



**Innovation Partnership
Procurement by Co-Design**

COHORT 2

What is it?

- A novel innovation procurement approach that:
 - Allows providers an opportunity to find innovative solutions to pressing challenges
 - Facilitates provider-vendor collaboration
 - Co-design, prototyping, and evaluation to ensure solution delivers desired outcomes
 - Design new solutions that have the highest probability of successful adoption
 - Procurement (if solution meets provider outcomes)

Why Do It?

- Providers
 - Engage stakeholders in solution-making process
 - Learn and promote and innovative design approach to problem solving
 - Participate in the development of innovative solutions before procuring them
- Vendors
 - Gain unprecedented access to end users
 - Create customer champions
 - Develop innovations that are adopted

Who can participate?

- Any “provider” or “vendor” can participate in the program
- Eligibility for grants:
 - Ontario Broader Public Sector
 - Healthcare delivery organization - lead applicant

Consider the Future of Health

- Patient centred care
- Empowered patients
- Preventative health
- Integrated care
- Aging in place
- Personalized care
- Other?



Design constraints

- 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

Cohort 1: Outcomes

- 29 Challenges
- 163 Vendor responses
- 22 Teams formed
- 17 Teams pitched for \$25K grant
- 4 Teams awarded
- 3 teams procured solutions and won procurement awards:
 - Trinity Village - \$25K
 - VHA Homecare - \$15K
 - Markham Stouffville Hospital - \$10K

What's changing for cohort 2?

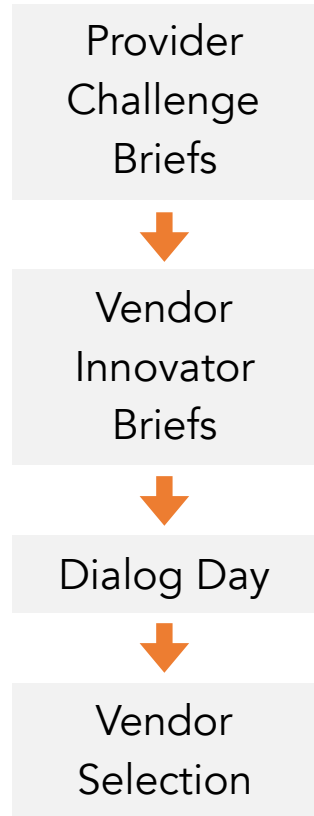
- Prototyping grant - timing, amount, application process
- Workshops: timing and format
- Overall timeline ~ 6 months

- These changes are based on:
 - Cohort 1 outcomes
 - Exit interviews
 - Stakeholder interviews
 - Prototyping session

