Open
Contracting
Partnership

**OPENING
UP PUBLIC
CONTRACTING**

VALUE FOR MONEY & VALUE TO MANY

Every third dollar spent by governments is with a private company to deliver vital goods, works and services to citizens.

This spending - some US$9.5 trillion and 15% of global GDP every year - is the bricks and mortar of public benefit, turning taxpayer money into the schools, roads and hospitals that citizens care about.

Openness, accountability and innovation are central to creating and maintaining trust in this huge market. Inefficiency, waste and fraud are major risks.

Research, global business surveys and country reforms show that better data and oversight are good for public integrity, value for money and competition. A World Bank survey of 34,000 companies in 88 countries showed that competition was higher and kickbacks were fewer and smaller in places where transparent procurement, independent complaint & external auditing are in place.

Open contracting can drive systemic change by embedding joined-up information, user engagement and feedback along the entire chain of public contracting. It can help track information from planning to tendering to the award and implementation of public contracts.
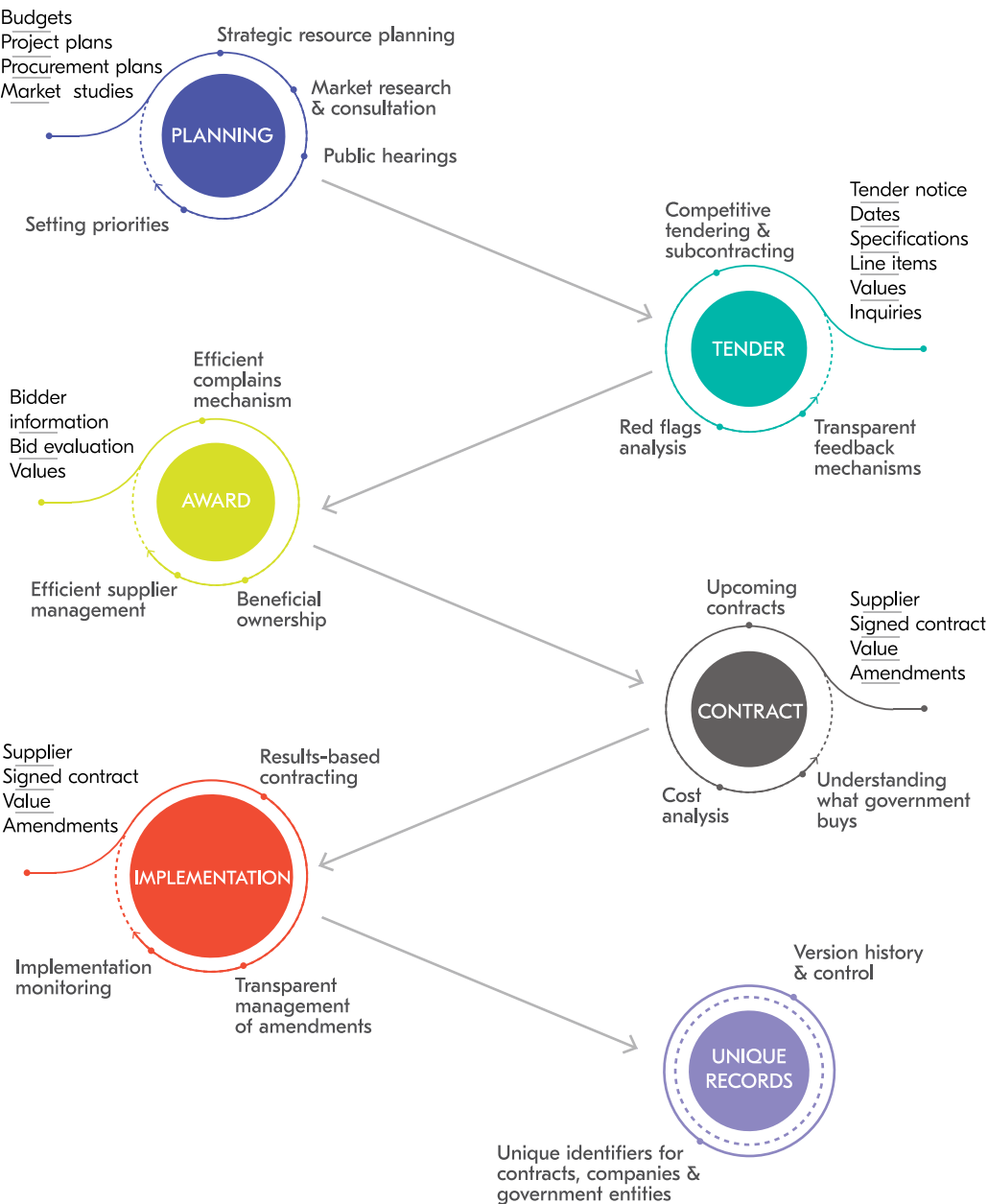
This can help:

