Think innovative!

Unlock the potential of the Innovation Partnership to boost economic recovery

13 October 2020
Before we begin……Housekeeping rules

• The session is available through webstreaming only. Please note that there is a slight delay of 45 seconds for the latter.

• To submit questions or comments, please use slido.com #WIP

When writing your question, please write ‘@the name to whom you address your question + the question’ (e.g. @Paul + What is Innovation Partnership?). We will read your questions and invite the corresponding speaker to answer.

• Time flies fast, therefore we will be rigorous on timekeeping.

• All questions that remain unanswered during the sessions will be collected and answered afterwards through the LinkedIn Group "Agents of Innovation Procurement" https://www.linkedin.com/groups/12467827/
Today’s speakers
HOSTED BY

Ivo LOCATELLI,
Senior Expert, DG GROW (Innovative and Digital Procurement unit)
European Commission

INTRODUCTION

David BLANCHARD,
Acting Head of Unit, DG GROW (Innovative and Digital Procurement unit)

SPEAKERS

Charlotte Sandberg
Special Advisor at Danish Business Authority
Denmark

Martin Bunček
Director at Technology Agency of the Czech Republic

Helle Holtsø
Special Advisor at Danish Business Authority
Denmark

Matthias Plattner
Prokurist / Head of Property and Facility Management bei BIG
Austria
Cycle of webinars on the Innovation Partnership
Save The Dates!

1 December 2020

“Laying down the foundations of an innovation Partnership” (market research & consultation, designing documents, project management)

1 February 2021

“From the negotiation to the execution of the innovation Partnership” (How to negotiate the key elements of the partnership? Managing the supplier during the execution of the partnership)

A closing podcast: "What Next?" - Interview with an entrepreneur
Key findings of the survey on the Innovation Partnership
1. The data analysis
Highlights 2016-2019

96 confirmed Innovation Partnerships (IP), and 83 contracts awarded

IP take up increases significantly over time

IP boosts SMEs participation
Highlights 2016-2019

➢ Wide range of needs, sectors (Green, Social, etc)

➢ and buyers (national, regional…)

➢ Also "small" contracts (20% < EU thresholds)
Highlights 2016-2019

➢ Buyers look for best supplier on the market: high number of cross-border contracts

➢ Projects rarely funded by the EU

➢ BREXIT’s impact: UK represented 13% of awarded contracts

➢ Data quality – a serious issue…
Innovation Partnerships are for SME!

- SMEs took part in **51** winning bids (also in consortia)
- That is **61%** of all contracts awarded using an IP
- **2/3** of the value of all IP contracts is awarded to SMEs
2. Best practices
1. Take the time to conduct a market consultation

➢ The public buyers carried out all kinds of consultations: launch of call for expressions of interest, visit of dedicated business fairs, bilateral meetings with suppliers or workshops to present the project.

➢ It allowed them to:

✓ to determine that nothing on the market exists and so the process can be used;

✓ to know the state of the art of the market

✓ to make their projects known and attract the best partners

✓ to prepare the market for a new type of procurement

“Look beyond your borders !”
2. Developing a project management culture

The public buyers have

➢ formed a project team and identified a person in charge who will be the contact person for the partners

➢ set up an internal “go/no go” decision-making process involving decision-makers (and sometime end users)

➢ planned each stage of the project, identified the key elements (technology, IPR, data management) to prepare the negotiations

“Know what supports are available within your organization!”
3. Negotiate to establish a partnership

In the identified practices, the public buyers:

➢ prepared this exchange with the candidates by defining in advance the scope of the negotiation

➢ negotiations duration and form were variable and mainly related to the project.

➢ organised the exchanges to bring the expectations of public buyers closer to the expectations of potential partners and to ensure that they are aligned with the same objectives

“Building trust between stakeholders”
4. Monitor closely the implementation of the partnership

One of the public buyers told us:

“The procedure does not end with the award of the innovation partnership!” (In particular when you have several partners)

➢ The public buyers have put in place processes to ensure smooth communication between the teams (e.g. some have been inspired by agile methods and iteration systems have been put in place)

“Define internal milestone!”
3. The supplier point of view
The voice of SME CEOs

➢ IP procedure as such does not present difficulties for companies (mostly SMEs with less than 10 employees)

➢ The negotiations were very useful, and not always very easy: It is indeed a question of establishing a partnership!

