

Case Study:

RAKLI Procurement Clinic

Summary

RAKLI , the Finnish Association of Building Owners and Construction Clients, has set up a procurement clinic which uses open, interactive workshops to facilitate market dialogue between potential service providers, consultants, contractors and investors.

Workshop members meet four or five times to discuss each procurement case, and participants also have assignments outside of the workshops. If appropriate, experts are invited to give their opinion at the workshop meetings

Workshops analyse the procurement problems and give their recommendation for solving them, which are documented. Workshop results are then available to the public and accessible to construction sector operators.

Procurement cases may be related to any form of man-made environment. They may concern maintenance, new investments or service delivery. Clinics may deal with new types of partnerships for the development of project implementation or service concepts.

RAKLI provides the clinics with a framework, processes and leaders for workshop activities. The clinics are funded by customers and participants.

Objectives of the Procurement Clinic:

- Development of procurement procedures in the real estate and construction sector
- Finding and promoting the best procurement solutions
- Developing procurement innovations
- Applying the EU public procurement regulations
- Exploiting and developing the market
- Open exchange of experiences between customers and service providers
- Finding case-specific solutions constructively and interactively

Organisations Involved

RAKLI – Finnish Association of Building Owners and Construction Clients

www.rakli.fi

Tekes - Finnish Funding Agency for Technology and Innovation
Tekes is an expert organisation for financing research, development and innovation in Finland. Annually, Tekes finances around 1,500 business research and development projects, and almost 600 public research projects at universities, research institutes and polytechnics.

www.tekes.fi

Process

Clinic Overview

- Case-specific working groups, five to seven participants:
 - Leaders from RAKLI
 - Case initiators provide one or two participants
 - Other customers also welcome to participate
 - Consultants, contractor and other expert representatives
 - Potential inclusion of paid legal or specialised expert services
 - Selection of procurement cases
 - Suggestions from customers
 - The steering group agrees on the cases
- Workshop activities
 - Four to five sessions per case
 - Process duration will range from three to six months depending on the case
- Using the results
 - Presented on the Procurement Clinic's website (<http://www.rakli.fi/linkit/kehitysjaprojektit/projektit/hankintaklinikka/>)

SCI-Network Context

Working Group 3: Procuring Innovation

The Procuring Innovation working group is initially investigating the ways in which two elements of the procurement process - Early Market Engagement and Supplier Relationship Management - can be used to drive the development and application of innovation and sustainability within the construction sector. The aim is to ascertain to what extent activity is taking place, and to identify and promulgate best practice case studies and guidance.



- Case-specific public reports
- Recommendations for solutions made available to the public

Clinic Process

Workshop 1

- Determining the customer's objectives and assigning tasks
- Searching for potential experts

Assignment 1

- Outline areas of interest within the project and desired outcomes

Workshop 2

- Analysing party interests and objectives
- Consulting potential experts

Assignment 2

- Proposals for solutions

Workshop 3

- Initial proposal for a solution
- Defining the form of the procurement and its conditions

Workshop 4

- Finalising the proposal for a solution and coming to an agreement
- Publishing the solution

Results

Example: Outsourcing of municipal engineering in the City of Varkaus

Municipalities in Finland are increasingly facing challenges in building and maintaining community infrastructure such as streets, water pipes, drains and energy supply, as their economic situation is tightening. At the same time private service providers are interested in broadening their service activity to cover municipal engineering.

The city of Varkaus made the decision to outsource its municipal engineering in 2008. The city established a project to develop and test the process for outsourcing engineering service production. The objective of the process was to engage in market dialogue, use competitive bidding, and prepare agreements for the outsourcing process, as well as to ensure that service level targets set by the municipality would be reached.

The development of the outsourcing process was funded by Tekes as a pilot project for the new funding instrument. The challenge for the procurement unit was to specify the criteria for competitive bidding, to define conditions, and create a model for contracting with suppliers. RAKLI took part in the project by arranging a procurement clinic with potential service providers, consultants, contractors and investors. The result of the project was a new operating model and a large amount of valuable knowledge gained in implementing outsourcing, which is applicable to other cities in the region. RAKLI's role in arranging market dialogue has proved successful and as a result it has been used in several other ambitious procurement processes.

From 'Case Study Finland: Funding for Procurement of Innovations in the Public Sector', Ministry of Employment and the Economy, Finland, 29.7.2010.



Budget and Finances

Funding for the clinics comes from participants and from the Finnish Funding Agency for Technology and Innovation, Tekes. Costs range from €10,000 to €30,000 per case.

Tekes is the main public funding organisation for research, development and innovation in Finland. Tekes finances around 1,500 business research and development projects, and almost 600 public research projects at universities, research institutes and polytechnics, per year. Research, development and innovation funding is targeted at projects that create the greatest long-term benefits for the economy and society. Tekes does not derive any financial profit from its activities, and it does not claim any intellectual property rights.

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References

'Case Study Finland: Funding for Procurement of Innovations in the Public Sector', Ministry of Employment and the Economy, Finland, 29.7.2010:

<http://preco.share2solve.org/main/files/2010/12/Case-study-Finland-revised-07-20101.doc>

RAKLI: www.hankintaklinikka.fi

Date Written

March 2011



The SCI-Network is being co-financed by the European Commission's CIP programme under the Lead Market Initiative for a period of 36 months.

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