1. Deliver value for money, saving governments time and money;
2. Build a fairer business environment and create a level-playing field for suppliers;
3. Improve public integrity by deterring fraud and corruption; and
4. Track and improve service delivery.

In short, open contracting can deliver better *value for money* to government and *better value to the many users* of public contracting information from entrepreneurs to citizens.

$9.5 trillion, if stacked in dollar bills, would reach from the Earth to the moon and back

JOINED-UP DATA

PLANNING

Budgets
Project plans
Procurement plans
Market studies

Strategic resource planning

Market research & consultation

Public hearings

Setting priorities

TENDER

Competitive tendering & subcontracting

Tender notice
Dates
Specifications
Line items
Values
Inquiries

Red flags analysis

Transparent feedback mechanisms

AWARD

Efficient complains mechanism

Bidder information
Bid evaluation
Values

Efficient supplier management

Beneficial ownership

CONTRACT

Upcoming contracts

Supplier
Signed contract
Value
Amendments

Cost analysis

Understanding what government buys

IMPLEMENTATION

Supplier
Signed contract
Value
Amendments

Results-based contracting

Implementation monitoring

Transparent management of amendments

UNIQUE RECORDS

Version history & control

Unique identifiers for contracts, companies & government entities

GAME CHANGER

Timely & standarized open data

Offers open procurement data over the entire cycle of public contracting. This is often done through the Open Contracting Data Standard, a best practice global schema.

User centred tools & policy

Supports user centred tools and policy to ensure that published data is actionable and helps analyze performance, identify opportunities for businesses and monitor risks and contract implementation.

Embedded feedback & sustainable coalitions

Embeds feedback loops through building multi-stakeholder collaborations between government, business and civil society to drive long-term reforms.

At the heart of open contracting is open data. The sheer scale of the public procurement market requires that data coming from government is machine-readable to enable systematic analysis & oversight. Automating publication and sharing of data frees up administrative time and enables the market to consume and innovate around it.

This requires an underlying data model. The Open Contracting Data Standard (OCDS) is a globally recognised, user-friendly, best practice schema to describe what, when and how to release data and associated documents across each of the different phases of contracting. Using standardised data speeds up adoption, lowers barriers and allows easy customisation of a growing suite of free guidance, portals, tools and platforms using OCDS. We offer a free global helpdesk to assist adopters (data@open-contracting.org).

Governments can use open contracting to secure better value for money for goods, works and services, and to build trust with the private sector, civil society and citizens. Improved information on contract performance can encourage value-based procurement decisions and mitigates the risk of awards being reversed, or projects being terminated, due to faulty processes.

For **businesses**, open contracting can create a level playing field by reducing corruption, enabling fair competition and increasing market access. Coupled with broader reforms, it can help simplify the contracting process, lowering barriers of entry to government markets. Open contracting data can help companies better understand opportunities and enter new markets, and enables smaller enterprises to decide better whether or not to compete for contracts. Businesses can also demonstrate how they contribute to delivering vital public services, which helps build trust.

For **civil society**, open contracting can support more targeted, informed engagment and tracking of project delivery. It may improve public trust, if data and feedback are acted on, and ensure money is spent in the public interest.

