



# **Piloting electronic public procurement: objectives and actions**

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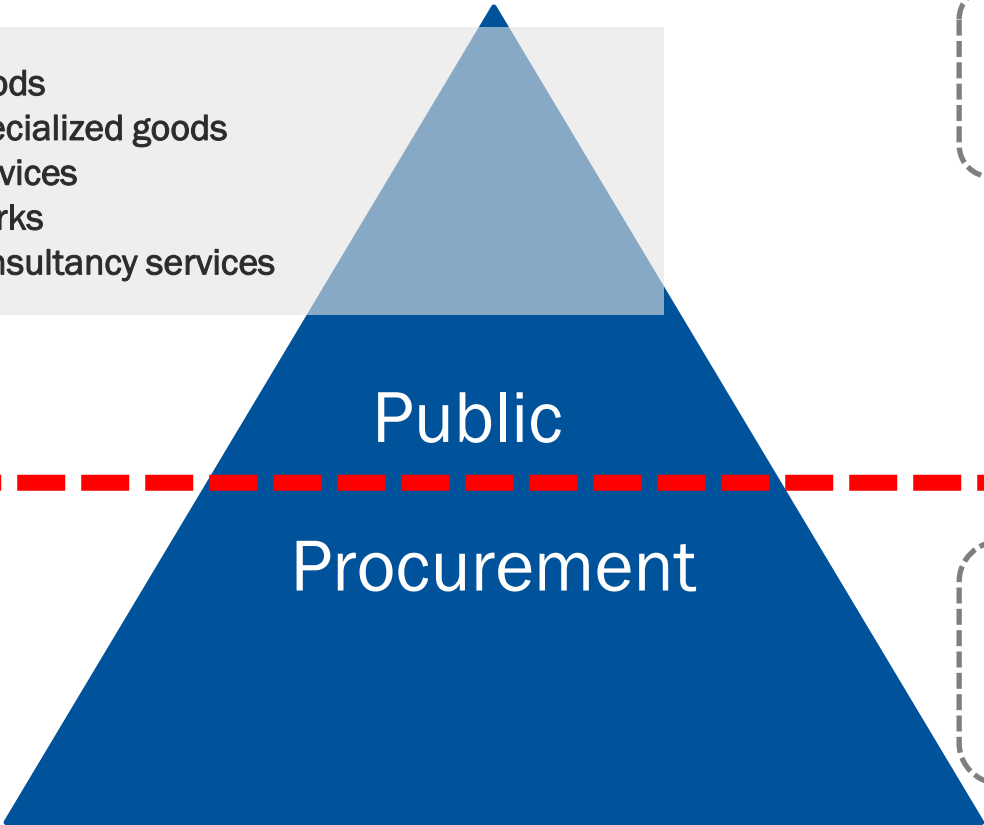
# The pyramid of public contracts

**Key questions:**

- How much budget is spent on micro public contracts (0-1k USD)?
- How competitive is domestic procurement market (how much budget is spent in direct award contracts), (how many bids are receive per advertised tender) (how many of registered businesses participate in public procurement market) (are awarded businesses big or small)?
- What procurement method apply for micro (0-1k USD), low (1k-160k USD) and high value (above 160k for goods and services, above 5000k for works contracts)?

- Goods
- Specialized goods
- Services
- Works
- Consultancy services

When it is mandatory to apply the open tender ?

