



STEPPIN

Standards in Procurement and Innovation

Joep Frijdal

Managing Director Belmont Innovations & Sustainability

National Tender day 19 October 2011, Brussels



- ➔ Introduction
- ➔ STEPPIN Project
- ➔ Innovation
- ➔ Standards, CE marking
- ➔ Standards and Innovation
- ➔ Practical example
- ➔ Conclusions

Innovation – we've come a long way



- ⇒ 25 years old
- ⇒ CDC 844 Disk storage
- ⇒ 100 MB disk pack
- ⇒ No standard interface
- ⇒ What was the original cost?



Freecom DataBar 128MB, USB2.0

|| FREECOM



Artikelnr: **412351**
Partnr: 23853
Garantie: **24 maanden**

Bergschenhoek

 beperkt
voorraadig

Berkel en Rodenrijs

 geen voorraad

Leverancier

 ruim voorradig

€ 5,00

4,20 excl. BTW

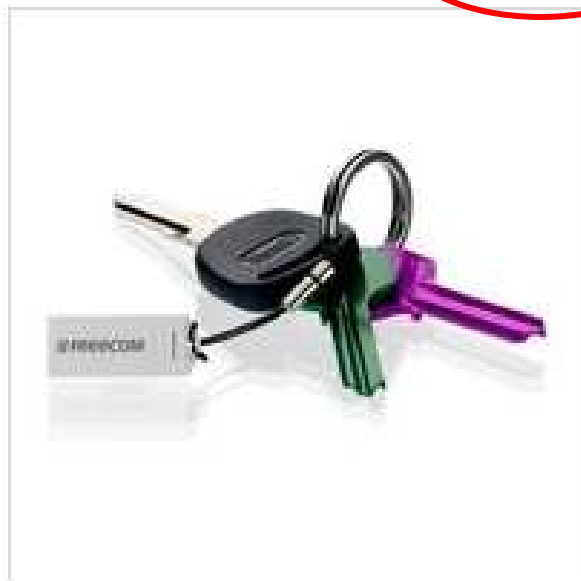
2007!!!

? Stel een vraag  Verlanglijst  Snelkeuzelijst  Bestel



Freecom DataBar XXS 4GB USB2.0

Freecom



Artikelnr:	413027
Partnr:	35550
Fabrieksgarantie:	12 maanden
Voorraadstatus:	✓ Product is op voorraad in Bergschenhoek
Levertijd:	Voor 21.00u besteld, morgen in huis
Verzendkosten:	€ 2,50 (bij vooruitbetaling)
AANBIEDING	
Geldig tm woensdag 20 oktober en zolang de voorraad strekt	
	€ 9,90 8,92 excl. BTW

? Stel een vraag

📁 Verlanglijst

📄 Snelkeuzelijst

🛒 Bestellen

What was STEPPIN ?



- Europe INNOVA was an initiative for innovation professionals supported by the European Commission under the 6th Framework Programme.
- Standards are a catalyst for innovation. They play a crucial role in the definition of market conditions within many industrial sectors and they effectively accelerate technological and organisational change.
- To improve innovation performance through the use of standards a series of Networks has been created.
- STEPPIN was one of these 6 standards Networks



→ Context:

- Public sector is the largest consumer of goods and services:
> 15% GNP in the EU
- Public ITT's often require evidence of standards

→ Ambition

- Stimulate innovation by improving the way existing standards are used in European public procurement processes

→ How?

- Propose practical guidelines for selecting standards which support performance specifications to stimulate innovation
- Organise workshops in the member states to disseminate and validate the contents of the handbook
- Prepare policy recommendations for the European Commission



Three “STEPPIN Stones”:

➔ STEPPIN stone 1

- create the tools: make the proper information available, useful for all stakeholders

➔ STEPPIN stone 2

- Involve the individuals: all concerned procurement officers should be put in the position to use the tools

➔ STEPPIN stone 3

- Involve the organisations: procurement officers can only change their procurement process when they have backing from their organisation



- Innovation in the market, not innovation of the procurement process itself
- “Normal” procurement, not pre-commercial procurement of R&D
- Existing open standards
- 2 year project, public procurement community and standards organisations must pick it up and continue the “good” work.



