# THE NATIONAL UNIVERSITY OF POLITICAL STUDIES AND PUBLIC ADMINISTRATION (SNSPA) FACULTY OF PUBLIC ADMINISTRATION The Development and Urban Planning" research working group invites you to the SMART CITIES CONFERENCE December 8-9, 2016 Bucharest, 30A. Expoziției blv. www.administratiepublica.eu/smartcitiesconference

"Innovation Partnership a new procedure on public procurement to support the development of eco-efficient urban environment"

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# CHALLENGES

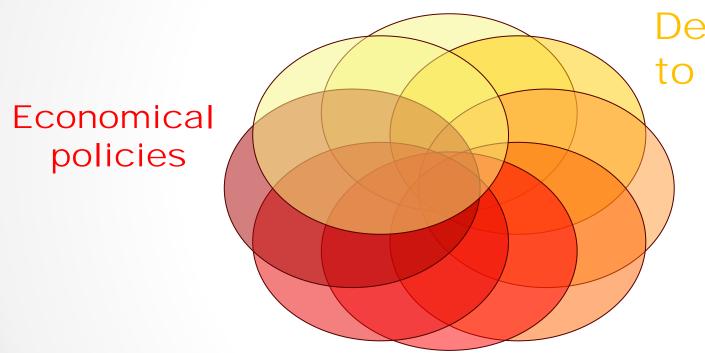
## **GENERIC:**

- demographic,
- economic,
- social,
- unemployment,
- neediness,
- environment

# SPECIFIC:

- <u>UTILITIES</u> (accessibility, quality of delivery);
- development of <u>TRANSPORT</u> network\_(means of transport, roads, inefficient transport infrastructure);
- problem of WASTE products (collection, transportation, sorting, storage, recycling or disposal and reintegration into the wild);
- keep their <u>GREEN SPACES</u>

# STRATEGIC OBJECTIVES OF THE EU regarding the MANAGEMENT OF URBAN AREA



Development policies to the space structures

social policies

Environmental conservation policies



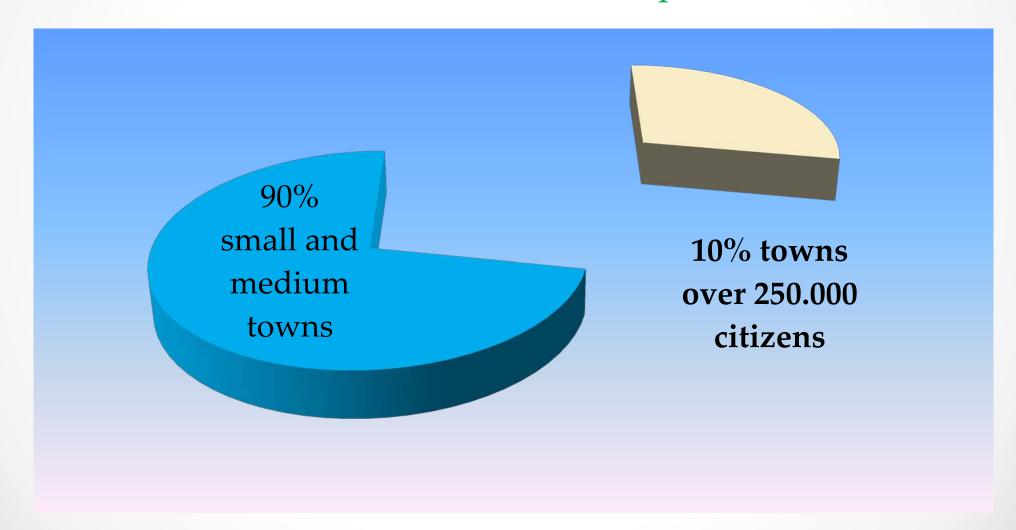
#### **Environmental considerations**

The life-cycle costing approach is introduced in the new directives in order to encourage contracting authorities to consider the full costs (including externalities) of their purchases. An environmentally friendly production process can also be rewarded in the award decision. Furthermore, the new regulation allows the reference to specific labels.