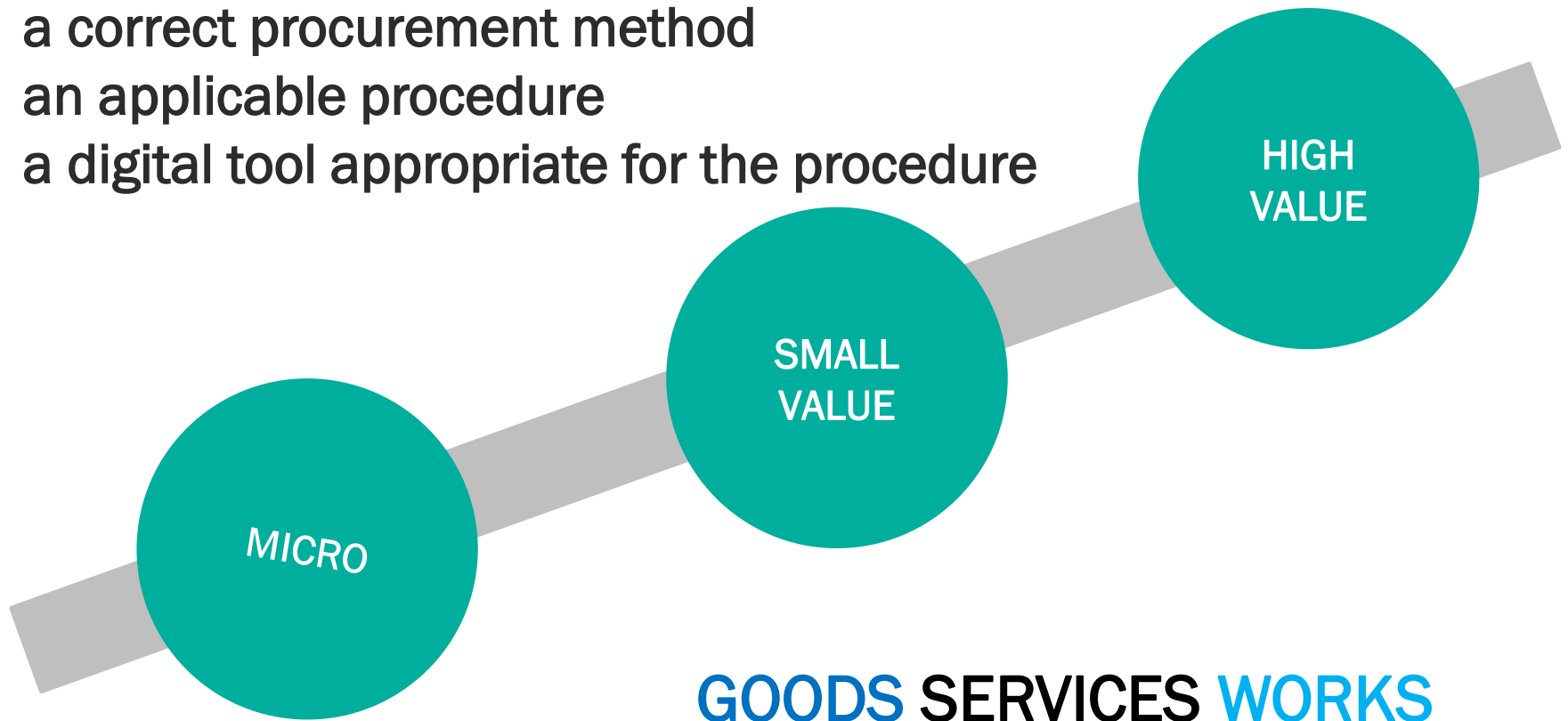


When it is mandatory to apply competition?

# Right (digital) procedure for each contract

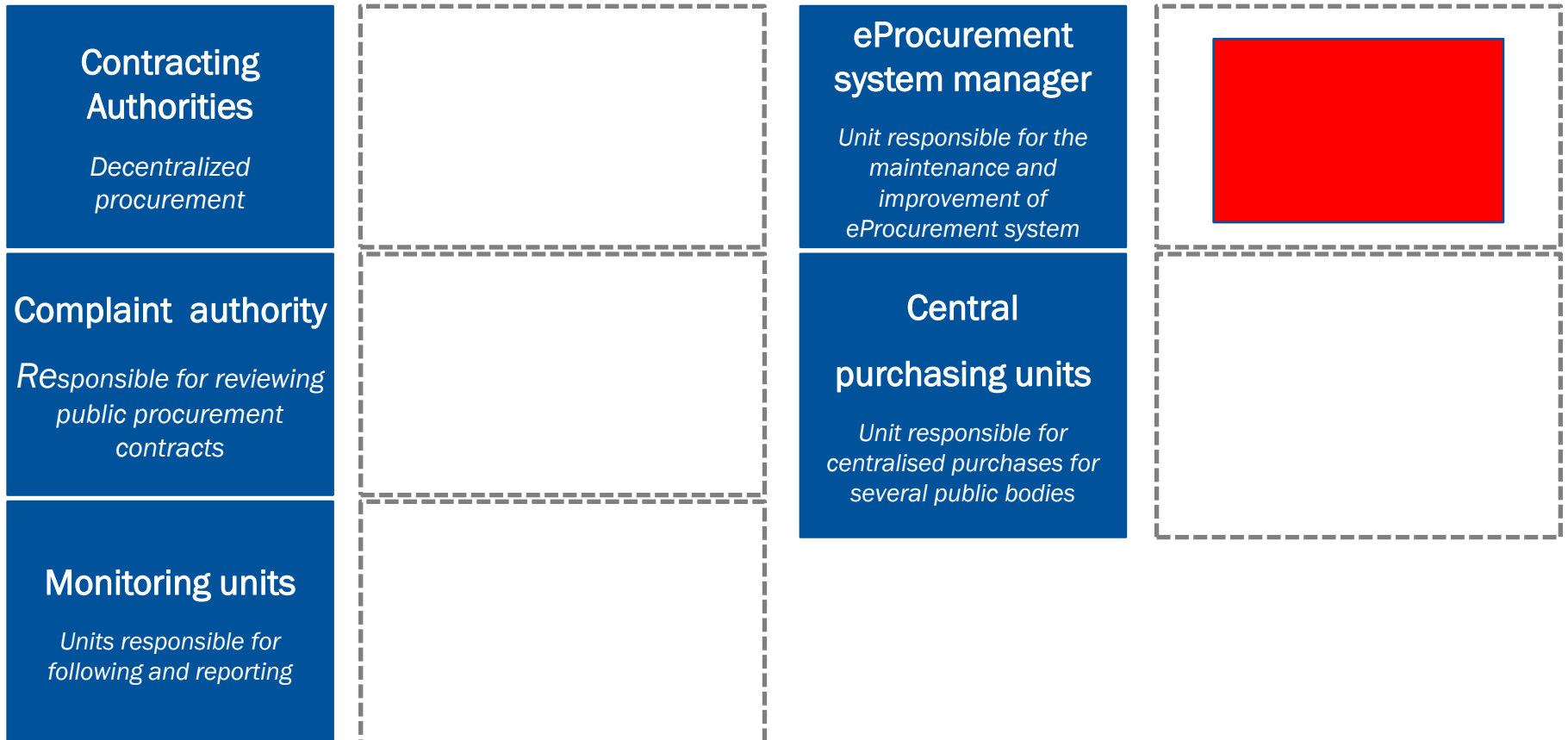
Each public procurement policy has to address proportionality – aligning the public contract value and type with

