



PUBLIC PROCUREMENT OF AI: building trust for citizens and business

25 June 2021

11h00 – 12h30

WELCOME


Introduction

Ivo LOCATELLI

Senior Expert, DG GROW
Public Procurement unit
European Commission



Housekeeping rules

- **WEBSTREAMING ONLY - 30 seconds delay !**
- **Questions? Use Slido**
- **use @ (NAME person you would like to ask the question)**
- **End question with your name and organisation**
-  = **Agents of Innovation Procurement**

<https://www.linkedin.com/groups/12467827/>

break-out sessions!

Break Out Session Political Framework Digital Rights

→ Go to separate webstream after general part (link received by mail)

Break Out Session the Legal aspects of procurement conditions AI

→ Stay in this webstream



Agenda

1. Opening Speech
2. Moderator and introduction topic
3. Break-out sessions
4. Conclusions and wrap up

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Welcome and opening words

Katharina Knapton – Vierlich

Head of Unit (acting), Public
Procurement , European Commission,
DG GROW (Internal Market, Industry,
Entrepreneurship and SMEs)



Moderator

Birgitte Kofod Olsen

Partner, Ph.D. at Carve Consulting

Copenhagen, Capital Region, Denmark



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Webinar 25 June 2021

Public procurement of AI – the main bottlenecks

Moderator Birgitte Kofod Olsen

Partner, Ph.D., Carve Consulting

Co-founder and chairperson, DataEthics

CARVE

What are the main bottlenecks for buying AI

Low level of maturity

"I WANT ONE OF THOSE, TOO!"

- Lack of understanding of the administrative problem
 - Lack of knowledge about AI
 - Lack of insight in AI impacts
- > Simple procurement process

"LAW KILLS INNOVATION"

Reluctance to use AI due to lack of knowledge about using data minimization, privacy by design/fault, security by design, a human centric approach and data ethics as guiding principles for innovative use of AI public administration and in research

"WE WANT EFFICIENT PROCESSES"

A one-dimensional focus and purpose:

- Exploitation of data
 - Aim of optimizing processes to ensure efficient social fraud investigations, job matching, managing traffic congestion or health care services
- > Risk and compliance assessments, and supplier screenings are not carried out
- > Exclusion and award criteria only reflect the one-dimensional approach
- > End justifies the means

What are the main bottlenecks for buying AI

Medium level of maturity

“HOW DO WE ENSURE A CREATIVE, DIVERSE AND INSIGHTFUL AI TEAM WITH THE SUPPLIER”?

AI projects require a collaborative, multi-disciplinary team consisting of business and data analysts, data scientist, social scientist, lawyers, AI engineers, product managers, project managers and change managers.

-> How are such team demands integrated into the procurement phases?

“IS OUR DATA QUALITY AND GOVERNANCE OK?”

Policy level initiatives on Trustworthy AI and xAI set the bar high. Public administration wants to be sure that their data are collected from the right sources, are relevant, accurate, clean and have no bias. Also, data must be secured and protected.

-> Should data quality and internal governance structures be established before embarking on AI projects?

-> If so, how should that be reflected in the procurement phases?

“HOW DO WE ENSURE THAT THE CITIZENS FEEL SAFE?”

Introducing AI in municipality activities – administration, smart cities, schools, health care and social services - requires a cultural change and the building of trust.

-> Should we ensure a minimum level of AI skills or readiness with public servants, procurers, and the citizens before introducing AI in our community?

-> Should we include citizens in dialogues on the use of AI?

Speaker

Linda van de Fliert

Chief Technology Office,
City of Amsterdam, The Netherlands



Speaker

Jeroen Naves

Technology Lawyer at Pels Rijcken

The Hague, The Netherlands





Procurement conditions for trustworthy Algorithmic Systems



Linda van de Fliert
City of Amsterdam



Amsterdam & Technology





Amsterdam & Technology





Amsterdam & Technology





Algorithms in Amsterdam

```
31 var highlight = function($element, patterns) {
32   if (typeof pattern === 'string' && !patterns.length) return;
33   var regex = (typeof pattern === 'string') ? new RegExp(pattern, 'g') : patterns;
34
35   var highlight = function(node) {
36     var skip = 0;
37     if (node.nodeType === 3) {
38       var pos = node.data.search(regex);
39       if (pos >= 0 && node.data.length > 0) {
40         var match = node.data.match(regex);
41         var spannode = document.createElement("span");
42         spannode.className = 'highlight';
43         var middlebit = node.splitText(pos);
44         var endbit = middlebit.splitText(match[0].length);
45         var middleclone = middlebit.cloneNode(true);
46         spannode.appendChild(middleclone);
47       }
48     }
49   };
50 }
```

