

**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE  
PUBLIC GOVERNANCE COMMITTEE**

**Towards procurement performance indicators:  
Stocktaking report on procurement information collected in countries**

**OECD Meeting of Leading Practitioners on Public Procurement**

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CC6**

*In February 2013, the Leading Practitioners on Public Procurement asked the OECD to help develop a set of indicators to track the performance of national procurement systems. The approach proposed by the OECD is to check which procurement data are already being collected by countries and develop indicators in the relevant areas.*

*This paper reports back on procurement data currently collected by countries in the following four areas:*

- i) Efficiency of procurement process,*
- ii) Openness and transparency of the procurement process,*
- iii) Professionalism of the procurement workforce, and*
- iv) Contract management and supplier performance.*

*Leading Practitioners are invited, by 15 December 2013:*

- to provide comments and suggestions on this paper*
- countries which have not responded to the questionnaire, to confirm whether dimensions and data collected and presented in this report reflect their own country context.*

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**TOWARDS PROCUREMENT PERFORMANCE INDICATORS:  
STOCKTAKING REPORT ON PROCUREMENT INFORMATION COLLECTED IN  
COUNTRIES**

**Introduction**

In February 2013, the Leading Practitioners on Public Procurement asked the OECD to help develop a set of indicators to track the performance of national procurement systems and its evolution over time. These indicators aim to measure performance against set questions. Parallel context analysis would help to make sure that any such measurement takes into account the country and organisational specificities of each procurement system as well as the quality of data available.

Following the Leading Practitioners' meeting in February, a Task Force on Procurement Performance Indicators was formed, joining seven countries:

Canada (Treasury Board Secretariat of Canada), Chile (ChileCompra), the Czech Republic, India (Indian Railways), Italy (CONSIP –the Italian central purchasing body and AVCP- the Italian Authority for the Supervision of Public Contracts for works, services and supplies), Korea (Public Procurement Service, PPS) and Mexico (Ministry of Public Administration and the Mexican Institute of Social Security, IMSS), as well as representatives from four international organisations: UNCITRAL, the World Bank, WTO and EBRD.

The members of the Task Force on Procurement Performance Indicators identified, through regular phone conferences and emails, the following four areas in which data collection would be more relevant and more helpful for the development of indicators:

- i) Efficiency of procurement process,
- ii) Openness and transparency of the procurement process,
- iii) Professionalism of the procurement workforce, and
- iv) Contract management and supplier performance.

A questionnaire on data that countries currently collect in the aforementioned four areas was prepared by the OECD. Its focus and relevance was confirmed by the Task Force as well as an additional eight volunteer countries who, in addition to Task Force countries, answered the questionnaire:

Belgium (Central Purchasing Body for Belgian Federal Administrations), Colombia (Colombia Compra Eficiente, the Colombian central purchasing and policy body), Denmark (Central Procurement Programme Office), Estonia (Public Procurement and State Aid Department), Hungary (Public Procurement Authority), Ireland (Department of Public Expenditure and Reform), Israel (Administration Government procurement-Ministry of Finance) and Norway (Agency for Public Management and e-Government).

This paper reports back on procurement data currently collected by countries for each of the aforementioned four dimensions. The results provide for the first time an overview of what data is collected in procurement: for example, all respondents collect the cost of full time procurement staff but none collects information on the cost (time, resources) for a tenderer to participate in a tender.

The OECD will, along with the Task Force on Procurement Performance Indicators, build on this paper to provide a checklist with minimum required data and draft a first set of indicators for discussion.

***Leading Practitioners are invited, by 15 December 2013:***

- to provide comments and suggestions on this paper; and
- countries which have not responded to the questionnaire, to confirm whether dimensions and data collected and presented in this report reflect their own country context.

## 1. EFFICIENCY OF PROCUREMENT PROCESS

According to the United Nations Commission on International Trade Law (UNCITRAL), efficiency in procurement refers to the proportionality between transaction costs and time of each procurement procedure and its value. The costs of a procurement system as a whole should also be proportionate to the value of all procurements conducted through that system. Most countries collect basic data on a regular basis on the number and value of contracts according to the procurement procedure used (please see Table 1).

