

Innovation Partnership Procurement by Co-Design

Vendor Guidebook



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Overview

What is it?

The Innovation Partnership: Procurement by Co-Design Program (IPPCD) introduces an innovation procurement approach that enables healthcare providers to procure innovative service and technology solutions using design challenge principles.

In contrast to traditional procurement, providers seek solutions by publicizing a “Challenge Brief” that vendors can respond to. Following vendor selection, providers and selected vendors work together in a design and prototyping phase to co-design then evaluate solutions, leading to a procurement decision (positive or negative). It allows providers to collaborate with a vendor and work together before a procurement decision is made.

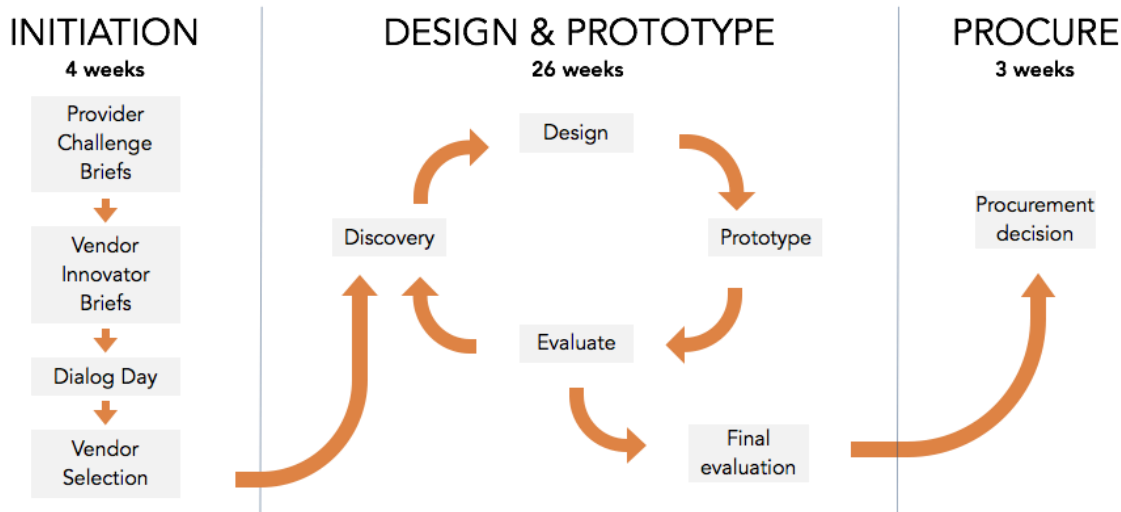
MaRS will act as a facilitator and educator, providing the guides, tools, templates, and workshops to ensure the successful implementation of the approach. The IPPCD is a pilot program that will be run as a competition, with a limited number of grants available for participating projects. Although procurement of co-designed and favorably evaluated solutions at the end of the process is highly encouraged, there is no requirement to follow through with procurement by the provider. The Challenge Brief document from the provider offers you an estimated maximum budget they are willing to spend on a potential solution. Also keep in mind that this co-design process allows for procurements under \$100,000.

How does it work?

In contrast to the competitive bidding procurement approach commonly used in the healthcare system, this novel procurement approach allows providers to work directly with one or more vendors in a design challenge methodology to design, test, evaluate, then select a final solution for procurement. The approach consists of 3 phases:

- 1 Initiation
 - a Healthcare provider publishes a challenge
 - b Vendor responds
 - c Shortlisted vendors invited to dialog day
 - d Provider selects vendors to move into the next phase, sign co-design and prototyping agreement
- 2 Design & Prototyping
 - a Provider and vendor(s) collaborate together in a discovery > design > prototype > evaluation cycle
 - b After a number of iterations, a final evaluation is conducted
- 3 Procure
 - a Favorably evaluated solution(s) can then be procured
 - b Procurement agreement, with specific terms, is signed

The design challenge approach has fueled major successes in business around the world¹. The process inspires competitive participation and is used by varied sets of organizations, from Fortune 500 companies to the US Department of Health and Human Services, and has more recently been scaled up by healthcare organizations through the work of Hacking Health and others.