Cohort 2 Journey at a Glance

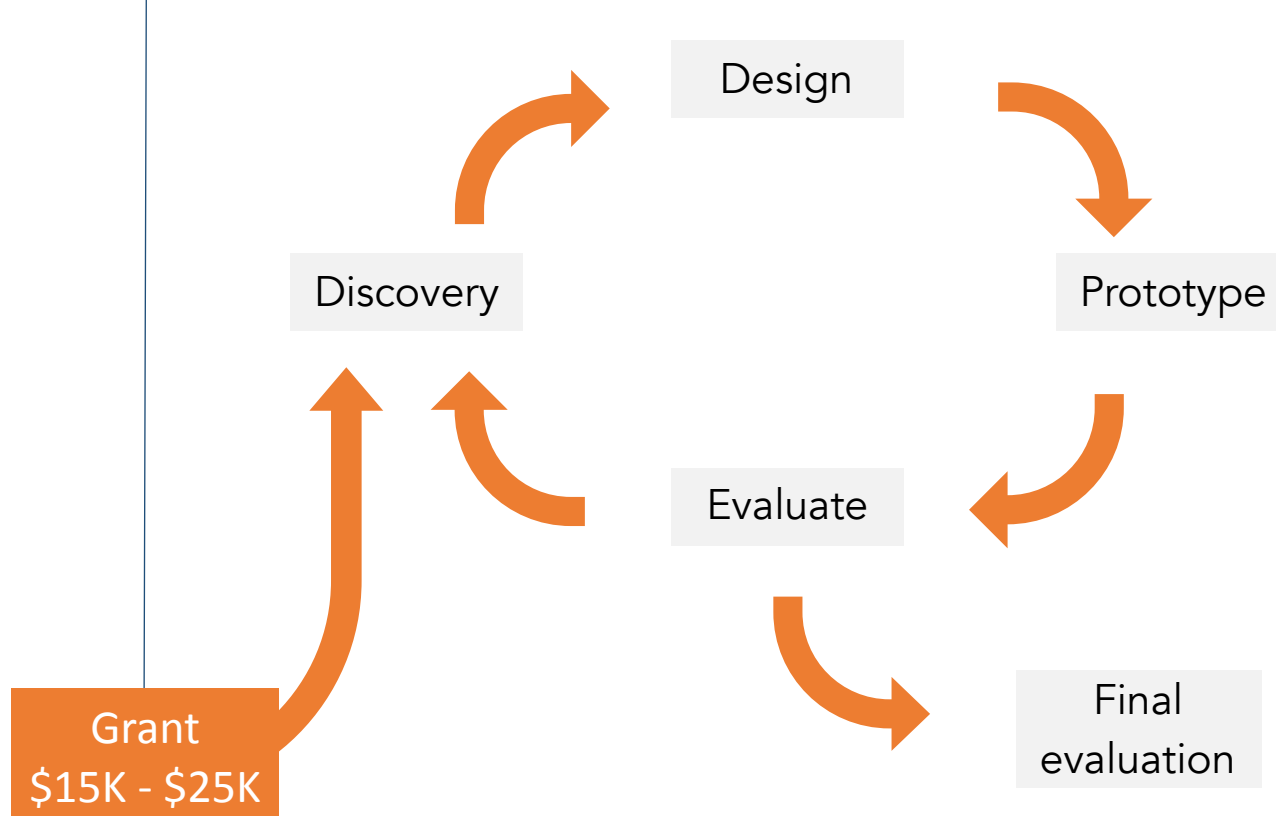
INITIATION

4 weeks



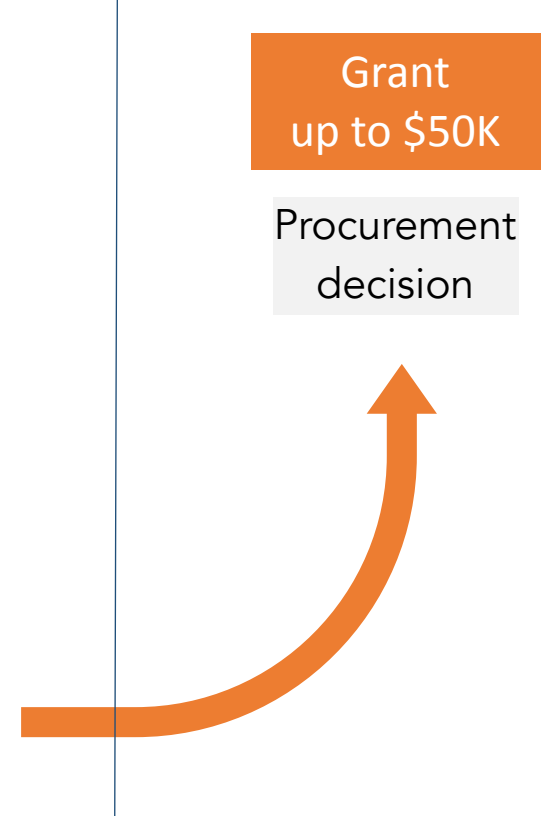
DESIGN & PROTOTYPE

26 weeks



PROCURE

3 weeks



Cohort 2 Roadmap

4 weeks

29 weeks

INITIATION

DISCOVERY

IDEATION

PROTOTYPING

EVALUATION

Challenge briefs

Team charter

Explore solutions

Test concepts

Build MVP

Vendor briefs

Field study

Assess alternatives

Refocus

Run live MVP

Dialog day

Journey map

Select concepts

MVP prototype plan

Collect data

Team commitment

Reframe

Evaluate results

Procurement decision

Program timelines and milestones

Sept 28	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 MaRS team by 5:00 PM Eastern Standard Time	Document Submission Deadline
Oct 16	All challenges posted on the Procurement by Co-Design website. Vendors invited to respond via 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

