Digital Procurement.
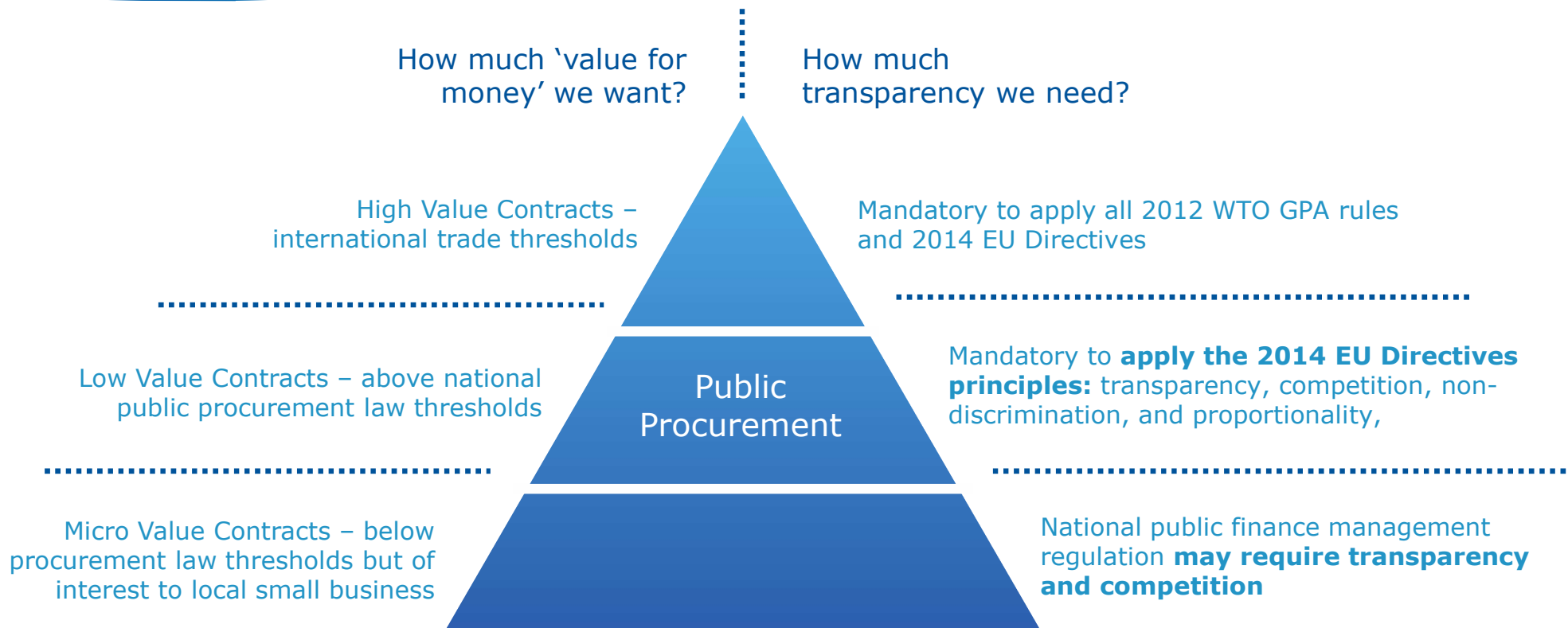# New Generation of eProcurement

