

# Deliverable D5.1

## Learning and Recommendations Report - Post Competition

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2	18. Oct. 2013	Soeren Lundgaard	<p>Draft 2: correction of general language/proof reading.</p> <p>Added learning point on PIN/TED under "Publish PCP and inform market" – Tendering period"</p> <p>Section: Tender Assessment and awarding of contracts: Added learning point on guidance to assessors and "Contract Award Notice"</p> <p>Section: Recommendations: PCP – post competition Added recommendations on PIN/TED and "Contract Award Notice". Rewriting of recommendation regarding assessors.</p>
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6	12. May 2014	Helena Christensen	<p>Version updated according to review comments:</p> <p>Section: Budget and Cash-flow and Legal Issues Added explanatory text to diagram. Legal Issues has been moved to own section</p> <p>Section: Needs assessment Added recommendation on a needs assessment of PCPs in the contracting authorities.</p> <p>Section: Tender Assessment and Awarding of Contracts Added recommendation on reasons for adjusting preliminary ranking</p> <p>Section: End of phase report and next phases</p>

			Section added.  Section: Recommendations: PCP – post competition The section has been deleted
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### Approvals for final version (for deliverables and milestones)

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### Notes

Dissemination levels:

- PU = Public
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**Deliverable D5.1:  
Learning and Recommendations Report – Post Competition**

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## Introduction

The SILVER project has two primary objectives. The first is to develop and validate a generic model for a cross-border Pre-Commercial Procurement (PCP) process in the participating countries. The second objective is to use the developed generic PCP process as a basis for running an actual specific call, to identify new technologies and services that will address the challenge of Supporting Independent Living for the elderly through Robotics.

The goal is to identify new robotic solutions, that when implemented in elderly care will make it possible to care for 10 % more care recipients in 2020 with the same number of care givers. The solutions should, also at the same time, increase the quality of life for the elderly, by making them more independent and improving their health.

The aim for SILVER's work package 2 is to gather existing experiences to create a generic, cross-border, European process for running PCP, including supporting guidelines, templates and artefacts which can be used for an actual PCP call in SILVER and in future PCP calls outside of the project.

While work package 2 will generate the best current view on how a transnational PCP scheme can be run it is expected that during the course of the actual PCP call in SILVER, further understanding will develop through the actual implementation of such a scheme. The objective of work package 5 is to capture learning points and to make recommendations both to the partners in the SILVER consortium and to others who may in the future wish to implement a similar process.

The PCP process in SILVER is divided into three phases. The first phase is a feasibility study, *Solution Exploration*, of the selected technologies and proposals. The most promising ideas will be developed into well-defined prototypes in phase two. The third phase aims to verify and compare a first test production or services in real-life situations.

Work package 5 focuses on making learning and recommendation reports from all three PCP phases in SILVER.

This deliverable 5.1: Learning and recommendations report – post competition will describe a selection of learning points, extracted from the SILVER-project's PCP preparation phase. This section has been structured so that it describes learning within three overall themes:

- "Prepare PCP",
- "Publish PCP and inform market"
- "Evaluate tenders and award contracts".
- "End of phase report and next phases"

The selected themes are all part of the generic PCP process which has been developed in SILVER and described in details in deliverable D2.2: Generic Pre-Commercial Procurement Process.

## Prepare PCP

Preparing the PCP involves getting all the parts of the PCP ready for launch. For example construct a project plan, review legal matters, prepare needed documents, identify and recruit assessment committee members and plan market communication. It also involves taking decisions concerning matters such as, how many contracts to aim for, what project specific criteria to use, payments plans, and other practical issues related to the preparation.

## Challenge Definition

Defining the challenge is fundamental for the success of a PCP. The challenge should address the needs of intended end-users, and be described in a way that engages the market in delivering solutions that can create the desired benefits.

PCP is still a new approach, for both procurers and tenderers.

The SILVER-partners, experienced in the initial phase of defining the challenge, that it is important to focus on what has to be solved and not how to solve the challenge.

When defining the challenge, you may easily fall back on old routines as a procurer, and ask for specific solutions instead of specifying the challenge and letting the tenderers provide the solutions.

## Broad or Narrow Challenge Definition?

When formulating the challenge definition, you may choose to describe a broad or a narrow challenge. The definition will be closely linked to making functional requirements.

SILVER worked with a broad challenge definition within the complex field of elderly care. This resulted in fairly broad functional requirement, which made it challenging to formulate them precise.

Aspects to considerations on a broad or narrow challenge description has also been described in deliverable D2.2 “Generic Pre-Commercial Procurement process”.

