

# Public Procurement of Innovation in Action: a Climate KIC network

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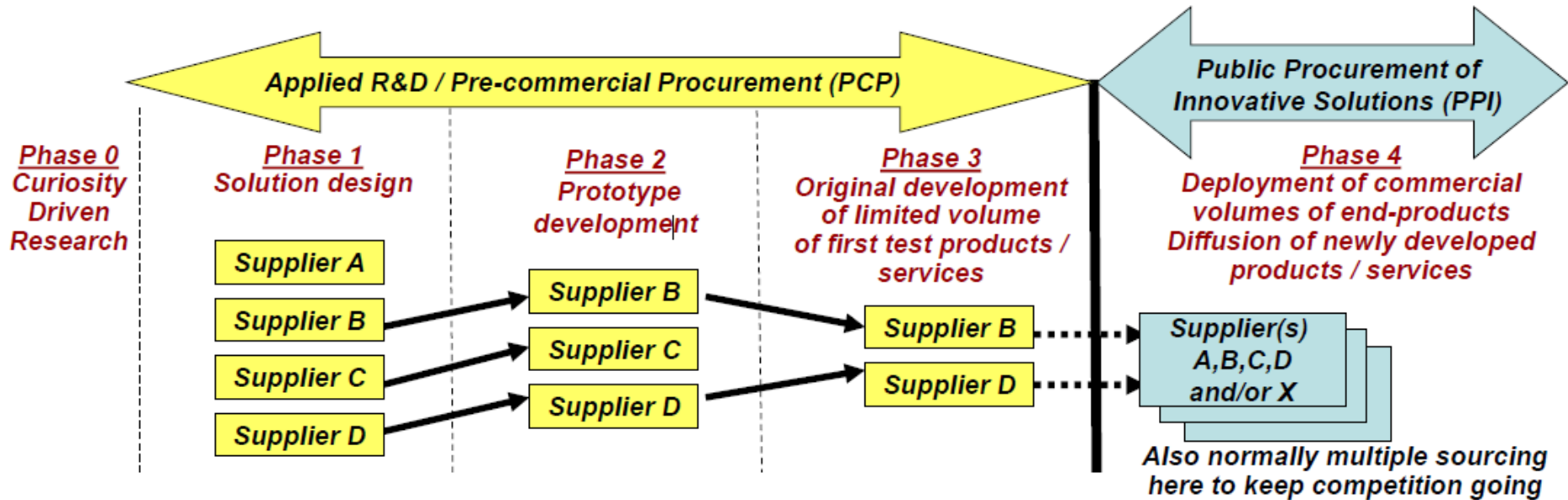
Sustainability and Science City Manager

