IÖB

Public Procurement
Promoting Innovation

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AIT AUSTRIAN INSTITUTE OF TECHNOLOGY

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Disclaimer: All terms and expressions are understood as relating to both male and female forms insofar as this is possible. Academic prefixes and suffixes have been omitted for easy readability.

Preface

In the past few years, Austria has put extensive measures into place to make use of the large volume of public procurement for promoting innovative products and services. After the adoption of the Austrian Action Plan for Public Procurement Promoting Innovation (PPPI) at the Council of Ministers in September 2012, the Austrian Federal Government established a PPPI Service Center within the Federal Procurement Agency (BBG). This is supported by competence and contact centers within various institutions.

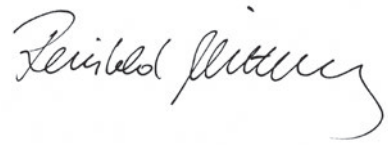
A number of PPPI activities have been carried out on behalf of the Ministries of Infrastructure and Economy in areas such as the increased use of LED lighting and innovative building technologies. In this way procurers and suppliers have been able to discuss not only important future trends, but also key points concerning the procurement of innovative products. The inaugural PPPI project competition, which was held for the first time has also proved to be successful. Its winning projects illustrate the benefits of innovation procurement:

They support the modernization of administration, render its services more attractive to citizens and set innovative trends for the local economy. The increased focus on innovation is leading to efficient and customer-friendly offers.

The Annual PPPI Report for 2013/2014 describes all of these measures in detail and, using a selection of best practice examples, depicts the potential advantages of smart procurement. The fact that so many different players within Austria – ministries, regional governments, agencies, procurement organizations and interest groups – are leading the way together and with a clear strategic plan is being observed by other EU member states with great interest and appreciation.

We would particularly like to thank all those who are actively involved in Public Procurement Promoting Innovation as well as those who have been involved in creating this current report.

Reinhold Mitterlehner
Vice-Chancellor and Federal Minister of Science, Research and Economy



Alois Stöger
Federal Minister for Transport, Innovation and Technology

Opening remarks

The European Union will increasingly rely in the coming years on innovation to create economic growth and jobs across all of its regions, even more so as our economy is now in a gradual recovery. In order to boost our competiveness, special emphasis needs to be placed on public procurement, which represents almost 20% of the EU's total GDP. The impact of public procurement is directly linked to its volume, and public procurers have now more responsibility than ever to ensure that this money is spent in an efficient way, for the benefit of both European citizens and businesses. Efficient, well-run public services are a huge asset in the international competition that we are involved into.

Innovation procurement can be an important tool in this overall effort. Public procurers, whether at local, regional, national or European level, can get many benefits by endorsing innovative solutions which are tailor-made for them: address societal challenges, save on resources (financial, energy…), increase quality of service. For companies, and in particular innovative SMEs, innovation procurement gives a huge boost by enabling them to find a first customer who can be used as a reference – a public procurer.

With the adoption of the new Procurement Directives, the European Union has made a significant step towards making the public procurement legal framework more innovation-friendly. The EU also contributes to innovation procurement through, mainly, the European Structural and Investment Fund and the Horizon 2020 programme.

It is now time for all to ensure that innovation procurement becomes a central part of public procurement policies across the whole EU and that it finally delivers its potential. The Commission is ready to support this process.

I would like to congratulate Austria for the very good progress made so far in innovation procurement and encourage all Austrian procurers to engage in innovation procurement, relying on the support of the Ministry of Science, Research and Economy (BMWFW), the Ministry for Transport, Innovation and Technology (BMVIT) and the Federal Procurement Agency (BBG).

Daniel Calleja
Director General
Single Market, Industry, Entrepreneurship and SMEs
European Commission

Opening remarks

As the public procurement service provider, the Federal Procurement Agency aims to contribute significantly to the professionalization of public procurement within Austria. Since its foundation, the BBG has been bringing innovation at various levels into the public sector. Aside from the classic core business of setting up the relevant contracts, it also addresses new areas systematically and explores new paths with pilot projects. Procurement promoting innovation has become a significant element in the work of the BBG, while we have not lost sight of our core mission.

Furthermore, the leverage effect in public procurement within the European Union has become more important; the BBG has been able to play an essential part in the advancement of PPPI by participating in international projects such as Innobooster inLIFE, and to support sociopolitical objectives in its implementation.

The installation of the PPPI Service Center as a department within the Federal Procurement Agency allows the subject to be accelerated in Austria through the use of synergy effects without the necessity of creating new structures.

This proximity to the procurement practice brings an added value to the establishment and further development of this approach throughout various customer groups of the BBG.

Innovation in procurement is part of the administrative reform practiced in the BBG. Outside of the Federal Government, the BBG is a "facilitator" for PPPI in cities, municipalities and Federal Provinces to outsourced organizations in various spheres, the academic landscape and in the health sector. This expanded form of cooperation facilitates new paths and a different quality of exchange.

In this way, the BBG – supported by assignments from the BMWFW and BMVIT for the PPPI Service Center – is also able to contribute significantly to boosting the innovative power of public procurement. This motivates the active employees who are involved in this field every day and who deserve our sincerest gratitude!

Andreas Nemec
Chief Executive Director
Austrian Federal Procurement Agency

Stefan Wurm
Head of the PPPI Service Center
in the Austrian Federal Procurement Agency

„Austria is compared
to other EU member states
well-positioned in the
strategic dimension of PPPI“

Executive Summary

The present report on Public Procurement Promoting Innovation (PPPI) in Austria 2013-2014 provides an in-depth overview of the activities and developments that have been set owing to the adoption of the Austrian Action Plan on PPPI by the Austrian Federal Government in 2012.

In July 2013, the Austrian public procurement law (BVergG) has been amended by inserting innovation as a secondary procurement objective (§§ 19 and 187).

In September 2013, a PPPI Service Center was established within the Federal Procurement Agency (BBG), initiated and financed by the Ministry of Science, Research and Economy (BMWFW) and the Ministry for Transport, Innovation and Technology (BMVIT). It acts as a point of single contact for PPPI issues in Austria, initiates and conducts PPPI pilot projects and offers services in the fields of further education & training. The PPPI Service Center is complemented and supported by PPPI centers of competence that have been nominated at the beginning of 2014: The Austria Wirtschaftsservice (aws), the Austrian Research Promotion Agency (FFG), AustriaTech and the Austrian Energy Agency (AEA) provide their thematic/sectoral know-how to innovative public procurers. These institutions jointly organized several events together with BMVIT and BMWFW where public procurers and suppliers of innovative products and services were able to discuss upcoming technological trends and the added value of PPPI. Focus topics included were innovative lighting, innovative building technologies and services, energy efficiency as well as workplace innovation.

Numerous ongoing and concluded PPPI examples (Pre–Commercial Procurement, PCP and Public Procurement of Innovative solutions, PPI) show the benefits for the involved stakeholders (procurers, enterprises, citizens) once the public sector adjusts their procurement approach to be “smart” and innovation-oriented. An estimated public procurement volume of around 43 billion euros p.a. in Austria provides an enormous lever. In 2014, the PPPI Service Center conducted a PPPI project competition in order to support public procurers in realizing PPPI projects. As a result, five winning projects are backed up with financial support. In addition, the first Austrian PCP pilots have been completed successfully while further PCP projects have been initiated already.

Furthermore, PPPI trainings have been implemented, e.g. at the Austrian Federal Academy of Public Administration, the establishment of innovation procurement plans has been initiated and a PPPI online platform has been developed that is due to be installed in the second half of 2015.

A scientific monitoring of the implementation of the PPPI Action Plan has been assigned by the ministries BMVIT and BMWFW. It included, amongst others, the representation of Austria within the “ERAC Task Force Innovation Procurement”. One of the lessons learned is that Austria is well-positioned compared to other EU member states in the strategic dimension of PPPI, especially regarding PPPI governance, but less advanced concerning the ongoing implementation.

Information on PPPI in Austria is available on the website www.ioeb.at (in German).

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CHAPTER

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In recent years
demand-side innovation
policy has increasingly been
gaining more attention.

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Public Procurement Promoting Innovation (PPPI) in Austria

Aside from innovation policy on the supply side (e.g. R&D funding programs), demand-side innovation policy has increasingly been gaining attention in the past years – both at an international level and within Austria.

The objective of Public Procurement Promoting Innovation (PPPI) is a rise in the number of innovative goods and services procured by the public sector. Every year, goods and services to an estimated value of 43 billion euros are purchased by the public sector in Austria. Even if only a small portion of this was spent on innovative goods, the lever is still very great.

PPPI creates a win-win situation that profits all those involved: 1.) Citizens have access to better public services (e.g. e-services), 2.) public procurers and the administration can increase their efficiency and in the case of eco-efficient products, reduce long-term costs and 3.) innovative companies are supported indirectly by gaining the public sector as reference customers and boosting their sales with innovative products. As on average innovative companies grow more quickly and generate more employment than less innovative companies, this in turn has a positive effect on economic growth, employment and tax revenue.

When the public sector purchases and uses innovative products, it can often 4.) achieve societal and ecological advantages, e.g. increased traffic safety through modern early-warning systems, reduced CO_2 emissions through low-emission vehicles, improved health through modern early-detection devices. Finally 5.) the leverage effect of direct and indirect research funding in Austria can be increased by introducing the researched products more quickly into the marketplace or rather the public sector, to the benefit of all involved parties.

1.1 The PPPI Action Plan and its implementation

For all these reasons, the Austrian Federal Government agreed on an "Action Plan for Public Procurement Promoting Innovation (PPPI) in Austria" at the Council of Ministers in September 2012, based on various preliminary studies and research by the BMVIT and BMWFW, after carrying out a strategic and stakeholder process. This PPPI Action Plan stipulates a range of concrete measures to facilitate and increase public procurement of innovative products.

Accordingly in July 2013 the Austrian public procurement law, the legal basis for public procurement in Austria, was further amended to include "Innovation" (in addition to ecological and social criteria) as an additional so-called secondary procurement objective (§§ 19 and 187, para. 7 of each). All kinds of events and PPPI workshops were held from 2011 to 2103, including "4 x Good Practice" in March 2012, "The modern workplace – innovative and mobile" in April 2013 and "Innovative indoor lighting" in June 2013, the findings of which have been retained for later reading. Further information and documents are available online at www.ioeb.at.

