

Technology and Innovation Procurement

Technology Procurement

Technology procurement refers to any process for the purchase, maintenance or improvement of any element associated with the following areas:

- Communication networks and infrastructures
- Hardware or physical element for the communication and processing of information.
- Software and digital solutions, as well as licenses for their use.
- Development of services and applications for the public and for municipal employees.

Cities should promote sustainable public procurement which includes social, environmental, ethical and innovation measures in the clauses and purpose of the municipal contracts. Contracts should be executive in a way to guarantee the labor, social, and citizen's rights of the people who execute the public contract and of the recipients or users of said contract. Furthermore, said procurement should promote a local circular and sustainable economy, as well as foster the economic activity of local small, medium and micro- enterprises and, particularly, social enterprises:

- **Social measures.** Social inclusion, gender equality and social justice clauses to encourage the contracting of products and services from companies and professionals that operate according to business models based on respecting workers' rights, including stable jobs with minimum wage, healthcare protection and ethical conduct. Furthermore, to promote economic activity by small and medium-sized enterprises, local micro-enterprises and, especially, social companies.
- **Environmental measures.** These incorporate the technical instructions for applying sustainability criteria in specific fields of activity and a list of possible environmental criteria for those fields beyond the scope of the technical instructions.
- A set of cross-departmental measures linked to technology and innovation:
 - Increasing the technological sovereignty of the city
 - Providing a public and open data infrastructure capable of guaranteeing privacy for the public

and increasing the transparency of the municipal authorities.

- Incorporating new methodologies that enable the development of innovative and efficient digital services focused on the needs of the people.
- inclusion of certain clauses in procurement contracts for electronic equipment in order to respect employment rights and safety regulations in the global supply chains for ICT products.

These measures will have a knock-on effect on the other two lines of action (social and environmental) given that good management of innovation and technology is key to the development of better social policies (social housing, reduction of poverty or creating future jobs) and better environmental policies, as well as for enhancing their effect. Public procurement for innovation (PPI) harnesses innovative solutions (products, technologies and processes) to encourage a greater impact on sustainable and inclusive growth in society.

Innovative public procurement

Innovation should be strongly considered in connection to economic, social and environmental sustainability as a multiplying element, which helps create employment and economic growth, strengthens social and environmental values, while also supporting innovative companies that solve citizens' challenges.

Public procurement for innovation is a new way of contracting services and negotiating with the market in order to respond to needs that cannot be solved through ordinary processes. It is using public money to buy what we need, while trying to spend that money strategically so as to reach our goals of improving and satisfying citizens' needs, and strengthening innovation and sustainability.

This new approach to public procurement is designed to be a fundamental tool for cities to obtain solutions that are much better adapted to the real demands of society and to help companies be more competitive. We hope to stimulate the creation of new local markets, new products, new production methods and new ways to organize or provide services.

In practice, PPI begins with an open definition of the challenges and needs to be addressed, and offers the market the opportunity to explain how the problem can

be solved, whether with existing solutions or not. These solutions must offer good value for money and consider the life cycle to calculate and determine costs. This practice positions the City Council with a role beyond that of purchaser to become a partner in solving the challenge identified.

We must shift from public procurements with very detailed technical specifications and which are often awarded to the lowest bidder, to procurements that are based on the definition of challenges and innovative, sustainable solutions; this will often involve multiple players. This new approach allows us to identify new ideas and innovative solutions that deliver efficiency. A simple example would be to buy light instead of lampposts, or to buy hours of writing instead of pens.

Thus, the City Council is positioning itself as a driver of innovation in the market and a testing ground for its procurements by acquiring the results of research instead of subsidizing pilot trials which often have difficulty scaling their impact. Other key elements of PPI are risk, cost efficiency, collaboration between entities, and ensuring that benefits are shared.

More information:

Innovative and responsible procurement in Europe:

https://ec.europa.eu/info/eu-regional-and-urban-development/topics/cities-and-urban-development/priority-themes-eu-cities/innovative-and-responsible-public-procurement-cities_en

Barcelona Innovative Public Procurement:

<https://ajuntament.barcelona.cat/contractaciopublica/en/innovative-public-procurement> <https://www.barcelona.cat/digitalstandards/en/innovative-procurement/0.1/innovating>