



Introduction to Public Procurement of Innovation (PPI)

A short guide for future innovation buyers



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What are innovative procurements about?

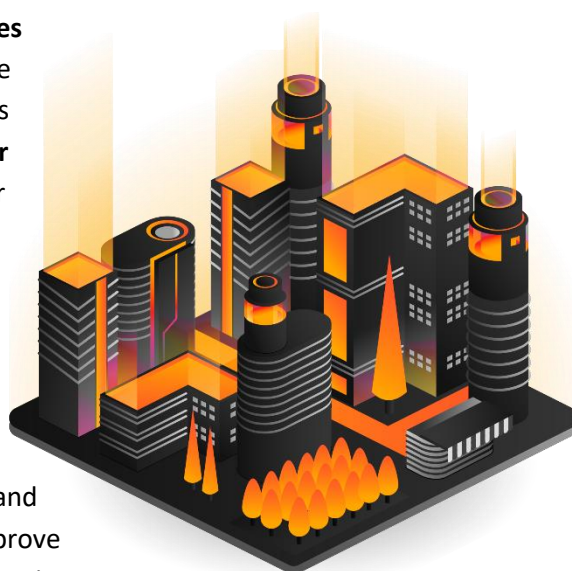
Public procurements are a significant tool for **generating new innovations and business opportunities**. They play a crucial role in **achieving Europe's goals related to climate, the circular economy, and innovation policy**. The funds allocated to procurements represent a major force for change, which can either strengthen or weaken the **green transition**.

Innovative procurement refers to **the acquisition of a new or significantly improved product or service**, which can enhance the productivity, quality, sustainability, and impact of public services.

Why do we need innovative procurements?

Challenging old patterns is necessary to **address issues related to costs, sustainability, or well-being**. Innovative procurements are needed to solve new types of challenges **in situations where**, for example, **the current product or service no longer works**, the set goals require broader collaboration or new approaches, or when environmental changes encourage the search for new solutions.

In public sector procurement, it's possible to pilot completely **new approaches**—considering productivity, efficiency, quality, and sustainability. At the same time, these procurements can boost the development and competitiveness of businesses. Innovations can also improve the quality of public services under the pressure of rising costs.



What makes something innovative?

A public procurement is **considered innovative when new practices are introduced in the planning of the procurement, in the procurement procedure itself, or in the definition of the procurement target**. For example, instead of a predefined implementation model, the procurer may focus its procurement on desired outcomes and impacts, giving suppliers more freedom to propose alternative solutions.

A **procurement target is innovative when it involves a completely new or significantly improved product or service**. The procurement target or solution may be innovative for the procuring organization, even if it has already been implemented elsewhere. Innovation can manifest as a **new solution for the contracting entity, even if it's already in use by other organizations or industries**.

What really matters?

Innovative procurements are about more than just a single new procurement procedure—they **involve new goal-setting and solutions to issues that cannot be solved through traditional means.** The methods and procurement process are determined by the objectives and needs—not the other way around.

More important than novelty is that innovative procurement leads to a better outcome for the client or end-user. This **improvement** might manifest as lower life-cycle costs, higher customer satisfaction, improved quality, or enhanced **cost efficiency.**

Developing sustainable and innovative procurements is an ongoing effort that never truly comes to an end: markets evolve, new solutions become available, and needs change, alongside continuous growth in researched knowledge.



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