



EGI-Engage

Preparation for the Cross Border Joint Procurement session at the EGI Conference April 2016

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Abstract

This document provides an overview of the Cross Border Joint Procurement session to be held at the EGI Conference in Amsterdam on 7th April 2016 and proposes a set of follow-up actions.



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TERMINOLOGY

A complete project glossary is provided at the following page: <http://www.egi.eu/about/glossary/>

Contents

1	Introduction.....	4
2	Progress.....	5
2.1	Cross-border procurement.....	5
2.2	Related EGI-Engage tasks	5
3	Assessment.....	6
4	Next steps.....	8

1 Introduction

This document provides an overview for the Cross-Border Joint Procurement session at the EGI Conference in Amsterdam on 7th April 2016:

<https://indico.egi.eu/indico/event/2875/session/27/?slotId=0#20160407>

Cross-border procurement of e-Infrastructure services is an activity of the EGI-Engage project (NA2¹) involving the partners CERN, BBMRI-ERIC, CSIC (LifeWatch), RBI (DARIAH), INGV (EPOS) and EGI.eu (representing EGI and liaising with the NGIs) with the following scope:

- e-Infrastructures are evolving towards service-oriented provision with on-demand allocation and pay-for-use capabilities.
- Publicly funded resource providers and their users lack the knowledge and mechanisms to collectively bid within a public procurement process.
- The goal of this activity is to analyse opportunities and barriers for cross-border procurement of e-Infrastructure services and to identify best practices.
- A number of RIs and infrastructure providers will contribute to the analysis and documentation of use cases.
- A final report will be produced D2.11 '*Cross-border procurement of e-Infrastructure services: Opportunities, Barriers, Use cases, Best Practices*' in February 2017.

¹ <https://wiki.egi.eu/wiki/EGI-Engage:WP2>

2 Progress

2.1 Cross-border procurement

The progress of the Cross-border procurement task has been reviewed by the participating partners and RIs at the EGI events starting with the EGI conference in Lisbon during May 2015 and continuing with the EGI community forum in Bari during November 2015:

- The procurement models in use by public research organisations have been analysed via the PICSE project (<http://www.picse.eu/>),
- The role of EGI with respect to tenders has been discussed in the context of the CERN IaaS market survey,
- Cross-border procurement via PCP/PPI instruments is being actively investigated via the HNSciCloud project (<http://hnscloud.eu/>), which held an open market consultation on 17th March (material available online: <http://www.hnscloud.eu/events/hnscloud-pre-commercial-procurement-open-market-consultation-omc>)
- The combination of different funding streams, such as structural funds, have been investigated via a dedicated workshop organised by ELIXIR-Excelerate in Brno in October 2015 (<http://www.ceitec.eu/elixir-excelerate-structural-funds-workshop/t2194#tab1> and material: <http://www.ceitec.eu/elixir-excelerate-structural-funds-workshop/t2194#tab6>).

2.2 Related EGI-Engage tasks

The work of the Cross-border procurement task is closely related to two other EGI-Engage tasks:

- ‘EGI Marketplace’ led by SWING (NA2.2.7) produced a report ‘Concept of the EGI Marketplace’ (D2.3) in August 2015: <https://documents.egi.eu/document/2535>
The document gives the rationale and planned implementation of a service marketplace. A session is scheduled for this task at 16:00 on 6th April at the EGI conference in Amsterdam where the prototype EGI marketplace implementation will be discussed (including service catalog, SLAs, terms of reference etc.):
<https://indico.egi.eu/indico/event/2875/session/19/?slotId=0#20160406>
- The work on the ‘Pay-for-use Implementation’ led by EGI.eu (NA2.2.6) has been reported in the ‘EGI Sustainability and Business Development Plan’ documents D2.9 in February 2016: <https://documents.egi.eu/document/2669>
The document highlights a marketplace as part of the EGI service portfolio (see table 1 and section 3.5.5) and the potential future role of EGI as a broker (section 4.2). The current e-GRANT resource allocation tool offers a matchmaking tool for satisfying requests for resources with available services but does not perform the transaction (with or without payment) itself.

