



EGI-Engage

Summary of Cross Border Joint Procurement session at the EGI Conference May 2015

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Abstract

This document provides a summary of the Cross Border Joint Procurement session held at the EGI Conference in Lisbon on 20th May 2015 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/>

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1 Introduction

The agenda for the Cross-Border Joint Procurement session at the EGI Conference in Lisbon on 20th May 2015 is available online:

<https://indico.egi.eu/indico/sessionDisplay.py?sessionId=73&confId=2452#20150520>

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.

The work of this task is closely related to two other tasks:

- 'EGI Marketplace' led by SWING (NA2.2.7) will produce a report 'Concept of the EGI Marketplace' (D2.3) in August 2015.
- The work on the 'Pay-for-use Implementation' led by EGI.eu (NA2.2.6) will be reported in the 'EGI Sustainability and Business Development Plan' documents D2.9 in February 2016 and D2.13 in August 2017.

For details of the individual presentations the reader is referred to the material online. This document provides a brief summary of the points raised, a first analysis of the situation and suggestions for how to proceed.

1.1 Objectives

As this was the first meeting on the subject, the objectives were to analyse opportunities and barriers for cross-border procurement of e-Infrastructure services and identify best practices that could enable Research Infrastructures or large research collaborations to acquire services to support their research agenda collectively.

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

2 EGI pay for use pilot

The work performed on the EGI pay-for-use pilot as summarised by Sy Holsinger's presentation and in the EGI report² is directly relevant to the cross-border joint procurement activity. There are approximately 350 resource providers involved in EGI and of those about 30 are now publishing pricing information for their services via the GOCDDB. The EGI accounting portal has also been extended to take into account pricing information. Of the 30 resources providers publishing pricing information, approximately 10 are willing to consider selling their services to customers. The e-GRANT portal provides access to the catalog of services and a means for matching supply to demand with support for negotiation. Resource providers have control over which proportion of their services are made available for sale via the portal. The discussion highlighted that there are restrictions on resource providers that may affect their ability to publish pricing information and sell their services. For example, some resources providers may only be allowed to sell their services in the publicly funded research and education sector to avoid competing with commercial service providers. Similarly, other resource providers may sell their services abroad but not within their own national borders since they have been funded to provide such services to their nationals.

EGI.eu is working to develop appropriate contracts for the sale of services and associated Service Level Agreements and a billing process. There is a potential role for EGI.eu as a central broker in this model though a number of legal aspects have to be addressed, including taxation and liability, which are being studied with the help of an external consultant.

Sy highlighted that this model does not only apply to computer services and may include consultancy, software development and training etc. He also noted that ability to determine the cost of consumed services, even if there is no financial transaction involved, can be a useful service to the RIs in order to help them estimate their IT budgets for the future.

² https://documents.egi.eu/public/RetrieveFile?docid=2377&version=5&filename=EGI-Pay-for-Use-PoC_Final-Report_2014_vfinal.pdf

3 Research Infrastructures

Representatives from the EGI-Engage competence centres supporting the Research Infrastructures (RIs) engaged in this activity, namely BBRMI, DARIAH, EPOS and LifeWatch, presented their computing models and approach to the provisioning of resources. The RIs have existing services and datasets distributed across their member states which need to be integrated into their computing models. They already have or are in the process of establishing a European Research Infrastructure Consortium (ERIC) as a coordinating body. 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 provisioning of the distributed services is typically the responsibility of the member states though it is recognised that there may be some advantages in the ERIC coordinating the joint provisioning of services, including IT services. The ERIC legal structure includes provisions for public procurement procedures and exemption from VAT and excise duty³:

“Being considered as an international organisation within the meaning of the directive on public procurement (Directive 2004/18/EC and Directive 2014/24/EC), an ERIC may adopt its own procurement rules based on transparency, non-discrimination and competition.

An ERIC must be recognised by the host Member State as an international body within the meaning of directive 2006/112/EC on VAT and as an international organisation within the meaning of Directive 2008/118/EC on excise duty.

...

Exemptions may apply to goods or services acquired by the ERIC for the official use of the ERIC. Definition of the scope, limits and conditions of the exemption may be part of the statutes or contained in a separate agreement among the members or with the host State.”

In the discussion it was highlighted that if ERICs were to perform cross border joint procurement it would need to be negotiated with the member states to avoid the risk of double funding of contributions. The procurement mechanisms used by the member states may already include Public Procurement of Innovative solutions (PPI) and Pre-Commercial Procurement (PCP) as well as EU Structural funds and so attention must be paid to the potential impact of cross-border joint procurement on such mechanisms.

An example cross-border joint procurement of innovative cloud services using the PCP mechanism has recently been proposed by a consortium of research organisations from 7 countries in the context of the Helix Nebula initiative⁴. While this PCP pilot is not part of the EGI-Engage project, and assuming the proposal is funded, it could provide a relevant case-study for the RIs, notably since it includes making the procured services available to end-users via the EGI Fed Cloud.

³ http://ec.europa.eu/research/infrastructures/index_en.cfm?pg=eric2

⁴ <https://zenodo.org/record/16140/files/EUSciCloud-March2015.pdf>

4 Next Steps

Based on the analysis above, the following set of actions are proposed:

- The on-going development of the EGI tools to support pay-for-use should continue via the EGI-Engage project task 'Pay-for-use Implementation' (NA2.2.6) so that a suitable basis for contracts and SLAs as well as a billing process can be proposed to the RIs. The potential role of EGI.eu as a central broker should be elaborated.
- Mechanisms for performing cross-border procurements by ERICs with their member states, including PCP/PPI and EU structural funds, should be studied to understand the opportunities and implications.

The pursuit of these actions and the opinions of the RIs on the results achieved will form the basis for the 'cross border joint procurement' task (NA2.2.5) in the EGI-Engage project and provide material for the deliverable D2.11. The progress of this task will be reviewed by the participating partners and RIs at the EGI events starting with the EGI community forum in November 2015.

The results of the evaluation of the Helix Nebula PCP pilot proposal will be published by the EC in September 2015. Assuming the proposal is funded, the RIs will be invited to participate in the user board that will be established for the project.