

# Finding and Procuring Innovative Solutions

Evidence-based practical approaches

# Contents

<b>1. Executive Summary</b>	<b>4</b>
Why consider innovative solutions?	4
The purpose of this document	4
Main considerations	5
Procurement approaches	7
<b>2. Introduction</b>	<b>8</b>
Why seek and procure innovative solutions?	8
The Strategic View	8
Why use this document?	9
Who is this document for?	9
Introduction to the case studies	10
<b>3. Identification and Statement of Need and Outcomes</b>	<b>12</b>
Sources and identification of needs	12
Expression of need and outcomes	13
Preliminary check of markets	14
<b>4. Deciding your approach</b>	<b>16</b>
Market sounding - call for innovations only	16
Market Sounding – call for innovations to inform a future procurement	17
Full procurement call including innovative solutions	18
Some further points to consider	18
<b>5. Market Sounding: Making the call – use of websites and portals</b>	<b>19</b>
Evaluation	20
Sifting Submissions	20
Detailed Evaluation	21
Unsuccessful submissions	22
<b>6. Market Sounding: Programme or procurement specific calls</b>	<b>23</b>
<b>7. Direct procurement using established procurement processes</b>	<b>24</b>
Competitive Dialogue	24
Pre-commercial procurement	25
Forward commitment procurement	26
Design Contests	27
<b>8. Intellectual Property Rights (IPR)</b>	<b>29</b>
Before calling for solutions	29
Innovator and background IPR	29
Ownership of final IPR	30
<b>9. State aid</b>	<b>32</b>
<b>10. Checklist for finding and procuring innovative solutions</b>	<b>33</b>
<b>11. Glossary of terms</b>	<b>36</b>
<b>12. Further reading</b>	<b>39</b>

## Appendices

<b>A1. Case Study 1 NHS National Innovation Centre</b>	<b>40</b>
NIC Innovation Assessment Tool	47
NIC Stage 2 Assessment Form	50
<b>A2. Case Study 2 NHS Rapid Review Panel</b>	<b>52</b>
Rapid Review Panel Learning Lessons	54
<b>A3. Case Study 3 Manufacturing Materials &amp; Environment Directorate</b>	<b>56</b>
<b>Case Study 3a HM Prison Service</b>	<b>58</b>
HM Prison service Notice of PIN Publication	63
HM Prison Service Response Form	67
HM Prison Service Intermediaries' Document	69
<b>Case Study 3b London Fire and Emergency Planning Authority</b>	<b>72</b>
<b>A4. Examples of Routes to, and Sources of, Innovative Solutions</b>	<b>74</b>

This study and the resulting guidance were undertaken and compiled during 2006 as a collaborative project between OGC and DTI. In June 2007 DTI was disbanded and the newly created Department of Innovation, Universities and Skills became responsible for work in the area of innovation. Web links and references have been updated to reflect the departmental changes but in some instances references to DTI remain appropriate.

## 1. Executive Summary

### 1.1 Why consider innovative solutions?

The identification and procurement of innovative solutions to public service needs is one potential way of delivering improvements in the quality and delivery of services, as well as assisting the public sector achieve better long-term value for money. It can also stimulate innovation within the economy by enabling the market to respond to current and future public service needs.

There are a number of circumstances where it could be beneficial to consider a call for innovative solutions. This might include short-term considerations, such as the ending of a current contract providing an opportunity to examine how innovative solutions could help deliver a more efficient service. Alternatively, innovative solutions may need to be sought to ensure the Government is able to meet its long-term needs. This might include areas where market-ready solutions do not yet exist or are not immediately evident, as may be the case with needs related to environmental sustainability, increasingly complex healthcare, rapidly developing information technologies or national security, for example. In these instances, it is important for the Government to signal its long-term requirements to the market, to ensure its needs are adequately sign-posted and anticipated future requirements can therefore be addressed.

### 1.2 The purpose of this document

This document is for policy makers, procurers and end users within the public sector who want to seek and, where appropriate, procure innovative solutions to help meet their needs more effectively. The principles contained here are applicable to public procurers working at all levels of government.

The document demonstrates a number of approaches that can be followed to facilitate a call for innovative solutions and, where appropriate, that procurement of innovation can take place within the framework that governs public sector procurement. This framework comprises the European Union (EU) Procurement Directives, the EU Treaty principles of non-discrimination, equal-treatment and transparency, and the Government's procurement policy based on value for money. Compatibility must be considered from the outset of any search for innovative solutions, as there may be a risk that suppliers could be afforded undue preference should a procurement exercise follow later on.

This document complements the OGC/DTI publication [Capturing Innovation](#), by providing a number of more detailed approaches for finding and procuring innovative solutions. It focuses on the earlier stages of this guidance, in looking more closely at identifying and communicating a need, considering the responses

to that need and, where appropriate, deciding which procurement approach to take.

To help illustrate the practicalities of finding and procuring innovative solutions this document utilises evidence from four case studies of public sector activity. They are:

- **NHS National Innovation Centre (NIC)** who have established a website and portal to attract and evaluate clinical innovations and then nurture the most promising ones (Case Study 1, Appendix A1).
- **NHS Rapid Review Panel (RRP)** established to attract and promptly assess new equipment, materials and other products or protocols of potential value in improving hospital cleanliness, hygiene and infection control (Case Study 2, Appendix A2).
- **HM Prison Service (HMPS)** seeking to procure an innovative solution to a more sustainable way of supplying, using and disposing of prison mattresses (Case Study 3a, Appendix A3).
- **London Fire and Emergency Planning Authority (LFEPA)** seeking innovative solutions to the disposal of non-recyclable waste (Case Study 3b, Appendix A3).

### 1.3 Main considerations

The successful seeking of innovative solutions requires clear processes for the identification of need and timely and effective engagement with the market. Good procurement practice will then enable the identification and procurement of those solutions that provide long-term quality and value for money. The main considerations in this process are:

**Identification and statement of need/outcomes:** One of the first, and most important, considerations is the identification and clear definition of needs and outcomes required. Needs may be driven by policy, legislative or budgetary changes, operational requirements or from unsolicited proposals. Where possible, needs should be stated as [outcomes](#) and should be stated as early as possible in a non-prescriptive way to maximise the opportunities for innovators and suppliers to present their solutions. An initial, informal sounding of the market before making a call for solutions can help with understanding of the market and help ensure a credible eventual call for solutions.

**Deciding your approach:** Following the identification of need and [statement of outcomes](#), there are three main routes to find and, where appropriate, procure innovative solutions:

- i. Market sounding to help inform future policy and/or procurement strategies using a call for solutions through, for example, a website or portal which states needs and invites innovative and other submissions. In this case, procurement is unlikely to follow, but the responses could help to inform a future policy or procurement strategy. This would also be applicable if inviting unsolicited proposals. This is the approach adopted by the NIC in case study 1 and, to an extent, the RRP in case study 2.
- ii. Market sounding with an intention to procure using a call for solutions to inform a later more detailed procurement tender (subject to the market response providing potential solutions). This is the approach taken by HMPS in case study 3a.
- iii. A direct procurement using established procurement processes which actively encourages innovative solutions that may need development before supply. These processes include the Competitive Dialogue Procedure and Design Contests as provided for by EU Procurement Directives, as well as routes such as Pre-commercial Procurement and Forward Commitment Procurement. This was the approach taken by LFEPA in case study 3b.

**Market Sounding - Making and Managing the Call:** The principles of how to make and manage a call are similar in all three routes. Using evidence from the case studies, this document provides examples of where and how to disseminate the call to maximise the potential for receiving innovative solutions and, where procurement is intended, how to do this in compliance with EU procurement rules. The examples range from the establishment of a web-based portal to attract innovative solutions on an ongoing basis, as in the NIC approach, to the use of an EU Prior Information Notice (PIN) as with the LFEPA case study.

Mechanisms to manage the call will also need to be in place. Again, these will depend on the nature of the call but as a minimum, provision should be made to assess responses and provide feedback to submitters. The document demonstrates how the different case studies have addressed this.

Whichever approach is followed, commitment from senior levels of the organisation and thorough risk management is required. It is also important to decide early on your organisation's strategy on ownership of intellectual property (IPR, see Section 8). This should rest with the party best able to exploit it, but advice on detailed planning should be sought. The implications of EU State Aid rules will also need to be considered in certain cases (see Section 9).

Also note that the [UK Intellectual Property Office](#) (UK-IPO) can carry out patent and other searches to help identify innovations that may meet needs now or in the

future. UK-IPO also has a range of other services which may help in deciding approaches to IPR.

**1.4 Procurement approaches:** This document presents four possible approaches to procurement of innovative solutions:

- **The Competitive Dialogue Procedure**, as provided for in EU Procurement Directives;
- **Design Contests**, a process outlined in the Public Contracts regulations 2006 (SI 2005/05) which awards prizes (which may include award of a service contract) for the best design solution to a requirement;
- **Pre-commercial Procurement**, under development as a process to use R&D contracts to progress solutions;
- **Forward Commitment Procurement**, being piloted in the environmental technologies sector as a demonstration of the effectiveness of identifying and stating needs early, and the possible means of following a procurement process with the award of a contract to procure once a new solution has been fully proven.

The choice of which procurement route to follow will depend on the requirements and the operational status of the procuring organisation, but it is clear that procurement of more innovative solutions is realisable within the existing public procurement framework. However, such procurements need careful consideration and planning up-front, senior level buy-in, and an allowance for increased lead-time.

## 2. Introduction

### 2.1. Why seek and procure innovative solutions?

#### 2.1.1 Benefits to Public Service Delivery

The seeking and procuring of innovative solutions can enable better engagement with, and understanding of, the market resulting in more informed, evidence-based decision-making. This in turn can help the Government to meet its policy commitments and achieve better value for money through higher quality, faster delivery and/or reduced whole life costs.

**Government procurement policy** states “all public procurement of goods and services, including works, is to be based on value for money”. Value for money is the “optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user’s requirement”. Innovation is one mechanism that can help the Government to achieve value for money in the goods and services that it purchases, and should be considered early on in your thinking..

#### 2.1.2 Benefits to the Economy

The DTI Innovation Report “[Competing in the Global Economy – The Innovation Challenge](#)” highlights the role that innovation can play in wealth creation in the UK economy, giving huge commercial benefits. It also promotes the Government’s role as a demanding and intelligent customer in stimulating innovation in the marketplace. By acting as an early adopter of innovative solutions and contracting for them in sufficient volume, Government can give industry enough of a market to justify investment in new skills, equipment or R&D with resultant benefits for suppliers’ long-term innovative capacity and competitiveness in other markets.

## 2.2 The Strategic View

For its part, the Government is setting an enabling environment for seeking and procuring innovative solutions to better meet its needs, both in policy statements, such as the DTI Innovation Report, and in actions, such as the appointment of Lord Hollick to promote the benefits of procuring innovative solutions.

In particular, HM Treasury’s report “[Transforming Government Procurement](#)” of January 2007 highlights the important role that innovation has to play in delivering high quality public services at good value for money. It recognises the need for Government to work with suppliers to find the best solutions to public needs even if they are not yet tried and tested.



In addition, a number of other bodies have recognised the benefits of seeking and procuring innovative solutions to meet Government needs. These include:

- The [Cox Review](#) on Creativity and UK business performance of December 2005.
- The CBI and QinetiQ [Innovation and Public Procurement report](#) of October 2006.
- The [Sustainable Procurement Task Force Report](#) published in April 2006.
- The European Commission paper on [Pre-commercial Procurement of Innovation](#) of March 2006 and subsequent [Guide on Dealing with Innovative Solutions to Public Procurement](#) of February 2007.

This Document provides the practical means to implement many of the common recommendations from these activities and reports including: early signalling of requirements and needs; early supplier engagement; outcome-based requirements, and considering how the procurement of innovation can help to achieve better value for money for the Government.

### 2.3 Why use this Document?

There is some uncertainty over how innovation can be used to help meet wider policy aims – both in terms of when, where and how a call for innovations might be made, and also as to how the Government might then procure in line with the overarching legal and policy framework. The potential cost and extra time taken may also pose a problem for both procurers and suppliers.

This document uses an evidence-based approach to assist you in identifying and expressing your need, seeking innovative solutions, and then undertaking procurement where appropriate.

We have also included advice on the important issues of handling Intellectual Property Rights and State Aid, matters on which you will need to seek detailed legal advice. We have also listed possible sources of, and routes to, innovative solutions, identified during our research, which you may wish to utilise.

### 2.4. Who is this document for?

**2.4.1 Policy Makers and Implementers.** This document will help you to bridge the gap between Government policy aims and the need to call for and procure, where appropriate, innovative solutions to meet them.

**2.4.2 Procurers.** This document illustrates the stages and challenges faced in successfully seeking and procuring innovative solutions to achieve better value for

money, and demonstrates how other procurers have met them within EU and UK procurement rules.

**2.4.3 End Users.** This document demonstrates the role of end users in ensuring that the solutions meet their requirements. Through early involvement and better understanding of how needs should be expressed and innovative solutions sought and procured, end users can exert greater influence on the development of policy and procurement strategies.

## 2.5 Introduction to the Case Studies

We have drawn our evidence from a number of sources, but primarily through working closely with the following:

- [NHS National Innovation Centre \(NIC\)](#) who have established a portal to attract and evaluate clinical innovations and then nurture the most promising ones. This represents a long-term, ongoing engagement with the market to draw innovation into the NHS in response to stated needs as well as unsolicited approaches from innovators. This information may be used to inform a subsequent policy or procurement strategy, but there is no immediate commitment to procure (Case Study 1, Appendix A1).
- [NHS Rapid Review Panel \(RRP\)](#) established to attract and promptly assess new equipment, materials and other products or protocols of potential value in improving hospital cleanliness, hygiene and infection control. This represents an ongoing engagement with a variety of markets to meet the pressing need to prevent and combat infections. As with the NIC, there is no commitment by the RRP to procure (Case Study 2, Appendix A2).