In September 2013, a central "PPPI Service Center" was established by the BMVIT and BMWFW within the Federal Procurement Agency (BBG), which is also funded by both ministries (see Chapter 3).

At the beginning of 2014, the BMVIT and BMWFW established so-called PPPI competence and contact centers in existing institutions (e.g. aws, FFG) and created a correspondingly comprehensive governance structure (see Chapters 1.4 and 4).

This structure ensures the interconnection and usability of knowledge related to PPPI within Austria, without incurring any significant additional costs. This is made possible by expanding the missions of existing institutions instead of creating new ones.

Under the joint responsibility of the BMVIT and BMWFW, these PPPI players each work together in flexible circumstances and organize, for example, joint platforms and workshops.

1.2 Scientific monitoring in implementing the PPPI Action Plan

In order to guarantee further development and self-critical reflection of the PPPI policy by BMVIT and BMWFW, both ministries commissioned scientific monitoring of the implementation of the PPPI Action Plan, which is carried out by the Austrian Institute of Technology (AIT).

To this end the AIT in the person of AIT innovation expert Eva Buchinger "imported" the learning experiences of other countries to Austria (see Chapter 5) and made significant contributions to the design of PPPI governance and PPPI metrics. On behalf of the BMVIT and BMWFW, for example, Ms. Buchinger checked the 1st quarter of 2014 to see whether the two ministries and the BBG had succeeded in directly triggering or initiating the procurement of innovative products by way of PPPI events.

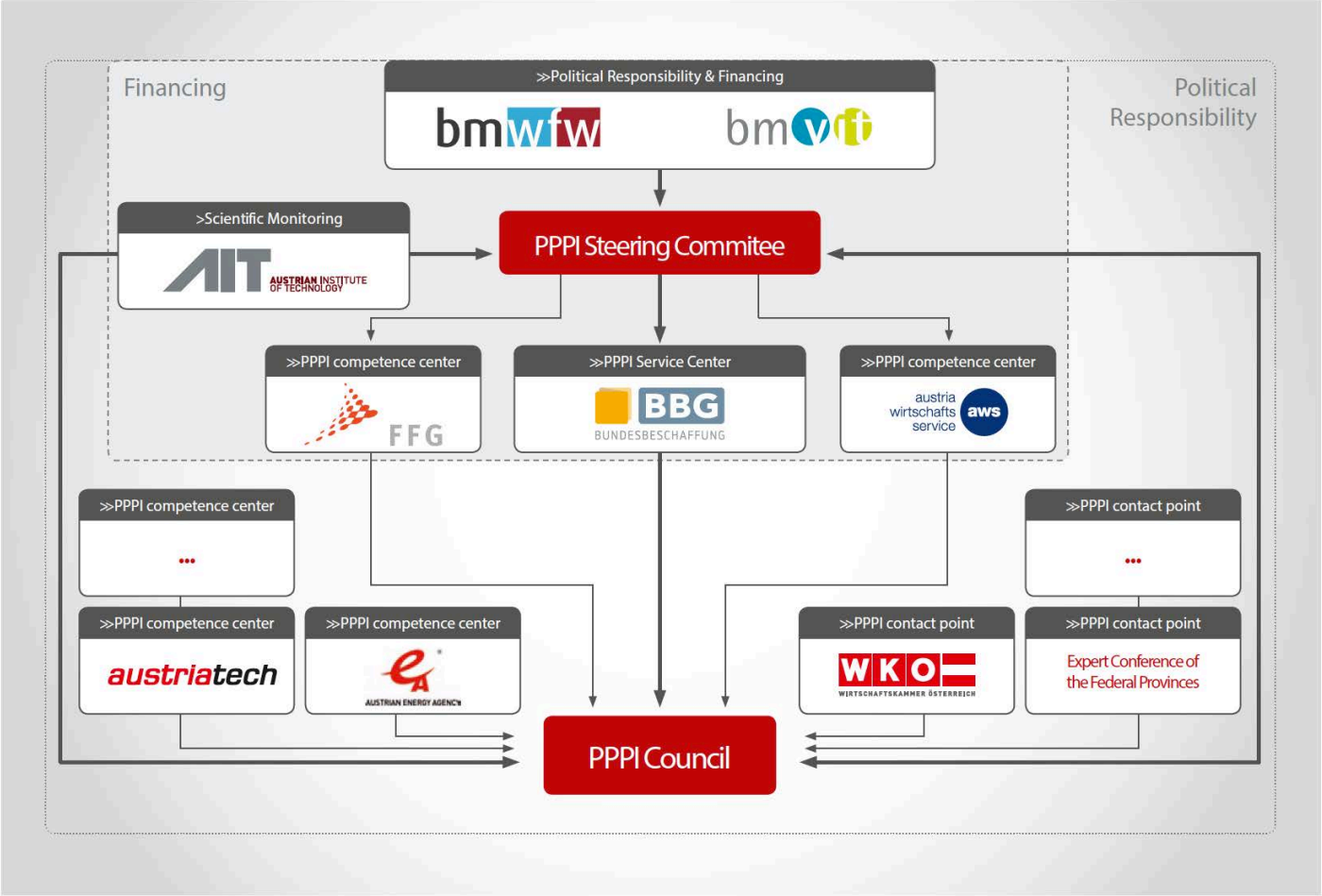
Through a range of qualitative interviews with procurers and suppliers within the scope of a PPPI assessment (a kind of "interim evaluation"), it was determined that these PPPI events are very important in generating awareness of PPPI, establishing contacts and facilitating an exchange of opinions between both sides. However, it was also determined that while these PPPI events are important for creating awareness, they are not enough to actually trigger public procurement. This is because a greater debate concerning the interests and needs of procurers is required to accomplish this.

As a practical application of these findings, the ministries and the PPPI Service Center initiated a PPPI project competition in the 2nd quarter of 2014, which ultimately lead to the initiation of the desired PPPI projects (see Chapter 3.3).

1.3 Impact orientation and PPPI: PPPI metrics

Both the BMVIT and BMWFW place great importance on an impact-orientated configuration of PPPI, with the objective of effective and efficient public administration. In regards to impact-oriented administrative control, the Federal Ministry of Finance instigates attempts to quantitatively measure the success or failure of political measures using the development of indicators over time. However, only very rough estimates of PPPI volumes currently exist for Austria (and Europe). For this reason, in March 2014, the BMVIT and BMWFW commissioned Statistik Austria to survey PPPI volume across all public procurers.

In view of the fact that there are so many people in all kinds of institutions (ministries, regional administrative bodies, municipalities, public businesses) who are active in procurement processes, and no standardized definition can be given for an "innovative" product or service across all procurement groups, naturally these results are of an uncertain nature. The formation of time series, however, should make it possible for the procurement volume and PPPI volume to develop in the long term. The possible setting of PPPI percentage goals also requires a survey of this kind.



The results regarding (PPPI) procurement volumes for 2013 will be published in mid-2015, but it can already be considered a success in that awareness and discussion of PPPI among procurers has significantly increased in the course of conducting this survey. As Austria is one of the first countries in Europe to carry out a PPPI survey of this nature, the pioneering nature of the work was highly commended in the European Research Area Committee (ERAC) report on PPPI.

1.4 PPPI governance

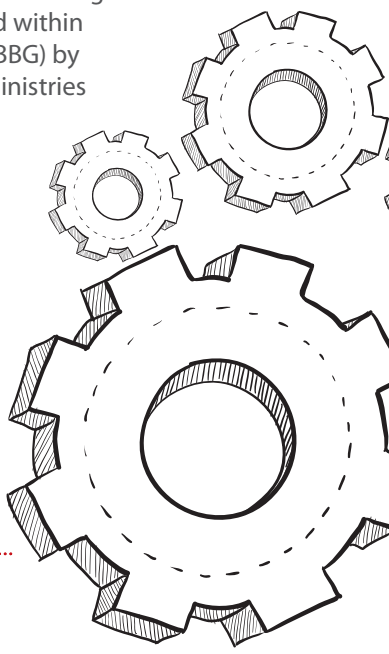
In order to make the public procurement system in Austria more innovation-friendly, the state needs to take a strong leadership role in strategic direction. For this reason, the PPPI supervision in Austria ("PPPI governance") has been designed as follows:

PPPI Steering Committee
The PPPI Steering Committee is a board for PPPI strategic direction in Austria and is led by both ministries responsible for PPPI, namely the BMVIT and BMWFW. The PPPI Steering Committee makes strategic decisions and derives concrete sets of measures for their realization via the PPPI Service Center.

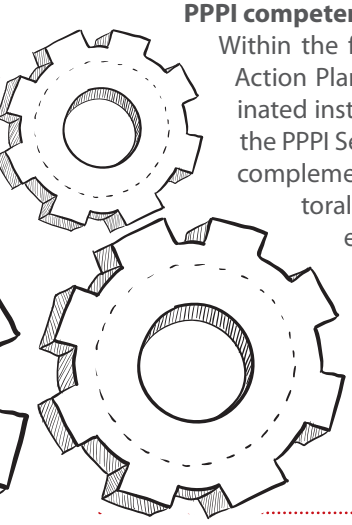
PPPI Service Center
The PPPI Service Center is a central contact and coordination point for questions concerning PPPI in Austria, established and financed within the Federal Procurement Agency (BBG) by the BMVIT and BMWFW, the ministries jointly responsible for PPPI.

Scientific Monitoring
The AIT has been commissioned by the BMVIT and BMWFW, the ministries jointly responsible for PPPI, to scientifically monitor the implementation of the PPPI Action Plan.

PPPI Council
The PPPI Council is a committee for the coordination of PPPI



measures by the PPPI Service Center, as well as by the PPPI competence and contact centers, and is led by the BMVIT and BMWFW, who are responsible for PPPI. The PPPI Council has an advisory function and is in charge of considering the interests of affected PPPI stakeholders and ensuring that they play an active role in PPPI measures.