➢ Responding to such a project and developing a new solution brought new knowledge to the companies. There is real value in working with public players
Overview of the three Innovation Partnership projects

Join at slido.com #WIP
INNOVATION PARTNERSHIP IN THE TECHNOLOGY AGENCY OF THE CZECH REPUBLIC

1st EU webinar on Innovation Partnership

EC - DG GROW - Unit G4
13. october 2020
ABOUT TA CR

• prepare and manage state funding programmes
  stimulating the interconnection of applied research
  organisations with innovative activities in business and
  in the state administration
• administrator of a budget chapter
• develop new tools to support closer collaboration
  between academia, the business sector and the state
  administration
Support of public procurement in applied research and innovations for the needs of the state administration

- Support of applied research and innovations responding to the needs of 21 institutions of the state administration and ensuring that their research needs are addressed

Implementation period: eight years (2017 – 2024)

Selected by procurement procedures and supported by grants

Programme budget planned: EUR 62,7 mil. (CZK 1.695 mil.)
LEGISLATION

§ The ACT No. 130/2002 on the Support of Research and Development from Public Funds section 2 f)

- for the needs of grantor or administrative authority
- public service contract in applied research/innovation
- is awarded to the recipient within the applied research/innovation programme
- following procedure in accordance with the Act on Public Procurement

§ The ACT No. 134/2016 on Public Procurement
## Types of Public Tenders

<table>
<thead>
<tr>
<th>Types of Public Tenders</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive dialogue</td>
<td>59</td>
</tr>
<tr>
<td>Innovation partnership</td>
<td>4 (in progress)</td>
</tr>
<tr>
<td>Open procedure</td>
<td>9</td>
</tr>
<tr>
<td>Small-scale public contract</td>
<td>10</td>
</tr>
<tr>
<td>Small-scale public contract negotiated</td>
<td>13</td>
</tr>
<tr>
<td>Direct award</td>
<td>7</td>
</tr>
<tr>
<td>Framework agreement (mini tenders)</td>
<td>9 (56)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>111 (56)</strong></td>
</tr>
<tr>
<td>Total types of proceedings (68%)</td>
<td>76</td>
</tr>
</tbody>
</table>
INNOVATION PARTNERSHIP

EXAMPLE OF GOOD PRACTICE
SYSTEM FOR PROCESSING, ANALYSIS AND EVALUATION OF STATISTICAL DATA FOR ENERGY REGULATORY OFFICE

Project goal

Create a comprehensive and user friendly information system for regulation including:
- data repository,
- analytical module,
- integrated system for statistical data processing and evaluation,
- communication module,
- knowledge module,
- process module.
Preparatory phase 10 months (August 2018 - May 2019)

- Problem specification - communication with a state administration body
- Decision on the type of procurement procedure
- Drafting of Terms of Reference
- Public procurement notice May 21st, 2019
THE COURSE OF INNOVATION PARTNERSHIP II

First phase 8 months (June 2019 - January 2020)

- Selection of parties to the proceedings 3 participants
- Negotiations with parties over the TOR 3 negotiations
- Evaluation of submitted proposals 3 proposals
- Selection of suppliers of solution proposals suppliers 2 (one withdrew from the competition)

Assignment: to create an innovative proposal of IS architecture and design

- Maximum financial allocation for 1 participant EUR 11 540 (CZK 300 000)
- Implementation time - processing of proposals 3 months
THE COURSE OF INNOVATION PARTNERSHIP III

Second phase

- Evaluation of submitted proposals
  - 2 proposals - 2 participants
- Negotiations over the proposals
  - 4 negotiations
- Closure of negotiations and submission of final proposals
- Selection of a supplier

- Maximum financial allocation for a project: EUR 153 850 (CZK 4 000 000)
- Contract concluded on the amount of: EUR 150 000 (CZK 3 898 000)

Project implementation (service delivery) 24 months (May 2020 to April 2020)

- Assignment: Delivery of a pilot-tested functional IS ready for implementation
Martin Bunček
martin.buncek@tacr.cz
INNOVATION PARTNERSHIP

THINK INNOVATIVE! UNLOCK THE POTENTIAL OF THE INNOVATION PARTNERSHIP TO ECONOMIC RECOVERY
WHAT WE WERE LOOKING FOR?

SOCIAL DEVELOPMENT AND EXPECTATIONS

TODAY

EXPERIENCES
Agility
Process efficiency
Customer experience
Accessibility & choice

Social Development

TODAY

EXPERIENCES
Agility
Process efficiency
Customer experience
Accessibility & choice

TODAY

TRADE

Our approach

Addressing the social development and finding new solutions for our stakeholders – through a user friendly software-solution or application
INNOVATION PARTNERSHIP

WHY?

1. MARKET RESEARCH

- Although there is a need on the market for the public real estate sector, a comprehensive solution is not available on the market.

