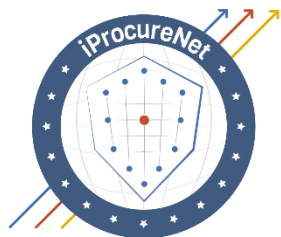


IPN TOOLBOX

SESSION 3

ENABLING INNOVATION PROCUREMENT IN THE SECURITY SECTOR: TOOLS AND TECHNIQUES



Innovation by developing a European Procurer
Networking for security research services



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INTRODUCTION & PURPOSE

The main objectives of this session:

- ✓ To demonstrate iPNet knowledge and **insights** on **innovation procurement tools and techniques** within the **Toolbox**
- ✓ **Relevance of these tools in the security sector**

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Please list the most relevant topic you would like to find in the Toolbox

① Start presenting to display the poll results on this slide.

OVERVIEW OF TOOLS AND TECHNIQUES IN THE TOOLBOX

Tools and techniques in the Toolbox aim to:

- ✓ Facilitating the **decision to enter into a JCBPP**
 - ✓ Role and benefits explanation (both for JCBPP and IP)
 - ✓ Establishing common purposes to enter into a JCBPP
 - ✓ Understand the impact in the market of procuring jointly
 - ✓ Opportunity for JCBPP and IP in the security sector (COTS and innovative solutions)
 - ✓ Identification of preparatory steps and tools: financial, legal, organizational
 - ✓ Identification of challenges to overcome
 - ✓ Means of conducting a JCBPP: CPB, joint entity, cooperation
 - ✓ How to reach a decision: the importance and content of the memorandum to cooperate
 - ✓ Example of a Joint Procurement Strategy (European Buyers Group)

OVERVIEW OF TOOLS AND TECHNIQUES IN THE TOOLBOX

Tools and techniques in the Toolbox aim to:

- ✓ Describing **enabling factors** for a successful JCBPP and **challenges** to overcome– Lessons learned from iPNet surveys
- ✓ **Guidance on how to** conduct a **JCBPP**: steps & phases
 - ✓ Methodology to identify joint procurement needs
 - ✓ Open Market Consultation: relevance and methodologies
 - ✓ Organizational aspects to promote an innovation culture mindset

OVERVIEW OF TOOLS AND TECHNIQUES IN THE TOOLBOX

Tools and techniques in the Toolbox aim to:

- ✓ **Guide on how** to conduct an **IP**: steps & phases
- ✓ **Techniques** to stimulate innovation in public procurement
 - ✓ Market engagement
 - ✓ Pro-innovation tendering aspects
 - ✓ Outcome-based specifications (functional specifications instead of technical specifications)
 - ✓ Use of innovation-friendly procedures
 - ✓ Allow variants
- ✓ Case studies
- ✓ Good practices

SESSION 3

OPEN MARKET CONSULTATION IN ACTION

PRELIMINARY MARKET CONSULTATIONS

One of the effective ways **to promote innovation** and learn about new innovative solutions is to conduct **open market consultation or preliminary market consultation** (art. 40 of the directive 2014/24/EU)

PRELIMINARY MARKET CONSULTATIONS

PMC can be described as a **formalised dialogue** between the contracting authority and other entities (economic operators, suppliers or independent experts), aiming **to obtain answers to how the contracting authority's problems can be solved.**



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**How often is PMC used at
your institution?**

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PRELIMINARY MARKET CONSULTATIONS

Why to conduct PMC?