WORLDWIDE INNOVATION AND IMPACT

The Open Contracting Partnership is a silo-busting collaboration across government, business, civil society and technologists working to catalyze open contracting around the world. More than 30 countries, from Argentina to Zambia, are pursuing open contracting reforms. It takes hard work, political will, technical skills and sustained engagement. Innovations work best embedded in broader sector reforms.

In **Ukraine**, civil society, private sector and government reformers revolutionized public procurement, enshrining open contracting into law as part of the country's Prozorro.org open source e-procurement system. Potential savings amount to over $900 million (as of June 2017) and encouraged thousands of new businesses to compete for contracts. Perceptions of corruption in procurement have almost halved.

In **Colombia,** the Secretary for Education in Bogotá used open contracting data, together with the national public procurement agency, to open up the contracting process for fruit and vegetables prices for school meals and busted a $15 million price fixing scheme.

The largest infrastructure project in **Mexico** this decade, Mexico City's new international airport, uses open contracting to improve delivery, busines participation in contracting and civic engagement. For citizens to monitor government contracts and follow the money, Mexico now publishes open data on its public contracting through an alliance between government and civil society.

France and the UK are implementing the OCDS to make government contracting information more friendly to small businesses and entrepreneurs, and to foster innovation in service delivery.
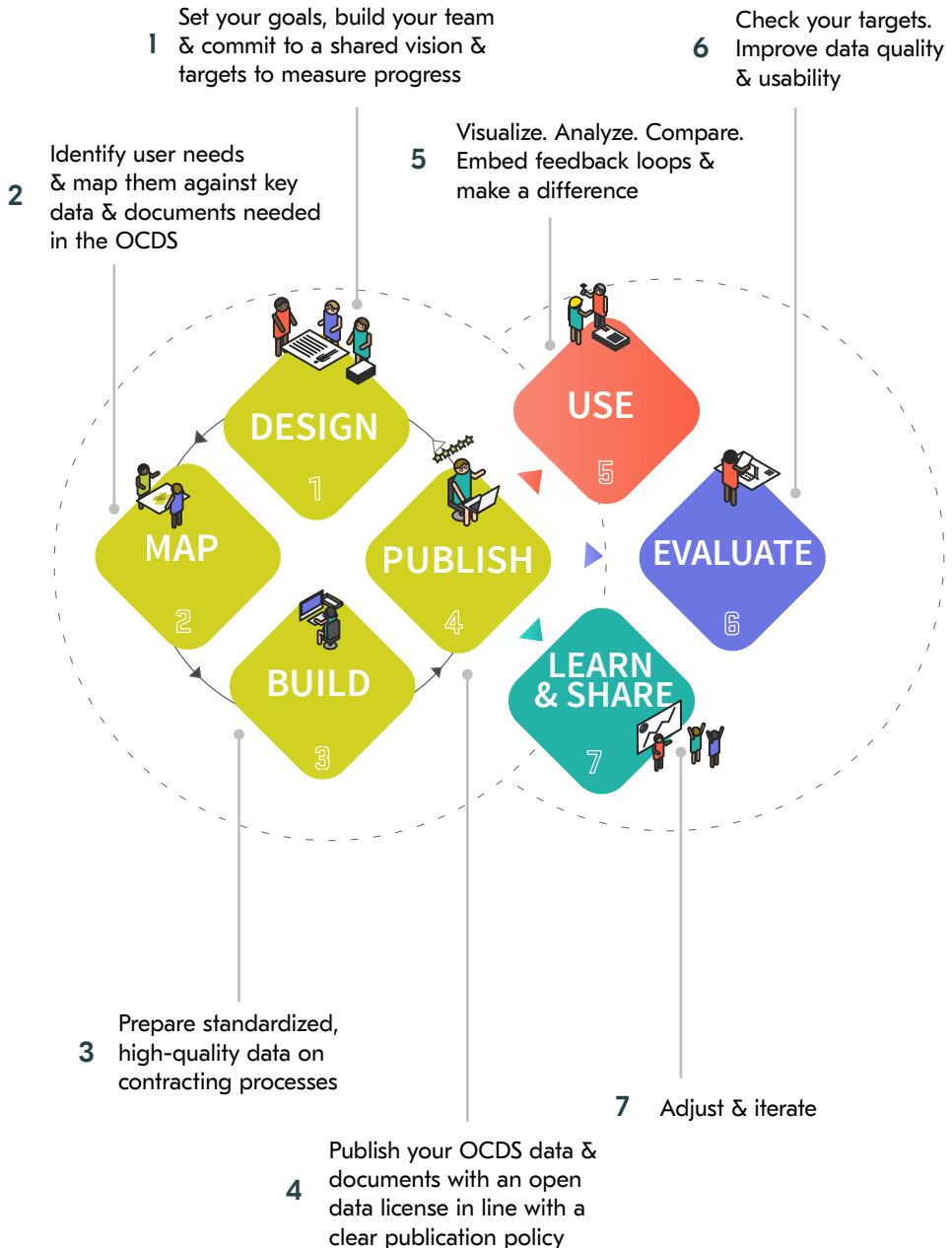
In **Nepal and Nigeria,** open contracting is bringing civil society and government together to shift public procurement from paper to data in order to cultivate feedback and fairer decisions.