**Table 1. Public Procurement in central government by procedure: availability of data for number and value of contracts**

Country	Direct award procedures	Open tendering procedures	All other types of procurement procedures	Total for all types of procedures
Australia	●	●	●	●
Austria	●	●	●	●
Belgium	●	●	●	●
Canada	●	●	●	●
Chile	●	●	●	●
Czech Republic	●	●	●	●
Denmark	○	○	○	○
Estonia	●	●	●	●
Finland	○	○	○	○
France	●	●	●	●
Germany	○	○	○	○
Hungary	○	○	○	○
Iceland	● ○	● ○	● ○	● ○
Ireland	○	○	○	○
Israel	●	●	○	○
Italy	●	●	●	●
Japan	●	●	●	●
Korea	● ○	● ○	● ○	● ○
Luxembourg	○	●	●	●
Mexico	●	●	●	●
Netherlands	○	● ○	○	○
New Zealand	○	○	○	○
Norway	○	○	●	○
Poland	○	●	●	●
Portugal	●	●	●	●
Slovak Republic	●	●	●	●
Slovenia	●	●	●	●
Spain	●	●	●	●
Sweden	○	● ○	● ○	● ○
Switzerland	○	○	○	○
Turkey	○	●	●	●
United Kingdom	○	●	●	●
United States	○	○	○	○
<b>OECD 33</b>				
● Yes, data is available	18	24	23	22
○ No, data is not available	15	9	10	11

Notes: ● ○ Data available for number of contracts only

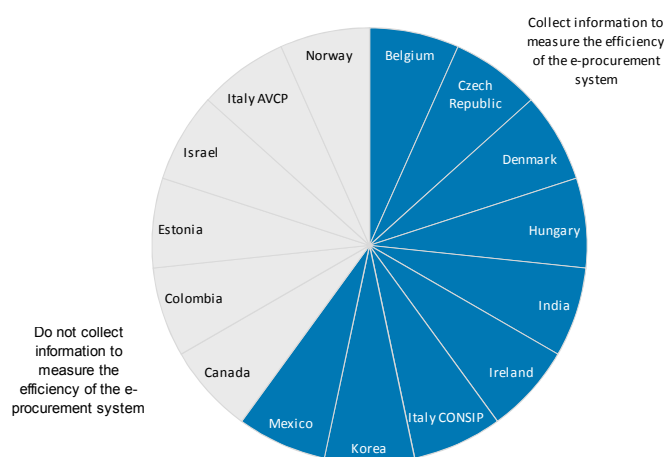
● ○ Data available for value of contracts only

In Poland, data on direct awards procedures are not collected separately, this information is recorded as part of all other types of procurement procedures.

Source: OECD 2012 Survey on Public Procurement

E-procurement can increase competition, reduce administrative burdens, shorten the duration of procurement procedures and raise compliance levels. 60 % of respondents collect information to measure the efficiency of the e-procurement system (please see Figure 2). Some respondents such as Canada, Estonia, Ireland, Italy-CONSIP, Mexico and India collect information on the total number and value of contracts done through e-procurement. In addition, Italy-CONSIP and Mexico collect information on the number of low value contracts done through e-procurement as well as the size of supplier (small, medium, big). Korea in addition collects information on the location (capital vs. regional), on socially disadvantaged status of suppliers (women-owned enterprises and enterprises of the disabled), on the awarding criteria as well as the use ratio of electronic processes at each stage (tender announcement, bid submission, evaluation and awarding, and payment).

**Figure 1. Is information collected to measure the efficiency of the e-procurement system?**



Source: 2013 OECD Questionnaire on procurement performance data

In order to achieve economies of scale almost all of the OECD member countries (94%) use framework agreements (please refer to Table 2).

**Table 2. Use of selected procurement tools and mechanisms in central government, 2012**

Country	Selected procurement tools				Country	Selected procurement tools			
	Framework agreement procedure	Contracts with options	Prequalification systems	Electronic reverse auctioning		Framework agreement procedure	Contracts with options	Prequalification systems	Electronic reverse auctioning
Australia	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Korea	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Austria	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Luxembourg	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Belgium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mexico	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Netherlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chile	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	New Zealand	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Czech Republic	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Norway	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Denmark	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Poland	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Estonia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Portugal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Finland	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Slovak Republic	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
France	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Spain	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Germany	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Slovenia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hungary	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Sweden	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Iceland	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Switzerland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ireland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Turkey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Israel	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	United Kingdom	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Italy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	United States	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Japan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>					