- a correct procurement method
- an applicable procedure
- a digital tool appropriate for the procedure



# eProcurement Reforms: Institutional Set-Up to Decide

What will be the optimal institutional structure to quickly benefit from electronic public procurement?



# What are key objectives for eProcurement piloting?



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## General

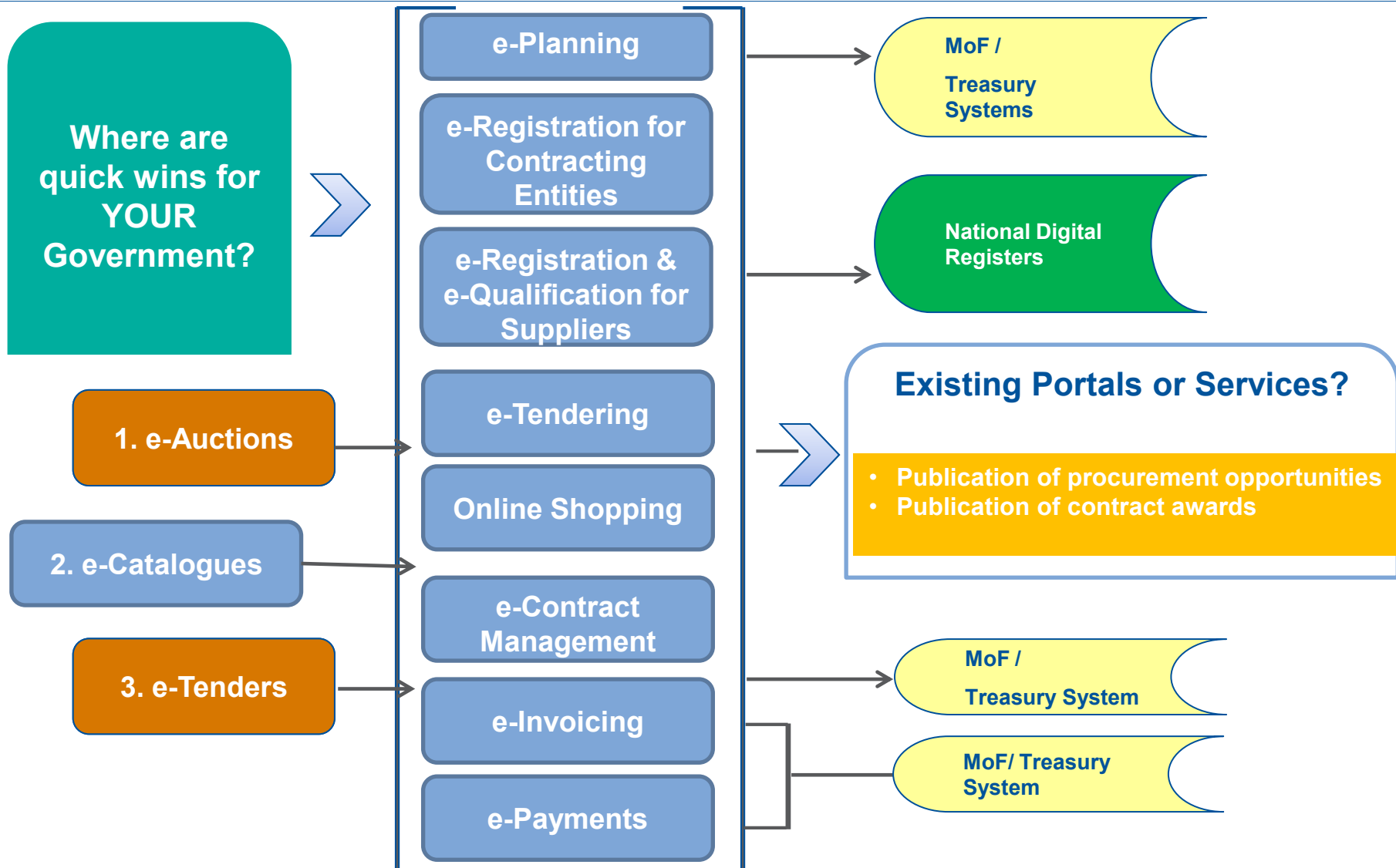
Use a piloting of planning to payment basic features to introduce piloting to the market and keep upgrading functionalities until an advanced and integrated digital public procurement cycle with online procedures suitable for each type and value of public contract is developed