PPPI competence centers

Within the framework of implementing the PPPI Action Plan, PPPI competence centers are nominated institutions that work in partnership with the PPPI Service Center. Their task is to introduce complementary know-how in the form of sectoral or thematic competence, whereby each PPPI competence center has a clearly defined focus.

The following institutions are currently nominated as PPPI competence centers:

- Austria Wirtschaftsservice GmbH (Commercial PPPI)
- Austrian Research Promotion Agency (Pre-commercial PPPI)
- AustriaTech (Intelligent mobility)
- Austrian Energy Agency (Energy)

PPPI contact points

The function of PPPI contact points is firstly to publicize the PPPI subject and support services of the PPPI Service Center within their sphere of action, and secondly to represent the interests of their sphere and provide appropriate input. Currently functioning as PPPI contact points are the Austrian Federal Economic Chamber, as an interface to the economy, and the Expert Conference on "Public Procurement within the Federal Provinces" as an interface to the Federal Provinces of Austria.

CHAPTER 02

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If the public sector procures and uses innovative products, societal & ecological benefits can often be achieved.

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PPPI examples
Pre-commercial procurement (PCP) & public procurement of innovative solutions (PPI)

The various examples of PPI and PCP, across a broad range of sectors, illustrate the great significance and variety of applications of PPPI.

PCP is a relatively new instrument for presenting problems for which the market does not yet possess a(n optimum) solution. Here, several companies work simultaneously on innovative, application-oriented products, test their feasibility and develop them to the prototype stage.

The basis for this is a research and development contract between the affected center and the involved company, financed by the client. Since 2011, several PCP processes have been initiated and realized in Austria. The first PCP process, "Research on traffic infrastructure 2011", was funded and carried out by the BMVIT together with ÖBB-Infrastruktur AG and the ASFINAG and successfully processed by the FFG.

Public procurement of innovative solutions (PPI) refers to goods and services that are already marketable or close to the market. This may take place through opportunities provided for under Austrian public procurement law, such as "functional performance specification" (in contrast to "constructive performance specification"), "negotiation procedures" or "competitive dialog".

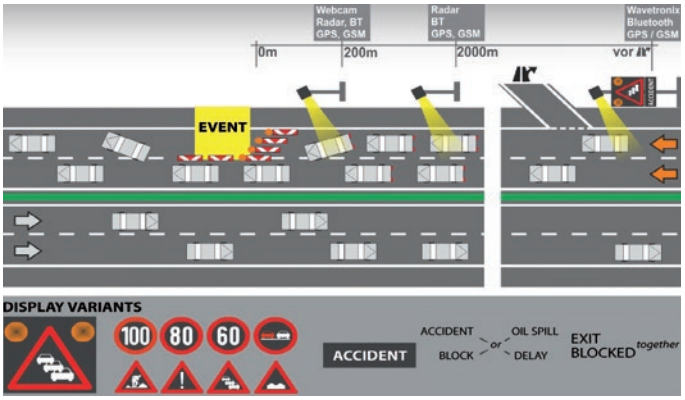
2.1 Pre-commercial Procurement

Austrian Ministry for Transport, Innovation and Technology

2.1.1 Mobile traffic management system for construction sites and major events (BMVIT and ASFINAG)

Within the framework of the Traffic Infrastructure Research Study in 2011, the development of a mobile traffic management system for construction sites and major events was advertised for bids as part of a PCP pilot project. This was to facilitate the intensive surveillance of traffic flow, introduce measures for traffic management using traffic information and communicate these directly to road users. The system was required to, among other criteria, be mobile, be protected against theft and vandalism, interface with the ASFINAG, be quick to install, possess a defined data interface and be able to display different traffic information along the route.

During the first stage, seven project proposals were submitted, five of which were selected for the creation of a feasibility study. Of these five consortia, two participants ultimately were requested to develop a prototype and test it on the ASFINAG's route network:



MOVE BEST
MOVE BEST uses a combination of mobile, energy self-sufficient and dynamically controlled components to capture and display traffic information. The system possesses a central system which can capture traffic information on site and analyze the data collected, wireless transfer mediums, a data unit (LED traffic signs) and a mobile control center. MOVE BEST has a modular design, enabling individual components to be transported more easily.

MOVEBAG
The MOVEBAG system also comes with a modular design. Mobile sensor components, which can be quickly and easily installed on site, provide the required information including number of vehicles, speeds, travel times or video images. The operator can see this data on a map from their mobile control center. Mobile display panels, which have also been set up on site, can be controlled from this control center. These are used to inform road users as well as to control traffic flow. Rolling out the pilot project in two stages ensured that the systems developed corresponded exactly to the specific problem. Project risk was minimized by means of the quality assurance possible under this system as well as the competitive elements of the process. The ASFINAG therefore considers roll-out through a PCP project to be a very efficient method. The results of initial tests turned out to be very positive for the ASFINAG and so opportunities for further tests in real-time operation are currently being examined and ideas are being developed for its commercial procurement.

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2.1 Pre-commercial Procurement

ÖBB

bmvit
Austrian Ministry
for Transport,
Innovation and Technology

2.1.2 eHybridlok (BMVIT and ÖBB)

Together with ÖBB Produktion GmbH, the BMVIT initiated a two-step call for tender within the pre-commercial field in May 2014. The FFG was tasked with handling the call for tender.

The call for tender comprised the development of an electrically operated shunting locomotive with and without an overhead line. The goal was to phase out diesel locomotives for short journeys in un-spanned areas. It is expected that the use of a hybrid locomotive will significantly reduce energy and maintenance costs, as well as considerably reducing sound pollution and exhaust fumes.

Phase 1, the commissioning of feasibility concepts, is already underway. Prototypes are expected to be commissioned in summer/autumn 2015.

A total budget of 1.1 million euros has been made available for the project.

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2.1 Pre-commercial Procurement

burg hauptmannschaft österreich

BHÖ

bmwfw Federal Ministry of Science, Research and Economy

2.1.3 Innovative heating and cooling for historic buildings (BMWFW and Burghauptmannschaft Österreich)

In September 2014, the BMWFW and the Burghauptmannschaft Österreich (BHÖ) jointly initiated a pilot project within the pre-commercial field. The FFG was tasked with handling the call for tender.

The call for tender comprised the development of innovative, energy-efficient solutions for the heating and especially cooling of historic, for the most part heritage listed, buildings. The pilot program is aimed at improving the indoor climate in office rooms in government buildings on Stubenring and should produce exemplary concepts from an ecological point of view.

The new system is expected to be portable or replicable for use in other similar historic buildings and the subcomponents of the system are expected to be applicable to such buildings of the Burghauptmannschaft Österreich as serve other purposes (tourism, conference).

This project is currently at the stage of commissioning feasibility concepts.

Photo: Stefanie Grüssl / BHÖ

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2.2 Public procurement of innovative solutions

ÖBB

2.2.1 Vienna Hauptbahnhof (ÖBB)

The ÖBB are investing around 3 billion euros in the expansion and modernization of 170 railway stations all over Austria. The highlight of this railway station initiative is the new Vienna Hauptbahnhof.

Construction on one of the most important traffic hubs in Europe began at the start of 2010. The station building was opened in October 2014, and the entire railway infrastructure of this international transport hub is expected to be fully operational as early as the end of 2015. The new Vienna Hauptbahnhof is a key project for the Austrian railway network as well as for the country's capital city. Especially as a new central city quarter is emerging around the Hauptbahnhof, with room for 13,000 people on a total area of 59 hectares. Innovative technologies, sustainable materials and the achievement of high building energy efficiency ratings are also of the highest priority: Photovoltaic, geothermal energy, district cooling, district heating, grey water reutilization and an integrated CO_2-controlled ventilation system are being used to transform the Hauptbahnhof into an energy-efficient, eco-friendly and resource-saving flagship project.

Green energy saves a lot of CO_2
At the Vienna Hauptbahnhof, the ÖBB cover 100% of their electricity requirement using renewable energy sources (water, sun, earth, wind). The energy balance shows that around 13% of the total energy required (electricity, heating, cooling) is generated using photovoltaic and geothermal facilities directly at the Hauptbahnhof. Around 4,200 tons of CO_2 are saved every year by means of ecological energy production. The remaining heating and cooling is provided by sustainably produced district heating/cooling. Heating requirements, like cooling requirements, are limited to ensure that energy is used sparingly. In the vicinity of the station building itself, more than 3GWh/a of electricity is sourced for heating and cooling from geothermal energy using vertical and horizontal collectors. A gray water tank ensures the conservation of drinking water resources. This is used to catch rainwater, which is then used to clean trains.

Aside from taking the ecological aspects into account, the innovative architecture also conveys spaciousness, openness and transparency, from the station hall and 20,000m^2 of shopping area to the railway platforms themselves. A real eye-catcher is the more than 25,000m^2 diamond-shaped roof, in which 5,000 tons of steel were used to make the distinctive structure of the folded roof.

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2.2 Public procurement of innovative solutions

2.2.2 Acoustic tunnel monitoring (ASFINAG)

The ASFINAG is one of Europe's foremost highway operators, leading the way in terms of availability, information and safety. The innovative AKUT tunnel safety system is a further step in this direction, and it has the added benefit of achieving the strategic goal of public procurement promoting innovation. The time lapse between an accident occurring in the tunnel and the tunnel manager being alerted is essential in a critical incident, and this delay is minimized by the innovative "acoustic tunnel monitoring" safety system. The noises that typically arise during tunnel operation consist of engine, rolling and flow noises generated by passing motor vehicles. Any peculiarities that occur in the noise, such as a vehicle colliding with the tunnel wall, two vehicles colliding, tire screeching, lost cargo, etc., as well as peculiarities in the noise of single vehicles, can be detected by microphones set up inside the tunnel. Special detection algorithms make it possible to identify these sounds and assign a certain alarm class. A major advantage of acoustic methods for accident recognition is that accidents and critical events in tunnels are practically always accompanied by a distinct sound. These sounds occur at the time of the event and can be detected and processed immediately.

In May 2010, the first fully integrated system for acoustic tunnel monitoring went into operation in the Kirchdorf Tunnel (S 35, Styria). The objective of the pilot system was to examine the performance of the new security system in a long-term test situation. The first traffic accidents and vehicle fires in Kirchdorf Tunnel showed that all events were, without exception, initially detected by acoustic tunnel monitoring.

