

E-PROCUREMENT FORUM: ENHANCING PUBLIC SPENDING
Using e-procurement data to enhance public spending transparency and accountability

Vienna, Austria, December 1-3, 2015

ANNEX II
SUMMARY OF PRESENTATIONS SUBMITTED

ISLAMIC DEVELOPMENT BANK

IsDB, E-GP and Indonesia

The case of a country that led an MDB to move forward in the direction of E-GP. At the national level, the development of a National e-Procurement System in Indonesia has been on-going since 2004. Recently, upon a request received from the Government of Indonesia for the application of e-GP in SANIMAS Community Based Sanitation Project, IsDB started its assessment as a pilot on the application of e-GP which is focused on (i) reviewing the legal framework for application of e-GP in Indonesia, (ii) reviewing and assessing the e-GP process and methods used in Indonesia taking into account the results of similar assessments done by other MDBs in the country, (iii) reviewing the compliance of the e-GP system of Indonesia with the procurement policy and procedures of the Bank, and other MDBs e-GP requirements, (iv) identifying the potential risks and required mitigations for using e-GP system in the Bank funded projects, (v) adapting relevant standard bidding documents for being used under implementation of e-GP in Indonesia, (vi) reviewing the customization needed to be recommended to the Government for using of e-GP system during the implementation of funded projects. The case of Indonesia and the need for supporting the country in enhancing their E-GP existing system has also motivated the IsDB to accelerate the preparations to fill its own gap in terms of E-GP readiness and preparedness. In concrete terms, the IsDB action plan in this area includes (i) the preparation and drafting of an E-GP strategy for the Bank; (ii) the consideration of e-GP within the framework of the Bank's procurement policy update; (iii) the participation in the MDB's E-GP Working Group; and (iv) the launch of a capacity building program on E-GP targeting Bank's professional staff and Member Countries.

ZINDEX.CZ

Czech ranking of Buyers' best practices

A particularly innovative civil society initiative led by a group of researchers from Charles University in Prague, zIndex is a tool for benchmarking public procurement and compare the way institutions manage public money. Main sources of data are the central procurement registry, buyer profiles, business registry, buyer's accounting reports, database of court decisions, other minor sources like political party donors and State offices registries. Regardless the source, zIndex team always write the software to extract the data since there are no open data available. zIndex rates each procuring entity/buyer over a predetermined period of time (e.g. municipalities 2011 – 2013, state departments 2012 – 2014), normally a three years period to capture the impact of electoral cycles. The main areas under observation are (i) the budget share of purchasing out of public procurement procedures (e.g. 67% of 2010 budget spent on goods out of public procurement procedures), (ii) procurement details regarding e.g. the type of procedure used (score penalizes negotiated without publication), number of bidders (penalizes low bidders in competitive markets), tender cancellations and change of specification, successful law suits against authority, (iii) the public procurement results (e.g. supplier rating considering donations to political parties, the share of public procurement in the total turnover, red flags – case of a company with no employees but a return on investment of ROI 100% and higher - market concentration – same supplier winning over and over again. zIndex scores are compiled on the basis of eleven partial indicators distributed under 3 categories: Accessibility - are the contracts accessible to bidders? (Indicators: 1. Public procurement as a share of total purchases 2. Competitive contracting 3. Consistent conduct) Competition - do several bidders really compete for each contract? (Indicators: 4. Winner concentration 5. Bidder participation 6. Pro-competitive tools 7. Legal misconduct) Supervision - are the details of the relevant cash flows publicly available? (Indicators: 8. Journal data quality 9. Buyer profile data quality 10. Supplier rating 11. Information provision). The eleven indicators are then combined to produce a single zIndex value, using a weighted average. Key recent findings made possible through the rating provided by zIndex: (i) only 1/3 of the budget for acquisition of goods is spent through public procurement; (ii) 50% of issued calls are cancelled or modified; (iii) 30% of political party donors are public procurement suppliers, (iv) only 8 % of cases show a lower chance of legal misconduct and 1.4 % higher average savings. Further information on <http://zindex.cz/>

TRANSPARENCY INTERNATIONAL SLOVAKIA

Monitoring public procurement with open data

Considering that in 2014, some 6.000 individual tender award notices were published, first assumption is that it is impossible to collect and analyze all available information manually. The approach adopted by TI Slovakia is based on the advantages of compiling and aggregating public procurement data so that researchers and data analysts can work over a much broader area of activity. TI Slovakia acquires data mainly through (i) daily automatic downloads of tender award notices from the government Office for Public Procurement and (ii) automatic collection of predefined information from downloaded notices. Collected data are then automatically republished in a user-friendly way so that it can be of use for citizens and civil society organizations with a vested interest in scrutinizing public spending through procurement. The overall objective of TI Slovakia is making pressure over contracting entities to improve efficiency of public spending through procurement which is done through (i) analyzing aggregated data and looking for trends, (ii) monitoring individual cases and investigating red flags and (iii) benchmarking case studies of selected items. A particularly interesting perspective brought to the attention of participants is the sector and/or procuring entity focus on data collection and analysis – in the case of TI Slovakia, a great deal of efforts has been put on health sector for instance by observing and evaluating performance of pre identified procuring entities (e.g. on public hospital), public suppliers (e.g. a supplier with an abnormal rate of success in public tenders launched by the same contracting entity) and even specific tender procedures. Without diminishing the importance and relevance of measuring the system as a whole, the case of TI Slovakia has the merit of stressing the potential of a sector or sub sector approach, especially regarding the “big spenders” from the state budget (e.g. health, education, social security, infrastructure and transports). Further information on www.transparency.sk

