Innovative Procurement

A case study of the SELECT for Cities Project

SELECT for Cities received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 688196.

Antwerp

Population: 520.000 residents

Most populous city of Belgium

Port of Antwerp, second in Europe

Area: 204.51 km2 (78.96 sq mi)

Ca. 16.000 civil servants
(Municipality of Antwerp)

Digipolis

The joint IT -organisation and the dedicated ICT-partner of the cities of Antwerp and Ghent, a governmental, non -profit organisation.

More information:

https://www.digipolis.be/

https://antwerpen.digipolis.be/en

Why innovative procurement?

- Fast evolution of technological changes and innovations
- Decrease in public service IT budgets
- Growing need for digital public service & Smart City applications
- Difficult to engage with SMEs and startups
- Red tape and legally complex procedure

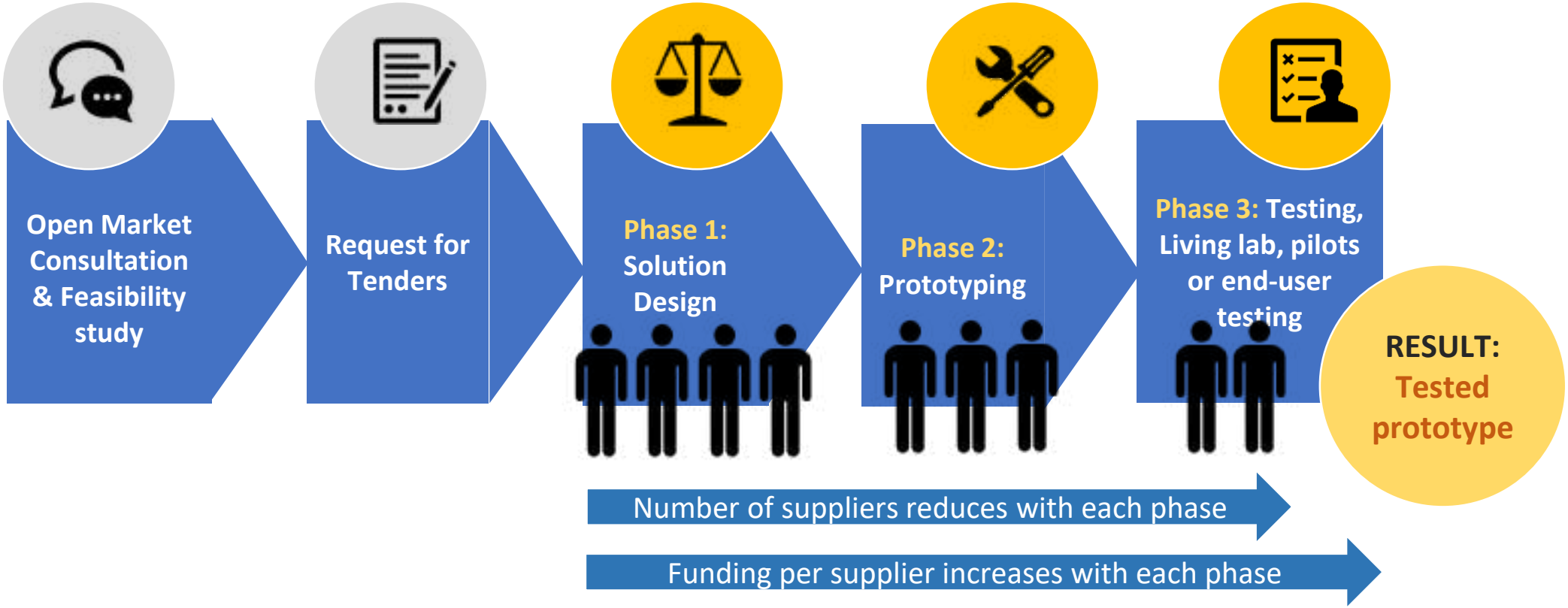
Innovative procurement?