And, in partnership with the BERR/DEFRA [Manufacturing, Materials and Environmental Directorate](#) (who see procurement as an important tool to encourage innovation in the environmental industries sector), we have worked with:

- [HM Prison Service \(HMPS\)](#) seeking to procure a more environmentally sustainable way of supplying, using and disposing of mattresses. This case study demonstrates early engagement with the market to understand its capabilities, before procuring an innovative solution to a specific need within 12-18 months (Case Study 3a, Appendix A3).
- [London Fire and Emergency Planning Authority \(LFEPA\)](#) seeking innovative solutions to the disposal of non-recyclable domestic waste from fire stations. This illustrates the use of a Prior Information Notice (PIN) for

*innovative solutions to a specific need where market knowledge is already sufficiently developed, within 12 months (Case Study 3b, Appendix A3).*

- During the work with the NIC, LFEPA and HMPS, OGC provided procurement policy and application advice and guidance.

### 3. Identification and Statement of Need and Outcomes

Although it sounds simple, identifying and expressing a need can be very difficult. It is usually more straightforward when you are reletting an existing contract and feel there may be a more effective way of delivering your desired outcome (which may have changed over the period of the contract).

In our case studies, needs were derived from a number of sources, and simply expressed:

- The NHS NIC remit is to attract innovative ideas to meet both identified and unidentified needs in NHS clinical operation. The NIC call is for *“technological innovations to improve healthcare”*.
- The RRP expressed its need as *“New and novel equipment, materials, and other products or protocols that may be of value to the NHS in improving hospital infection control and reducing hospital acquired infections”*.
- HMPS had a need for more durable mattresses that could be disposed of without the need for landfill. Hence, *“The technical and commercial means to deliver a zero waste mattress system that meets the demanding operational requirements of the prison environment”*.
- LFEPA stated that, *“LFEPA are seeking a practical and easy to use waste disposal solution for non-recyclable waste arising from our fire stations that will eliminate landfill disposal and achieve environmental and whole life cycle cost benefits”*.

#### 3.1 Sources and Identification of Needs

Needs come from a variety of sources including new policies, legislative and budgetary requirements, and operational necessities such as contract renewals. Sometimes, as in the case of unsolicited approaches, you may not recognise a need until a solution is presented to you. In this section we examine the various sources of need and how you can deal with (or seek) them.

One of the main challenges when identifying a need is to avoid thinking of potential solutions at too early a stage. This is particularly relevant with unsolicited approaches, when it may be easy to accept the solution presented as the answer to your requirement. However, you should maintain an open mind and explore other options for meeting that need.

**3.1.1 Policy Driven.** Many needs are policy driven from the top of an organisation. They may directly impact on the types of solutions you may seek - or procure - or they may be something you need to take into account. Procurement in particular can be used to help meet policy goals, where this is consistent with the achievement of value for money, by encouraging certain behaviours in the market.

**3.1.2 Legislative/budgetary.** A common need is to provide the same or a better service but within a stricter budget or tighter legislative constraints. This can require a shift in the approach taken to sourcing ideas and procuring the best solution in delivering that service. As with a new policy, all relevant stakeholders and experts should be engaged at an early stage. In the HMPS case study, for example, it was clear that the cost of disposing of mattresses was linked to their composition, use and supply, so solutions covering all of these aspects, rather than just disposal, were sought.

**3.1.3 Operational.** Operational needs may originate from those providing the public service or using the procured product. The end of an existing contract may also be a trigger. Again, there is a clear need to do something better or buy something more effective. The LFEPA case study is an example of this, where a more sustainable way of recycling waste is needed for financial, operational and policy reasons.

Unlike the policy and legislative drivers, operational requirements and their solutions may need to be sought proactively at any time. The NIC approach, in its use of a dedicated website, is a good example of this on a long-term basis.

**3.1.4 Unsolicited.** This involves the submission of a solution to a need you may not have previously identified. It may come from within your organisation, from existing suppliers, from a general request for innovations as with the NIC Portal, or be a 'cold call'. The submission should trigger a debate about the need it will meet and whether there is a genuine/priority requirement within your Department. If a genuine need has been highlighted by this unsolicited proposal, you should follow the same process as with the other sources, that is, to articulate the need (based on the problem, not the offered solution), test the market to determine other potential solutions, and, if procurement is a possible route, use this information to inform your specification and contract requirements. In approaching the market you should also be careful about protecting any IPR that the submitter of the innovation might have or need (see section 8).

## 3.2 Expression of Need and Outcomes

In expressing your need you should give enough information to help the market but not restrict creativity. A common complaint from suppliers is that overly prescriptive requirements can stifle their ability to offer innovation. There is useful

advice on [expressing requirements in outcome terms](#) within OGC “[Requirements Management](#)” guidance. While keeping the expression of your need as open as possible to draw in a variety of potential solutions, you should also highlight any fundamental non-negotiable factors to allow respondents to react accordingly.

**It is important to make clear whether it is your intention to procure or not.** This needs to be highlighted in any call for innovations because suppliers ultimately want to sell their idea/product. You will need to manage the expectations of potential submitters by clearly explaining the purpose of the call, and making it clear that – if a procurement exercise is to follow at a later date - suppliers will still need to compete on the merits of their solution, and ability to develop and supply this, in an open and competitive tender exercise.

This is made clear by our case study organisations. The NIC makes no explicit link to immediate or direct procurement, and the RRP makes it clear that there is no guarantee of procurement following the identification of new products. HMPS have used a PIN and call via intermediaries as part of their market sounding to inform their future procurement, and LFEPA have made it clear that they will procure if a suitable solution is identified.

If you are looking longer-term and not procuring at this stage you can, however, emphasise the opportunity that respondents have to influence future policy or purchasing plans by making you aware of what the market will eventually be able to offer.

### 3.3 Preliminary Check of Markets

Once you have identified a potential need, you should undertake a preliminary check of the market (including any adjacent markets) to decide if a formal call for innovations is necessary.

Possible sources of information include:

- Your own colleagues and contacts in other contracting authorities in the UK (or beyond) who may have a similar need to see how they are looking to meet it.
- Sources such as the [Foresight Programme](#), [Innovation Platforms](#) and [Knowledge Transfer Networks](#) may also give you a clearer understanding of recent and future developments in the market.
- Trade associations, regional bodies, and SME organisations can help you to understand better any existing – or potential - solutions.

- Initiatives such as Intellect's Concept Viability can be a successful way of testing market reaction to the outcomes required.
- Patent and other IPR searches via [UK-IPO](#) to identify if solutions might exist, regardless of market sector.

OGC guidance "[Early Market Engagement](#)" provides further advice with many examples of good practice. The table of innovation sources at Appendix A4 of this document provides further details of organisations that may be able to assist.

## 4 Deciding your approach

The approach undertaken to seek – and procure - more innovative solutions will depend on your objectives. Options can be summarised as:

- Market sounding to seek a more detailed understanding of existing markets and solutions to inform a future policy or procurement strategy, e.g. the NIC in case study 1, and to a certain extent, the RRP in case study 2.
- Market sounding which can be linked to a known procurement need, and will hence inform a procurement specification, e.g. HMPS in case study 3a.
- A direct procurement of innovation, using a process such as competitive dialogue, which allows scope for developing the final specification with input from suppliers, e.g. LFEPA in case study 3b.

In some cases, it will be necessary to seek innovative solutions for longer-term needs, often without a full definition of requirements and with little or no knowledge of potential solutions. There are some areas of the public sector, for example the Health Service or for ICT applications, where new technologies or business processes will be needed and welcomed as technology and needs develop. In many organisations, there will also be strategy and policy-related needs, which will lead to procurements and projects. There may also be a desire within some organisations to explore more “blue sky” thinking, which may influence policy and procurement in the embryonic stages.

In cases such as these, you will need to decide early on if it would be beneficial to set up a process through which innovation and ideas can be sought on a regular basis, as the NIC have done with the dedicated website and submissions portal. This may also be appropriate if you wish to receive unsolicited ideas, some of which may themselves begin to influence later policy or procurement decisions.

In the very early stages of a programme or project, you should decide whether procurement would be required. If procurement is identified as a possible outcome, careful thought would need to be given, even in the very early stages of making a call for innovative solutions, on how to ensure fair and open processes and compliance, in order to avoid difficulties with the procurement rules as a project progresses. Outlined below are three of the main routes that can be considered.

### 4.1 Market Sounding - call for innovative solutions only

In some cases it may be beneficial to carry out a call for solutions against areas of need purely as a market-sounding tool, or as a means of finding innovations that can ultimately be developed to be market ready, as is the route taken by the NIC.



In these instances, the procurement rules do not generally allow for a procurement exercise to follow immediately – as fair and open competition must be undertaken – but the information gathered could inform a future policy or procurement strategy.

By fully separating solution development from procurement, you are optimising the opportunities for finding truly new and innovative solutions. However, you must decide how you will deal with the development of these. This approach will be most appropriate when:

- You are sure that new or innovative solutions to your need do not exist in the market place (ie “market failure”).
- You wish to attract ideas on an ongoing basis, or you wish to encourage unsolicited ideas that may help to identify or inform future needs.
- You are unsure as to how your needs can be met.
- You are unsure of how a final programme or procurement might be structured.
- You wish to encourage the development of innovations and stimulate the market.

It should be noted that in general, the EU procurement rules and the Government’s procurement policy based on value for money require a level of advertising and competition in procurement exercises. Unequal treatment of suppliers is also not allowed under the provisions of the EU Treaty. The results of a call for innovative solutions – via a website or portal – would need to be considered in this context if it is subsequently decided to procure.

#### **4.2 Market Sounding – call for innovative solutions to inform a future procurement**

In some cases, for example where you have more knowledge of what the market can provide, you may want to link the search for innovative solutions directly with subsequent procurement. In these instances, the results of a call for solutions would inform your procurement specification, but not in any way that would favour individual suppliers during a tender exercise.

A good example of this approach is the HMPS call for zero waste prison mattresses. In this case there was a clear requirement for procurement to follow. HMPS initially sought a variety of solutions for their mattresses such as new design, supply, and disposal or any combination of these. By separating the call for solutions from the procurement process, HMPS had the chance of testing the market to determine whether truly innovative products and/or supply and disposal routes existed. This information could then be used to justify and inform the resulting procurement and specification, and a fair and open tendering process is

intended to follow, where Forward Commitment (see Chapter 7) will be offered as a possible route to allow development to market readiness.

This approach will be most appropriate when:

- You are aware that solutions to your needs may exist in the marketplace, even if these will need further work prior to supply.
- You have needs which are reasonably well defined, and for which solutions are required in the medium to long term.
- You wish to attract truly innovative solutions and encourage market development.
- You wish to undertake a procurement exercise at a later date, should potential solutions become available in the market.

### 4.3 Full procurement call including innovative solutions

In other cases it may be necessary to undertake a full procurement call that allows for innovative solutions. Innovative solutions can be captured in various ways, that is, by allowing for variant bids, or, where appropriate, by using the competitive dialogue procedure, which provides an opportunity to discuss aspects of the proposed contract with candidates. In exceptional cases, the Negotiated Procedure is also available. A range of procurement approaches, including Competitive Dialogue, are discussed in Chapter 7 of this document.

#### 4.3.1 Some further points to consider

- Remember that when seeking new products or services the solutions may not always exist within the market sectors you are familiar with, or which you most expect. It is highly likely that innovative technologies, processes or people operating in one market sector could be transferred and developed in other applications. Always consider where else you could and should look for solutions.
- Finding potential solutions, deciding how these need to be developed and managing the risks associated with completely new products, services or processes will take time, and will need support from the top of your organisation.
- EU procurement rules, based on principles of non-discrimination, transparency and competitive procurement, must be applied appropriately to all public procurement activity. In seeking innovative solutions and in having early dialogue with the market, it is important to ensure that particular suppliers are not given an unfair advantage in any subsequent procurement.

## 5 Market Sounding: Making the call – use of websites and portals

Innovative solutions may be considered in the long-term to meet both identified and unidentified needs for which there may or may not be an immediate intention to procure. A key mechanism for making calls such as these is through the use of websites and portals.

The case studies, which are most relevant to seeking innovative solutions in the longer term and demonstrate the effective use of websites as permanent tools for this, are the National Innovation Centre (NIC) and Rapid Review Panel (RRP), both within the NHS. In these cases, calls for innovative solutions have been made on websites established to offer a permanent facility for the publication of NHS needs and receipt of innovative responses. However, the sophistication (and hence complexity) of the two is quite different.

- The NIC website ([www.nic.nhs.uk](http://www.nic.nhs.uk)) has been divided into four main sections. One of these comprises a portal for submission of ideas. **Case Study 1, Appendix A1** shows the detail of the submission questionnaire, and it can be seen that the innovator wishing to submit an innovation or idea for consideration needs to supply information concerning the *innovation*, and how it might solve the problem. *This is not a pre-qualification questionnaire* (as procurement is not yet being considered), but information on the benefits of the innovation, how development to date has been funded, and how development needs to be progressed to the point of supply is key to decision making. The NIC site also sets out the needs that have been identified from both internal and external NHS sources, and hence all innovations can be measured against whether they address needs or are purely speculative.
- The RRP **Case Study 2, Appendix A2** shows that similar questions are asked, but in addition it establishes if the product is already on the market, that ownership of the solution rests with the submitter, and if any evidence of the benefits of the solution exists.

Overall, the structure, type and number of questions at this stage are very important in order to improve the effectiveness of the following stages. Using questions which challenge the innovator to think through the suitability of their innovation and what needs to be done to take it to market, will benefit both the submitter and the recipient.

The size and complexity of the portal or call will depend on the expected response, the size of the area or sector at which it is addressed, and whether or not it will be

a permanent or temporary fixture. You will therefore need to consider carefully the mechanisms needed to deal with responses from initial receipt, through communication and signposting in the various stages, to final selection and progression of submissions, which could potentially meet your needs.

One key element of this will be to manage the expectation of submitters, both in the wording of the call and in the speed of response by correspondence. It is important that you state the timescales within which you will respond to submissions and within which you expect to make final decisions, and have sufficient resource and commitment for this.

## 5.1 Evaluation

In the NIC and RRP case studies, the evaluation of submitted solutions against publicised needs is divided into two stages: initial sifting and then detailed evaluation. Both of these are described further below. These processes are for 'market sounding' type calls only, and should not be confused with the formal requirements of procurement.

## 5.2 Sifting submissions

Initial sifting may not be required in smaller scale operations, but can be useful to reduce the number of submissions progressing to detailed evaluation, hence optimising the use of skilled (and sometimes expensive) resource. You may find it useful to introduce a very basic preliminary scrutiny of all submissions to check if all the required information has been provided and in the correct format before more detailed evaluation takes place.