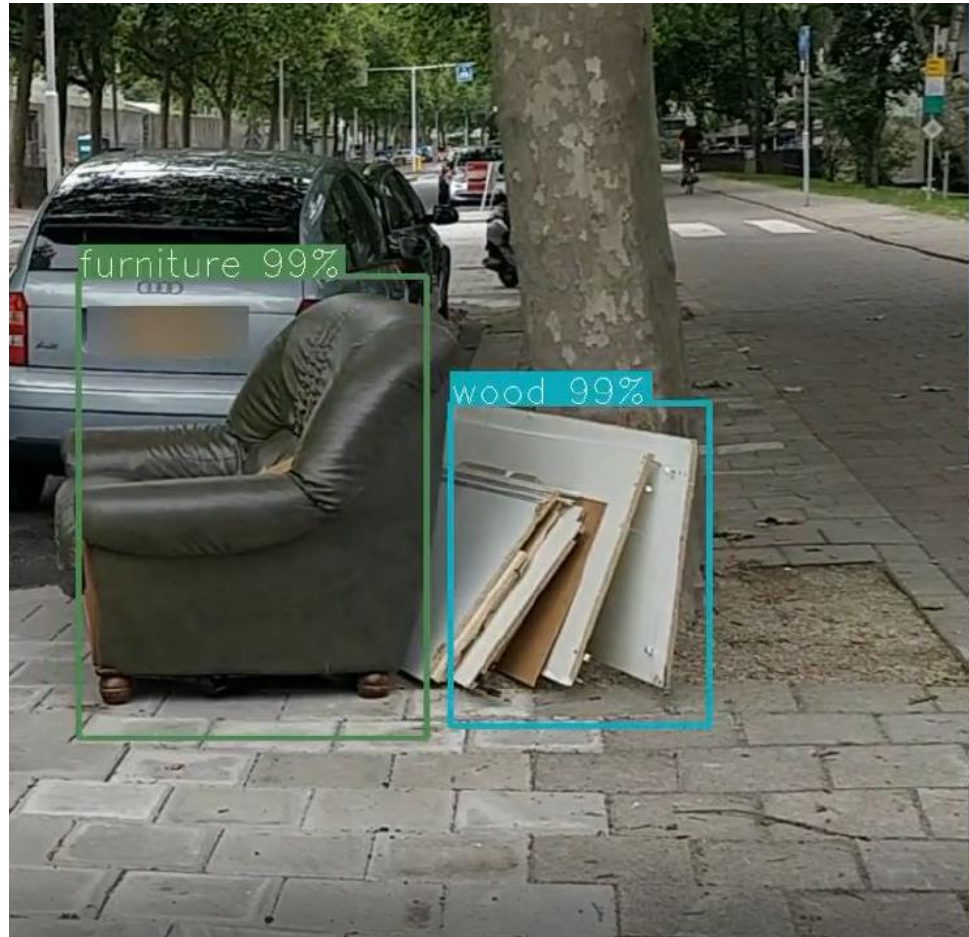


Algorithms in Amsterdam: Automated parking control



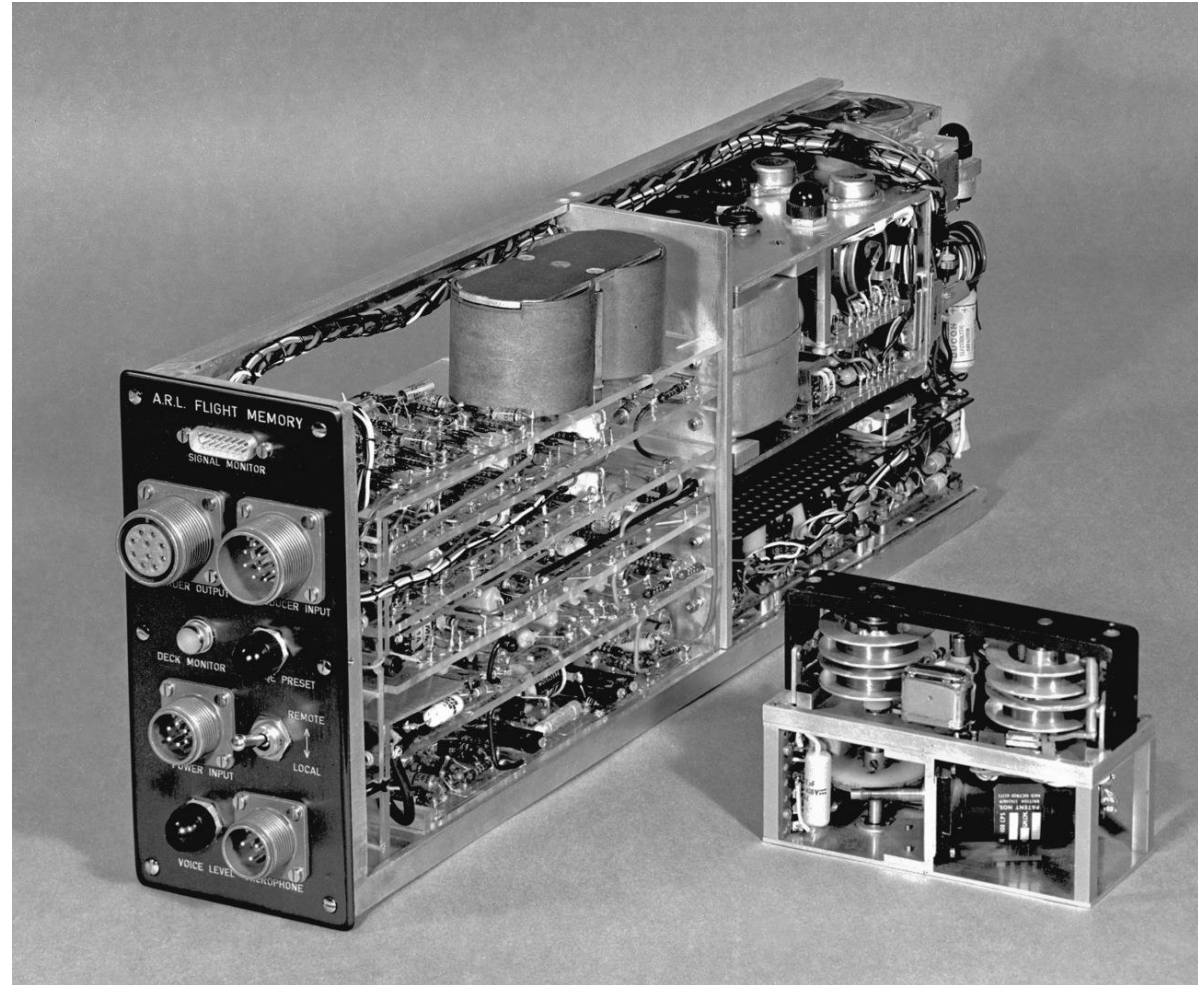


Algorithms in Amsterdam: Garbage detection



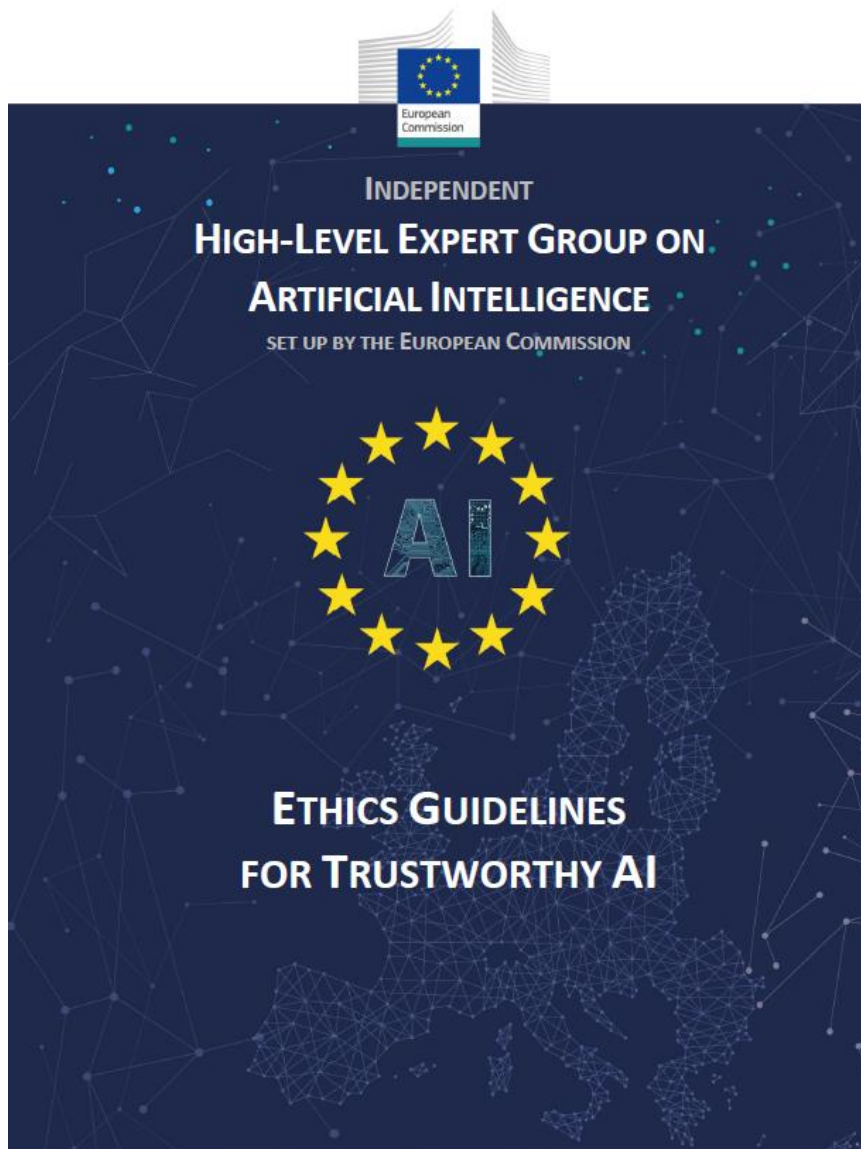


Black box \neq trust





Guidelines for trustworthy AI





Suppliers of algorithmic systems





Public procurement conditions for Algorithmic Systems





Technical transparency





Procedural Transparency



City of Amsterdam Algorithm Register Beta

Nederlands English

[Algorithm Register](#)

[More information](#)

[Participate in a survey](#)

Algorithmic systems of Amsterdam