# Background

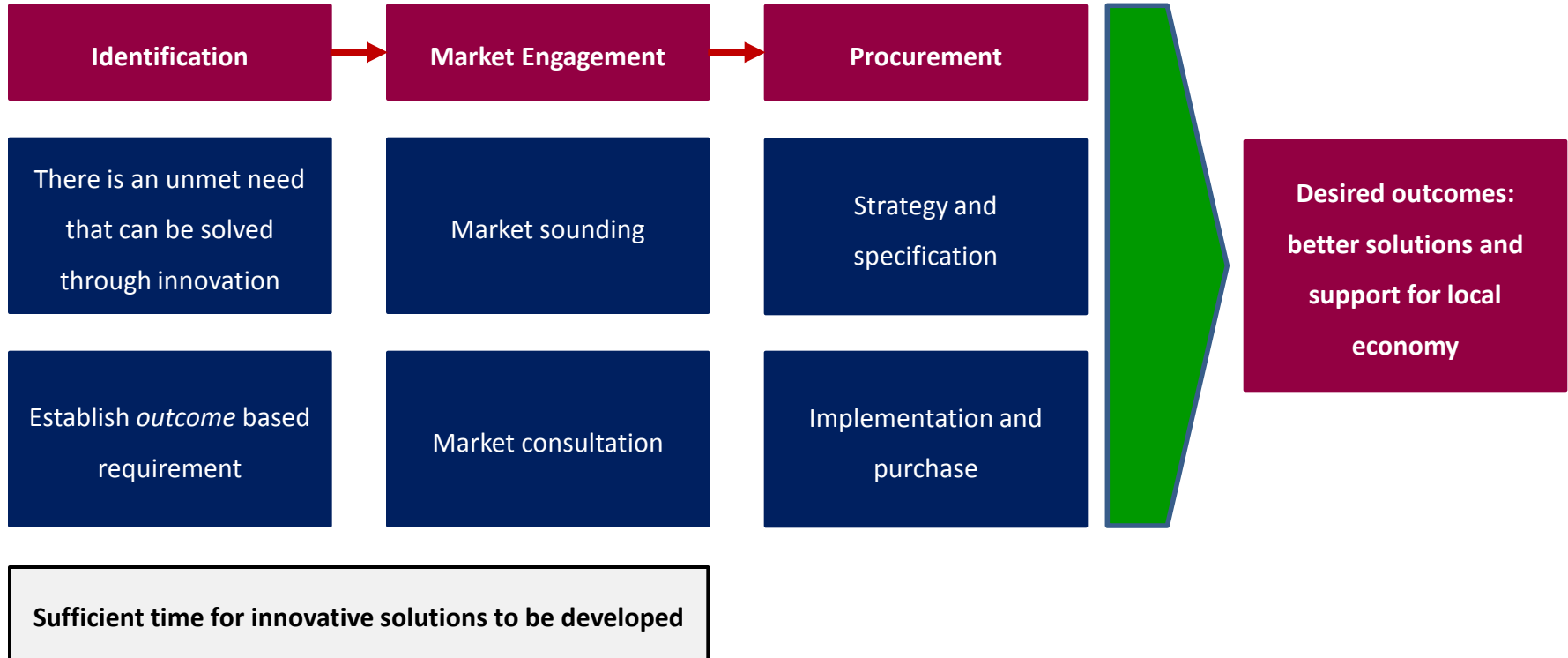
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- Birmingham City Council and Birmingham Science City developed initial work
- Responded to House of Lords Select Committee report in 2010
- Began linking into strategic thinking in Europe and UK
- Accessing and developing European funding opportunities
- Green Commission: focus to date has been on carbon reduction initiatives

# PPI/PCP



# How does it work in practice?



# Climate KIC

(Knowledge and Innovation Community)

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- Pioneer Cities project: led by Birmingham City Council
- Climate Market Accelerator pilot
- Public procurement explored as a future priority
- Procurement network to be established and links to other networks
- Focus on spend profiles and foresighting