However, In SILVER, the project did experience that the tenderers responded well to the broad challenge description and functional requirements. The received proposals did at this early stage show a high level of innovation.

## Needs Assessment

Learning points regarding “needs assessment” in SILVER showed that this process was more time consuming than first expected. Reasons for this are that a shared understanding among partners, and data from the different organizations, had to be established.

This was especially time consuming in SILVER, where the area for PCP contained cross-national differences.

SILVER did a needs assessment within elderly care, where the structure and level of service varies greatly from country to country. This made a shared needs assessment among the partners more time consuming.

Overall it is important that sufficient time is allocated for both individual analysis within each country, and for coordinating and consolidating a common understanding of the cross-national needs.



During the needs assessment it is also recommended to examine what needs the PCP processes fulfil within the organisations of the contracting authorities.

In the process of performing a needs assessment, it is important to give room for different approaches and target groups within the countries. Preferably using both quantitative and qualitative methods and involvement.

At the same time it is however also important, to keep an eye on the target, and decide upfront on what questions need to be answered, and how you in the consortium will analyse the gathered information from the assessments.

Data collection and comparison was in SILVER more challenging than first expected. Project participants from several countries had a good understanding of their individual needs, based mainly on personal experiences.

However, it ended up being more demanding than expected, to provide the exact figures on how much time was currently being used for the specific ADL tasks (Activities of Daily Living) within elderly care.

## Market Consultation

The SILVER project was successful in a combined market consultation, consisting of both a physical international market consultation at the AAL Forum in Eindhoven and a virtual internet based consultation.

The market consultation online questionnaire was open from 17 September 2012 – 31 October 2012. The official publication in the Supplement to the Official Journal of the European Union (OJ/S) was published on 19 September 2012.

From 17 September e-mails were sent to mostly national (robotics) networks, companies, universities, intermediates, etc. We have asked to forward the e-mails to relevant networks, people and companies all over Europe that might be interested.

The AAL forum on 26 and 27 September was used to inform more people about SILVER and the market consultation and have some discussions. E.g. we received feedback that our request for information was sent, amongst others, to the EUROP-EURON network. For the physical market consultation, an already existing event where a target group is represented is worth considering. The event was used with great success.

SILVER attracted interest and tenderers, not only from the participating countries, but from most of the EU. Thus, a learning from this process is that having a market consultation questionnaire open for 4 weeks can give enough responses.

The market consultation provided vital input in the initial challenge definition, as companies and research institutes were able to help describing a better challenge definition. They came with good additional questions and qualified the needs to be addressed, before the final call description.

The market consultation should also help clarify already available solutions on the market. Within SILVER and the area of robotics for elderly, the project experienced that an open and objective approach is important, and that it might be necessary to take informal and often personal knowledge in use, in order to get a good view on what is already available.

## Project Management

Project management on running a PCP process consist e.g. of preparing a project plan, including time-plan and resource allocation plan, managing legal issues, assessment criteria and a detailed description for the length of different parts in the PCP-process which includes deadlines for end-of-phases.

In the SILVER project there were a few, but important, learning points regarding project management of cross-border PCP.

A main learning point is that cross-national cooperation takes time and that this has to be considered when planning the preparation phase for launching a cross-border PCP.

The project partners and participants in SILVER come from different backgrounds, different countries, and different organizations, both government, regional and local. For these reasons the project team in SILVER experienced that it general took more time than initially planned, to get a joint understanding of PCP. This is then emphasized when there are changes in the project group and new people join the team.

Running a cross-border PCP also means that the project team might have a degree of language barrier, which from time to time may lead to miscommunication.

Travelling also adds to the time needed, however an efficient and flexible virtual platform for meetings and communication is a great help.