Learn about the use cases where we currently utilise algorithmic systems as part of our city services.

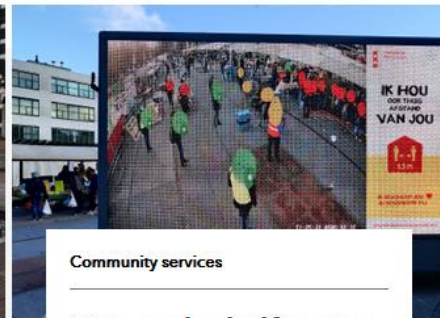


Economic Services Departments

Automated parking control

In Amsterdam, the number of cars allowed to park in the city is limited, keeping the city liveable and accessible. The municipality checks whether a parked car has the right to be parked, for example, because parking fees have been paid via a parking meter or app, or because the owner has...

[> Read more](#)



Community services

One and a half meter monitor

Because of COVID19 measures have been taken to prevent person to person detection, one of the most influential and important new regulation is to keep 1.5 meters distance from each other. To help remind citizens to maintain this distance we have created the 1.5 meter monitor. The 1.5...

[> Read more](#)



Economic Services

Illegal holiday rental housing...

Amsterdam has limited living space; both for citizens and visitors. If a citizen wants to rent out their home or houseboat to tourists, they need to meet certain requirements. For example, they can do so for a maximum of 30 nights per year and a maximum of 4 people at a time. They must...