A maximum time gain of 2 minutes and 21 seconds was experienced in comparison with other safety systems, which is a huge advantage in cases of fire or traffic accidents. Due to the operator's rapid reaction, for example, traffic lights at the entrance to the tunnel could be immediately switched to red to stop traffic before entering the tunnel. This minimizes the number of people needing to be evacuated from the tunnel during an incident, while the best possible protection is achieved for both road users and infrastructure. After assessing the innovative system in a long-term test situation, the ASFINAG made the decision to equip all road tunnels of risk classes 3 and 4 with AKUT by 2022. For its procurement, the ASFINAG concluded a framework contract with the JOANNEUM RESEARCH Forschungsgesellschaft mbH in April 2014.

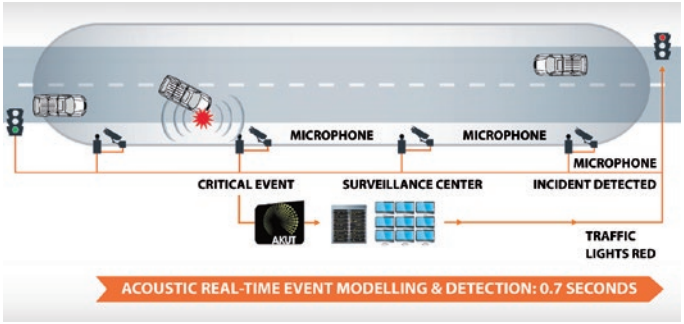

Figure: Operation of acoustic tunnel monitoring – AKUT

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2.2 Public procurement of innovative solutions

BIG

2.2.3 Innovative building refurbishment incl. cooling with groundwater (BIG)

The Faculties of Technical Science and Architecture at the University of Innsbruck are shining with new brilliance. After approximately two years of construction the buildings, originally constructed in 1969, have become true models of energy efficiency.

After the refurbishment, both buildings on Technikerstraße are showing a new face to the world, based on the specifications of the integral planning office ATP architects engineers. As a result, they have arrived in the new century not just visually, but also thermally. A groundwater well for the cooling and sprinkler systems helps to ensure that the two faculties achieve sustainable and contemporary operation. In order to reduce electricity consumption, all lights are controlled by daylight as well as through presence sensors. Even the "inner workings" have not been left out of the refurbishment: The building technology, electrical engineering, fire safety and escape routes all now comply with the most up-to-date requirements. In addition to the two faculty buildings, the neighboring buildings have also been refurbished with lecture rooms and art rooms.

Top-hinged windows automatically cool buildings
All these measures are aimed at contributing to a significant reduction of energy usage. The reduction from original consumption rates sits at more than 85%. The outdoor campus areas are being refurbished in 2015. In addition, the renovation of the Faculty of Technical Sciences receives support from the BMVIT under the "House of the Future Plus" program. A highlight in terms of innovation, the top-hinged windows were designed especially for this project and are controlled through the building control system. During summer nights, these ensure that the building is cooled automatically. So-called overflow openings in the office doors ensure fresh air flow throughout the entire building, while the warm air is mechanically siphoned off in the building's core. Monitoring will be conducted until autumn 2016 to assess energy savings. The Faculty of Architecture building also features night-time cooling thanks to its new façade. Automatic ventilation flaps cool the building regardless of the weather. This facilitates the additional solar-control glazing, which is attached in front of the ventilation flaps.

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2.2 Public procurement of innovative solutions

2.2.4 Pyramidenkogel Tower (Gemeinde Keutschach am See)

June 2013 marked the completion of the new Pyramidenkogel observation tower in Carinthia, planned by architectural team Klaura Kaden + Partner together with structural engineers Lackner & Raml. The top of its antenna reaches a total height of 100 meters, making it the tallest wooden observation tower in the world.

The tower's twisted shape comes from ten ellipsis rings, which each spiral upwards at a distance of 6.40 meters from each other at an angle of 22.5 degrees. Together with 80 steel cross stays, they form the reinforcement for the main structure, which is made from 16 laminated larch timber supports. The spiral shape symbolizes growth and development and was designed using local larch timber and steel. Aside from handling fire safety and personal safety, innovative technologies in the adhesion of wood and steel also had to be developed in order to build the world's tallest observation tower in its unique shape.

The tower structure with its innovative design extends over 10 rule levels, and two exposed observation platforms are situated above these at a height of more than 70 meters. In addition, one level is enclosed to form the "SKYBOX", which can be used for various functions. All visitor levels can be reached via a central, transparent, and accessible elevator. One particular kick for children and adults alike is the highest structural slide in Europe, which runs more than 51 meters down the building. With an incline of 25° and a length of 120 meters, the result is a slide that lasts around 25 seconds. This makes the rural sculpture a particular kind of tourist attraction.

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2.2 Public procurement of innovative solutions

2.2.5 Online brainstorming within the Operational Suggestion Scheme 4.0 (City of Vienna)

Since early 2014, the City of Vienna has been testing out new paths in internal idea management within city administration under the title of "Operational Suggestion Scheme 4.0". The "Now the ball is in our court – creative ideas for our city." campaign is aimed at enabling more intensive cooperation between employees of municipal authorities in developing ideas. The core of this campaign is an online ideas platform on the Intranet – similar to a social media platform – to facilitate the mutual exchange of ideas. Employees can post their ideas on this platform and discuss and develop them further with others. This interaction should increase the opportunity for innovative developments. The search for ideas takes place in two stages: In order to make it easier to find an idea, but also to reduce the psychological barrier to expressing one's own thoughts and ideas "publicly", the initial stages of each specific topic consist of cooperative brainstorming rounds. It is not until the second stage that concrete ideas are introduced to the topic.

The first stage utilizes the online survey tool Quiew (Quick Review), developed by the two Viennese companies lekton – Grafik und Web development and doloops OG. This has been especially adapted to the needs of the operational suggestion scheme. Employees of Stadt Vienna are invited to present their thoughts on questions concerning city administration – for example, the challenges facing Vienna as a growing city – and to assess these thoughts. Participation is anonymous. The thoughts and associations of participants are collated online and subsequently compiled in a semantic way. A semantic tool automatically carries out the evaluation based on similar thoughts. This is a separate development by the lekton company and funded by the Vienna Business Agency. The results of the assessment are clear rankings, which are available graphically in the form of a word cloud and edited into a table. Results are then available online to all interested parties. In terms of the operational suggestion scheme, this forms the basis for formulating concrete questions for the second stage, where concrete ideas for improvements are to be found.

With a view to flexible applicability and rapid adaptability, Quiew is primarily oriented towards the needs of the operational suggestion scheme in general, as well as towards the requirements of the respective question. It is therefore very suitable as a tool for both brainstorming and the conducting of open, high-quality surveys.

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2.2 Public procurement of innovative solutions

BUNDESBESCHAFFUNG

2.2.6 Dual delivery (BBG)

With 400 million official dispatches per year, the potential for digital post is enormous. If just 20% of 2 million dispatches were to be sent electronically, this would represent a saving of 1 million euros. With dual delivery, an external service provider accepts the document to be sent from the client and ensures delivery to the recipient. Whether the document is sent electronically or conventionally depends on whether the recipient can be reached electronically.

After an EU-wide call for tender, the BBG concluded a framework agreement on "dual delivery" with Postserver Online Delivery Service GmbH: In this, the contractor accepts the document to be sent from the client electronically and ensures its delivery to the recipient.

The delivery of verifiable official dispatches (RSa/RSb) takes place through authorized e-delivery services. With non-verifiable dispatches, electronic availability is also requested through other e-channels such as FinanzOnline, Electronic Legal Correspondence (ERV) and others (e.g. registered mail, electronic invoice dispatch, private commercial delivery service…). Delivery only takes place physically (conventionally, "by mail") if the recipient cannot be reached through any other e-communications system. This can be, according to choice, through the printing services of the contractor or via another service specified by the client.

Dual delivery therefore leads to high savings in letter correspondence:

+ Electronic correspondence saves on paper, toner, postage costs, tampering
+ Priority delivery takes place cost-effectively and thus electronically
+ By networking numerous public clients with each other, electronically available recipients of other networked authorities can be reached electronically

For the call to tender, the BBG and Postserver also received international recognition: Every year, the PPI Award (Public Procurement of Innovation) honors the most innovative public procurements throughout Europe. The dual delivery system was awarded an outstanding 6th place.

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2.2 Public procurement of innovative solutions

MÜNZE ÖSTERREICH

2.2.7 Sewage system (Austrian Mint)

In 2014, the Austrian Mint issued a call for tender for the procurement of an especially resource-conserving sewage system within the scope of a project on behalf of the BBG. Both the product itself and the call for tender received innovative approaches.

The awarding took place within the scope of a negotiation process whereby the practical applicability of the innovative solution was tested as an integral part of the awarding process. The three most suitable applicants were invited to submit a concept for a resource-conserving sewage system with a special focus on the long-term life cycle cost estimate. At the same time, the two best providers also received the opportunity to test the concept out practically with wastewater samples from the contractor. Afterwards, the detailed results protocol and analyses were handed over to the BBG and the Austrian Mint together with the final offers.

At the end of this process, the most successful solution came from the company Ginzler Stahl und Anlagenbau GmbH: using innovative vacuum technology it is possible to boil water away at low temperatures of around 40°C. In combination with a multi-step heating process, water can be separated from chemicals and impurities and immediately reused as cooling water. With an intended compression ratio of 1:40, freshwater consumption can thus be reduced by up to 97%. The residual waste is compressed at the same time, making it easier to handle for recycling.

The Austrian Mint is procuring two facilities, just one of which can purify up to 1 million liters of water per year and save up to approx. 950,000 liters of clean drinking water per year. A further advantage of this technology is the low sound and material emissions, meaning conditions at the Austrian Mint can be preserved for its historical building, which is worth protecting.

