

STIMULATING INNOVATION THROUGH PRE-COMMERCIAL PROCUREMENT (PCP)



This article delves into how Pre-Commercial Procurement (PCP) can be a catalyst for innovation and technological progress. By leveraging PCP, public procurers and suppliers work together to tackle unmet demands, thereby spurring market evolution and paving the way for a future characterized by creativity and advancement.

What is Pre-Commercial Procurement?

Pre-commercial procurement (PCP) is an approach used by public authorities to obtain research and development (R&D) services for societal challenges, where the benefits are not exclusively for the contracting authority's use. The European Commission supports PCP to foster innovation and address public sector needs. PCP challenges industry to develop innovative solutions, providing a first customer reference for companies to gain a competitive advantage. By comparing solution approaches and driving innovation from the demand side, public procurers accelerate modernization of public services and stimulate growth in emerging markets like ICT, thereby promoting a strong European market for innovative products and services.

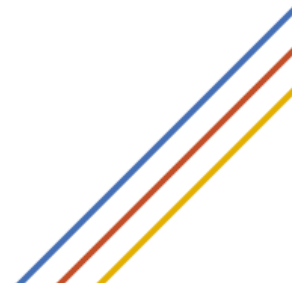
When to use it ?

PCP is deployed when traditional solutions are insufficient or non-existent. It's ideal for scenarios where:

- **Innovation is Essential:** When existing solutions fall short, PCP invites suppliers to push boundaries and create transformative technologies.
- **Driving Market Change:** PCP aims to catalyze a step change in the market by fostering new ideas and approaches that can redefine industries.
- **Intellectual Property Management:** PCP strikes a balance by allowing suppliers to retain IP rights while ensuring public authorities have the necessary usage and licensing rights.

Key Features of PCP

PCP operates through a multi-phased procurement process, designed to maximize competition and innovation:



- **Limited Acquisitions:** PCP may include acquiring limited prototypes or test products resulting from research and development (R&D) services.
- **Exemption and Compliance:** While PCP falls under an exemption of certain directives, it remains subject to EU Treaty principles, competition rules (with provisions to exclude State aid), and relevant national procurement regulations specific to PCP.
- **Non-State Aid:** PCP does not constitute state aid as R&D services are procured at market prices. Selection procedures are open, transparent, and non-discriminatory, with contractual conditions and terms (including intellectual property rights) disclosed in advance to all interested bidders.
- **Fair Competition:** PCP ensures no preferential treatment for participants in supplying commercial volumes of final products to any contracting authority (CA).
- **Demand-Supply Alignment:** By aligning demand with supply, PCP encourages innovation by addressing public sector needs directly.

PCP is implemented through straightforward procurement procedures (e.g., open, restricted, or negotiated procedures with publication) to maximize its effectiveness in fostering innovation and creating new solutions to societal challenges. This approach empowers public sector entities to play an active role in shaping innovative solutions that meet their unique requirements.

How Does PCP Work?

PCP unfolds in distinct stages, each tailored to maximize innovation and value:

- **Preparation:** Procurers identify needs, conduct market analysis, and draft business cases. Open market consultations pave the way for supplier engagement.
- **Document Drafting:** Crucial documents like the PCP Contract Notice and Request for Tenders are crafted, setting the stage for supplier engagement.
- **Conducting PCP:** Suppliers compete in phases, starting from solution exploration to prototype development and field testing. Successful outcomes can lead to further commercialization via Public Procurement of Innovative Solutions (PPI).

In essence, Pre-Commercial Procurement is more than a procurement strategy. It's a catalyst for transformative change. By harnessing the collective ingenuity of public and private sectors, PCP propels us towards a future where innovation isn't just a goal but a tangible reality, shaping industries and improving lives.





For more information on PCP and its transformative impact, explore resources from the European Commission and innovative case studies driving technological evolution.

- [European Commission - Pre-Commercial Procurement](#)
- [Eur-Lex - Pre-Commercial Procurement Definition](#)
- [Pre-Commercial Procurement showcases \(europa.eu\)](#)

Find out more in the iProcureNet Toolbox at www.iprocurenet.eu, a free tool by procurer for procurer aiming at providing guidance and best practices for JCBPP and IP in the security sector.



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