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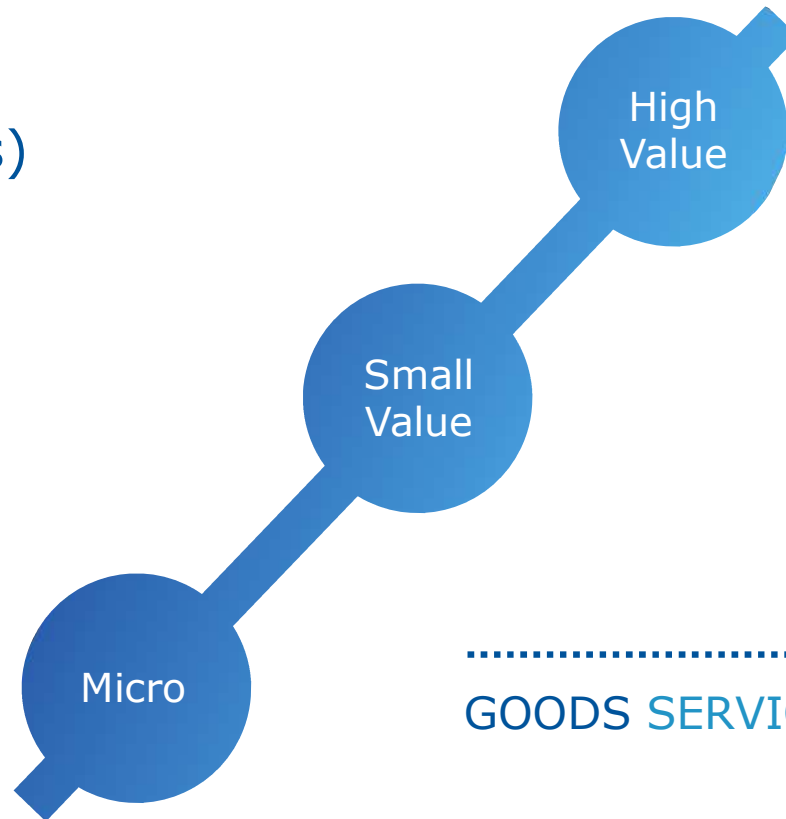
OPEN CONTRACTING PARTNERSHIP

European Bank for Reconstruction and Development

United Nations UNCITRAL

Regulating public procurement market

How much 'value for money' we want?

How much transparency we need?

High Value Contracts – international trade thresholds

Mandatory to apply all 2012 WTO GPA rules and 2014 EU Directives

Public Procurement

Low Value Contracts – above national public procurement law thresholds

Mandatory to **apply the 2014 EU Directives principles:** transparency, competition, non-discrimination, and proportionality,

Micro Value Contracts – below procurement law thresholds but of interest to local small business

National public finance management regulation **may require transparency and competition**

Digital procurement – get a right gov tech tool for:

- (different public contracts)
- (different markets)
- (local business culture)
- (big and small buyers)
- (big and small business)
- (markets)

High
Value

Small
Value

Micro

GOODS SERVICES WORKS

What we discovered

- Transparency is recognised as key principle of public procurement policy but in spite of it governments do not make public procurement data public
- Public procurement laws may say WHAT information to publish but not HOW to publish
- Governments may have new procurement laws and eProcurement systems, but they actually do not have accessible public procurement data and that's why they do not make it public
- eProcurement systems are difficult to use and require a lot of end-user training
- eProcurement reforms are frequently unsuccessful and challenging

What we learned (and aim to apply in practice)

- Procurement policy reform, digitalisation and open data agendas **are separated when need to be united.**
- Open Contracting Data Standard - one public procurement open data source for all stakeholders **is possible for any interested government** regardless policy differences and level of digitalisation
- Open Government – transparency, accountability and stakeholder engagement **makes a difference**

HOW?

- Build a buying process for public sector where users no longer need complete knowledge of all the public procurement rules, with digital workflows that incorporate compliance requirements to guide buyers' decisions and mean in practice **quick time to market, better buyer satisfaction, steep change in compliance and better performance**

Public procurement goes through digital transformation

On the way to digital transformation

Publication:
Uniform, transparent and accurate information on procurement opportunities

Interaction:
Active exchange of information. Online forms. Customised information on request. Some process integration

Transaction:
Competitive online exchange of goods and services. Complete transaction online. Online productivity. Integrated process