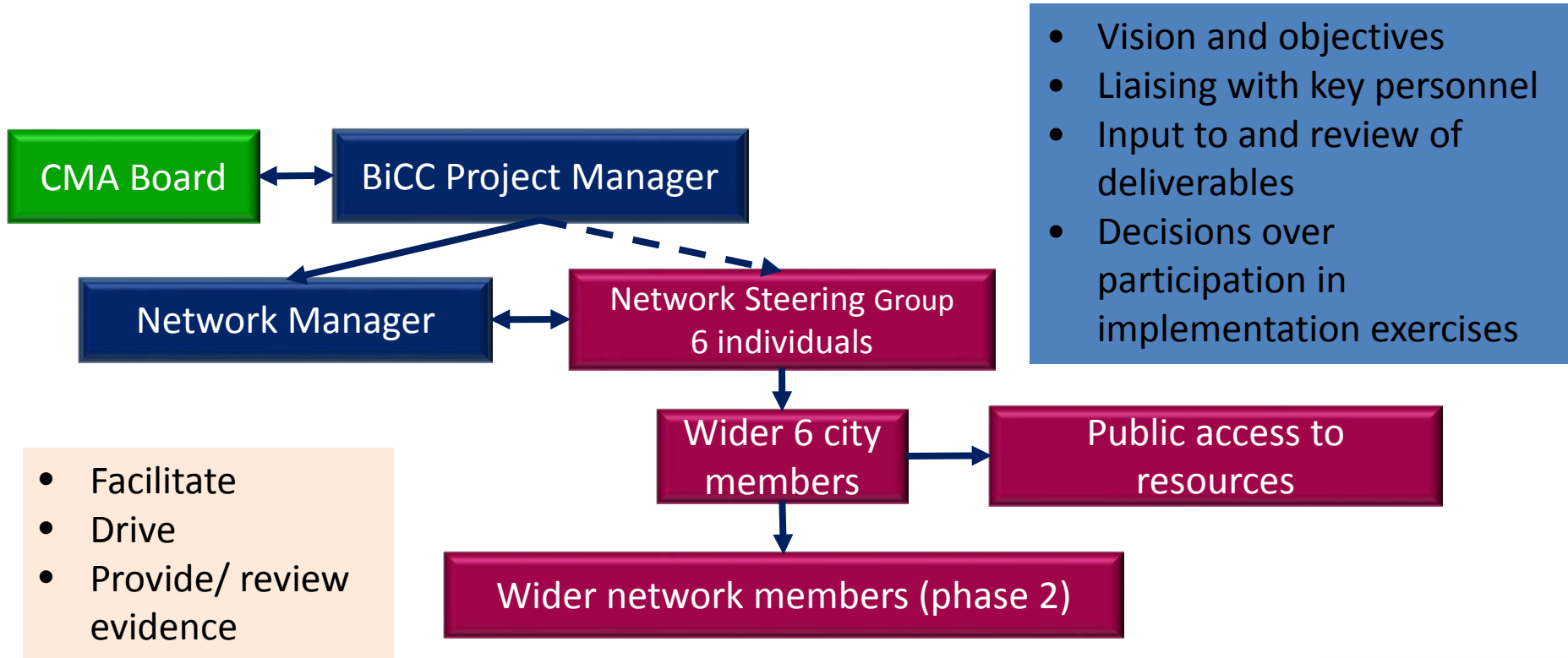
# Partners

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- Birmingham City Council (lead partner)
- Budapest City Council
- Wroclaw City Council
- Castellon City Council
- Valencia City Council

Aim is for a Network Manager to be in post in Birmingham

# Structure



# Principal aims and objectives

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## **Practical implementation**

- Learn by doing: undertake public procurement activities that encourage innovation, using joint initiatives where possible;
- Trial new methods, such as foresight exercises to increase understanding of their impact and effectiveness;

## **Identifying and sharing best practice**

- Analyse and review best practice: from existing material, ongoing and forthcoming projects, and the direct experience of proactive public authorities within the network. Undertake gap analyses to determine the need for new and/or adapted materials;
- Facilitate peer to peer learning;
- Prepare new guidance material where appropriate.

## **Dissemination**

- Set up an appropriate resource sharing platform that:
  - enables ready access to newly developed material and other sources of information (via signposting);
  - raises awareness of successful public procurement processes and communicates the activities and success stories of the network, via new case studies and other dissemination materials;
- Liaise with related networks and projects to avoid duplication and maximise sharing of resources.



