The Nordic region as frontrunner in innovation procurement in the health sector

Call for proposals

Introduction

In cooperation with Tekes, Vinnova, the Danish Business Authority, Innovation Norway and Rannis, Nordic Innovation invites organizations and consortiums of organizations to submit proposals for Nordic projects in the field of Innovation Procurement within the Health Sector in the Nordic Region.

The call is part of a joint project between the partners listed above, with the objective of contributing both to develop better public health services and to develop the supplier industry through closer contact with public buyers. The intention is to accelerate innovation procurement on a Nordic level and strengthen the exchange of knowledge, co-creation and cooperation in focused networks for procurers and suppliers.

The call will finance projects for a total of up to NOK 10 million. A total of up to 5 applications will be funded.

Funding decisions will be made based on evaluation of all incoming projects according to defined criteria.

Deadline for project proposals is Wednesday 24 October 2012 at 10 am CET.
**Background**

The Nordic countries are like most of the OECD countries facing major challenges within health and welfare. Demographic changes combined with constraints on public spending are forecasted to be a major challenge but also a major driver for welfare and public sector innovation\(^1\).

In the Nordic region, the public sector is by far the largest buyer and consumer of health care products and services. This represents an opportunity for the public sector to demand new and innovative products and services from the private sector.

From studies\(^2\) and analyses it is pointed out that the public procurer is able to drive innovation from the demand side by:

- being a skilled and competent demander
- thorough descriptions of public needs that new products and services are supposed to satisfy and are about to be developed
- having a good understanding of the market and how it operates and having an idea of what kind of products, services and systems there is to be developed and delivered
- being able to reach a well informed decision on which actors to include in the process of procurement of innovative goods and services by being able to see the potential in scaling up products and services to other areas

A relatively small change can have a large impact, and interesting pilots from first movers can influence the whole sector if methods and results are well communicated.

There is growing evidence\(^3\) that fostering innovation through public procurement is a way to improve and develop better public services and save cost in the long run. Tools and methods to achieve this exist. They are however neither widely disseminated nor implemented in the public sector.

The Nordic Ministers of Industry have launched a “Lighthouse project” on Public Procurement and Health Care “to harness the potential inherent in public procurement and regulation to create innovative and effective solutions.” The potential for public procurement to develop both better services and suppliers is of growing interest not only in the Nordic region, but also in the EU.

This call is a part of the Lighthouse project, and shall contribute to the fulfillment of the overall objective of this project.

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1. Towards a new innovation policy for green growth and welfare in the Nordic Region, Nordic Innovation Publication 2012:02
2. Verdien av styrket kompetence i offentlige innkjøpsprocesser, Menon-publikasjon nr. 6/12, Sveinung Fjose, Torstein Fjeldet Lunde og Christian Melbye, How public procurement can stimulate Innovative Services, Report to Nordic Innovation Centre, 1. Feb. 2011
3. Demand Innovation and policy: Underpinning policy Trends with Academic analysis, 22\(^{nd}\) and 23\(^{rd}\) of March 2012
Objective and targets

The overall objective is stated in the introduction. More specifically, the Lighthouse project aims to:

- Establish a Nordic collaboration in the field of innovation procurement within the health care sector
- Establish focused networks within innovation procurement and contribute to knowledge development and dissemination of information, best practice and results and to encourage health organizations to integrate innovation in their thinking when they procure
- Contribute to new skills and changed mindset among procurers in order to use procurement as a strategic tool for development
- Raise awareness at management level of the innovation potential in public procurement
- Encourage Nordic cross-border cooperation both among health procurers and among suppliers, but also to encourage cross-border cooperation in a wider sense; cooperation in new constellations and across “professional borders”
- Create market opportunities and develop ideas and companies, with a particular emphasis on SMEs
- Develop / disseminate tools and methods for procurement and innovation

The focus area for the effort is innovation procurement in a wide sense; we intend to include both innovation friendly procurement, procurement of innovation and pre-commercial procurement.

Procurement processes related to both products and services are within the scope of this call.

Key challenges and rationale for working on a Nordic level

Key challenges

In this call, we invite applicants to address some of the key challenges in public procurement and innovation on a Nordic level such as:

- The lack of dissemination of information and knowledge in the field of public procurement and innovation (examples, good practice, methods)
- The lack of robust systems for pooling demand
- The lack of systematic co-operation between procuring organizations (hospitals / regions and municipalities)
- The lack of cross-border market opportunities and alliances for the Nordic supplier industry
- The need for improving skills in innovation procurement in the public sector and for establishing supplier dialogue
The limited awareness of the potential in using procurement and innovation strategically in the organization

The lack of SME involvement in procurement and innovation

**Working on a Nordic level**

Innovation procurement is an instrument used in all of the Nordic countries to stimulate innovation, but the focus areas and also the public effort differs between the Nordic countries. This is why the cooperation partners and Nordic Innovation are interested in working with this on a Nordic level:

- The field is in the shaping, there is demand for information and sharing of experiences.
- This type of cooperation works best with similar health sector and geographical proximity.
- Through pooled demand and robust cross-border specifications, the Nordic region would be more interesting for international medtech companies.
- The Nordic countries are known as welfare states with good public health care solutions. There could be good export opportunities ahead for suppliers that have developed innovative concepts in close cooperation with demanding Nordic public sector buyers.
- Innovation friendly procurement can open up opportunities for new entrants in the market, typically SMEs. For SMEs, the home market or close markets (like the Nordic market) are natural starting points.
- Building Nordic cross-border alliances can later be useful on markets further away.