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2.2 Public procurement of innovative solutions

BBG
BUNDESBESCHAFFUNG

2.2.8 Dynamic procurement system (BBG)

Innovation procurement also requires new solutions regarding the use of modern types of procedures. The "dynamic procurement system" has been used within the BBG twice since last year. A dynamic procurement system basically serves as a "dynamic supplier platform" through which single orders can be subsequently assigned after special offer submissions have been carried out. It is also possible to add new suppliers at any time while the system is running. This makes it much easier to promote competition in a targeted way, to discuss ongoing market and product innovations flexibly and, particularly in sectors with short innovation cycles, to make the latest products and services, as well as their providers, available at any time.

In the first stage, a supplier directory is generated listing all suitable suppliers. This process is open and more suppliers can be added later so long as they are suitable. Consequently, orders per procurement project are opened for bids from within this pool of suppliers. Before awarding the contract, it is once again possible for businesses to be added to the supplier pool if they are interested in a specific order. Interested suppliers place an offer for the concrete order and the contract is then awarded on the basis of these offers. Overall, for clients this means rapid, secure realization of their specific projects under public procurement law as well as far less bureaucratic proposal submissions for suppliers. The two dynamic procurement systems currently in place are among the forerunners across Europe and encompass the procurement of street lighting and vending machines for drinks and beauty products.

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2.2 Public procurement of innovative solutions

Erasmus MC
Universitair Medisch Centrum Rotterdam

2.2.9 Winner of the PPI Award 2014: Fully-automated bed-cleaning system (Erasmus MC)

Every year, the PPI Award commends innovation procurement in the public sector. In 2014, the Erasmus University Medical Center (EMC) was able to impress the jury with a fully-automated, eco-friendly bed-cleaning system.

In 2014, the EMC was looking for an energy-saving and cost-efficient solution to clean and disinfect the more than 1350 hospital beds several times a week. When calling for tenders, the EMC acted according to the basic principles of Forward Commitment Procurement: instead of setting concrete values and detailing past experiences, they searched for a future-oriented solution. In extensive dialogs with suppliers and solution providers, innovations were stimulated within the supply chain, thus creating added value for public procurers and the private market.

The call for tender, which was carried out in the form of a competitive dialog, was won by IMS Medical. Their cleaning robot, which is also used in a similar form in the automobile industry, generates cost savings of 35% with the added bonus of a sustainable reduction of CO_2 emissions by 65% in comparison to existing technology. The quality of the cleaning and consistently good results are clearly measurable. The new bed-washing system can not only be used in hospitals, but in any other properties of standard size.

The procurement, valued at 1 million euros, was realized by the EcoQuip and LCB Healthcare projects with support from the European Union. In addition, IMS Medical was able to increase their staff by 25% as a result of this order.

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03
CHAPTER
IÖB
We support you
in every stage of the
procurement process.

The PPPI Service Center and its service portfolio

The primary objective of the PPPI Service Center is to support public procurers in innovative assignments and therefore to increase the total rate of innovative public procurements carried out in the long term.

In this way, it makes an essential contribution to achieving the goals of PPPI. The PPPI Service Center was established within the Federal Procurement Agency (BBG) in September 2013 with financial support from the BMVIT and BMWFW.

It is the first point of contact and coordination for questions concerning public procurement promoting innovation (PPPI) in Austria.

>> WE SUPPORT YOU...

...in every stage of the procurement process, from gathering information to the actual procurement. Our technical experts within the fields of innovation, project management and procurement provide a range of services, which take into consideration the specific requirements of public procurement. In doing so, we are responsive to your existing knowledge as well as the specifics of your organization and we coordinate with you to identify potential.

Service Portfolio of the PPPI Service Center

01 PPPI Online Platform

The PPPI online platform will open up a dialog between public procurers and innovative businesses and create an active exchange of information. Public procurers can both find out information about innovative products and services and describe challenges or problems that they face.

02 Networking and Events

Within the scope of target-group oriented or thematic events, public procurers are regularly informed of future developments from the field of PPPI and networked more strongly with other procurers.

03 Training and Further Education

Through a diverse range of training and seminar opportunities, public procurers can learn more about innovation and PPPI and thus develop their knowledge and disseminate it within their organization.

04 PPPI Pilot Projects

Public procurers receive support in finding and initiating procurement projects that promote innovation and are supervised and supported by technical experts throughout the whole procurement process, started from the pre-project stage.

05 Strategic PPPI Planning

Public procurers are supported in establishing the PPPI theme in their field's procurement strategies and publicizing it within their organization by way of individual consultation.

06 Monitoring and Documentation

A comprehensive knowledge pool with concrete guidelines and tools around the theme of PPPI is made available to public procurers. In addition, work is done on quantifying innovation procurements in order to demonstrate their societal and economic benefits.

3.1 Networking and Events

Events with PPPI involvement in chronological order

13th June 2013
1st Innovation Arena – Innovative Indoor lighting

10th October 2013
BMÖ Austrian Procurement Forum: PPPI workshop

2nd December 2013
WKO Event on the EU project HAPPI – e-health

17th March 2014
FFG EU Workshop – EU Calls for Tenders on PCP/PPI

27th March 2014
BBG Trade Fair: PPPI Learning Lab

8th–10th April 2014
11th Innovation Forum of the PFI: Innovation Walk – PPPI Futureshop

3rd June 2014
Innovation Day for Suppliers – Innovative Lighting Systems

12th–13th June 2014
Austrian Municipality Day: PPPI stand

5. September 2014
NÖ Energy & Environment Municipality Association

2nd October 2014
BBG Day for Suppliers: PPPI stand

29th October 2014
PPPI Procurer Day in cooperation with FEEI

6th September 2013
NÖ Energy & Environment Municipality Association: PPPI stand

21st November 2013
2nd Innovation Arena – Innovative Outdoor Lighting

12th December 2013
BBG Client Workshop – Innovative Office Solutions

27th March 2014
BBG Trade Fair: PPPI stand

2nd April 2014
PPPI Seminar at Federal Academy of Public Administration

22nd May 2014
Innovation Day for Suppliers – Office of the Future

5th June 2014
Austrian Association of Cities and Towns: PPPI stand

17th June 2014
Department Coordinators' Workshop: PPPI

11th September 2014
3rd Innovation Arena – Innovative Building Technologies and Services

10th October 2014
BMÖ Austrian Procurement Forum: PPPI Information Market

The following is a selection of PPPI events which were carried out by or in cooperation with the PPPI Service Center.

10th October 2013
BMÖ Austrian Procurement Forum: PPPI Workshop
As part of the Austrian Procurement Forum, the PPPI Service Center worked with the Austrian Association for Materials Management, Purchasing and Logistics (BMÖ) to organize a workshop on the subject of "Public meets Private Procurement – Innovation & Procurement". The around 80 participants used this opportunity to ask questions using best practice examples from both the private and public sector and discuss these in a plenary session.

21st November 2013
2nd Innovation Arena – Innovative Outdoor Lighting
The focus of the Second Innovation Arena was the important subject of "Innovative Outdoor Lighting". Professional lighting businesses discussed the opportunities, future prospects and optimum use of new LED lighting solutions outdoors with public procurement managers and representatives from the ministries. Feedback was positive: 97% of participants said in a survey that they would recommend this event to others.

17th March 2014
FFG EU Workshop – EU Calls for Tenders on PCP/PPI
The workshop, which was held in English, was directly intended for public procurement managers who wish to network within the field of "innovation procurement" at a European level. Representatives from the European Commission and the FFG presented the key content-related aspects of planned calls for tenders and provided detailed information on preparing a proposal. Afterwards, participants from European procurer networks reported on their experiences in ongoing PCP and PPI projects.

27th March 2014
BBG Trade Fair: PPPI Learning Lab
An interactive workshop under the motto "Fiat Lux!" awaited participants at the PPPI Learning Lab, featuring information portals on the subject of lighting. The innovative event design was characterized by communication, networking and participation, so that as many lighting-related new ideas and solution approaches as possible could be generated. Major emphasis was placed on a relaxed, dynamic atmosphere to allow participants to enjoy an open, constructive dialog with each other.

After a thematic introduction, suppliers, clients and experts were distributed across three information tables. There, participants were presented with some practical problems faced by public procurers, under the supervision of a moderator and a technical expert, and invited to work out new perspectives and solution approaches for themselves based on this. Specific examples provided included a concrete explanation on how to sensibly integrate light control systems into existing buildings without reconstruction measures, or which systems could facilitate the intelligent, customizable monitoring of energy flows.

22nd May 2014
Innovation Day for Suppliers – Office of the Future
As part of the EU "Innobooster inLIFE" project, an Innovation Day for Suppliers on the theme of "Office of the Future" took place in Munich. The objective of this was to bring the most innovative businesses in the office sector together with key clients from the BBG and Finnish Hansel Ltd.

During the one-day workshop, the challenges and needs of suppliers and consumers were talked about and then both groups discussed together which innovative products could represent a suitable solution.

11th September 2014
3rd Innovation Arena – Innovative Building Technologies and Services

The third "Innovation Arena" took place in mid-September 2014. 125 public procurers, experts and businesspeople discussed current trends, practical examples and solution approaches within the field of innovative building technologies and services.

Discussion of practical examples provided some insight into future developments, while a total of 16 exhibitors presented the latest products and services. Whether fire safety, entry and security systems, media technology or core areas such as heating, cooling, ventilation and sanitation (HCVS): In each of these four special workshops, new thinking approaches, challenges and potential solution approaches were worked out on how to increase the productivity of facilities and buildings sustainably and in the most energy-efficient way possible. By taking into consideration legal framework conditions and official requirements, current FM topical areas such as operator responsibility, security, data protection, media integration, integrated planning or control technology were presented in closer detail and discussed and then together, participants looked for new solutions to these issues.

10th October 2014
BMÖ Austrian Procurement Forum:
PPPI Information Portal
As part of the BMÖ Austrian Procurement Forum, the PPPI Service Center organized an information portal on the topic "Public meets Private Procurement – Innovation & Supplier Management". By presenting various best practice examples from the public sector (e.g. ASFINAG, Austrian Student Canteens, the University of Vienna and Austrocontrol), an in-depth discussion was struck up in small groups, as well as direct contact with the PPPI Community.

29th October 2014
PPPI Procurer Day in Cooperation with FEEI
The first PPPI Procurer Day took place in Vienna at the end of October 2014 under the heading of "Modern Workplaces 2.0" in cooperation with the Association for the Electrical and Electronics Industries (FEEI). Participating procurement experts were presented with selected start-ups with future-oriented office and IT solutions. The result: the content and presentation were extremely positively received by over 100 participants from both industry and the public sector.

