Some challenges of reforming public procurement systems – *experiences in different countries*

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Five aspects

- Ownership
- E-procurement
- Value for money
- Monitoring
- Corruption
- PPP/concessions

Ownership

No efficient application of public procurement unless high-level buy-in/ownership

Key issues:

- who signs the procurement contract – on behalf of whom?

- who risk penalties for violating public procurement legislation – procuring entity, leadership or only the executive level?

E-procurement

Key elements

- downloading of tender material ~ no cost
- signing and uploading of bids ~ all boxes ticked
- storage of bids ~ preventing undue access
- (evaluation of bids) ~ excessive expectations to e-auctions
- tender monitoring ~ broad basis for tracking of development trends

E-procurement

NB! E-procurement is not a magic –tool

- No such thing as off the shelf solutions

- Close cooperation between system developers and procurement professionals required

E-procurement

Examples of rights/obligations established in IT user manuals - but not in law

- The procuring entity must nominate persons that can access the system for the purposes of opening and evaluation of bids and it cannot be the same persons

- The persons must be employees and at least two must be in charge of the bid opening phase

- New users can have accounts activated once they have been "validated" by the e-platform administrator

- The e-platform automatically excludes virus-infected bids

Value for money

- lowest price does not mean value for money – examples are many!

- Technical specifications - pass/fail ctr. best bid in terms of quality

- trend towards green criteria, life-cycle costing

- the challenge of defining measurable elements of quality

- reluctance to use "subjective" criteria

- possible remedy - standard performance types (energy consumption etc.) to "build" quality criteria

Monitoring

- State monitoring of procedural/ financial/ performance aspects
- Risk of overlapping competences

  ~ conflicting messages to procuring entities

  ~ officials caught in the crossfire

- Civil society monitoring
- Remedies – case-law development

Corruption

- **Where are the largest risks in the procurement process?** *Planning -- competitive procedure --- contract management*

- **Corruption red flags/ indicators?**
    - excessive turnover requirements?
    - 'targeted" technical specifications?
    - short time limits?

- **global anti-corruption remedies?**

PPP/concessions

- ability to plan/ negotiate risk allocation

- formulation of suitable performance indicators,

- management/monitoring capacity etc

Thank you for your attention!

More information can be found at:

www.sigmaweb.org