

Guidebook for SMART PPI

Public procurement to boost innovation



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What is an innovation?

Innovation is, in fact, a key factor in addressing contemporary societal challenges in a number of vital sectors - such as healthcare, energy, climate change, transport, security, environmental protection - whose importance for policy-makers is paramount because of a necessity to deliver more effective public services or as a consequence of national and international commitments.

Innovation deals with the identification of new technologies capable of addressing societal challenges through solutions that either already exist in small-scale volumes in the market (Public Procurement of Innovative Solutions, PPI) or are to be developed from scratch since the R&D phase (Pre-commercial procurement, PCP).



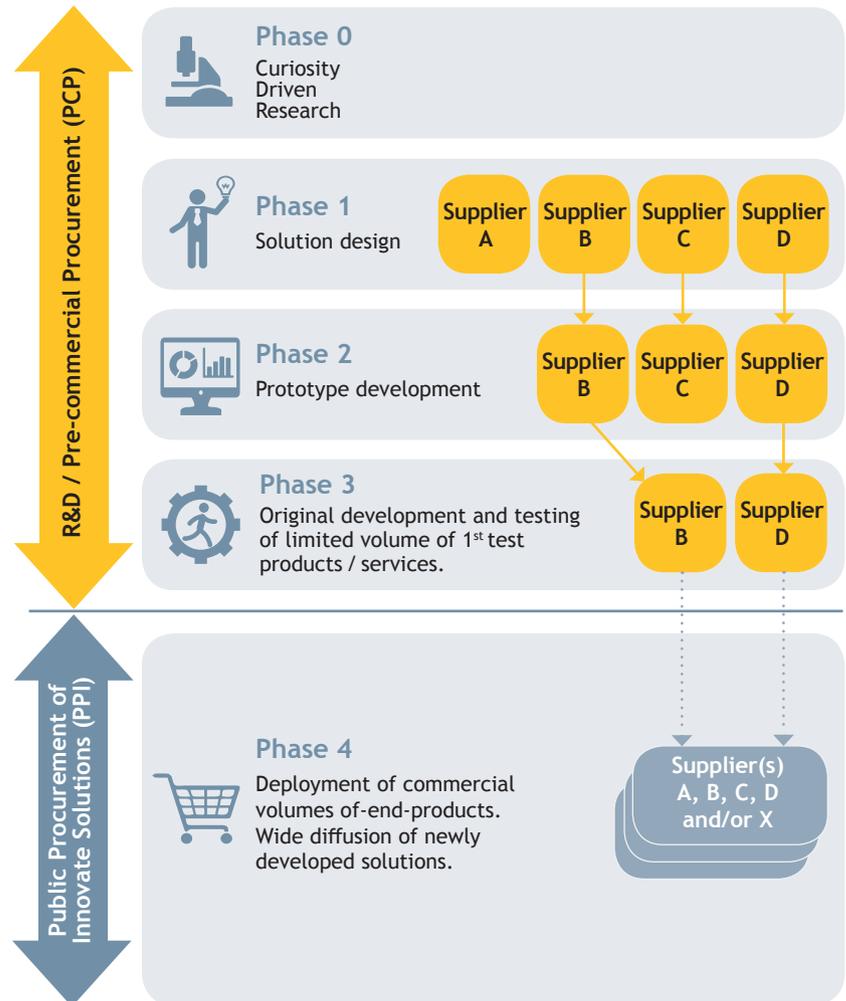
Public Procurement

According to the European Commission Public Procurement (PP) refers to the process by which public authorities, such as government departments or local authorities, purchase work, goods or services from companies. Examples include the *building of a state school, purchasing furniture for a public prosecutor's office and contracting cleaning services for a public university.*