2. RESULT

3. PROCUREMENT PROCESS

- INNOVATION PARTNERSHIP
  - Development of a solution (product) without the obligation of an acquisition
  - Possibility to choose multiple partners ("multiple sourcing")
  - Avoiding a long procurement process

4. DECISION

WHICH ONE TO CHOOSE

R&D needed in order to fulfill our needs

Strategic partnership & participation in focus
INNOVATION PARTNERSHIP

GOALS

DIGITALIZATION
Creation of a digital platform as preparation for the ongoing development in the field of digitization and IOT and creating a network of our stakeholders and buildings with value for all of them

STRATEGIC PARTNERSHIPS
Establish strategic partnerships to drive innovation in the public real estate sector forward

PROGRESS
Creating a link to the digitization progress of the buildings

START-UPS
Addressing start-ups and young companies to develop and establish innovative solutions and thus also promote internal innovation processes
INNOVATION PARTNERSHIP
TENDERING PROCESS & ACCEPTANCE OF THE TENDER

10.12.2020

APPLICATION PHASE

Initial Offer

Intermediate offer & Concept (Jury Hearing)

Final offer (LAFO till 25.11.2019)

OFFER PHASE

1. Negotiation round

2. Negotiation round

TENDERING PROCESS

4 Applicants

2 Applicants

Lesson learned:
Providing a law firm to support applicants with the preparation of the applications, to prevent formal errors, as this has caused some applicants to drop out in this phase.

Acceptance of the Tender

CRITERIA

<table>
<thead>
<tr>
<th>Quality</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>20%</td>
</tr>
</tbody>
</table>

Innovation Partnership with 2 Applicants
INNOVATION PARTNERSHIP
RESEARCH & DEVELOPMENT AND ACQUISITION PHASE

Timeline

TODAY

2020

2021

INNOVATION PARTNERSHIP*

RESEARCH & DEVELOPMENT

Interim goal 1

Interim goal 2

Interim goal 3
Implementation

Drop out of applicants possible

Drop out of applicants possible

Partners receive remuneration for R&D according to the offer for the intermediate goals

ACQUISITION PHASE

Software implementation contract

OR

Partnership
(depending on the offer)

- Strategic partnership
- Joint Venture
- Corporate investment

* PROCURA+ AWARD Winner in „Outstanding innovation procurement in ICT“
Recognising the outstanding application of Procurement of Innovation and Pre-commercial procurement of ICT.

10.12.2020
Danish Business Authority / DBA:
Learnings from an early Innovation partnership

13th October 2020

Helle Holtsø
Charlotte Sandberg
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Role of the Danish Business Authority</td>
</tr>
<tr>
<td>2</td>
<td>Dialogue: Public side and market</td>
</tr>
<tr>
<td>3</td>
<td>Step by step test of Innovation partnership model in Denmark</td>
</tr>
<tr>
<td>4</td>
<td>Two innovative solutions for prevention of dehydration</td>
</tr>
</tbody>
</table>
Role of the Danish Business Authority
- we initiate, facilitate and finance the proces to push the agenda

Volume – public sector is primary procurer in many areas
Stimulate innovation
Explore and test new solutions and ideas
Support public sector innovation, growth and jobs – create new markets
Dialogue: Public side and market

Dialogues:
- Municipalities
  - Analysis of potential and needs
    → Selected problem: Dehydration of elderly

Activities:
- Analysis of potential in 3 areas: Business case
- 2 workshops:
  - Dehydration selected as focus
  - Further qualification of needs, mapping of workprocess/eldercare and innovation scope

Market dialogue
- What are the technologies available today? And the possibilities?
- Knowledge sharing and co-creation

Activities:
- Open information meeting
- 2 workshops:
  - Knowledgesharing, co-creation, network
  - Qualification of ideas, innovation criteria and adjusting problem definition

Call for tenders
- Qualification of final problem definition for call

Problem definition:
How can we reduce hospitalization and/or the municipal costs for care caused by dehydration among elderly 65+?
Mapping of demand and business case

Dialogue with market and experts

Call, negociation and selection

Innovation partnerships

Purchase

1. Prequalification,
2. Preliminary call
3. Preliminary offers,
4. Negociations
5. Final call
6. Final offers

Joint development close to the elderly

Appr. €2 mio. totally, of which appr. €1.6 mio. into the partnership contracts
Two partnerships, two innovative solutions

A intelligent cup/glass
connected to individual device + PC at health care centre.
520,000 €

Medical sensor patch
connected to individual portable device + PC at health care centre
1 mio. €
Thank you...

Charlotte Sandberg  Chasan@erst.dk
Helle Holtsø  Helhol@erst.dk

www.danishbusinessauthority.dk
Exchanges with speakers on the key steps for a successful Innovation Partnership

Join at slido.com #WIP
One word on the webinar

Join at slido.com #WIP
Save The Dates!

1 December 2020
“Laying down the foundations of an innovation Partnership” (market research & consultation, designing documents, project management),

1 February 2021
“From the negotiation to the execution of the innovation Partnership” (How to negotiate the key elements of the partnership? Managing the supplier during the execution of the partnership)

A closing podcast: "What Next?" - Interview with an entrepreneur
Keep in touch


Group "Agents of Innovation Procurement"
https://www.linkedin.com/groups/12467827/

GROW-Innovation-Procurement@ec.europa.eu
Thank you