



Lessons learned in Innovation Procurements

By the BUILD expert procurers



Funded by
the European Union

Innovation procurement starts by taking the time to define the actual need

- It is important to **think well in advance whether the familiar solution still meets the current need**, or whether it is worth developing a new innovation or innovative approach.
- **Preliminary market dialogue** is helpful when adjusting the planned procurement process and/or the object of the procurement.
- Make sure to have **sufficient input from end-users and clients** and all relevant sectors within the city and possible interest groups
- When procuring innovations, it is important to start early. **Time and effort in the beginning rewards in the end.**



Market information is a valuable part of procurement preparation – also when choosing the procedure



- It is important to generate a **realistic picture of the maturity of the solution** and whether it is possible to obtain competitive offers that meet the real need.
- A procurement procedure involving development work makes it possible to specify the final product or service together with the market. However, negotiated procedures are often time-consuming, and **sometimes a thorough market dialogue can also lead to the same outcome**, allowing the procurement itself to be carried out as an open procedure.
- Procuring an experiment/pilot can also be seen as the acquisition of information, as **the goal of an experiment is often to obtain information rather than a ready-made service.**

Try to ensure that the bidders have an incentive to participate and invest their time and knowhow

3

- It is worth considering whether the **remuneration paid to the participants in a negotiation** procedure would **generate savings in the long term in the form of commitment**.
- When the purchased service is paid according to **effectiveness**, it encourages the service provider to think carefully about **what kind of model leads to the desired results**.
- Value-based procurement is suitable when it is possible to verify the obtained effects



Acquiring innovations always involves risks, and in the end, it is a question of finding a balance between the risks and the desired benefits

- Procurement models based on **phased progress** can often help manage risks.
- **Risk management** is about knowing the need, the field of actors and the situation well and on time. **Cooperation between clients and sharing practices** is also important so that risks can be better anticipated together in the future.



Procurement units that are not afraid of development work are needed to bring new solutions to the market

Bringing a new solution to the market helps to **cut costs in the long term**, even though development costs are considerable – whether it is a single development purchase or a long negotiation process.

BUILD

Building Capacities in Innovation Procurement for Cities

Grant Agreement: 101070745

Funding Scheme: HORIZON Coordination and Support Actions (CSA)

Theme: HORIZON-EIE-2021-CONNECT-01-02

Start Date of Project: 01 October 2022

Duration: 24 months

© BUILD Consortium, 2022

Reproduction is authorised provided the source is acknowledged.

LEGAL NOTICE

Funded by the European Union. View and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Innovation Council and SMEs Executive Agency (EISMEA). Neither the European Union nor the granting authority can be held responsible for them.

