

D4.1 Best practices in Common Procurements

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Control Sheet

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Executive Summary

This deliverable ***D.4.1 Best practices in Common Procurements*** is intended for all public authorities in Europe (national, regional and city) with plans (concrete or initial) for a procurement of innovative mobility solutions in the coming years. This deliverable defines and identifies Common Buyers Groups within the scope of the SPICE project and their potential, it categorises types of Joint Procurement and other cooperation forms to procure, and offers some examples of successful cooperation of authorities in Joint Procurements. This deliverable will specifically focus on analysing the existing Common Procurements including a list of examples, legal frameworks and benefits which further on can be used as the basis for D4.2 and D4.3 activities. The main role of SPICE with regard to Common Buyer Groups is to create awareness for innovative procurement and support public authorities to form groups that are facing the same issues and are interested in learning about Joint Procurement and other innovative procurement approaches. Cooperation in Public Procurement is not well-known or not often seriously considered, while it might provide significant benefits to authorities. Providing insight in these benefits (and also in the possible risks and drawbacks) is a first step.

The main benefits for participant of the common buyer groups in SPICE are defined as:

- ***members can share information on best-practices of innovative procurement;***
- ***members can learn from cases of past Common Procurement and thereby save effort, time and financial resources;***
- ***members could find possible partners for future Joint Procurement and share the workload of the tendering process and of the necessary preparation;***
- ***members can gain more knowledge and experience about the process (from multiple authorities);***
- ***members will be supported by SPICE by providing access to networks, information, advise on possible approaches etc.;***
- ***harmonisation, a common approach might lead to more harmonised solutions.***
- ***members can be encouraged to procure commonly as they see the feasibility of the process.***

Via the existing SPICE contact channels, the SPICE Stakeholders and via public means such as the SPICE website, authorities are asked to indicate their plans and challenges they face concerning innovative procurement of mobility solutions. In this context, examples of the challenges regarding procurement could be: finding and discussing ways to integrate citizens as end users into the procurement process, working on specific topics such as the challenges when procuring alternative fuelled vehicles or innovative mobility services, or discussing different innovative procurement approaches like the new innovation partnerships. These activities will be the focus of D4.2 Overview of the formed Common Buyers Groups.

Apart from defining the Common Buyers Groups of SPICE and the summary on needs and potential opportunities of Common Buyer Groups, this deliverable D.4.1 also present examples of best practices in Joint Procurement and other cooperation of public procurers including examples of Joint Procurements and other types of cooperation in the legal frameworks, outcomes and benefits. Based on the information collected, four different types of cooperation in Public Procurement are identified: (1) Joint Procurement, (2) Procuring in parallel, (3) Joint Procurement via a central body and (4) Procurement based on a common specification. The cooperating parties can either be all from one Member State or from multiple Member States (cross-border cooperation). Regarding the type of cooperation some countries or authorities are more familiar with specific practices of

procuring commonly, whereas some might be found more distant. Joint Procurement by a central body seems to be quite well recognised and utilised within the EU countries, whereas cross-border Joint Procurement has not yet been undertaken widely.

A SWOT analysis has been carried out to identify all strengths, weaknesses, opportunities and threats. Strengths are found in the potential of innovation, the reduced costs and higher quality of the solutions. But due to the highly complex contracts, more time is needed and there is a risk of failing if mutual consent takes too long. Threats of Joint Procurement are widespread, ranging from an inflexible administrative structure with many rules and laws, language barriers, and a possible lack of willingness and trust.

SPICE is encouraging public authorities to take the next steps towards cooperating to procure innovative mobility solution. To bring potential partners together and to shape and initiate cooperation and thereby optimise the cost, time, and effort, SPICE can support this process and, for example, organise the first meetings or offer some consultancy services on how and on which parts of the procurement to cooperate, or just give a forum to discuss common issues and learn from one another.

1. Introduction

The SPICE project is a support action from the European Commission to support public authorities in Europe in their procurement processes of innovative mobility solutions. SPICE focuses on Public Procurement of innovative solutions in the transport system. Public authorities are facing a paradigm shift with regard to transportation investments with high focus on sustainability. Nowadays, addressing the complex requirements for sustainability, scalability and replicability of the solutions in transportation systems as well as the ever increasing demand for mobility dictates the needs for promoting innovative solutions. This is mainly due to the fact that there is no off-the-shelf solution that could address all the requirements (i.e. sustainability, safety, etc.). Hence, there is a transition needed both with regard to the investment priorities as well as the procurement approaches itself. In order to facilitate the domain for public authorities to be able to procure innovative solutions, new procurement procedures, models and approaches such as Innovation Partnerships in the 2014 Directives on Public Procurement are designed which can facilitate the procurement of services instead of systems, foster cooperation between authorities (i.e. public and private parties and among transport modes (i.e. to achieve harmonisation within the EU), and to trigger innovation. These transitions dictate the need for extending the cooperation across the public procurers and suppliers to provide the domain that can foster innovative solutions and new possibilities for authorities to improve the transport system in terms of safety, efficiency and environmental compliance, while providing better services to the road users. As an inherent part of innovation, there is a high level of risk and uncertainty associated with procurements of innovative solutions. This uncertainty, which public procurers need to address within the procurement; concerns uncertainty in estimated time line, costs, replicability and service and maintenance in particular. Lack of knowledge and expertise among public procurers hinder the vast implementation of these innovative procurement procedures.

