

Federal e-Procurement project

Published On: 10 June 2014

Organisation: Federal Public Service (FPS) Personnel and Organisation

Country: Belgium

Level of government: Central government

Sector: General public services

Type: Financial Resources, Public Service

Launched in: 2005

Overall development time:

72 months

Link to the innovation's website

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Description

The federal e-Procurement project targets the implementation of e-Procurement modules, helping public authorities and economic operators to perform procurement processes in an electronic way. The project's goals were mainly to reach the goals defined by the i2010 agreements on e-Procurement. At this point the project aims at extending and improving the implemented functionalities, increasing the adoption on the Belgian federal level and continuing to support its users.

In short, the Belgian e-Procurement platform makes it possible to:

- Publish contract notices (on the Belgian and EU level).
 - Perform various back-office tasks to manage public procurement documents.
 - Perform electronic submission and opening of tenders.
 - Semi-automatically evaluate received tenders.
 - Perform electronic reversed auctions.
 - Manage catalogues and the orders placed on them.
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Why the innovation was developed

The first factor which facilitated this innovation was the publication of the EU directives and the i2010 Manchester Agreements. It made the start and the development of the innovation possible. Furthermore the implementation of the EU directives in the Belgian law helped the awareness and the need for e-Procurement functionalities. The adoption of the innovation however was mainly facilitated due to local, general managers being convinced of the advantages and through collaboration between different Belgian authority levels.

Objectives

Develop staff capacity, Enhance transparency, Improve access, Improve effectiveness, Improve efficiency

- Increase accessibility, transparency, responsiveness and effectiveness of procurement processes through e-Procurement.
 - Meet the EU's i2010 targets and implement requirement of EU directives 2004/17/EC and 2004/18/EC.
 - Possibility to publish contract notices (on a Belgian and EU level), perform electronic submission and opening of tenders, semi-automatically evaluate received tenders and perform electronic reversed auctions in a pre-contract phase.
 - Possibility to manage catalogues in framework agreement en to manage orders placed on those catalogues in a post-award phase.
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Main beneficiaries

General population, Government bodies, Government staff

- Professional: Contracting authorities, purchasing departments, economic operators.
 - Demographic: Buyers from federal or Flemish level, located in Brussels. Most other beneficiaries (companies or other buyers) are located in Flanders.
 - Currently around 9 000 economic operators (accounts) are registered.
 - Around 5 400 buyers have been registered.
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Existing similar practices

e-notification

In public administration of my country

Walloon region

The Walloon Region has built its proper modules for e-Notification (which sends notices of public procurement contracts to the Federal e-Notification platform) and e-Tendering (tender deposit and opening).

E-procurement

In other countries' public administrations

Other EU countries

Due to EU regulations, every EU Member State should have started (and finished) the implementation of e-Procurement.

Results

Efficiency

Due to availability improvements, speed improvements etc. costs can be decreased for both economic operators and public authorities.

Effectiveness

The Flemish region already registered an increase of the number of tenders per contract. This means that with using the e-Procurement tools, the competition really increases. This leads to better tenders.

Service quality

Accessibility:

Economic operators can access all tender documents freely online. This reduces the obstacles of participation.

Evaluation

During initialisation of the project, a high-level cost analysis was performed.

No detailed analysis has been made on the cost efficiency for the total of all e-Procurement scope and actors.

A detailed study, performed by KPMG covers the cost gain for a company when performing its e-Activities (e-Notification and e-Tendering only) through e-Procurement.

The Flemish region noticed an increase of the number of tenders (in 2011 the average was around 4 tenders per contract meanwhile the average in 2013 will be around 6 tenders per contract).