Tool is routinely used in all procuring entities

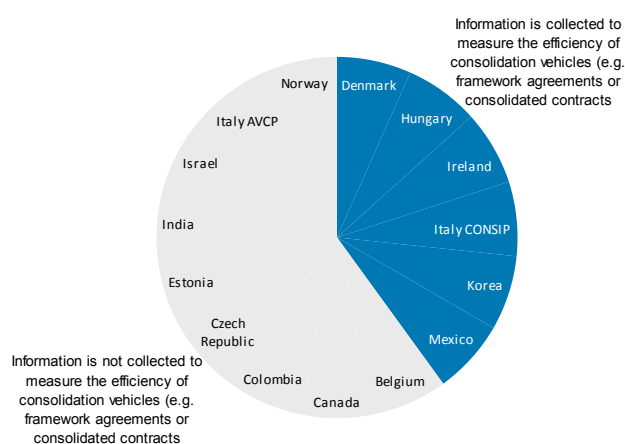
Tool is routinely used in some procuring entities

Tool is not routinely used

Source: OECD 2012 Survey on Public Procurement

Six respondents collect information to measure the efficiency of consolidation vehicles like framework agreements or consolidated contracts (please see Figure 3). For example, Italy CONSIP collects the number of published framework agreements, value of the good/service, number of call-off contracts under each framework agreement, number or value of the call-off contracts, percentage of usage of the maximum amount of available goods and services of the framework agreement. Korea conducts market price surveys on approximately 8,000 products out of over 300,000 product models on framework agreements. The primary purpose of these price surveys is to monitor supplier compliance on maintaining "favoured price" condition of framework agreements, but the result is also used for analyzing the cost efficiency of framework agreements. To calculate cost-savings, market prices are compared to framework agreement prices. Product types subject to market price surveys include: washing machines, vacuum cleaners, refrigerators, air purifiers, laptops, digital cameras, TVs, printers, printing paper, LED lighting, digital printers, paper shredders etc.

**Figure 2 Percentage of respondents collecting information to measure the efficiency of consolidation vehicles (e.g. framework agreements or consolidated contracts)**



Source: 2013 OECD Questionnaire on procurement performance data

In addition, Denmark, Ireland and Mexico calculate savings derived from using framework agreements and/or consolidated contracts by comparing the benchmark or reference price to the actual purchase price. In Mexico, savings are calculated using the following equation:

$$Savings = (Benchmark\ or\ reference\ price - Purchased\ price) \times Quantities\ purchased$$

Benchmark/reference price refers to the internal price against which the tendered price is compared. It is calculated using market research in most respondent countries. Ireland uses the price paid in previous contracts while in Israel benchmark prices are calculated on the basis of prevailing market prices, prices paid by other governmental institutions and past procurement prices. Finally, Italy-CONSIP uses a survey to establish the reference/benchmark prices (please see Box 1).

**Box 1. MEF-ISTAT survey on prices for goods and services paid by Italian contracting authorities**

Since 2003 the MEF (Ministry of Economy and Finance), with the cooperation of ISTAT (the Italian Institute for Statistics), annually performs a sample survey that, starting from approximately 500 Contracting Authorities (CA), reached a sample of over 1.200 CA in 2012, due to the importance of the analysis. The aim of the survey is to identify the average unitary prices for some of the most common and standardized goods and services purchased by Italian contracting authorities and estimate the percentage of the savings obtained through CONSIP's framework agreements and consolidated contracts. The average prices of relevant products bought by the contracting authorities are calculated before, during and after the validity of CONSIP's framework agreements and consolidated contracts.

In this survey the reference/benchmark price, to which the price obtained by CONSIP is compared, is assumed to be the average price obtained by each contracting authority. However, in some cases the reference/benchmark prices could be also assumed to be the average prices obtained in the private market by organized entities, such as big companies. In this case, comparisons are made between aggregated purchases in the private, on the one hand and the public, on the other, markets.

To assess savings, regressive models based on econometric tools are used. Goods and services for which framework agreements are conducted have been selected on the basis of the following criteria: i) significance of total expenditure; ii) diffusion amongst administrations; iii) degree of standardization:

