

1st/2023 SCM

Subject No 17



**INTEGRATED AIR & MISSILE DEFENCE
CENTRE OF EXCELLENCE**

Souda Air Base, 73100, Chania
<https://www.iamd-coe.org>



**1st/2023 Steering Committee Meeting
POINT PAPER**

| | | | |
|-----------------|-------------|----------------|-------------------|
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| | | NCN: | 302 - 6154012 |
| Date: | 28 Jul 2023 | E-mail: | info@iamd-coe.org |

TO: See Distribution

SUBJECT: **"AI-Empowered Drone Detection Passive Radar Using 5G Signals" Project**
- Intended Contract with FORTH-ICS
(a) Shared Budget 2023 - Transfer of funds between/within Chapters
(b) Procurement procedure (tender requirements in case of prospective
contracting with FORTH-ICS)

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PURPOSE: SC to approve budget and procurement requirements in the context of contracting the project *"AI-Empowered Drone Detection Passive Radar Using 5G Signals"*.

BACKGROUND: Based on pre-solicitation conferences with the Foundation for Research and Technology - Hellas/Institute of Computer Science (FORTH-ICS), the intended research project of creating prototype system of artificial intelligence-empowered drone detection passive radar using 5G signals has the following main characteristics:

- a. Duration: 24 months (2 phases x 12 months);
- b. Expected deliverables of 1st phase: (a) Technical report with full details of system's architecture, specifications & requirements, and (b) Technical report with system's performance evaluation on simulated 5G signals and estimated performance in real environments;
- c. Expected deliverables of 2nd phase: (a) Technical report of final prototype system, (b) Technical report with system's performance evaluation on real data, and (c) Prototype system;
- d. Total budget: 79.000 €.

**ANALYSIS &
STATUS:**

In order to initiate the procurement process of this project, the Centre has explored the potential capabilities of funding through the current budget, striving to avoid any burden, if possible, of the budgets of the following years while remaining within the figures of the Medium-Term Financial Plan.

Furthermore, taken into account the estimated amount of the project, bidding and award procedures as set in Annex F of FAPs have been considered as follows:

“ 4.2.1.4 Goods and services of which the cost is estimated to exceed the equivalent of Level C of the EFL (30.000,00 €) but below Level D of the EFL (139.000 €) shall be procured through soliciting from at least five (5) economic operators/suppliers known to meet the technical and commercial standards.

5. Deviations from the above requirements may only be authorized by the Director in the interests of security, urgency, standardization of equipment, or/and exceptional circumstances. When the total amount exceeds the equivalent of Level C of the EFL (30.000,00 €) annually, such cases shall be reported to the SC for decision (as paragraph 3.4.1.3).”

Given the special technical specifications and the specific nature of the intended project, a deviation from bidding-award procedure which refers to the minimum number (5) of bidders needed to participate in the tender process is required, in order to have a fruitful tender process in case of a unique bid.

After detailed monitoring of the current budget execution, it is estimated that it is possible to finance the entire value (79.000 €) of the whole project from the approved Shared Budget of FY 2023:

- a. Within the limits of the approved funds (256.000 €) through internal transfers of appropriations, without any need for additional contributions.
- b. Without raising any issues of meeting the requirements of other activities of the Centre for the current year.

To this end, reallocation of funds between/within Chapters of Shared Budget 2023 is recommended as Annex A (according to the provisions of FAPs, par. 19.1 - under SC approval).

In addition, in order to achieve a fruitful tender process, it is considered necessary to adopt a deviation from the procurement procedures, allowing the award in case of a single bid, since it is likely that the minimum number (5) of tenders required under the established rules will not be reached following the market survey already carried out.

FINANCIAL
CONSIDERATIONS
& FUNDING:

Upon the approval of the proposed transfers of appropriations within the Shared Budget 2023, the entire project will be funded without any need for additional funding in the following years.

Moreover, taking into consideration that this is a multi-year project and its deliverables are expected by the end of the coming two (2) years (2024 and 2025), the funds which will be committed from the current Shared Budget (79.000 €) are to be reported to be carried-forward (according to the provisions of FAPs, par. 17.5).