<http://bestuurszaken.be/sites/bz.vlaanderen.be/files/e-Procurement.pdf>

Development

Design

- In 2004, the Belgian Federal Government founded the federal e-Procurement programme, decided upon ownership, sponsors and scope. An e-Procurement Roadmap was written which covered general planning, budget, user-needs, and contractual approach.
- A request was published in the national bulletin enquiring software suppliers about e-Procurement tools. A survey was sent to economic operators and contracting authorities to understand their needs. Literature written by different EU bodies on the subject was analysed.
- A special steering committee with representatives of ministries and federal public services led the process.

Design time: 24 months

Testing

- Pilot projects were conducted in different federal public services.
- The development of each application was subject to a different contract (with, theoretically, a different contractor). The developments (projects) were planned consecutively.
- Mainly project managers and the project team of the contractor were involved as testers of the federal e-Procurement department.

Testing time: 12 months

Implementation

Tools used:

- Communication actions to all federal buyers.
- Communication actions to all Belgian economic operators, through different professional organisations.
- Roll-out via all presidents of all Federal Public Services and organisations directly residing underneath them.
- A ministerial circular is currently mandatory at federal level. That circular obliges users to use the applications.

Resources used:

Direct costs:

- Human resources: Currently 13 Full Time Employees (FTE) are working for the e-Procurement department. The first 4 years (2005-2009) this figure was around 6 -7 FTEs.
- Development costs: currently around EUR 6 million.

Indirect costs:

- Different IT building blocks (e-ID authentication, electronic signature service etc.) which are available at no cost.
- In-house hosting environment and support.
- In-house legal advice which is not directly calculated in the project.

Implementation time: 12 months

Diffusion

A large part of the e-Procurement platform is used on a daily basis and by all concerned actors in other government-levels (such as the Flemish Government, the German-speaking region, the Brussels-capital region). When a new organisation wants to use the applications, the federal service e-Procurement firstly start training the users, then a pilot project is launched and finally a complete rollout can take place. On the federal level, the use of e-Notification (with online tender documents) and the use of e-Tendering (e-submission) is mandatory. Economic operators still have the possibility to submit paper tenders or to submit electronic tenders. If a contracting authority wants to organise an auction, he must use the e-Auction platform of the federal e-Procurement service. Finally, every catalogue of a framework agreement must be available on e-Catalogue.

Diffusion time: 48 months

Challenges and solutions

Without the adoption of e-Procurement on a high-level, no large-scale adoption seemed possible. Getting the managers behind the project was the key to successful adoption.

The management was convinced of the advantages of the project: significant cost savings of up to 20%.

Key challenges:

- Specifying our detailed (non) functional requirements to the contractor.
 - Thoroughly testing the application.
 - Gathering enough resources when deliverables (documents, software) had to be approved.
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Partnerships

The Flemish Government

Private sector

Through collaboration agreements with the Flemish Government, a lot of input is received on functional issues. They also provide financial resources.

private companies

Private sector

- Private companies responded to the initial survey for information sent in 2004 and 2005. It provided valuable information on the existing market of procurement.
 - A private contractor who won all contracts and thus developed all four e-Procurement applications.
 - Professional organisation was in charge to help with the communication to economic operators.
 - Training of users (economic operators as well as public authorities) is also provided by “accredited companies” on an e-Procurement demonstration platform.
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Lessons Learned

Lessons Learned

- For every application (4 in total) we have awarded a separate contract. This approach made it possible to concentrate on the projects that were relevant at that time, rather than to put effort in specifications that would be developed several years later. It allowed for the e-Procurement department itself to grow more stable, organised and more experienced in the management of these projects. It allowed for a better estimation of the costs and gained us more flexibility overall. However, if we would have known upfront that all four applications were to be awarded to the same contractor, maybe one big contract would have been concluded. It would have gained us a lot of time (one awarding procedure took about 10 months).
 - One of the key lessons is also the necessity of continued support through a helpdesk, training and information sessions, etc.
 - The collaboration with the other Belgian government levels has also proven a very valuable lesson. Not only does it lead to a common and more accepted platform, but economic operators should only get to know one platform, rather than to learn a new platform for every contracting authority.
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Conditions for success

Training, communication and management support.

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