BARCELONA OPEN CHALLENGE

An example of Open & Innovative Public Procurement in Barcelona City Council

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PARTNERSHIPS FOR SUCCESS IN TRANSFORMING LOCAL SERVICES

This is an event that will explore the ‘art of the possible’ in the transformation of local public services.

‘new and practical ideas about how to approach local challenges’

‘public service innovation through partnership working’

‘How the City of Barcelona used an Open Procurement Challenge to solve citywide problems and promote the local economy.’
CITIES and PUBLIC INNOVATION: Global trends

GOVERNMENT CAN'T BE A VENDING MACHINE

(Open) Innovation Ecosystem
Origins:
Some ideas in 2005/2007 (in 22@Barcelona)

- Entrepreneurship and business and public innovation can be fostered by the Administration? How? What are the new models?
- Public Procurement was about 17% of GPD in Europe. Can be a tool to promote innovation? How?
Barcelona Urban Lab

Urban Lab is a tool to provide a space in the Barcelona to carry out tests and pilots on products and services that have an urban impact.

The idea is to use of the city as an urban laboratory.

Objectives

1. **Citizens:** More and better products and solutions for **better municipal services** that solves better the citizens needs.

2. **Businesses:** Learn, shorten time to market and **increase entrepreneurship & business competitiveness, innovation & growth**, even internationalization and attraction of FDI. Develop ecosystem.

3. **Science and Technology:** It’s a powerful tool for **technology transfer**, both locally and internationally.

4. **Public administration:** Systematization of internal (and open) innovation, cultural change. Innovation as a **brand** related to Barcelona. **Transparency and efficiency** in public spending.
Some recognitions ...

Barcelona: OPEN & INNOVATIVE PUBLIC PROCUREMENT

Bloomberg destaca Barcelona pel seu programa d'innovació

Barcelona: OPEN & INNOVATIVE PUBLIC PROCUREMENT
1. There was no politic will
2. There was no budget
3. There was no team

1. +) There was a NEED / Challenges (+ Problem vs. solution/Calls)
2. +) We involved STAKEHOLDERS
3. +) We operate almost without BUDGET (Sharing budget) ➔ We looked for KPI & EXTERNAL RECOGNITION …
4. -) Citizen where involved to little
BCN URBAN LAB evolution:
(in 2013) Still ... the question is ...

- Entrepreneurship and business and public innovation can be fostered by the Administration? How? What are the new models?
- Public Procurement is 17% of GPD in Europe. Can be a tool to promote innovation? How?
- You can link the real BUY and the innovation process?
- It can be purchased on the basis of a challenge?

"CHALLENGES" = Awards / Pilots ➔ REAL CONTRACTS

WE DID IT!

BCN| OPEN CHALLENGE
BARCELONA ALIGNS INNOVATION WITH PUBLIC PROCUREMENT

“CHALLENGES” = Awards / Pilots ➔ REAL CONTRACTS
BCN|Open Challenge

**International call**, with CityMart, to invite local and international companies to submit their **innovative solutions** to 6 **published challenges** for the city of Barcelona.

We offer:

- 1 Milion € to buy and implement the winning solutions
- **Business growth services, landing facilities** (mandatory for international companies) and **references**

BCN|Open Challenge is a new program to:

- Promote **entrepreneurship and business growth and innovation** and facilitate **access to public procurement** for companies (specially SME’S & Innovative Public Procurement)
- **Attract investment** to the city and to position Barcelona as an innovation brand.
- Transform and **improve public services**, improve **quality of life** and make the city more inclusive.
- Open up the city administration and **accelerate public internal innovation**, while increasing efficiency and transparency in public spending

[www.bcnopenchallenge.org](http://www.bcnopenchallenge.org)
The Challenges

9. Reducing bicycle thefts in the city

22. Monitoring pedestrian flows in the city

13. Automatic detection and alerts of damaged road surfaces

17. Empowering local retail through technology

50. Tools for digitisation of museum and archive collections

6. Empowering support systems to reduce social isolation

119 proposals received

6 contracts signed

6 new services
TIME LINE:

**Anonymous call**
- Publish – May 2014
- Finalist (Màx 5x6) – July 2014

**Negotiation tenders**
- Negotiations – Autum 2014
- Winner - End 2014

**Implementation** - 2015/2016
Some data

- 1 anonymous internacional call
- 6 challenges
- 1 M €
- 5 municipals areas
- 11 months
- +20 members in jury
- 119 proposals received
- 28 finalists
- 6 contracts signed

→ 6 new innovative services in the city

What’s different?