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**RECOMMENDATIONS
& DECISION:**

The SC members are requested to unanimously approve (in accordance with the provisions of par. 4.3 of Operational MOU):

- a. The proposed internal transfers of appropriations as Annex A within the Shared Budget of Fiscal Year 2023.
- b. By way of exception, the deviation from rules regarding the procurement process required for this project, allowing the award without a minimum number of bids.

FOR THE IAMD COE:



B. Gen (OF-6) Nikolaos KOKKONIS GRC (AF)

IAMD COE Director

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ANNEXES

A. Proposed Transfers of Appropriations Between/Within Chapters of Shared Budget 2023

DISTRIBUTION (via e-mail if not otherwise stated)

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Information: -

Internal

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ANNEX A TO POINT PAPER
NU. 580/28 Jul 2023

**PROPOSED
TRANSFERS OF APPROPRIATIONS BETWEEN/WITHIN CHAPTERS OF SHARED BUDGET 2023**

| Chapter | CISI | Description | Initial Budget Approved | Proposed Transfer of Credits | Final Budget (after transfers) | Justification/ Remarks |
|-------------------|--------|--|-------------------------|------------------------------|--------------------------------|---|
| 71 | 710101 | Consultants and Temporary Staff | 0,00 | 0,00 | 0,00 | |
| | 710102 | Academic Expenses | 5.000,00 | -520,00 | 4.480,00 | Final budget balance is estimated to be sufficient |
| | 710103 | Research Project Contracts | 24.000,00 | +61.000,00 | 85.000,00 | An increase of 61.000 € of the available appropriations is necessary to fund re-search projects [intended contract for AI-empowered drone detection passive radar using 5G signals (79.000 €) and deliverables expected of already established contract with Technical University of Crete for delivery/publication of study paper regarding Hypersonic Vehicles (6.000 €)] |
| | 710201 | Transportation (courses-training) | 8.160,00 | -2.880,00 | 5.280,00 | Final budget balance is estimated to be sufficient (given allocation of scheduled trainings for the current year) |
| | 710202 | Course fee (courses-training) | 12.460,00 | -3.000,00 | 9.460,00 | |
| CHAPTER 71 | | | 49.620,00 | +54.600,00 | 104.220,00 | |
| 72 | 720101 | Printing and Photocopying Rental/Lease | 0,00 | 0,00 | 0,00 | |
| | 720102 | Printing and Photocopying Consumables | 2.150,00 | 0,00 | 2.150,00 | |
| | 720201 | Public Affairs Supplies | 11.000,00 | 0,00 | 11.000,00 | |
| | 720202 | Hospitality and Representation | 20.000,00 | 0,00 | 20.000,00 | |
| | 720301 | Electricity | 7.500,00 | -2.000,00 | 5.500,00 | Final budget balance is estimated to be sufficient given the current pricing of utility bills |
| | 720302 | Water and sewage | 1.600,00 | -200,00 | 1.400,00 | |
| | 720303 | Heating and Cooling | 1.200,00 | 0,00 | 1.200,00 | |
| | 720401 | Rental of Minor Facilities | 8.000,00 | -2.300,00 | 5.700,00 | Final budget balance is estimated to be sufficient for activities hosted/organised by the Centre (funds budgeted for hosting NIAG C-RAM SG, CDI SG or/and JCG SBAMD meetings have been saved, since these will not take place in Chania within year 2023) |
| | 720402 | Minor Building maintenance | 500,00 | -340,00 | 160,00 | Final budget balance is estimated to be sufficient |
| | 720403 | Facilities and Buildings Equipment maintenance | 300,00 | 0,00 | 300,00 | |
| | 720404 | Facilities and Buildings Services | 4.500,00 | 0,00 | 4.500,00 | |
| | 720501 | Computers Rental and Operational Lease | 0,00 | 0,00 | 0,00 | |
| | 720502 | Computers Spare/Repair Parts | 250,00 | 0,00 | 250,00 | |
| | 720503 | Computers Maintenance | 250,00 | 0,00 | 250,00 | |
| | 720504 | Computers Services | 12.300,00 | 0,00 | 12.300,00 | |
| | 720601 | Communication Systems Rental and Operational | 0,00 | 0,00 | 0,00 | |

