

Defining the strands of innovation procurement across Europe

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INTRODUCTION | ABOUT ME



Johnny Hugill - PUBLIC

I am Johnny, working at a company called PUBLIC - a specialist advisory firm based in the UK and Germany working with European governments on digital.

We work a lot at the intersection of innovation and procurement, covering startup programmes, process design, e-procurement delivery, analytics.

I am a member of the UK Government's advisory board on procurement, specialising in tech & innovation.

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INNOVATION PROCUREMENT | WHAT IS IT?

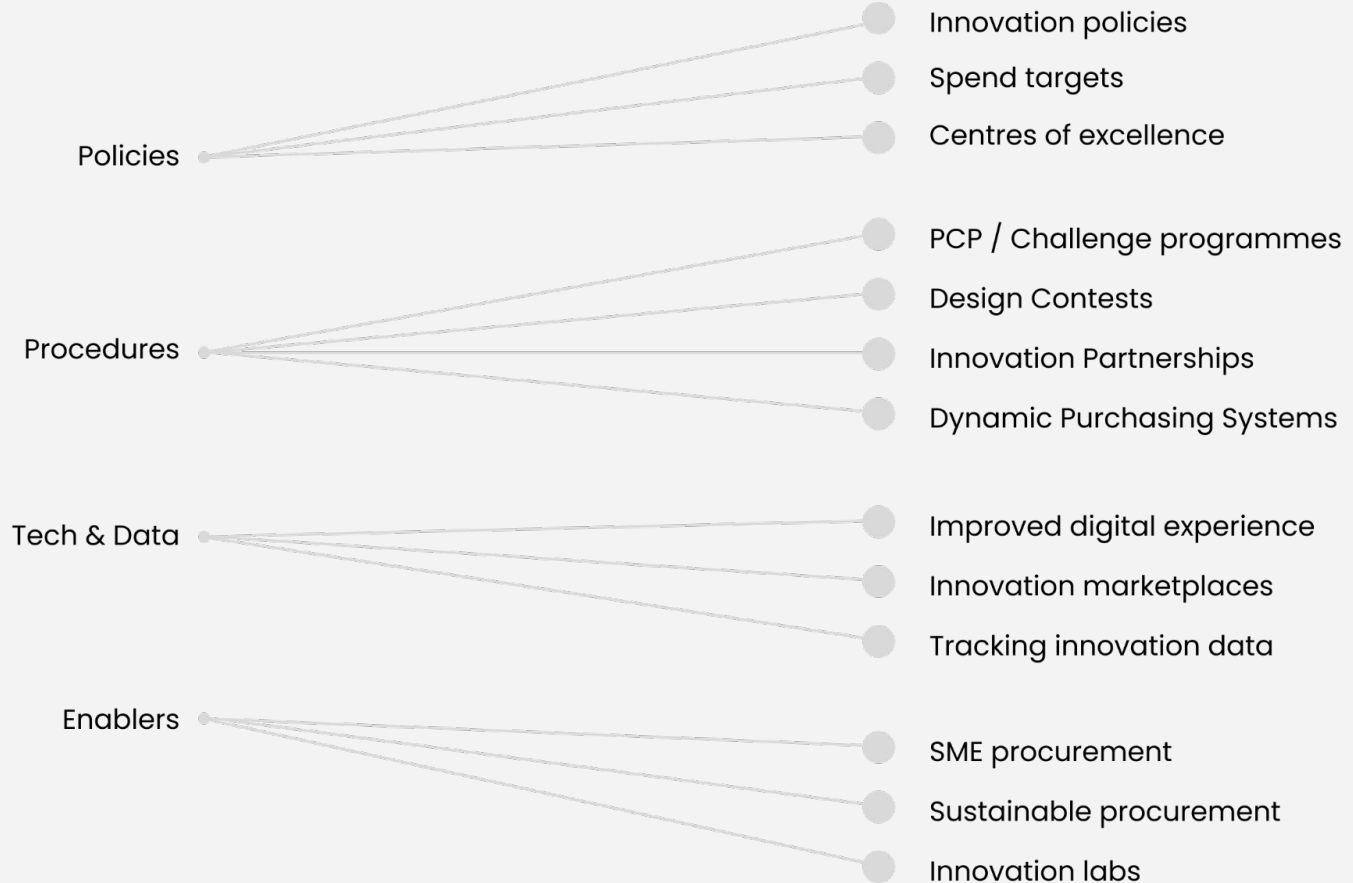
Innovation procurement – in the broadest sense – covers any type of procurement that is **new, experimental or bold**, or which tries to buy new, experimental or bold things.

Different countries across the EU have **made progress in different ways** on their innovation procurement journeys.

This presentation covers ***some*** of the strands of innovation procurement, and gives examples or case studies of European progress.