3 Assessment

The PICSE project has produced a call for action which includes a number of recommendations for public research organisations, cloud service providers and policy makers intended to remove barriers to cloud service procurement that are based on a set of 13 use-cases with identified best practises: http://picse.eu/sites/default/files/PICSE_Call_for_action_March2016_Booklet.pdf

Extract of recommendations for public research organisations:

1. Build internal competences on cloud procurement and share requirements & best practices
2. Adopt cloud-specific standards and identify these in procurements
3. Validate and use standard templates for tenders with standard contract templates and SLAs
6. Review internal procurement policies and make tenders SME-friendly
7. Encourage innovation and competition
9. Engage the industry and manage relationships with multiple suppliers
10. Adopt standards to improve the quality, security and sustainability of products and services
14. Implement pay-per-use procedures
17. Experiment in the cloud through free trials and small pilot

Extract of recommendations for cloud service providers (public and private sector):

4. Invest in the end-user facing services and in training next generation of researchers
11. Engage with demand side to understand the needs of the market.
12. Create a working economy between suppliers rather than always competing
15. Establish transparent cloud pricing within clear and publicly available service descriptions
18. Offer free, standalone tests

Based on the information gathered as part of the cross-border procurement task in EGI-Engage, the following potential barriers to procurement involving Research Infrastructures and public funded e-infrastructures as service providers have been highlighted:

- Some publicly funded resource providers have restrictions which can limit their ability to sell their services. This may impact the focus (e.g. for research/innovation rather than

commercial use) and geographical scope (i.e. may be limited to customers from the host member state) of their potential market and sale price (i.e. cost recuperation or for-profit). The majority of publicly funded resource providers are more interested in actively participating in the research and development of innovative services than selling commodity computing services.

- The role of a service broker adds value by simplifying the procurement process, offering economies of scale and de-fragmenting the market, but raises a number of questions about associated costs, governance, liability and risk for the brokering organisation.
- ERICs, as coordinating bodies for RIs, frequently rely on in-kind contributions for ICT services to be provided by member states. The IT services to be acquired and operated by the central ERICs are limited with the majority of services and resources distributed in the member states. The ERIC legal structure includes provisions for public procurement procedures and exemption from VAT and excise duty. ERICs are relatively young organisations and many are still in the process of determining the role that they could potentially fulfil in procurement of IT services to support research activities across their member states. If ERICs were to perform cross border procurement it would need to be negotiated with their member states to avoid the perception of double funding (i.e. member states paying for the installed capacity in their countries and then also paying for the procurement via the ERIC).
- Attention must be paid to the potential impact of cross-border joint procurement via instruments such as Public Procurement of Innovative solutions (PPI) and Pre-Commercial Procurement (PCP) on the use of the other funding streams such as European Structural and Investment Funds (ESIF). ESIF funding is allocated by member states in agreement with the EC for projects in thematic areas including Research and Development, innovation and ICT. Cumulative funding between H2020 and ESIF for a single action is possible but excludes the beneficiary from using EC funds to cover their required contributions (i.e. cannot use ESIF to cover co-fund share of H2020 project).

4 Next steps

There are two potential opportunities to be examined for cross-border procurement:

- As a ICT resource provisioning model for Research Infrastructures
- As a means of matching supply and demand in the context of the EGI service marketplace by which RIs and large research collaborations acquire services to support their research agenda.

A goal of this third cross-border procurement session (Amsterdam, 7 April 2016) will be to assess the status of the EGI support for procurement. The progress of the HNSciCloud project will also be reviewed to understand what opportunities the PCP/PPI joint procurement model could offer to ERICs. In order to determine these opportunities the following questions will be used to drive the cross-border procurement session which will be organised as a panel involving the ERICs, EGI resource providers and EGI.eu:

- Do the participants agree with the PICSE recommendations and procurement roadmap (see section 3 above)?
- Will EGI be in a position to respond in a coordinated fashion to public tenders in 2016?
- The HNSciCloud group of procurers includes 3 inter-governmental research organisations (CERN, EMBL, ESRF) and 7 national organisations (CNRS, DESY, IFAE, INFN, KIT, SURFSara, STFC) to procure innovative cloud services that will support user groups linked to 7 RIs listed in the 2016 ESFRI roadmap document. Could an ERIC coordinate a similar PCP/PPI action that would engage a procurement group drawn from its member state organisations?