# How will the network benefit participants?

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- Practical support in implementing and embedding innovative public procurement methodologies, to meet climate change strategies and enhance local economic growth
- Practical support in identifying opportunities for joint activities with other authorities where demand profiles overlap
- Opportunities to take part in foresight exercises
- Peer to peer learning from experience of other network members
- Access to meaningful guidance and case studies
- **Support in accessing funding opportunities for public procurement of innovation**

PPIA Databases 140114.xlsx [Read-Only] - Microsoft Excel

| 1 | City       | Application/ service area  | TR/BE/EN | DATE of Contract renewal/new contract | Approval obtained (Yes/No)                   | Primary needs assessment (outcome required)   | Contract volume (number of units) / size                                | Estimated cost/budget if known | Anticipated length of contract if known | Prefer lease, |
|---|------------|--|----------|---------------------------------------|--|---|---|--------------------------------|---|---------------|
| 2 | Birmingham | Housing void refurbishment (part of domestic retrofit programmes)                                      | BE       | Ongoing                               | No   | Retrofit of domestic council owned properties between transfer & redecoration for new tenants to a minimum of C/D energy standard.  | 5000 voids per year   |                                |   | To be         |
| 3 | Birmingham | BCC sustainable energy programme: Council properties   | BE       | 2014-2018                             | No   | Reduction in Council's energy bill (2016-2016) from 50 BCC properties   | 50 properties   |                                |   | To be         |
| 4 | Birmingham | Replacement of Tyseley EfW plant   | EN       | 2019                                  | No   | Equivalent project - currently generating 25 MWh per annum from thermal treatment of waste to supply 41,000 homes. Potential for further industrial symbiosis (sharing of services, utilities and byproducts) within Tyseley Environmental Enterprise District. | 25 MWh/annum min  |                                |   | To be         |
| 5 | Birmingham | Birmingham Energy Services Company   | EN       | 2014 onwards                          | No   | Would be run by the council to generate local energy, build strategic energy infrastructure and provide wholesale energy to Birmingham consumers. Help to tackle fuel poverty.  | To be determined  |                                |   | To be         |
| 6 | Budapest   | Environment-friendly bus fleet   | TR       | 2014-2020                             |  | Public transport bus stock renewal and change (400 buses) of 400 modern shaped, climatized, articulate-, solo-, and midi buses with EURO 6 engines  | 400 buses   | 30 billion HUF (EUR 98 m)      | 2014-2020                               |               |
| 7 | Budapest   | Construction of bridges between the capital's islands and the Danube bank for pedestrians and cyclists | TR       | 2016-2018                             | Not yet in the accepted bridge renewal plans | Integrated in the Budapest Danube Conception, 4 new bridges are planned to be built for public and cyclist access (within one project or separately)  | 4 bridges   | 19 billion HUF (EUR 62 m)      | 2016-2018                               |               |
| 8 | Budapest   | New waste-to-energy plant and sludge incinerator   | EN       | 2015-2020                             | Feasibility study is in progress             | For energy efficiency purposes the municipal waste-to-energy plant and sludge incinerator would be built up on the same site  | establishment of a new, connected sludge and waste-to-energy plant unit | 85 billion HUF (280 m)         | 2015-2020                               |               |