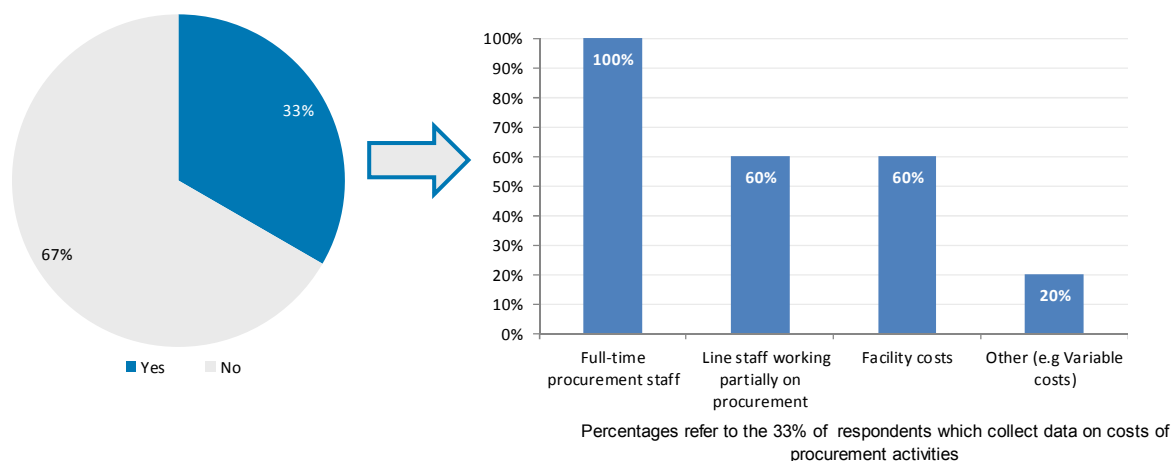
Office furniture	Cars for sale	Notebooks
Cars for rental	Meal vouchers	Servers
Fuels (on site delivery)	Fuels (from fuel filling stations network)	Software Microsoft Office
Paper	Telephone switchboards	Land telephone communications
Desktop outsourcing	Electricity	Intranets
Photocopiers for rental	Oil-heat	Personal computers
Mobile telephone communications	Public street lighting	Laser printers

Source: Italian Ministry of Economy and Finance



As stated before, efficiency in procurement makes reference to the relationship between transaction costs and administrative time of each procurement procedure. A third of respondents to the questionnaire collect information on the costs of procurement activities (please see Figure 4). The cost of full time procurement staff is collected by all respondents who collect data on costs of procurement activities. The cost of staff working partially on procurement and facility costs are collected by 60% of the respondents. The cost of staff working partially on procurement and facility costs are collected by 60% of the respondents.

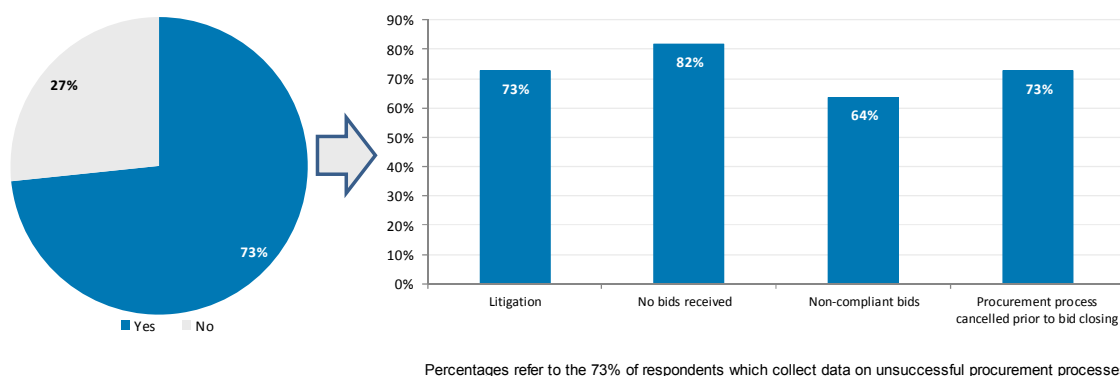
**Figure 3. Percentage of respondents collecting data on the costs of the procurement activities and the most common costs collected**



Source: 2013 OECD Questionnaire on procurement performance data

Unsuccessful procurement processes represent a waste of resources in terms of money and time. Having an indication of the level of unsuccessful procurement processes and its reasons can help understand how the system is performing and /or seek solutions to increase the efficiency of the procurement system. 71% of respondents collect information on unsuccessful processes (please see Figure 5). Canada, Hungary, Israel, Italy-CONSIP and Korea collect all four categories for unsuccessful processes as per below figure.