Summary of the procurement by co-design approach

Suitable projects

The design challenge approach to procurement works well with certain types of procurement needs. Below are some guidelines, but please reach out to us via email (designchallenge@marsdd.com) to discuss your specific challenge/project.

Suitability guidelines include:

- Meet a pressing provider challenge with clear outcomes
- Digital health and/or innovative process/service
- Can be rapidly co-designed and prototyped/tested
- Are suitable for testing in context of intended use (e.g., clinical, back-office)
- Cost less than \$100k to procure
- Have minimal or no cost to design and micro-test

The Challenge Brief

At the core of this procurement approach is the Challenge Brief. The Challenge Brief is how a provider publicizes their intent to procure using the approach (instead of more traditional procurement approaches, which typically require a “Request for Proposals” document).

¹ <https://hbr.org/2014/11/to-encourage-innovation-make-it-a-competition>

The Challenge Brief is a concise document that consists of:

- 1 Details of the team that will be involved in the project and procurement
- 2 The challenge the healthcare provider aims to procure a solution for
- 3 The desired outcome(s) to be achieved by a potential solution
- 4 Evaluation criteria used for initial vendor screening
- 5 Any other standard terms and conditions and/or legal considerations

Providers are expected to treat the Challenge Brief document as a key part of the procurement process – this means following all relevant procurement best practices and legislation, including being compliant with the Ontario Broader Public Sector (BPS) Procurement Directive, including the Supply Chain Code of Ethics.

The Vendor Brief

Vendors can respond to the Challenge Brief by submitting a Vendor Brief by the due date and time listed in the Challenge Brief.

The Vendor Brief is a concise document that consists of:

- 1 Company “Elevator Pitch”
- 2 Proposed approach to the challenge
- 3 Example case study
- 4 Ability to generate validation data
- 5 Project team
- 6 References

1) Company “Elevator Pitch”

The elevator pitch describes your company concisely and in a compelling way. While being as brief as possible you want to make maximum impact, so that your audience requests a follow-up call or to be sent more information. Include figures if they simplify how to describe your proposal. It is important to keep in mind that the approach you are proposing may result in a solution that is different from your current offerings, in order to meet the outcomes. It is important to let the provider know how flexible your approach is, and if it can be adapted to the needs of clinical setting it will be used in (upon doing discovery and design with the provider).

It's key to keep this pitch concise and short. For more advice on the elevator pitch, [click here](#).

2) Proposed approach to the challenge

This section gives the vendor the opportunity to propose an approach to the provider's challenge. This is the section to shine! Explain how your approach is innovative, and describe any technical assets that might support your proposal.

3) Example case study

Use this section to highlight your experience with implementing innovative solutions in the past. Include your customer's challenge, how your solution met their need, and any outcome metrics from implementing the solution. Providers also want to understand if the solution was delivered within the budget you estimated, so please include the cost to the customer if available (or a range if you do not have a specific number).

4) Ability to generate validation data

Providers want to know your ability to evaluate prototypes and produce validation data. This section allows you to include summaries (or links) to whitepapers, peer reviewed articles, or clinical trial results summaries. Demonstrate your ability to generate good quality data to evaluate a minimal viable solution to see how well it can achieve desired outcomes as part of the co-design process.

5) Project team

List your project team that will directly (and indirectly) work on this project and support it. The provider is looking for professional and experienced partners to work with, and this an opportunity to highlight your team's credentials.

6) References

Finally, list any references the provider can use. Ideally these are past customers with similar challenges to the provider. List contact names, their organization name, their role, and contact info (email/phone).

Program Timelines

To qualify for funding, project teams must adhere to a strict schedule and make themselves available whenever necessary.

