

The Invitation to Partner (ITP)

Opening the doors to experiment and embrace a new model of procurement to attract innovative solutions



The Invitation to Partner illustrates how bringing City divisions together with Toronto's innovation community to solve a business challenge will ultimately improve service to residents while modernizing core processes.

Background

For many residents of Toronto, their first point of contact with their local government is 311, who answers more than 1.5 million calls annually. Similar to many other municipalities across North America, 311 was searching for new and creative tools that would enable them to more effectively manage the flow of information and learn from the data they were seeing. In meeting with the Civic Innovation Office, an opportunity arose for us to develop a new approach to solve this together.

The Challenge

In a deliberative effort to look outside of existing tools and assumptions, the Civic Innovation Office and Purchasing & Materials Management (PMMD) looked to Toronto's talented tech and innovation community to create an innovative solution for 311 using a design-thinking approach. We went to the community knowing that there was an additional barrier to attract the right partners due to negative experiences for small- and mid-sized businesses when bidding for government contracts through the traditional Request for Proposal (RFP). The rigid process, long and detailed documentation, and a waterfall approach were actually detractors for a project where the challenge was clear but the solution was not.

Division

Purchasing & Materials Management (PMMD)

Location

Toronto, Ontario

Innovation Type

Process Modernization

Key Words

Problem Framing
Product Design
Agile Methodology
Economic Development

The Process

City staff from the Civic Innovation Office and PMMD co-created the City's first Invitation to Partner (ITP). We started by deconstructing the traditional process to understand the barriers that detract the innovation sector from bidding on City contracts. The first section was aptly named "The Challenge" and asked potential partners to submit a proposal outlining how *they* would work with Toronto residents and City staff to design, build and prototype a more responsive 311 model in 12-16 weeks.

The ITP became a new procurement document and asset for the City. It was publicly launched by the Civic Innovation Office and was met with enthusiasm from many small- and mid-sized companies across Toronto.



The process involved writing a leaner and more accessible document that became the ITP. It did not specify a solution and was therefore much more flexible than a typical RFP.

The Model

Developing the ITP meant creating a completely new type of procurement document for the City of Toronto. Contributors to the model included the preceding work by the City of Guelph, in partnership with the cities of London and Barrie, in addition to MaRS Discovery District as part of the Municipal Innovation Exchange (MIX). Aspects of the Start-up in Residence (STIR) program, which began in San Francisco, was also taken into consideration. The resulting ITP was concise, challenge-based, used more common language, and outlined the evaluation criteria with transparency. The ITP was designed to promote creativity in the responses, and provided an opportunity for the successful vendor to collaborate with City staff and residents to co-create a solution.

Similar to the other models of innovative procurement, the prototype was created in consultation with the City, but is owned by the vendor. If the solution is feasible and there is a budget to purchase, the City would then create a separate purchase contract for the final product.

Key Challenges

Managing the different needs and expectations across 1.5 million calls per year to 311 while exploring how to enhance the level of customer service for callers

Balancing the City's desire to innovate the procurement process while meeting provincial guidelines

Perception both publicly and within the organization that the City's procurement team and process is limiting, slow, rigid and lacks flexibility

Solution

In a cross-divisional collaboration, we launched a new procurement tool that stepped outside of the status quo - while remaining within the provincial guidelines - to hear what other innovators think the solution to the challenge might be. The ITP was received positively by the private sector and resulted in a variety of teams and businesses responding with their creative ideas and solutions.

Business Benefits

The ITP has helped the City:

- Demonstrate an openness to try a modernized and simplified approach to the City's procurement process
- Find creative firms and teams who are able to highlight their strengths
- The collaboration allowed the vendor to learn more about how 311 works and the issues they were looking to address versus building a tool from a predetermined list of requirements.

"The ITP allows you to bring in people who might have ideas and solutions that you don't even know about"

- K. Sangha, City of Toronto

Using an Invitation to Partner (ITP)

An ITP is a procurement process similar to a Request for Proposal (RFP) but it is unique in the following ways:

- The ITP includes a problem statement that the City wants to find a solution for instead of a detailed scope of work or requirements
- Intended for use only when a solution is unknown
- The process is non-binding as intended to be flexible for both parties
- The evaluation process is focused on selecting a vendor who will work with the City to develop a solution to address the challenge identified
- The final solution is owned by the vendor and the City can choose whether to purchase it in a separate agreement to be negotiated, making the ITP non-binding
- The process is iterative and will improve with continuous feedback

An ITP is ideal for:

- Smaller scale projects with a budget under \$50,000 CAD
- Projects where the problem is clearly defined but the solution is unknown
- Divisions who are able to commit the resources to properly execute the ITP document, evaluation process and design process in a meaningful way

An ITP is not a replacement for - or easier option than - an RFP, but is an additional method the City has available for seeking out vendors and solutions.

Advice to Future ITP Applicants

Gathering feedback from the applicants and the vendor was an important part of creating and refining the ITP. Local startups and business looking to apply to future ITPs are encouraged to participate in the less intimidating process that was designed to showcase the applicants' strengths. Applicants acknowledged the risk of the project ending with the prototype and potentially not in an agreement with the City, but despite the risk, it was still seen as a valuable experience for the vendor since the learnings from working with residents and the City to create a new solution could be provided to other clients beyond the City.

"TWG highly recommends the ITP opportunity because of the value we see in our involvement and engagement with the City of Toronto. For us, the ITP has been a valuable ongoing experience for both partners and it puts leading-edge problem-solving methodologies to use in practice on the most important civic challenges of our time."

- TWG (The Working Group), the selected vendor

Business Benefits

The City's overarching goal by piloting the ITP was to gauge the interest of this new procurement model with the private sector while embracing an innovative mindset and approach to addressing a business challenge. The insights and benchmarks the ITP provides can help the City:

- Realize that the ITP can effectively attract a variety of small- and mid-sized companies to apply to City contracts
- Address challenges without predetermining the solution
- Encourage local startups and businesses to develop their products and services with the experience of a public sector project
- Target another challenge to further iterate on the process
- Develop internal training materials to scale the process of developing an ITP

What our Partners Said



"The ITP is a good tool to help develop solutions to problems that are not in the marketplace, and therefore, help promote non-traditional vendors. It's not the final answer to the issues in public procurement, but it does showcase that if Divisions want to take a different, more flexible approach, it's possible to achieve a different result. The ITP will be a great addition to the toolbox and will fit in well as PMMD goes through its overall business transformation."

Mike Pacholok

Chief Purchasing Officer, City of Toronto



"By working with the City through this project, TWG has come to have a greater understanding of the nuances of collaborating with different partners in City government and we've taken our standard enterprise, startup, and private organization discovery processes to align these with the unique needs of our government stakeholders."

Senior Product Manager

TWG (The Working Group)

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For more information about Civic Innovation Case Studies, contact civicinnovation@toronto.ca