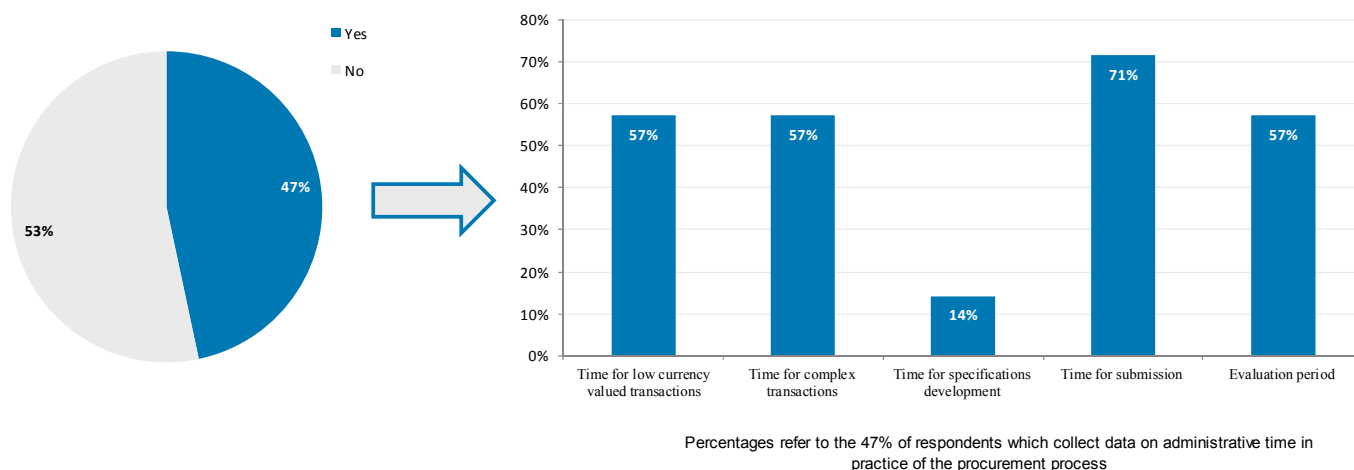
**Figure 4. Percentage of respondents collecting data on unsuccessful processes and the most common information collected**



Source: 2013 OECD Questionnaire on procurement performance data

Accurate estimation of time spent in procurement procedures can help to better plan workforce and deadlines. 47% of respondents collect information on this regard. While 71% of these respondents collect information on the time for submission, only 14% collect information on the time to develop specifications (please see Figure 6).

**Figure 5. Percentage of respondents collecting data on duration of the procurement process and types of information collected**



Source: 2013 OECD Questionnaire on procurement performance data

## 2. OPENNESS AND TRANSPARENCY OF THE PROCUREMENT PROCESS

This section deals with data collected to measure the level of openness and transparency of procurement. Openness is understood as fair, equal and equitable treatment of participants in the procurement process. According to UNCITRAL, transparency in procurement involves five main elements: public disclosure of rules applied in the procurement process; publication of procurement opportunities; prior determination and publication of what is to be procured and how submissions are to be considered; visible conduct of procurement according to the prescribed rules and procedures; and existence of a system to monitor that these rules are being followed and to enforce them if necessary.

All respondents publish online tender notices and 93% of respondents publish amendments to tender notices. A considerable amount of information is recorded by all respondents such as number of bids/offers received by procedure, name of bidders in relation to an individual procurement, price to be paid for goods or services in the contract at time of award, number of days between issuance of tender notice and due date for submission of tenders and contract modifications. However, not all this information is publicly available. Seven countries record information on the number of bids received by size of firms but only Hungary and Ireland publish this information online (please see table 3).

**Table 3. Procurement information accessible online or recorded internally**

Country	Tender notice	Amendments to tender notices	Number of bids/offers received by procedure	Number of bids/offers received by size of firms	Name of bidders	Price to be paid for goods or services in the contract at time of award	Contract modifications, including changes to contract price or other changes	Price paid for goods or services, including all modifications	Number of days between issuance of tender notice and due date for submission of tenders	Justifications for use of procurement methods other than open tendering/open procedure or equivalent	Catalogue of most common good and services procured
Belgium	●	●	●	●	●	●	●	●	●	●	○
Canada	●	●	●	●	●	●	●	●	●	●	○
Czech Republic	●	●	●	○	●	●	●	●	●	●	○
Denmark	●	●	●	○	●	●	●	●	●	○	●
Estonia	●	●	●	○	●	●	●	●	●	●	○
Hungary	●	●	●	●	●	●	●	●	●	●	○
Ireland	●	●	●	●	●	●	●	●	●	●	●
Israel	●	●	●	●	●	●	●	●	●	●	●
Italy AVCP	●	○	●	○	●	●	●	●	●	●	○
Italy CONSP	●	●	●	○	●	●	●	●	●	●	●
Korea	●	●	●	●	●	●	●	●	●	●	●
Mexico	●	●	●	●	●	●	●	●	●	●	●
Norway	●	●	●	○	●	●	●	●	●	●	●
India	●	●	●	○	●	●	●	●	●	●	○
Colombia	●	●	●	○	●	●	●	●	●	●	○