In the case of the NIC, the portal can use two approaches: an automated sift based on a scorecard attached to the submitted answers, and/or individual scrutiny by trained personnel.

The RRP also has a sifting process, but due to the specific and narrower needs against which innovations are sought, this relies on a nominated individual scrutinising each submission, deciding if an innovation broadly meets the prescribed needs, and then proposing some for further evaluation.

In both cases, the process operates to the same principles:

- Identify the sifting criteria in advance, dependent on your needs.
- Nominated resource for sifting. The number of people will depend on the size of the call for solutions.
- Sifting and evaluation need to be documented and traceable to ensure that you can respond clearly to questions. Note that it is highly likely that some of your decisions will be challenged.

- If you are seeking truly innovative solutions, do not be constrained at this stage by the lack of market readiness of some submissions. Sifting at this stage is about identifying those solutions that meet the criteria or need, so remain open minded.

### 5.3 Detailed evaluation

Once submissions have been sifted, those that you have identified for further consideration will need to be evaluated by people skilled and experienced in the area for which solutions are sought.

The NIC have alerted a number of experts within the NHS to their work to use their knowledge to evaluate submissions. You will need to select the evaluators for your requirements dependent on the area in which you need to work. If you are unsure what areas submissions will cover, for example, if you are open to unsolicited proposals, then the NIC approach may be appropriate to ensure that relevant experts are aware their services may be called upon. The RRP utilises an evaluation panel that meets on a three-monthly basis to discuss and evaluate submissions to allow flexibility in using their own skills and knowledge. Submissions are then graded between 1 (highly innovative, proven to meet needs, ready for market) through to 7 (not innovative, does not meet needs).

In some cases, you may find that the evaluators do not have all the information needed to make informed judgements. In this case, you may need to open dialogue with the submitter of a particularly promising innovation, but in this case be careful to keep all communication factual and focused. In other words, do not give individual submitters privileged information at this stage, to ensure equal treatment of suppliers is possible, if a procurement exercise is possible later on.

At the end of evaluation, you will have selected a number of solutions to your requirements. These should:

- Meet the needs originally specified, although the innovations may not be market ready and will need development.
- Have been confirmed as truly innovative.
- Supply solutions to needs which can be shown not to exist already in the market.
- Have the potential to be developed to market ready solutions.
- Have been submitted by businesses or innovators which have the appetite for developing to market, either themselves, or in some other collaboration.

Hence, you will have a clear idea of what solutions exist. You will then need to decide if this information could inform a future procurement exercise.

#### 5.4 Unsuccessful submissions

Whilst successful submissions will progress to detailed evaluation, it is important to consider how to deal with those which do not meet the criteria for progression. Some of these may be totally impractical or may be ideas not founded on any substantial basis, but it is important that you still respond to *every* submission, whether practical or not. You will need to ensure that a courteous, appreciative and well-considered response is sent, where possible with reasons why the submission is not going to be considered further.

You might also consider signposting the innovator to other appropriate sources of support or funding. Just because an innovation has been unsuccessful against your criteria today does not mean that it cannot be useful in the future, or in other areas of Government. There are many good sources of private and public sector support to which innovators can be directed to get help to develop their innovations. The organisations mentioned in *Appendix A4* are good examples of possible sources of innovations, which may also be useful to innovators as sources of support or business development.

**Please note:** In general, any decision to undertake a formal procurement exercise from this point should be conducted separately from the results of the website/portal. The European procurement rules and the Government's procurement policy of value for money usually require that some form of advertising – and competition – be conducted.

## 6 Market sounding: Making the call – Programme or procurement specific calls

In most cases solutions to needs will be sought for specific policies, programmes or projects. For these requirements it is unlikely that you would wish to commit to the type of long-term web facility described above. In *case studies 3a and 3b*, both the HMPS and LFEPA needs were publicised using various methods:

- HMPS issued a PIN to seek possible solutions to their mattress disposal requirement. Issuing a PIN is a standard process, and in this case was used in combination with an [outcome specification](#) to gauge the level of interest in a future procurement, and to understand the type of solutions that may arise.
- In addition to a PIN, however, the Manufacturing Materials and Environment Directorate (MME) assisted HMPS by identifying a network of trade associations, sector networks and organisations within which potential suppliers of innovative solutions might be operating. The network was alerted to the existence of the PIN and hence the need for solutions, and the organisations within the network then disseminated the call to the suppliers. Hence, it was considered that not all potential suppliers would read, or even be aware of, PINs and the OJEU process.
- In the case of LFEPA, since it was felt that potential solutions might already exist in the marketplace, a PIN was published, this time with a view to progressing straight into procurement (probably by Competitive Dialogue). Note that within this exercise the outcome-based approach was again used to alert the market to the need, but did not specify the potential solution.

It is also important to consider the likely sources of solutions for your specified needs when using this approach. It is likely that some potential innovators will not have web access, and whilst the use of a web-based portal is still the most effective route into your organisation, you should consider additional media for making innovators aware of opportunities. Advertising in trade publications, disseminating calls via business organisations (for example, Chambers of Commerce or the Federation of Small Business), or even via local press can all be considered. All advertising and calls need to be considered in parallel with, and in addition to, the OJEU process, when procurement is underway.

## 7 Direct procurement using established procurement processes

So far, the NIC and RRP case studies have demonstrated a clear separation between the seeking of innovative solutions and the procurement of them. The NIC use their web portal to find innovations that can be developed to market readiness; competitive procurement can then follow – but as a separate exercise. The RRP pass their recommendations to the relevant NHS procurement organisations to take forward. Both, therefore, make a very clear split between finding and procuring innovation.

You may, however, already have decided to progress to procurement either from the start, or having completed a market sounding exercise. The following examples provide possible approaches to procuring innovative solutions.

### 7.1 Competitive Dialogue

This procedure was introduced in the revised regulations implementing the EU Procurement Directives (2004/18/EC), and allows scope for early discussion with suppliers and innovators to determine how their solution meets the need expressed, and how it can be developed to the point of supply. It is for use in the award of complex contracts, where there is a need for the contracting authorities to discuss all aspects of the proposed contract with candidates. Such dialogue would not be possible under open and restricted procedures. Procurement of any one solution is not guaranteed in the early stages of this process.

The main features of this procedure are:

- Dialogue is allowed with selected suppliers to identify and define solutions to meet the needs and requirements of the contracting authority.
- The award is made only on the most economically advantageous tender criteria.
- Dialogue may be conducted in successive stages, with the aim of reducing the number of solutions/bidders.
- There are explicit rules on post tender discussion.

The competitive dialogue procedure has been used in the UK since January 2006, and initial indications are that it does allow more flexibility to develop innovative solutions, although the process must be well managed and often needs more time than other processes.

Please see further information and guidance on the [Competitive Dialogue Procedure](#).



## 7.2 Pre-commercial Procurement (PCP)

The EU Commission, in their paper on the Community law applicable to [pre-commercial public procurement](#) dated March 2006, discussed the means available for finding and developing innovations for eventual procurement, and of stimulating innovation to increase the number of competitive businesses in Europe. PCP is based on the exclusion of the procurement of research and development (R&D) services from the EU Procurement Directives (unless the benefits of the R&D are exclusively for the contracting authority *and* the R&D is fully paid for by the contracting authority). PCP therefore deals with the procurement of R&D that falls outside the EU Procurement Directives and Government Procurement Agreement.

PCP does still, however, require a clear identification of needs and a call for solutions. The difference is that once a number of potential solutions have been found, the contracting authority uses R&D services contracts in discrete phases to progress development to the point at which they can be considered for procurement and supply.

Phases considered are:

- i. **Solution exploration, feasibility.** Approximately five suppliers would be contracted to carry out an initial feasibility phase that would explore the concepts submitted and provide confirmation that innovative solutions exist. At the end of this phase, the procuring organisation may decide to reduce the number of suppliers to, say, three, based on the success of the work carried out.
- ii. **R&D and prototyping,** in which the remaining suppliers would be contracted to carry out R&D and prototyping to prove the solutions or technologies. The number of suppliers may then be reduced to, say, two.
- iii. **R&D for pre-production,** to first batch of pre-commercial products/services.
- iv. **Production and supply,** competitive commercial procurement carried out under normal procurement conditions and open to all bidders.

The first three phases can be progressed without re-competing, and at the end of Phase iii, the procurer then enters a commercial procurement procedure. There is no guarantee that any of the suppliers contracted for initial R&D will ultimately supply procured goods or services, but the procurer now has the knowledge that potential solutions exist in the marketplace.

The advantage of this approach is that it provides incentive for suppliers to share risk and rewards with the procuring organisation. If each of the phases is procured at fixed price, the supplier absorbs any over-run. The rewards come from the knowledge produced by the activity, publication of outcomes, full or partial ownership of IPR and allowing suppliers to commercialise the new products or services.

### 7.3 Forward Commitment Procurement (FCP)

Case study 3 describes the rationale for FCP developed by the Manufacturing Materials and Environment Directorate (MME). Whilst FCP as a process is still in development, there are number of stages which can be considered within existing procurement rules and processes. The fundamental premise of FCP is that by giving clear visibility to credible procurement needs, and by making it clear that innovative solutions will be fully encouraged and considered, you will positively stimulate suppliers' development efforts.

The process of stating procurement needs via a PIN and OJEU notice is fundamental, but the definition of these needs requires careful thought if you believe that more innovative solutions may be required. In the case of HMPS, careful wording of the PIN, dissemination via intermediaries, and subsequent discussion with interested suppliers (in this case, using Concept Viability) prior to procurement, meant that suppliers felt confident to submit innovative proposals. The likelihood, therefore, is that having attracted interest in the procurement, evaluated innovative products and proposals, and used this evaluation to inform a well-focused specification, HMPS will be in a position to carry out procurement, using the appropriate procedure in the circumstances, i.e. Competitive Dialogue.

A possible next stage of FCP is that, having worked through the procurement process and selected the solution and supplier offering the best value for money and overall performance, the supplier will need to prove feasibility of the solution ready for supply.

The process currently under consideration is the awarding of a Forward Commitment contract which would state that, provided defined and agreed performance and supply criteria are met by a given timescale, the selected solution would be purchased. The aim of this approach is to give the supplier a firm basis for seeking external investment and support. You will need to take separate legal advice on how such a contract can be constructed, but the overall concept could be employed within EU procurement rules provided that normal public procurement processes are followed.

You will also need to consider the implications of delaying the supply of solutions until full capacity to deliver is reached, and that you can clearly justify awarding a

contract for such a new solution over a less innovative one that has a commercial track record and which may be available immediately.

For more detail, case studies 3a and 3b illustrate how HM Prison Service and London Fire and Emergency Planning Authority respectively planned to use the concept of Forward Commitment to find and procure more innovative solutions.

## 7.4 Design Contests

The basic principle of design contests is to seek new and innovative approaches to specified needs. Prizes may be awarded from design contests, and one of the main prizes can be the award of a public service contract. The method therefore fits well with the requirement to find and procure innovative solutions, and can be split into a number of constituent parts. Where the design contest falls within the EU procurement rules, i.e. the prize or services contract award is above the prescribed threshold, the procedure set out in the EU Procurement Directives should be followed, including advertising in the OJEU. A summary of the Design Contest process is given below, but you should also consult the European Commission [SIMAP](#) web site for full details and applicability.

### Design contest procedure:

- Against a specific need, publicise a set of requirements for which you are seeking an innovative solution. Use outcomes as much as possible, and also include known constraints with which any solution would need to comply. Note that you should specify the timescales for the contest, including when submissions should be received, the time to be taken for the evaluation/judging, and when you expect to be able to announce winners. Consideration should be given to an appropriate level of advertising, even if the prize/public services contract is below the prescribed threshold..
- Establish your approach to ownership of final products or services and IPR. Since the final prize may be award of a contract, you will need to ensure that you will have rights to use the outputs.
- The design contest and needs can be published in the OJEU as a PIN and/or contract notice or independent notice in selected media. One of the main stipulations of the publication is that it must be open to all, non-discriminatory and should follow the well-known principles of the EU procurement rules.
- Select and appoint an expert jury or panel to judge the entries as they arrive. The jury should have the expertise to make decisions on the merits of the entries, and should be as wide a representation of skills and areas

of operation as possible. Think of where you would find this expertise, perhaps from a wider, international arena, not just from within the UK.

- Ensure that the processes for receiving, disseminating and storing entries are secure. As entries arrive, you will need to assign a number to each, so that as they reach the jury the identity of the submitter is kept confidential, helping to ensure impartiality.
- Judging the entries must be against pre-set criteria, which will need to have been published with the initial specification. The criteria will need to cover all areas of operation, quality, appearance, performance and value for money, with the weighting of these dependent on the specified need.
- Judging is likely to take place through a number of phases that you should specify at the outset, with the successful entries either being awarded a contract to supply, or some other prize. In the latter case, this could be a grant or other assistance to develop the design to commercial supply.

Overall, design contests follow the same general structure and processes of the other evaluation and selection processes described, and rely on the basic principles of good procurement practice. Before embarking on a design contest exercise you should ensure that the final procurement stages are budgeted and approved, and that timescales tie in closely with policy and programme objectives.

## 8 Intellectual Property Rights (IPR)

The strategy for dealing with the protection and assignment of IPR needs to be agreed in the very early stages of any policy, programme or project, especially in cases where innovative solutions are being sought and procured. You may wish to draw up a Heads of Terms agreement early in the process to structure supplier discussions. There are two main considerations for IPR, the acknowledgement and protection of the background IPR owned by the innovator, and the ultimate development and ownership of IPR following award of contract.

### 8.1 Before calling for solutions

We have already stated that carrying out a market sounding exercise prior to seeking innovative solutions, or entering a competitive procurement, is an important way of understanding how to direct a call for solutions. One useful part of a market sounding for specific technologies and services is to carry out a search of patents, published patent applications and other IPR, through the [UK Intellectual Property Office](#). The results of such a search can help you to identify owners of IP which may hold the solution to a problem or allow you to carry out more effective evaluations of submitted ideas, using better knowledge of what solutions may already exist.