[> Read more](#)



Download the procurement conditions to use within your organization:

amsterdam.nl/termsalgorithms

Go to your break-out session

Break Out Session Political Framework Digital Rights

→ Go to separate webstream after general part (link received by mail)

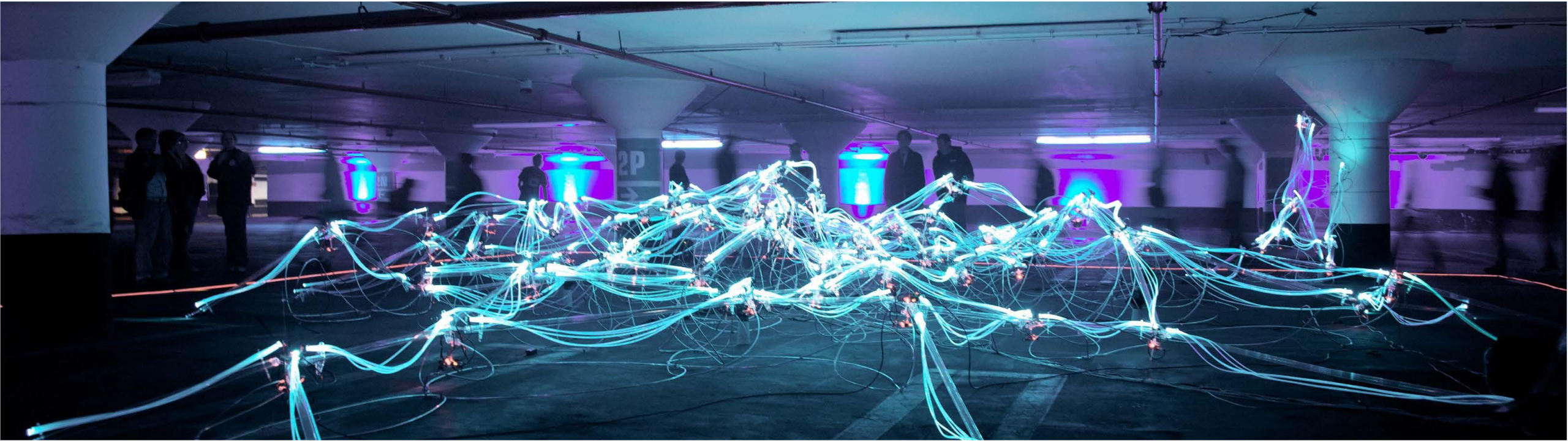
Break Out Session the Legal aspects of procurement conditions AI

→ Stay in this webstream

Use Slido for your Break out session

The screenshot displays the Slido interface for a session titled "Break out Legal". At the top, there are navigation options for "Q&A" and "Polls". A dropdown menu is open, showing three room options: "General" (red dot), "Break out Legal" (green dot), and "Breakout Digital rights" (blue dot). A red arrow points from the "Break out Legal" dropdown menu to the "Break out Legal" option in the modal. The background shows a blurred view of the session content, including a "Live interaction" button and a "Dark mode" toggle.

PELS RIJCKEN



Standard Clauses for fair use of Algorithmic Systems (city of Amsterdam)

Jeroen Naves

25 june 2021



Agenda

-
- 1 Background
 - 2 Scope
 - 3 Transparency
 - 4 Quality of the Algorithmic System and the Data
 - 5 Continuity
-



1. Background

Background (1/2)

- Dutch municipalities are increasingly making use of algorithmic systems that can affect the lives of citizens to a greater or lesser extent.
- The highest Dutch Administrative court decided that Dutch governments making use of algorithmic systems must be able to explain how an algorithmic system has arrived at a particular result.
- If the City of Amsterdam uses an algorithmic system that is provided to it by a contractor, it will want to make certain arrangements with that contractor to enable the municipality to make fair, lawful, and transparent decisions using an algorithmic system. The Standard Clauses offer the tools to make this possible.



Background (2/2)

- The Standard Clauses are intended for a specific group of algorithmic systems, namely algorithmic systems that, when used by the municipality, may affect citizens of the municipality, visitors to the municipality, or companies established in the municipality to a significant extent.
- For purposes of application of the Standard Clauses, the form in which the supplier provides the algorithmic system to the municipality is irrelevant.

Background (2/2)

- The Standard Clauses are inspired by several guidelines, such as the Ethics Guidelines for Trustworthy AI and the draft recommendation of the Council of Europe.
- The Standard Clauses have not yet been adapted to the new Regulation on AI (proposal).
- The Standard Clauses are available online:
<https://www.amsterdam.nl/termsalgorithms>



2. Scope



Algorithmic System

"software that automatically makes predictions, makes decisions and/or gives advice by using data analysis, statistics and/or self-learning logic."



Decision

"decisions of the Municipality that are of an administrative, private-law and/or factual nature and that directly or indirectly affect one or more citizens of the Municipality, visitors to the Municipality or companies or other institutions established in the Municipality to a significant extent."



