



BUILD INSIGHT REPORT: *best practices in Innovation Procurement*

The BUILD project Insights Report highlights innovation procurement strategies from Rotterdam, Tartu, and Turku. These cities share the best practices to drive innovation in public procurement for a sustainable future in close relation with innovative enterprises.



WHAT IS INNOVATION PROCUREMENT

It refers to any procurement used by public authorities to buy innovative products or services that yet do not exist or are new to the market, to meet their specific needs.

INCENTIVES FOR INNOVATION PROCUREMENT

They can include different actions, such as:

- Measurable target for innovation procurements
- Action plans to increase the amount of innovation procurements
- Practical guides for public procurers
- National competence centres
- Strategic goals involving innovation procurement as a tool to reach them



KEY CROSS-CUTTING THEMES OF APPLICATION:

- Low carbon solutions
- Digitalisation of services and processes
- Smart utilisation of Data

NATIONAL COMPETENCE CENTRES:

They aim to stimulate innovation procurement and advise public procurement practitioners on identifying innovative ideas and bringing them to live through procurement.

- Dutch Public Procurement Expertise Centre PianOo
- KEINO Competence Centre for Sustainable and Innovative Public Procurements in Finland
- Estonian Innovation Procurement Competence Centre

PROCEDURES USED TO PURCHASE INNOVATIVE SOLUTIONS

- **Pre-Commercial Procurement (PCP):** Pre-Commercial Procurement (PCP) lets public buyers purchase R&D from multiple suppliers, narrowing down options after each phase to find the best solution. In some cases, R&D can be bought without formal procurement.
- **Public Procurement of Innovation (PPI):** Public Procurement of Innovation (PPI) allows public buyers to purchase innovative products already on the market but not yet widely available. Buyers can use standard procurement methods (e.g., open or negotiated procedures).
- **Innovation partnership** combines both components, buying the R&D and the outcome of innovation¹⁶. It allows public buyers to establish a partnership to develop and subsequently purchase a new, innovative solution. It is a specific public procurement procedure.

PRACTICAL EXAMPLE: *how Tartu city fosters innovation*

Fossil-free infrastructure maintenance, innovative machinery with real-time tracking, and environmental criteria in tenders.

Discover more about innovation procurement through the full BUILD Insight Report.

http://www.build-procurement.eu/wp-content/uploads/2023/08/D2.1-BUILD_Insight-Report.pdf