- Pre-commercial Procurement
- competitive dialogue
- competitive procedure with negotiation
- innovation partnership
- Buy from Startups procedure

Pre -Commercial Procurement

- New approach towards public procurement of R&D
- Phased competition of suppliers during the whole process
- In each phase: number of suppliers decreases, but funding per contract increases

Pre -commercial Procurement



Pre -commercial Procurement

28 tenders from 13 different countries

- Phase 1: 10 contracts
- Phase 2: 5 contracts
- Phase 3: 3 contracts

1. UNIVERSITY OF FLORENCE DEPARTMENT OF INFORMATION ENGINEERING
2. INDRA SOLUCIONES TECNOLOGIAS DE LA INFORMACION S.L.U.
3. ENGINEERING INGEGNERIA INFORMATICA S.P.A.

Solutions ready for commercialisation
All contractors were already commercialising during PCP

Pre -commercial Procurement

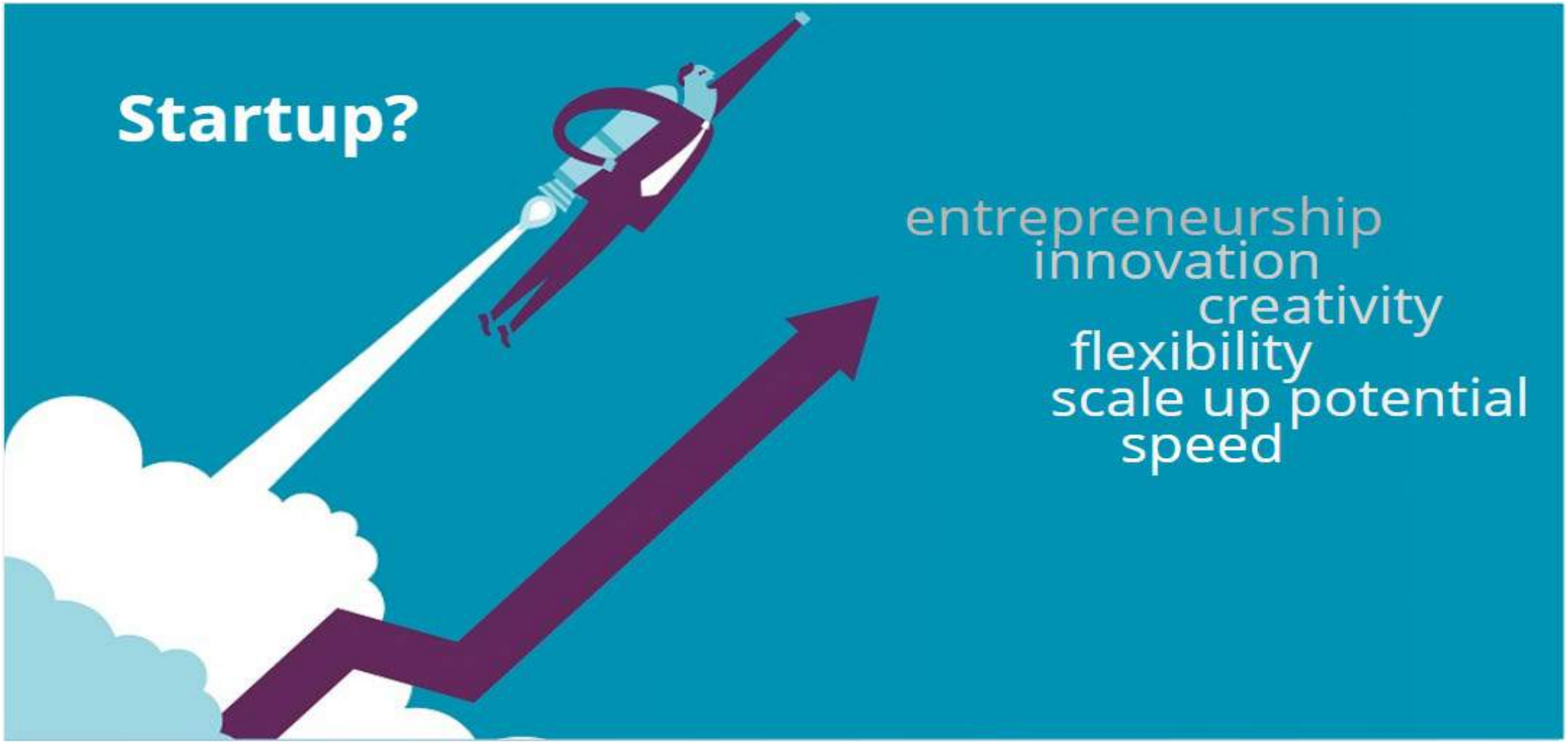
Benefits for Procurer

- Steer development of solutions towards concrete public sector needs
- Enables a focus on the critical R&D phase before actual procurement
- Input from different suppliers who compete using grants for different phases of development
- Risks and benefits are shared between the one who funds (EC) and the procurer who has to pay their part of the funding

Benefits for Supplier

- Better preparation to address the future market through early collaboration with public authorities
- Lower investment to generate new market opportunities thanks to financial support from the public side
- Potential new opportunities
- Collaboration with the procurers and not the competitors.
- A focus on the core tasks of R&D with the public sector supporting the creation of a new market