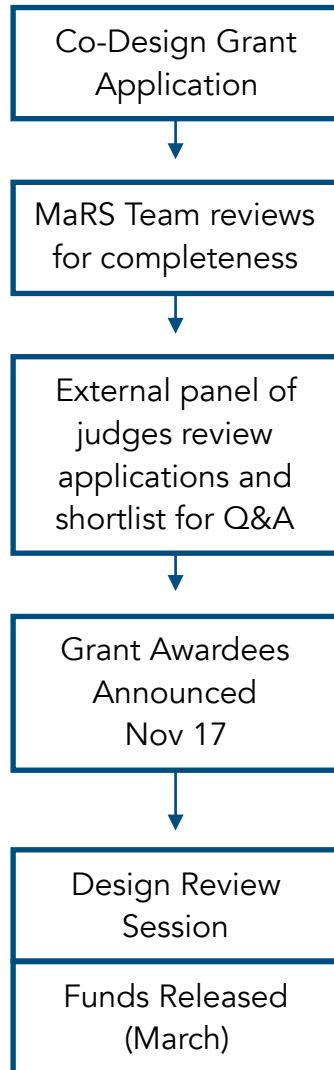
Program timelines and milestones

Nov 7 - 10	Teams prepare and submit co-design grant application.	1 week
Nov 10	Team co-design grant application due November 10 at 5:00 PM Eastern Standard Time	Document Submission Deadline
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

Program timelines and milestones

Mar 5 - 8	Design review sessions. 1 - 2 hour sessions with each team to review learnings from discovery and concept testing results.	1 week
Mar 9	Co-Design Workshop #3: MVP development and evaluation framework.	1/2 to 1 day
Mar 9 - Jun 15	Teams work on MVP prototyping 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

Co-Design Grant \$15 - 25K



- Teams submit an application package, based on guidance provided by MaRS Team:
 - Grant application (template provided)
- MaRS team checks for completeness:
 - Challenge
 - Why innovation partnership and co-design is needed
 - Approach
 - Desired outcomes
 - Readiness

Co-Design Grant \$15 - 25K (cont'd)

- Judging criteria:
 - Compelling challenge and proposed approach
 - Potential impact and outcomes: provider & system
 - Inadequacies of solutions on the market today
 - Fit with innovation partnership and co-design approach
 - Executive support and relevant stakeholder engagement
 - Team's readiness to tackle challenge using Co-Design
 - Clear source of funds for procurement and project

Procurement Grant up to \$50K

- Competition at the end of the co-design process
- Site visits + presentation
- Judging criteria:
 - Desirability
 - Impact
 - Feasibility
 - Viability

Procurement Grant Criteria

Desirability

- How did the team test with users?
- Were the approaches for user testing suitable?
- What were the outcome of the user testing

Feasibility

- What technical and business needs were addressed and tested?
- What operational and workflow changes were addressed and tested?
- What policies/directives were considered or changed, how were they tested?

Impact

- How were the outcomes determined?
- Were the outcomes proposed/tested appropriate?
- To what extent were the outcomes achieved?

Viability

- How was the business model for the solution developed?
- What is the ROI of the solution?
- How will the solution be procured and sustained?