Innovation procurement is an instrument used in the Nordic countries to stimulate innovation in both the public and the private sector. Working together on a Nordic level, the public sector can be a driver of innovation by becoming an even smarter and more demanding procurer.
Main themes for call and expected deliveries

Projects can take different shapes:

- Dissemination of knowledge / best practice
- Competence building
- Building effective networks / cooperation platforms
- Pilot projects and communication of these
- Analysis work

Projects should preferably both be of value in their own rights and contribute to build a foundation / capabilities for the future. We welcome proposals for the projects described below, but are also open to other concepts. We also welcome additional elements in the proposals than the ones described below.

1. A Nordic competence network for innovation procurement within health

Competence in public procurement and innovation is very important to be able to successfully integrate innovation in procurement processes. In addition to competence among procurers, understanding at management level is also an issue; creating a culture of development and innovation, and making innovation a natural activity alongside supply of health services.

We invite applicants to submit proposals to develop a well-functioning cross-border network within procurement and innovation between health institutions. The project should increase knowledge of procurement and innovation in health procuring organizations in the Nordic region, improve cross-border dissemination / information flow and lead to increased cross-border cooperation and joint projects in the field of procurement and innovation.

The following elements could be part of the project:

- Sharing of information and experiences in innovation procurement between hospitals/regions in the Nordic region
- Development of knowledge about methods/process in innovation procurement
- Development of a web-based platform for sharing of information and work on procurement projects of common interest
- Dissemination of information from the network to a wider audience (good practice, examples, methods)
- Shaping a mutual interest and preparing a ground for possible joint call for proposals of public procurement of innovation

New partners must be allowed to join the network as it develops.
2. A Nordic project for market knowledge and dialogue between procurers and suppliers

There are large potential benefits in investing in the early stage of a procurement process. The existing legal framework gives ample opportunity for procurers to have contact with potential suppliers in the pre-tender phase in order to get knowledge of what the market can provide before designing a good call for tender. There is also potential in specifying functional requirements rather than products.

We invite applicants to submit proposals for a project that brings together public organizations in different Nordic countries with the same need related to health procurement (for example municipalities) with the aim of cross-border learning and partnerships, and the aim of stimulating innovation in companies delivering products and services.

The project should improve information flow between procurers and suppliers and between procurers with the same need, and increase knowledge and raise awareness about the potential in closer contact with the market (suppliers) in the procurement process.

A proposal within this area should include one or more pilot procurement projects.

The following elements could be part of the project:

- A structured way to bring in suppliers and innovative solution developers from different countries with interesting solutions
- Communicating information and results to a wider audience (good practice, examples, methods)
- Competence projects to help change the mindset among procurers to open up for procurement of innovation

3. Other themes

We are open to other proposals than the two outlined above, and invite applicants to take the overall objectives in the introduction as point of departure. Proposals for true Nordic projects of high quality in the field of innovation procurement within the health sector are welcome. As stated above, projects can take different shapes.
Requirements, time schedule, evaluation, contact

Who can apply?
The target group for the effort is organizations that engage in public procurement within the health sector (procurers within hospitals, regions, municipalities). In addition to public sector organizations, organizations such as agencies, confederations of industries, research institutions and consultancies with documented expertise within the field are welcome to apply. Organizations or consortiums of organizations can apply.

Time frame
Projects are expected to start January 2013 and finish by the end of 2015.

August 2012 – Launch of call

19 September 2012 – Information meeting about the call. Exact time and location will be published on our website.

24 October 2012 – Deadline for submitting proposals

End of October 2012 – Evaluation by expert committee

3 December 2012 – Decision by Nordic Innovation’s board

Evaluation criteria

Quality (55%)

- Real cross-border projects with well communicated Nordic added value
- Good concept / idea
- Broad participation and involvement
- Visibility / dissemination of results
- Potential / expected impact
- Relevance with respect to the call-text
- Contribution to / establishment of infrastructure / capabilities for the future
- Structure and method
- Understanding of the field and the challenges the project is addressing
- A robust project (the project should for example not rest on only one person)

Experience (30%)

- Experience with international cooperation, hereunder working on a Nordic level
- The qualifications of the project team with regard to carrying out their proposed project
- Experience with network processes
- Knowledge of:
- The health sector
- Procurement
- Procurement and innovation
- EU-legislation in the field of public procurement

**Price (15%)**

- Total prize of the call
- Partner financing
- Partner in-kind participation
- Budget according to the project’s ambitions

**Requirements for all proposals:**

- It is an absolute requirement to include partners from at least three Nordic countries. However, the Project should preferably have participation from all Nordic countries. There may be several partners within each country.
- The project should be at least 50% self-financed, either in the form of working hours or direct funding
- The project period should not exceed 36 months
- All project costs must be included in the proposal. This includes, but is not necessarily limited to: salary incl overhead, external services, meetings and travels and communication activities. Expenses that are not related to these costs will not be covered by Nordic Innovation.
- Only applications submitted on Nordic Innovation’s application form will be accepted.

Cooperation with partners outside the Nordic region is favorable. However, only Nordic partners can be financed by Nordic Innovation.

Proposals can be written in English or a Scandinavian language.

**More information**

Background information, the application process and details on the information meeting on 19 September can be found here: [www.nordicinnovation.org/publicprocurement](http://www.nordicinnovation.org/publicprocurement)

**Contact information**

For questions, please contact:

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