One way to foster implementation of new procedures for innovative solution procurements is to combine the public authorities' competences and experience and create a Common Buyers Group. In this deliverable various aspects of shaping a common buyers group, opportunities and challenges are elaborated. In a nutshell, SPICE tries to support authorities in two ways:

1. By collecting best practice examples (and encountered problems) of procurements of innovative solutions, analysing these experiences, and publicising the results and learning's, SPICE will try to help public buyers to make better choices about how to procure.
2. By stimulating public procurers to form 'Common Buyers Groups', i.e. cooperation of authorities who think about buying similar innovative solutions and therefore face the same challenges, SPICE will try to support forming Common Buyers Group to discuss the issues and facilitate the knowledge and experience transfer. Public authorities and the European Commission realise that there is much to gain by supporting authorities in their innovative procurement processes. Innovative solutions, which are needed to solve many upcoming challenges in the transport sector, could be promoted with this support as offering better solutions for lower costs and with less risk of failures. SPICE is one of these projects. SPICE is financially supported by the European Commission in the Horizon2020 programme.

SPICE focuses on the procurement of innovative mobility solutions within the city environment; refer to the SPICE website: www.spice-project.eu. In brief, work package 1 (WP1) deals with the project management, work package 2 (WP2) with the collection of information, work package 3 (WP3) with a legal and technical analysis of collected experiences and relevant topics within the field of innovation procurement, work package 4 (WP4) with the

Common Buyers Groups, and work package 5 (WP5) with the dissemination of the results. WP2 and WP5 have delivered a number of public reports [1] that forms the basis for the work in WP3 and WP4.

This current deliverable D4.1 is the first deliverable of WP4. It describes what Common Buyer Groups are and gives some examples of successful cooperation of authorities in common procurements. It forms the framework of WP4. The main purposes of D4.1 are to:

- Create more awareness about the possibilities of joint procurement and other cooperation;
- Demonstrate the possibilities of joint procurement;
- Stimulate authorities that consider the procurement of innovative mobility solutions to also consider a common approach; and
- Describe how SPICE could support such a common approach.

At the end of the SPICE project, WP4 will deliver two more reports: D4.2 Overview of formed Common Buyers Groups and D4.3 Evaluation report.

The aim of D.4.1 is to present examples of best practices in Joint Procurement and other cooperation including provision of the legal frameworks, outcomes and benefits; this deliverable will also summarise the needs and potential opportunities of common buyer groups and define the common buyers groups of SPICE.

D4.1 is intended for all public authorities in Europe (national, regional and city) with plans (i.e. initial or concrete) for procurement of innovative mobility solutions in the coming years or with common challenges they face in procuring innovative mobility solutions. Via the existing SPICE contact channels, the SPICE Stakeholder Group, and via public means such as the SPICE website, authorities are asked to indicate their ideas and interest in topics for a common buyers group. Using this platform, WP4 will search for possibilities of cooperation with different authorities and will act as a 'matchmaker' to bring authorities together. SPICE will support these public authorities by providing information about innovative procurement approaches and best-practice examples. They will also be asked to form a Common Buyers Group to discuss common issues and challenges when procuring and will be stimulated to learn from each other's experiences.

WP4 therefore calls on authorities to:

- ***Provide information on any existing experiences in working together with other authorities in procurement; and***
- ***Provide general information/ideas about plans or possible future procurements of innovative mobility solutions;***
- ***Provide topics and issues they wish to discuss.***

In this report, chapter 2 gives a definition of Joint Procurements and other types of cooperation including first analysis of these examples (SWOT). Chapter 3 defines the Common Buyers Groups. Chapter 4 describes how SPICE could support the process of initiating such groups. Chapter 5 provides some examples of different levels of cooperation of authorities in procurement processes. Finally, Chapter 6 explains the next steps of the work in WP4 and concludes this report.

2. Joint (Common) Procurement

This chapter will provide the definition of Joint Procurement, cross-border Joint Procurement and other types of cooperation to procure, that have been identified in SPICE, considering the cases which are procuring in parallel or procuring with common specifications. SPICE is aware that there is a wide range of other types of cooperation which is not covered in this report. However, the report focuses on the primary and frequently used types.

2.1. Definition of Joint Procurement

Common (or Joint) Procurement is the cooperation of two or more authorities in a procurement process. Within SPICE, the focus is on the procurement of innovative solutions in the field of transport and mobility. The best practices collected by WP2 and WP5 and the experiences of the SPICE partners show that there are many different ways and many different levels of cooperation, which are sometimes not Joint Procurement as defined by the European Commission, but important ways to cooperate to facilitate Public Procurement of innovation.

Joint Procurement is defined as a set-up where multiple authorities procure jointly the same solution based on the same tender and with the same contract with the supplier. Such cases of 100% Joint Procurement, defined by the European Commission as 'Joint Procurement'¹ rarely exist mainly due to various reasons such as: different procurement rules (Joint cross-border Procurement, regional difference in legislation etc.), practice of the procuring entities, different technical solutions needed depending on the existing infrastructure of a city, or the high level of legal complexity especially when cross-border procurement is performed. In reality, there are almost always differences between the participating authorities and between the desired solutions that hinder a 100% joint approach.

From a European perspective, cooperation with authorities from different Member States (Joint Cross-Border Procurement) is particularly interesting. However, very few examples exist, due to the differences in regulation and administrative cultures and practises between countries². However, good experiences of procurement cooperation within Member States can be used in cross-border cooperation. SPICE considers and analyses all forms of cooperation, but will also analyse the possibilities for joint cross-border procurement.