RUSSIAN FEDERATION

E-Procurement in Russian federation

A quite extensive legal reform has been enacted since 2013 in the Russian Federation. Key novelties include the introduction of new competitive procedures (e.g. competition with limited participation, the two-stages competition and the request for proposals) the adoption of a new methodology to set initial maximum contract price in the case of single sourced procurement, enhancement of award criteria via different combinations of price and quality related sub-criteria, anti-dumping mechanisms and new rules to prevent conflict of interests. Furthermore, single source procurement has been limited and cannot exceed 2 million rubles or 5% of total procurement and a register of bank guarantees has been created in order to make direct debiting based on bank guarantees possible. Key figures on the public procurement system show a predominant usage of E-Auction as it represents some 57% of total procurement in volume, followed by single source (26,6%), Request for quotations (14,5%) and open competition (1,2%). E-auctions reached in Q3 of 2015 the total value of 2.322 trillion rubles, already well above the 2.075 trillion rubles reached in 2014 (whole year) and are conducted through 5 electronic platforms. Automation of procedures employed in the public procurement system is regarded as one the highest priorities of the ongoing modernization so the Government will seek for making use of available information in machine-readable format only. The cornerstone of the new approach to information management is the Single Information System (SIS) which is foreseen to gather all relevant information e.g. procurement plans, procurement schedules, register of complaints, scheduled and unscheduled audits, outcomes and improvement notices, contract execution information, registry of contracts, list of IFIs, library of standard contracts and contract terms, “black list” of suppliers, client reports, catalogues of goods, services and works for central administration and municipalities, information on market prices for goods, services and works. In addition to the setup of the SIS, the Government plans to continue the e-procurement implementation beyond the e-Auctions, to develop the catalogue and reference prices for goods, works and services. Further information on <http://economy.gov.ru>.

BULGARIA

Using E-Procurement data to measure the transparency and performance of public spending

Bulgaria has made a Public Procurement Register (PPR) available which is freely accessible through the national Public Procurement Portal. Procedures related information, with the exception of concessions, is kept since 2004. After a 5 years' period, information is archived and accessed only if need be. Indicators available up to now include: average procedure duration from the publication of a initial notice to the contract signing, average contract value by type of contract works / supply / services, average contract value according to the type of procedure used; average number of offers received; average length of a contract; percentage of contracts not fully completed; percentage of procedures reserved for special contractors – sheltered companies, disabled people, particular profession etc, percentage of decisions for opening a procedure that are canceled by a court; percentage of procedures subject of preliminary (ex-ante) control; amount of contracts signed despite the written statement of PPA considering it not legally motivated; number of procedures canceled by court; number of contracts declared null and void by court. Indicators for possible corruption practices include: difference between planned and contracted values; difference between contracted values and those reported when the contract is fully performed; contracting authorities awarding contracts to one and the same contractor during the years; unlawful use of negotiated procedure. Among the key performance indicators envisaged to be implemented in the future the following should be highlighted: average number of contracting authorities procurement officers needed per type of procedure; average number of economic operator employees needed to manage participation in tenders; time needed for the making of tender documentation by the contracting authority; time needed for bid elaboration by economic operators; In addition, among the future improvements in preparation, the Bulgarian Council of Ministers has taken the decision to opt for a centralized web-based single platform model for development of e-procurement in Bulgaria. The model is to be implemented through the acquisition of a unified electronic platform, and it will ensure integration of existing e-procurement systems owned and used by centralized public procurement bodies. A specialized module for statistics and business intelligence will be included. Further information on www.aop.bg.

GEORGIA

Everyone Sees Everything

The system is based on a core principle “Everyone Sees Everything”. This includes full access to Annual Procurement Plan, Procurement Notice, Procurement Documentation, Questions related to Procurement notice and documentation/Answers of procuring entity, Procurement Proposals/Bids, Decisions of Procurement evaluation Commissions, All relevant correspondence, All data on disputes, including application and decision, Contracts and amendments, Payments made through the eTreasury. In line with the (Georgian Law on State Procurement) LSP, the use of the Unified Electronic System is mandatory for conducting: Simplified electronic tender (GEL 5,000 – 200,000); Electronic tender (GEL 200,000 and above); Consolidated tender, Design contest (for procurement of projects design, drawing creation, assessment). Business Intelligence System Real-time Reports Key performance indicators Tenders with one bidder (as percentage of all tenders); Average number of the bidders in tender, Number of registered bidders, Tender duration in days; Number of tenders with questions related to tender documentation (As an indicator of active involvement of the society), Number of Appeals. Further information on <http://www.procurement.gov.ge>

MACEDONIA

Existing E-GP system is a web based simple and user–friendly system that enables conducting the entire public procurement procedure electronically through a single location for all transactions (one-stop-shop). Economic operators can submit their bid electronically through ESPP and a virtual dossier of participation is organized for finished procedures.

A separate module in economic operators' user profile allows them to review their submitted bid and attached documents after the public opening (after the encryption of the documents). Electronic documents which are attached and exchanged via the EPPS have to be digitally signed (signature obtained from a registered issuer of qualified digital certificate from the country the economic operator). Macedonia is preparing to comply with the mandatory use of e-Procurement according to the 2014/24 EU Directive by 2018. The Public Procurement Bureau (PPB) collects and stores a large amount of statistical data on the public procurement procedures that are generated within a separate module – a Business Intelligence Solution - for monitoring and statistical review of the trends in public procurement which enables the publication of an annual report, reports “on demand” and real time access to information. Some key performance indicators have been presented at the Forum: the volume and value of contract awards formed through e-PP (in 2014, approx.14% of the total number of published contract award notices and 20% of the total value of published contract award notices); price reduction/price variation (e.g. 21% in simplified competitive procedure up to EUR 5,000, 30% in simplified competitive procedures up to EUR 20,000 and 18% in open procedures, when applying the most economically advantageous tender award criterion); the average number of bids (average number of tenders submitted in procedures carried out fully through the ESPP is 3.4 tenders per procedure, while the average for paper-based procedures does not go beyond 2.9 tenders); and the average duration of tenders submitted in procedures carried out fully through the ESPP (28 days from the public opening of bids until the conclusion of the contract, while the length of some phases in paper-based procedures reaches 98 days on average). According the available data, only 5 % of the total number and 8% of the total value of public contracts are awarded via direct awards/negotiated procedures. Further information on <http://www.bjn.gov.mk>

