

# PORTUGAL DID IT

Developing and implementing e-Procurement



# **Public Procurement in the EU**

## **the 2020 Agenda**



# Governments and Public Administration:

## 5 Major IT Trends

### **e-Services:**

Increasing efficiency and transparency by delivering services electronically

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### **Integrated e-Government:**

Through the virtualization of delivery and by using standard off-the-shelves products and solutions

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### **Green IT:**

Improving green attitude and reducing environmental costs

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### **Cloud Computing:**

Through the virtualization of the infra-structure

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### **Competitiveness enhanced by IT:**

Developing clusters and IT competence at national levels

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**ePP In the context of a broader legal  
and economic reform of public procurement**

**2007/2011**





# Overall reform environment

**2007/2011**

Pressure from the market.

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Opportunity to improve efficiency in public administration.

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**The launch of a new  
Central Purchasing Body  
(National Agency for Public Procurement)  
as the central tool towards  
a sustainable system.**





# **Central Purchasing Body**

## **Key values**

**Transparency, equal treatment, fair competition**

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**Compliance with National and EU Legislation**

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**Sustainability (priority to economic and environmental elements)**

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**Encouragement of SME's access to public markets**

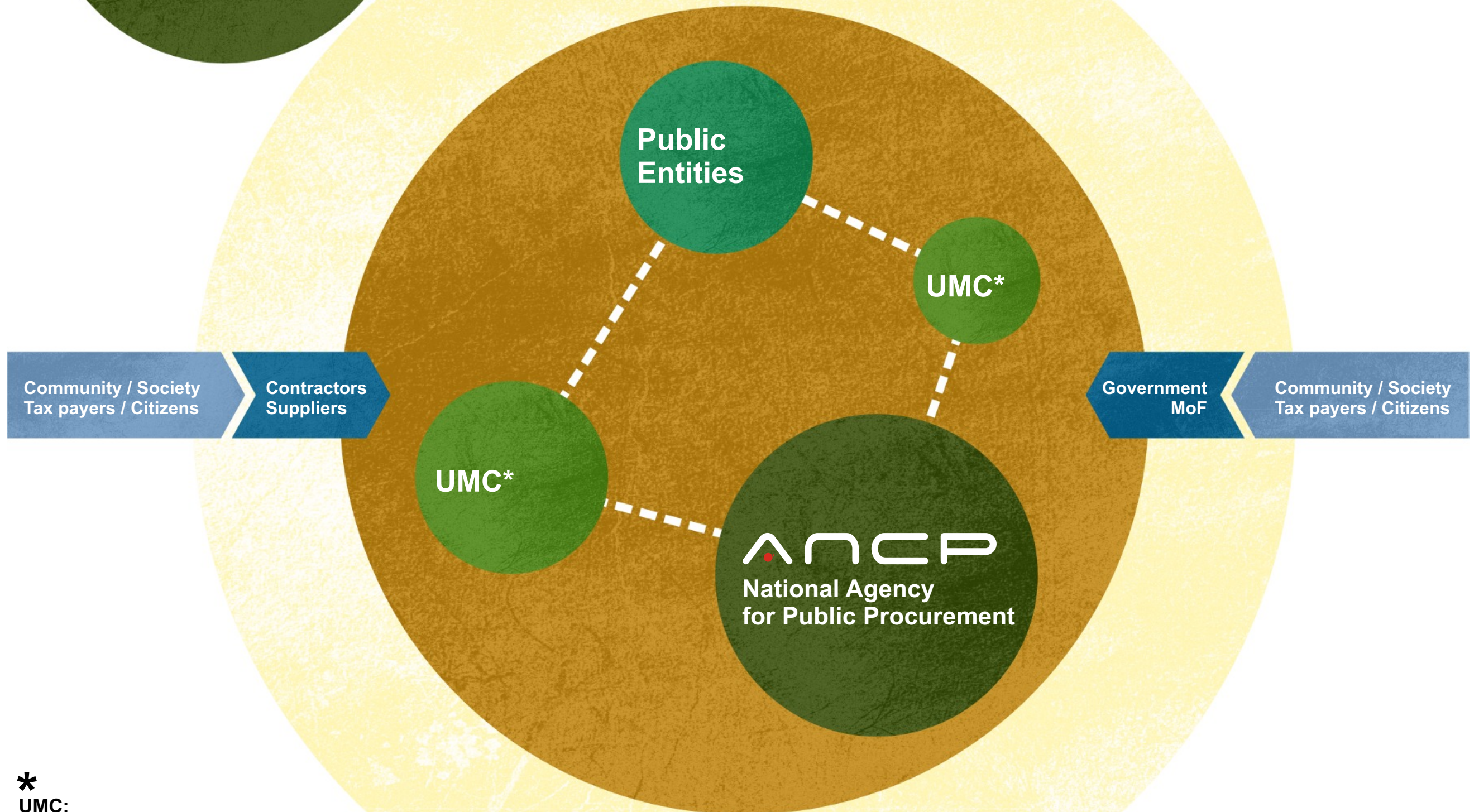
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**ePP**

