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CENTRAL PURCHASING SYSTEMS IN THE EUROPEAN UNION

Meeting of Leading Practitioners on Public Procurement

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Background

- Growing interest among SIGMA's partner countries for the establishment and use of central purchasing bodies, framework agreement and electronic procurement.
- Need for in-depth information and guidance on how centralised procurement and framework agreement should be implemented

The Study provides an analysis of centralised purchasing systems in terms of:

- organisation
- coverage
- objectives and rationale
- financing models
- types of framework agreements and call-off methods
- IT-technology used
- success and risk factors





STUDIES COUNTRIES

- Denmark (SKI)
- France (UGAP and SAE)
- Finland (Hansel)
- Hungary (KSzF)
- Italy (Consip)
- UK (Buying Solutions)
- Sweden (various specialised agencies)

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CENTRAL PURCHASING BODIES

A "central purchasing body" is a contracting authority which:

- acquires supplies and/or services intended for contracting authorities, or
- awards public contracts or concludes framework agreements for works, supplies or services intended for contracting authorities.





CENTRAL PURCHASING BODIES

- Member States may stipulate that contracting authorities may purchase works, supplies and/or services from or through a central purchasing body.

- Contracting authorities which purchase works, supplies and/or services from or through a central purchasing body shall be deemed to have complied with the Directive insofar as the central purchasing body has complied with it.



