



# ASSESSING THE PERFORMANCE OF PROCUREMENT SYSTEMS

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# What data is available in OECD countries?

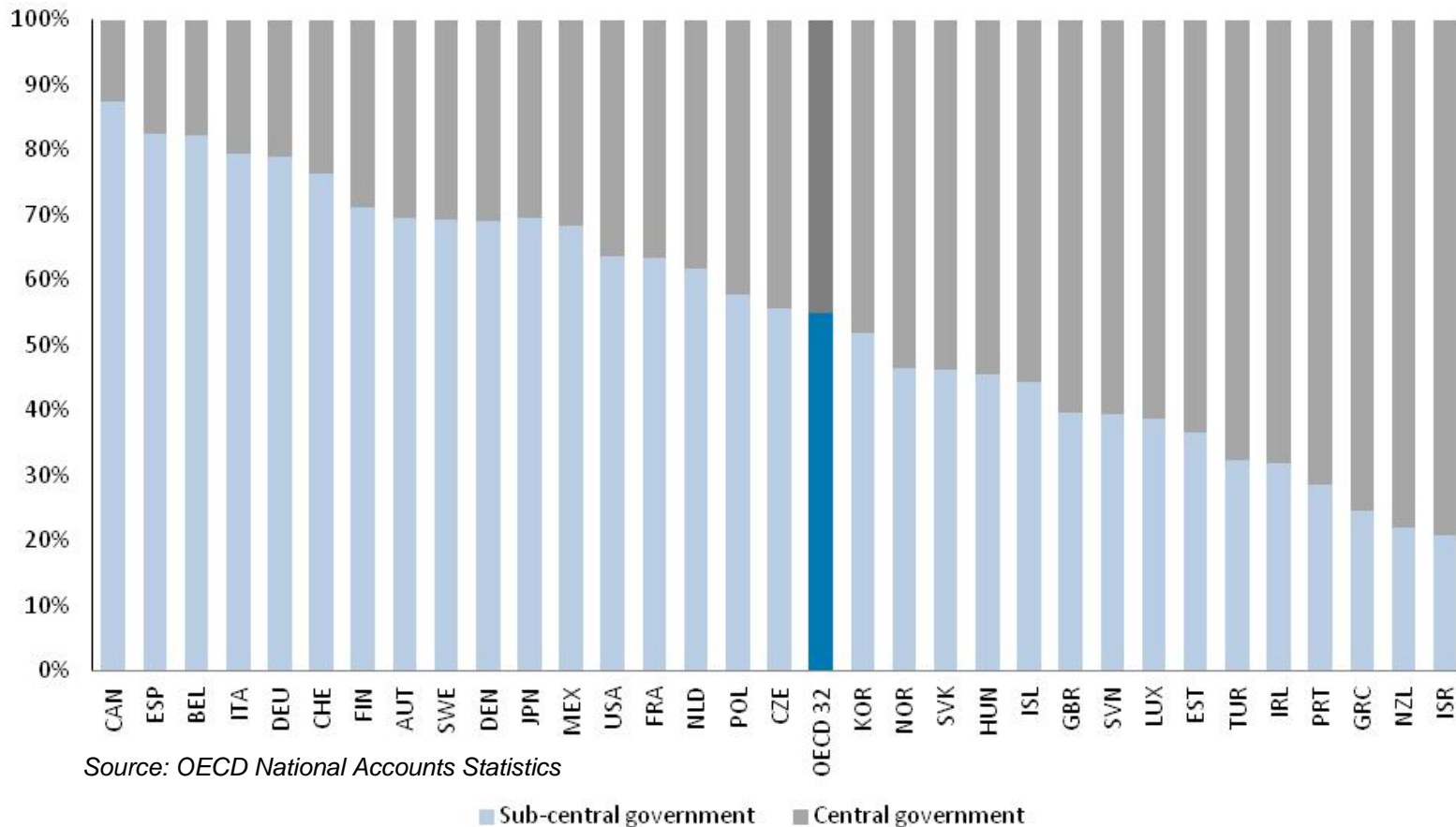
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- Comparative data on central government procurement collected as part of OECD Government at a Glance.
- 2013 data covers:
  1. procurement spending,
  2. innovations in procurement: efficiency vehicles
  3. fair competition in procurement and SMEs
  4. strategic public procurement
  5. transparency in procurement
- Respondents from 32 OECD member countries in addition to Brazil and Colombia.