### 8.2 Innovator and background IPR

It is in the nature of new and innovative solutions that there will be a variety of states of IPR protection ranging from none to full. There is, however, likely to be a concern from many innovators about how their IPR will be affected by the submission of ideas and innovations. You will need to carefully consider how you wish to deal with this in any call for solutions, and in the follow-up activity. Main points to consider are:

- In the call text (either website or other documentation), you need to make it clear that obtaining initial IPR protection is the responsibility of the innovator, even if subsequent contracts may include full or partial ownership by the contracting authority. You will need to make it clear that all submissions will be treated in strictest confidence.
- You should try to establish during the response phase of a call what IPR protection exists in the innovation. The NIC simply ask the initial question “have you taken any steps to protect any Intellectual Property?” It then asks for any reasons why IPR has not been protected, or if it has been protected, in what way.

- You will need to ensure that the people and systems you have put in place to make and evaluate the call for solutions are secure and hence that details about innovations will be kept confidential throughout the process.
- Also think about any other organisations, businesses or individuals outside your own and ensure they have secure systems in place. Make sure you are convinced that ideas will be kept confidential, and that this can be documented. The NIC website contains all the information and correspondence submitted for each innovation. There are specific access levels to the information, dependent on the level of person accessing the data. In the case of the RRP, access to the information on each submission is controlled within a known group of people.
- One lesson from the RRP is that you make sure that IPR is the property of the submitter in the first instance, and that they are in a position to progress the development or sale of the innovation.
- It is important that you check any claims by the supplier that the idea proposal is novel. In this case, you should include a direct question that basically asks “Is your idea/innovation new and novel?” The answer will at least give you an indication of the innovative nature of the idea, but you will need to check claims by subsequent research.
- You should ask if the submitter has carried out IPR searches, and that they are convinced that IPR protection could be awarded once application (e.g. for a patent) has been submitted to the UK Intellectual Property Office.

In making the statement on IPR in your call for innovations, it is worth adding a note that if the submitter has not decided on how to cover their idea or innovation, they could look at the [UK Intellectual Property Office](#) guidance

### 8.3 Ownership of final IPR

In terms of ownership of eventual IPR, the **OGC** view is that “IPR should rest with the party best able to exploit it” (see [OGC guidance](#)). This leaves scope for discussion on each innovation, as again, there is no one size fits all policy. Options for developing IPR are:

- Early agreement that the innovator will own all resultant IPR from any product or process that results from the procurement. Bear in mind that not all innovators or suppliers may be in a position to exploit their IPR, but also consider that in other cases there may be no real benefit to the public procurer to owning the IPR. In the latter case, public ownership of IPR can be seen as a disincentive to submitting ideas in the first place.

- The innovator may own the overall IPR, but it is agreed to license use of this to the buyer in a specified application or area. Licensing of IPR is an expert area, and should be built into early stage plans and supply contracts.
- The buyer takes an exclusive licence or ownership of any IPR.

Legal advice should still be sought when deciding what IPR exists and how these rights should be assigned. It is advisable to decide how you would wish to handle IPR in each case before entering into full negotiation, so decide your strategy early on.

Agreeing terms of assignment of IPR in advance is well advised, including payment terms, which elements of the IPR are being assigned to whom, in which areas and for how long. In the case of the NIC, one of the main aims of their work is to source and develop innovations to enable the NHS to own all or some of the IPR.

If the buyer does own any rights, consider how this will affect the supplier's rights to sell and develop the solution, and how will this affect the supplier's ability to continue to do business?

In drawing up any final terms and conditions it is important to remain flexible dependent on the innovation and how it is likely to be used and sold. Consider the length of ownership in each case, and the liabilities and indemnities that could result. Overall, having defined the strategy, make sure you consider using professional advice in each case.

## 9 State Aid

The purpose of this section is to highlight the potential issue of state aid in your procurement. If you have any doubts about the applicability of state aid, or require further information, please consult the [DIUS website](#).

EU state aid rules prevent the distortion of the EU market through the provision of Government funded assistance. To be classed as state aid four criteria have to be met, namely: it is granted by the state or through state resources; it favours certain undertakings or production of certain goods; it distorts or threatens to distort competition; and it affects or has the potential to affect trade between EU Member States.

The definition of a state aid is broad and includes grants, loans, reimbursement of costs in the event of success, and preferential public ordering. It may also apply to public private partnerships and contracts not open to competitive tender.

There may be a read across between your procurement and state aid rules depending upon the nature of your procurement and how you have approached it. As a rule of thumb, if you are paying the market price for a good or service and are following EU procurement rules then state aid shouldn't be an issue. The Commission's new state aid framework for R&D and Innovation also reflects the principle that where member states are commissioning R&D or buying the results of R&D from businesses (as opposed to subsidising business R&D projects) state aid will not normally be involved provided that the procurement is at a market price and the contracts are awarded according to market conditions. The fact that a tender procedure in accordance with procurement rules has been carried out will be regarded as an indication of this.



## 10 Checklist for finding and procuring innovative solutions

The approaches to finding and procuring innovative solutions described in this document can be summarised in a number of main considerations to be made before and during procurement. Whilst the list below is not exhaustive, it is worthwhile checking through it to stimulate your own thinking and actions.

### 10.1 Identifying Need

- Confirm specific requirements and needs from policy demands.
- Engage with stakeholders such as policy makers, procurers, end users, suppliers and/or customers to ensure their perspectives and needs are considered.
- Decide if needs are, or can be, satisfied in the long or short/medium term.
- Consider unsolicited ideas, and if you need to implement mechanisms to continually compare these with needs.

### 10.2 Expressing Need

- Identify required outcomes or outputs from needs.
- Do not specify the solution, just the problem or needs.
- Provide essential information avoiding unnecessarily prescriptive specifications.
- Use simple language the market will understand.
- Decide your approach to the market.

### 10.3 Initial Check of the Market

- Identify or consider similar needs in other areas of the public sector, both UK and Europe.
- Use resources such as KTNs, Innovation Platforms and Trade Associations to understand the market better.
- Check adjacent markets.
- Identify routes for supplier engagement and carry out discussion of needs. Use Concept Viability or similar approach. Use supplier input to shape how needs can be expressed.

### 10.4 Deciding approach to procurement

- Use information on the market, and your own timescales and needs, to decide if there are potential innovative solutions either available or in development.

- Decide if there are sufficient numbers of potential suppliers -either alone or as collaborations - which could meet the needs in the long or short term.
- Secure senior level agreement to seeking innovative solutions.

Dependent on availability of potential suppliers or solutions, decide your overall approach:

- **Marketing sounding only.** In markets with few or no viable solutions, consider a market-sounding call which will help you to inform a future policy or procurement strategy.
- **Marketing sounding as part of procurement.** In markets where viable solutions and suppliers may exist, but which require development and market shaping. Begin procurement, the detail and structure of which is informed initially by a call for solutions (eg, via a PIN).
- **Procurement.** If there are definite, viable solutions, consider direct procurement using, for example, Competitive Dialogue.

### 10.5 Before Making a Call

- Define your target markets.
- Define your approach to the market – consider how you will engage with intermediaries.
- Decide your timescales for market sounding and eventual procurement.
- Decide the resources and specialist skills needed to carry out a market call and evaluation of submissions.
- Put in place structures and processes to communicate with respondents.
- Define your IPR approach, even if this is a high level strategy at this stage. Ensure that confidentiality of submissions can be ensured.
- Consider the effects of State Aid rules and procurement rules when deciding how to influence development of solutions.
- Ensure that you have senior level sign-off for a longer term procurement exercise.

### 10.6 Making Call

- Identify and alert Intermediaries.
- Use web pages and other relevant media. The choice of these could depend on the target audience.
- Publicise the call.
- Remember to locate and use existing initiatives if possible, for example, Supply2Gov.

Consider:

- Size of website and design implications.
- Cost of design and operation.
- Resources and skills for operation.
- Set up of links, after identification of viable ideas, with relevant parts of your own organisation. Ensure that processes for dealing with ideas and linking these to procurement are in place.
- Brief all relevant people on how to deal with ideas and link them to policy and procurement.

### **10.7 Managing Call**

- Overall, set up documentation systems and ensure that each submission can be tracked.
- Establish a due diligence methodology.
- Establish personnel and processes for assessing submissions, eg an expert panel, and decide how this will be managed.
- Ensure consistent and accurate correspondence with submitters, and make sure timescales for response are adhered to.

### **10.8 Procurement Routes**

- Straight Procurement Tender, open or restricted.
- Competitive Dialogue.
- Design Contest.
- Forward Commitment.
- Pre-Commercial Procurement (R&D contracts).

## 11 Glossary of terms

<a href="#">Competitive Dialogue</a>	A new procedure within the Public Contracts Regulations 2006 (SI 2006/05) for use in the award of complex contracts where the contracting authority needs to discuss all aspects of the proposed contract with candidates.
<a href="#">Concept Viability</a>	A service offered by <a href="#">Intellect</a> , which allows public sector clients to take market soundings to test the practicability of their ideas at the earliest stage. Within the OGC Gateway™ process this would be before Gate 1 (and may even be before Gate 0), and before any public commitment (political, financial or “go live” date) has been made.
Forward Commitment	A commitment to purchase, at a point in the future, a product or service that does not yet exist commercially, against a specification that current products do not meet, at a sufficient scale to enable the investment needed to tool up and manufacture products that meet the cost and performance targets in a specification.
Grant-in-aid	Regular payments made by departments to outside bodies (usually non-departmental public bodies) to finance expenditure on agreed items or functions. It is used to fund a recipient because its activities are in close alignment with the government’s objectives and because its relationship is characterised by a high level of trust, often over the long term.
Heads of Agreement	A legal document that summarises key contractual conditions, which the parties wish to agree between them, but which does not amount to a contract in its own right.
HMPS	<a href="#">Her Majesty's Prison Service</a>
IPR	Intellectual Property Rights
KTN	<a href="#">Knowledge Transfer Network</a>
	A Technology Strategy Board business support network delivered through the Technology Programme to which supports a range of activities and initiatives to enable the exchange of knowledge and stimulate business innovation.

LFEPA	<a href="#">London Fire and Emergency Planning Authority</a> runs the London Fire Brigade.
Market Sounding	The process of talking to the market before a decision is formally made to advertise procurement; normally undertaken to determine whether procurement can go ahead in the manner envisaged.
MEAT	Most Economically Advantageous Tender
MME	Manufacturing Materials and Environment Directorate (formerly Environmental Industries Unit) is a joint BERR/DEFRA unit, which promotes the environmental goods and services sector in the UK.
NIC	<a href="#">NHS National Innovation Centre</a> is part of the NHS Institute for Innovation and Improvement that works to speed up the development and adoption of technological innovations for patient care. It provides an important focal point for innovators of healthcare technology, whether universities, the healthcare industry or NHS staff themselves.
OJEU	Official Journal of the European Union. It has at least 3 variants, which are: - the "L Series" about Legislation, the "C Series" about Information and Notices, and the "S Series" (Supplement to the OJEU) where all public procurement notices are published. Note: If requesting something from the OJEU, remember to ask for the English language version.
Outcome/Output Specifications	<a href="#">Output based specifications</a> provide a description of the requirement in output or outcome terms, concentrating on what is required rather than how it is to be delivered.
PIN	Prior Information Notice
PPN	Public Procurement Network
PQQ	<a href="#">Pre-qualification Questionnaire</a> . A document drafted by a Contracting Authority that invites potential bidders to express an interest by supplying evidence of their financial standing and technical capability to undertake a procurement, which can lead to their selection as a bidder.

RRP	<a href="#">Rapid Review Panel</a> conducts evaluations on behalf of the Health Protection Agency (HPA) to provide prompt assessments of new and novel equipment, materials, and other products or protocols that may be of value to the NHS in improving hospital infection control and reducing hospital acquired infections.
SMEs	Small and Medium Sized Enterprises
Whole Life Costs	Whole Life Costs (WLC) are also referred to as Life Cycle Costs (LCC) and Through Life Costs (TLC), which represent the total cost of ownership from acquisition through maintenance to disposal. See OGC's guidance on <a href="#">Whole Life Costing</a> .

## 12 Further reading

[Capturing Innovation: Nurturing Suppliers' ideas in the public sector](#) (November 2004)

[Competing in the Global Economy: The Innovation Challenge](#) DTI Innovation Report. (December 2003)

[Cox Review on Creativity and UK Business Performance](#) (December 2005)

[DTI 5-Year Programme: Creating Wealth from Knowledge](#) (November 2004)

[Early Market Engagement: Principles and examples of good practice](#) (2006)

[Innovation and Public Procurement Report](#) by CBI/QinetiQ (October 2006)

[Pre-commercial Procurement of Innovation](#) (March 2006)

[Procuring the future: Sustainable Procurement National Action Plan](#) (June 2006)

## Appendix A1 [NHS National Innovation Centre \(http://www.nic.nhs.uk\)](http://www.nic.nhs.uk)

Case Study 1	For long term, ongoing requirements	Project not part of a procurement	Use of Portal for unsolicited ideas
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### A1.1 Background to the National Innovation Centre

The National Innovation Centre (NIC) is part of the NHS Institute for Innovation and Improvement.

The overall aims of the NIC are to seek health related ideas, sift/evaluate the most relevant, work with the idea owners to develop the product or process to become usable (seed funding will be available for some), and then work within the NHS to get this adopted and in use. The NIC is working to speed up the development and adoption of technological innovations that deliver the best result for the patient. Procurement of ideas is not part of the role of NIC as their work is related to market sounding and market creation.

#### [Innovation Hubs](#)

The NHS network of regional NHS Innovation Hubs has been set up to support NHS Trusts and Primary Care Trusts (PCTs) identify and develop innovations that are in the interests of patients and society as a whole. They do this through the activities and services of the network and by adoption of the [Department of Health's guidance](#) on the management of intellectual property. The Hubs offer legal and commercial support to NHS staff who have a pre-market product. In doing so, each Innovation Hub serves the NHS organisations in its area by identifying, protecting and developing intellectual property sourced from within the NHS.

#### [Training Hub](#)

The Training Hub works largely with products already in the market, the training hub will set standards for the most advanced training technologies in healthcare.

#### [Adoption Hub](#)

The Adoption Hub has a role to identify the factors that will enable new technologies to be taken up as quickly as possible by the NHS.