Buy from startups

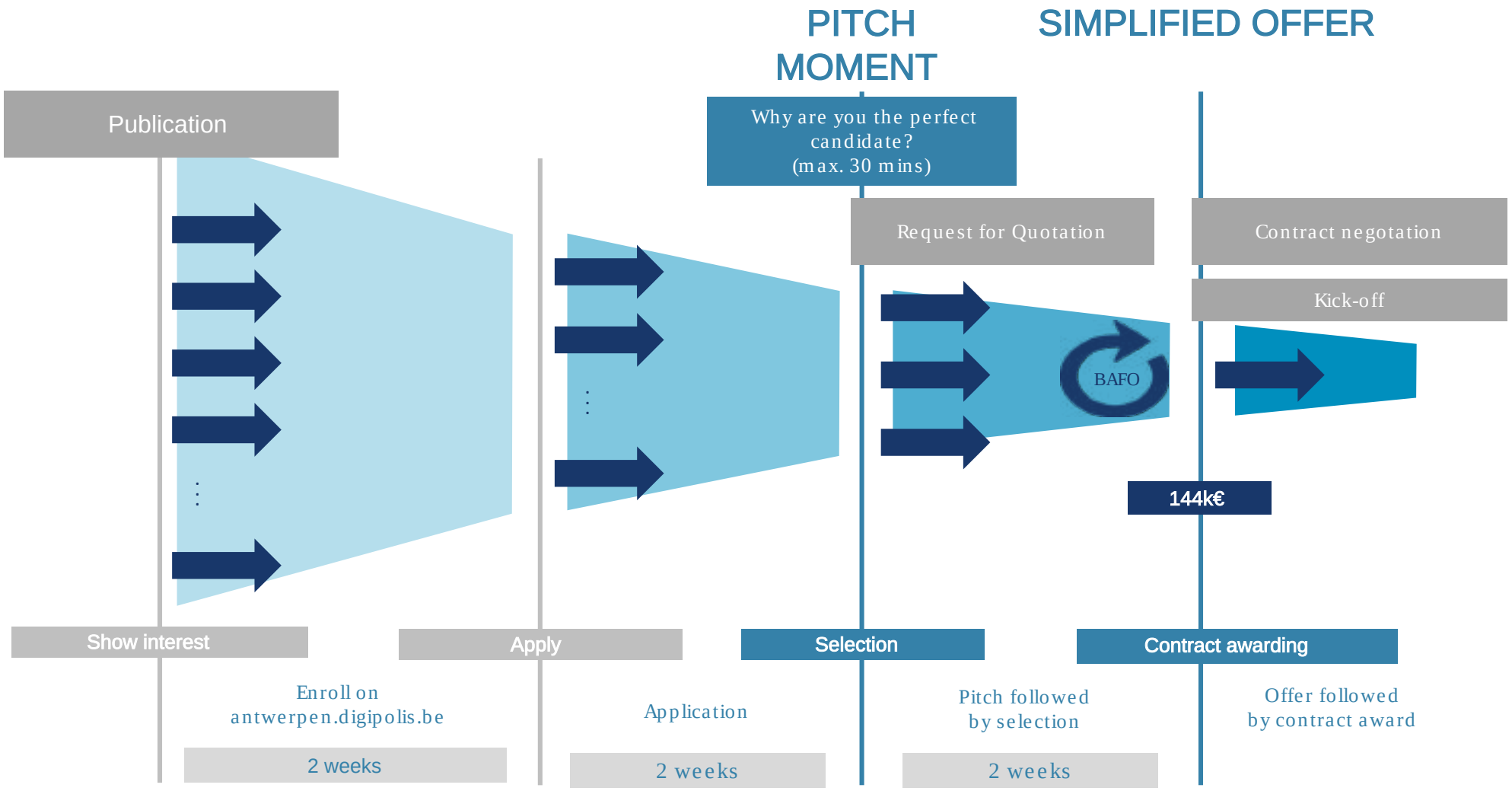


Buy from Startups

Innovative procurement strategy based *Quadruple Helix Innovation Model* and built around 3 core components

1. Antwerp City Platform as a Service (ACPaaS)
2. Digital Antwerp community and ecosystem
3. Customized procurement process

Buy from Startups: procedure



Buy from Startups: what's in it for me?

Benefits for Procurer

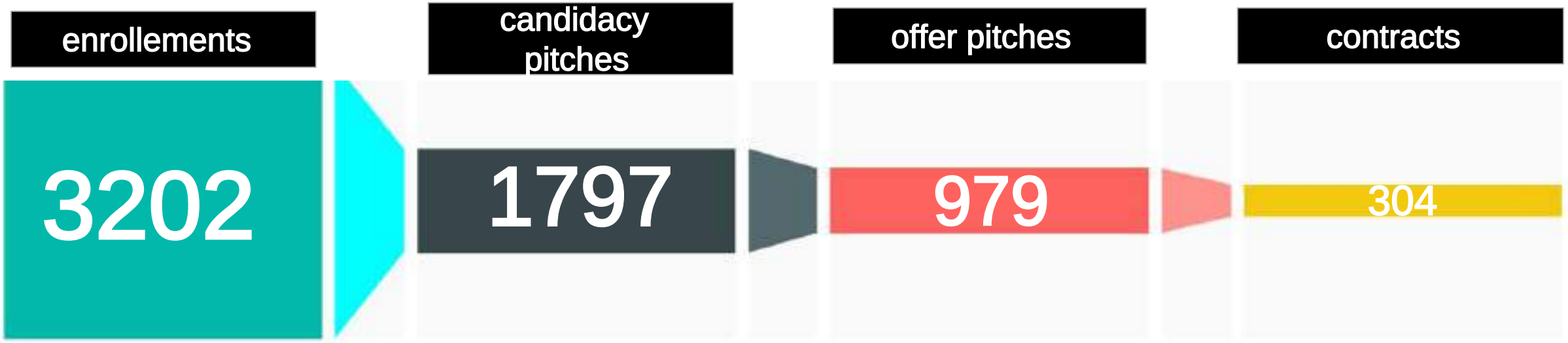
- Fresh ideas & creativity
- Unexpected & innovative solutions
- Fast and low cost implementation
- Flexible, agile way of working
- Inspirational entrepreneurship
- Increased capability of parallel implementation of IT -solutions

Benefits for Startup

- Government is a customer with many challenges
- Easy to partner with, because of new procurement approach
- Compensation for a potentially shippable product
- Intellectual property ownership in return for commercialisation
- Set up of Proof of Concept
- Stepping stone to other (local) governments
- Good reference

Buy from Startups: Results: 2015 - 2019

329	689
challenges	Startups



PCP - BfS: lessons learned

PCP

- Long lead times in all phases
- Procurer gets access rights on prototype; no access to improved versions > new procurement procedure
- Difficult to measure and compare the innovative solutions without an expert jury (no EU budget available)
- Difficult to measure the actual market value of the solution (virtual vs. actual price)
- Administrative burden for all parties