In section 2.2 of the current deliverable, SPICE defines the terminologies of Joint procurement and Cross-Border procurement as set by the Commission as well as other types of cooperation to procure innovative mobility solutions. Limiting the SPICE project scope (i.e. study and support) by only focusing on Joint Procurement would deny or neglect the large benefits of partial cooperation in the procurement process. In this context, as the SPICE objective is to support public authorities with their procurement processes, SPICE will look at various aspect of cooperation of entities to provide a maximum of information and possibilities to them.

2.2. Types of Common Procurement Processes and Cooperation

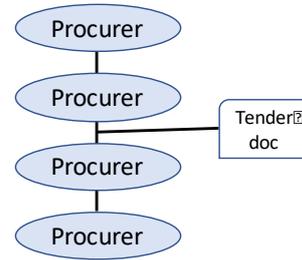
Based on the information collected in SPICE so far (i.e. interviews, desk research, partners experience), four different types of cooperation in procurement can be identified. For each of these types, the cooperating parties can be either all from one Member State or from multiple Member States.

¹ I.a. directive 2014/24/EU on public procurement article 38, and, as regards joint cross-border procurement, article 39 (4).

² For a critical analysis on legal barriers in joint cross-border procurement, see Dr. Albert Sanchez-Graells, 'Collaborative Cross-border Procurement in the EU: Future or Utopia', Upphandlingsrättslig Tidskrift 2016: <http://www.ur.tcc/?q=node/140>

Joint Procurement

In the procurement directives, ‘Joint Procurement’ is defined as procurement where two or more contracting authorities (public procurers) agree to perform certain specific procurements jointly³. In a Joint Procurement, the procurers work together on one common set of tender documents and one tender process. The supplier(s) deliver the solutions according to the specifications outlaid in this tender to the different participating procurers. The procurers have an agreement with each other to procure jointly.



Strengths	Weaknesses
<p>- Innovation:</p> <ul style="list-style-type: none"> • May gain a critical economic mass and quantity of users (in Joint Procurement actions) for allowing new innovative solutions to enter the market or gain necessary market share to survive • Encourage suppliers to develop new products; If successful Joint Procurement could help to trigger innovation and bring the market to come on up with new solutions fitting to an yet unfulfilled demand of the public procurer <p>-Common specifications and standards will lead to more harmonisation</p> <p>-Can help to share knowledge and best practice, and potentially make significant efficiency savings through Joint Procurement</p> <p>-Large quantities have the potential to lead to a lower price</p>	<p>-Highly complex legal issues especially when on a cross-border level. Question of applicable law, jurisdiction, administrative laws and the relation of national laws and EU law have to be solved; often needs many resources or even fails [3]</p> <p>-More time: Very time consuming until procurers agree on common need, specifications, and legal issues are clarified</p> <p>-Benefits unknown for many: benefits not visible at first sight; often connected with the thought of a higher workload due to the point above</p> <p>-No main responsible procurer, risk of procurers working against each other</p> <p>-Responsibilities need to be clarified also with legal documents and often are not clear from the start</p> <p>-Less focus on the procurement itself: Most of the energy of a procurement process can go into the tendering process rather than into thinking about an innovative solution and needs</p>
Opportunities	Threats
<p>- Increased quantity (and by that increased turnover) may lead to cross-border supplier cooperation or (cross-border) innovative SME cooperation due to new opportunities</p> <p>-Lower costs: (1) can save financial and personnel</p>	<p>-Different solutions needed from public authorities can lead to failure of the procurement attempt</p> <p>-If cross-border: Language barriers could cause a problem. Local agencies are often not</p>

³ I.a. directive 2014/24/EU on public procurement article 38 (1)

<p>resources if organised well, members can share the workload for the procurement (2) lower administrative costs of the procedure or more effective procedures compared to separate tenders; (at the same time higher costs can occur due to the complexity);</p>	<p>equipped for international cooperation.</p> <ul style="list-style-type: none"> -Public procurers might not be aware of legal differences (if cross-border) - When building on the experience of others, there is the risk that new opportunities and offers will be neglected -Risk to fail: if the finding of mutual consent takes too long, (1) the process risks to fail (2) demand-side (public procurers) requirements need to be updated (vicious circle) -If one supplier is providing the same solutions for a high number of public procurers there is always the risk of a vendor/solution lock-in as well as not enough competition on the market. -Risk for each public procurer: if the other procurer is a stronger negotiator and is more motivated, the service could end up being tailored more towards their needs than yours (leads to a lack of trust).
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Joint Cross-Border Procurement

Joint Cross-Border Procurement is a Joint Procurement of entities of more than one Member State. This is very rare as it makes the legal complexity even more challenging. Joint Cross-Border Procurement is regulated in directive 2014/24/EU article 39 (4).

One of the strengths of a joint cross-border procurement often highlighted by the European commission is, if you reach a so called “critical economic mass”, this allows new innovative solutions to enter the market. One procurer alone is often not reaching this mass. The reason for this is that it is worth investing in research and development of new solutions/ or adapting existing solutions (for the suppliers) if they can sell more. This is illustrated by the Everett Roger’s S curve [5]. This illustrates that being an early adopter or part of the early majority via public procurement of innovation can trigger the market to reach the tilting point of 50% market share.