### **A1.2 Proactive approach - the “Wouldn’t it be Great if...?” (WIBGI) workshops**

The aim of their new WIBGI initiative is to develop a more proactive role for the NIC in promoting innovation instead of just reacting to ideas put forward by NHS staff and/or outside sources. The NIC intends to set up a series of workshops, via the Innovation Hubs, for experts within NHS, academia and the independent commercial sector to identify clinical needs and identify innovative solutions.

However, in order to maintain a level playing field, the NIC would stipulate that no participant would be given preferential treatment in any subsequent procurement of further research and development through attending any of the workshops.

### **A1.3 Allowing industry to take up the challenge**

Just highlighting that there is a need to provide an innovative solution to a problem could be enough to stimulate a market to innovate. Through conducting the workshops, the NIC should be able to get a feel for the level of interest from industry to come up with solutions themselves.

If there were a high degree of interest from industry to develop solutions to potential need (for example where the market is large and/or where the level of risk/reward is attractive to industry) the NIC would likely leave industry to get on with research and development of these solutions independently.

### **A1.4 Reactive approach – [Electronic Innovation Assessment Tool](#) and [NIC Innovation Assistant](#) – **The Innovation Portal****

In parallel with the WIBGI workshops, the NIC has also developed an electronic scorecard system called the '[Innovation Assessment Tool](#)' for unsolicited ideas. A detailed examination of the scorecard approach is shown later in this Appendix. Users are able to submit as many solutions as they like. Each submission is scored on the basis of a number of criteria such as the extent to which the innovation would contribute to improving healthcare priorities, such as

- Improved health of the population
- Reduced health inequalities
- Improved care for people with long-term conditions
- Reduced waiting time for treatment
- Enable patient involvement in treatment
- Enable independent living for older people and people with disabilities

For each question, there is a descriptive element providing advice on self-scoring, there are also text fields allowing the submitter to provide supplementary

evidence/description for their innovation. The questions ask the submitter to provide detail on all aspects of their innovation and capability, including efficiency, quality, stage of development, technology, marketing, regulatory and impact on existing services.

The automated evaluation mechanism is based on a scorecard principle and each assessment will have a numeric value. The value of all components will be added together to provide a final result. Applications that achieve a score at or above a threshold will pass this part of the evaluation process. The mechanism has the flexibility to develop over time in response to the number and nature of applications received. For example, if some potentially fruitful applications were failing this part of the evaluation or other clearly unsuitable applications were passing, the criteria/scoring could be reweighted.

For each question in the application process, the Scorecard provides links to advice and guidance contained on the Innovation Assistant. Innovators are, therefore, expected to have done a significant amount of market research and development before their innovation is scored highly (and therefore prioritised for consideration by the NIC).

Following the initial Scorecard filter, the innovator can request that a screener review his/her proposal manually to evaluate the idea further, check that there is sufficient information provided and make initial contact with the innovator. Those applications that look promising can then be passed to a panel of suitable experts who evaluate the applications by way of a due diligence checklist (see details later) to validate need, check that the innovation is unique, identify technical feasibility (for early stage innovations), economic feasibility (cost/benefit analysis), identify the status of IP and finally identify any additional markets outside of the NHS for the innovation.

Having determined which innovations have potential value to the NHS the NIC team helps develop them, for example by arranging clinical trials/pilots, with a view to eventual NHS adoption of the suitable ones.

Coupled with the Innovation Assessment Tool is an electronic [“Innovation Assistant”](#) which provides advice and guidance on all areas of innovation in the NHS, from the generation of an idea, through to developing a business case, prototyping, clinical trials, marketing etc. This provides a wealth of knowledge for anyone who is developing an idea that they believe would have a market in the healthcare industry. The NIC anticipates that this would be of particular value to lone innovators, internal staff and SMEs. There are also [Case Studies](#) and [“How to...?” guides](#) aimed at providing real examples of getting innovations into the NHS.

The NIC are also working closely with the NHS Innovation Hubs to ensure that NHS staff wishing to submit innovations receive help and guidance. The

Innovation Hubs will also be able to provide advice and assistance to businesses and individuals external to the NHS.

### A1.5 Where solutions already exist

Both the reactive and proactive approaches should also help to identify whether solutions already exist. If this is the case then there are a number of ways in which the NIC could consider supporting the development of these ideas to a stage where they can be brought to market:

- *Business support*- providing support in the form of business advice through the innovation assistant and other sources of help within the NHS.
- *Brokering* - the NIC could facilitate the identification of larger suppliers who may be interested in the innovation, thereby allowing the innovator to secure external resource to develop their innovation further.
- *Showcase events* - demonstrating prototypes and/or products with a view to establishing partnerships for clinical trials, further development etc. (ensuring that products are at a suitably developed stage, i.e. patented).
- *Directing innovators to external sources of funds/help* (such as Business Links and Regional Development Agencies).
- If a *clinical trial* is required, the NIC could facilitate this by identifying suitable NHS contacts, via the Innovation Hubs, and put them in touch with the innovator.
- Late stage products at, or near, market might benefit from a *detailed evaluation against competitors' products* both to test that the product does what it claims to, and provides value for money, with the results being published on a website (as with the NHS Rapid Review Panel and the Centre for Evidence-based Purchasing) thereby allowing Trusts/PASA to be better informed about the market before procuring). The NIC could help to get these products looked at by the respective organisation.

### A1.6 Where Solutions do not already exist – Stimulating the Market

Where the NIC identifies areas where there is a need for new, or refined technologies, but these are not being pursued by commercial operators for whatever reason (i.e. as previously discussed, these could be the lower profile/less profitable areas, or if the approach identified is truly novel and there is not yet an industry able to exploit the idea, or if the NIC is keen to retain control of the IPR for whatever reason), then the NIC could consider the best method of stimulating the market.

### **A1.7 Procurement of further Research and Development**

Again, if the solution is just at the idea stage, then the NIC could run an open competition to procure further R&D in line with the UK procurement regulations. In order to ensure fair and open competition, this would be advertised as widely as possible. The advertisement would describe the outcomes desired, rather than any specific solutions identified in the workshops (thereby helping to avoid giving the workshop participants an unfair advantage).

### **A1.8 Procurement of solutions**

The NIC will be working with the Collaborative Procurement Hubs to check that there is a suitable market for any outputs and try to ensure that timescales for development and procurement are compatible, i.e. there is no point investing time and money in the development of a particular solution, which would be ready in two years, when the NHS is tied into a contract for, for example, the next ten years.

Ultimately though, it is the NHS Primary Care Trusts (PCTs) and/or PaSA who decide when and where to purchase new products. The NIC is not a procuring body so does not purchase, nor influence PCTs or PaSA to purchase, any products it has helped to develop. The PCTs and PaSA are bound by EU public procurement rules and therefore have to openly procure to allow other products to compete with any products developed with assistance from the NIC. This helps ensure that the NHS gets the best value for money from the products that the market has to offer.

### **A1.9 What of state aid?**

It is anticipated that the NIC should be able to operate these activities without giving state aid to the businesses involved in developing or buying the licensing rights for any new products. The NIC will do this by being scrupulous about following procurement rules at the relevant points of the process, and by safeguarding against any conflicts of interest. For example, the terms on which NHS clinical trials take place would need to be the same as those that would apply to non-NIC commercial projects. Also, there should be no pressure on NHS bodies to approve or buy NIC sponsored products above rival commercial products.

### **A1.10 Operational Issues**

By the beginning of 2007 NIC were receiving on average 80 applications per month of which 75% were auto-sifted out by the Electronic Innovation Assessment Tool, leaving roughly 20 applications for further evaluation. The

evaluation team are finding that they are able to reduce the remaining 25% through manual evaluation to roughly 5%, which could be considered useful ideas for development. These submissions will warrant face-to-face meetings with the applicants.

All ideas submitted to the portal are responded to, but although the system has a standard reject letter for those applications that do not pass the initial scorecard sift, this is not being used, and instead each reject letter is tailored specifically to the application to which it relates, for instance it could signpost the submitter to other authorities which could be considered more relevant in terms of the proposal.

The NIC has learned a number of lessons in these early stages of development of its processes. Here we list some operational issues and, where applicable, how they were overcome:

- The establishment of a single metric for the evaluation of the ideas is very important. The NIC has chosen a simpler, but compatible, version of the [QALY](#) (Quality Adjusted Life Years) method of measuring the benefits in a numerical/quantifiable way. The QALY metric is used by NICE (National Institute for Health and Clinical Excellence) which means the NIC is working from the same basis as NICE which ensures consistency of evaluation within the NHS Innovations arena.
- The NIC intentionally kept the early promotion of the portal low key to allow for the smoother build up of the service. This would avoid potential bottlenecks for the service personnel to handle in the initial stages. This has proved to be the correct approach. Submissions in the first six months have increased at a steady rate and, as a result, the NIC has been able to manage the flow.
- NIC received many established ideas, which were simply seeking marketing/promotional funding. The Scorecard's initial assessment redirects these automatically.
- Engagement in discussions to learn more facts can raise expectations with the submitter of the idea. The NIC has had to manage these expectations carefully during discussion.
- The first iteration of the Portal did not auto redirect/deflect innovators to other organisations and this has increased the workload. The NIC is currently building a 'Navigator' tool that will automatically direct innovators to the most appropriate organisation within the NHS Innovation arena.
- Getting a clinical, or other, champion on board is crucial for further uptake and development of good ideas, and NIC make this recommendation to all innovators. Clinical Champions also play a key part in the 'Wouldn't it be great if' approach.

- Some applicants still prefer to offer their ideas in writing rather than through the Scorecard system to ensure a consistent and transparent approach.

NIC had to grapple with the question of *how to place an object value on an idea*. Many means were considered but the NIC decided that they needed a workable metric, which also had credibility throughout clinical/medical circles. They engaged with the work of the [MATCH](#) programme, a research collaboration of five leading UK universities in healthcare technology assessment. MATCH is regarded by the Engineering and Physical Sciences Research Council (EPSRC) as a centre of excellence in its field, having been awarded the status of Innovative Manufacturing Research Centre (IMRC). It aims 'to support the healthcare technology sector and its user communities by creating methods to assess value from concept through to mature product and by engaging with regulatory bodies at home and abroad'. MATCH also uses the QALY standard for assessment.

OGC recommendation:

- Thought should be given to potential lateral markets for ideas not directly applicable to the NHS. For example, it would be difficult to determine which department should take up an idea relating to the use of energy efficient light bulbs across the whole of the public sector, as there would be many cultural issues to resolve. As it happens NIC evaluators are helping submitters to find lateral markets which may be just as, or even more, relevant for the purpose of the idea. Some applicants still prefer to offer their ideas in writing rather than through the Scorecard system to ensure a consistent and transparent approach.

## Case Study 1

### NHS National Innovation Centre [Innovation Assessment Tool](http://www.nic.nhs.uk/AssessYourIdea/)

Available at <http://www.nic.nhs.uk/AssessYourIdea/>

#### A1.10 The web site tool is divided into three areas for assessment:

##### 'Concept': Questions on the Idea or Innovation

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1 <b>Tell us Something About your Innovation.</b></li> <li>2 <b>What do you call your innovation?</b></li> <li>3 <b>What is the best way to describe your innovation?</b> <ul style="list-style-type: none"> <li>• Existing technology</li> <li>• or Existing technology with small modifications / extensions</li> <li>• or Existing technology with major modifications / extensions</li> <li>• or New-to-the-World technology<br/>Please describe.</li> </ul> </li> <li>4 <b>To what extent will your innovation contribute to the following? (rated in 5 stages from 'Not at all' to 'Completely'):</b> <ul style="list-style-type: none"> <li>• Improved health of the population</li> <li>• Reduced health inequalities</li> <li>• Improved care for people with long-term conditions</li> <li>• Reduced waiting time for treatment</li> <li>• Enabling patient involvement in treatment</li> <li>• Enabling independent living for older people and people with disabilities</li> </ul> </li> <li>5 <b>Describe the main problem or opportunity that your innovation addresses.</b></li> </ol> | <ol style="list-style-type: none"> <li>6 <b>Describe how other solutions to this problem have failed and why the problem still exists, or why this opportunity has not been fulfilled previously.</b></li> <li>7 <b>Describe how your innovation solves the problem or exploits the opportunity.</b></li> <li>8 <b>What are the essential features of your innovation that make it better or novel compared to existing solutions?</b></li> <li>9 <b>Describe how your innovation might improve efficiency.</b></li> <li>10 <b>Describe how your innovation might improve effectiveness.</b></li> <li>11 <b>Have you taken any steps to demonstrate that your innovation works (eg prototypes, proof-of-concept trials)?</b></li> <li>12 <b>How have you funded the development of your innovation so far?</b></li> <li>13 <b>What are you hoping to achieve by working with the NIC?</b></li> </ol> |
|--|--|

**'Concept' continued**

- 14 Have you disclosed your innovation to others?**
- If no, are there any specific reasons?
  - If Yes, please describe what you have done
- 15 Have you taken any steps to protect any Intellectual Property?**
- If no, are there any specific reasons?
  - If Yes, please describe what you have done
- 16 How far have you developed your innovation in the following categories? (rated in 5 stages from 'Not at all' to 'Completely'):**
- Product or service designing
  - Business modeling
  - Securing funding
  - Assigning value to the product or service
  - Sales & Marketing
  - Production or implementation techniques
  - Measuring impact
- (Note: if submitter scores 4 or 5 on any of the above, they are requested to describe more fully).
- 17 Within each category, how much change would the health service need to undergo if it were to adopt your innovation? (Minor, moderate, major or none):**
- Equipment and IT
  - Clinical Processes
  - Managerial Processes
  - Financial Process

**'Value':****Questions on the Market for the idea**

- 18 At what stage of development is your innovation?**
- Concept
  - Feasibility
  - Prototype
  - Realisation
  - Introduced to the Market (eg CE marked?)
  - Used in the Market
- 19 Within the stage selected, how far have you progressed your innovation?**
- Just Started
  - Some development
  - Mostly developed
  - Completely developed
- Describe the most recent stage of your innovation's development.
- 20 If the size of the global annual market for your innovation is known to you, then what is your estimate?**
- Don't know
  - £0 to £ 0.5 million
  - £0.5 million to £10 million
  - over £10 million

Either explain what steps could be taken to determine the market size or explain the basis for your estimate.



