Innovation Related Procurement
MLE Topic B Capacity Building

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Capacity building
All stages

Source: Buchinger, Eva, Albert Schieg, Jürgen Unger, und Sari Ylipalo (2017)
Capacity building
All stakeholders

- Public entities
  - users
  - procurer
  - management ‘get the support of the hierarchy’
- Suppliers
- Politicians
- Further stakeholders such as professional procurement agencies and research institutions
Example: Plus-Energy-Office-tower

Technical University Vienna (TU)

Volume: 26 Mio. EUR
Innovation relevant: 65%
Lots: 80

Source: Buchinger (2017)
TU Development Plan & Site Decision & User Need Analysis & Site/Use Concept „TU University“
2006

2010-2012

Market Consultation & Call for Tenders and Check Tendering Process & Check Tenders and Awarding Process & Testing & Start Plus-Energy-Rebuilding
2012-2013

End Plus-Energy-Rebuilding & Start Research and Teaching 2014
Monitoring: Development & Execution
2015-2017

Plus-Energy-Office-tower Innovation Procurement Process at Technical University of Vienna
Focus (1)
Effective use of technical specifications

- Technical specifications: shall be formulated in terms of
  - PERFORMANCE requirements or
  - FUNCTIONAL requirements or by
  - reference to STANDARDS
  - (or by a mix of them)

- “Functional and performance-related requirements are also appropriate means to favour innovation in public procurement and should be used as widely as possible. Where reference is made to a European standard or, in the absence thereof, to a national standard, tenders based on equivalent arrangements should be considered by contracting authorities.” (OJEU 2014/L/94-24: 78f)
Focus (2)
Effective use of procedures and approaches

- Competitive procedure with negotiation
- Competitive dialogue procedure
- Pre-commercial procurement approach
- New instrument innovation partnership
“Central purchasing bodies are responsible for making acquisitions, managing dynamic purchasing systems or awarding public contracts/ framework agreements for other contracting authorities, with or without remuneration. […]

- Firstly, they should be able to act as wholesalers by buying, stocking and reselling or,
- secondly, they should be able to act as intermediaries by awarding contracts, operating dynamic purchasing systems or concluding framework agreements to be used by contracting authorities.” (OJEU 2014/L/94-24: 77)
Focus (4)
Additional expertise

- Complement in-house expertise with further technical & organizational external expertise
  - technical expertise
  - organizational / process management expertise
  - legal expertise
  - market expertise
  - LCC / TCO calculation expertise
  - monitoring expertise
  - ....
Interim result
List of capacity building activities

- Advice for clarification of unmet needs & missing solutions
- Advice for development of an innovation procurement strategy
- Advice for use of non-standard procurement approaches and procedures such as
  - early market engagement, functional requirements,
  - competitive dialogue, PCP, innovation partnership,
  - LCC/TCO & monitoring
- Facilitate networking and knowledge-sharing among stakeholders
- Organize trade shows
- Maintain online-platform & brokerage framework (market place)
- Offer training
- Provide financial incentives
Capacity building initiatives

- E.g. Austria Innovation Procurement (PPPI / IOEB) Service-Network
- E.g. Estonia
- E.g. France
- E.g. Germany KOINNO
- E.g. Ireland Procurement Transformation Institute
- E.g. Italy CONSIP
- E.g. Netherlands PIANOo
- E.g. Norway DIFI
- E.g. Spain
- E.g. Sweden UPPHANDLINGSMYNDIGHETEN
- .....
Example NL
Capacity building services for procurers

- Toolbox: Ministry of Economic Affairs and PIANOo developed and manages a innovation toolbox for contracting authorities on innovation procurement. Toolbox (Dutch) incl. flow-diagrams can be found here: http://www.innovatiekoffer.nl/

- Example financial incentives for innovation procurement: As presented in the first MLE, the high water protection program incl. a financial incentive for contracting authorities to stimulate the procurement of innovative solutions. In this program the federal program subsidizes decentral governments.

Source: Floris den Boer
Example AT (1)
Knowledge services for all stakeholder groups

- Public procurement promoting innovation (PPPI) service network provides
  - training for procurers
  - networking opportunities for suppliers & procurers
  - Information & awareness events for all stakeholders
Example AT (2)
Biannual PPPI Report

- PPPI political backing
- PPPI outcomes & cases
  - PPPI challenges via online-platform
  - PPPI competition
  - PPPI-matchings
  - Strategic PPPI consulting
- PPPI service network activities
  - Institutional set-up
  - Governance
- PPPI matters! Impact
Example AT (3)
Brokerage service for procurers & suppliers

- An **online market place** which gives public procurers the opportunity to specify a need or problem as a challenge and suppliers the chance to present innovative solutions.
  http://www.innovationspartnerschaft.at/
Example AT (4)
Financial incentives for procurers

- The awarding of **vouchers** on the basis of a contest which can be used by public procurers for PPPI-support such as technology consulting, legal advice, or project management support.

- The awarding of **PCP grants** The awarding of grants for R&D with mandatory inclusion of public procurers
Thus!

- Who needs capacity building?
- What kind of capacity?
- Provided by whom?
- All that backed and financed by whom?
Thank you for your attention

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