Transformation:
Digital process. Use of automation and robotics. Change in business practice. New data-driven products and services. Innovation in market structure
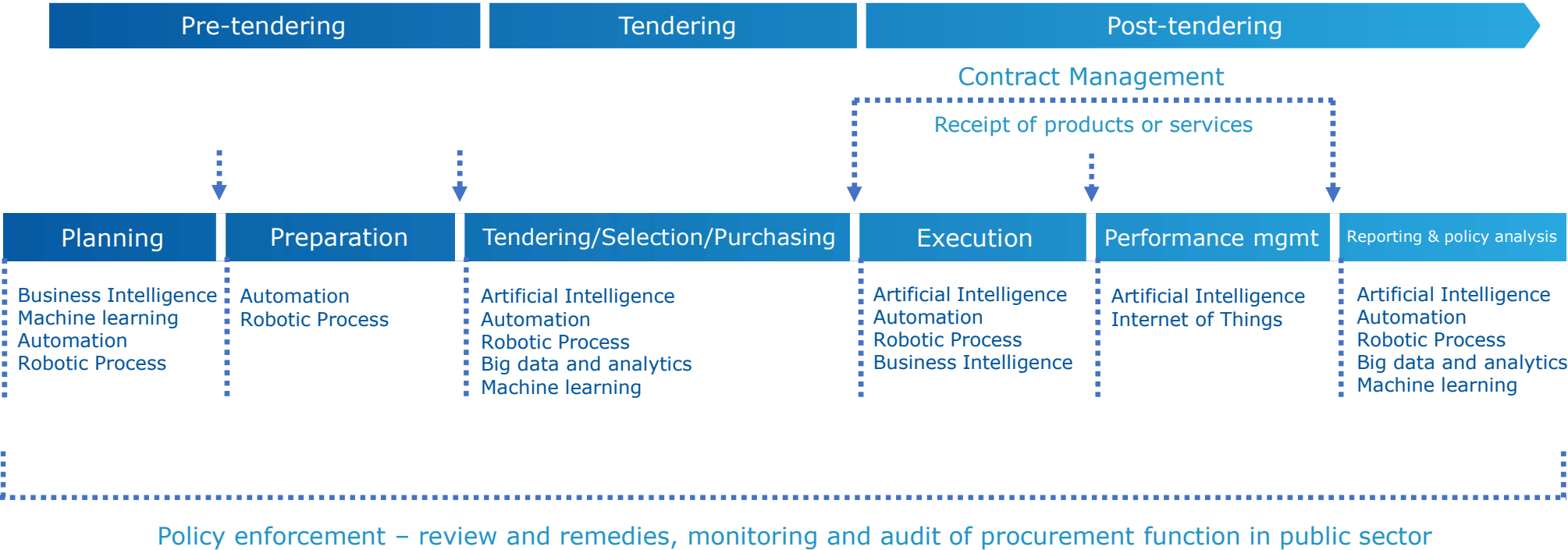

eProcurement instead of paper-based procedures

Digital systems supporting machine readable data instead of outdated 'upload download scans of paper docs' monsters from Nineties

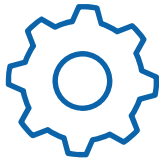Distributed architecture systems with process engine, micro services and open data instead of mono architecture and closed databases

When digital, you are ready for Emerging Technologies

Pre-tendering	Tendering	Post-tendering

Contract Management

Receipt of products or services

Planning	Preparation	Tendering/Selection/Purchasing	Execution	Performance mgmt	Reporting & policy analysis
Business Intelligence Machine learning Automation Robotic Process	Automation Robotic Process	Artificial Intelligence Automation Robotic Process Big data and analytics Machine learning	Artificial Intelligence Automation Robotic Process Business Intelligence	Artificial Intelligence Internet of Things	Artificial Intelligence Automation Robotic Process Big data and analytics Machine learning

Policy enforcement – review and remedies, monitoring and audit of procurement function in public sector

NEW digital public procurement

BPMN
Enable flexible process design, management and improvement

OCDS
Support data availability in the uniform open data structure

API
Facilitate integration by data exchange with other digital government services

Unlocking procurement data from the IT systems for interoperability and decision-making

OCDS – Open Contracting Data Standard facilitates digital transformation in public procurement

- The globally recognized data standard for public budgets, tenders and contracts
- Compliant with Open Government Data Standard
- Process-based - covers procurement cycle from planning to payment

- Community owned - practitioners propose OCDS extensions as needed for their country procurement systems
- High reusability - OCDS is used for disclosure as well as modern data integration (REST API)
- Fully Open Source

Planning   Initiation (Tender)   Award   Contract   Implementation

OCDS – ONE source of ALL procurement data for ALL users

Government

- Public sector buyers
- Regulatory authorities
- Competition courts
- Enforcement agencies – monitoring, controlling and audit
- eGovernment authorities
- Any government body dealing with public procurement