### **'Capability': Questions on the idea's development and production**

#### **21 What percentage of the global market will your innovation capture?**

- Don't know
- 1% to 10%
- 11% to 50%
- 50% and above

Either explain what steps could be taken to determine the market share or explain the basis for your estimate.

#### **22 How significant are the barriers you face in the following categories? (rated in 5 stages from 'Minor' to 'Major significance'):**

- Skills
- Finance
- Technology
- Regulatory
- Sales & Marketing

(Note: if submitter scores 4/5 on any of the above, they are asked to describe how the barriers may be reduced).

#### **23 Describe any other barriers you have identified, and any plans to deal with them.**

#### **24 To what extent do you have access to the necessary skills to develop your innovation in the following categories? (rated in 5 stages from 'No Access' through 'Moderate Access' to 'Full Access to Skills'):**

- Product or service design
- Business modelling
- Securing funding
- Assigning value to your product or service
- Sales & marketing
- Production or implementation techniques
- Measuring impact
- (Note: if submitter scores 4/5 on any of the above, they are asked to describe how the barriers may be reduced).

#### **25 Please add any further information that you think may be helpful.**

The portal allows the submitter to enter the site and create a submission, save for later, send for automated assessment, and subsequently save and send for NIC assessment in single or multiple sessions. There is also a facility to attach supplementary documentation for evaluation.

## Case Study 1

### NIC Stage 2 Assessment Form – Due Diligence on Innovator Assertions

When an idea has been identified for further development for the NHS, a due diligence check is carried out to ensure that due consideration has been given to all technical and commercial options. Documenting this is very important in case of future challenges.

#### A1.11 Due Diligence Checklist

(used by evaluator following automated assessment by the system)

<b>NIC Log Number:</b>
<b>Working Title:</b>
<b>Link to Stage One Data Capture Form:</b> <i>here</i>
<b>NDA or Confidentiality in place?:</b> Y/N <span style="float: right;"><b>If yes, link</b> <i>here</i></span>

#### A1.12 Validate NEED

Without a genuine need for this innovation it is unlikely to find market uptake. When validating the Need take care to preserve the confidentiality undertakings NIC has given the innovator via both the Scorecard and within any additional, separate, agreement that may exist (see box above).

#### ***Example Assessment Form used through sections A4.1 – A4.5***

Information Sources Used				
Organisation	Contact Name	Phone	Email	Filed Info
<i>Example: Professional Body</i>				<i>here</i>
<i>Others as needed</i>				
<b>Summary of Need Assessment &amp; Size of Need:</b>				

#### A1.13 Duplication Check

The innovation needs to be unique; else it is merely a 'me-too' product. However, whilst there may be nothing equivalent on the market now, that is not the same as nothing being already under development or about to be launched.

#### A1.14 Technical Feasibility

The innovation must be technically realisable (albeit with some development work); else it is really a Research Project in disguise.

### A1.15 Economic Feasibility

The benefits realisation of the idea can often be outweighed by the cost of realising the innovation. This check should consider various aspects of taking the innovation to market. Consider aspects such as Manufacturing (materials & labour), Production set-up costs (tooling etc), Type Approval Testing, IP Protection, Packing & Distribution, finalising the design, User testing, Prototype design & manufacture.

### A1.16 IP Clarity

We need to ensure from the outset that the innovation does not infringe any 3<sup>rd</sup> party's IP and that any claimed IP protection is genuine and not imagined (by virtue of a DIY patent application for instance) and that ownership is not contested by any co-developer.

### A1.17 Markets & Additional Income Generation.

In order to enable an innovation to deliver healthcare benefits to the NHS, the supply chain needs to be commercially viable to ensure on-going sustainability. In addition to pricing the innovation (cost to NHS) at a point that ensures this, additional steps can be applied. For example, in the case of IP there may be parallel (non-medical) markets that can provide the innovator with additional revenue, or additional income from Global healthcare markets might be available.

Information Sources Used				
Organisation	Contact Name	Phone	Email	Filed Info
DIUS				<i>here</i>
<i>Others as needed</i>				
<b>Summary of Market Sizing:</b>				
NHS Market: £				
UK Non-NHS: £				
EU: £				
USA:£				
RoW:£				
Parallel markets identified:				
Commentary:				

### A1.18 Summary & Recommendations

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## Appendix A2 [Rapid Review Panel](#)

([http://www.hpa.org.uk/infections/topics\\_az/rapid\\_review/default.htm](http://www.hpa.org.uk/infections/topics_az/rapid_review/default.htm))

<b>Case Study 2</b>	<b>Web site request for specific ideas</b>	<b>New requirements to satisfy clinical problems</b>	<b>Informs procurers in their purchasing decisions</b>
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### A2.1 Background

The Rapid Review Panel (RRP) was established by the Health Protection Agency (HPA) as a Non-departmental Public Body (NDPB) in April 2005. Its role is to provide an integrated approach to protecting UK public health through the provision of support and advice to the NHS, local authorities, emergency services, other Arms Length Bodies, the Department of Health (DoH) and the Devolved Administrations.

The RRP has the objective to improve hospital infection control and reduce hospital acquired infections by promptly assessing new and novel equipment, materials, and other products or protocols that may be of value to the NHS in this area. The panel will not conduct evaluations of products but will review information and evidence provided and makes recommendations to the Department of Health.

### A2.2 Why Established?

There is a serious, long-standing and much publicised problem with healthcare associated infections. Despite attempts in the late 1990s to combat such infections, the impact had been minimal. In 2002 the Chief Medical Officer identified healthcare associated infections as needing intensified control measures in his *Chief Medical Officer's Infectious Diseases Strategy for England, Getting Ahead of the Curve*. This resulted in the Department of Health identifying seven action areas in the December 2003 document "*Winning Ways: Working together to reduce Healthcare Associated Infection in England*". Under the Research & Development action area the report stated that "A rapid review process will be established to assess new procedures and products for which claims of effectiveness are made of their ability to prevent or control healthcare associated infection".

The RRP was subsequently convened by the HPA at the request of the DoH and met for the first time in July 2004.

### A2.3 How they do it

The RRP invites respondents, via the HPA website, to submit details of their innovative product/process to the RRP Secretariat. The Secretariat then makes an initial assessment of the innovation and contacts the respondent. They will either be told that their innovation does not meet the criteria for review by the RRP and why, or will be sent an application form asking for the following:

- Contact details.
- Name of product/process.
- Date of release onto UK market and other countries where product/process is marketed.
- Brief description.
- Why it is innovative/new.
- How it will reduce infections.
- Why it is more effective than similar products/processes.
- How it works.
- What it is composed of (if applicable) to aid a risk and safety assessment.
- Safety information – compliance with UK legislation/regulations/standards.
- *In vitro* activity of the compound (if applicable)
- Published or other evidence of impact including Peer reviewed publications.
- Acceptance of RRP terms and conditions including publication of evaluation, an undertaking not to use the RRP assessment as an endorsement of the product (although they can refer to it), that the application form is accurate, and the submitter has the authority to submit the product for assessment and sign the disclaimer.

The Secretariat ensures that the application forms have been fully completed before submitting to the Panel for review. The Panel will normally consider written submissions but may also seek presentations by and discussion with manufacturers/proposers. The Panel meets every 3 months and review 10 to 25 products per meeting. It comprises top UK scientists, [NHS Purchasing and Supply Agency](#) (PaSA), and [NHS Centre for Evidence Based Purchasing](#) (CEP). Two members with expertise in the particular area will receive all data for an application; other Panel members receive only the completed application form. The two experts then present their findings at the Panel meeting and start a discussion.

The Panel does not conduct evaluations of products but reviews information and evidence provided and make recommendations to the Department of Health. It then categorises the products/processes in the recommendation categories - from 1 (recent evaluations have shown benefits that should be available to NHS

bodies) to 7 (product not sufficiently related to infection control procedures) - to merit consideration by the panel.

The products falling into the first recommendation are considered for fast tracking into the future workplans of the NHS PaSA and the National Institute for Clinical Excellence (NICE). Whenever further work is recommended, the Panel may indicate the general scope and scale of the research and development or in-use evaluation required but it will not produce detailed protocols. Products/processes may be resubmitted once recommended work has been successfully undertaken.

The RRP opinions are published on the [HPA website](#) within one week of the Panel meeting, along with the categorisation for the product/process.

The respondent has the opportunity to correct any factual inaccuracies before full publication.

#### **A2.4 Rapid Review Panel Learning for the Ideas Portal**

In September 2006 some of the RRP team provided a set of practical lessons from their experiences to date.

#### **A2.5 Identification of Need**

Identification of need, and in particular prioritising needs, is difficult. It can be done on priority health care areas, cutting costs, source of innovation, etc.

Needs can be bottom up and top down, the problem is in gathering them in a structured way to allow prioritisation.

#### **A2.6 IPR/ownership**

There is a specific clause in the RRP application form asking the submitter to confirm they have the authority to submit the application as some distributors had been submitting products without the knowledge of the manufacturer/owner.

#### **A2.7 How to call for ideas**

Beware of jargon, professional language, and ambiguities. In the RRP application form the request for references (meaning publication in journals) was often taken to mean testimonials for the submitter.

Make it clear that some technological detail will be necessary to evaluate. This dissuades marketing/sales departments' involvement.

Be clear about what you mean by innovative solutions. For RRP they define it as a product on the market for less than 2 years, developed during the last two years, or an old technology used in a new/novel way.

#### **A2.8 Submission of ideas**

RRP has an application form (we have a copy of this) and Secretariat contacts all potential submitters before issuing it.

### **A2.9 Sifting of Ideas**

Secretariat carries out initial sift and asks suppliers for further information where necessary. Only when the Secretariat is satisfied is the form put to the Board. They use their experience to judge what the Board will and won't need to know.

### **A2.10 Evaluation of ideas**

Be prepared to re-evaluate ideas where it is clear that not all information has been provided or understood.

The RRP evaluates 10 to 25 products per meeting (every 3 months). Two members with expertise in the particular area will receive all data for an application; other Board members receive just the completed application form. The two experts then present their findings at the Board meeting and start a discussion leading to the overall evaluation. The RRP is moving to a position where all panel members will have access to all supporting information.

Evaluation can be hindered by a lack of evidence on cause and effect. You may ask for a solution to a particular problem and find someone submits a way of dealing with something they claim causes the problem, but for which there is no proven link.

### **A2.11 Communication with submitters of ideas**

Submitters can have unrealistically high opinions of their ideas so need careful but firm handling in correspondence. Be helpful but do not give false hope.

### **A2.12 Post-Evaluation**

Ideas' submitters are asked to sign a legal document agreeing to the results of the evaluation being published on the website at the time of submission. They have 24 hours to object to any factual inaccuracies before the evaluation gets posted on the HPA website. Recommendations appear on the website within one week.

Submitters gaining a high ranking from RRP are not allowed to use phrases such as "RRP endorsed" although they can refer to the RRP evaluation.

There can be problems in getting even the best solutions adopted for example where existing contracts preclude the adoption of new products, where the technology is very disruptive/costly to implement, or further trials/approval required. The RRP remit is only to judge the effectiveness of a solution.

### **A2.13 Review**

Be prepared to review and change your own procedures in the light of experience.

## Appendix A3 Manufacturing Materials and Environment Directorate (MME)

### Case Study 3

### Smaller scale procurement activities based on VFM

The joint BERR/DEFRA Environmental Industries Sector Knowledge Team, within the BERR Manufacturing, Materials and Environment Directorate (MME), works alongside the business-led Environmental Innovations Advisory Group (EIAG) to identify and implement practical measures to tackle barriers to innovation in the environmental industries sector.

The EIAG has identified public procurement as an important driver for innovation within the environmental industries sector and is developing a "Forward Commitment Procurement" approach as a way of delivering this. The approach involves providing advance information of future needs, searching out and engaging with potential suppliers and, critically, incentivising them through a Forward Commitment - the promise of current and future business - to promote investment in innovative new product development. Forward Commitment can be defined as:

*A commitment to purchase, at a point in the future, a product or service that does not yet exist commercially, against a specification that current products do not meet, at a sufficient scale to enable the investment needed to tool up and manufacture products that meet the cost and performance targets in a specification.*

OGC has worked with MME, HMPS and LFEPA to provide guidance and support on the legal and procurement aspects surrounding their innovative projects..

#### A3.2 Forward Commitment Procurement (FCP) Project

This procurement approach is one of the recommendations proposed by the [Sustainable Procurement Task Force](#) in its report 'Procuring the Future' published in June 2006 and it provides a procurement method as a means of developing innovation which is within the rules set out under EU legislation.

The MME are developing the *Forward Commitment* model through two case studies:



- HM Prison Service (HMPS) has identified a need for zero waste mattresses as current disposal practices are unsustainable and costly
- The London Fire and Emergency Planning Authority (LFEPA) aspires to 'zero waste fire stations', with no export of waste from its premises. As part of this they are looking to secure a technology that will dispose of non-recyclable waste on site.

These two examples are using **Forward Commitment** in their search for solutions:

- To first make visible their requirement to the market in the form of an outcome based specification that allows scope for innovative solutions
- Where required engage with the market and facilitate the development of a supply chain

Where necessary offer to purchase products and services that are near market but not yet in commercial production or commercially available, subject to the agreed performance targets being met, in effect incorporating trials and demonstrations into the procurement process.

## Her Majesty's Prison Service (HMPS) Market Sounding exercise

<b>Case Study 3a</b>	<b>Market Sounding exercise</b>	<b>Renewing and improving on existing contracts</b>	<b>View to procuring within a defined timescale</b>
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### A3.3 'Innovation in the sustainable supply and waste management of mattresses and pillows'

This project is described by HMPS as a pre-procurement exercise to inform the specification for possible future procurement calls. It is not a call for tenders or a pre-qualification exercise. The aim is also to stimulate thinking around engagement with suppliers with innovative ideas that go beyond the current separated processes of supply and disposal, but it is linked to a known procurement need.

#### A3.4 Background

HMPS purchases around 60,000 highly flame retardant, polyurethane foam mattresses and pillows each year and dispose of circa 40,000 per year. The mattresses are designed to last four years, but in the conditions of the prison environment last on average only 17 months. Arrangements for disposal are handled separately by each prison area under local disposal contracts. The vast majority are sent to landfill with the remainder classed as clinical or hazardous waste and disposed of through high-level incineration. This is costly and environmentally unsustainable and out of step with HMPS and wider government waste policy and targets.

