Ireland*

Strategic framework, action plan and scope for procurement for innovation policy

As part of the Public Service Reform Plan, the government is reforming the public procurement process to deliver greater value for money through increased use of common procurement frameworks, centralised purchasing, increased professionalism and more innovative use of technology. The government has established an Office of Government Procurement (OGP) as an independent body under the aegis of the Department of Public Expenditure and Reform to drive a new consolidated and integrated approach to public procurement.

There is no stand-alone action plan. Innovation is one part of Ireland’s overall procurement strategy. The intention is that the OGP works with other public sector departments and support opportunities that encourage innovative procurement.

The scope of procurement for innovation is considered by Ireland’s Category Councils. The OGP has established Category Councils for 16 categories of goods and services bought by the Public Service. Category Councils are responsible for developing commercial strategies for sourcing goods and services in each of their categories in line with the needs of customer organisations and in the context of obtaining best value for money.

Implementation

Ireland’s specific activities related to procurement for innovation are based on Ireland’s Programme for Government (2011-16), which recognises the role that public procurement can play in supporting innovation. It commits to reform public procurement to become a tool to support innovative Irish firms and to allow greater access to Irish small and medium sized businesses.

The government’s Action Plan for Jobs, which is the responsibility of the Department of Jobs, Enterprise and Innovation, also recognises that procurement can be an enabler of private sector innovation and can support the drive to reduce costs in procurement budgets. It acknowledges that many innovative companies can offer solutions to the needs of public sector bodies with lower whole of life costs than more conventional purchases. It recognises the need for contracting authorities in Ireland to be become more open to procuring innovation. It commits to examining practical ways to highlight the merits of purchasing innovative products and services, where appropriate, as a means of achieving cost savings in public procurement.

Responsibility for green procurement rests with the Department of Environment, Community and Local Government. Green Tenders, An Action Plan on Green Public Procurement (GPP) recognises that GPP can be a driver for innovation and competitiveness in the industrial sector promoting the development of new technologies and providing a competitive advantage for emerging companies in the SME sector. Public

* OECD Survey Part I submitted by Karl Ryan, Assistant Principal Officer, Office of Government Procurement.
procurers are asked to keep themselves informed about changing technologies and processes, so that, where these are cost-effective and fit for purpose, relevant developments and innovations can be included in the procurement process. This is reinforced in the policy paper Green Procurement Guidance for the Public Sector which suggests that consideration of GPP in the pre-procurement phase should include amongst other things re-thinking how the demand can be met in a way that requires fewer or better value goods to be bought and is an ideal time to identify and evaluate new innovations in the market place.

Public procurement in Ireland is underpinned by a number of core principles, in particular the need to maximise competition in the market for the goods and services purchased by the State. Where practical and legally possible, policy also seeks to promote whole-of-government objectives, including the promotion of innovation in procurement. It is the stated aim of the OGP not just to provide value for money but to provide sourcing solutions that are smarter and more efficient.

The OGP has an SME Working Group with representatives from industry representative bodies and the Department of Jobs, Enterprise and Ireland. The focus of this group is to develop and monitor strategies for SME access to public procurement. Support for innovation falls broadly within the terms of reference of this Group.

The OGP conducts a targeted programme of seminars, workshops and “Meet the Buyer” event which afford suppliers an opportunity to meet and discuss the issues with public service buyers including innovation issues and/or proposals.

One of Ireland’s best practices relates to guidance. Procurement for innovation policy is addressed in DPER Circular 10/14, titled “Initiatives to assist SMEs in Public Procurement,” where it is recognised that innovation and creative solutions can assist procurement strategy. A comprehensive approach to procurement for innovation is provided in “Buying Innovation - a 10 Step Guide,” which was published by the Procurement Innovation Group in 2009. It highlights the role that SMEs can play in smart and innovative procurement.

Under the government’s Action Plan for Jobs for 2014, the government committed to introducing, on a pilot basis, a Small Business Innovation Research (SBIR) programme to provide opportunities for innovative solutions to be developed to meet the needs of public bodies. In this regard on 30 June 2014 the Sustainable Energy Authority of Ireland (SEAI) in co-operation with Enterprise Ireland and ESB launched Ireland’s first SBIR competition. SBIR falls under the category of pre-commercial procurement (PCP). The competition’s first target is smart solutions for charging electric vehicles (EVs) in communal parking areas such as apartment blocks. Up to EUR 200 000 will be made available to develop the prototype. The proposed solution should be adaptable to cater for underground, multi-storey or other privately run car park developments where EV owners will require access to charging facilities.

Challenges, risks and solutions to overcome obstacles

At ground level it is the responsibility of the newly-established Category Councils to examine the role that innovation can play in their procurement strategies and to examine where it is appropriate and relevant. The OGP is a new organisation. It is too early to elaborate on innovation challenges at this stage.
There is a clear focus within the OGP to foster and facilitate innovation in public procurement; this is expected to help overcome obstacles for procurement for innovation.

Key lessons learned: It is too early to elaborate on lessons learned at this stage.

Measurement and impact assessment

The reason why no system currently exists to evaluate the impact of procurement for innovation is that the reform of public procurement is in its early days and procurement innovation is presently just being tested on a limited basis. It would be the intention to evaluate procurement innovation at a later stage.