PPI: A SMART way to address societal challenges

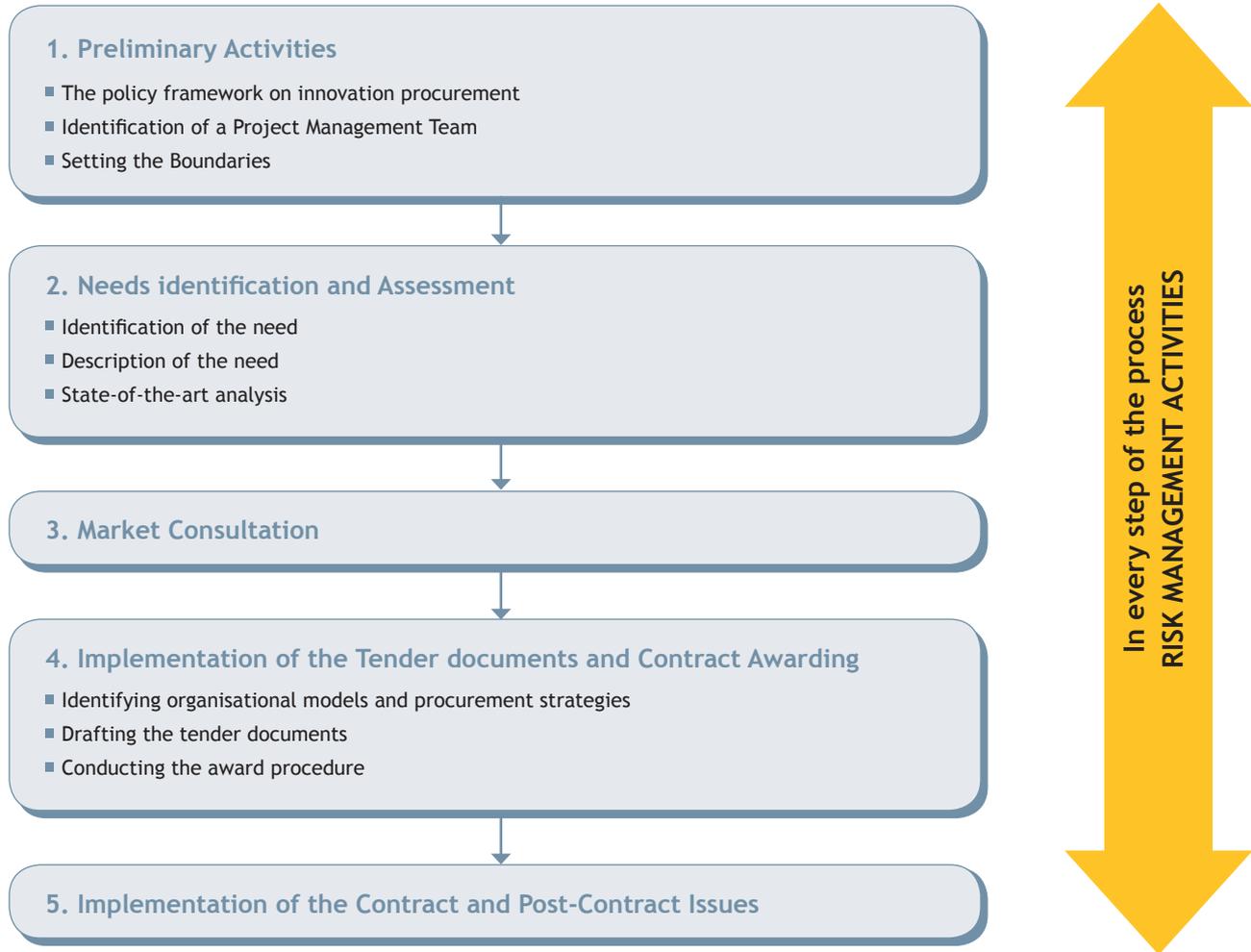
Public Procurement of Innovative Solutions (PPI) is a procurement where contracting authorities act as **launch customers** of innovative goods or services which are near to the market or already available on small-scale commercial basis, including solutions based on existing technologies used in an innovative way.

Difference between PCP and PPI



Difference between PCP and PPI, Source: EAFIP website

Main steps of Public Procurement of Innovative Solutions (PPI)





Why to use nationally customized PPI2Innovate Tools?

- Improved quality and/or efficiency of public services with a smart use of taxpayers' money
- Public authorities acting as first buyers may signal the market acceptance of the innovation and encourage other customers to adopt the innovation
- Public authorities can identify solutions for their needs and introduce new suppliers and service providers obtaining cost savings in the short, medium and long-term
- Suppliers can have access to valuable public sector clients and gain the opportunity to apply research outcomes and commercialise ideas while understanding public sector challenges and priorities

Nationally customized SMART PPI Tools

18 nationally fully customized PPI2Innovate SMART tools -Health, ICT, Energy, translated and available in 7 languages represent far-reaching asset for Central European regions' public procurers for active and strategically guided usage focused on development of innovative and knowledge - friendly local and national ecosystems.

Available in: ENG, HU, CZ, SLO, IT, PL, HR.

Nationally customized PPI2Innovate tool for SMART-HEALTH

Within the healthcare system, **innovation** has the potential to improve the quality and efficiency of health services, and the overall health of population.

Therefore, since public expenditure in medical products and services has dramatically risen in the last decades, public sector, as the largest buyer and consumer of healthcare products and services, should have the interest to tackle emerging and still unmet needs through the demand of innovative products and services.

Through the coordination of healthcare providers and economic operators, in fact, it will be possible to ensure that **investment in innovation is** both **beneficial** and **profitable**. For example, with the support of innovation, waiting times, length of hospital stays, morbidity and mortality could be decreased.