SERBIA

The Public Procurement Portal (Portal) is the central instrument for improving transparency and free and wide access to information for contracting authorities, bidders and other stakeholders and is managed by the Public Procurement Office (PPO). Besides the information related features the portal also allows the submission of bids in electronic format, the conduction of e-auctions and the running of dynamic purchasing systems. For the time being, although the legal framework already provides for the necessary provisions the use of these functionalities by contracting authorities is voluntary and, as a matter of fact, are not yet in practice. This will change as the country is committed to be ready for the application of the 2014/24 EU Directive by the end of 2017 (Directive's deadline is October 2018). Further activities will mainly be focused on development of a system for electronic submission of bids through the following stages: (i) selection of an optimum legal, institutional and technical model of e-procurements suitable for application in the Republic of Serbia; (ii) preparation of technical solutions in accordance with the selected optimum model; (iii) development and launching of a new e-procurement platform. The ultimate goal is the establishment of the single electronic platform for public procurement able to cover e-tendering, e-communication and e-submission of bids. Serbia is already active in gathering and treating statistical information. The following key performance indicators have been presented on an indicative basis: (i) share of low-value procurements in the total value of public procurements increased (from 8% in the first half of 2014 to 10% in the first half of 2015), (ii) share of open procedures versus total (first half of 2015 reached 86%), (iii) average number of bids per awarded contract in public procurement procedures, (iv) the share of contracts with a single submitted bid (in %), by years, (v) rate of completed procedures (first half of 2015 indicates that 89% of launched procedures were successfully completed), (vi) pprocurements exempt from the application of the Public Procurement Law (from 30% in 2014 to 45% in the first half of 2015). Other indicators include: the number of amendments per concluded contract (3%), the share of centralized procurements (7%), the share of contracts concluded through framework agreements (10 %), the share of procedures which applied the criterion of the lowest price (77%). In the forthcoming period, the Public Procurement Office will focus on better monitoring the length on of the procurement procedure, the contracts concluded through framework agreements and centralized procurements, the participation of small and medium-sized enterprises, the contract modifications and the rate of green and social elements in procurement. Further information on www.ujn.gov.rs and <http://portal.ujn.gov.rs>

KOSOVO

Main areas and modules of the planned E-GP system Kosovo wants to setup in the near future were briefly presented and they will cover most of the procurement cycle. In connection to that objective an ambitious set of key performance indicators were also presented which included a formulation of each indicator, the proposed method for setting the baseline and evaluation criteria (prescribed corrective actions if concrete score of indicator is higher or lower than a pre-determined value). Although none of the mentioned indicators is in use in Kosovo yet, it is worth analyzing the way indicators are distributed per policy objective and envisaged calculation method and source of data and information. Overall, there are indicators relating to transparency and integrity, efficiency and competitiveness.

UKRAINE

Using E-Procurement data to measure the transparency and performance of public spending: case of Ukraine

ProZorro (that means “transparent” in Ukrainian) is very innovative initiative from a unique partnership comprising three key actors: Ministry of Economic Development and Trade of Ukraine, TI Ukraine and Private e-commercial platforms (6 already in and 4 candidates to join). All its activity is based on a fundamental principle according to which the community and competitors are more efficient in monitoring public procurement than the supervisory and regulatory bodies of the State. To some extent, the initiative builds on the concept of ownership and puts a lot of emphasis on the self-organization of civil society to scrutinize public spending. The initiative was launched just after the Revolution of Dignity, when a group of volunteers decided to start a reform in public procurement which was considered a strategic area for moralizing public spending in the country, both by preventing corruption and enhancing efficiency in the processes. The system is based on a technological platform built on open code and permanently prepared open for auditing and controlling. As far as procedures are concerned e-auctions became compulsory as a means of fostering opportunities for price reduction. Bidding process became fully transparent and the appeal process simple and fast. The competition among the six e-platforms who serve the ProZorro system guarantees that technologic solutions and the level of service keep up to date. Overall, the ProZorro has already treated some 18.000 tenders (180M USD) and generated savings of approx. 15 M USD. Besides the transactional part of the system that is being mainly operated by the six e-platforms of the partnership, ProZorro offers a public business intelligence module (meant to serve the information needs of general public and civil society) and an advanced business intelligence module fit for “researchers”. The monitoring functions of the system develop along the following key steps: (i) automatic “red flags” risk-management system for identification of tenders, prone to corruption, (ii) investigation of suspicious tenders by civic activists and controlling authorities, (iii) report on investigation results, (iv) follow-up on corrective measures. By providing both transactional and monitoring e-tools to a system which was in need for a profound modernization ProZorro is enabling a much more efficient public pressure on public spenders and on controlling authorities who are requested to get more involved. This combination of public pressure and better controlling function is regarded as the driving force towards a better public procurement in Ukraine. Further information on <http://bi.prozorro.org>

ALBANIA

e-Procurement in Albania

All procurement procedures in Albania, including small value purchases (less than 8 million ALL per year) are conducted electronically and the registration on the system and the access to the relevant information regarding procurement procedures as well as the online submission of offers is free of charge. Since 2012 the electronic system is also used for conducting the first phase of concessions/public private partnerships procedures (publication of documents and submission of offers) All procurement while the offer evaluation is still paper based. The electronic system includes two separate databases; (i) the platform for conducting e-procurement procedures, and (ii) the electronic archive for closed, cancelled and suspended procedures for monitoring and auditing purposes. Statistical data collected comprise total number of published procedures, total limit fund for published procedures, total number of procedures that have continued after publication and cancelled procedures, total limit

fund versus total procured fund, total savings and % of savings towards limit fund. In order to improve the performance of the electronic system and the system monitoring a re-engineering of the data structure will be implemented besides the design of a new archiving system and infrastructure for finalized procedures and the use of business intelligence tools to help generating complex reports and analysis. Further information on www.app.gov.al

ARMENIA

Final stages of e-Procurement reform in Armenia

New e-procurement modules with extended functionality started in April 2015, to add pre tender and post tender functions to the platform as well as add completely new reporting and an analytics module. Parameters for report generation. Keywords for the search function – for retrieving information available in the general or public domain (contracting authority, subject of procurement, procurement procedure, estimated price, total contract value, contract fulfillment deadline, etc.). Parameters for auditing purposes – subject to availability of appropriate permissions: Executors of any actions related to any programmatic entity of interest (procurement plan, subject of procurement, proposal of amendment or addition, CfT, document, basis of decision or selection, etc.).