# Findings from GAAG survey: Further savings can be achieved at the sub-central level

- Procurement is an area where countries can considerably achieve savings (about 1/3 of government expenditures)
- Reform efforts should focus more on the sub-central level that accounts for 55% of procurement spending





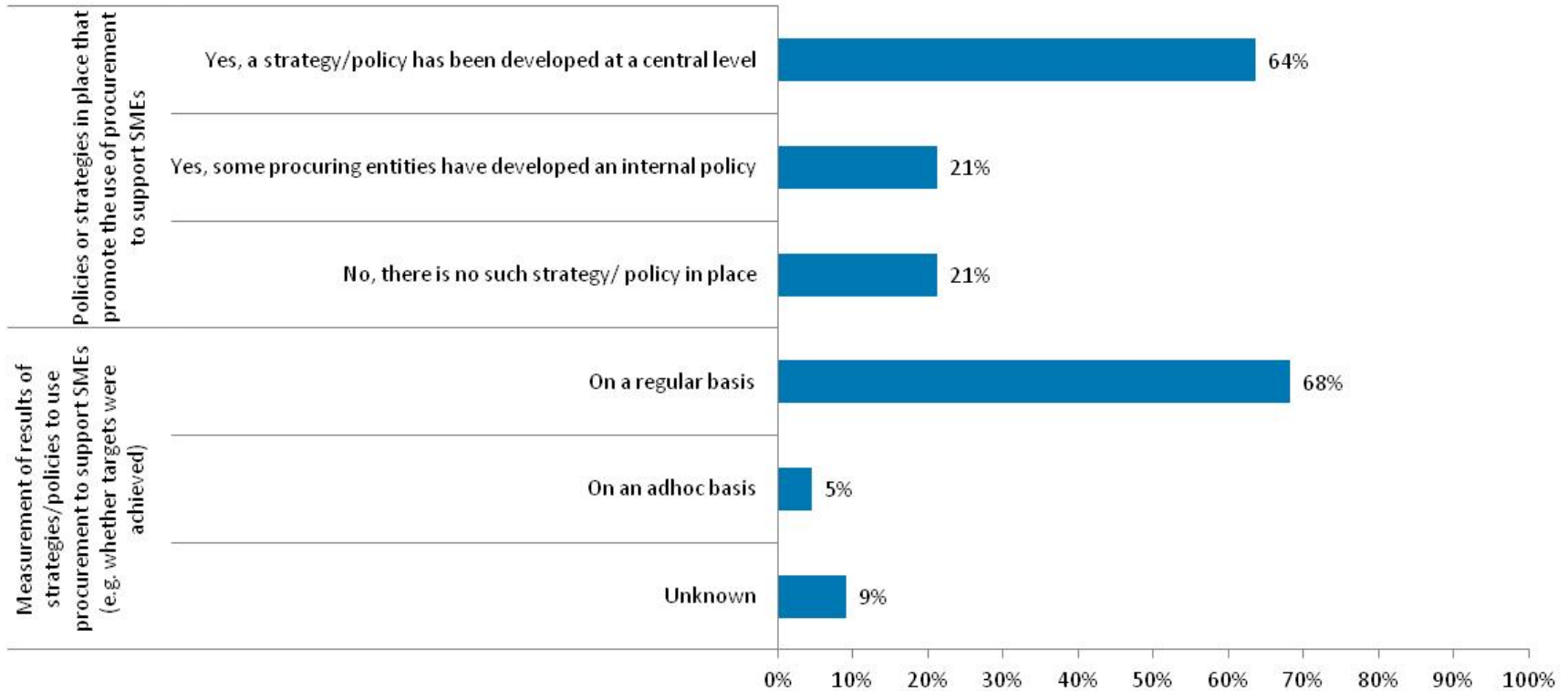
## Governments are investing in efficiency vehicles, however progress is slower than expected

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- Framework agreements are used in all OECD countries except Japan to achieve economies of scale
  - Many governments have invested in e-procurement systems
  - However they are not taking full advantage of their potential efficiency gains
1. Tenders announced in almost all OECD countries (91%) in a national e-procurement system
  2. However only 44% of platforms offer potential suppliers the possibility to submit their bids electronically