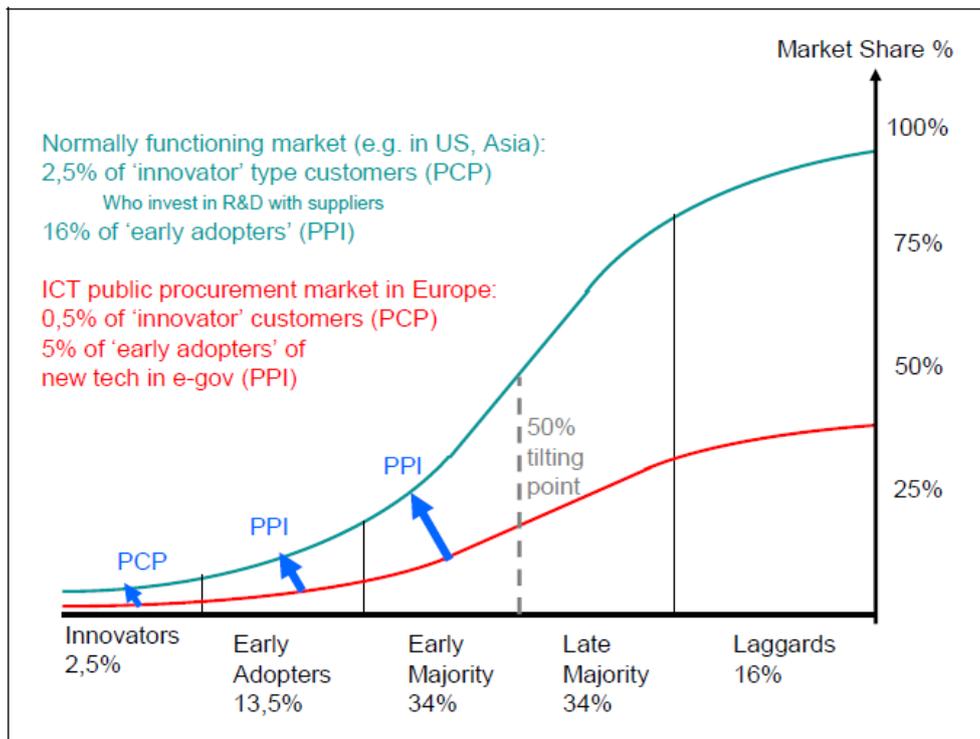
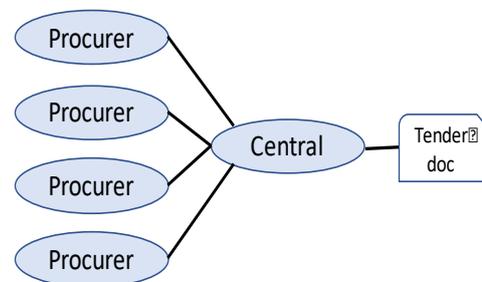


Figure 1. Everett Roger's S curve

Joint Procurement via a central purchasing body

In procurement by a central purchasing body one central organisation is established on a permanent basis which arranges the procurement process for a number of contracting authorities (procurers). The central organisation defines the tender documents and handles the tender process. The supplier(s) deliver(s) the solutions to the different contracting authorities based on the technical specifications and contractual terms as defined by the central organisation.



Procurement through a central purchasing body may take place in several ways:

1. **Special interest procurement through a central purchasing body.** The central purchasing body arranges a tender for a defined group of procuring authorities, either upon request from the authorities or on its own initiative based on a needs analysis. The procuring authorities are either permanent members of the central purchasing body's customer group (e.g. by ownership, membership or by national legislation) or, in seldom cases, ad hoc customers. Tenders for defined groups of procuring authorities often include great cooperation between the central body and the participating authorities on i.e. technical specifications, contract provisions and tender strategy. The tender will typically include an overall framework agreement as being the basis for the following supply contracts entered into between the supplier and each of the procuring authorities.

This type of centralised procurement activities may also be classified as joint procurement. The SWOT in this case is similar to the SWOT-analysis of joint procurement WITHOUT a central body. Therefore, SPICE will not copy these results here, but mention that there is one major difference that could be identified: It is the strength to have one clear responsible body; this makes the allocation of responsibilities easier.

2. **Common Procurement activities through a central purchasing body:** The central purchasing body plan and conduct a range of procurement activities for its members on a general basis; common needs (elaborating common needs of public authorities in the region or Member State) a legislative foundation or an organisational foundation. The utilisation of the central purchasing body's contracts may be either mandatory or on voluntary basis – dependent on the foundation of the central purchasing body. Contracts are often made as framework agreements from which the members can buy (call) according to their needs⁴. Central purchasing bodies may also offer their services to procuring authorities located in another Member State⁵.

It is not assumed that Common Procurement activities through a central purchasing body fit into the definition of Joint Procurement, partly because its foundation is mainly based on centralisation and rationalisation (economic) rather than an assessment of the benefits of Joint Procurement in each specific project.

As described above, procurement via centralised bodies can only be categorised as Joint Procurement in certain situations. However, as cities, groups of cities or even all governmental institutions nationwide often use national central purchasing bodies, SPICE made a first analysis of this type of procurement.

Procurement via (national) agencies/central purchasing bodies⁶

Procuring via central purchasing bodies often saves many resources, especially for small public authorities. Positive aspects of these contracts are that each authority does not need its own tender process. One negative aspect is that it results in one set price and contractual terms, and a set supplier. This often leads to the side effect that those suppliers who did not win the contract and still want a share in the market lower their prices and the public procurers that should make use of the framework agreement still tender themselves – unless the affiliated authorities have obliged themselves to use the framework agreements.

Strengths	Weaknesses
<ul style="list-style-type: none"> - May gain a critical economic mass and quantity of users (in joint procurement actions) for allowing new innovative solutions to enter the market or gain necessary market share to survive -One entity responsible to handle the tender -Can save administrative resources -Can help smaller municipalities that do not have 	<ul style="list-style-type: none"> - Communication: Missing communication among stakeholders (on the local level state agencies) -Innovative criteria and specifications that would lead to individual innovative solutions are not likely. The reason is that one is procuring a general solution for all.