For report generation, ARMEPS PPCM provides interfaces for retrieving data of general nature, generating special reports by selectable keywords (parameters). A permanently accessible dashboard with indicators of public procurement statistical data is also envisioned, such as yearly snapshot indicators of public procurement shares by contracting authority, yearly and live indicators of public procurement type by subject of procurement or by article of economic classification of procurement subjects). Indicators of yearly and live volumes of procurements by procurement procedure. To facilitate and enhance the visualization experience, a component of interactive infographics is also under design. Further information on <http://www.armeps.am/>

AZERBAIJAN

Based on the “*National Anti-corruption Plan for 2012-2015 years*” future plan regarding the transparency and efficiency of public procurements includes: Application of e-procurement; Fulfilment of a part of public procurements (as procurements of stationery, medicines, computer equipment’s) in centralized manner; Improvement of control over state procurement contracts, also over payments on that contracts; Creation of single register of procurement contracts made in the result of public procurement proceedings and placement of that register in the official website of SPA; Placement of procurement plans prepared by the procuring entities in the official website of SPA (submission of procurement plans by procuring entities will be mandatory)

E-services provided by SPA include online submission of complaints, of tender announcements, request for proposals and request for quotations, of notices about contract awards and procurement plans. Further information on <http://tender.gov.az> .

BELARUS

Belarusian Universal Commodity Exchange (BUCE) and National Centre for Marketing and Price Study (NCMPS)

Annual Procurement plans are published at www.icetrade.by. Procurement procedures are announced and conducted and the procurement results are published in www.icetrade.by , www.zakupki.butb.by and www.goszakupki.by. BUCE enables both the conduction of exchange auctions (www.butb.by for metal products, timber and agriculture) and e-auctions and requests for quotations (www.zakupki.butb.by for government procurement of goods, works and services). Transparency of public spending derives from: (1) all procedures conducted in electronic format; (2) publication of invitations to participate and bidding documents on official website; (3) recording of all customer’s decisions and respective reasoning; (4) free access to information on procedures and their results; (5) free access to participant’s offers after summarizing the procurement results; and (6) anti-corruption norms in legal framework governing public procurement. Key performance indicators of BUCE’s Electronic Trading Platform (ETP) are (i) the number of completed auctions (ii) contracts value, and

(iii) the amount of savings and average percentage of decrease compared to initial price. In more than four years of experience in electronic auctions, some 8,000 accredited contracting agencies conducted about 53,016 e-purchases with 700 foreign suppliers from more than 30 countries and around 12% in budget savings. Further information on <http://zakupki.butb.by/> and <http://www.goszakupki.by>.

CROATIA

E-Procurement builds on a strong legal and institutional framework under the leadership of the Public Procurement Directorate in the Ministry of Economy. The total public procurement volume with 14,924 concluded public contracts conducted by 4,470 contracting authorities and entities in 2014 amounted to some Euro 5.51 billion which corresponds to about 12% of the GDP. Based on the E-Procurement development strategy of 2013, a whole range of features has been implemented to ensure the move to full E-Procurement in line with the European agenda. For example, the mandatory use of e-Submission for high value procurements above the EU thresholds became effective in January 2016, which will be extended for low value procurements below EU thresholds from July 2016. The system works with digital signatures and provides for electronic planning, notification, access, submission, evaluation, invoicing, payment, and archiving. The system has been used to measure different indicators of public procurement. These include the value and volume of contracts procured through e-Procurement, duration of procurement process from contract notice to contract award notice, percentage of directly awarded contracts, volume and value of contracts divided into lots, volume and value of contracts with subcontractors, volume and value of contracts awarded to joint ventures, volume and value of contracts with green specifications, percentage of contracts applying MEAT criteria, and percentage of contracts subject to non-judicial reviews. Further information on <http://www.javnabava.hr/>

KAZAKHSTAN

E-Procurement has been introduced to increase transparency, efficiency, competition, and public control in using public funds. Starting in 2007, features of the system, which was designed as a single point of access, include the disclosure of procurement information and plans, request for quotations, open tendering, auctions, and contract management. The system is integrated with a whole range of systems of other agencies such as the National Verification Center, the Tax Committee, the Portal of National Content, the Treasury Committee, and the National Bank. In using the fully automated system, issues such as unreliable budget planning, unclear technical specifications, unjustified bid rejections, late payments, and inefficient complaints resolution have been successfully addressed. Further information on <http://www.goszakup.gov.kz/>

KYRGYZ REPUBLIC

E-Procurement has been introduced in 2012 – Start of introduction. June 4, 2014 – Online launch of E-Procurement System. April 10, 2015 – launch of reverse auction. A new “2016-2020 Public Procurement Development Strategy” envisaging systematic public procurement reforms comprises the establishment of an E-Procurement Support Fund, the connection with other public information systems, the fine-tuning of the software used for producing portal statistics and analytics and the update of the General Public Procurement Classifier. Further information on <http://zakupki.gov.kg>

MOLDOVA

The existing Electronic Information System (EIS) provides for (1) Registration and publication of Invitations for Bids; (2) Submission of the Invitation for Bids (launch of the public procurement tender); (3) Approval for publication and publication of the Invitation for Bids; (4) Modification of Bidding Document/its approval; (5) Registration of the Economic Operator for the tender; (6) Online access of the Bidding Document; (7) Communication with participants to the tender; (8) Registration of bids submitted by Economic Operators; (9) Entering bid data in the system and generation and approval of the Evaluation Report. Further information on <http://tender.gov.md>

ROMANIA

In Romania, the contracting authorities have the obligation to use electronic means to implement award procedures and direct purchases. Annual overall amount of public procurement conducted by electronic means shall be determined by aggregating the value of all contracts awarded through open procedure, restricted procedure applied entirely by electronic means, electronic auctions and direct purchases.