Total Respondents

●	Recorded and online	15	14	10	2	8	13	8	9	12	5	7
●	Recorded and not online	0	0	5	5	7	2	7	6	3	9	0
○	Not recorded	0	1	0	8	0	0	0	0	0	1	8

Source: 2013 OECD Questionnaire on procurement performance data

Other information is recorded internally such as suppliers that have received a significant number of government contracts over time, suppliers with higher value of contracts over time, list of debarred suppliers, number of complaints received against a procurement process and results of complaints against a procurement process. Yet, a small amount of this information is publicly available. For instance, only Mexico publishes online the name of suppliers that have received a significant number of government contracts over time, the name of suppliers with higher value of contracts over time and the list of debarred suppliers.

In addition, countries have established list of suppliers that receive electronic alerts regarding the issuance of tender notices. For most of the respondents, such as Belgium, Denmark, Ireland, Israel or Korea firms register freely to receive electronic alerts. In the Czech Republic or India, firms pay a fee to register to receive electronic alerts. Colombia do not have a list of suppliers to whom alerts are sent, but it is possible to receive free automatic alerts via RSS.

None of the respondents collects information on the cost (time, resources) for a tenderer to participate in a tender.

### **3. PROFESSIONALISM OF THE PROCUREMENT FUNCTION**

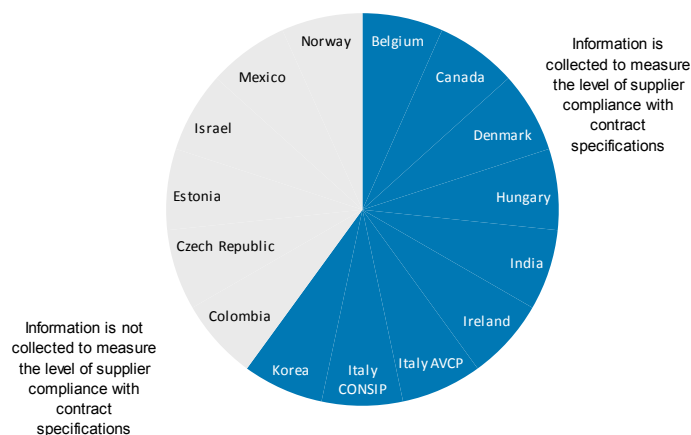
Eight respondents collect information on procurement officials. Mexico, Israel and Ireland collect information on the number of public officials at a central or entity level working full time on procurement and contract management and on the number of public officials at a central or entity level working partially on procurement-related tasks. In addition, Mexico collects information on the number of officials analysing performance information of the procurement system and on the number of procurement staff with specific procurement certification or licensing programmes. Canada and Korea collect on the number of procurement staff with specific certification or licensing programs. In the case of Canada, the information refers to procurement officials enrolled and certified through a federal certification program. In Denmark, the Ministry of Finance facilitates a network of government officials from each ministry. This network enhances effective communication and collaboration across ministries on public procurement. The Ministry of Defence in Belgium collects data on procurement officials and provides for contract manager courses.

### **4. CONTRACT MANAGEMENT AND SUPPLIER PERFORMANCE**

This dimension aims to look at the contract performance phase. Contract management activities can be grouped into three areas: delivery management (ensures that whatever is ordered is then delivered to the required level of quality and performance as stated in the contract), relationship management (seeks to keep the relationship between the supplier and the contracting authority open and constructive), and contract administration (covers the formal governance of the contract and any permitted changes to documentation during the life of the contract). By monitoring and documenting supplier performance, public officials are in a position to require corrective actions from suppliers when they are not in compliance with contract requirements. Performance monitoring could also provide a feedback loop in the selection of potential suppliers, therefore contributing to improving the pre-qualification system. An element for measuring the performance of government in the contract management is whether suppliers are paid on time.

Nine respondents collect information to measure the level of supplier compliance with contract specifications (please see Figure 7).

**Figure 6. Respondents collecting information level of supplier compliance with contract specifications**



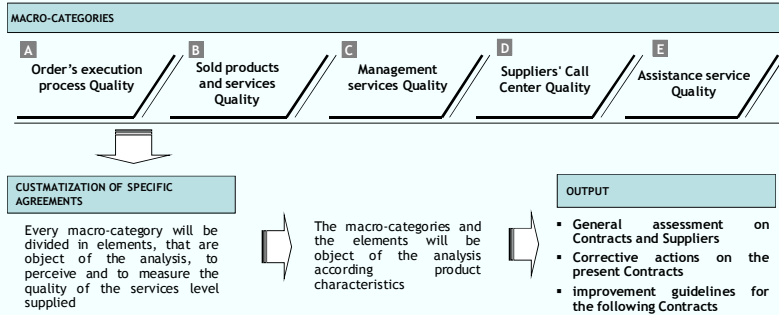
Note: For Belgium this information corresponds to the Ministry of Defence.