⁴ See directive 2014/24/EU on public procurement, article 37, that also mention dynamic purchasing systems as a method for providing works, goods or services to the affiliated contracting authorities.

⁵ See directive 2014/24/EU on public procurement, article 39 (2)

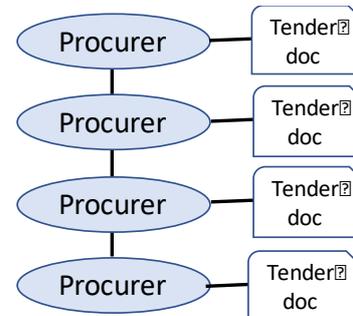
⁶ Please note that this type of procurement is often not "joint procurement" according to the Directive 2014/24/EU. In some cases it could be, if more than one public procurer have a legal agreement and nominate this body to tender for them; described above as "special interest procurement through a central purchasing body".

the resources to perform a tender themselves	-Often leads to an even higher price (see above)
O pportunities	T hreats
<p>-Central purchasing bodies can also foster innovation if this is foreseen in their goals (example own department for innovation). In this case, purchasing more innovative solutions is possible (refer to case 13 in chapter 5)</p> <p>-If central procuring activities are supported by input of the experts from the members of the central body, the best ideas and experiences may lead to specifications opening up for innovative solutions</p>	<p><u>Centralisation can also be a huge threat:</u></p> <ul style="list-style-type: none"> • Having just one supplier for many/all public procurers can lead to a supplier lock-in and negative effects for the market (or even monopolies, i.e. supplier lock-out). • Only having one system (i.e. software for all hospitals) can at the first sight save resources, but is (1) a huge threat if this supplier fails (2) leading to less competition and innovation (3) no stimulation of the market etc.

2.3. Other Types of Cooperation to Procure

Procuring in Parallel

When procuring in parallel, different procurers work together as much as possible on common elements in the procurement process, but at the end they will each have their own tender documents and tender process. This mostly happens within projects because of the legal complexity of joint procurement especially if it is cross-border. Common elements can be e.g. common tender procedures, common requirements, common specifications, etc. Basically the tenders can look very similar and happen at the same time in a harmonised way, but the procurers have the possibility to fulfil their own requirements. The supplier(s) deliver each of the procurers the solutions as requested in each of the tender documents.

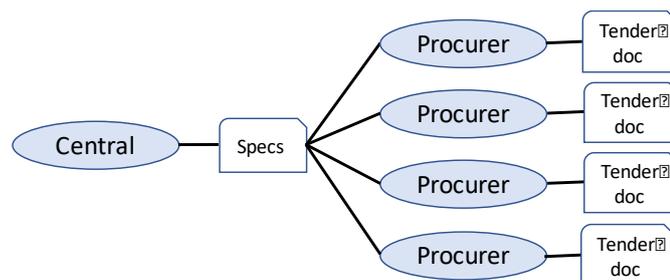


This type of cooperation is not considered as Joint Procurement by the European Commission. As highlighted, this process is mostly done when Joint Procurement would be too complex and each procurer needs (slightly) different solutions. Still the gain from such cooperation can be high. Procurers can learn from each other. One example of a field where this is happening often is the field of ITS. One example would be the ITS Corridor project (refer to the list in chapter 5). In this sector it is necessary that specifications and technical standards are harmonised, but often existing infrastructure varies. Common approaches in marked dialogues prior to the actual tender process may be considered as cooperation for procurement (Procuring in Parallel). The next table shows some of the identified strengths, weaknesses, opportunities and threats of procuring in parallel (or partial Common Procurement).

Strengths	Weaknesses
<ul style="list-style-type: none"> -Each public procurer can set his/her own requirements and formulate the tender according to their own needs and rules -Learning from each other and cooperate where needed -High innovative potential -Triggers harmonisation -Learning from each other through the negotiations -Use the knowhow and expertise of partners -Lower costs: the necessity of standardising can speed up future processes 	<ul style="list-style-type: none"> -No Price reduction because of individual tenders -More time: elaborating common parts of the tenders and not common parts between different participants can be time consuming. -Less focus on the procurement itself: if the coordination between the different partners takes too much resources there is sometimes less time for the procurement itself. This can lead to less quality of the solutions.
Opportunities	Threats
<ul style="list-style-type: none"> -Learn from each other's processes and find common aspects. Implementing agreements or common processes might speed up long tendering processes and negotiations. 	<ul style="list-style-type: none"> -If cross-border: Language barriers could cause a problem. Local agencies are often not equipped for international cooperation. -Because of common and uncommon parts of the tender documents, there is the risk the solution is not harmonised in the needed aspects (using different standards etc.) -Communication between stakeholders can be missing -Lack of trust: often competition between buyers stands in the way of cooperation.

Procurements based on a Common Specification

In Procurements based on a Common Specification, different procurers ask a central organisation to draft common specifications of e.g. the technical requirements, contract templates, the procurement process set-up etc. A central organisation (e.g. a national governmental institution, for example, the EC) can also initiate this by itself. Different procuring authorities then can use these common specifications for their own tender procurement process. The supplier(s) deliver solutions to each of the procurers according to each of these different tenders.