Award procedures initiated in 2014 by electronic means (on-line – SEAP) finalized by 1st March 2015. Some 3200 procedures have been run through entirely electronic means and represented an awarded amount of more 1.700 million Euros. E-auctions have been used in more than 3700 procedures for an awarded amount of more than 2.3 million Euros. New features of SICAP will include e.g. an advanced search tool for public and private users and an extended reporting and statistics service. Further information on <https://www.e-licitatie.ro/>

TAJIKISTAN

There is a single web portal and an e-archiving system available since 2013. E-procurement has been implemented mainly for purchasing fuel, medical equipment and pharmaceuticals. The stages of bidder registration, submission of bids and opening of bids and the selection of winners and/or award of proposals can be run electronically. Among other optional features available for procuring entities, they can gather statistical information on procurement procedures and access archived information. Some USD 9,9 million have been procured through PPA portal (Agency on Public Procurements of Goods, Works and Services under the Government of Tajikistan) in 2014. The Agency plans to improve the national system giving the short term priorities to the use of E-procurement for purchasing food, stationary and furniture, the increase of the number of qualified procuring entities and the use of framework agreements. In a medium term perspective, efforts will be made in view of expanding the use of E-procurement to the purchase of standardized items, the integration with other governmental databases and information systems and the enhancement of the APP single portal. Nevertheless, the generalization of e-Procurement as well as the full integration of data exchanged between public finance, tax and customs administration bodies within a single wide information system will only be achieved in the long term. Further information on <http://www.zakupki.gov.tj>

TURKEY

The Electronic Public Procurement Platform (EKAP) allows for E-submission and E-evaluation only in the goods procurement where open procedure is applied and call-off stages of framework agreements. A vast array of procedures and activities can be conducted on the EKAP. they include the tender notice preparation, control and publication, addendums and clarifications in tender documents, forming of the tender committee, registration of applications or tenders and tender evaluations, insertions in the blacklist, contract award information, tender cancellations, submission of notifications to tenderers. As far as contract management is concerned, available features provide for registration of additional/deducted works, registration of contract cancellations, registration of payments to contractors, registration of contract transfers, inquiries about contract transfer prohibitions, preparation and recording of business experience certificates. When a contracting authority decides to use e-submission and e-evaluation, paper based tenders are not allowed. E-tenders are prepared and submitted on the EKAP using e-signatures which are encrypted after submission and stored confidentially until the tender opening time. The quantitative information collected through the monitoring and business intelligence modules include the distribution of procurements by sources of financing, the ratio cost estimates versus contract values by procurement procedure (open bidding procedure, restricted procedure, negotiated procedure) and types (goods, works and services), the average number of tenders submitted by type of procurement and procedure. Further information on <https://ekap.kik.gov.tr>

UZBEKISTAN

E-Procurement in Uzbekistan consists mainly of the so-called e-Bidding for purchases from 300 to 100.000 USD (a “Dutch auction” system that automatically chooses the lowest bid) and the e-Catalog for procuring goods, services and works below the threshold of 100.000 USD. The list of items available through the e-Catalog is defined by the Government Committee and, for the time being, they include spare parts for vehicles, components and spare parts for computer and office equipment, construction materials, miscellaneous equipment.

The introduction of e-Auctions has contributed to increase transparency (a notice has to be published 10 days prior to the auction), prevent corruption (bid-winner is chosen automatically by the IT system eliminating biased attitude of procurers) and effectiveness (bidding, contract awarding to winners, drafting and registration of contracts is all generated by the software application of the e-system).

E-Catalog has also fasten the procurement process and made the search of needed goods and services extremely easy for contracting authorities. Both e-Auctions and e-Catalogue are monitored through a number of key performance indicators that include the number and volume of transactions held per type of procedure and contract, the average value of transactions and savings. The reform agenda foresees the adoption of a new Law of the Republic of Uzbekistan on “Public procurement of goods, works and services”, the concept of further development and improvement of public procurement in the Republic of Uzbekistan for 2015-2025 and the development of the unified e-procurement information system (the UzEPS system). Further information on www.mf.uz

AUSTRIA - BUNDESBESCHAFFUNG (BBG)

The Federal Procurement Agency (BBG) acts as Central Procurement Body (CPB) and a shared services provider. The most relevant key performance indicators for BBG are: total procurement volume via BBG, total amount of purchases processed through contracts and framework agreements established by BBG, total savings per year measured in procurement volume and/or percent (based on bundling effects), share of the relevant public procurement volume in the CPB's country, procurement volume per customer group, per purchasing geographical area and number of successful award procedures per year versus cancelled unsuccessful award procedures, number of customers, total number of employees in full time equivalents (FTE). E-Procurement related indicators are very relevant and include the e-Procurement volume (total value of purchases processed via electronic tools, such as electronic shops, electronic Marketplaces etc.), e-Invoice reporting (% of CPB contracts which are part of automated procurement reporting based on e-Invoicing), ccontracts available via procurement portal (100%) and total number of e-Catalogues and number of articles in catalogues, number of created purchase orders via shopping tool and the number of active users within the e-Procurement solution. Notwithstanding, there are also some difficulties and challenges regarding some key performance indicators that have not yet been possible to measure. The most relevant ones are: the total value of expenditure generated by public procurement subject to the Public Procurement Act and total per volume per sector group and purchasing area, number and volume of orders outside the pre-defined buying channels and procedures (maverick buying), the cost effectiveness of procurement department comparing actual cost savings with procurement department's operating budget (return of investment) and, finally, the costs per purchase order (calculation of costs to process an order e.g. fixed overheads and variable costs). System improvements, especially those made possible by the generalisation of the use of E-Procurement in Austria and in EU, will also help overcoming thos dificulties and broaden, even more, the scope of performance related information made available to decision makers. Further information on www.bbg.gv.at

EUROPEAN COMMISSION (EC)

The ongoing reform in the European Union

The European Union (EU) lives now a very interesting stage of their ongoing public procurement reform as EU Members States (MS) prepare the transposition of the new Directives adopted in 2014, notably Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (Directive). Among other important axes, like a value-for-money oriented approach, whereas the most economically advantageous tender criterion is recommended, including quality and life-cycle sub-criteria, the decision to accelerate the transition towards e-Procurement is a cornerstone of the EU public procurement reform. According to the Directive, which is due to be transposed into national legal systems of by 18 April 2016, e-noticing of all procurement documents will become mandatory on that date. Full e-procurement, including e-tendering, will become mandatory by 18 October 2018 for contracting authorities at large and by 18 April 2017 for central purchasing bodies.