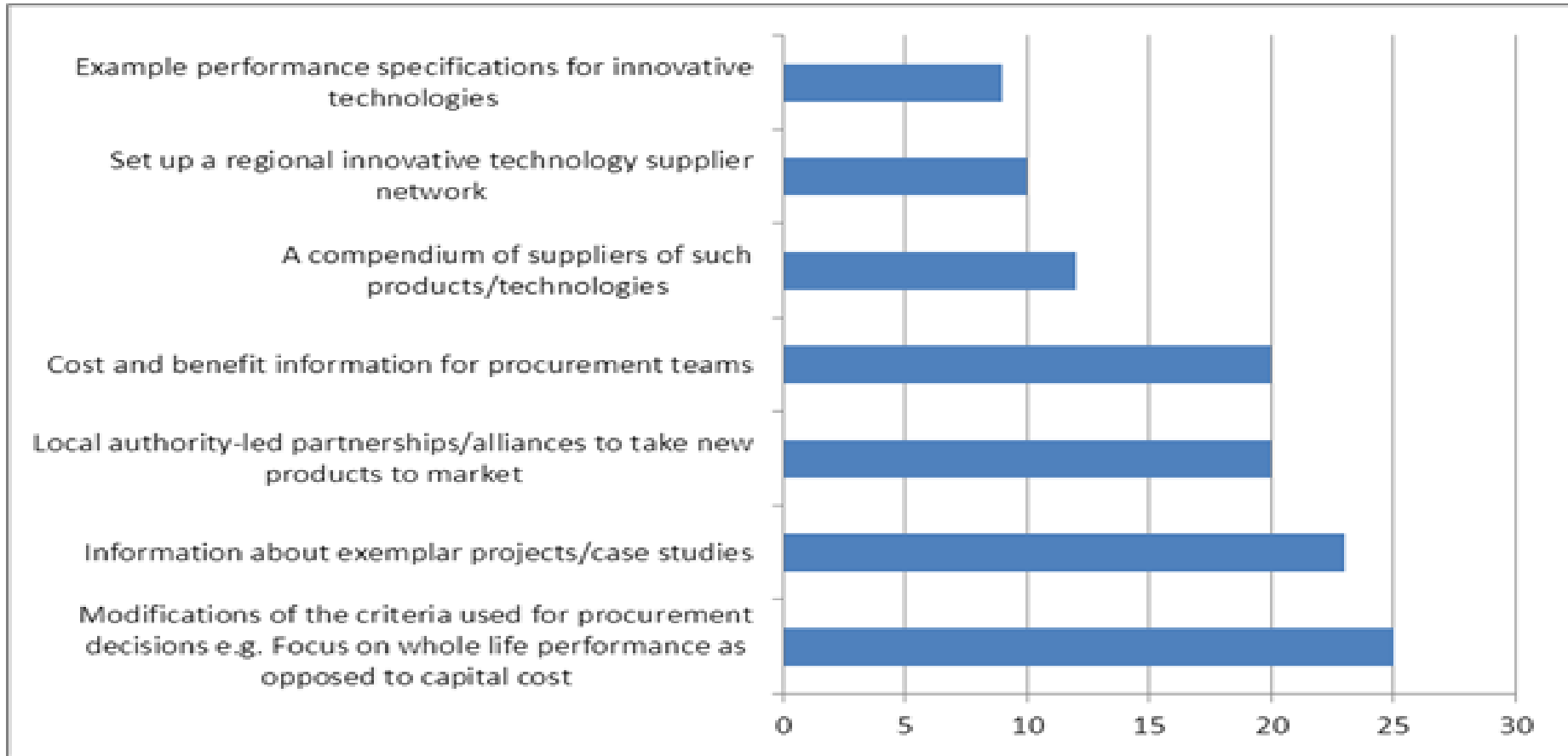
Ready | Contents | Definitions | City background | City projects | **Future spend** | Future aspirations | Collateral | Related net | 100% | 11:47 30/01/2014