- Though was possible + new&practical + Partner

- Publish needs, no solutions
  - 6 New products/services

- No requirements for companies (anonymous):
  - 3 never before worked with CityCouncil
  - 2 of new creation
  - 1 Technological Center

www.bcnopenchallenge.org
Some results

Arxivers en versió 2.0

Barcelona escancará el asfalto de todas sus calles

Vincles BCN
They’ve talked about us...

Delivering Short and Long Term Results
A model for #citiesshare alliance

The BOC communications strategy exceeded all expectations, drawing over seven times the expected number of online hits. The challenge was also successful in developing a new network of new suppliers: only five of the six winning companies had previously engaged with city-level government contracts.

BOC proved that open challenges are a viable way of delivering value to citizens.

- BCN Open Challenge offers public buyers solutions beyond what’s already known on the market, while fostering entrepreneurship. It is in line with the new legislative package of EU legislation and it is open to companies of all sizes.
- It mainstreams the culture of public investment for innovation within the City Council. It changes the working methods of public buyers, requiring a coordination strategy among departments and it requires administrative effort.
- It is ready to be replicated with a few adjustments.
Financing & Stimulating innovation

Another way of making the best out of procurement is to organise external creative competitions to generate innovative solutions to city problems, at the same time as promoting collectives of citizens or small business, whose innovative solutions are often still not considered.

Figure 1: Five key lessons from Barcelona’s procurement redesign
They’ve talked about us...

Open Innovation to address city government challenges

How open innovation is being used by pioneering city governments in partnership with entrepreneurs and private sector to solve government challenges while fostering local innovation and entrepreneurship?

**Barcelona City Hall provides us with some of the most advanced applications of open innovation to address government challenges at the urban scale and applicable beyond sectors.**

Urban Lab and Barcelona Challenge have been pioneering tools to facilitate the use of the city itself to carry out tests and pilot programs on products and services with an urban impact to solve city challenges while fostering entrepreneurship. These tools have been replicated or applied in similar degrees in cities as diverse as Amsterdam, Moscow or San Francisco.
1. **Call for Solutions vs challenges=NEED:** Don’t ask for a solution, expose a problem to be solve. Challenge Based Procurement. Choosing good challenges is key. Use Innovative-complex tools only for real challenges, not for regular buying.

2. **Be OPEN with the potential providers/ Innovation ecosystem:** Everyone could present a solution. Anonymity had good results, but difficult management. Look for your best solution.

3. **Chose the right LEGAL instrument:** Be sure that you take into account the legal framework for “buying innovation” in your country. Decide if you are looking for ideas, pilots or you are willing to buy a product/service.

4. **Importance of GOVERNANCE - legal/innovative Team:** Importance of the profile and attitude of the team. Involve the “owner” from the very beginning (definition of challenge, jury, implementation, ...).

5. **RESOURCES & RESULTS:** Management is not simple, so use this tool only for a considerable budget and no known solution. Relation about N challenges/Budget involve.

6. **CTIZENS role:** Look a place to involve Citizens: Challenges definition, testing, ...is a plus.

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... keep improving!!!
What’s next... Public Procurement

STRATEGIC PUBLIC PROCUREMENT
INNOVATIVE PUBLIC PROCUREMENT

1) Social Clauses
   (Labour, social, economic & environmental rights)

2) Green Procurement

3) Innovative procurement
   (EU funds)

Part of Open&Agile Transformation Strategy

NATIONAL PLAN OF INNOVATIVE PUBLIC PROCUREMENT 2016-2020

2017: 0,5 % Procurement (+120M€)

2018-20: 1% Procurement (+250M€)
What’s next... Social focus

Promoting a Social, Solidarity-based Economy

**OBJECTIVES**

**PROMOTION**
- Promotion and visibility as an alternative economic model
- Promotion and support for new projects that generate sustainable, stable employment

**REINFORCEMENT**
- Strengthen and improve existing realities

**LINES OF WORK**

**6 LINES**
- Training and assistance
- Funding
- Cooperation
- Communication
- Tools and resources
- Territorialization and community action

Incorporating the entirety of the area of political action involving
- Socio-corporative projects
- Socio-communal projects
- Collaborative economies promoting the common good
the ‘art of the possible’ in the transformation of local public services.

‘new and practical ideas about how to approach local challenges’

‘public service innovation through partnership working’

Innovation is a CULTURAL behaviour but also need external support

PUBLIC PROCUREMENT is in EU a 17% of GPD. Use it strategically!!!
Thank you!

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