Business

- Suppliers, service providers and contractors interested in public contracts
- Business associations promoting export and trade
- IT industry for developing new data-driven services
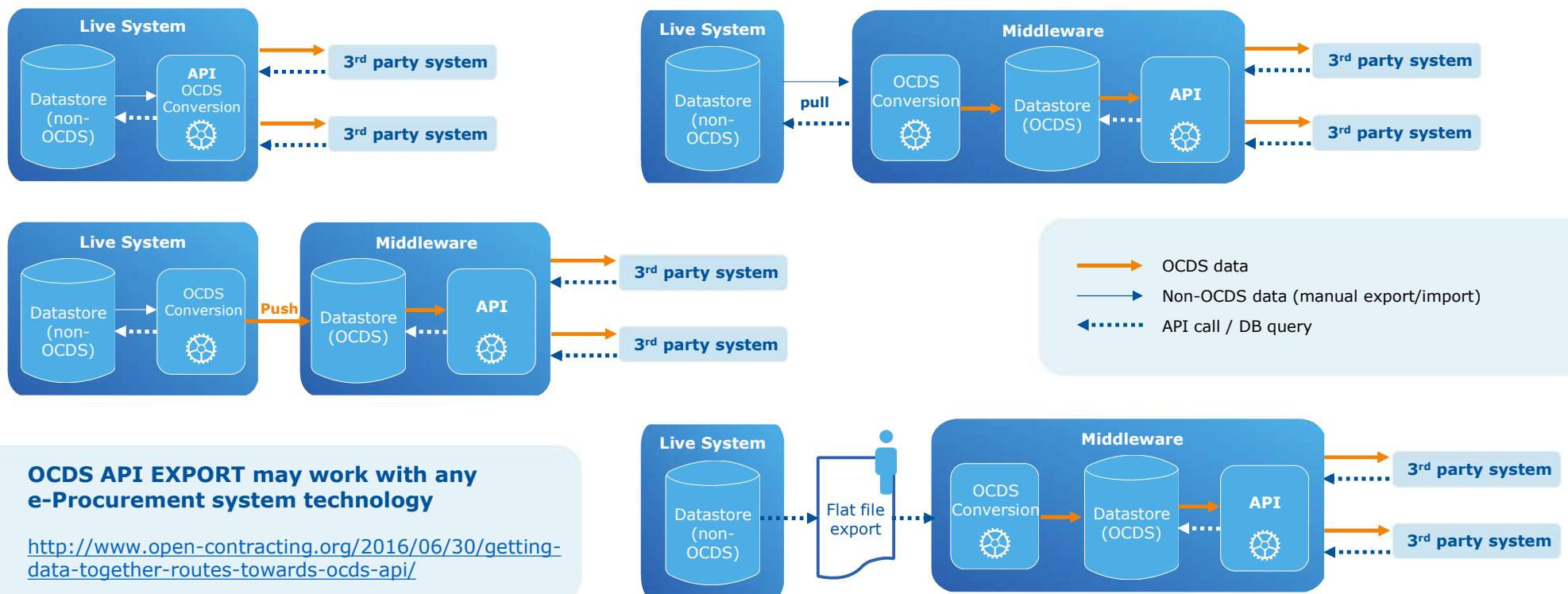- Market research companies