Key Dates	Milestones	Duration
Sept 28 – Oct 13	Program launch, providers invited to download and complete a Challenge Brief	2 weeks
Oct 13	Challenge Briefs due to MaRS team. All briefs must be submitted electronically to the designchallenge@marsdd.com inbox by 5:00 PM Eastern Standard Time	Document Submission Deadline
Oct 16 - 20	All challenges posted online, vendors begin to respond with Innovator Briefs	1 week
Oct 20	Innovator Briefs due to Providers. All briefs must be submitted according to conditions in the respective Challenge Brief.	Document Submission Deadline
Oct 23 - 27	Vendors have all submitted Innovator Briefs. Providers shortlist vendor selection.	1 week
Nov 6	Dialog day. Each provider will hear their selected vendor pitches. Final vendor selection completed.	1 day
Nov 7 - 10	Teams prepare and submit co-design grant application.	1 week
Nov 13 - 17	External judging panel reviews grant applications. Meets on 17th to make final decision. Co-Design grant winners announced.	1 week
Nov 20	Co-Design Workshop #1: Discovery. Teams sign collaboration agreements.	1/2 to 1 day
Nov 20 - Dec 15	Teams work on discovery phase.	4 weeks
Jan 15, 2018	Co-Design Workshop #2: Ideation & Concept testing	1/2 to 1 day
Jan 15 - Mar 3	Teams work on ideation and concept testing phase.	8 weeks
Mar 5 - 8	Design review sessions. 1 - 2 hour sessions with each team to	1 week

	review learnings from discovery and concept testing results.	
Mar 9	Co-Design Workshop #3: MVP prototyping and evaluation framework.	1/2 - 1 day
Mar 9 - Jun 15	Teams work on MVP development and evaluation phase.	14 weeks
Jun 18 - Jul 5	Teams make procurement decision and formalize agreements.	3 weeks
Jul 9 - 13	External judging panel conducts site visits.	1 week
Jul 20	Final solutions day. Judges award up to \$50k for procurement.	1 day

FAQ

About the program

What is co-design? What is the procurement by co-design process?

Co-design is an approach to solving problems that is based on the concept that solutions should be created with and not just for users. Each user is an expert of their own experiences and their knowledge, insight, and points of view should shape the development of products and services of which they are the ultimate benefactor.

For a full description of the procurement by co-design process, please go to www.marsdd.com/procurement-co-design

Can you please clarify what you mean by “provider”, “vendor”, and “solution”?

A *provider* is a healthcare delivery organization that is issuing a challenge and wants to procure a solution.

A *vendor* is an organization that is responding to a challenge and wants to supply the co-design solution or service.

A *solution* is the resulting product(s) and/or service(s) that are produced and procured as a result of the co-design process.

What were the results of the first cohort of the program?

17 teams participated in the co-design process. Three teams went on to procure the final solution. For more information on the first cohort please go to: www.marsdd.com/procurement-co-design

Why should I use the procurement by co-design approach versus other approaches that I am familiar with like request for proposals or services?

Procurement by co-design is not an approach that is meant to replace existing traditional procurement approaches. It is meant to be used for when there is no existing solution on the market that fully satisfies your needs or there are no solutions that you can feasibly procure (i.e, due to expense, complexity of integration). A benefit of this approach is that it allows you to collaboratively co-design a solution with a partner vendor and your end-users which increases the ability of the solution to produce the impact that you wish to achieve. Working with end-users can also help empower them to feel more closely connected with your organization. This approach also allows for iteration and testing before a final procurement is made.

Participation requirements

Who is eligible to participate in the program and receive funding?

Any provider and vendor is eligible to participate in the program.

Only Ontario Broader Public-Sector (BPS) provider are eligible to receive the grants with the exception of Local Health Integration Networks (LHINS) and must be the lead applicant and initiate the challenge. Once received, the lead applicant should share the funds between the organizations involved including partnering non-BPS providers, based on mutual agreements.