Content Group

- ➔ Fraunhofer ISI (D)
- ➔ FIR (D)
- ➔ Corvers (NL)
- ➔ NEN (NL)
- ➔ AENOR (ES)
- ➔ DIN (D)
- ➔ DS (DK)

Dissemination Group

- ➔ Virage (NL)
- ➔ PLEON (UK)
- ➔ CEN (BE)
- ➔ CONSIP (IT)
- ➔ BME (D)
- ➔ CIPS (UK)
- ➔ APASP (FR)



- An **innovation** is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations (either new to the firm, the market or the world).
- **Innovation activities** are all scientific, technological, organisational, financial and commercial steps which actually, or are intended to, lead to the implementation of innovations.
- A **product innovation** is the introduction of a good or service that is new or significantly improved
- A **process innovation** is the implementation of a new or significantly improved production or delivery method

Definition: OECD Eurostat Oslo Manual 2005



- ➔ Positive impacts
 - higher quality of public services and infrastructures meeting in a better way user requirements; this aspect becomes more important due to more competition between municipalities, regions and member states for private investors
 - lower whole life costs
- ➔ Negative impacts
 - higher initial purchasing costs
 - higher risks respective whole life costs including frictions to existing infrastructures
 - only very few supplying companies at early stages
- Standards are able to leverage the positive impacts and to reduce the negative impacts of innovation for public procurement

What is a Standard?



- An *open standard* is a published standard that can be used without any constraints.
- Its ongoing development occurs on the basis of an open decision-making procedure available to all interested parties and any changes must be made by consensus.
- Open standards can grow an entire industry, leaving more room and more opportunity for everyone.
- They improve products, because rivals can compete only through pricing and quality.
- Open standards provide the clarity and stability necessary to create new products and services based on the use of these standards.



➔ Standard (EN 45020:2006)

- document, established by consensus and approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context



- ➔ Product standard
 - Specifying requirements to be fulfilled by a product or a group of products, to establish its fitness for purpose
- ➔ Interface standard
 - Specifying requirements concerned with the compatibility of products or systems at their points of interconnection
- ➔ Service standard
 - Specifying requirements to be fulfilled by a service, to establish its fitness for purpose
- ➔ Terminology standards, testing standards, processes standards ...

Requirements in Standards



- ➔ Descriptive provision
 - Provision for fitness for purpose that concerns the characteristics of a product, process or service
- ➔ Performance provision
 - Provision for fitness for purpose that concerns the behavior of a product, process or service in or related to use
 - A STANDARD DESCRIBES WHAT WE WISH TO ACHIEVE
NOT HOW



- ➔ Free movement of goods is a cornerstone of the single market. The mechanisms in place to achieve this aim are based on prevention of new barriers to trade, mutual recognition and technical harmonisation
- ➔ Legislative harmonisation is limited to essential requirements that products placed on the Community market must meet, if they are to benefit from free movement within the Community.
- ➔ The technical specifications of products meeting the essential requirements set out in the directives are laid down in harmonised standards.
- ➔ Application of harmonised or other standards remains voluntary, and the manufacturer may always apply other technical specifications to meet the requirements.
- ➔ Products manufactured in compliance with harmonised standards benefit from a presumption of conformity with the corresponding essential requirements