Civil society

- General public – users of public services procured by government
- Academia
- Anti-corruption watchdogs
- Civic activists
- Open data advocates
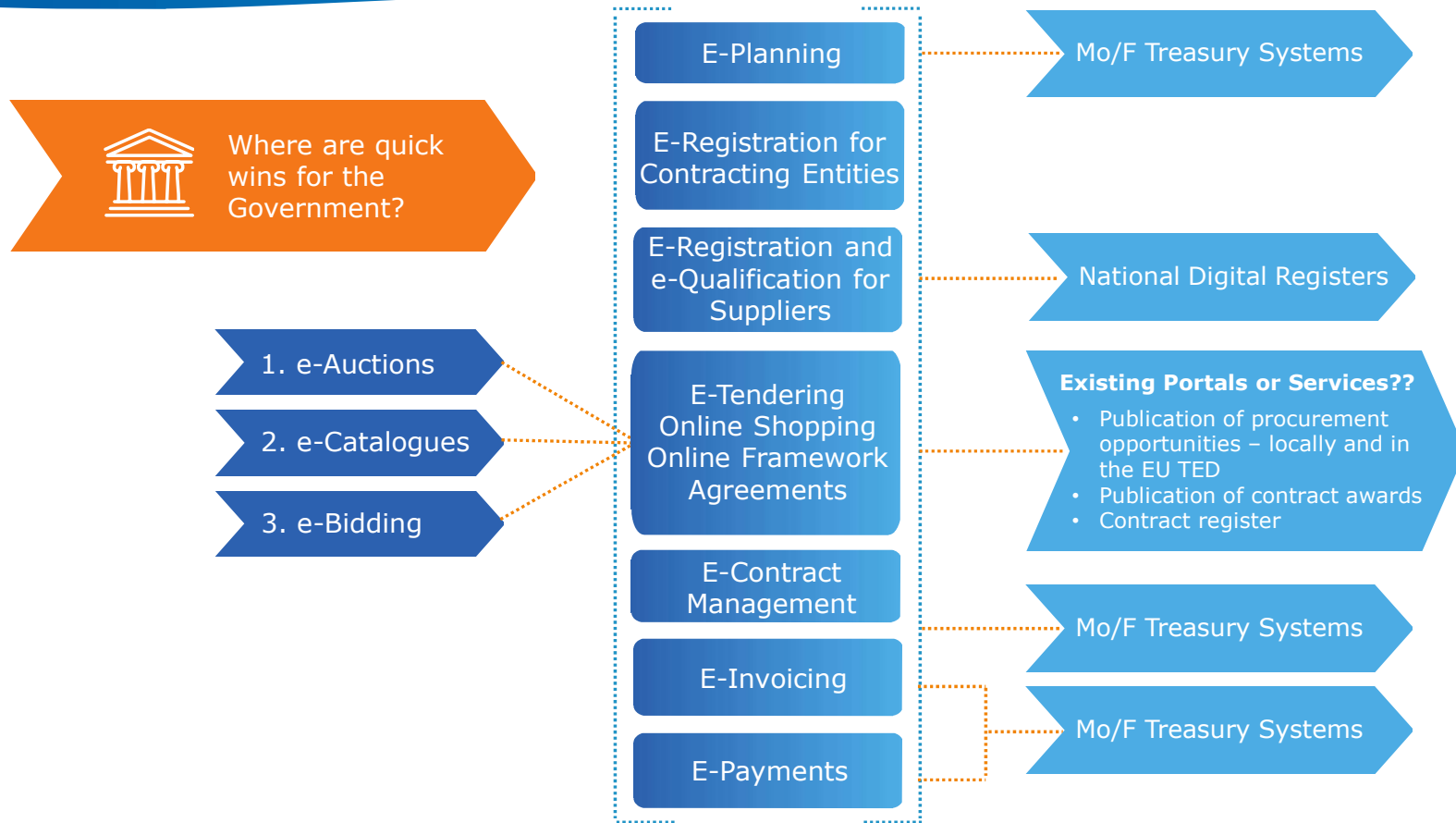
Interoperability is SIMPLE
Structured Open Data Export

OCDS API EXPORT may work with any e-Procurement system technology

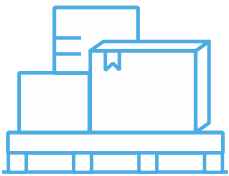http://www.open-contracting.org/2016/06/30/getting-data-together-routes-towards-ocds-api/

Legend:
- OCDS data
- Non-OCDS data (manual export/import)
- API call / DB query

Integration is QUICK

Where are quick wins for the Government?

1. e-Auctions

2. e-Catalogues

3. e-Bidding

E-Planning → Mo/F Treasury Systems

E-Registration for Contracting Entities

E-Registration and e-Qualification for Suppliers → National Digital Registers

E-Tendering
Online Shopping
Online Framework Agreements

Existing Portals or Services??
- Publication of procurement opportunities – locally and in the EU TED
- Publication of contract awards
- Contract register

E-Contract Management

E-Invoicing → Mo/F Treasury Systems

E-Payments → Mo/F Treasury Systems

Enforcement? No, Engagement!

Government can use Open Data for policy enforcement and contracting authorities can have market analysis and review efficiency of their procurements at no extra cost.

If the procurement data is open and online monitoring tools are available, the best monitoring is provided by suppliers due to their legitimate commercial interest which prevails any other motivation for monitoring

Where business does not care, citizens who are users of public services can provide feedback and help improve live for all