Design pilots having in mind first key public procurement market stakeholders – municipalities, utilities and central purchasing bodies, second national public procurement authority

## Specific

- Be realistic about state budget capacities and make business decisions regarding how to design, develop, pilot and continue improving the eProcurement system/s to keep it competitive and funded from user fees
- Introduce simple competitive eProcurement online shopping procedures for micro and low value public contracts, as these, not high value projects, are a staple of your domestic public procurement system
- Use from start online Open Data to give the public procurement reform credibility in citizens' eyes
- Make sure that national regulatory authority is working for and with the market, not controlling and punishing – a reliable Online Tenders Help Desk helps sellers and buyers to make right procedural decisions
- Plan ahead how to engage in a pilot key stakeholders – municipalities
- Find incentives to encourage suppliers to participate in pilot online procedures

# Key decisions to make regarding national eProcurement pilot



# Accessible Online Bidding

## Case study: TUNEPS/JONEPS

### SIMPLE AND EASY TO USE PROCEDURES

There are 4 main activities to facilitate **local business participation in electronic bidding**

1

Simple Registration and Clear Pass/Fail Qualification System on the market level

2

Online Price Quotation for Goods Suitable for Purchasing from Catalogues

3

Simplified Electronic Open Tender for High Value Public Contracts

4

Online Help Desk for Suppliers (and for Purchasing Entities)

# Action 1 – Simplify Registration and Qualification of Suppliers



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- 1. Introduce simple registration procedure**
- 2. Use centrally-run registration procedure to pre-qualify suppliers into product categories**
- 3. Ensure suppliers do not need electronic signature for registration and bidding, only for signing contracts**
- 4. Develop a training package and online tutorials ‘How to Register and Qualify to Participate in the Online Shopping’**
- 5. Organise a training programme including supplier registration and qualification to reach sustainable number of suppliers ready to bid online**