3.2 Training and Further Education

PPPI Seminar at the Austrian Federal Academy of Public Administration
On the 2nd April 2014, a one-day workshop on "Innovation and Sustainability in Public Procurement" took place for the first time at the Austrian Federal Academy of Public Administration (Laudon Castle). The goal was to convey fundamental knowledge in the observation of innovation and sustainability in the allocation of public orders as well as its practical application.

Knowledge of the great potential that can be activated through innovation and sustainable public procurement currently still has a lot of room for improvement in the public sector. This seminar at the Austrian Federal Academy of Public Administration is another instrument for expanding this knowledge. As part of the seminar, 13 participants were able to obtain information on observing innovation and sustainability in procurement and to educate themselves further in this area. Important features of this seminar included, among others,:

- The public sector as a driver of innovation
- Introduction to the PPPI Action Plan and its implementation
- Status of the implementation of the naBe Action Plan
- Demonstrating previous best practice examples in the public sector and with public infrastructure managers
- Legal framework conditions for innovation and sustainability
- Implementing innovation and sustainability in administrative practice
- Presenting the PPPI Service Center and its support services

The all-day basic seminar, which was characterized by exciting talks, relevant practical examples and active discussion, will be incorporated into the education program at the Austrian Federal Academy of Public Administration again in 2015 and extended with an advanced seminar. A decisive factor for this was primarily the consistently positive feedback from participants, as indicated in the following customer reviews.

>> INFOBOX

Customer reviews of the "Innovation and Sustainability in Public Procurement" seminar at the Austrian Federal Academy of Public Administration on the 2nd April 2014.

"Very interesting seminar. Many new stimuli and ideas off the beaten track, which allow for a new approach to procurement."
Kurt Lacom, Federal Ministry of Finance, Department IV/1 – Administrative Management of Tax and Customs Administration

"The seminar provided exciting insights into the subject of innovation and sustainability in public procurement. It was also very well structured and designed with interesting content."
Claudia Mochar, Federal Ministry of Science, Research and Economy, Department BA/2 – Technical Infrastructure and BBG Coordination

"The variety of themes in this seminar provided me with new ideas on the subject of public procurement. And during the breaks, I was able to exchange many new thoughts with other seminar participants."
Bernhard Schiestl, Environment Agency Austria, Department of Legal, Procurement & Facility Management

PPPI Tools and Guidelines
PPPI tools are practice-oriented guidelines aimed at supporting public clients in carrying out innovation procurement. To this end new options that could be used as PPPI tools are being sought right across the EU. The first PPPI tools are already available online at http://www.ioeb.at/downloads-links/ioeb-tools/. These tools were created by the ÖGUT on behalf of the BMVIT in cooperation with the Lower Austrian Energy and Environment Agency.

Internal BBG Training Module "PPPI Compact"
In order to advance thinking on PPPI, the lever of the BBG as a procurement service provider should also be used more strongly. For this reason, the "PPPI Compact" training module was started at the end of 2013 among all procurement and support areas of the BBG. As part of these half-hour workshops, the basic terminology of PPPI was explained and the services of the PPPI Service Center were presented. The core objective of the PPPI Compact module is to directly illuminate the BBG procurement process for technical colleagues and to identify new approaches for accelerating PPPI. In 2014, this training module was carried out in a total of six BBG areas. In 2015, these successful training measures are expected to be continued.

3.3 PPPI project competition

At the end of 2014, five innovative procurers emerged as the winners of the PPPI project competition initiated in April 2014. Winning projects ranged from an innovative entry system with online bookings and a digital measurement system for energy and water consumption to an electronic signage system. The five winners received funding services worth a total of 80,000 euros in the form of a PPPI service check:

1st Place: Mozarteum University Salzburg –
Locking Systems & Room Booking
2nd Place: University of Innsbruck &
Medical University of Innsbruck – Energy Monitoring
3rd Place: FH Joanneum Graz – Digital Signage System
4th Place: Umweltverband (Gemeindehaus Vorarlberg) –
Interactive Cycling Navigation
5th Place: Volkshilfe Vienna –
Computer-Aided Facility Management (CAFM)

An overview of the winning projects
One of the five winners is the Mozarteum University Salzburg, with a plan to provide their students with more possible uses of rehearsal rooms and efficient booking via internet and smartphone using a digital entry system.

From Tyrol, the University of Innsbruck and the Medical University of Innsbruck stood out with an internal digital measurement system for energy and water consumption - with energy and water savings to the value of at least 45,000 euros per year. Another winner is the FH Joanneum Graz from Styria with the procurement of an electronic signage system. The Umweltverband (Environmental Association) in Vorarlberg won with the installation of interactive display cases to accelerate the switch to bicycles and public transport.

Another winner is the Volkshilfe Vienna, who wished to reduce their room and energy requirement through the use of modern software systems. A similarly-based PPPI project competition is planned for 2015, with the purpose of initiating PPPI pilot projects. In addition, the PPPI Service Center will also make their learning experiences from these five procurement processes available to other public procurers in the framework of PPPI events and consultations, as well as on their website at www.ioeb.at

3.4 Strategic PPPI Planning

The PPPI Service Center supports ministries and outsourced legal bodies in creating strategic PPPI plans. With their comprehensive knowledge on the subject of PPPI, employees of the PPPI Service Center are familiar with the potential hurdles and specifics that come with introducing PPPI in organizations. A step-based approach is taken in implementing strategic PPPI planning: In the first step, innovation strategies and plans for procurement and implementation are identified and established on the basis of the project. After innovation

awareness within the organization has been increased in the course of projects, a more comprehensive PPPI strategy can be worked out in cooperation with the PPPI Service Center and the PPPI competence centers, if the client so wishes. In 2014, the first two strategy plan monitoring processes were initiated with the aws and the FFG respectively.

Analysis of innovation potential with the Austria Wirtschaftsservice GmbH
In the summer of 2014, the aws contracted the BBG to carry out an analysis of expenditure and subsequent analysis of innovation potential. Based on the results of the expenditure analysis, a request was made for a list of terminology on the subject of "Innovation and Procurement". Furthermore, relevant themes were identified through an initial prioritization of societal and other procurement objectives.

Austrian Research Promotion Agency Strategy Development
In the summer of 2014, the FFG contracted the BBG to analyze innovation potential with regard to PPPI. The implementation of this assignment began at the beginning of 2015. Based on the results of the expenditure analysis carried out in 2014, a request was made for a list of terminology on the subject of "Innovation and Procurement". Subsequently, relevant themes were identified through an initial prioritization of societal and other procurement objectives.

3.5 PPPI online platform

Innovative public clients and innovative companies need a communal space where they can exchange their offers, challenges and experiences concerning innovation in the public sector at any time. The PPPI Service Center's interactive online platform will support the development of new solution approaches to key problems within the innovation community. In 2014, a concept was developed to create a PPPI online platform, which is to be implemented in 2015. The PPPI online platform should comprise the following three main features:

1. Information about innovative products and services from Austrian businesses (database):
Innovative businesses registering on the new PPPI online platform demonstrate foresight: they can have the innovation value of their new products evaluated by PPPI experts and be searched for and found more directly on the platform. All products and services judged to be innovative will be featured in the product showroom.

2. Information about procurement-related challenges and problems in the public sector:
Innovative procurers gain exclusive access to a community that is specifically involved with the subject of innovation in the public sector. Clients can present their challenges, work on concrete solutions with others or find out about businesses' innovative developments in the product showroom.

3. Matching feature and forum for initiating a dialog between the two target groups.

Especially innovative businesses and procurers can get actively involved as beta users right now, before the platform is officially launched. Register at ioeb@bbg.gv.at and become part of the project!

3.6 PPPI measures in the BBG

BBG-internal integration of the topic and innovation strategy of the Federal Procurement Agency

In order to achieve the greatest possible leverage, it is essential to establish the topic of innovation in all procurement and support areas within the BBG. The following steps can be taken in the form of action packages:

- **Action Package: "Raising Internal Awareness"**

To increase awareness on the subject of "innovation & procurement" within the BBG, the PPPI Service Center organized an ideas competition to find the BBG "Inno" symbol. A total of 19 ideas were submitted. All BBG employees were able to allocate points to the five most innovative ideas. The winner was the "Florawall" idea (= a wall planted with living plants for interior rooms - incl. BBG logo). This idea will be realized in 2015 to remind the entire BBG team to use more innovation in their daily work.

- **Action Package: "Innovation Process Manual"**

In the second half of 2014, the BBG began to optimize the procurement process with regard to "innovation". With this in mind, three workshops were held with different procurement areas to identify suitable starting points and lever measures. The goal of this action package is to amend the BBG procurement panual with innovation aspects in 2015.

- **Action Package: "PPPI Figures"**

In the course of coming up with an idea for new BBG contractual management software, figures for measuring PPPI were developed. Once the software is completed, these figures can be used for the quantitative measurement of the PPPI call volume in the BBG, as well as for identifying calls for tenders with functional performance specifications.

- **Action Package: "Operational Planning"**

Within the scope of BBG internal planning, a planning template for innovation activity was made obligatorily available to each sector. In the course of their annual planning for 2015, the respective team leaders named at least three innovation measures, although this did not necessarily have to be in the context of PPPI.

- **Action Package: "Strategic alignment of BBG clients"**

Together with the student consulting company icons, the PPPI Service Center carried out a three-stage survey (telephone interviews, online questionnaires, creating personas) on the theme of innovation in procurement. An interim result was presented at PPPI Procurer Day, while the final result was given in December 2014 and presented to the contracting ministries of the BMVIT and BMWFW at the beginning of 2015.

- **Action package: "Strategy and Policies"**

In the second half of 2014, the following sentence was integrated into the mission of the BBG: "Innovation is an essential lever in realizing the mission. Innovation should be implemented for the BBG's proactive improvement and the BBG should be prepared for changing framework conditions."

- **Action package: "Modern Workplace"**

In 2014, a feasibility study was carried out on the topic "Modern Workplace in the BBG". The PPPI Service Center took part in the workshops and coordination meetings and introduced the topic of innovation to the discussions.