If you are not an Ontario BPS provider but wish to lead a challenge you are still encouraged to participate to learn this novel procurement approach and form new innovation partnerships as solutions developed can be of significant benefit to the organizations involved.

What about vendors that do not have a solution but can co-design and build a solution for our organization?

Teams can take advantage of an existing co-designed and modified to fit the provider's exact needs and environment are encouraged since they are likely able to deliver in the timeframes we have set out for this program. However, you are also free to work with vendors can confidently build a solution from scratch in the timeframes proposed for this program.

Who is responsible for the execution of the project? What will the time commitment be like? What are the important deadlines?

Partnered providers and vendors are expected work collaboratively as part of the co-design team. Teams will be expected to work on their projects from September 28, 2018 to July 20, 2018. Teams should keep in mind that the amount of effort required to complete the project will depend on the complexity of the challenge being addressed and the proposed solution.

Can a single provider work with multiple vendors on the same challenge and form multiple teams that compete against each other? Can multiple providers and multiple vendors work on the same team?

This procurement approach was designed and curated the tools for teams made up of a single provider and a single vendor. This does not preclude teams of multiple providers and/or multiple vendors who wish to compete on the same challenge or form a team that works collaboratively on the same project. We will still provide support and guidance.

Who owns the intellectual property of the solution?

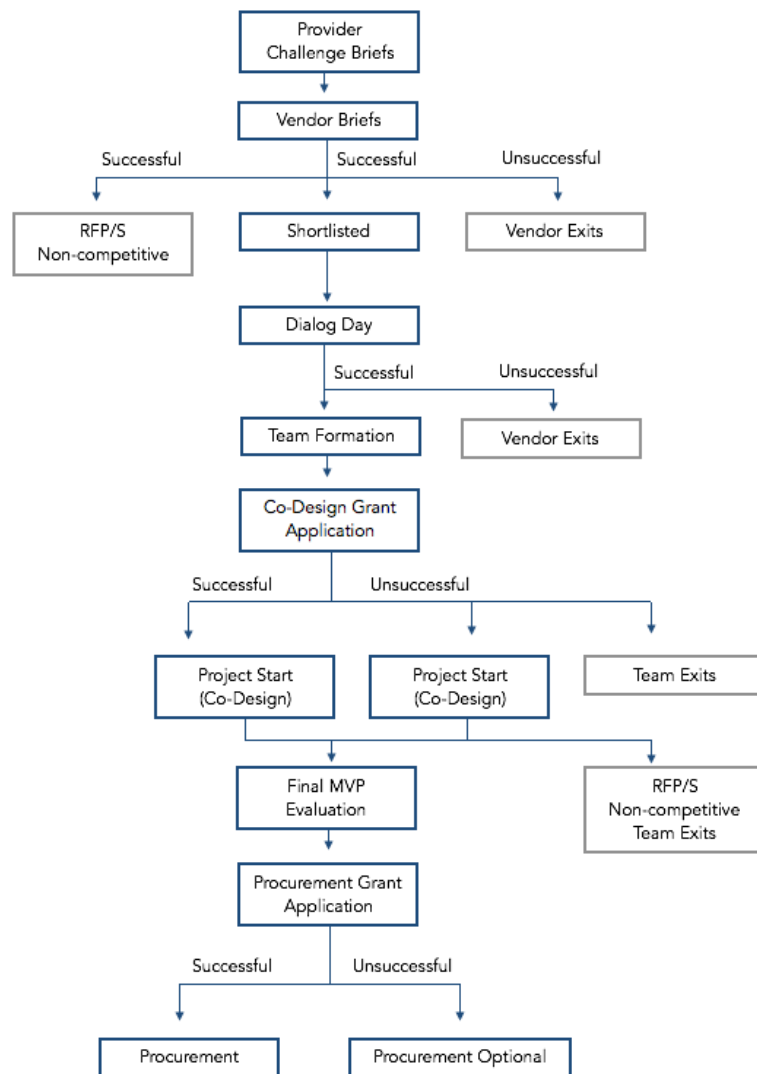
Any intellectual property considerations should be discussed amongst the project team. As the involvement of both the provider and vendor likely will help to shape the minimal viable product it is likely that the organizations will share the intellectual property rights for any new discoveries.