# Action 2 – e-Auctions or Online Shopping

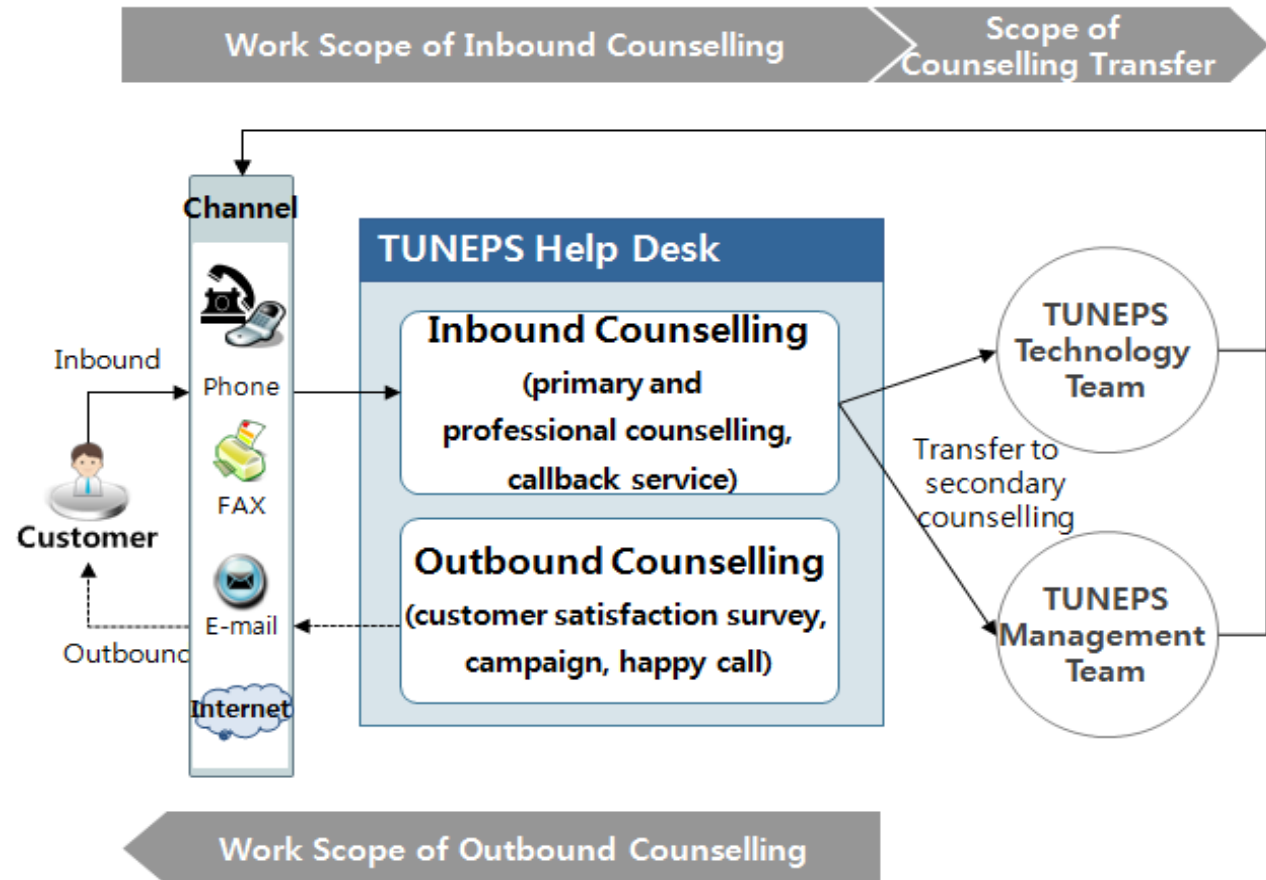
1. Unspoken truth is that electronic reverse auctions are easier to set up than an online shopping, consider your system capacities and make a decision
2. When you have a digital tool, introduce online catalogues for selected most common categories of goods and services
3. Develop a price quotation based online shopping system for goods and services
4. Organise a training programme with mock bidding teaching suppliers to bid online
5. Develop a training package of online tutorials ‘How to Participate in the Online Shop for Suppliers’
6. Develop a training package of online tutorials “How to purchase from Online Shop for Contracting Entities ‘



MICRO

# Action 3 – Help Desk - Better Assistance to Suppliers and Contracting Authorities

- ❑ New ONLINE Help Desk for Online Tenders
- ❑ Mobile and Online communication
- ❑ New Customer Relationship Management
- ❑ Customer Service Training for Help Desk staff



# Action 4 – Simple Online Open Tender



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1. Develop a simplified Open Tender as digital as you can get it on your system
2. If not pre-qualified at registration, use declaration for qualification of suppliers
3. Request documentary evidence only from winning bidder – reduces burden for tender committees as well as corruption opportunities
4. Improve Access to Electronic Certified Signature for signing public contracts, in cooperation with the national e-Gov Programme
5. Organise a road show – a series of regional training session in reach region promoting online bidding

# Action 5

## – Big Contracts, Different Methods



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### Develop a piloting programme for key specialised stakeholders:

- Open Data online monitoring tools to increase transparency of procurement without increasing administrative burden
- Single electronic process for different organizations and procurement methods
- Electronic processing to shorten procurement time
- Tools for sector-specific central purchasing units
- Marketplaces for municipal procurement centres
- Electronic contracts and payment for all CPB contracts

HIGH  
VALUE

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# Are you ready for eProcurement?

Guide to Electronic Procurement Reform



PROZORRO  
IN UKRAINE



e-MARKETPLACE (MEPA)  
IN ITALY