In **Paraguay,** open data has led to a reduction in the number of cancelled tenders as well as revealing over-spending and inflated contracts for basic goods at some ministries. Policies on value for money for frequently purchased goods were adopted across the government.

Read our latest impact stories: www.open-contracting.org/impact-stories

THE OPEN CONTRACTING JOURNEY

1 Set your goals, build your team & commit to a shared vision & targets to measure progress

6 Check your targets. Improve data quality & usability

2 Identify user needs & map them against key data & documents needed in the OCDS

5 Visualize. Analyze. Compare. Embed feedback loops & make a difference

DESIGN 1

USE 5

MAP 2

PUBLISH 4

EVALUATE 6

BUILD 3

LEARN & SHARE 7

3 Prepare standardized, high-quality data on contracting processes

7 Adjust & iterate

4 Publish your OCDS data & documents with an open data license in line with a clear publication policy

RECOMMENDATIONS

Our Global Principles for Open Contracting lay out a framework for systemic reform of policy and practice. Our 'seven steps' model (adjacent) lays out how government, business and civil society can plan, map, implement changes and measure their impact.

1   **Make contracting information open by default.** Share it unless there is a compelling reason not to. In Slovakia, for example, a government contract is not legal until it is published. Any confidentiality clauses should allow only limited public interest exemptions from disclosure.

2   **Publish machine-readable, reusable open data on public procurement.** This should include clear, unique identifiers for contracts, companies and government entities that allow information to be tracked and analysed across government silos. The Open Contracting Data Standard can help you do this.

3   **Develop tools to analyze and use the information.** Data are the start and not the end of open contracting. It provides more services, smarter analytics, and better tools for users. There are a whole suite of tools already consuming OCDS data, which lowers the time, money and effort needed. Think mobile apps that facilitate bidding for business, dashboards to monitor performance, tools to flag potential corruption risks and feedback processes that monitor government contracting in real time.

4   **Business, civic engagement and feedback.** Open Contracting builds business and civic engagement and feedback into the whole public contracting process. This can both drive and sustain systemic reforms. Examples include multi-stakeholder working groups, social witness programs, citizen auditing methodologies, collaborative oversight policies, complaint resolution processes, feedback portals and business facilitation processes. Civic platforms (like Budeshi.org in Africa) can help connect information from multiple sources through the OCDS for better analysis, monitoring and engagement.

5   **Champion open contracting.** Whether you are a government, business or civil society representative, advocate for open contracting in the countries where you work and ask for global support from the G20, the OECD, multilateral development banks and international policymakers.

The Open Contracting Partnership is here to help.
We are already working with over 30 countries on open contracting.

Join us: data@open-contracting.org

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