

## Public Procurement and Innovation: A Municipal Approach

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**Abstract :** Innovation procurement is designed to steer the development of solutions towards concrete public sector needs as a driver for innovation from the demand side (in public services as well as in market opportunities for companies), is horizontally emerging as a new policy instrument. In 2014 the new EU public procurement directives 2014/24/EC and 2014/25/EC reinforced the support for Public Procurement for Innovation, dedicating funding instruments that can be used across all areas supported by Horizon 2020, and targeting potential buyers of innovative solutions: groups of public procurers with similar needs. Under this programme, new policy adapters and networks emerge, aiming to embed innovation criteria into new procurement processes. As these initiatives are in process, research related to is scarce. We argue that Innovation Public Procurement can arise as an innovative policy instrument to public procurement in different policy domains, in spite of existing institutional and cultural barriers (legal guarantee versus innovation). The presentation combines insights from public procurement to supply management chain management in a sustainability and innovation policy arena, as a means of providing understanding of: (1) the circumstances that emerge; (2) the relationship between public and private actors; and (3) the emerging capacities in the definition of the agenda. The policy adopters are the contracting authorities that mainly are at municipal level where they interact with the supply management chain, interconnecting sustainability and climate measures with other policy priorities such as innovation and urban planning; and through the Competitive Dialogue procedure. We found that geography and territory affect both the level of municipal budget (due to municipal income per capita) and its institutional competencies (due to demographic reasons). In spite of the relevance of institutional determinants for public procurement, other factors play an important role such as human factors as well as both public policy and private intervention. The experience is a 'city project' (Bilbao) in the field of brownfield decontamination. Brownfield sites typically refer to abandoned or underused industrial and commercial properties—such as old process plants, mining sites, and landfills—that are available but contain low levels of environmental contaminants that may complicate reuse or redevelopment of the land. This article concludes that Innovation Public Procurement in sustainability and climate issues should be further developed both as a policy instrument and as a policy research line that could enable further relevant changes in public procurement as well as in climate innovation.

**Keywords :** innovation, city projects, public policy, public procurement

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