Strengths	Weaknesses
<ul style="list-style-type: none"> - Leads to harmonised specifications - Better interaction between systems is later on possible - Innovation: Common approaches to needs and specifications may lead the market innovation trends in a desired direction 	<ul style="list-style-type: none"> -Often needs a long time until common specifications and standards are available -Might need adoptions in the national specifications and standards
Opportunities	Threats
<ul style="list-style-type: none"> - Can save administrative costs 	<ul style="list-style-type: none"> - Complexity of the preparation phase may lead to extra cost and add to the time plan

For further explanation, Chapter 5 lists a number of examples of joint procurement and other cooperation collected in SPICE project. For each example, the type of procurement is indicated, as well as whether or not it is a joint cross-border.

3. Common Buyers Groups

In SPICE Project, a 'Common Buyers Group' (also abbreviated 'CBG') is defined as a group of two or more procuring authorities working together on common issues concerning procurement of innovative mobility solutions. The CBGs are considered as discussion groups that might also form later on Joint Procurement through the networking within SPICE. The main focus of SPICE is not to form groups that already commit themselves to a Joint Procurement, but to address common challenges and find the best ways to support public procurers. The groups might discuss different procurement approaches, possible criteria within a tender that can trigger innovations or common challenges like the integration of users in a procurement process, the possibilities to negotiate with suppliers etc. Another example of a Common Buyers Group would be a group of public authorities that all face the same challenge when procuring electric vehicles. They often are not sure if the best way would be to procure just a service, the vehicles or the charging infrastructure etc. These kinds of questions are often the same in many cities and through working together with the support of SPICE they can be answered more easily through learning from each other's experience. The members of a CBG can consist of members from one or multiple Member State(s).

Chapter 5 lists several examples of Joint Procurements and procurement cooperation and Chapter 6 gives a first analysis of the pros and cons of such groups. In brief, the main benefits of Joint Procurement and cooperation of buyers (public procurers) are:

- members can share **the workload** of a procurement process;
- **more knowledge** and experience into the process (from multiple authorities);

- **economy of scale**, larger quantities might 1) gain a critical quantity and market commitment for new innovative solutions entering the market, 2) lead to lower prices and 3), might result also in lower transaction costs for suppliers⁷
- **Harmonisation**, a common approach might lead to more harmonised solutions.
- **innovation** learning from each other and looking for new approaches can trigger innovation especially when using negotiation or other aspects (user integration) within the process

4. The Role of SPICE in Initiating Common Buyers Groups

The main role of SPICE with regard to Common Buyers Groups is to create awareness of advantages of innovative procurement actions and possibilities to procure innovative mobility solutions. Innovative procurement is not always well known amongst all procuring authorities, or at least not often seriously considered, even though it has the potential to bring significant benefits to authorities. Providing insight into these benefits and the benefits of cooperation (and also the possible risks and drawbacks) is a first step. This is also the one of the main purposes of Deliverable 4.1.

However, even if a potential procuring authority considers a common approach or exchange, this procuring authority is generally not aware of any potential ‘partner’ with comparable need or best-practice examples that exists. Here, SPICE can have the role of ‘matchmaker’, by facilitating further co-operation of buyers.

Although Joint Procurement is out of the scope of SPICE, the project will support public procurers if they intent to find partners for such an approach. To bring potential partners together and to shape and initiate cooperation lowers the costs, time, and effort. When a potential Common Buyers Group with the intention of Common Procurement or cooperation is formed, SPICE will support this by assisting the implementation of best practices identified and recommendations developed through the project. When wanted and accepted by the buyers group, WP4 can coordinate and support the work. WP4 can use the information on existing earlier experiences and use the SPICE Stakeholders to look for specific situations. WP4 also can use directly ideas and recommendations coming from WP3 on legal and technical issues, for example, on new or smarter procedures, on award criteria and/or on the best solutions (for example, cost/benefits). The aim is to come to several Common Buyers Groups, which within the framework of SPICE come to agreement about how they want to cooperate (D4.2).

Finally, the experiences gained by organising Common Buyer Groups and are also relevant for other authorities. SPICE, therefore, evaluates the processes and reports on what went well and what can be improved. The work in WP4 is evaluated at the end of the project (D 4.3). Based on interviews with those involved (project partners and stakeholders), success stories and areas for improvement are described. Special attention is given to reasons why certain cooperation did not occur or occur i.e. what are the bottlenecks preventing cooperation and what could be gained from the Common Buyers Groups.

In brief, SPICE:

- produces information to create awareness about Joint Procurement possibilities;
- share information on different innovative procurement approaches and its possibilities;
- collects procurement plans and challenges from public authorities to identify possible cooperation;
- supports one or two Common Buyers Groups to start their cooperation;

⁷ When evaluating the benefits of common procurements one should always analyse the risk of supplier and solution lock-in as large quantity contracts may force other supplies and their solutions to discontinue.

- Evaluates its work to further inform future procurers.

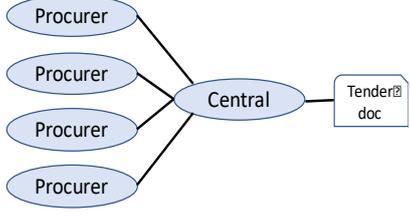
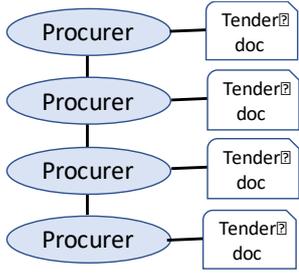
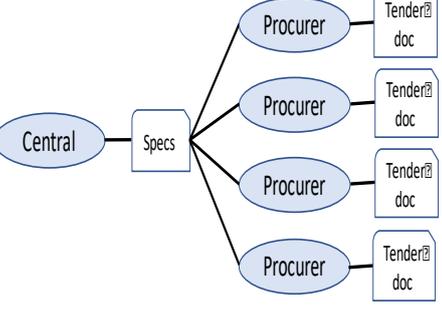
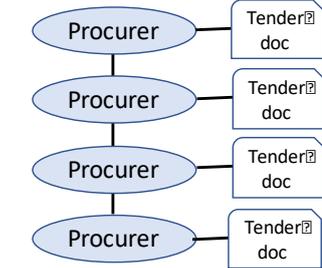
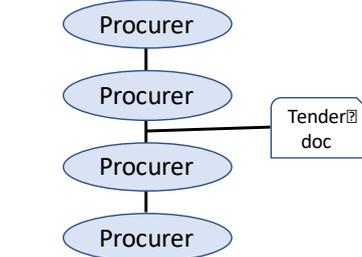
Steps to form a Common Buyers Group:

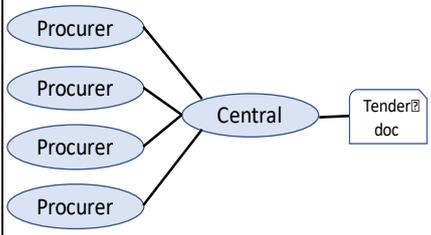
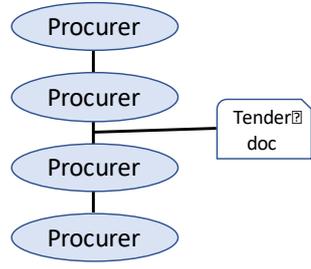
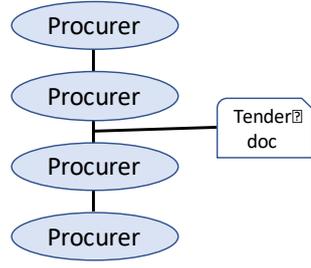
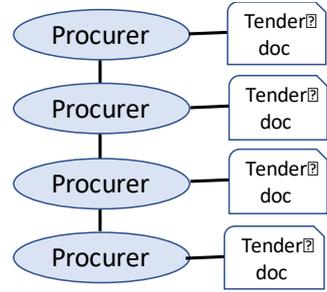
- SPICE will send a questionnaire to the SPICE stakeholders (via WP5) to ask them what kind of support they need (Workshop, Information Material etc.) in a Common Buyers Group. They will also be asked about their main points of interests. Examples could be: discussing procurement of electric vehicles and fleets, mobility services, ITS solutions and possible future cooperation or discussing innovative procurement approaches like innovation partnerships, competitive dialogue etc.
- When the needs of the buyers and their main points of interests are identified, SPICE will invite them to Joint Common Buyers Groups; starting with two groups.

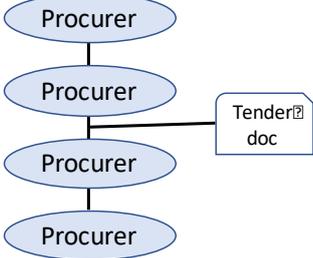
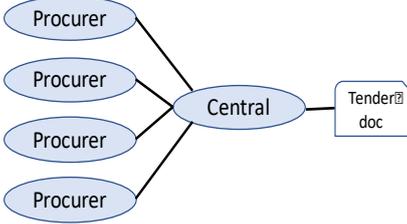
5. Examples of Best Practices in Common Procurement

The table below lists a number of examples of Joint Procurement and procurement cooperation as they are collected by WP2 and WP5. The table shows how diverse cooperation when procuring can be. It also shows that all these examples can be categorised by the four basic types described in chapter 2. Please contact SPICE group for any further information about these examples.

Nr.	Title and brief description	Type of common procurement	Cross-border or not
1	<p>PPA Southeast</p> <p>As a part of the Amsterdam practical (PTA) trial through joint initiative of the Ministry of Infrastructure and the Environment, Rijkswaterstaat, the Municipality of Amsterdam, the Province of North Holland, the Transport Authority Amsterdam, PPA Southeast procured private traffic management services including a tool for a 'common operational picture'. Specifications were set up together with private parties. The private parties invested also in the solution.</p>	<p>Central body</p>	No
2	<p>Talking Traffic</p> <p>On behalf of the Dutch authorities (national, regional and city) Talking traffic defined, together with private parties the specifications (technical and the tender procedure) for 1250 iTLC's (intelligent traffic light controllers). Dutch authorities use these specifications for their tenders. Talking Traffic is one of the first users of the Innovation Partnership as procurement procedure.</p>	<p>Common specs</p>	No

<p>3</p>	<p>NDW Floating car data On behalf of 19 Dutch authorities NDW procured floating car data (FCD) from private service providers. In this case, the FCD is delivered to NDW and NDW provides it to the other authorities.</p>	 <p style="text-align: center;">Central body</p>	<p>No</p>
<p>4</p>	<p>CHARM UK and NL intended to commonly procure new traffic centres. They worked together and large parts of the technical and tender-process specs were common. But due to the large differences between UK and NL different tenders were required.</p>	 <p style="text-align: center;">Procuring in Parallel</p>	<p>Cross-border</p>
<p>5</p>	<p>IMMA The Dutch RWS defined common specifications and common tender procedures for 'Spitsmijden' (mobility management) projects. These common specifications were used in several projects by several different authorities in NL.</p>	 <p style="text-align: center;">Common Specifications</p>	<p>No</p>
<p>6</p>	<p>ITS Corridor (D, AT, NL) D, AT and NL work together on a common corridor for the deployment of C-ITS applications between Rotterdam and Vienna. As much as possible they define common specifications, but due to the differences between countries, each country needs to do its own tender.</p>	 <p style="text-align: center;">Procuring in Parallel</p>	<p>Cross-border</p>
<p>7</p>	<p>Bremen IEE COMPRO A number of Partners (City of Bremen, Nantes Métropole, Semitan (French transport operator in Nates), Bremen Straßenbahn AG (tram operator Bremeht), Emilia-Romagna Region, Göteborgs Gatu AG and ISIS (now ISINNOVA, Italian intended to procure together a number of hybrid city buses. However, the specifications differed too much to enable a joint procurement. As continuation of the project two French</p>		<p>No</p>