Workshops

- Launch day workshop on framing a challenge, outcomes based specifications and evaluation criteria
 - Co-Design Workshop #1: Discovery
 - Co-Design Workshop #2: Ideation & Concept Testing
 - Co-Design Workshop #3: MVP Prototyping and Evaluation
-
- 1/2 to 1 day in-person workshops
 - Peer-learning and networking opportunities

Challenge Framing

Start with your problem statement

- “My hospital doesn’t have enough beds”

Probe your assumptions by digging deeper

Table #

Name

Dig Deeper #1



Why is this important and what is the impact it is having now?
What is the scale of the problem at your organization and who else has this challenge?

Table #

Name

Dig Deeper #2



What makes this problem complex?

What have you tried before and where did you get stuck?

Are there any solutions in the market that can help?

Why are they inadequate?

List key barriers encountered in the past (or anticipate)

Table #

Name

Dig Deeper #3



What do you think needs to change to solve the problem?

What kind of experience do you want to provide?

What kind of outcomes would you like to see?

Scope your problem into a challenge statement

In the context of trying to (improve X, get Y done, decide Z), we have (tried ABC but failed, do not know how to decide DEF, made progress but got stuck at GHI and cannot seem to get unstuck). This really matters because JKL and affects MNO. Our partners at PQR and others face similar issues. Therefore, we are seeking an innovative solution that can achieve METRIC as measure by W in TIMEPERIOD.

Refined challenge statement

- Original problem: “My hospital doesn’t have enough beds”
- Scoped challenge statement: “In the context of trying to provide the appropriate level of care to our patients we have tried to encourage non-acute patients to access other care centres so they are not waiting in our ER. We have tried educating people about alternative care settings and posting wait times but non-acute patients are still waiting for 3 hours or more in the emergency department. This problem has resulted in many complaints and has impacted our staff’s morale. This is a common problem faced by other hospitals in our community. We are seeking an innovative solution that can connect patients to the appropriate level of care by reducing the wait time to 20 mins upon arriving at our emergency department.

Procurement Considerations

Procurement Considerations

- Challenge Brief needs to signal to prospective solution providers that the design phase could evolve into a procurement
- Considerations related to the 25 mandatory requirements of the BPS Procurement Directive have been provided as part of the Provider Guidebook and are included in the Challenge Brief "T&C"
- It is your responsibility, however, to ensure your process is compliant with your own organization's policies and procedures and with the Directive
 - When in doubt, seek legal counsel
- Per the Provider Guidebook, the solution must "cost less than \$100k to procure"
 - i.e., maximum cost to procure is \$99,999.99, including potential procurement grant of \$25,000
 - assumption, therefore, is an invitational competitive procurement, not an open competitive
- Evaluation criteria in the Brief will be for evaluating the proponent, not the solution

25 Mandatory Requirements

Approval Authority Levels

1. Segregation of Duties
2. Approval Authority

Procurement Thresholds

3. Competitive Procurement Thresholds

Competitive Procurement

4. Information Gathering
5. Supplier Pre-Qualification

Purchasing

6. Posting Competitive Procurement Documents
7. Timeline for Posting Competitive Procurements

Evaluation

8. Bid Receipt
9. Evaluation Criteria
10. Evaluation Process Disclosure
11. Evaluation Team
12. Evaluation Matrix

13. Winning Bid

14. Non Discrimination

Contract Award

15. Executing the Contract

16. Establishing the Contract

17. Termination Clauses

18. Term of Agreement Modifications

19. Contract Award Notification

20. Vendor Debriefing

Non-Competitive Procurement

21. Non-Competitive Procurement

Procurement Documents and Records

Retention

22. Contract Management

23. Procurement Records Retention

Conflict of Interest

24. Conflict of Interest

Dispute Resolution Process

25. Bid Dispute Resolution

Not applicable for this procurement

Supply Chain Code of Ethics

- The Supply Chain Code of Ethics applies to everyone who is involved in supply chain activities, whether internal or external
- Non Disclosure Agreements (NDA) and Conflict of Interest (COI) Statements are reflections of the Code of Ethics, and must be signed by all relevant participants in the IPPCD process
- Examples of conflict of interest include:
 - Having relationships that may affect or be perceived to affect objectivity
 - Providing assistance to a supplier participating in a competitive process
 - Having an ownership, investment interest or compensation arrangement with any entity participating in a competitive initiative
 - Having access to confidential information that may affect or may be perceived as affecting objectivity