The contract for supply of mattresses is nearing its end and HMPS took this as an opportunity to overhaul its arrangements for supply, use and disposal of mattresses and pillows. Its aspiration is a zero waste solution.

#### A3.5 What they want to achieve

HMPS would like to achieve the best innovative solution which provides value for money for the product's/service's entire lifespan and has a beneficial environmental solution to waste. Hopefully this will also result in a lower turnover of mattresses and pillows, possibly as an outcome of longer life and without any extra administrative burden or costs.

HMPS are seeking to increase efficiency and improve disposal targets to satisfy their waste strategy as set out in the *Framework for Sustainability on the Government Estate – the 'unmet need'*:

- Requirement for zero waste prison mattress and pillow that meets or exceeds current operational needs in terms of health and safety and whole life cost efficiencies
- By 2012 all pillows and mattresses not classified as hazardous waste to be recycled or reused instead of going to landfill
- A reduction to 2% the number of those disposed of as hazardous or clinical waste

This market sounding exercise should determine solutions to reduce waste and secure cost effectiveness whilst satisfying demanding operational requirements. A desirable outcome from a new solution would be a four-year life span for the mattresses which was cost neutral and easy to implement. Some areas where innovation, ideas and improvements could be possible but not mandatory are:

- New and alternative materials for the mattresses and covers
- Fire proofing which is safe and facilitates sustainable disposal and recycling
- Sustainable waste disposal solutions
- The scope of the criteria in relevant eco-labels
- Systems that support cleaning and refurbishments for reuse after soiling
- Anti-bacterial treatments
- Whole life cycle management and innovative commercial arrangements which takes into account geographical considerations
- Leasing
- Incorporation of social benefits
- Limiting the creation of any extra work for prison officers

However, all potential solutions are being called for and considered to encourage innovation.

This is in addition to basic operational requirements of the product:

- Minimum four year lifetime
- High flame retardancy
- Prevention of concealment of goods and weapons
- Vandalism resilience
- Health and safety features which also limit the risk of self harm

### A3.6 Request for information to stimulate ideas

A Prior Indicative Notice (PIN), shown below in this Appendix was issued to the Official Journal of the European Union (OJEU) on 31 October 2006 as '[A call for innovative solutions and information](#)' for a market sounding exercise regarding:

- A zero waste mattress system for HM Prison Services
- Innovation in the delivery of environmental sustainability throughout the life cycle of prison mattresses'

A fuller prospectus, giving information on the requirement, was also made available on the HMPS web site and also linked from the PIN.

Submissions were invited from all sectors and for any part of the supply and disposal chain and this extended to SMEs and third sector organisations with an emphasis on the use of innovative and pre-commercial approaches and technologies. A number of intermediary organisations were approached and agreed to make their members or networks aware of the call for solutions (the summary document is set out below in this Appendix). The notice stated that the information gathered in response to the request would inform the specification for a call for tender in the medium term with an assurance that all information would be treated confidentially. Submissions were requested by 15 December 2006, and for interested suppliers to register online.

In January 2007 HMPS reported the PIN produced a good response both in quality and quantity from a wide range of responders, which included multinationals, SMEs and social enterprises. There were also a number of partial solutions, improvements to existing products, and indeed a number of spurious ideas too. It was found that more assessment was needed on origination of the ideas as to how truly novel they were. The call via HMPS intermediaries also proved worthwhile.

The details of those who assisted in the exercise would be published in a Contact Directory on the HMPS web site; this would be optional but most of the respondents were happy to have their details published. A representative sample of these companies were invited to attend an information exchange in a [Concept Viability](#) event on 23rd April 2007 to develop ideas further before an Invitation to tender is issued after June.

Once HMPS have completed the Market Consultation exercise, the information gathered will direct the way requirements are to be satisfied and will inform decisions in the contracting approach, ensuring that requirements are realistic in terms of market capabilities. The current contract has been renewed for a further

year to June 2008, which will allow approximately 18 months to develop a more innovative solution.

HMPS have allowed sufficient time for a thorough market consultation exercise and to undertake development of the best potential idea(s). In the meantime, they have the option to use any interim solutions that the exercise will produce to carry the business forward to that stage.

### **A3.7 Future procurement opportunities for responders**

It is the intention of HMPS to undertake a formal procurement exercise that will commence with the issue of an advertisement in the OJEU at a later date. All suppliers who responded to the market consultation exercise will be informed when the advertisement is released.

### **A3.8 Materials Knowledge Transfer Network (KTN) Event – November 2006**

One of the organisations targeted by the call for innovative solutions was the Materials KTN. The KTN is an overarching network of networks in Materials, set up to bring together the views of business, designers, research and technology organisations, trade associations, the financial market, academia and others in the value network across the materials community. The KTN provides a range of activities and initiatives to enable the exchange of knowledge and the stimulation of business innovation.

As well as publicising the call on its website and through electronic dissemination, the KTN ran a workshop to discuss the need and possible innovative solutions to enable a collective response to HMPS.

The main purpose of the event was to demonstrate some innovative thinking to HMPS so that the KTN was seen as a credible organisation for HMPS to engage with and to establish what further information was required from HMPS and why it was needed.

The event brought together about 20 participants from a variety of backgrounds ranging from product design to textiles to foam manufacture. They discussed possible improvements to the mattresses/pillows currently used as well as to the process of supply, use and disposal. The main information that the Group wanted was to know where the main costs and blockages in the current process are and the nature of the problems eg why do so many mattresses/pillows get discarded so early?

HMPS were not involved in this event as they could not give an undue advantage to the Group and did not have the resources to attend other such events to create a level playing field. However, the Group had researched the existing product and

processes and had a prison mattress to examine which helped them visualise the challenges. The KTN collated their thoughts and needs for information and submitted them to HMPS.

**A3.9 Documents related to this study are:**

[Prospectus for the Market Sounding Exercise](#) (available at HMPS web site)

**Also see below:**

[Draft PIN and Notice of Publication](#)

[Response form](#)

[Note to intermediaries](#)

**Case Study 3a****Notice of PIN publication –  
HM Prison Service, (October 2006)**

HMPS has published a PIN in the Official Journal of the European Union (OJEU) as part of a pre-procurement market sounding activity relating to its requirement for a zero waste mattress system.

A PIN is considered best practice for large public sector projects such as this its purpose is to:

- Forewarn the market that a procurement may begin in the future.
- Alert the market to high-level potential requirements, prior to any potential procurement process.
- Facilitate international participation in the market consultation exercise and help to ensure that this pre-procurement process is open and transparent

The PIN is an indication of potential future procurement activity and is subject to change. This notice makes no commitment to procure anything. The PIN is not part of any pre-qualification or selection process.

**A3.11 PIN**

**UK-Croydon: environmental improvement services**

**2006/S 210-224476**

**PRIOR INFORMATION NOTICE****Supplies****SECTION I: CONTRACTING AUTHORITY**

- I.1) **NAME, ADDRESSES AND CONTACT POINT(S):**  
 HM Prison Service, AMP House, Dingwall Road, Contact: Corporate Procurement Unit, Attn: See e-mail address, UK-Croydon CR0 2LX. Tel. See e-mail address. E-mail: [procurement.cpu@hmps.gsi.gov.uk](mailto:procurement.cpu@hmps.gsi.gov.uk).  
**Internet address(es):**  
 General address of the contracting authority:  
<http://procurement.hmprisonservice.gov.uk>. See section titled 'About the Unit' then 'Procurement Initiatives' for Prospectus and Response Form.  
**Further information can be obtained at:** As in above-mentioned contact point(s).
- I.2) **TYPE OF THE CONTRACTING AUTHORITY AND MAIN ACTIVITY OR ACTIVITIES:**  
 Body governed by public law.

General public services.

**SECTION II.B: OBJECT OF THE CONTRACT (SUPPLIES OR SERVICES)**

- II.1) **TITLE ATTRIBUTED TO THE CONTRACT BY THE CONTRACTING AUTHORITY:**  
Zero Waste Mattress System: Market Sounding Exercise regarding a Zero Waste Mattress system: Innovation in the delivery of environmental sustainability throughout the life cycle of prison mattresses. This market sounding exercise is likely to be of interest to both supplies and service providers and is being advertised under supplies only to avoid confusion.
- II.2) **TYPE OF CONTRACT AND PLACE OF DELIVERY OR OF PERFORMANCE:**  
Supplies.  
Main place of performance or of delivery: Supply to Public Sector Prison Locations in England and Wales - information on locations supplied on HM Prison Service web site.  
NUTS code: UK.
- II.3) **SHORT DESCRIPTION OF NATURE AND QUANTITY OR VALUE OF SUPPLIES OR SERVICES:**  
Her Majesty's Prison Service serves the public by keeping in custody those committed by the courts. Our duty is to look after them with humanity and help them lead law-abiding and useful lives in custody and after release. HMPS currently buy in the order of 60 000 highly flame retardant, polyurethane foam mattresses and pillows of the same material per year and, due to their limited life span in this environment, currently dispose of around 40 000 mattresses and pillows per year. At the end of their life the majority of mattresses are sent to landfill with the remainder being classed as clinical or hazardous waste and disposed of accordingly. The cost of mattress supply and disposal is estimated to be in excess of 3 million GBP annually. The life span of mattresses is, on average, less half that of the life expectancy of the mattress as supplied (at around 17 months as opposed to 4 years), but in some situations mattresses last only days or weeks due to soiling and misuse. This situation is costly and unsustainable and as the current supply contract is approaching the end of its life we are taking the opportunity to look at this problem holistically and rethink our approach to both supply and disposal. The requirement we have identified is for the technical and commercial means to deliver a zero waste mattress system that meets the demanding operational requirements of the prison environment. This call has been issued to communicate this unmet need, stimulate innovative solutions and pull together the necessary technical and market information to develop a procurement strategy that can deliver a more sustainable and cost effective solution in the short, medium and long term. We also wish to understand what the market can deliver and its appetite for providing innovative technical and commercial approaches. In order to enable the take up of innovative solutions HMPS is willing to consider a 'forward commitment contract'. Interested parties are invited to download a Prospectus and a Response Form at <http://procurement.hmprisonservice.gov.uk> (see About the Unit/Procurement Initiatives). Only submissions made using this form will be accepted. HMPS regrets that they cannot respond to individual requests for further information.



Further information relating to this notice may be available on the myTenders.org web site at [http://www.myTenders.org/Search/Search\\_Switch.aspx?ID=45491](http://www.myTenders.org/Search/Search_Switch.aspx?ID=45491).

- II.4) **COMMON PROCUREMENT VOCABULARY (CPV):**  
90315200, 24100000, 24000000, 24140000, 24135000, 24130000, 74844000, 74843000, 74840000, 72241000, 90122220, 90122240, 74231430, 90310000, 90300000, 74231300, 75251110, 25212700, 36100000, 36000000, 36120000, 36140000, 36133100, 24800000, 74232300, 74141520, 36133112, 17216120, 90315300, 29241400, 90122210, 90122200, 17400000, 90121000, 90122000.
- II.5) **SCHEDULED DATE FOR START OF AWARD PROCEDURES:**  
1.8.2007.
- II.6) **CONTRACT COVERED BY THE GOVERNMENT PROCUREMENT AGREEMENT (GPA):**  
Yes.
- II.7) **ADDITIONAL INFORMATION:**  
This PIN is being published as part of the pre-procurement market sounding activity to investigate options and ideas for the sustainable supply and disposal of mattresses and pillows for use in a prison environment.  
The purpose of the PIN is to:  
1. Forewarn the market that a procurement exercise may begin in the future.  
2. Alert the market to high-level potential requirements, prior to any potential procurement process.  
3. Facilitate international participation in the market consultation exercise and help to ensure that this pre-procurement process is open and transparent.  
The PIN is an indication of potential future procurement activity and is subject to change. This notice makes no commitment to procure anything.  
The PIN is not part of any pre-qualification or selection process.

### **SECTION III: LEGAL, ECONOMIC, FINANCIAL AND TECHNICAL INFORMATION**

- III.1) **CONDITIONS RELATING TO THE CONTRACT**
- III.1.1) **Main financing conditions and payment arrangements and/or reference to the relevant provisions regulating them:**
- III.2) **CONDITIONS FOR PARTICIPATION**
- III.2.1) **Reserved contracts:**

### **SECTION IV: ADMINISTRATIVE INFORMATION**

- IV.1) **Reference number attributed to the file by the contracting authority:**

### **SECTION VI: COMPLEMENTARY INFORMATION**

- VI.1) **CONTRACT RELATED TO A PROJECT AND/OR PROGRAMME FINANCED BY COMMUNITY FUNDS:**
- VI.2) **ADDITIONAL INFORMATION:** (MT Ref:45491).

VI.3) **INFORMATION ON GENERAL REGULATORY FRAMEWORK:**

VI.4) **DATE OF DISPATCH OF THIS NOTICE:**  
31.10.2006.

**Case Study 3a****HMPS Response form****A3.12HMPS Response form**

Thank you for your interest in this market sounding exercise

**Completing the form**

We are interested in information and innovation from all sectors that could:

- contribute to achieving improvements in one or more aspects of the requirement
- contribute to a new total solution
- provide a total solution
- involve incremental improvements or a step change in the short, medium and long term.

We are interested in your views on the feasibility of the requirement, the capability and capacity of the market, and the wider market potential.

We recommend that you complete the form after reading the Prospectus which sets out our requirements and context for the call.

Please try to complete the form as fully as you can and include as much information as possible. You can add any supporting material or additional information in section 7.

**Questions and clarifications**

Please note any questions you may have in section 2 to help us prepare our follow up to this market sounding exercise.

If there are any questions or points of clarification that would help you to complete the form more fully, or require the Form or Prospectus in an alternate format, you can send an email to us at: [procurement.cpu@hmps.gsi.gov.uk](mailto:procurement.cpu@hmps.gsi.gov.uk) and answers to frequently asked questions (FAQs) will be posted on the HMPS website.

**Please submit your completed forms**, (quoting Market Sounding Response as the subject) to: [procurement.cpu@hmps.gsi.gov.uk](mailto:procurement.cpu@hmps.gsi.gov.uk) by 17.00 hrs on the 15<sup>th</sup> of December 2006.