# Procurement is increasingly used as a policy lever (e.g. to support SMEs), but all governments do not monitor results



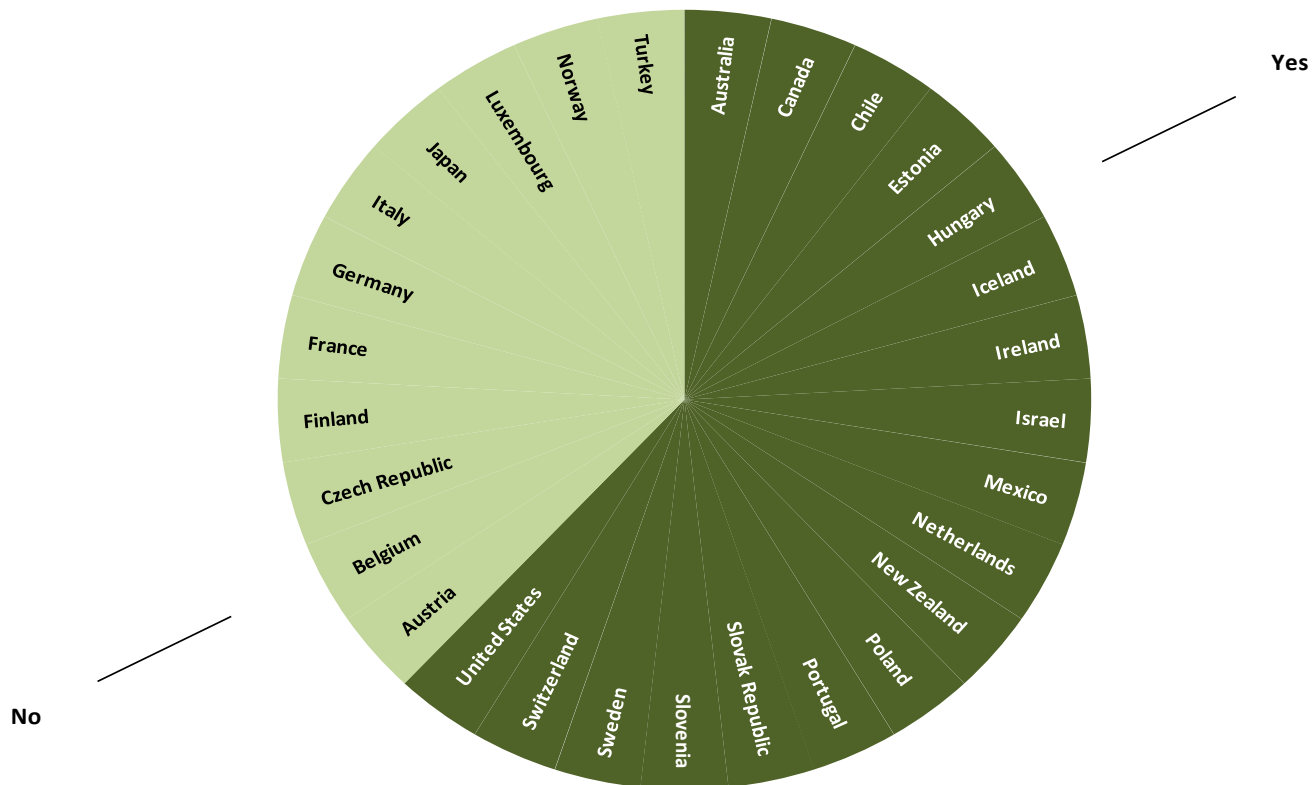
Source: OECD Public Procurement survey 2012

Percentage of responding OECD countries. "N.A" responses were removed from the second question in the chart.



# Lack of capability in handling public procurement and strategic considerations

- Over 1/3 OECD countries did not even recognise procurement as a specific profession in 2011





## The most prominent weaknesses identified in reviews is the lack of transparency in public procurement

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- Lack of clear and transparent public procurement rules, inconsistent information provided to bidders on public procurement opportunities, and deficient recording on procurement decisions.
- Countries (90%) have reformed their procurement system to increase transparency. Countries have taken steps to enhance transparency:
  - in contract management by monitoring contractors' performance against pre-specified targets (71%)
  - by organizing inspections of work in progress on a regular basis (64%)
  - by - where possible - testing products or systems in a real-world environment prior to the delivery of the works
  - by making relevant data accessible and usable to all



## What data could governments collect and analyse to monitor how their system is performing?

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Proposed framework for identifying a set of performance measures of a procurement system:

1. Strategic leadership
  2. Objectives - achieved
  3. Procedures/processes
  4. People
  5. Relationship with suppliers, end-users and other stakeholders
- Discussion on relevant data/benchmarks while keeping in mind difficulties in gathering data





# Towards a dashboard:

## Examples of data/benchmarks under the 5 dimensions

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### 1. Strategic leadership

- *Setting objectives in strategy / policy (for instance, savings/value for money; sustainability; participation of SMEs; innovation)*
- *Existence of a prioritisation of these objectives in a strategy, consistency*

### 2. Objectives - achieved

- *Percentage (both number and value) of awarded procurement contracts in which environment-related technical dimensions are considered either in the selection or the award criteria*
- *Average percentage (both number and value) of procurement contracts that are awarded to SMEs*



# Towards a dashboard:

## Examples of data/benchmarks under the 5 dimensions

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### 3. Procedures

- *Percentage of public contracts awarded through centralized/joint procurement procedures across contracting authorities*

### 4. People

- *Percentage of public officials working on procurement-related tasks (whose job profile includes some procurement-related duties)*
- *Average number of hours of training on procurement topics received by each full-staff procurement official in the previous year*

### 5. Relationship with stakeholders

- *Delays in contract completion*
- *Adoption of other systems different from customer satisfaction surveys to gather end-users' feedback ("voice")*



## Can the wider impact of public procurement on competitiveness be measured?

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- **Council request: Explore impact of public procurement on competitiveness.**
- **Explore following linkages between procurement and competitiveness:**
  - The role of institutions
  - Innovation
  - Market size and efficiency



## Questions for discussion

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- Countries are invited to validate the G@G findings: also in written feedback
- What are the existing performance measures or data/benchmarks on procurement systems in your country?
- What additional data could be useful to measure the performance of procurement systems?
- What should be measured in a dashboard? Are the dimensions included relevant ?



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# Thank you

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