Source: 2013 OECD Questionnaire on procurement performance data

In Denmark, this information is collected on ad hoc basis. In Norway a form has been developed in collaboration with the Agency for Public Management and eGovernment (Difi) in order for the contracting authorities to provide feedback to supplier on contract performance. The form may be used by the supplier as a reference, and as a document on contracting authority’s own experience with the supplier (also if this serves as a “negative” reference). In Korea, for framework contracts, supplier performance is evaluated twice a year. Indicators are such as: ratio of timely delivery, average days of delay, number of complaints on defects and the number and duration of sanctions (debarment) imposed are calculated. Finally, Italy-CONSIP carries out sample surveys to measure the supplier’s compliance with the framework agreement’s and consolidated contract’s specifications (please see Box 2).

### Box 2. CONSIP Supplies' Monitoring

The monitoring of supplies is based on the analysis of 5 macro-categories (on each framework agreement).



The Supplies' Monitoring Team employs the following 3 tools:

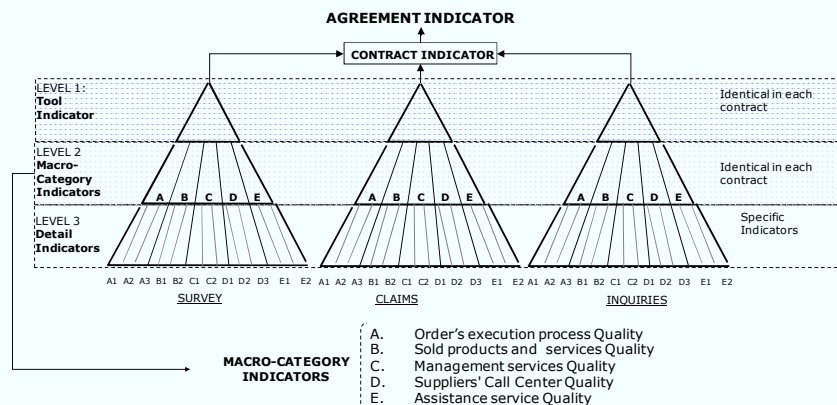
**Inspections:** suppliers' performance inspections aim at verifying the respect of the service technical requirements. An external Inspection Body is accredited every 2 years to develop this activity. The inspections costs are paid by monitored suppliers.

**Survey:** the surveys are finalized to measure the perception of the suppliers service levels. This activity is developed by an external call center.

**Claims:** collection and analysis of Public Administrations claims in order to identify the agreements performing below the requirements in term of supplied quality services.

Each agreement generates a specific budget to finance the inspections. This budget is calculated proportionally on the amount of money spent through the agreement (the maximum amount paid by the supplier is equal to the 0,5% of the sum spent). Consip authorizes the supplier to pay the external Inspection Body. To guarantee the inspections payments Consip requires to the supplier a specific guarantee.

The results of Surveys and Inspections are used according to different weights to produce an Indicator that shows the ongoing contracts.



During the supplies' monitoring, the Team assigns a score to every element checked for the indicators computation through the dates collected with surveys and inspections. The analysis methodology defines three bands for the scores computation:

**Box 3. Box 2. CONSIP Supplies' Monitoring (cont.)**

Scores	1	2	3	4	5
level of service % Indicator	0%	25%	50%	75%	100%
Range	ALERT		WARNING		ON TARGET

“ALERT” when the score is equal or smaller than 50%

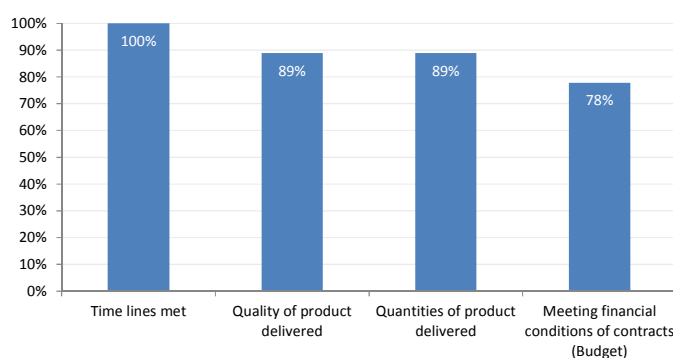
“WARNING” when the score is between 51% and 74%

“ON TARGET” when the score is equal or bigger than 75%

Source: CONSIP

Among countries collecting information on supplier performance, all of them collect information on deadlines met by the supplier. 89% collect information on quality and quantity of the product delivered and 78% collect information on products meeting financial conditions of contracts (please see Figure 8).