In addition to obvious **social and patient care benefits**, innovation also contributes to the **affordability** of healthcare services (economic value), a major challenge in healthcare systems.

Example of good practice from Central Europe

HAPPI (Healthy Ageing - Public Procurement of Innovations) project, Italy. HAPPI aimed at linking health public procurers to work together in order to detect and purchase innovative and sustainable solutions improving the ageing. In scope of HAPPI project, the following solutions have been procured:

1. Fall detection and alert system: A technological breakthrough that replaces current systems, 24 hours availability at a cost effective rate.
2. Treadmill for rehabilitation and analysis of walking disorders: A disruptive technology and physical and sensory re-education to regain all walking abilities.
3. Walking course for preventing falls and maintaining independence: An integrated and compact solution, scoring book for each walker, e-learning or classroom training.



Nationally customized PPI2Innovate tool for SMART-ICT

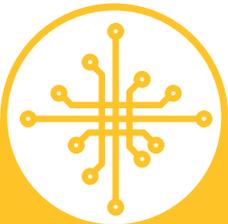
Due to the fact that *ICT is rapidly evolving area* it is essential for Public Procurers to analyse up to date existing solutions and be well informed about new emerging technologies in the area.

ICT technology has the *power of transmission of its development* to goods, services and works, but also on production process improvement, process innovations and product innovations.

It is crucially important to ensure that *enough desk research* is made on existing cases in which a similar need has been addressed by contracting authorities/procuring entities at different levels (local, regional, national and European).

Example of Good practice from Central Europe

SMART BENCHES. Specially equipped benches will allow Prague (Czech Republic) citizens and visitors not only to relax but also to charge their phones or tablets, connect to the Internet, learn about the current temperature and air humidity or the amount of CO² in the air. Benches may also be equipped with an emergency button connected to the Integrated Rescue Services. And all directly in the town public space without any connection to electric power since the benches will be charged via solar panels.



Nationally customized PPI2Innovate tool for SMART-ENERGY

As fossil fuels are getting exhausted increasingly, and the use of them results in negative impact on the climate and environment, there are new regulations and policy frameworks, introduced and being currently implemented, related to production, conversion and storage up to reduction of electric, thermal and mechanical energy consumption.

In such manner, public authorities should undoubtedly consider *development of* new and *innovative solutions* through *procurement of SMART ENERGY* tool in order:

- To increase sustainability of energy consumption through the lowering of greenhouse gas emissions, pollution, and fossil fuel dependence.
- To guarantee that energy providers operate in a competitive environment in order to provide affordable prices for homes, businesses, and industries.
- To ensure the energy supplies reliable the provision of energy whenever and wherever it is needed.

Example of good practice from Central Europe

In Slovenia, the city of Ljubljana and the National Public Procurement Agency have both applied Green Public Procurement (GPP) criteria to the purchase of vehicles. The Slovenian capital took a decision in 2009 to replace its existing car fleet with a leased fleet that contained at least 10% hybrids.

In 2011, the National Public Procurement Agency in Slovenia undertook a joint procurement exercise on behalf of 130 public authorities, which included the purchase of nearly 60 vehicles from small cars to mini-buses.

Additional points were also awarded to vehicles that had other devices that helped improve their environmental performance, such as gear shift indicators and tire pressure monitors. As a result, the offers received all included vehicles with lower CO² emissions than for previous tenders.



WHO ARE THE AMBASSADORS OF PPI?

All types of actors relevant for PPI are represented in partnership:

Sectoral agencies:

Croatian Agency for SMEs, Innovations and Investments (BICRO), Croatia

Central Transdanubian Regional Innovation Agency Nonprofit Ltd. (CTRRIA), Hungary

Rzeszow Regional Development Agency (RRDA), Poland

Research and innovation actors:

University of Turin, (UNITO), Italy

ICT Technology Network Institute (ICT TN), Republic of Slovenia

DEX Innovation Centre (DEX IC), Czech Republic

Policy actors representing all governance levels:

NATIONAL - Ministry of Public Administration of Slovenia, Republic of Slovenia

REGIONAL - Piemonte region, Italy

COUNTY - Somogy county, Hungary

LOCAL - City of Lublin, Poland

Networking partners

Central Transdanubian Regional Innovation Agency Nonprofit Ltd. (CTRRIA), Hungary

DEX Innovation Centre (DEX IC), Czech Republic

University of Turin, (UNITO), Italy

Croatian Agency for SMEs, Innovations and Investments (BICRO), Croatia

ICT Technology Network Institute (ICT TN), Republic of Slovenia

Rzeszow Regional Development Agency (RRDA), Poland

Policy partners

Ministry of Public Administration of Slovenia, Republic of Slovenia

Piemonte region, Italy

Somogy county, Hungary

City of Lublin, Poland



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