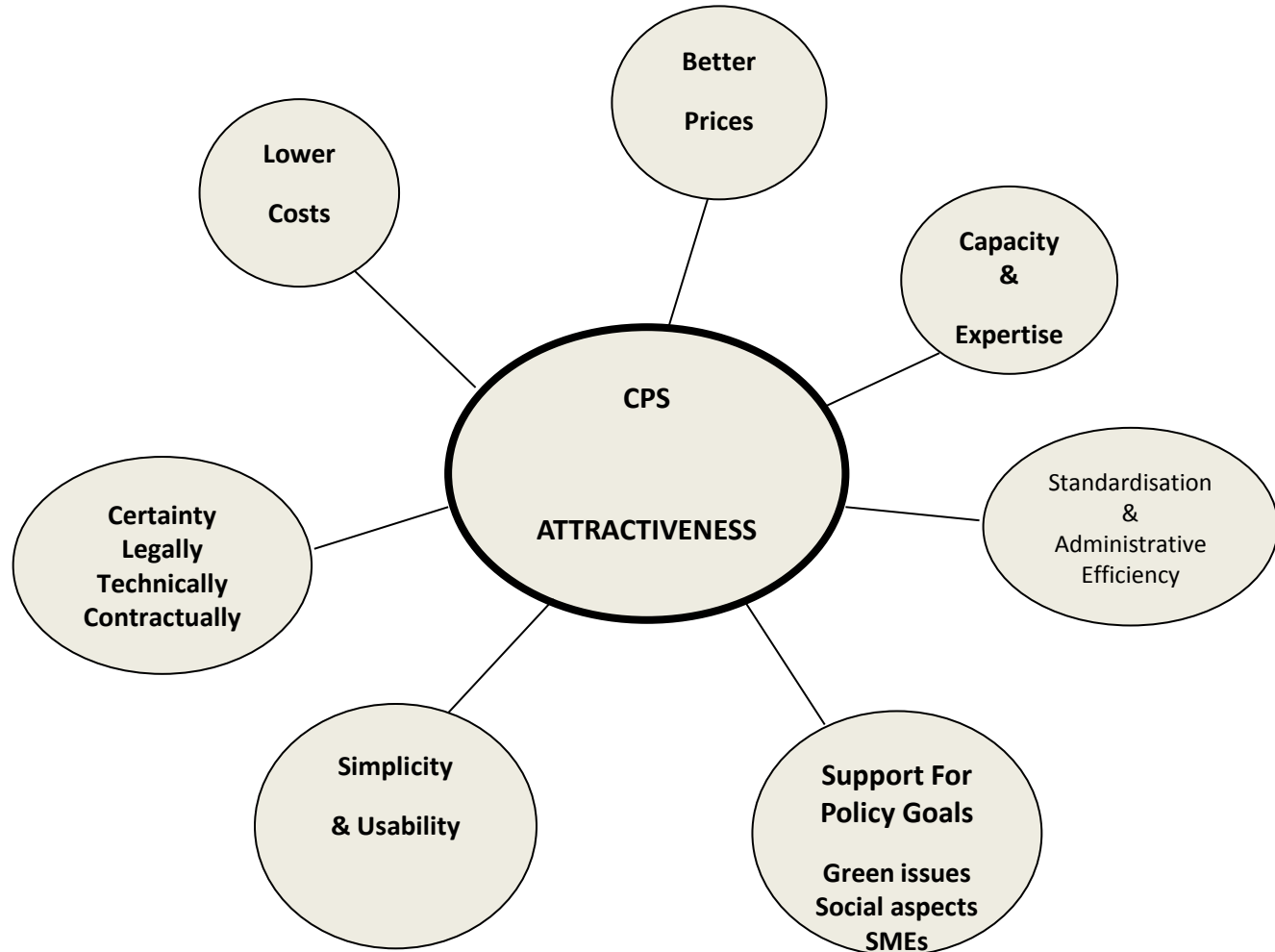


LEGAL RISK

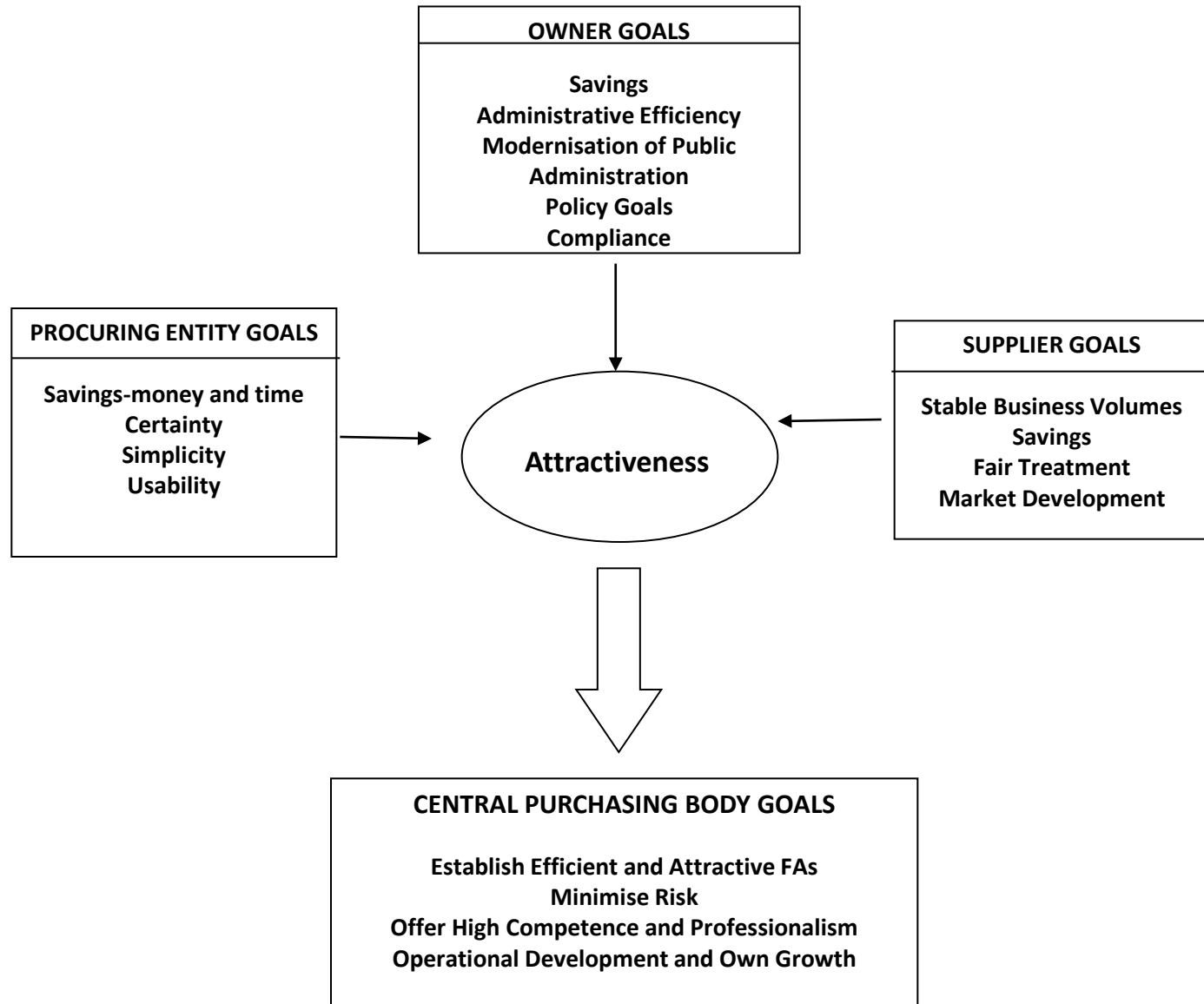
- Central purchaser or procuring entity?
 - Primary risks
 - Shared risks
 - Transferred risks
- Standstill period or contract ineffectiveness?



The Attractiveness Drivers of a Centralised Purchasing System



A Stakeholder's Perspective Goals and Priorities





Comparative analysis on the following dimensions:

The establishment of CPS – history, rationale and legal structure

Strategies and objectives of the CPBs

Organisation, staffing and funding

Procurement and contracting strategies

Framework agreements – models and conditions

Procurement values

Market features and the position of SMEs

Evaluation and performance measurement

Success and Risk factors





Key issues

Centralised versus decentralised procurement?

What products and services should normally be covered or not covered by the CPBs responsibilities?

Should the use of CPBs services be compulsory or not for the contracting entities?

What is the best organisational form for a CPB?

How should the operations of a CPB be financed?

What is the importance of good customer and supplier relationships?

What types of framework agreements should be used?

What can be done to promote competition and facilitate participation of SMEs?

How should the performance of the CPBs be measured?



Main objectives for the future are:

Establish and manage efficient and attractive framework agreements and call-off systems for customers

Mitigate Risk for Customers

Offer High Competence and a Strong Service Concept

Ensure growth and development of the CPB





Main lessons learned

Central purchasing systems can be organised and managed in several different ways, each with its pros and cons
– there is no single best model

Areas most suitable for centralised purchasing are goods and services of common interest to the majority of public sector entities

Most likely, the CPBs studied create savings for their government, but solid proof is difficult to provide





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Success factors for centralised purchasing

Support from key stakeholders

Competent staff

Good overall conditions



Main risks

Insufficient attention to the
economical aspects of central
purchasing

Lack of focus



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Challenges

Build trust and confidence with
stakeholders

Creating good incentives



The Way Forward?

Establishment of a Strategy and Action Plan for
CPS

- Integrated Approach (e-procurement and framework agreements)
- Centralisation built on the principle of a Decentralised PP system
- Careful Review of the Applicability of the CPS to the National Context
- Step-by-Step Approach





The Way Forward?

-Close Involvement of Key Stakeholders

Important questions:

- Coverage,
- Compulsory or not
- product/services
- IT infrastructure



The Way Forward?

- Financing
- Types of framework agreements and call-off systems
- Organisation and Staffing
- Implementation plan