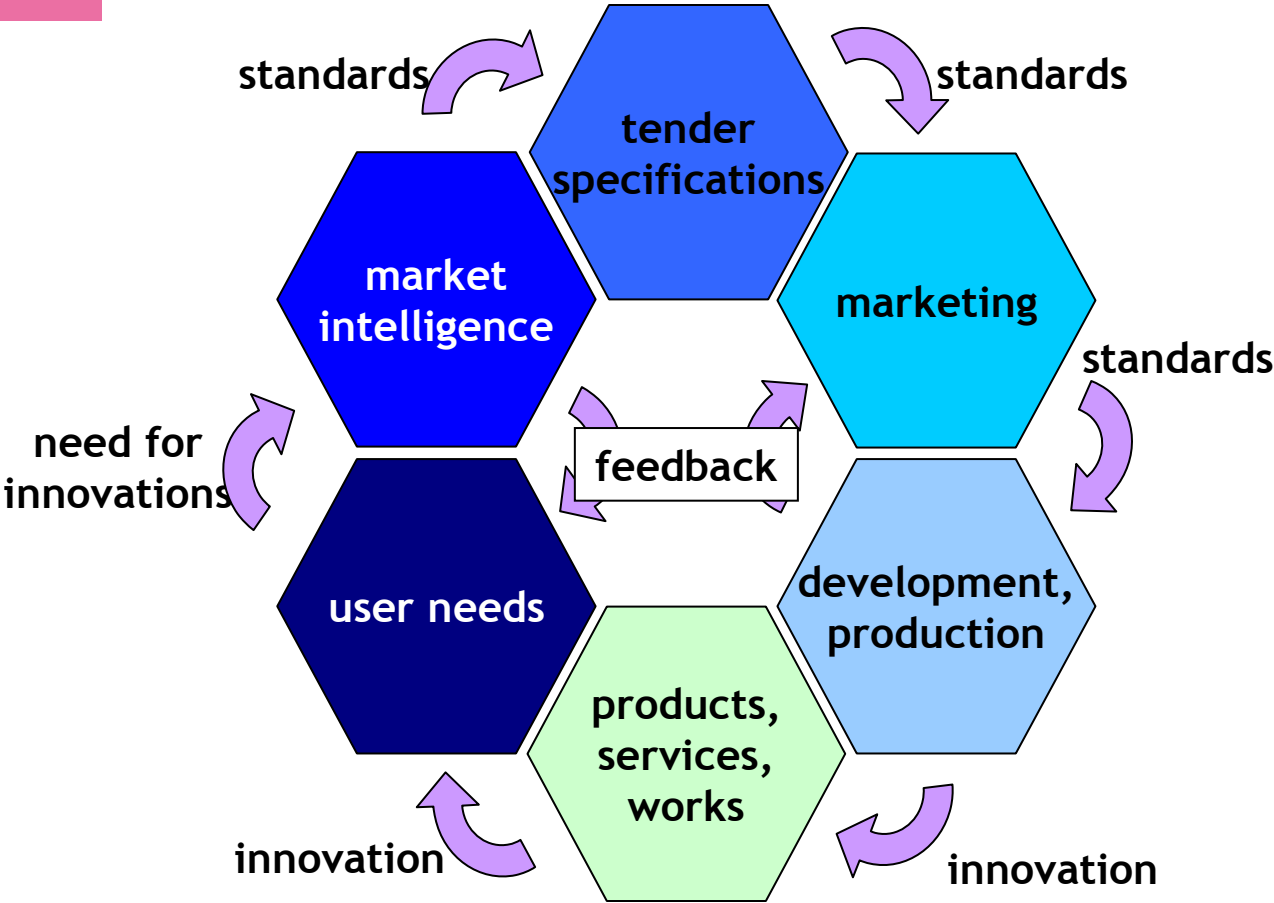
- ➔ CE marking of the products covered by the 'New Approach' Directives is mandatory.
- ➔ The CE mark guarantees conformity with essential requirements, irrespective of whether the product applies the mandated standard or other technical specifications complying with the essential requirements .
- ➔ Member states may not derogate from the essential requirements.
- ➔ Member states may not refuse CE marked products/services on grounds of technical inadequacy, unless the escape procedure provided for within the directive is followed.
- ➔ There are at the moment some 25 'new approach' directives and a few hundred of harmonised standards created in their context
- ➔ Harmonised standards contain technical requirements covering the essential requirements.

Effects of standards



- ➔ Referencing standards can help to achieve the objectives of a tender:
 - Standards promote competition between suppliers and prevent lock-in to a specific supplier
 - Standards support compatibility to existing infrastructure and reduce cost for repair and maintenance
 - Standards set minimum requirements for performance, quality and safety
 - Cost and risk reducing effects of standards make it possible to buy products with innovative features connected with higher risk and cost

Standards and Innovation





➔ Personal Protective Equipment

- Important sector for Public Procurement to foster innovation
- Innovation is necessary to improve comfort and safety performance of PPE products, like clothing for police firemen and servicemen, during entire lifecycle
- PPE is one of the 6 Lead Markets recently identified by EC
- F.e. US MoD recently announced acquisition of 100 M\$ worth of Protective fabrics





- ➔ German Police Department wanted acquire protective fabrics for police garments
 - The fabrics had to be flame resistant and antistatic. Colour fastness was required and the fabrics should be provided in 3 colours
 - The fabrics had to be CE marked in conformance with Directive 89/686/EEC for Protective Equipment of 21 December 1989
 - Essential requirements for antistatic properties are covered by EN 1149. These specifications are performance based
 - Colour fastness is covered by ISO 105 B
 - The material should consist of 93% Meta-Aramid.



➔ Supplier was interviewed

- Tender specifications limit possibilities for innovation: A specific material (Meta-Aramid) is specified.
- A 30% lighter material exist: Millenia Light, a mix of Kevlar fibers, with a better performance and compliant to EN 1149
- But it was **not** composed of Meta-Aramid and was only available in **one** colour and could therefore **not** be proposed
- Supplier might have developed a improved version of Millenia Light, mixed with other fibers to get the required colour fastness in the 3 requested colours.
- Now a Meta-Aramid mixture, was supplied having the required specifications.

- Result: Police garments are now heavier than necessary and less comfortable

Conclusions



- In the case the CA should have not have required additional technical (= non functional) specifications. This has limited the opportunities for innovation.
- Early involvement of the market and communication of the selected standards would have enabled the suppliers to make the CA aware of the limiting effects
- Standards can play an important role in procurement, they:
 - Increase efficiency of tendering process
 - Reduce risks
 - Provide baseline criteria for cost effectiveness
 - Can foster innovation if used sensibly

More info



- ➔ More info about STEPPIN and other Standards Networks can be found on:

standards.eu-innova.org