# Foresighting

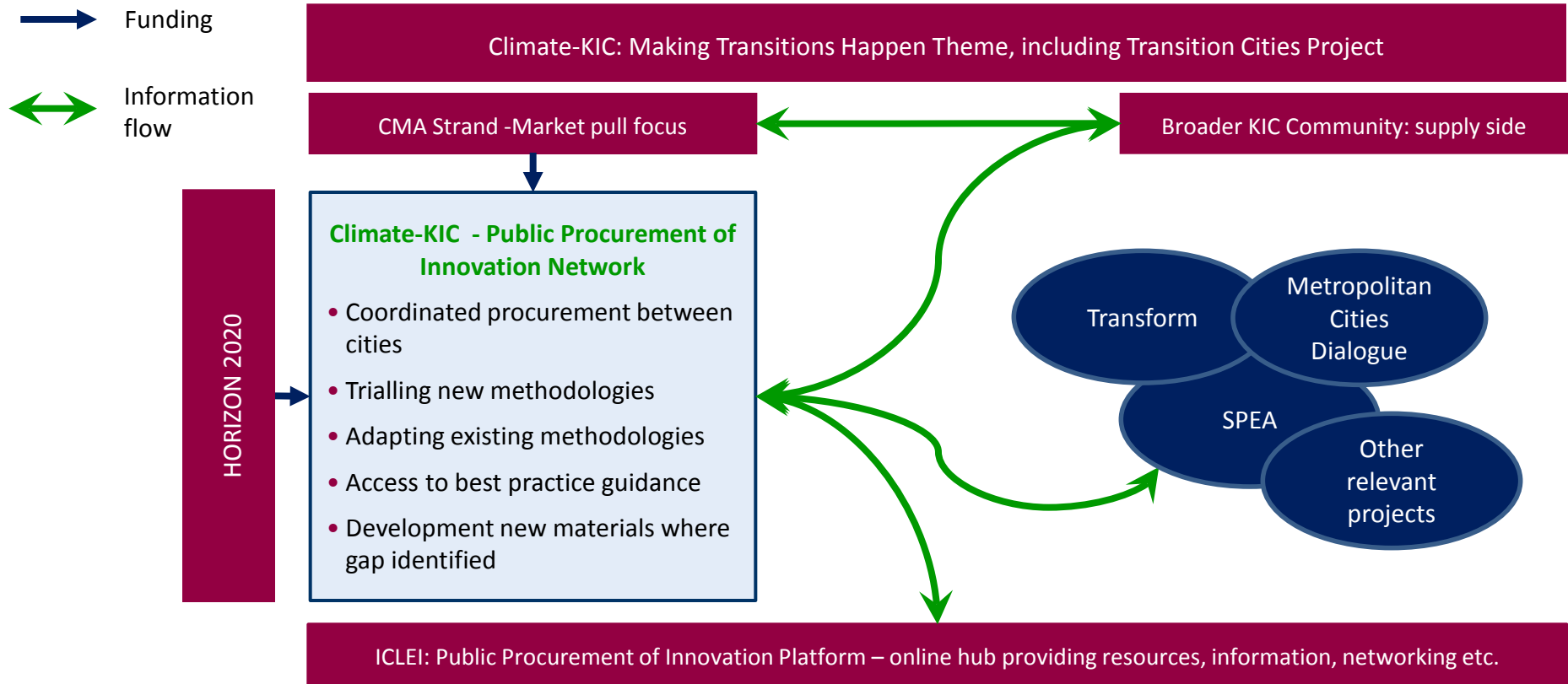
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- Key areas of overlap
  - Transport (interchange technology, GPS for public bikes, trams and trolley buses, open data, smart ticketing, charging infrastructure)
  - Retrofit of ‘hard-to-treat’ properties (particularly historic buildings)
- These need to be matched with city spend profiles

# It's not just about public authorities: what suppliers say they want



# Working with existing projects



# ICLEI Network

(International Council for Local Environmental Initiatives)

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- ICLEI is developing a public procurement of innovation platform
- Birmingham City Council is represented on the Advisory Board with other local authorities and national organisations across Europe
- This will feed into European Commission thinking
- It will also provide an opportunity to develop practical tools for public procurers

# Opportunities

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- Estimated 2014-2015 Horizon 2020 budget in support of PCP/PPI: € 130-140 million (bioeconomy, energy and climate).
- New EU Procurement rules: "Innovation Partnerships" will allow public authorities to call for tenders to solve a specific problem
- A clear need that comes from the Green Commission and Roadmap to reduce Birmingham's carbon emissions by 60% by 2027.

With an estimated 19.4 % of the European Union's GDP in 2009, public procurement has an immense potential to pull EU innovations to the market, support lead customer and catalysing effects, and thus provide innovative firms with a head start in the global markets.



3%  
2020  
3.7 million

An expenditure of 3% of EU GDP on R&D by 2020 could create 3.7 million jobs and increase annual GDP by close to €800 billion by 2025.

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