

HSCN Innovation Procurement Toolkit Glossary of Terms

Term	Definition
Advance Contract Award Notice (ACAN)¹	A public notice indicating to the supplier community that a department or agency intends to award a good, service or construction contract to a preidentified supplier, believed to be the only one capable of performing the work, thereby allowing other suppliers to signal their interest in bidding by submitting a statement of capabilities. If no other supplier submits a statement of capabilities that meets the requirements set out in the ACAN, the contracting officer may then use the ACAN as documentation to support the justification to proceed with awarding the contract to the pre-identified supplier, in accordance with the relevant trade exemption. An ACAN is not a "competitive" process and does not constitute a "competitive" process for the purposes of the trade agreements.
Broader Public Sector (BPS)	In Ontario, the Broader Public Sector includes organizations designated under the <i>Broader Public Sector Accountability Act, 2010</i> , e.g. hospitals, school boards, universities, colleges, post-secondary school boards, children's aid societies etc. For a complete list see the <i>Act</i> .
BPS Primer on Innovation Procurement (Interim) (the Primer)	Resource developed by the Ontario Ministry of Government and Consumer Services to provide guidance on planning, designing and implementing innovation procurement. The Primer includes overall guidance on innovation procurement, seven early market engagement strategies and six innovation procurement models.
Commercially Confidential Meetings (CCM)	One on one meetings between the purchaser and individual suppliers or proponents to further explore market capabilities in a private forum. These meetings can help to inform the development of the procurement requirements.
Competitive Dialogue¹	A process that allows the purchaser to discuss aspects of the procurement with proponents prior to finalizing the requirements and prior to an invitation to submit final proposals (typically occurs with a shortlisted group of proponents identified through an RFPQ).
Competitive Procedure with Negotiation¹	A process to solve complex needs when there are existing innovative solutions in the market and there is some flexibility on the requirements that allow for negotiations between the buyer and seller.
Contract A²	A contract that may arise between a purchaser and a supplier after the supplier submits a response to a procurement RfX.

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	<p>It sets the terms for awarding Contract B and the selection process, evaluation criteria and any other terms that the parties must follow during the competitive process.</p> <p>Terms that indicate the intent to enter into Contract A:</p> <ul style="list-style-type: none"> • irrevocability of bid • non-refundable deposit • comprehensive draft agreement attached • terms of the agreement are not negotiable
Contract B²	<p>The contract that is to be awarded at the end of a competitive procurement process between the purchaser and the supplier that was selected pursuant to that process for the supply of goods or services. Contract B sets out the terms of the procurement such as:</p> <ul style="list-style-type: none"> • price • timeframe • any other terms that the parties must follow for the duration of the project.
Design Contest¹	<p>A process in which participants submit design proposals and/or product prototypes to compete for an award.</p>
Early Market Engagement (EME)	<p>An approach to market analysis when the supplier base, markets and products or services are not well known and understood. Engaging the market is a key step in a well-planned procurement process that allows suppliers to learn about the needs that procuring organizations are planning to address. When the solution is unknown, collaboration with suppliers may be necessary to inform and define the outcome-based specifications that will ultimately result in the optimal solution.</p>
Evaluation Criteria²	<p>A benchmark, standard or yardstick against which accomplishment, conformance, performance and suitability of an individual, alternative, activity, product or plan is measured to select the best supplier through a competitive process. Criteria may be qualitative or quantitative in nature.</p>
Forward Procurement Plan¹	<p>The process of giving suppliers advance notice about the BPS organization's upcoming procurement opportunities.</p>

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Health Service Provider (HSP)	HSPs include primary care, home and community care, community health centres, hospitals, long-term care, mental health and addiction services, among others.
Innovation³	The process of translating an idea or invention into a good or service that creates value or for which customers will pay. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need. Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products.
Innovation Friendly Procurement Model¹	Outcome-based models that are used in such a way that innovative solutions are not excluded or treated unfairly during a competitive procurement process.
Innovation Partnership¹	The process of entering into a partnership with selected supplier(s) to research, develop and purchase an innovative solution(s) to meet an identified need.
Innovation Procurement¹	The purchase of solutions that do not exist in the market or need to be adapted or improved to meet specified needs and create value for users and the purchaser.
Innovation Procurement Toolkit (IPT)	Innovation procurement resource developed by the Healthcare Supply Chain Network that builds on the guidance provided by the BPS Primer on Innovation Procurement (Interim). It does not repeat the processes delineated in the Primer but rather includes tools and templates to help manage innovation procurement initiatives and guidance documents to support processes described in the Primer.
Innovator	Any individual or organization, including researchers, HSP staff, start ups, Multi-national Enterprises (MNE) and Small to Medium Enterprises (SME) who brings to market a creative idea or approach that will generate value within the healthcare system.
Intellectual Property	Any proprietary rights that apply to a creative work or invention. Those rights can arise under (among other legal regimes): (i) patent law; (ii) copyright law; (iii) trade-mark law; (iv) design patent or industrial design law; (v) semi-conductor chip or mask work law; or (vi) trade secret law. In addition, contracts may