# NATIONAL SYSTEM OF PUBLIC PROCUREMENT

## Key stakeholders



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UMC:  
Ministerial Procurement Units



# A STRATEGIC TOOL FOR DELIVERING ENVISAGED RESULTS

## The procurement model components

Ordering

Aggregation

Awarding / Contract

Tendering

Payment

Sourcing

Invoicing



# A STRATEGIC TOOL FOR DELIVERING ENVISAGED RESULTS

## The e-Procurement model components



**Mandatory use  
since Nov'2009**



Within the scope of the current technological  
model put in place by ANCP



# The legal framework for e-procurement [PT]

**The Law making process: where policy makers and ICT experts meet Lawyers**

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**Principles governing public procurement AND e-Public Procurement (EU, EBRD, OECD ...)**

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**Main sources: EU and National Law**

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**The grounds for a trustworthy system: Specific features**

-  e-Signature
  -  Documents transmission, opening and “warehousing”
  -  Time and deadlines management: time stamping
  -  Automated decision making versus exclusive competences of awarding/selection committee
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# Main features of legal regime

## Institutional law

### Accreditation of e-platforms - license to operate

- The process of accreditation is run by CEGER (an entity in charge of the government ICT networks, having no other involvement in public procurement)
- Independent external compliance audit to each provider / platform

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**Aggregation, centralization and CPBs  
help delivering the change towards ePP**

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# 2010 First full year of mandatory e-Public Procurement

The success of the adoption of e-Public Procurement in Portugal is by and large due to the **constructive commitment of all stakeholders**, namely the **already established Public eTendering platform operators** with several years of experience mostly in the private market. All stakeholders involved in PP **trust** the system and tools and see ePP as a value added improvement.

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## Players involved

Contracting Entities | Economic Operators | Public eTendering Platform Operators | External Auditors for Platform's compliance auditing | National Certification Office of e-Tendering Platforms | National Agency for Public Procurement – ANCP | National Portal for Public Contracts – InCI | Universities | Training Institutes | **Lawyers** | PP external consultants | Court of Auditors | Administrative Courts | Media | PR&Press | Political Institutions | EU ...





# Conclusions



# The winner partnership/alliance towards the big change

- **Government**
- **Industry (ePP operators and economic operators interested in accessing public markets)**
- **Public Administrations (central, regional and local)**

## The success factors

- **Attitude changing model:**  
Legal, Economic, Educational/Training, Social Marketing
- **Overarching element: confidence**
- **Three consistent pillars (Code, CPB, ePP)**
- **Perception of gains and advantages**



# Reforming Public Procurement in Portugal

## Focus on e-Tender





# **e-Procurement**

## **Lessons learned and major challenges**

### **Key issue:**

Lack of integration of information along the procurement process making it impossible to control and monitor.

### **Solution:**

develop an end-to-end technological model to ensure not only transparent and cost effective procurement processes, but also the construction of the knowledge base that is needed to support strategic decisions towards public expenditure reduction and optimization:



# e-Procurement

## Lessons learned and major challenges



The Agency believes that implementation of this model will allow it to pursue its mission along three key strategic dimensions:

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### **Financial:**

Obtaining much needed savings and public expenditure reduction both in the short and the long term.

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### **Political:**

Through completely transparent, rigorous and efficient procurement processes.

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### **Social:**

Providing a better service for all stakeholders, achieving their buy-in and contribution, alongside a fundamental cultural change in the Public Administration towards the effective use of taxpayers' funds.

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**e-Procurement**

**Set a New Trend of Public Management**



# **e-Procurement**

## **The Next Step**



# e-Procurement

## The Next Step

### e-Procurement as support IT Tool to procurement management

- ★ Each public entity invests in technology, processes and control.
- ★ Investment in IT integration instead of Process Optimization.
- ★ Be reactive in data management instead of pro-active.
- ★ Each public entity invests in their own human and functional skills.



# e-Procurement

## The Next Step

### e-Procurement as part of public procurement strategy

- ★ Build common processes based on functional design, business process & supplier interfaces.
- ★ Create a shared value sustainable solution reducing investments for the Government.
- ★ Manage Procurement as a strategy area of Government.
- ★ Promote corporate Governance in electronic Public Procurement.



**Conclusions from our e-Procurement knowledge**



# Key factors to e-Procurement

e-Procurement as a new approach to define Public Procurement Strategy and not an “IT Tools support to public procurement” investment.

Investing in a Global Shared e-Procurement model optimizes management and decreases waste and redundancy costs.

e-Procurement success depends firstly on simplicity, transparence, trustable Processes and People skills, and only then on Technology issues.

e-Procurement is not just “Savings”, it is also “Profits.”



# Critical Success Factors and Dimensions

Governmental Top-Down Project, transforming procurement from tactical to strategic.

## Political

Create a Corporate Governance model to e-procurement and adapt Legislation to the new global trend.

## Financial

Improve a change management plan focused on Implementation.

## Social

Deliver value and service (full visibility into cost, risk, performance) to the Stakeholders and get economic and business compliance.





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