PRELIMINARY MARKET CONSULTATIONS

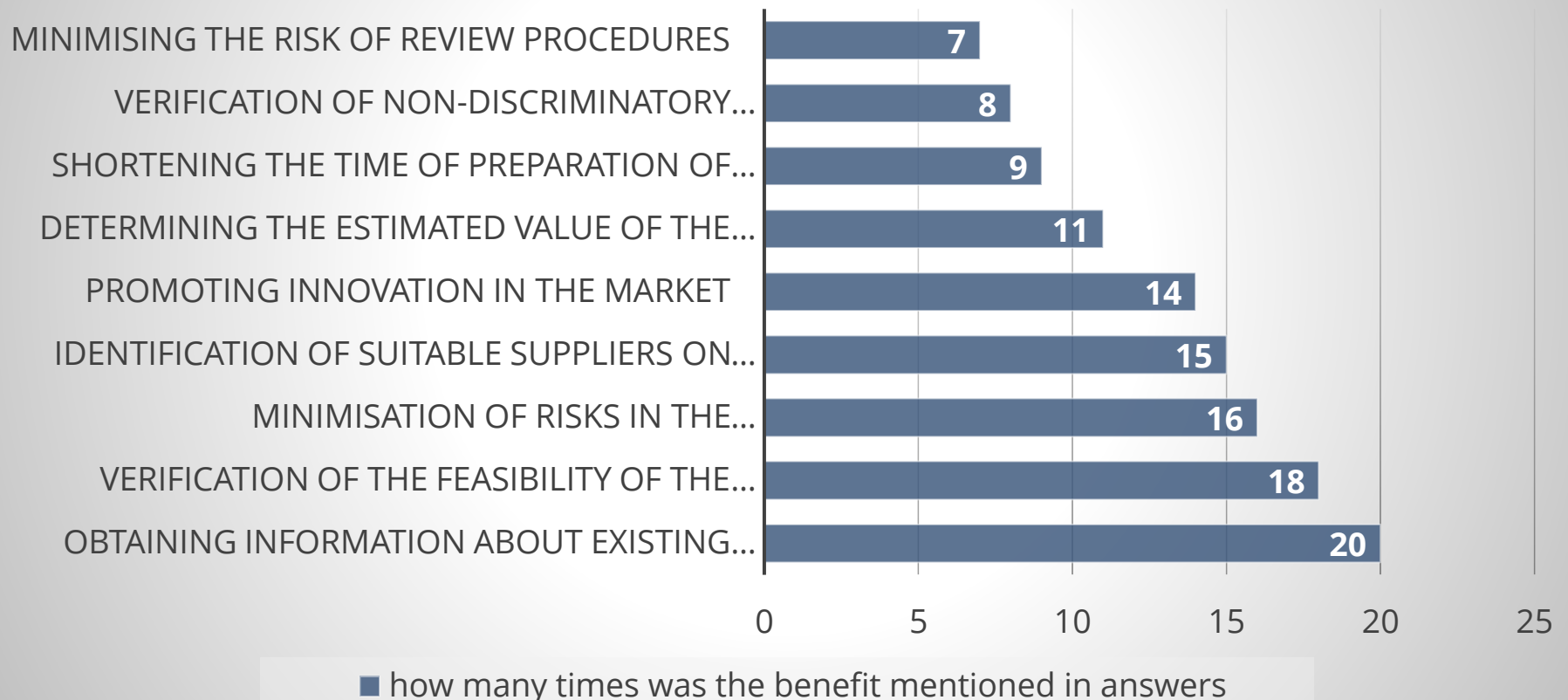
- Public buyer does not know how it would be possible to ensure the **realisation of its unmet need**;
- Minimisation of imminent **risks in the implementation and operation** of the subject of tender;
- Priming the **market for new needs and demands** of the buyer;
- Promoting **innovation in the market** by giving **innovative suppliers** the possibility to present public buyers with their innovative solutions

PRELIMINARY MARKET CONSULTATIONS

- **Suppliers can** benefit from PMC:
 - **A better understanding of the situation and problems of the CA** and better understand the need of CA for the innovation;
 - A legal way how to **“influence”** the preparation of the tender;
 - The opportunity **to present innovations,** ideas, thoughts;
 - **Faster decision-making** whether the given supplier is interested in the given tender

PRELIMINARY MARKET CONSULTATIONS

Benefits of conducting preliminary market consultation



WHEN TO CONDUCT PMC IN JCBPP?

- anytime during the pre-tender phase of public procurement.
- In JCBPP, it is advised to do PMC after the CollA is drafted, so the collaborating parties know their roles in procurement.
- Also, it is recommended to conduct PMC before writing the final technical description as the conclusion from PMC will probably affect writing the technical description.

The Preparation for JCBPP

EXAM

Identification of joint
procurement needs

(Preliminary) Market
research

Identify financing
opportunities & apply
for funding, if
necessary

Decision or
memorandum to
cooperate

Collaboration
agreement

Preparing the
technical description

Choosing and drafting
the terms of the
procurement
prodedure

Preliminary market
consultation

In case of innovation consider:

* should the purchase include a pre-commercial procurement activity;

* should the stages of purchasing be arranged into one procedure or conduct two stages as separate procedures;

* should it be any negotiated procedure – competitive procedure with negotiations, competitive dialogue or the novel innovation partnership, a negotiated procedure without publication of a contract notice;

* terms of intellectual property rights

In case Defence and Security Directive might be applicable consider:

* the practice of Member States might be different concerning the applicability of the directive

* choice between restricted procedure and negotiated procedure with the publication of the contract notice

HOW TO ORGANISE PMC?

- There are several ways to organise preliminary market consultations, for example:
 - physical and online meetings,
 - questionnaires,
 - Presentations and testing of samples allowing end-users to verify the suitability of the proposed solutions in real-life conditions can complement these meetings,
 - Less conventional methods, such as competitions, hackathons, idea markets or category innovation roadmaps can be considered.