Analytics and Monitoring Procurement

Whistle blowing on corruption

Red Flags for compliance monitoring

OCDS Explorer – open analytical tool

Business intelligence market analysis for suppliers

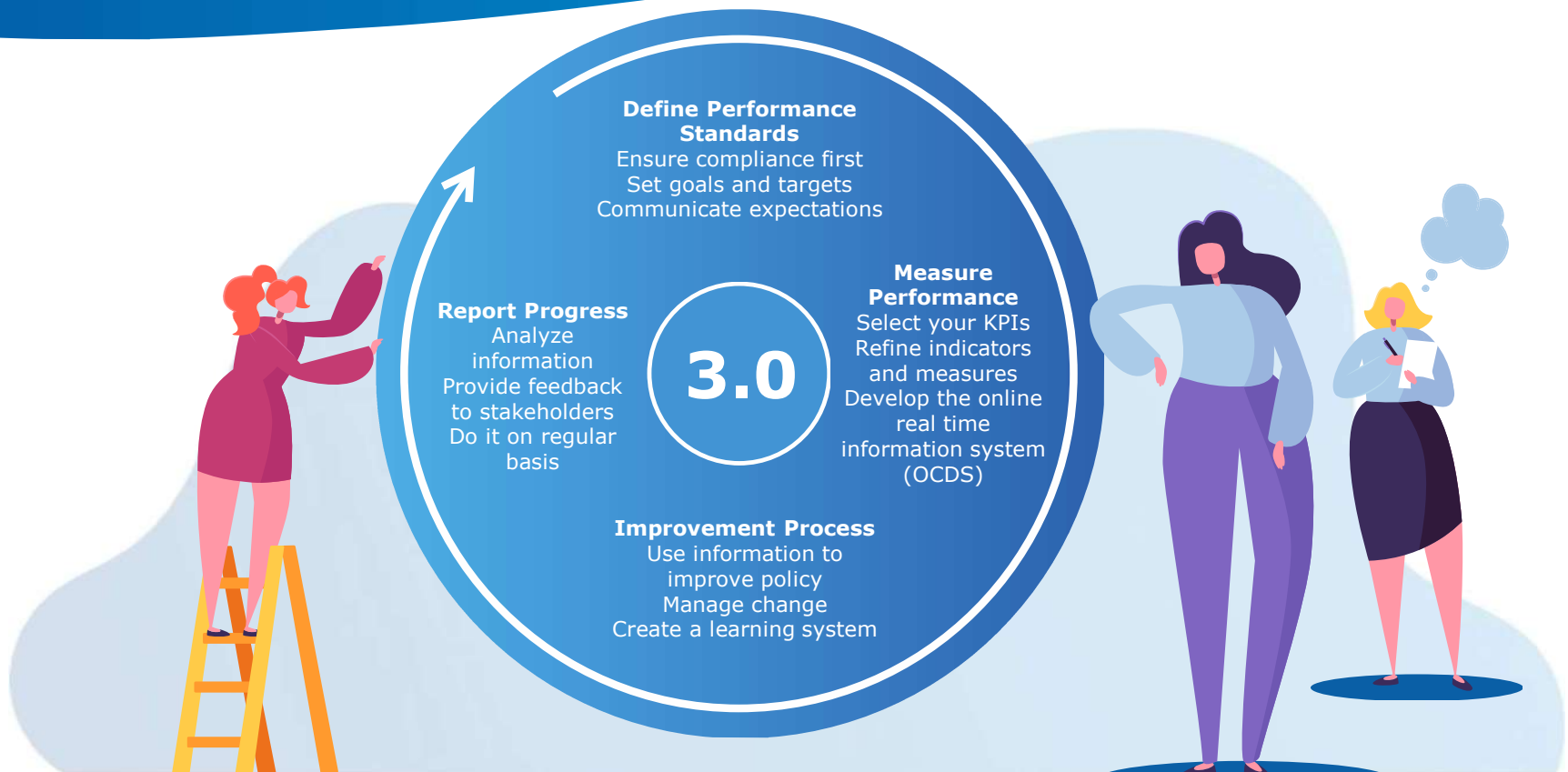Best Practices Index for public sector buyers

Online ex-ante monitoring for government monitoring units

Data driven compliance and performance audit tools for public procurement auditors

A planning to payment digital procurement system where UNCITRAL rules and OCDS open data drives performance

Define Performance Standards
Ensure compliance first
Set goals and targets
Communicate expectations

Measure Performance
Select your KPIs
Refine indicators and measures
Develop the online real time information system (OCDS)

Report Progress
Analyze information
Provide feedback to stakeholders
Do it on regular basis

3.0

Improvement Process
Use information to improve policy
Manage change
Create a learning system

OCDS UNCITRAL Networking Digital Procurement

1 TRANSACTION EFFICIENCY

2 TRANSPARENCY BY DEFAULT

3 BETTER PERFORMANCE

4 CONTINUED INNOVATION

Contacts

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More about the **EBRD UNCITRAL Public Procurement Initiative** can be found at
http://www.ppi-ebrd-uncitral.com/

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