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INNOVATION PROCUREMENT | SUCCESS STRANDS



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KOINNO is a centre of excellence run by the Federal Ministry for Economic Affairs and Climate Action seeking increase the proportion of innovation procurement in the total volume of public procurement in Germany.

The KOINNO Competence Centre aims to promote innovation in public procurement in Germany in four main ways.

1. Consultation: KOINNO supports public sector clients in setting up or restructuring their purchasing processes and teams.
2. Information: KOINNO shares practical examples of innovative procurement processes, including a toolbox of 100 tools to promote innovation procurement.
3. Events: KOINNO is represented at a number of trade shows, and runs innovation days and strategic dialogues to bring the public and private sectors together.
4. Education: Seminars and e-learning through their platform.

KOINNO currently jointly holds the "Innovation schafft Vorsprung" ("Innovation creates a lead") prize, which recognises top performances among public-sector contracting authorities in the procurement of innovative products and innovative processes.

PRE-COMMERCIAL PROCUREMENT | STARTUP-IN-RESIDENCE

Startup in Residence in the Netherlands takes is a challenge-based approach to the procurement of innovative technologies, wherein startups compete for a place on a six-month programme tackling a specific urban problem set by civil servants.

During the programme, participants receive half a day of training per week, on topics ranging from intellectual property management to local government procurement. The municipality also makes office space available, and allows the entrepreneurs to execute pilots in the city.

In the event of a successful collaboration, and product launch, the municipality becomes the 'launch' customer at the end of the programme, and encourages the startup further with its development. Should the local authority decide to purchase the product, the startup becomes the preferred supplier for two years.

Since the programme launched in Amsterdam in 2015, it has been rolled out across 14 different government jurisdictions across the Netherlands. **More than 200 challenge programmes have been delivered to date.** STIR receives €12.2m of funding annually.

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GovTech Polska is an innovation procurement team run Chancellery of the Prime Minister, which pioneered the use of design contests as a innovative way to procure the services of GovTech startups in a challenge based format.

GovTech Polska was created so that Polish innovators have a chance to design technological solutions in response to challenges of the Polish public sector. In order to facilitate this public-private collaboration, GovTech Polska pioneered design contests as the procurement procedure for administering its GovTech challenges, which previously were only used for architectural projects.

Design contests are especially easy and accessible to startups. They look and feel like startup 'pitch competitions' - with initial MVPs or pitches submitted to a panel of judges, and a decision to award a contract to the winner.

Today, on average, about 50 innovation entities participate in GovTech Polska's design contests - over 20x more than in standard procurement procedures in Poland.



- Boroughs must publish a contest notice, including the estimated value of any future contract or negotiation awards

Publish design contest notice

Specify future contract route

- In the contest notice, boroughs must specify any potential future award routes, including contract award or future negotiations with winners

- Boroughs have a lot of flexibility with how they run the contest, including a pitch day, product demos or submission of presentations

Run competition, contest or demo

Jury make award decision

- Decisions must be made by an independent jury, of which at least one third must be qualified in the relevant field

- Boroughs can award a contract to the selected winners, enter into restricted negotiations, or simply award prizes

Proceed to contract phase

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DYNAMIC PURCHASING SYSTEMS | SPARK

Spark is an innovation-focused Dynamic Purchasing System run by the UK procurement agency - CCS. It provides a streamlined route to market for new and emerging technology products, such as AI, Smart Robots and IoT devices. To be eligible, suppliers need to demonstrate that they can provide at least one new/innovative technology for one or both 'Radical' and 'Disruptive' innovation.

Unlike traditional frameworks, DPS agreements are open-ended, in that they allow for suppliers to join at any time during the lifecycle of the DPS. They are also flexible, as suppliers can change their offering as market conditions evolve or new technology products are developed.

Spark aims to make it easier and low-risk for public authorities to find and purchase emerging technology goods and services. For buyers, Spark includes a filter system to make it easier for customers to identify suppliers with the right skills and capabilities. There are two key filters areas, Subject Area (e.g. Transport) and Delivery Method (e.g. Artificial Intelligence and Automation). Buyers can use the filter to produce a shortlist of relevant suppliers to invite to a competition

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GovMarket is an e-marketplace tool that showcases best-in-class technology companies working with the public sector in Germany. GovMarket provides a simple, accessible way for startups and SMEs to register their company, and create a dynamic 'profile' to showcase their solution to public sector buyers.

Companies are categorised according to a highly granular set of technical and sectoral filters, ensuring that public buyers can find the right company they need - like a highly bespoke 'Amazon' for public sector technology.

Buyers can search, filter and compare companies for sourcing purposes - and then execute a number of different procurement and transaction types on the platform, including creating a competition, call-off contracts or direct awards.

GovMarket is also used to allow public buyers to create and administer frameworks and DPS, providing the technical engine for marketplace and supplier management. This makes the user journey simpler for buyers and startup and SME suppliers.

INNOVATION PROCUREMENT | MAP



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