ALWAYS KEPT IN MIND



When organising a preliminary market consultation, what should always be kept in mind is **that the process must comply with the principles of equal treatment, non-discrimination and transparency stated in the directive 2014/24/EU.**

HOW?

Directive does not prescribe how to conduct PMC or what steps have to be done.

POSSIBLE STEPS TO FOLLOW WHEN CONDUCTING PMC

1. PMC preparation
2. Announcement of PMC
3. Registration of PMC participants
4. Sending documents about PMC to participants/online webinar
5. Participants send responses to the CA
6. Meeting and discussion with PMC participant
7. Assessment of participants' responses
8. Finalisation of the description of the subject of the tender
9. Documentation from PMC

POSSIBLE STEPS TO FOLLOW WHEN CONDUCTING PMC

- each steps is described in more details in deliverable 4.4 – Methodology for iProcureNet Toolbox

JCBPP AND INNOVATION PROCUREMENT - BENEFITS

**WHY SHOULD CONTRACTING AUTHORITIES
FOSTER JCBPP AND IP?**

WHAT ARE THE SUCCESS FACTORS?

IP BENEFITS AND SUCCESS FACTORS FOR THE SECURITY SECTOR

□ INNOVATION BENEFITS

- ✓ Strengthening the European single market
- ✓ Public procurement as an innovation policy tool
- ✓ Promoting capacity building among contracting authorities
- ✓ Advancing social and environmental goals
- ✓ Allow combining purchasing power and the goals of industrial policies
- ✓ Public buyer, instead of buying off-the-shelf, acts as an early adopter and buys a product, service or process that is new to the market and contains substantially novel characteristics

IP BENEFITS AND SUCCESS FACTORS FOR THE SECURITY SECTOR

□ INNOVATION BENEFITS

- ✓ Such innovation, bringing better performance and added value for various stakeholders, addresses the unmet needs – and not only the update of products or solutions – and calls for structural or organisation reforms
- ✓ Innovation Procurement promote sustainable high-quality public services in Europe
- ✓ The security industry and technology sector, as well as research will be stimulated into action and the gap between research and market will diminish.
- ✓ Innovation Procurement unlocks the innovation potential of suppliers to deliver better outcomes, cost effectively.

IP BENEFITS AND SUCCESS FACTORS FOR THE SECURITY SECTOR

❑ BENEFITS OF JOINT CROSS BORDER PUBLIC PROCUREMENT OF INNOVATION

- ✓ Cost-effectiveness optimization
- ✓ Encourage innovation purchasing
- ✓ Opens route-to-market for new players and SMEs
- ✓ Promotes larger market players bringing products to market (demand-driven)
- ✓ Foster scientific and research center knowledge sharing
- ✓ Public procurement as a wider strategical instrument
- ✓ Better harmonization between Member-States
- ✓ Quicker full interoperability between systems, equipment, solutions
- ✓ Foster the exchange of data and information
- ✓ More attractivity to manufacturers and suppliers

SUCCESS FACTORS FOR THE SECURITY SECTOR

- ✓ IP is an effective way to boost innovation from the **demand side** and an **efficient** way to procure **transnational** common **unmet needs**
- ✓ **Procurers** must become part of the innovation **cycle**:
 - ✓ Creating **capacity** in pro-innovation procurement
 - ✓ Preventing usual practices that constitute barriers to innovation:
 - ✓ Too much emphasis on **price**
 - ✓ **Variants** not allowed
 - ✓ Too **prescriptive** specifications
 - ✓ General lack of **demand** for innovation
 - ✓ Poor management of **risk**
 - ✓ Inadequate management of **intellectual property rights**
 - ✓ Weak **contract management** and monitoring
- ✓ Involvement of **stakeholders** since the beginning
- ✓ Set-up a project **team**
- ✓ Learn how to **engage with the market** complying with **transparency** and equal and non discrimination principles
- ✓ **Adjust** ready-to-use **innovation procedures**

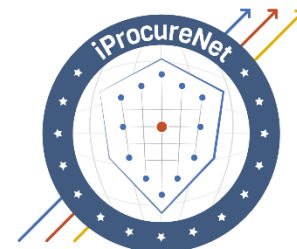
What is the impact of iProcureNet on adoption of Innovation procurement?

IMPACT OF IPROCURENET ON ADOPTION OF IP

- Dedicated onsite and online workshops
- Created methodology for joint cross border public procurement
- Online toolbox
- Involvement of consortium partners in proposals of Horizont Europe in general

THANK YOU!

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