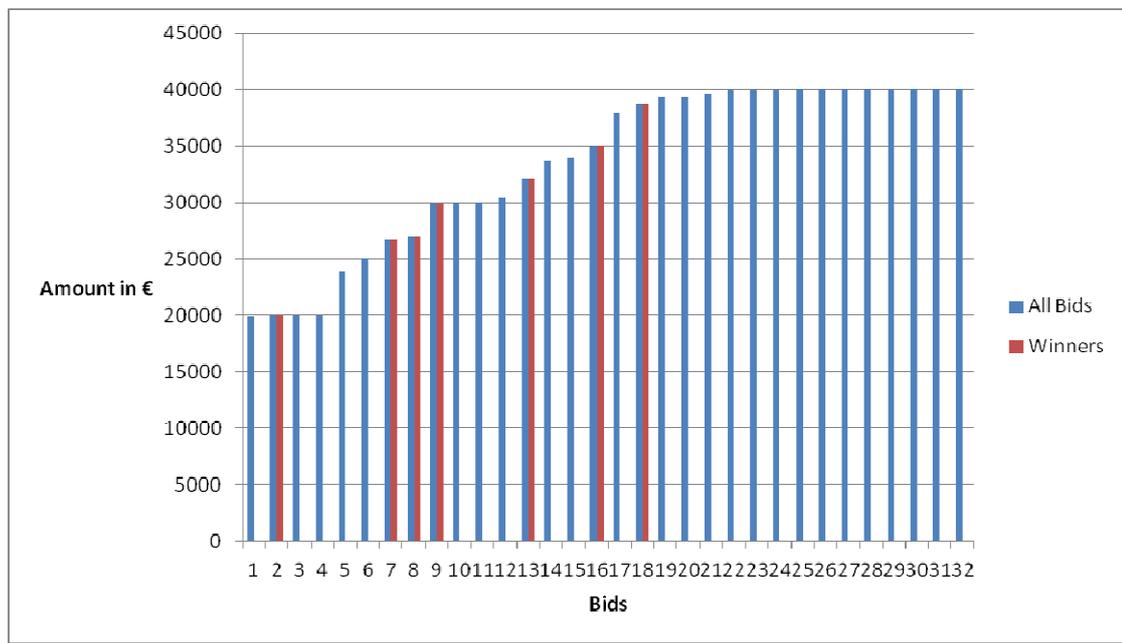
## Budget and Cash-flow

Budget and cash-flow relates to making decisions on the economical framework for each phase of the PCP and plan for how many contracts to aim for in each phase.

From SILVER, a cross-border PCP process has shown that it enables a R&D process to be completed with a larger budget than else possible.

For the PCP-call in SILVER “ceiling-price” combined with “price” on proposals was used as an assessment criterion. This has shown to give some initially “low priced” proposals. However, final results of the total process still need to be considered for a sufficient conclusion.

An overview of the winning bids however shows that the price is divided on a broad price range presenting both high and low priced proposals.



SILVER ran in to unexpected challenge regarding VAT-exception, when estimating resources for the PCP-phases. Some national regulations have VAT-exception possibilities and other national regulations like the UK have other exception rules. SILVER’s PCP process was under UK law with Technology Strategy Board as Contracting Authority, which meant that the budget for the PCP-call had to be changed because VAT could not be exempted. For future PCPs it is important to check early if there is any such national differences which might influence the budget.

### Legal Issues

Learning regarding legal issues in SILVER has shown that this is probably one of the most challenging tasks when performing a transnational PCP. National legal checks are of absolute importance and should be performed by legal experts.

In SILVER, one of the partners was responsible for the development of a PCP-framework agreement (SILVER\_06 Framework agreement). The contract has been developed together with external legal consultants, who also participated in team meetings for cross-national input. Afterwards the agreement went through national legal checks among the partners.

### Preparation of Assessment Process and Criteria

This section is about setting up and prepare the assessment process of tenders, and to decide on criteria which are relevant for selection of received proposals.

Following four criteria are recommended: 1) “Impact on the challenge”, 2) “Technical approach” 3) “Quality of the tender” and 4) “Price”.

Learning from SILVER is particularly made in relation to “price” as a criterion. In SILVER, the inclusion of “price” as a criterion gave a larger than expected number of low priced proposals. On the other hand, low price proposals ended up for this phase, being ranked relatively high without necessarily taken enough into account other important factors at such an early stage, like quality and expected contribution to the challenge.

Experiences from SILVER showed that balance in the assessment criteria is important, so that higher-priced proposals could still score higher if they at the same time provided better prospects on the rest of the criteria.

However in SILVER the selected proposals all seem to be good and interesting solutions. An ultimate truth might be difficult to conclude at this stage, but the important point from SILVER is to notice that “price” could contain trade-offs as a heavy assessment criterion.

In the assessment of the proposals, SILVER used a large panel of external experts. Out from made experiences it is worth noticing that these external assessors ended up having a great impact on the final ranking of proposals. Selection of assessors is therefore important, and they should have the relevant competences and knowledge for being in the panel.

Using a large panel of external assessors made it in SILVER possible to assess a lot of proposals (32) in a relatively short time (two weeks). Each proposal was assessed by 5 experts with knowledge of elderly care, robotics and/or general business knowledge. However a large panel of assessors will fundamentally end up giving more individual interpretations of the assessment criteria, making guidance and education important in order to reach a shared understanding on how to understand the criteria.