Key Procurement Elements in Challenge Brief

- The “Innovation Partnership: Procurement by Co-Design” program may or may not lead to a procurement
- There are four phases:
 - Phase 1: Challenge Brief
 - Proponents prepare a submission in response to OBS
 - Providers evaluate submissions based on the published evaluation criteria in their Challenge Brief, and generate a short list of qualified proponents
 - Phase 2: Dialogue Day
 - Dialogue Day: short listed proponents present on submissions
 - Providers evaluate based on published criteria in their Challenge Brief and a proponent is selected
 - Phase 3: Co-Design
 - Phase 4: Procurement
 - Providers evaluate success of MVP based on published desired outcomes
 - There are now three possible outcomes:
 - Procurement moves forward with grant funding
 - Procurement moves forward without grant funding
 - Procurement does not move forward

Key Procurement Elements in Challenge Brief

- Questions related to the Challenge must be directed to the Provider
 - Questions that modify the Challenge will be posted publicly
- Questions related to the Innovation Partnership: Procurement by Co-Design Program must be directed to MaRS (designchallenge@marsdd.com)
- Submission requirements (mandatory requirements)
 - Interested proponents must respond via submission of an Innovator Brief document, available online on <https://www.marsdd.com/systems-change/procurement-co-design>
 - The Innovator Brief document must be submitted directly to the Provider by the due date listed on the cover page of this document, with a copy to designchallenge@marsdd.com
 - The submission must include proof of necessary licenses
- Bid disputes must be directed to the Provider, and will be managed according to the Provider's published bid dispute resolution process

Outcome Based Specifications

Outcome Based Specifications

- Whether conducting an innovation or value based procurement we need to translate specific needs or challenges into outcome based specifications (OBS) that allow us to procure a “solution”
- OBS describe the functions or performance that a solution must achieve
 - specifications are concise and allow for flexibility in determining how a need can be met
- Overly prescriptive requirements can stifle the ability to foster innovation
 - OBS permit solutions to the challenges
- OBS should be written in performance terms, which focus on the end not the means
 - build around what is to be achieved not a description of exactly how it is to be done
 - encourage innovation, allowing suppliers to propose new and transformative solutions

OBS Guiding Principles

- Ensure specifications are as output-based as possible, stating desired output/outcomes but not prescribing how suppliers should achieve this;
- Specify standards when necessary, rather than including as routine;
- Ensure requirements are appropriate to size and complexity;
- Ensure all elements included in selection and award criteria are clearly explained;
- Consider how to be more inclusive of SMEs by not requiring previous experience;
- Consider environmental performances, such as sustainable production methods, energy efficiency, reduction in emissions and waste etc.

Example of Regular vs. Outcome Based Specification

Regular Specification	Outcome Based Specification
Replace oil-fired boiler providing a heating capacity of X	New heating system for a 2-storey, 10,000 square foot medical centre that runs 24 hours a day and is concerned about energy consumption
Supply 65,000 500ml bottles of water annually	Provide drinking water for 650 staff at 10 sites across the province

Evaluation Criteria

Evaluation Criteria: Guiding Principles

- When developing evaluation criteria, the same principles apply whether following a traditional approach or a value based one
- When procuring for a solution, the criteria must allow accurate evaluation of dissimilar proposals against outcome based specifications
- Evaluation criteria should be:
 - Relevant
 - Understandable
 - Accurate
 - Comprehensive
 - Risk oriented
 - Discerning

HSCN Resources

The following tools and templates are available on the HSCN Website:


1. RFP Innovation Procurement Template
2. Innovation Procurement Guide to Developing Evaluation Criteria
3. Innovation Procurement Services Agreement Template
4. Innovation Procurement Template Risks and Risk Mitigation
5. Innovation Procurement Outcome-based Specification Guide
6. Innovation Procurement Guide to Evaluating Total Cost of Ownership
7. Total Cost of Ownership Spreadsheet

<http://hscn.org/innovation-procurement-toolkit-.aspx>

The Challenge Brief

Innovation Partnership
Procurement by Co-Design

[Provider Name]
Challenge Brief



Contact name
Enter Full Name Here

Response deadline
September 26, 2015

Phone number
Enter Phone Here

Challenge brief reference #
Enter A Unique Number

Email
Enter Email Address Here

Maximum procurement budget
\$

Note: this does not obligate provider to procure any solution

Project Team
Enter Full Names And Roles

All vendor responses must be made via completion of an "Innovator Brief" template and forwarded to the above contact via email by the response deadline.

The Challenge
Maximum of 1200 characters

Describe your challenge

Desired Outcomes
Maximum of 3 outcome based specifications

Describe outcomes

Innovation Partnership Procurement by Co-Design

Evaluation Criteria
(Criteria to be used for vendor selection (NOT to evaluate solutions))

Company
Has the company demonstrated the competency to act as partner? Do they have an innovative vision? Do they have a strong leadership team? Do they have strong references?

Proposed solution vision
Is the proposed solution to the challenge innovative? Do you agree that it can solve the challenge proposed? Will it have a significant impact on the end user (staff, patients, etc)?

Total cost of ownership
Is the typical cost of ownership of the proposed solution over a 1 year period realistic? Is it competitive? Is it comprehensive?

Ability to execute
Has the company demonstrated the ability to deliver this solution to other clients who have similar challenges? How do the outcomes of previous implementations of the solution panned out?

Strength of supporting validation data
How strong is the data that supports the solution's proposed ability to meet the provider's desired outcomes?

Experience of project team
Does the team have experience working on innovative solutions? Did the company propose the right type of project team to take on this engagement?

Innovation Partnership Procurement by Co-Design

Challenge Brief: basics

- Project lead contact details
- Deadline for vendors to respond (set at October 20)
- A unique Challenge Brief reference # (for your records)

Challenge Brief: project team

- Project team:
 - A project manager
 - Clinical champion
 - End-users (frontline staff, patients, volunteers, others)
 - Senior management support and/or participation
 - Procurement officer
- Also engage:
 - Privacy officer
 - IT department
 - Department head

Challenge Brief: evaluation categories

Company

- Has the company demonstrated the competency to act as partner? Do they have an innovative vision? Do they have a strong leadership team? Do they have strong references?

Proposed approach

- Is the proposed approach to the challenge innovative? Do you agree that it can tackle the challenge proposed? Will it have a significant impact on the end user (staff, patients, etc)?

Ability to execute

- Has the company demonstrated the ability to deliver a solution to other complex challenges? What has been the outcomes of solutions they have implemented?

Ability to produce validation data

- Has the company demonstrated their ability and expertise to produce validation data? Have they shared an example of data they have produced for any of their products or prototypes? Is the quality of that data sufficient enough to make a procurement decision?

Experience of project team

- Does the team have experience working on innovative solutions? Did the company propose the right type of project team to take on this engagement?

Next steps

- Providers complete the Challenge Brief
- Completed Challenge Briefs are submitted to the MaRS team via designchallenge@marsdd.com
- Deadline for submission is October 13 at 5:00 PM EST
- MaRS will review the Challenge Briefs for completion and post them online at the www.marsdd.com/procurement-co-design website by October 16 at 9:00 AM EST
- Vendor respond to challenges using the Innovator Brief
- Innovator Briefs will be due by October 20.

Acknowledgement

This project is funded in full by the OntarioBuys program. OntarioBuys makes investments to support innovation, facilitate and accelerate the adoption of integrated supply chain, back-office leading practices and operational excellence by driving collaboration and improving supply chain processes in Ontario's broader public sector.