*There follows a list of questions from the original form – spaces for comments have been omitted for conciseness.*

### Idea(s) to achieve a more sustainable prison mattress system

The response form was specifically designed to allow submitters to describe their idea or innovation in more detail, and to identify the main benefits. It was not intended as a means of establishing the submitter's ability to supply the innovation, but some indication of this was helpful.

Main areas covered were:

- Area of interest / expertise.
- Your suggestion, idea, innovation or information.
- How and to what extent could this contribute to achieving the unmet need and operational requirements set out in the Prospectus?
- Details of environmental benefits and contribution.
- Details of operational benefits and contribution.
- Financial benefits and contribution.
- Other benefits and contributions.
- Is this solution currently commercially available, in whole or in part?
- If not, how far is this from the market?
- Are there other developments that could contribute to meeting or building on HMPS requirements in the longer term?
- What other markets or potential markets might exist?
- What would be needed to successfully commercialise this idea? (Development of supply chain, product development, pre-commercial trials etc.).
- What barriers or problems (practical, commercial, technical etc) might there be to implementing this solution and how might they be addressed? What are the cost implications of this solution for the company and HMPS?
- How useful would a **'forward commitment' contract** be in bringing this to market? What difference would it make to you?

Submitters were also asked if they would like their business names and product information entered into a publicly available register. The reason behind this was to allow businesses and innovators to decide if there were potential business partners interested in collaboration, although any discussion in this area was left to the businesses to carry out.

Submitters were also asked they would be interested in participating in a supplier workshop, to be called subsequently.

HMPS also supplied links to guidance on IPR, and for submitters to track progress of the call for solutions and subsequent procurement.

**Case Study 3a****HMPS Intermediaries document****A3.13 Innovative procurement - opportunity for new solutions**

HM Prison Service has published notification in the EU Official Journal of a market consultation exercise relating to an 'unmet need' for a **zero waste mattress system** and is seeking innovative solutions and information to inform its procurement strategy.

**Future procurement opportunity**

HMPS currently buy in the order of 60,000 highly flame retardant, polyurethane foam mattresses and pillows per year and dispose of around 40,000. The combined cost of supply and disposal is estimated to be in excess of £3 million per year. In short, the current solution is costly and environmentally unsustainable.

Supply arrangements for mattress and pillows are being reviewed with a view to re-tendering in 2007/8.

**Finding a sustainable solution**

HMPS aspires to a **zero waste prison mattress** and pillow that meets or exceeds current operational requirements in terms of health and safety.

**By 2012**, HMPS wants all its mattresses and pillows not classified as hazardous waste to be recycled or reused instead of going to landfill; and to reduce to 2 % pa the number of mattresses disposed of as hazardous or clinical waste.

**Innovative solutions are needed**

Innovative ideas and information to support HMPS in moving towards this goal are requested from a wide range of market sectors and on **any aspect**

of the mattress and pillow supply, consumption and disposal life cycle.

**Why we are issuing this call**

The aim of the market sounding exercise is to allow potential suppliers to put forward innovative solutions for the reduction of waste arising from the mattress life cycle and secure cost efficiencies, while delivering demanding operational requirements. In order to deliver the best possible solutions in the short, medium and longer term we wish to:

- **present our needs** to potential suppliers and collaborators;
- explore both innovative **technical and commercial solutions**;
- **gain information** that will inform our specification and help us to future-proof our procurement strategy.

**Why change the current specification?**

Although the current specification (for a solid foam mattresses covered in calico designed to rigorous safety and fire retardant requirements) is considered a success, the mattress has a short life span (due to soiling and misuse), and disposal is unsustainable (landfill or clinical waste).

In moving towards a new solution, demanding operational requirements related to the nature of the prison environment will need to be met. These include:

- High flame retardancy
- Designed to prevent concealment of goods / weapons
- Must not facilitate self harm / suicide
- Be resilient to vandalism, mis-use and soiling
- Designed to last a minimum of 4 years
- Present no health or safety risks to prisoners
- Not add to the workload of Prison Officers

#### **Potential for innovation**

Some examples of the areas where innovation and information are sought include:

- New and alternative materials for the mattress and coverings
- Whole life cycle management arrangements
- Innovative commercial arrangements,
- Incorporation of social benefits
- Fire proofing that is safe and facilitates sustainable disposal / recycling
- Sustainable waste disposal / recycling or reuse solutions
- Alternate mattress design

#### **How to make a submission**

You can download a **Prospectus**, giving further information, terms of agreement etc. and a **Response Form** at:  
<http://procurement.hmprisonservice.gov.uk>;

In moving towards its goals HMPS would plan for incremental progress, which may involve:

- Managing disposal of current mattresses
- Extension of the mattress life span
- Improving the current product and system
- Transition to a new business model
- Introducing new products

#### **Forward commitment for innovation**

In planning its procurement strategy, HMPS would consider facilitating the take up of **innovative and pre-commercial technologies** and approaches through a forward commitment to purchase products and services that are near market and not yet in commercial production or commercially available, subject to agreed performance targets being met. A forward commitment procurement is defined as:

*A commitment to purchase, at a point in the future, a product or service that does not yet exist commercially, against a specification that current products do not meet, at a sufficient scale to enable the investment needed to tool up and manufacture products that meet the cost and performance targets in a specification.*

click through - About the Unit / Procurement Initiatives / Mattress Marketing Sounding Prospectus and Mattress Marketing Sounding Response Form.

Submissions are requested by the **15<sup>th</sup> December 2006.**

Contributions from SMEs and third sector organisations are welcomed and **innovative solutions are encouraged**.

**What happens next?**

A **Directory** listing those who have responded (optional) will be published shortly after the closing date.

The submissions will be reviewed and options assessed. Further market **consultation** may take place in 2007 leading to a call for competition in 2007 / 2008.

If you have any problems accessing the prospectus and response form, or if you require this information in an alternative format, you can contact [procurement.cpu@hmps.gsi.gov.uk](mailto:procurement.cpu@hmps.gsi.gov.uk) quoting Market Sounding Enquiry in the subject bar of the email.

## London Fire and Emergency Planning Authority – Disposal of kitchen waste from fire stations

<b>Case Study 3b</b>	<b>Market Sounding exercise</b>	<b>New requirement to satisfy policy</b>	<b>Potential for roll out across other departments/sectors</b>
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### A3.14 Background of the Procurement

London Fire and Emergency Planning Authority (LFEPA) forms part of a family of organisations under the 'umbrella' of the [Greater London Authority](#) (GLA). The Authority is the largest fire and rescue service in the United Kingdom and has responsibility for the services provided by the London Fire Brigade and some emergency planning functions. It is a corporate body subject to fire service and (some) local government legislation.

The Authority employs nearly 7,400 staff, some 6,000 of which are operational fire fighters. The Brigade operates 24 hours a day every day. The area covered for fire fighting purposes is 620 square miles (1,587 square kilometres) with virtually every known type of fire risk, from high risk, densely populated inner city areas to lower risk suburban locations.

### A3.15 Waste management improvements

LFEPA operates 111 fire stations over London, each one housing staff operating on a 24-hour basis and producing domestic waste, much of which can be dealt with by the LFEPA recycling scheme. However, after recycling, residual waste is currently disposed of into landfill, a situation which LFEPA is keen to avoid in order to reduce damage to the environment, as part of its ISO 14001 accreditation.

LFEPA has a target to reduce waste to landfill by at least 25% over the next two years. As a result, LFEPA is seeking a waste solution that will reduce the environmental impact of the municipal waste arising from its fire stations by eliminating waste to landfill by 2010.

### A3.16 Procurement options and procedures

Having established the unmet need for the means to reduce or remove waste from fire stations, LFEPA began to consider options for procurement. Technologies for reducing waste volume (for example, pyrolysis) exist in the marketplace, although not necessarily in the format which could be supplied



immediately to meet the stated need. There was therefore a perception that any solution identified would need some form of development to be supplied.

The fact that potential solutions exist meant that LFEPA felt more confident to consider a direct procurement approach, such as Competitive Dialogue. The procurement team decided to publish a PIN to test market response.

## Appendix A4

### Examples of routes to, and sources of, Innovative Solutions

When assessing the market or making a call for innovative solutions you will already have an idea of whom to approach from existing contacts and your own and colleagues' experience. During the course of our research we engaged with a number of potential innovation sources, which you may wish to contact to help you better understand the market and/or express your need. They may be able to help with the dissemination of the call and provision of market feedback, for example.

In our work with HMPS, the Materials Knowledge Transfer Network helped disseminate the call for innovative solutions and ran a workshop, which provided valuable feedback to HMPS. The HMPS case study provides further details. The LFEPA PIN was posted on the National Opportunities Portal, [Supply2.gov](http://Supply2.gov) in December 2006 as it suited the size of the contract to be awarded and proved to be a simple way of reaching thousands of potential respondents.

We have listed below, with brief details and contacts, the sources we engaged with and recommend that you consider using their expertise to give you a broader and, in some cases, cross sectoral reach in your search for innovation.

Name	Details	Contact
<a href="#">Innovation Relay Centres (IRCs)</a>	<p>The IRC scheme is a European network that brings together sellers and buyers of innovative ideas and products. It helps businesses promote new technologies or find new ways to meet a technology need. There are eight IRCs in the UK.</p> <p>IRCs run a database of technologies sought and offered Europe-wide. They can advertise your call as a technology request through the database and conduct a search for possible technological solutions to your need. They will also provide feedback to you of potential matches.</p>	<a href="http://www.innovationrelay.net">http://www.innovationrelay.net</a>

<p><a href="#">Knowledge Transfer Networks</a> (KTNs)</p>	<p>Part of the Technology Strategy Board's Technology Programme, a KTN is a single national network in a specific field of technology or business application. The objective of a KTN is to improve the UK's innovation performance by increasing the speed, breadth and depth of technology transfer into UK-based businesses. It brings together businesses, universities, research and technology organisations, financiers and other intermediaries to exchange knowledge and stimulate innovation.</p> <p>A KTN may be able to help you assess the market pre-call, and disseminate your call through regular newsletters, email shot and networking.</p> <p><a href="#">KTNs</a> currently cover the following areas:</p> <p>Aerospace &amp; Defence; Bioprocess UK; Bioscience for Business; Chemistry Innovation; Cyber Security; Electronics; Electronics-enabled Products; Food Processing; Grid Computing; Health Technologies; Industrial Mathematics; Location and Timing (GPS applications); Integrated Pollution Management; Intelligent Transport Systems (InnovITS); Low Carbon &amp; Fuel Cell Technology; <a href="#">Materials</a>; Micro Nanotechnology; Modern Built Environment (Healthcare, Infrastructure &amp; Offices); Photonics; Resource Efficiency; Sensors; and <a href="#">UK Displays &amp; Lighting</a>.</p>	<p><a href="http://www.dti.gov.uk/innovation/technologystrategyboard/tsb/technologyprogramme/KTN/page12567.html">http://www.dti.gov.uk/innovation/technologystrategyboard/tsb/technologyprogramme/KTN/page12567.html</a></p> <p>Each of the KTNs has its own contact.</p>
<p><a href="#">Intellectual Property Office (UK-IPO)</a></p>	<p><a href="#">UK-IPO</a> has a database of successful patent applications. It will, for a fee, search the database and provide information on the patents registered in a particular area, and the company/person holding that patent. It can also provide extensive advice on Intellectual Property issues.</p>	<p><a href="http://www.ipo.gov.uk/">www.ipo.gov.uk/</a></p>
<p><a href="#">Innovation Platforms</a> (IPs)</p>	<p>IPs provide an opportunity to position business and government closer together to generate more innovative solutions to major policy challenges. They were introduced in by the</p>	<p><a href="http://www.dti.gov.uk/innovation/technologystrategyboard/">http://www.dti.gov.uk/innovation/technologystrategyboard/</a></p>

	<p>Technology Strategy Board in November 2005 and are designed to address a major policy and societal challenge; bring together Government stakeholders and funders, and engage with business and the research community to identify appropriate action. They aim to help government get more innovative solutions at reduced risk, and to help position UK business for global competitive procurement opportunities, for which there are real customers in a potentially large global market. An IP may be able to help you better understand what the market can deliver now and in the future.</p> <p>The Technology Strategy Board is proceeding in two pilot areas: Network Security and Intelligent Transport Systems and Services and has earmarked an initial £10 million to each Platform to kick-start activities.</p>	<a href="#">page40223.html</a>
<a href="#">Intellect</a>	<p>Intellect is the UK Hi-Tech Industry Trade Association. It runs an initiative called Concept Viability through which a customer Department presents its thoughts on a future need <b>in any area</b> to a variety of suppliers at one event. Suppliers then have the opportunity to discuss further with the Department and to network amongst themselves. Following the event, suppliers submit their views in confidence to Intellect who collate them and pass them on to the Customer Department. This has been successfully run a number of times for Departments such as the Home Office and DfES.</p>	<a href="http://www.intellectuk.org/markets/groups/senior_it_forum/concept_viability.asp">www.intellectuk.org/markets/groups/senior_it_forum/concept_viability.asp</a>
<a href="#">National Opportunities Portal</a>	<p>This <a href="#">Business Link</a> run initiative allows you to advertise lower value (sub-OJEU) contract opportunities and PINs. It is free to procurers and is a single point of entry, for SMEs in particular, seeking to do business with the Public Sector.</p>	<a href="http://www.supply2.gov.uk">www.supply2.gov.uk</a>

#### **About OGC**

OGC - the UK Office of Government Commerce - is an Office of HM Treasury.

The OGC logo is a registered trademark of the Office of Government Commerce in the United Kingdom.

#### **OGC Service Desk**

OGC customers can contact the central OGC Service Desk about all aspects of OGC business.

The Service Desk will also channel queries to the appropriate second-line support. We look forward to hearing from you.

You can contact the Service Desk 8am - 6pm Monday to Friday

**T:** 0845 000 4999

**E:** [ServiceDesk@ogc.gsi.gov.uk](mailto:ServiceDesk@ogc.gsi.gov.uk)

**W:** [www.ogc.gov.uk](http://www.ogc.gov.uk)

#### **Press enquiries**

**T:** 020 7271 1318

**F:** 020 7271 1345

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