

# “Smart procurement for Smart Cities” INNOVA.TO

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## *The context: urban innovation within the International debate on “Smart Cities”*

- **Cities around the world** are now facing very **similar concerns** linked to the **impact of urbanization and its pressures on the environment and onto the economic and welfare systems**. However, they also represent **centers of exchange, economic, knowledge and cultural resources**.
- To handle these **urban challenges**, city administrations have to find **new ways to manage complexity, increase efficiency, reduce expenses, and improve quality of life**.
- There is a need, then, to **redefine city operating models** and develop **new visions and tailor-made strategies for the sustainable development of our cities, in line with territorial traditional and new vocations**.
- And to do so, cities have to play a **major role in territorial innovation processes**, offering themselves as **co-creators of urban solutions**, as **laboratories for innovation** and **hubs for fostering new business opportunities** in the growing areas such as that **smart&clean technologies and new urban system models**





## **Public Procurement of innovation within Torino Smart City**

### **WHY?**

- **Better qualify the public demand** to respond to the upcoming needs of the smart city and of its users

*Improved solutions to manage the territorial assets and offer improved services*

- **More efficient use of existing financial resources** in time of budget constraints

*Do more and better with less!*

- **Boost the market for innovative products/services/solutions** for the smart city

*Act as a launching customer to stimulate the market for technological and social innovations*

- Promote innovation and efficiency within the administrative structure itself

*Administrative/process innovation within the PA*





## **The project idea - Smart Procurement for Smart Cities**

### Aim:

- > **develop an organizational model together with a set of supporting tools aimed at enhance the strategic use of public procurement to support smart city policies.**

### Some data:

- > **Municipal annual expenditure: about 1,3 billion euros per year** (most on services)
- > **Departments committed to do PP: about 5 specialized Dpts+ 3 sectoral specialized units + further 100 small procurement** units. There also are a number of municipal service providers acting in strategic fields such as energy, water, waste, transport and mobility. with whom the City has to cooperate to define strategic ways to carry out public procurement.

*1 Central Dpt for PP and Contracts; 1 Department for Standardized Good Procurement; Further Specialized Procurement Units in other sectoral dpt (e.g. School Catering; Social Services; Public Works; Municipal Buildings, etc.). 2 Special units dealing respectively with GPP and Social clauses contracts. 1 Unit carrying out EU projects in the field of PPI. + Each Department also has further small procurement units acting as “costs units” which carry out low value contracts or procedure without publication of the Call – negotiated procedures.*





## *The proposed Organizational Model*

Creation of “special” unit - **“Task force PPI”** supporting a the overall city departments in PPI/PCP with the following characteristics:

- centrally recognized (and/or) embedded into the “Procurement&Contracts Directorate”;
- Compelling all expertise from strategic procurement initiatives carried out within the administration (PPI; GPP; Social Clauses);
- In the form of a multi-sectoral work team, covering all the necessary skills for PPI (strategic, commercial, legal, technical)
- According to a “category management approach” (specialized expertise per expenditure area)
- Acting at variable geometry, case by case!





## Supporting Tools

**STRATEGIC PLANNING**

**TRAINING**

**KNOWLEDGE MANAGEMENT SYSTEM**

**INNOVATION ACCOUNTING SYSTEM**





## Expected performances and impact

- **Output:**

*1 multisectoral team trained and operative; up to 60 procurement agents trained; dissemination activities through a webplatform reaching up to 300 people; up to further external 40 subjects involved; at least 1 new PPI procedure initiated by the end of the first year; extended use of strategic pre-procurement tools (PIN; Early market engagement activities etc) – also in traditional procedures – at least in 10 cases + up to 5 PIN published on OJEU.*

- **Impact:**

*Better products and service for the PA, the territory and city users in the most relevant urban challenges ;Support to the local innovation system; Improved skills within the PA connected to Strategic Planning and Procurement; stimulation of the private demand for innovative solutions in the view to open new markets for innovation.*





## **My priority for the urban social innovation agenda**

According to my experience, the agenda of European cities should include this priority:

**Align City Procurement Plans with Local (and sovra-local) Strategic Planning and targeted Financing Support to Innovative Enterprises in the field of Technological and Social Innovations for Smart Cities.**





# Contacts

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