The better use of information - be it the one made available through the publication of procedures and contracts related notices e.g. Tenders Electronic Daily (TED) – Official Journal of the European Union (OJEU) be it the one produced as an output of review bodies activities and audits, is regarded as a prerequisite for assessing and improving public money spending as well as the legal and institutional framework. In this framework, the role of the EC focus on supporting MS in view of collecting good and reliable data and to stimulate national authorities to take their own responsibilities in this field, e.g. to promote cross analysis of information gathered, fine tuning and analysis with a strategic reach so that it can inform the decision making process. Furthermore, the role of the EC also encompasses the facilitation of exchange and sharing of best practices between MS, the offer of funding opportunities and, not less important, the necessary standardization so that key performance indicators can be used, and their data compared, to benchmark MS on a sound basis. Further information on <http://ec.europa.eu/growth/single-market/public-procurement>

OECD

One of the most decisive contributions from OECD to public procurement reforms is precisely through Building evidence from useful, reliable and comparable data across OECD countries on the performance of public procurement – Government at a Glance; Key Performance Indicators. OECD pursues the vision of offering an “An international reference for public procurement standards, good practice and forward-thinking”. Its Recommendation 2015-2018 calls for the development and enhancement of assessment tools (e.g. MAPS) and key performance indicators. The strategic use of public procurement, including the promotion of sustainable procurement, the access of SMEs and innovation related procurement, professionalization and the adoption of E-procurement take an important place in the organization’s agenda. In Feb. 2013, the Leading Practitioners on Public Procurement asked the OECD to help developing a set of indicators to measure the performance of public procurement systems and their evolution over time. As a result, four areas for the development of indicators were identified: (i) Efficiency of the public procurement cycle, (ii) Openness and transparency of the public procurement cycle, (iii) Professionalism of the public procurement workforce and (iv) Contract performance management. In November 2013 a report was prepared by the OECD providing an overview of what public procurement data is collected by countries in each of the aforementioned four areas. The main conclusions were that (i) Countries are already collecting a significant amount of data, (ii) mostly, they use the information to promote an open, fair and transparent procurement system, (iii) there are still some challenges that need to be overcome in order to achieve complete, clear or timely dataset allowing the creation of indicators. So OECD identified the following main challenges ahead: (i) lack of extensive nation-wide data on public procurement (ii) discrepancy between central purchasing bodies roles across countries and (iii) use of different contracting mechanisms and classification of sectors. Next steps, in close collaboration with Partners and Countries will include the (i) review of types of data collected and collection methodology, (ii) define the scope of data in a stricter way, (iii) the promotion of a more extensive and coordinated data collection and (iv) the alignment of OECD and national classification methods. Further information on <http://www.oecd.org/>

EBRD

The EBRD Client e-Procurement Portal (ECEPP)

EBRD has just launched its Client e-Procurement Portal (ECEPP) which is a cloud-based “end-to-end” electronic procurement compliant with the EBRD Public Procurement Policies and Rules that are applicable to all Bank’s financed contracts.

EBRD Clients are now able to register free of charge in the portal and to conduct procurement of goods, works, supply and installation and services contracts (except TC funded for which another IT system is used, i.e. eselection.ebrd.com) through ECEPP provided they get access to a standard internet connection. <https://ecepp.ebrd.com>. In addition to better serve Clients and promote a more transparent and efficient projects related procurement, the ECEPP will help promoting the adoption of e-Procurement by countries. Its practical use by the public procurement community will showcase a modern public procurement management system and motivate public and private operators to benchmark the system and the application in view of launching or fasten similar reforms and initiatives in several countries and partner organizations. Last but not least, the adoption of this new e-Procurement tool, including its monitoring and business intelligence features, will turn the collection, treatment and analysis of project performance related information much more easy and reliable for both the EBRD and its Clients. Further information on www.ebrd.com

PORTUGAL – Instituto dos Mercados Públicos do Imobiliário e da Construção **Transparency on public contracts**

November 2009 is reminded as the historic date Portuguese entered into a mandatory fully-fledged e-Procurement system covering all stages until the contract award. Even before that, in 2008, concerned with the need to dramatically increase the transparency, the Government promoted the data centralization and setup a mechanism of mandatory publication at the portal [base.gov](http://base.gov.pt) to render direct awards more transparent. Today, without such publication of the contract on the system it is not possible to pay any invoice linked to a direct award and the system has reached an extremely high level of transparency which can be illustrated by the obligation of publishing all types of contracts (since January 2012), including a copy of the signed contract itself (since August 2013). The portal www.base.gov.pt is a modular information system based on (i) a data base, (ii) a web interface for searches (public portal with free access), (iii) a restricted area for contracting authorities submit contract information (back office); (iv) web services to connect with electronic platforms, official journal and the IT systems of contracting authorities. The completeness and timeliness that characterizes the available information could only be achieved through a fully-fledged e-procurement system within which buyers, sellers and regulators are all interconnected through the portal base.gov. The impressive quantity of data being made available through the Annual Report (published since 2010) include a significant set indicators relating to the e-procurement up-take (Electronic Public Procurement Index in Portugal – ICPEP and the Manchester Index), public procurement as a share of gross domestic product (GDP), public procurement versus gross fixed capital formation (GFCF), launched procedures vs concluded contracts, public procurement per type of contract, contracts per year of the decision to contract and per average length of procedures, breakdown of concluded contracts per month and per type of procedure, competitive procedures vs direct award procedures, forecast for charges arising from concluded contracts, the average length of procurement procedures, number of competitors by procedure, award criteria used “lowest price” vs “most economically advantageous tender”, weight of the price factor within the “most economically advantageous tender”, abnormally low prices. Portugal is now preparing new developments in view of responding to the need of recording more attributes and information from public procurement procedures on the system, to increase interoperability in such a way that both buyers and suppliers do not care about which platform they use any time they procure and to guarantee an effective and sound regulation and oversight on electronic platforms performance. Further information on <http://www.impic.pt/>