BFS

- Limited time to prepare offer
- No capacity to execute multiple assignments simultaneously
- Startups deliver only part of the solution
- What if the startup disappears?
- Startups are not focused on support

contact

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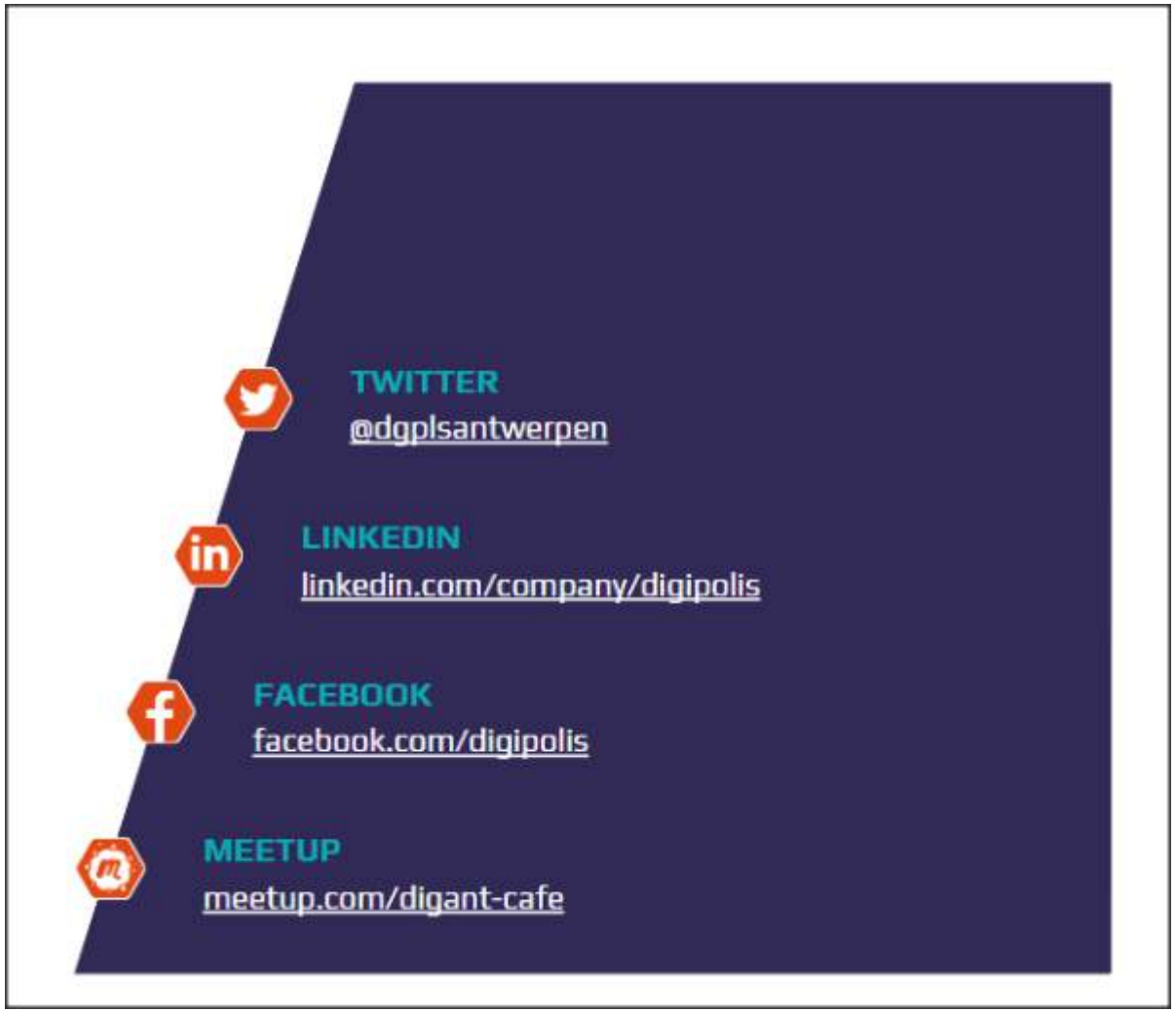
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