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	assign or grant intellectual property rights among the parties to the contract.
Market Consultation	Market consultations are used to generate excitement in the market about an innovation initiative, provide information about the project and educate suppliers on the process. They may include dialogue between suppliers and internal stakeholders.
Market Creation¹	A process intended to generate interest in the supplier community to compete for future procurement opportunities.
Market Sounding¹	A defined consultation process to assess the reaction of the market to a need.
Market Sounding Prospectus	The market sounding prospectus or call for innovations is used to generate interest, initiate a dialogue with relevant stakeholders, solicit information and/or lay out the process/steps that will be followed in a subsequent innovation procurement.
Negotiation	Discussion between parties with a view towards reaching an agreement. Negotiation in a competitive procurement may be “sequential” (e.g., with the highest-scoring Proponent initially, moving to the next highest-scoring Proponent as needed) or “concurrent” (e.g., with multiple Proponents at the same time).
Notice of Intended Procurement	Gives notice to the market of the intention to engage in future procurement activities. Engages the market, generates interest and potentially allows suppliers to form consortia in advance.
Notice to Suppliers	Notification of upcoming release of market sounding prospectus/RFPQ/RFS.
Online Platform	Dedicated online platform to enable collection of materials related to market research and needs assessment. Suppliers can upload questionnaire responses and information on their innovative products and services. Good site for posting dialogue summaries and Q&A.
Open Room Meetings	Open room meetings engage multiple suppliers in dialogue in a group setting. The purchaser may set context, describe the process, introduce concepts such as risk sharing and answer questions. These are valuable sources of information to support the development of well-informed procurement documents.

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Outcome-Based Specifications (OBS)¹	Also known as performance-based or functional specifications. This is an approach to specifying requirements in procurement which focuses on the results which need to be achieved, rather than the detailed inputs. For example, instead of specifying that a building needs to have a certain type of insulation or lighting, a performance-based specification could state that it must achieve a minimum energy-rating.
Problem Statement	Describes the problem the organization is facing, not the preferred or anticipated solution. Sets the context and includes relevant and compelling facts. Includes metrics if they are available.
Proponent	An individual or organization who submits a response to a procurement document such as an RFPQ or RFS.
Purchaser	The organization that will buy or procure goods, services, equipment, technology etc. based on the agreement executed at the culmination of the procurement process.
Purchasing Organization	An organization that administers a procurement process for the benefit of the purchasers, e.g., a Shared Services Organization (SSO) representing its member or customer HSPs.
Questionnaire	A tool used to collect information to inform a market consultation or future procurement. Responses should not be formally evaluated when received. The questions will be tailored depending on the strategy.
Supplier	A person or organization that supplies goods, services, equipment, technology etc. Also known as a “vendor”.
Research & Development Procurement Model¹	The process of purchasing research and development (R&D) of new and sometimes radically different solutions.
Request for Expression of Interest (RFEI)¹	A process which allows BPS organizations to gather information about supplier capabilities, qualifications, and interest in a specific procurement opportunity.
Request for Pre-Qualification (RFPQ)¹	A document used to gather information on supplier capabilities and qualifications with the intention of creating a list of pre-qualified suppliers. This mechanism may be used either to identify qualified candidates in advance of expected future

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	competitions or to narrow the field for an immediate need. Organizations must ensure that the terms and conditions built into the RFPQ contain specific language that disclaims any obligation on the part of the Organization to call on any supplier to provide goods or services as a result of the pre-qualification.
Request for Solution (RFS)¹	A document used to request suppliers to supply solutions for the delivery of complex products or services or to provide alternative options or solutions.
Reverse Trade Show¹	Events driven by BPS organizations to encourage new and existing suppliers to consider doing business with the BPS.
Risk Sharing	The purchaser and the Supplier sharing in the risk that a desired outcome will not be attained, or that an undesired outcome will arise. The purpose of risk sharing is to incentivize Supplier participation or performance. This could include sharing the risk, the benefits, or both. Risk sharing is documented in the contract between the purchaser and the Supplier.
Total Cost of Ownership (TCO)	The cost of a solution (equipment, goods, services, technology etc.) over its entire lifecycle and a factor in determining value for money. Calculation of TCO includes the accumulated costs of acquiring, operating, maintaining and disposing of and/or decommissioning procured equipment, goods, services or technology, less any residual value upon disposal.
Trade Agreements	Agreements between two or more governments regarding (among other matters) the flow of people, opportunities and trade. Trade agreements that may be relevant to public procurement in Canada will vary by procuring entity but may include the Canadian Free Trade Agreement and the Canada-European Union Comprehensive Economic and Trade Agreement.
Trade Show¹	Events that allow suppliers in a specific industry to showcase and demonstrate their latest products, market trends, and opportunities that might be relevant to BPS organization's needs.
Unsolicited Proposal¹	Proposals submitted by suppliers to address a BPS organization's current or future needs that may or may not have been identified by the organization.

Term	Definition
Value-Based Evaluation Criteria (VBEC) ¹	Criteria that enable the buyer to objectively determine which proposal offers the most suitable and best-value solution. Value-based evaluation criteria balance the goals of the best fit-for-purpose solution with the lowest total cost of ownership (TCO).
Value-Based Healthcare ⁴	A framework for achieving better outcomes that matter to patients, optimizing the cost of care delivery to the health system.
Value-Based Procurement ⁵	A procurement process that enables evaluation of a broader range of value through an emphasis on outcomes, not price alone.
Value-for-Money ²	A value-for-money approach aims to deliver products and services with a lower total life-cycle cost while maintaining a high standard. This means optimizing value for a given set of circumstances by balancing the best fit-for-purpose solution with the lowest TCO.
Vendor	A person or organization that supplies goods, services, equipment, technology etc. Also known as a “supplier”.
Written Submission	A written submission may take the form of a response to any of the EME strategies, in which case it will follow the format requested in the EME strategy documents. Written submissions may also be received as unsolicited proposals.

¹ Ontario BPS Primer on Innovation Procurement (Interim) (some adaptation)

² Ontario Broader Public Sector Procurement Directive Guidebook (some adaptation)

³ The Business Dictionary

⁴ Michael Porter: Value-Based Health Care Delivery

⁵ MedTech Europe and the BCG: Procurement, the Unexpected Driver of Value-based Health Care