3. Transparency



Transparency

- Transparency is in many cases crucial for governments to be accountable to citizens. At the same time, providing transparency is complex (in a technical sense), and sometimes at odds with the supplier's interests.
- It is therefore important to determine in which cases you do and in which cases you do not set requirements in the field of transparency.

Three forms of transparency (1/3)

- Procedural Transparency:

"the provision of information on the purpose of the Algorithmic System and the process followed in the development and application of the Algorithmic System and the data used in that context, which should in any event be deemed to include the provision of an understanding of the choices and assumptions made, the categories of data used in the development of the Algorithmic System, the way in which human intervention is provided for in the Algorithmic System, the method used to identify risks, the risks identified, and the measures taken to mitigate the risks, as well as the parties that were involved in the development of the Algorithmic System and their roles."

Three forms of transparency (2/3)

- Technical Transparency:

"the provision of information enabling the Municipality to understand the technical operation of the Algorithmic System, which may in any event be deemed to include the disclosure of the source code of the Algorithmic System, the technical specifications used in developing the Algorithmic System, the data used in developing the Algorithmic System, technical information on how the data used in developing the Algorithmic System were obtained and edited, information on the method of development used and the development process undertaken, substantiation of the choice for a particular model and its parameters, and information on the performance of the Algorithmic System."

Three forms of transparency (3/3)

- Explainability:

"Being able to explain on an individual level why an Algorithmic System leads to a particular decision or outcome. Unless the Parties expressly agree otherwise, this will in any event include a clear indication of the key factors that have led an Algorithmic System to a particular result and the changes to the input that must be made in order to arrive at a different result. Making an Algorithmic System Explainable includes the provision of all the technical and other information required in order, in objection proceedings, appeal proceedings or other legal proceedings, to explain how a Decision has come about and to offer the other party and any other interested parties the opportunity to assess the way in which a Decision has come about, so as to offer the other party realistic legal protection."

4. Quality of the Algorithmic System and the data



Quality of the Algorithmic System and the data

- Standards are currently still under development.
- Focus on process: risk management strategy (continuous process)!



Quality requirements

Algorithmic System:

- has been developed and will perform in a way that is in compliance with laws and regulations;
- has been developed according to a motivated approach;
- will perform accurately and correctly;
- is suitable for the Intended Use.

Quality requirements

The data

The Contractor will take the measures that may reasonably be expected of it to ensure that the data used in the development of the Algorithmic System will be analysed, structured and/or edited:

- a. according to a motivated approach, the purpose of which includes, without limitation, the avoidance of socially constructed distortion, inaccuracies, errors, mistakes, and undesired prejudice ("bias") in such data to the extent possible;
- b. in a manner that is in compliance with applicable laws and regulations



5. Continuity



Continuity

- As with other forms of IT, when purchasing an Algorithmic System, the question will have to be considered: what will I do when my contract ends?
- The importance of data for the continuity of the use of an Algorithmic System is often (even) greater than with other IT.



Continuity

"Data Ownership"

- Can the supplier also use the data?
- Do the data have to be destroyed and/or returned after the agreement has expired?

How to deal with transparency after an agreement has ended?



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Welcome back

Conclusions

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Closing Remarks

Guidance on Innovation Procurement

#EUpublicprocurement
#innovationprocurement

18 June 2021



A series of events dedicated to the publication of the guidance on innovation procurement



- ✓ Preliminary Market Consultation - 30 September 2021
- ✓ Connecting to the innovations ecosystems - 16 November 2021
- ✓ Competitive dialogue – 20 January 2022
- ✓ Intellectual Property Right – 10 March 2022
- ✓ Risk Management – 28 April 2022

Practical

Today's recording → You will receive Link in Mail



Join Agents of Innovation Procurement

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Keep the tradition alive : Wordcloud!

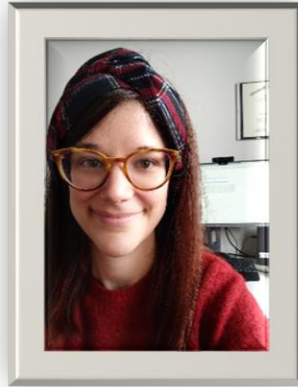
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Marie
DE WASSEIGE



Anita POORT



Laura
BROOMFIELD



Ivo
LOCATELLI

Thank you



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