ITALY - CONSIP

The experience of Consip

NSIP's mission is to make the use of public resources more efficient and transparent, by providing tools and skills, to public administrations, in order to allow them to perform public purchases and at the same time stimulate a competitive participation of enterprises to public tenders. Its main activities include the implementation of the "Program for the rationalization of public spending on G&S" (central procurement), the support to individual administrations (vertical procurement), and the response to specific needs as assigned by law (e.g. the Digital Administration). Italy has already a mature e-Procurement system made up of a comprehensive set of purchasing tools that are used by CONSIP and other public entities. CONSIP acts both as a Contracting Authority celebrating Framework agreements and contracts as a "Market maker" through which makes the e-Marketplace available for other contracting authorities to place direct orders and requests for proposals relating to low cost goods, spot purchases and the use of e-Catalogues (www.acquistinretepa.it). It should also be mentioned the role of the BDNCP - National Database of Public Contracts of the National Anti-corruption Authority (ANAC). The BDNCP collects data on public tenders and contracts throughout the entire life cycle of procurement process and, throughout the use of a "CIG" (Tender Identification Code), BDNCP data can be related with other systems where the same code is used (e.g. e-invoicing data base). In order to ensure the public procurement transparency, ANAC makes public, through its portal, the data and information communicated by contractors in a manner that enables the search of the timely information, as well as those aggregated ones (<http://portaletrasparenza.avcp.it/microstrategy/html/index.htm>). CONSIP, for its role in public procurement, has access to a significant portion of the information / data contained in the and is one of the largest users of BDNCP itself, acting as the national central procurement body. Performance indicators used by CONSIP include the share of Consip transaction value in the total procured value (*as per BDNCP data*), the number of contracts per year and contracts managed throughout CONSIP platform, the number of active buyers and suppliers per year, and the unit price savings deriving from the demand aggregation (the average saving % calculated every year by the Ministry of Economy and the Italian Institute of Statistics by comparing the prices of the goods and services offered by CONSIP framework contracts to the average price paid for the same goods and services by public administrations who are not using CONSIP framework contracts. Coming challenges are very much related to the need to guarantee the interconnection and interoperability of systems (BDNCP, in the e-Procurement platforms and in the Electronic Invoicing System) allows the monitoring of contracts and guarantees the transparency, traceability and performance of the public procurement system. Further information on www.consip.it

Support for Improvement in Governance and Management - SIGMA

The Monitoring conducted by SIGMA

SIGMA is very experienced organization in dealing with monitoring and performance assessments. Among others, it is responsible for the assessment of candidate countries that feed into the EC Progress Reports. SIGMA's assessments and recommendations for reform priorities in the candidate countries are published on SIGMA's website SIGMA has conducted baseline measurement reviews against the Principles of Public Administration in seven Enlargement countries. The reports set baseline values for more than 100 indicators and provide the state of play of public administration reform for each country. Major outputs of the monitoring process include for each country the (i) state of play and overview of main developments, (ii) indicator values, showing the progress against the respective baseline and (iii) a brief analysis on where the country stands against each Principle. Four major types of indicators are used: (i) output indicators: costs, savings, efficiency of the procurement system, (ii) input indicators: procedures used, number of complaints received and resolved, (iii) process indicators: transparency, non-discrimination, fairness, accountability and (iv) outcome indicators: user satisfaction, cost and convenience for users, budget effects.

In addition we can also distinguish between quantitative indicators (share of contracts awarded after publication of a notice, average number of tenders submitted per contract to be procured, number of complaints in relation to the number of procurement procedures) and qualitative indicators (extent to which public procurement legislation is complete and enforced, comprehensiveness of systems for monitoring and reporting on proceedings and practices, extent of use of modern procurement techniques and methods). Further information on <http://www.sigmaweb.org/>

Lessons learned by SIGMA (Support for Improvement in Governance and Management)

The long experience of SIGMA, a joint initiative of the OECD and the EU, garnered in different countries with different public procurement landscapes and levels of development, provided already a couple of learnings that planners and decision makers shall take into account when devising new monitoring initiatives and/or tools. The following should be highlighted: (i) assessing and monitoring a system is not quick nor easy, it normally requires considerable efforts, (ii) assessment initiatives and efforts should be harmonized for as many purposes as possible so that the process can be economically efficient, (iii) it should be clear for every stakeholder the purpose and usefulness of the assessment exercise and, the more so, the respective results (iv) collection of data should be based, to the extent possible, on publicly available information, meaning that only complementary data, details and clarifications should be demanded, (v) data should be generated and recorded as events take place, which is a tremendous advantage of using e-Procurement data and finally (vi) the need to be aware of the limitations of indicators since they should point to what is important but they do not tell everything by themselves.

United Nations Commission on International Trade Law - UNCITRAL

UNCITRAL is strongly advocating for the adoption of e-Procurement. As far as data collection and analysis are concerned, a special focus has to be put on (i) making sure a proper procurement planning is implemented, (ii) effective monitoring and oversight of procuring entities and oversight of the market (iii) monitoring of, and improvements in, procurement systems as a whole, including their legislative, regulatory and institutional frameworks and (iv) capacity-building and professionalization of a procurement function. The “Data revolution” which gained a prominent place in the UN development agenda calls for an improved access to data and a better data collection and analysis, in particular for assessing the effectiveness of aid and to demonstrate tangible results for people. The experience garnered with the practical application of the 2011 Model Law allowed to identify the following major obstacles to performance measurement: (i) difficulties linked to data collection, aggregation and analysis (design of systems, parallel systems, issues of standardization, interoperability and treatment of sensitive info), (ii) difficulties related to manipulation of data (human intervention where it is not supposed to be, objectivity where it cannot be: pursuing socio-economic goals through procurement, best price-quality ratio, etc.), (iii) a certain obsession with recouping of costs instead of cost-benefit analysis and, last but not least, (iv) the absence of strategic approach to procurement in some e-Government programs and initiatives. Practical evidence also shows that E-procurement has no automatic effect on enhanced transparency on its own as this depends on the legal, institutional and managerial frameworks that are set up and the policies that are pursued. Further information on <http://www.uncitral.org/>

BANGLADESH

Performance measurement has gained a growing importance over the recent years and will continue to be among the top priorities of the Bangladeshi public procurers because is regarded as an important tool to: (i) enhance transparency, (ii) improve efficiency, (iii) increase competition, (iv) reduce the cost of procurement function, (v) ensure value for money, (vi) ensure compliance, (vii) identify key points for improvement and reform and (viii) build trust in the government procurement system. The e-Procurement system in use in Bangladesh includes an e-PMIS (Procurement Management Information System) which is able to automatically gather and treat an impressive amount of data that is generated within the system modules e.g. e-Tendering, E-Payment and E-Contract Management.