As a provider, do I have to procure a solution at the end of this process?

There is no requirement for procurement at the end of this process (except if your team is awarded a procurement award by MaRS – then you are required to use that funding for procurement). Ideally, you will submit challenges that are in your future procurement pipelines, but this is not a requirement.

As a vendor, will my solution be procured at the end of this program?

There is no requirement for procurement at the end of this process (except if the project is awarded a procurement award by MaRS – then the provider is required to use that funding for procurement). This program is an experiment in novel procurement approaches, and as such, does not require the provider to procure at the end of the process. However, unlike a proof of concept or traditional pilot project, this process is structured to facilitate a procurement at the end, should the provider decide to do so. Ideally, you will respond to challenges that align with your platform, product or service development pipelines, but this is not a requirement. There are a number of potential outcomes from participation in this program, and are summarized by the figure below.



Do I have to consult with the MaRS team before I submit my Challenge Brief or Vendor Brief?

We highly encourage you consult with MaRS before submitting your Challenge Brief or Vendor Brief so that we ensure your project meets the requirements of the program.

Submitting and responding to a challenge

As a provider, does my procurement process need to be compliant with the BPS Procurement Directive?

All procurements in Ontario must be compliant with the Directive. If you are in doubt about your approach, seek legal counsel.

As a provider, must I use the evaluation criteria provided in the challenge brief? Can I modify them in any way?

You must use all of the evaluation categories provided. You can add sub-criteria to the categories and adjust the weight of each category to suit your needs, however the total costs of ownership cannot weigh more than 20% in the final evaluation score.

As a vendor, must I use the vendor brief? Can I modify it in any way?

You must use the template vendor brief as designed as this aids in ensuring a fair and transparent evaluation process.

Do I have to consult with the MaRS team before I submit my Challenge Brief or Vendor Brief?

We highly encourage you consult with MaRS before submitting your Challenge Brief or Vendor Brief so that we ensure your project meets the requirements of the program?

Program grants

What grants are available and what are they for?

A co-design grant will be awarded upon submission of a team application after Dialog Day. Selected teams will be awarded between \$15,000 - \$25,000 out of a total pool of \$100,000. The co-design grant will be awarded to teams in recognition of their commitment to the procurement by co-design approach and program. The teams can decide how to spend the funding at their discretion.

A procurement grant will be awarded to select teams who wish to move to a procurement of the solution at Solutions Pitch day. There is a pool of \$50,000 for the procurement grants. These grants must be spent on the actual procurement of the solution.

Note: It is not guaranteed that projects awarded the co-design grant in the will also receive a procurement grant.

How do we get the grant funding?

The co-design grants will be awarded based on the submission of the Team Grant application due November 10. The teams will be selected by the Innovation Partnership: Procurement by Co-Design Advisory Board. Selected teams will be announced on November 17. The funds for the grants will be released upon completion of a design review session between March 5-8 between the selected teams and Advisory Board

The procurement grants will be awarded on July 20 during the Solutions Pitch Day.

Who awards the grants?

The Innovation Partnership: Procurement by Co-Design Advisory Board, an independent third party of individuals.

Who receives the grant funding if awarded?

Grants are issued to the provider. The provider and vendors will decide together how the initial co-design grants will be spent or shared. Grants awarded at the end of the program are only eligible for procurement of the solution.

What if we do if our team does not receive one of the co-design grants?

We recommend you continue working on the projects to the end of the program, so that your team learns this novel procurement approach and to continue efforts in addressing the challenge. It is up to you and your vendor partners to decide when to end participation in the program. The result of your continued participation may be that you

Contact Us

Please email any additional questions to the MaRS Procurement by Co-Design team at designchallenge@marsdd.com