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RELEASABLE FOR INTERNET TRANSMISSION

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| Chapter | CISI | Description | Initial Budget Approved | Proposed Transfer of Credits | Final Budget (after transfers) | Justification/ Remarks |
|-------------------|--------|--|-------------------------|------------------------------|--------------------------------|--|
| 72 | 720601 | Communication Systems Rental and Operational Lease | 0,00 | 0,00 | 0,00 | |
| | 720602 | Communication Systems Spare Parts and Consumables | 300,00 | 0,00 | 300,00 | |
| | 720603 | Communication Systems Maintenance | 0,00 | 0,00 | 0,00 | |
| | 720604 | Communication Systems Services | 4.500,00 | -2.000,00 | 2.500,00 | Final budget balance is estimated to be sufficient based on established contract for telephone/internet services |
| | 720701 | Mission carriers Rental and Operational Lease | 10.500,00 | -5.700,00 | 4.800,00 | Final budget balance is estimated to be sufficient for activities hosted/organised by the Centre (funds budgeted for hosting NIAG C-RAM SG, CDI SG or/and JCG SBAMD meetings have been saved, since these will not take place in Chania within 2023) |
| | 720702 | Mission carriers Maintenance | 2.000,00 | -1.000,00 | 1.000,00 | Final budget balance is estimated to be sufficient based on current/expected pricing and respective requirements |
| | 720703 | Mission carriers Fuel Costs | 4.500,00 | -800,00 | 3.700,00 | |
| | 720704 | Mission carriers Insurance | 0,00 | 0,00 | 0,00 | |
| | 720801 | Transportation (activities) | 36.000,00 | -5.900,00 | 30.100,00 | Final budget balance is estimated to be sufficient, in line with the planned participation in activities until the end of current year, taking into account the expenditures accrued within the first half of the year and the funds that have been saved through cost-effective travel arrangements |
| | 720802 | Participation fee (activities) | 1.700,00 | -250,00 | 1.450,00 | Final budget balance is estimated to be sufficient |
| | 720901 | Literature and Periodicals | 1.500,00 | -1.500,00 | 0,00 | No further requirements for literature and periodicals for the current year |
| | 720902 | Office supplies | 2.500,00 | -1.700,00 | 800,00 | Final budget balance is estimated to be sufficient |
| | 720903 | Bank charges | 470,00 | -200,00 | 270,00 | |
| | 720904 | Postal/shipping services | 160,00 | -160,00 | 0,00 | No requirements for postal services are expected until the end of the year |
| | 720905 | Miscellaneous Supplies | 4.500,00 | -3.000,00 | 1.500,00 | Final budget balance is estimated to be sufficient |
| | 720906 | Miscellaneous Services | 5.000,00 | -4.000,00 | 1.000,00 | |
| CHAPTER 72 | | | 143.180,00 | -31.050,00 | 112.130,00 | |
| 73 | 730001 | Computers | 8.000,00 | 0,00 | 8.000,00 | |
| | 730002 | Communications | 35.000,00 | -7.000,00 | 28.000,00 | Final budget balance is estimated to be sufficient (considering that the intended acquirement of NCIA toolset will be priced, in the most likely scenario, by the Agency, from the year 2024, as NU.684/02 Dec 22/IAMD COE). |
| | 730003 | Furniture and Office Equipment | 3.000,00 | 0,00 | 3.000,00 | |
| | 730004 | Vehicles | 16.000,00 | -16.000,00 | 0,00 | The purchase of a new vehicle was reassessed and it was considered that it is not required in the short term |
| | 730005 | Machinery | 1.200,00 | -550,00 | 650,00 | Final budget balance is estimated to be sufficient |
| | 730006 | Installed Equipment | 0,00 | 0,00 | 0,00 | |
| | 730007 | Buildings | 0,00 | 0,00 | 0,00 | |
| CHAPTER 73 | | | 63.200,00 | -23.550,00 | 39.650,00 | |
| TOTAL | | | 256.000,00 | 0,00 | 256.000,00 | |

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