	(Nantes and Angers) cities managed to jointly purchase several articulated hybrid buses.	Joint Procurement	
8	<p>PPA In-car</p> <p>As a part of the Amsterdam practical (PTA) trial through joint initiative of the Ministry of Infrastructure and the Environment, Rijkswaterstaat, the Municipality of Amsterdam, the Province of North Holland, the Transport Authority Amsterdam, PPA tendered a request for innovative in-car traffic information and traffic management information services. Two service providers developed these services and made them publicly available to the drivers in the areas of these authorities.</p>	 <p>Central Purchasing Body</p>	No
9	<p>Joint Procurement of electric vehicles in Stockholm</p> <p>296 organizations (260 public, 36 private) procured together via a framework contract. Purchasing volume is about 1250 vehicles a year or 5000 over 4 years in the framework contract. With this joint procurement the entities wanted to reduce the administrative costs, achieve a price reduction and to ensure the participation of smaller municipalities. Two separate contracts have been tendered one for the public organizations, one for the private ones.</p>	 <p>Joint Procurement</p>	No
10	<p>Software "Strasseninformationsbank"</p> <p>Several federal states in Germany have commonly procured the same basic IT-infrastructure called Dataport, which manages all data flow, among these data also those relevant for transport and infrastructure. The "Nova Strasseninformationsbank (SIB)" (Erfurt) is a software product which has been tendered and procured in an implementation partnership between 13 federal states in Germany. This software captures data about streets and can be used for modelling of traffic. In the frame of smart city mobility, it is continuously being fed with new data. All implementation partners pay their share for the maintenance of the data set.</p>	 <p>Joint Procurement</p>	No
11	<p>200 electric buses between several German cities and transport associations</p> <p>A common tender document with all required specifications has been written for the procurement of 200 electric buses for public transport, which has then been forwarded to bus producers. Duration: May 2016 -2026. Three working groups work on the following topics: procurement of the vehicles, charging infrastructure, and purchasing and legal department. Common tendering is still running, a joint procurement is possible but not necessary due to too many specifications or requirements.</p>	 <p>Procuring in Parallel</p>	no

12	<p>Joint Procurement on streetlight infrastructure with LEDs and introduce light control systems the Municipality of Roskilde (Denmark) anticipated to reduce energy consumption with 75% and CO2 with more than 190 tons pr. year. The preparation of the tender was coordinated with three other municipalities. This saved administrative resources and serves as a best practice⁸.</p>	 <p>Joint Procurement</p>	no
13	<p>Joint procurements of Dutch cities Many authorities in NL established central purchasing entities to procure solutions on behalf of them. This includes sometimes innovative solutions.</p>	 <p>Central body</p>	No

6. Conclusions

The aim of this deliverable D.4.1 is to give a first overview on Joint Procurement and the second aspect is to define the Common Buyers Groups of SPICE.

This document draws the big picture of unfamiliar theme when cooperating for innovative procurement by providing insights into the definition, types, benefits and points to be considered. Regarding the type of Joint Procurement, some countries or authorities are more familiar whereas some might be found distant. Procurement by a central purchasing body seems to be quite well recognised and utilised within the EU countries but does not trigger innovation, whereas cross-border Joint Procurement has not yet been undertaken widely due to the complexity and other aspects. Procurers look for other ways to cooperate, like procuring in parallel or having common specifications. There are, obviously, different drivers and needs when introducing the best fitting type of cooperation in a certain procurement case. Cooperation and negotiation helps public procurers to learn from each other and find ways to procure innovative solutions. That is where the Common Buyers Groups within the SPICE project will receive the support. Simultaneously, strengths and weaknesses of the types of Joint Procurement and cooperation appear differently in varying settings or they are emphasised differently. The interesting challenge is how to maximise the listed strengths and opportunities of cooperation in procurement and at the same time minimise the weaknesses and identify how a Common Buyers Group in SPICE can support public procurers and trigger innovation in the procurement process.

SPICE is encouraging public authorities to take the next steps towards innovative procurement meaning any cooperation (full or partial) of two or more public authorities who want to learn, discuss or even plan procurement of innovative mobility solutions. This is to provoke thoughts of what forms does the cooperation have or should have in different phases of the procurement process. What benefits do other procurement approaches like

⁸ PRIMES Project, URL: http://primes-eu.net/media/18618100/13-case-study_roskilde-municipality_zea_denmark_final.pdf [last checked 31.08.2017]

competitive dialogue or the new innovation partnership have. These aspects can be discussed in the SPICE Common Buyers Groups.

Taking the procurement process as a whole, it starts with (strategic) planning, continues to tendering, deployment and finally the contract period. Going beyond the actual tendering, which is just one phase in the process, a deeper look should be taken into other phases. It could be studied which practices fit most in different types of Joint Procurement in strategic, tactical and also operational day to day level. Should some new cooperation practices be tested, for example, in the planning of the Joint Procurement, or of other cooperation like procuring in parallel? How could the cooperation hold through the contract period where success of innovative solutions is utterly dependent on the continuous development and betterment based on the feedback and results gained?

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