



Potential £30m p.a. saving



**Potential £160m
p.a. saving**



PCP Niguarda Hospital – Lombardy region

Easy-to-use automated universal system for moving hospital beds, with anti-collision and safety systems, not needing guide lines or tracks even on non rectilinear routes

Potential Value PCP-like projects to NHS in UK:

- ❑ Improve the quality of the patient experience and generate significant cost savings (£236m).

Value to the economy:

- ❑ A number of innovators/SMEs have attracted significant extra investment (£290m).



PCP website:

Info on calls, EU funded projects, background docs, FAQs, PCP initiatives in Member States and Associated Countries etc

http://cordis.europa.eu/fp7/ict/pcp/home_en.html