Procurement of innovative solutions for water management - Region of Puglia, Italy

The Region of Puglia is seeking to find innovative solutions for water management, tackling two specific challenges, namely: a) the detection of water leaks in distribution pipelines, and b) the reduction of sludge in urban wastewater.

These needs led to the issuance of two Pre-Commercial Procurement (PCP) projects in 2015, which resulted in seven concrete pilots. The final stage of the PCP consisted in the assessment of the technical soundness of proposed prototypes. The technical assessments have been handed over to the water management operator, Acquedotto Pugliese, responsible for the development and management of the entire water system of the region.

The Region is currently in the process of deciding on the opportunity of engaging in one or several of the pilots into Public Procurement for Innovation (PPI) processes for large-scale deployment of the innovative solution. The Region sought assistance from the OECD to structure this decision-making process taking into account several dimensions such as financial, organisational impact, human resources.

List of deliverables

- Stock-taking study of PCPs: The objective of this study is to take stock of the two PCPs carried out by the Region of Puglia during the time 2015-2019 in the area of water management, comparing them to international good practice, and extracting lessons learnt for further improving the operations of the Region in the field of innovation procurement.
- Transitional Risk Management Tool: This tool facilitates the transition from R&D procurement and pre-commercial procurement towards commercial procurement and PPI. It provides the Region of Puglia with a framework to structure their decision-making in the transition from a PCP to large-scale deployment of an innovative solution through a PPI, and understand the level of procurement readiness across key dimensions.

Fast facts

- Country: Italy
- Timeframe: January 2019 – December 2021
- Main Counterparts:
  - European Commission – DG REGIO
  - Region of Puglia
  - InnovaPuglia S.p.A.
  - Acquedotto Pugliese S.p.A.
- Areas of focus
  - Balance
  - Risk management
  - Capacity
Content of the project

The Region of Puglia applied for OECD assistance under the pilot Action for the project “Innovation Procurement of research services for Leading public Administration Bodies – IPLAB”, where it is seeking support for its activities in innovation procurement.

The Region will benefit from an international view on the way it has conducted PCP procedures to identify both strengths and areas of improvements in its operations linked to innovation. Beyond that, the Region will be supported in the decision-making towards potentially launching a large-scale deployment of innovative technology for more effective water management, which resulted from the PCPs. Such support to decision-making will take into account risks emerging from such procedures, and providing reflections on how to best mitigate them.

The goals of the technical assistance are twofold:
- Gather lessons learnt from the PCP-related activities conducted by the Region of Puglia to date by benchmarking them with international good practice (operational support);
- Support the decision-making of the Region on whether to launch a large-scale deployment of the innovative solution developed under the PCP with a tailored-made tool (strategic support).

Timeline

- **February 2019**: Kick-off meeting
- **March-July 2019**: Documentation review and preparation of draft Stock-taking study of PCPs
- **July 2019**: Fact-finding mission
- **August 2019-December 2019**: Development of Transitional Risk Management Tool for Innovation Procurement in the Public Sector
- **December 2019**: Workshop on Analysis of results from PCP and Transitional Risk Management Tool
- **January 2020-December 2020**: Testing of the tool
- **January 2021**: Lessons learnt from the pilot

Resources

OECD Recommendations on Public Procurement