#### Social considerations

A new cross-cutting clause will require that tender procedures take into account the respect of applicable environmental, social or labour law obligations under EU and national rules, collective agreements international law. In addition, participation of vulnerable and disadvantaged people may be considered in the award of contracts. The new directives also state the possibility to reserve procurement procedures to specific structures (such as sheltered workshops) or social enterprises working for the inclusion of disadvantaged people.

At the moment, in Romania there are 320 towns:
 103 municipalities and 217 cities





#### The new legislation on public procurement

✓ DIRECTIVE 2014/24/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL, of 26 February 2014, on public procurement and repealing Directive 2004/18/EC ✓ DIRECTIVE 2014/25/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL, of 26 February 2014, on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC

✓ Law nr. 98/2016 in public procurement, published in M.O. nr. 390/23.05.2016

✓ Law nr.99/2016 in procurement sector, published in M.O. nr. 390/23.05.2016



#### **Innovation**

The new directives have important implications for innovation policy. In particular, innovation partnerships are newly introduced tendering procedures that allow contracting authorities to procure solutions that are not yet available on the market. Specifically, contracting authorities can set up structured partnerships with suppliers to develop a new product, service or works, including the purchase of the final outcome.



#### **Innovation**

It works similarly to the competitive dialogue procedure but has a widerscope as it covers more phases of the innovation procurement process from the funding of R&D to the acquisition of finished products or services, with the involvement of one or more economic operators in each phase. In addition to the innovation partnership, the competitive dialogue procedure has been simplified in order to facilitate tenders of complex projects where no clear solution can be adequately defined in advance.

#### **Innovation partnerships**

#### When To Use?

The development and subsequent purchase of innovative service solutions available on the market if not respond to the needs contracting autority

#### How do you rule?

#### in 3 steps:

- The participation solicitation submission;
- Submission initial offers to selected candidates and their conformity assessment by the contracting authority;
- The negotiations, submission the final tenders and applying the award criteria and evaluation factors

Award criteria - only the best quality - price/cost



# Key areas of strategic public procurement

	Green public procurement	Socially responsible public procurement	Public procurement of innovation
Share of procurement procedures in number	14%	10%	1%
Share of procurement procedures in value	25%	17%	7%



#### **Green public procurement**

The Commission defines Green public procurement (GPP) in the Communication (COM (2008) 400) 'Public procurement for a better environment' as 'a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured.' Furthermore, sustainable public procurement aims at striking a balance between the economic, social and environmental dimension when making procurement choice.

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### Socially responsible public procurement (SRPP)



Socially responsible public procurement (SRPP) includes social aspects in the purchasing decision of the public body.

The Commission already developed in 2010 a list of social considerations that could be included in tender processes. This included employment opportunities, decent work, compliance with social and labour rights, social inclusion (including persons with disabilities), equal opportunities, accessibility and design for all, taking into account sustainability criteria, ethical trade issues, and wider voluntary compliance with corporate social responsibility.

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#### Public procurement of innovation (PPI)



Public procurement of innovation (PPI) or Public procurement of innovative solutions refers to the contracting authority procuring innovative goods and services that are not yet commercially available on a large-scale basis. With the public authority acting as the launch customer, innovation procurement is a demand-side instrument for fostering innovation. It should be noted that PPI does not necessarily include the procurement of R&D services, which corresponds to another approach called "pre-commercial procurement" (PCP).



#### Public procurement of innovation (PPI)

Furthermore, in the next years, the new directives on public procurement will help fostering PPI by encouraging contracting authorities to develop innovation-friendly tender processes and thus support businesses to develop their capacity for innovation while guaranteeing the basic requirements of competition, transparency and equal treatment.



# Thank you!







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