

Procurement for innovation – making innovation a reality

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It is said that ‘necessity is the mother of invention’ and in an environment of squeezed budgets and increasing regulation, meeting the growing demands of the community relies on changing established practices. The question is: How do we get the profit reliant private sector to deliver innovation and clean technology for the risk averse public sector? Procurement for innovation is an innovative method of contract purchasing which stimulates market demand and supply through public procurement. Using the substantial buying power of public sector procurement, this method is a way to move markets to innovate and substantially produce clean technology solutions to an existing problem. Essentially, a public sector procurer establishes a commitment to procure in the future a product which responds to their need and which is not yet available on the market.

By making this commitment, suppliers on the market are assured that if investment in research and development of a response to the unmet need is undertaken, there is a commitment to procure when the public sector buyer goes to tender.

The City of Greater Geelong undertook a procurement for innovation process to obtain a new replicable pedestrian bridge with zero maintenance over a 100+ year design life. The outcome of the process is a ground breaking structure locally developed and manufactured.