The integration of such a module within the system allows not only the envisaged automation of data treatment but also a real-time availability and reliability that could be hardly reached through a manual process. Key performance indicators (KPI) used to support decision making and the system monitoring in Bangladesh are grouped in three main areas: transparency, efficiency, competitiveness and compliance.

Examples of KPIs regarding Transparency

- Percentage of IFT published in the newspapers
- Percentage of IFT above thresholds published in CPTU website
- Percentage of awards above thresholds published in CPTU website

Examples of KPIs regarding Efficiency

- percentage of tender evaluations completed within timeline
- percentage of contract award decisions within timeline
- percentage of contracts awarded within initial bid validity period
- percentage of contracts completed within the schedule time

Examples of KPIs regarding Competitiveness

- Average number of days allowed for preparation and submission of tenders
- Average number of bidders who purchased bidding documents
- Average number of bidders who submitted bidding documents
- Average number of responsive tenders

Examples of KPIs regarding Compliance

- Average number of days between Invitation For Tendering and submission deadline
- Percentage of cases Tender Opening Committee (TOC) included at least one member from Tender Evaluation Committee (TEC)
- Percentage of cases TEC included two external members
- Average number of days between tender opening and evaluation
- Average number of days between submission of Tender Evaluation Report and Approval
- Percentage of cases TEC submitted report directly to the Contract Approval Authority (CAA)
- Average number of days between final approval and Notification of Award
- Percentage of tenders approved by proper CAA with Delegation of Financial Power
- Percentage of contracts having liquidated damage imposed
- Average number of days to release payments
- Percentage of contracts foreseeing interests for delayed payments

WORLD BANK

Measuring performance in government procurement

The evolution operated in procurement during the last decade, both at national and international levels, led to a significant increase of data and information being generated and made available by a myriad of forms and shapes. Question is how we can transform these data into reforming ideas that could be used to enhance the end results of procurement, especially the quality of public services provided? The presentation shows how we can build a straight-forward and feasible performance measurement system based on a logical connection between (i) 5 minimum core results that we can expect to be pursued by any public procurement system, (ii) 3 sources of information and (iii) a set of 10 indicators.

Although any particular performance measurement system can be shaped to better suit a specific country or organization, and call for adding, replacing or simply reformulating core results and indicators, there is a broad consensus among the public procurement community about the utmost importance of cost-efficiency, timely delivery, transparency, quality and fairness as the main fields for measuring performance. They account for the multiple goals procurement should aim for and correspond indeed to core principles that are generally identified by doctrine and international best practice as mandatory qualifying elements of a “good public procurement system”. In order to capture the necessary data and information which is required to be relevant, meaningful, timely and accurate, the following three sources of information should be used: (1) the bidding data, which will be a baseline for future monitoring and measurement against actual implementation; (ii) the contract implementation data, including all possible events and facts having an impact, e.g. price, length, quality of delivery, guarantee, etc.; and (iii) the factual experience, including interviews with stakeholders based on the fact that figures, regardless the technological treatment they are subject to, do not tell us the whole story.

A Set of 10 indicators

Cost-efficiency

1. Number of bids received for individual bidding processes
2. Quantity of bidding processes to buy the same or similar item
3. Incidence and size of cost overruns

Timely delivery

4. Time to complete different types of bidding processes
5. Bidding processes open to competition
6. Bidding processes that are successfully awarded as opposed to failed or cancelled
7. Incidence and size of schedule overruns

Transparency

8. Publication of invitation for bids, contract awards and contract implementation information

Quality

9. Quality of goods, works and services received

Fairness

10. Fair and equal treatment to bidders

Most of the presentation time was allocated to analyzing data and figures related to real cases with the purpose of demonstrating that procurement data is very heterogeneous and demands careful analytics to arrive at actionable and useful insights for decision-makers. Further information on <http://www.worldbank.org/en/events/2015/10/20/e-procurement-forum-enhancing-public-spending>

WORLD BANK – opening session

Using E-Procurement data to measure the transparency and performance of public spending

Over the last years, we have been observing a shift in the goals, which are primarily pursued with procurement performance and data collection. In the past, there was an excessive, sometimes almost excessive, focus on formal legal compliance regardless the economic and administrative efficiency of procurement tasks and function. The quality of delivery, accessibility and readiness of public services were not as important as the fulfilment of formal norms and regulations regardless the end results achieved. There were also many data missing, or they are simply too difficult to collect and treat through a cumbersome manual and lengthy process. Coupled with a certain difficulty to engage with stakeholders, the described environment led to the absence of a holistic view within which public procurement systems are a part, interact and combine with all other functions of public administration. Today, the need to efficiently use public scarce resources calls for giving compliance a broader meaning that goes much beyond the fulfilment of formalities and looks into tangible results and outcomes. The availability of a huge mass of data, increasingly accessible by all, helped changing the mindset of policy makers who put now much more emphasis on public services delivery. Reaching the “*top of*

procurement performance” requires then to build, layer by layer, a *virtuous pyramid* that has to be based on a sound legal and regulatory framework foundation but needs to be complemented by the layers of a strong institutional framework and capable players to deliver results. It is common sense to state that public procurement is not an end in itself, but the only way of overcoming that is to improve the monitoring function and that requires better information, better analysis, better decision making process. The ultimate expected result is a better citizen satisfaction. The World Bank believes that e-Procurement will foster performance improvement opportunities and help promote better governance. The strategy “*Promoting E-Government Procurement (E-GP) – Strategy and Role of the World Bank in Europe and Central Asia (ECA) Countries*” (June 2015), aims at strengthening public procurement systems in ECA countries by promoting further adoption of e-GP, developing e-GP capacity and share relevant experience and building capacity in using e-Procurement data to measure public procurement performance. This Forum respective baselines as well as update indicators on an annual basis. Further information on <http://www.worldbank.org/en/events/2015/10/20/e-procurement-forum-enhancing-public-spending>