- **Action package: "Securing Competence through Leadership Development"**

In 2014, a concept for a leadership training development day was created, an external service provider sought and subsequently selected. The contract for this was awarded

to the Platform for Innovation Management with Mr. Gerald Steinwender (Company: strategyn) as a trainer. This leadership development day on the topic of PPPI and innovation will take place at the beginning of 2015.

- **Action Package: "Securing Competence through Internal Training"**

The execution of in-house training sessions for employees of the BBG on implementing innovation as well as raising awareness of selected hypotheses from innovation management.

Outlook: In 2015, the main focus will be on the "Innovation Process Manual" and "PPPI Markers in the e-shop" packages, in order to simplify the procurement of innovative products for clients. All experience that the PPPI Service Center gathers while implementing the action packages will form the basis for supporting clients in creating strategic PPPI plans.

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04

CHAPTER

> Innovation procurement creates a WIN-WIN situation which benefits all those involved.

PPPI competence centers and contact points

The nominated PPPI competence centers and contact points support the PPPI Service Center with sectoral or thematic know-how and appropriate communication services.

An essential pillar of PPPI support services are the PPPI competence centers and contact points, which are designated within the framework of implementing the PPPI Action Plan. This draws on existing players and their knowledge and networks, who are then able to work in partnership with the PPPI Service Center. The task of a PPPI competence center is to introduce complementary know-how in the form of sectoral or thematic competence, whereby each PPPI competence center has a clearly defined focus on a specific sector. The task of PPPI contact points is firstly, to publicize the theme of PPPI and support services of the PPPI Service Center within their sphere of activity, and secondly, to represent the interests of their sphere and provide appropriate input.

4.1 Thematic competence center

austria wirtschafts service aws

"We have succeeded several times in creating long-lasting links between public procurers and potential suppliers."

4.1.1 aws

As a PPPI competence center, the Austria Wirtschaftsservice GmbH (aws) has comprehensive experience in funding commercial and marketable innovations. In addition to technological innovations, these also include innovations in the field of creative industries, procedural and marketing innovations and innovative business models.

With a broad PPPI action package, the aws has made a decisive contribution to increasing the share of public procurement funds used for innovation since January 2014. Whether in conducting the PPPI project competition, actively participating in organizing the "Innovation Arena" events, offering lectures on topics such as "aws Market Research for Procurers and Businesses", participating in podium discussions or designing an aws start-up corner – in all its activities, the focus is on connecting new technology trends with the needs of innovative procurers.

The aws possesses a wide range of knowledge in handling the funding and administration of EU programs, andhas contributed its services very successfully to cross-border collaborations and consulting services.

There have been several successes in creating long-lasting links between public procurers and potential suppliers (primarily innovative SME and start-ups). As an additional service tool, the new market research instrument "aws discover.IN" has been developed and offered to public clients. The aws has also acted as a test client for PPPI strategy planning in the scope of an analysis of innovation potential in procurement. A subpage of the website (www.awsg.at/ioeb) and other marketing materials regularly provide information on subjects concerning PPPI. Updates on PPPI events and on the PPPI project competition are sent out via the aws newsletter.

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4.1 Thematic competence center

FFG

"We have been able to successfully complete a large pilot project in pre-commercial procurement within the field of traffic infrastructure research."

4.1.2 FFG

As Austria's national promotion agency for company-related research and development, the Austrian Research Promotion Agency (FFG) views its central area of responsibility in Pre-Commercial Procurement/PCP as part of its function as a PPPI competence center.

For public procurers, the PCP process is an ideal funding instrument for the development of products or services that are not yet on the market. Businesses and clients work closely together and test innovative solutions for their feasibility, which can then lead to a prototype stage. In 2014, the FFG was able to successfully complete a large pilot project in pre-commercial procurement in the field of traffic infrastructure research: On behalf of the ASFINAG, a mobile traffic management system was developed for construction sites and major events, and a system for recording natural dangers in railway infrastructure was developed for the ÖBB.

Additionally, the development of an eHybridlok (e-hybrid locomotive) for ÖBB production was reopened for bids. This was to be able to manage short feeder stretches electrically without overhead cables. A further ongoing pilot project focusses on energy efficiency and resource preservation: In a feasibility study, innovative, energy-efficient solutions for heating and cooling historical buildings are being examined and tested.

The combination of PPPI-related content on their website, intensive marketing of the PPPI project competition, publication of information on current PCP & PPI calls for tenders and a specialist presentation as part of the 5th Austrian Meeting on Public Procurement Law dealing with "Innovation Partnerships" complete the range of FFG activities for the PPPI Service Center.

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4.2 Sectoral competence center

austriatech

"The use of
PPPI instruments
in the context of mobility
is one of our key concerns."

4.2.1 AustriaTech

AustriaTech was established as a sectoral PPPI competence center for "Intelligent Mobility" at the beginning of 2014. Embedded in an international network, the experienced agency provides assistance in the implementation and further development of a modern, high-performance and affordable mobility system and, as a federal institution, it is accelerating the rapid technological development process of the national mobility system e.g. through the use of various instruments such as within PPPI.

As a result of AustriaTech's participation in international projects dealing with "Pre-Commercial Procurement (PCP)" and "Public Procurement of Innovative Solutions (PPI)" in the ITS sector, a range of findings are available on an international level. Consequently, Austrian PPPI activities can be distributed across, for example, high-profile events such as the European ITS Congress 2014, the high-level "Bridge the Innovation Gap by Innovation Procurement" event in Brussels, or as part of discussions at specific events such as the TRANSFORM Innovation Procurement Workshop in Barcelona. In all this the use of PPPI instruments in the context of mobility remains a key concern at AustriaTech, which is why, here on the PPPI Council, "Electromobility" has been introduced as a relevant and promising focus for the coming years. Currently, the final planning stages are underway for a joint event to make the Austrian community suitably "fit" for these new requirements.

In addition to the intensive marketing of PPPI activities and regular contributions within the scope of regular coordination meetings for planning events and future focal points, the topic "PPPI - Which tools do we need in the future?" was presented as an awareness measure during a meeting of the ITS Austria Board. Stakeholders present at the meeting received a detailed explanation of the PCP/PPI instruments as well as the theme of PPPI, and heard reports on national and international activities. The stakeholders then identified and prioritized necessary measures. At the PPPI event "Innovative Outdoor Lighting", AustriaTech designed, organized and ran a workshop focusing on "Innovative Lighting Concepts in the Traffic Industry".

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4.2 Sectoral competence center

AUSTRIAN ENERGY AGENCY

"We create a content-related competent forum for the exchange of knowledge and views on current energy topics."

4.2.2 Austrian Energy Agency

The Austrian Energy Agency (AEA) is a nationally and internationally active competence center for energy, which supports the PPPI Service Center as a partner through technical know-how in initiating innovative pilot projects and energy-efficient, eco-friendly technologies.

With high-quality education and development programs on current energy themes, the AEA creates a content-related competent forum for an exchange of knowledge and views between the fields of politics, economics, science and society. The focus is on promoting energy efficiency and renewable energy carriers in the area of tension between competitiveness, climate and environmental protection and supply reliability. Moreover, the AEA realizes national and international projects and programs, carries out targeted informational and publicity activities and develops future strategies for the sustainable and safe supply of energy.

The AEA supports the PPPI Service Center in the topical areas mentioned again and again with technical lectures and presentations during their events. As just one example, the 1st Innovation Arena, which dealt extensively with the subject of "Innovative Indoor Lighting" was received with great interest by participants.

As it turned out, it was primarily LED hardware, the optimization of light controls and associated services that displayed great innovative potential in indoor lighting. In the context of the PPPI/naBe conference planned for autumn 2015, the following themes will be introduced by the AEA:

- Energy-efficient indoor & outdoor lighting
- Resource-efficient dismantling
- Installation, wiring and control of multivalent heating systems

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4.3 PPPI contact point

"Through cooperation, specific PPPI focus topics can be dealt with at a national and regional level."

4.3.1 Expert Conference of the Federal Provinces

The Federal Government and Federal Provinces have been working intensively on PPPI issues together for several years already. As early as 2010 and 2012, major conferences on innovation and sustainable procurement took place in Linz, and these have played a key role in networking and giving impetus to the subject of PPPI throughout Austria.

Since that time there has been a systematic exchange between the Federal Government and Federal Provinces around four times a year: Twice within the framework of the PPPI Council and – as needed – once to twice within the scope of the National Expert Conference on the "Public Procurement of the Federal Provinces". This board consists of representatives from the Austrian Federal Provinces, meets alternately in each of the nine Federal Provinces and serves as a point of exchange for experience and opinions on all questions concerning public procurement. Through cooperation on these boards, specific PPPI focus topics have been successfully defined and dealt with simultaneously at a national and regional level, in order to achieve appropriate synergy and learning effects. For example, during the reporting period of 2013/2014, the topics of LED, innovative facility management and electromobility have already been identified as PPPI areas of focus.

Fortunately, the specific interests of the Federal Provinces have been taken into account in the PPPI activities of the Federal Government. For example, the PPPI project competition for the second half of 2014 was designed in such a way that submissions would also function smoothly for the Federal Provinces.

Furthermore, detailed information whether on various events or current best practice examples, was very quickly exchanged between the Federal Government and Federal Provinces to accelerate mutual learning. This cooperation is to continue further with a conference on innovation and sustainable procurement taking place in the second half of 2015.

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4.3 PPPI contact point

"We maintain an ongoing commitment to identifying existing PPPI potential in companies and in public administration."

4.3.2 Austrian Federal Economic Chamber

The Austrian Federal Economic Chamber maintains an ongoing commitment to identifying existing PPPI potential for both its member businesses and public procurers on all levels of administration. Since the PPPI Service Center was founded, the Austrian Federal Economic Chamber has acted as a "contact point for the economy" and informs businesses about current and upcoming activities of the PPPI Service Center.

The Austrian Federal Economic Chamber supports the PPPI Service Center in a variety of ways: It assists in the search for an actual supplier, initiates joint information events on themes such as innovative workplace design, facility management and electromobility, and is also involved in the planning and coordination of other activities of the PPPI Service Center. Whether smart grid technologies, e-health or collaborations with the Association for the Electrical and Electronics Industries at the "PPPI Procurer Day - Modern Workplaces": The greatest potential exists wherever public clients represent a high proportion of total demand, and it is possible to fulfil their orders even better through different and innovative solutions.

