Improvement of public procurement as an impetus for strengthening and development
E-Procurement Forum, Berlin, December 2016
COUNTRY BACKGROUND

Location: Central Asia

Area: 448.9 thou km²

Structure: Republic of Karakalpakstan, 12 regions

Population: over 31 mln people

State-owned enterprises: More than 38 thou
Existing modes of electronic public procurement performance

E-tendering (2011)

E-catalogue (2015)
## Electronic public procurement volumes (bln som)

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>166.9</td>
<td>21.9</td>
</tr>
<tr>
<td>2012</td>
<td>347.9</td>
<td>81.4</td>
</tr>
<tr>
<td>2013</td>
<td>416.8</td>
<td>83</td>
</tr>
<tr>
<td>2014</td>
<td>470.6</td>
<td>117.4</td>
</tr>
<tr>
<td>2015</td>
<td>497.1</td>
<td>139.9</td>
</tr>
<tr>
<td>2016</td>
<td>500.3</td>
<td>110.5</td>
</tr>
</tbody>
</table>
Number of suppliers taking part in electronic tendering

- 2011: 6,193
- 2012: 9,028
- 2013: 10,528
- 2014: 32,181
- 2015: 38,854
- 2016: 42,133
Suppliers’ activity
(average level of participation per lot)

<table>
<thead>
<tr>
<th>Year</th>
<th>Activity Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2</td>
</tr>
<tr>
<td>2012</td>
<td>3</td>
</tr>
<tr>
<td>2013</td>
<td>4</td>
</tr>
<tr>
<td>2014</td>
<td>6</td>
</tr>
<tr>
<td>2015</td>
<td>9</td>
</tr>
<tr>
<td>2016</td>
<td>11</td>
</tr>
</tbody>
</table>
Suppliers publish the following information on the portal:

- Scheduled plan of public and corporate procurement;
- Public or corporate procurement notices;
- Information on outcomes of tenders implemented outside the portal.
Introduction of new procurement modes
## New procurement modes

<table>
<thead>
<tr>
<th>Goods</th>
<th>Works and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>(price as the only criterion)</td>
<td>(criteria include price, conditions and delivery terms, quality, guarantees etc.)</td>
</tr>
</tbody>
</table>

- Electronic request for quotes;
- Two-stage tendering process;
- Registering in the Direct Contracting Information System.

- Electronic request for quotes;
- Two-stage tendering process;
- Registering in the Direct Contracting Information System.
Electronic request for quotes and E-tendering

Not only the price, but also a number of other criteria, such as cost, conditions and delivery terms, quality, guarantees etc. are used to select the winning supplier.

Electronic request for quotes

Based on suppliers’ bids, the contractor’s commission defines the criteria and their weight and publishes them on the portal. During the second stage the information system automatically compares the bids from suppliers and selects the winner of the procurement process based on the set criteria.

E-tendering

Selection of the supplier is defined based on the calculations by the information system, automatic bid opening, electronic voting of the members of the tendering commission, and the electronic chat.
Direct Contract Registration

The contractor and the supplier make a deal for the supply of goods.

Contract Registration (48 hours)

The information system invites all suppliers to offer a better price.

Suppliers offered better prices

Suppliers failed to offer better prices

The information system registers the deal, the contract price is considered market price, and the agreement with the initial supplier comes into force.

The rights and duties under the direct contract terminate. The contract is concluded with the lowest bidder.

Introduction of the Contract Registration System will allow to streamline and simplify the contraction process, preserve the traditional connections between contractors and suppliers, as well ensure market pricing and prevent price gouging.
The main aim is to establish a solid and complex public procurement information system

**Information Block**
- Publication of advertisements, scheduled plans and procurement outcomes;
- Statistical analysis
- Price module

**Legal and Methodology Block**
- Legal module
- Online training module
- Control module
- Appeal module

**Trade Block**
- E-auction
- E-catalogue
- E-request for quotes
- E-request for proposals
- E-bidding
- Two-stage procurement
- Contract Registration in the Information System

**Registration and Calculation Block**
- A registration module in cooperation with databases of ministries
- Business account management module
- Centralized qualification module for suppliers
- Prequalification module

ICT Application in the Public Procurement System
Thank you for your attention!