## Publish PCP and Inform Market

This section will describe learning points from information activities about an upcoming Pre-Commercial Procurement tender, how to prepare an information meeting, set up a helpdesk function and setting up a system for receiving tenders.

### Tendering Period

Tendering period concerns publishing of invitation to tender in a PCP call, and management of the tendering period.

SILVER has made a cross-border PCP call. When doing a PCP across different partners and countries, it is necessary with a dissemination plan which includes activities on both European and national level in order to reach the target group in the best way possible.

A person should be named and responsible for following-up on the decided dissemination activities and, also responsible for documenting them.

To inform across the EU about the PCP call in SILVER, and to follow general procurement procedures, a PIN (Prior Information Notice) was issued after approval by the European Commission.

In general, when a PCP contract is worth more than a certain threshold, a PIN must be issued. PINs allow future tenderers to prepare to bid for the PCP contract before the procurement process officially begins. A PIN also makes it possible to reduce the time needed to complete a competition.

Different procedures are prescribed within different areas of procurement, and must be applied when publishing the specific PCP call.

PIN follows a standard form, which outlines: who the buyer(s) is/are; what is required; the anticipated contract value; the type of contract; and when the requirement should be fulfilled.



A learning point from SILVER is that the PIN standard form only fits traditional procurement and that it must be stated clearly that the PIN is concerning a PCP.

After the PIN, SILVER published the PCP tender for robotics solutions according to the rules for TED (Tenders Electronic Daily) which is the online version of the 'Supplement to the Official Journal of the European Union', dedicated to European public procurement.

Other aspects about communication to consider when doing a cross-border PCP, is to make sure that the information given out is the same. This means that translation might be necessary and that deadlines for the tendering period might have to consider time differences.

In SILVER minor details on deadline was missing in the tendering material. This was however corrected through the Q&A function on the project website, which was a good tool for communicating necessary details after publishing the tender.

In the communication of the tender it is also important to inform the tenderers on how such a Q&A function will be handled and documented.

## Evaluate Tenders and Award Contracts

Evaluation of tenders and awarding of contracts is concerned with setting up a process for qualifying tenderers and tenders, prepare tender assessment with individual experts and how to come to a final and qualified decision on selecting the proposals.

### Qualification of Tenderers and Tenders

This section relates to checking that tenderers are legal entities, that declarations in the tender form are filled in correctly, and if any other requests in the tender form has been submitted correctly.

In SILVER submitting of PCP proposals were done electronically and went well. SILVER used a system from Technology Strategy Board, who also was the contracting authority and responsible for administration of the call.

### Tender Assessment and Awarding of Contracts

Tender assessment is about preparing the work for the individual expert assessors and to distribute all the relevant material necessary for selecting the number of proposals. Finally it is about management making a transparent calculation of tenders' total scoring points before deciding on which tenders to award, and inform the public.

Learning points from SILVER are that instructions to the assessors are important. All assessors have to understand their exact duties and responsibilities – clear communication is crucial.

SILVER had a preparation of the assessors through a guidance document. However, at the assessors-panel meeting, the project experienced that some assessors still had questions regarding the overall tendering process or the specific needs of the procurers.

Education of the assessors is important to make sure that they understand the assessment criteria. This should be checked for, before the assessment starts.

A clear protocol for decision on proposals is important. At the assessors meeting SILVER experienced confusion on the process, which gave some concern among the consortium members and had to be sorted out.

It should also be clarified that if the final Decision panel adjusts the preliminary ranking the reasons should be provided verbally and with substituting scores.

The final management of the assessment of proposals was in SILVER put into a scoring-sheet, which ranked all the proposals and helped selecting the seven highest ranking proposals. This gave a good overview.

After selection of proposals and awarding the contracts a clear plan for communication is important. SILVER experienced some confusion on when to inform the public about the winning proposals.

One agreed date for publishing of winning proposals is important out from a legal point of view and must be the same across the consortium and all countries. Be aware of formal rules for announcements of contracts awarded.

In SILVER winning proposals of the PCP call were published on the project website and on project partners' own websites. Finally, a "Contract Award Notice" was announced through the formal EU procurement system.

## End of phase report and next phases

A clear process for assessment of the end of phase report needs to be applied. A decision on this matter has already been actualised.

To ensure that the learning and recommendations of this report and the following deliverables in work package 5 are applied, deliverables 2.2 and 2.3 will be adjusted to obtain these recommendations in the further PCP processes. The adjusted deliverables will hence become 5.6 and 5.7.