In addition, public procurement promoting innovation needs to use any kind of support in seeking out new developments in technology and applying them in the public sector.

From the perspective of the Austrian Federal Economic Chamber, the PPPI Service Center plays an extremely important role as a competence center for potential providers and procuring bodies: that of promoting innovation and adaptability in companies and administration, which is necessary for economic success and societal development.

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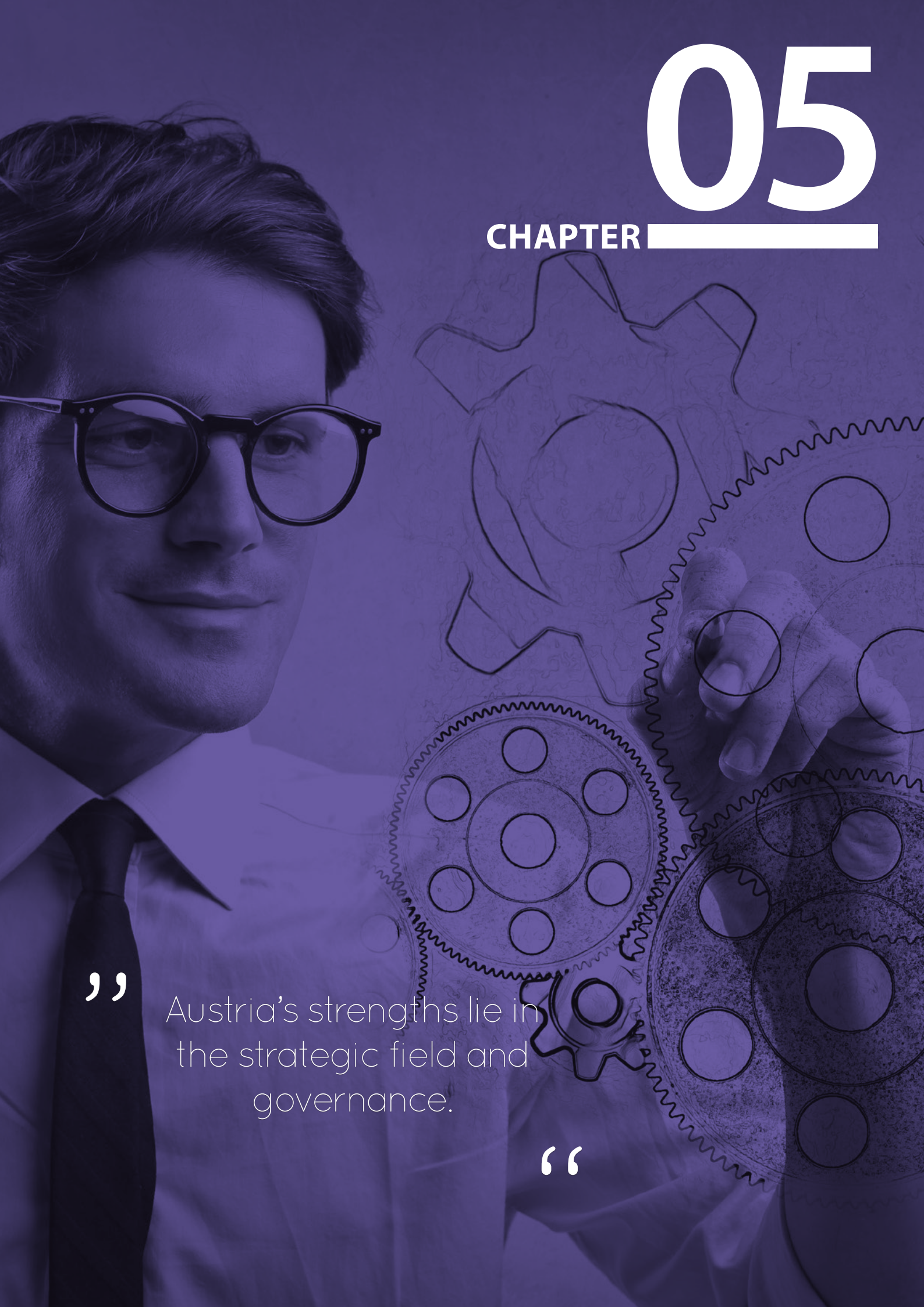
CHAPTER 05



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Austria’s strengths lie in the strategic field and governance.

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Expert opinion: Austria's PPPI performance in international comparison

Just a few years ago, Austria was still a "follower" in terms of PPPI. That is, a country that learned from international PPPI Good Practice. Today the situation is different, with our country actually being considered a source of PPPI Good Practice in many areas.

Although Austria has made great progress, there is still plenty room for improvement and our PPPI performance shows both strengths and weaknesses in international comparison. These are detailed below on the basis of the most recent findings from the ERAC "Innovation Procurement" Task Force.

Austrian strengths on a strategic level

Medium- and long-term targeted political action requires a strategic framework. As this is a relatively new political subject, the question of whose responsibility it is can sometimes be difficult to clarify. The ERAC surveys show that horizontal coordination and cooperation still presents a great challenge in many member states.

The strategic handling of PPPI is without a doubt one of Austria's strengths. Austrian Good Practice is internationally recognized as having demand-side innovation policy anchored in the Strategy for Research, Technology and Innovation while responsibilities, governance mechanisms and concrete tasks are defined in the "Action Plan for Public Procurement Promoting Innovation". The focus on support and empowering public institutions towards PPPI (cf. the support provided by the PPPI Service Center and PPPI competence centers and contact points) is positively highlighted.

"Most countries are checking out how objectives, monitoring indicators and evaluations can be worked on and realized."

Other countries that are considered examples of strategic Good Practice within the scope of the ERAC Task Force are Denmark and Finland. In Denmark, the demand for innovation is an essential part of national procurement strategy and great value is placed on synergies, upscaling, market dialog, end user requirements and more. The national innovation strategy also includes a range of PPPI political initiatives. By contrast, Finland has chosen the strategy of integrating PPPI into national sectoral strategies and programs. Parallel to this, a comprehensive "Smart Procurement" program has been started in TEKES, the largest funding/financing institution for R&D&I in Finland.

Austria's catch-up process in implementation

Austria has also made positive progress in implementing the measures set out by the Action Plan. However, it still has a long way to go before catching up with other countries (who put measures into place earlier). It is clear that this is currently continuing to improve from a comparably weaker position. However, important stimulus from other countries could be adopted through implementations that are already planned and undergoing preparation. From the perspective of the ERAC Task Force, these are Sweden, France, Finland and the United Kingdom.

In Sweden, all PPPI-related agendas are compiled together by the national competition authority. This body supports innovation procurement and offers methods and means of assistance. These include guidelines for specific PPPI requirements in various subject areas and industries (including the collection, preparation and distribution of model examples), as well as support on a regional level.

In France, the "reverse procurement conferences" act as a model. In these, public institutions take the role of exhibitors and major suppliers and SMEs are the visitors getting to know the innovation requirements of the procurers.

This model has already been tried and tested in the best way, allowing public institutions to get to know new (potential) suppliers with new ideas and approaches in an uncomplicated way.

In Finland and Great Britain, the financial incentive systems are considered Good Practice. In Finland, a 60-million-euro program to renew public services is underway (2013-2016), during which TEKES will cover half of all project costs. The program focuses on major societal challenges in which the public sector plays a significant role (energy, environment, ITS, health, construction and safety).

In Great Britain, the SBRI program (Small Business Research Initiative) represents a well-established structure for bringing innovative ideas from the industry together with the needs of public institutions and also calls for competitive bids on innovation challenges. Businesses can be awarded up to 1 million pounds for developing innovative solutions (100% for development, prototype creation and demonstration).

Austria's position in the impact analysis

High and diverse expectations are held for the positive effects of PPPI. Furthermore, the efficiency and quality of public services should be improved (by addressing major societal challenges), while, at the same time, industry should be stimulated more in the direction of innovation in times of tight R&D budgets. In this, Austria, like many other countries, is still checking out how objectives, monitoring indicators, and evaluations can be worked on and realized.

"Austria's PPPI performance can be judged as good in international comparison - even very good, if you take the pace of the catch-up process into consideration."

In terms of quantitative PPPI goal setting, Spain, France, the Netherlands and the United Kingdom are clear leaders. Austria has not set any quantitative objective. In Spain, the government has already obligated each ministry to adopt a PPPI perspective in their budgets and multi-annual planning sessions, and to strive for a PPPI goal of 3% of the procurement budget. France has set itself the national PPPI goal of allocating 2% of the entire procurement volume to innovative SMEs.

The Netherlands have set a national PPPI objective of 2.5% of procurement volume. In contrast, the United Kingdom (like Spain) has set PPPI objectives at the level of organization units (ministries) and there is an explicit SME reference (like France): UK objectives for 2013-14 are, in millions of pounds,: Defense 50; NHS (Health) 30; Transport 7; Home Office 7; Energy and Climate Change 3; and Environment, Food and Rural Affairs 3. These objectives are to be doubled for 2014/2015.

In terms of monitoring and appropriate indicators, one of many approaches was cited in the scope of the ERAC Task Force Austria. The Netherlands have been measuring e.g. PPPI since 2010, a national indicator is a fixed component of the budget of the Ministry of Finance and, in 2015, the measurement/indicator system is being substantially expanded. In Austria, a comprehensive PPPI monitoring system based on three indicators (new development, initial procurement, diffusion) was initiated in 2014 and Statistik Austria was contracted with managing this. Results for Austria will be made available in mid-2015.

A PPPI evaluation is currently underway in the United Kingdom (2015 results for the SBRI program) and is planned in Denmark for 2015 and Austria for 2016. In Finland, a research project has been carried out to record the impact on both public institutions and suppliers.

Summary

Austria's PPPI performance can be judged as good in international comparison – even very good, if you take the pace of the catch-up process into consideration. Austria's strengths lie in the strategic area and in governance, while important lessons are still to be learned in terms of implementation and monitoring.

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