**Figure 7. Information collected on supplier performance**



Percentages refer to 60% of respondents collecting information on supplier performance

In Belgium this information corresponds to the Ministry of Defence.

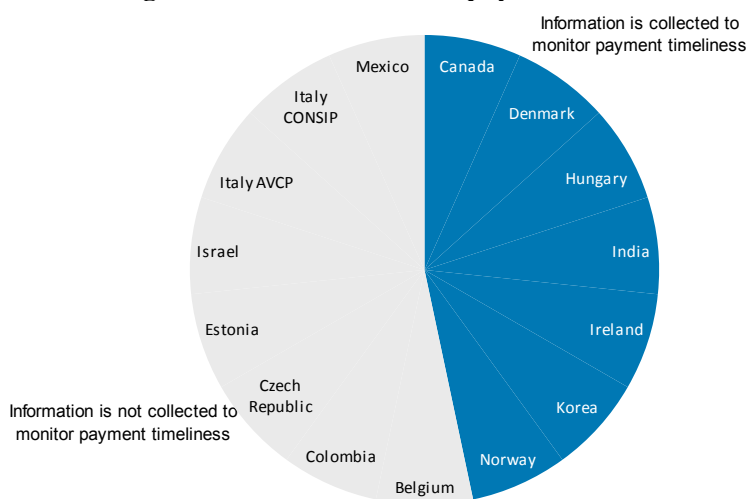
In Denmark answers only reflects tenders from the Central Procurement Programme Office

Source: 2013 OECD Questionnaire on procurement performance data

In case of supplier defective performance, contracts may be rescinded or suppliers may be sanctioned. Eight respondents collect information on rescinding of contracts. In Hungary, contracting authorities have to publish a notice on the performance of contracts and on the amendment of contracts if the conditions have been changed after the conclusion of the contract. The notice on the performance of the contract includes information on breaches of contracts. As for penalties and sanctions, 67% respondents collect information on this regard. Canada, Hungary, Israel, Italy CONSIP, Korea and India collect information on liquidated damages. Canada, Israel and Norway collect information on prison sentence of certain crimes and finally Hungary, Italy, India, Korea and Colombia collect information on debarment.

Payment delays may jeopardize the relationship between contracting authorities and suppliers –in particular SMEs because they do not have the financial liquidity to face delays. It may also contribute to increase the price paid in future bids for goods and services as supplier may transfer this uncertainty into the price by marking it up. 47 % of respondents collect information on payment timeliness (please see Figure 9) including information such as date on which the invoice was received, invoice due date and actual payment date.

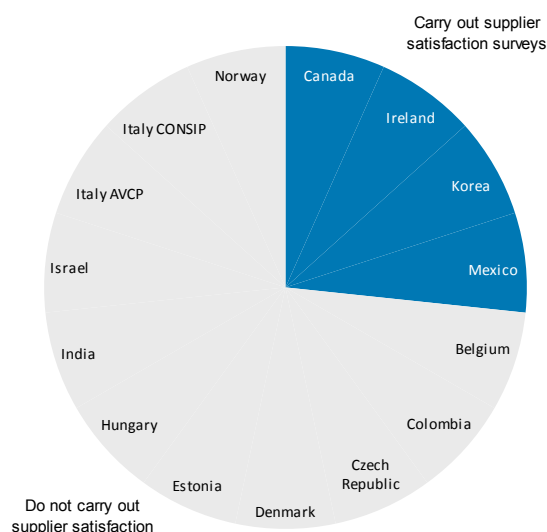
**Figure 8. Respondents collecting information to measure payment timeliness**



Source: 2013 OECD Questionnaire on procurement performance data

In order to build a long term relationship with supplier and increase the supplier base, it is important for the contracting authorities to be aware of the supplier perception on the procurement process. 3 respondents carry out supplier satisfaction surveys (please see Figure 10). Canada sends periodically supplier satisfaction surveys on specific services or programs, but not in every procurement. In Ireland, every year a survey is sent to more than the 90,000 suppliers registered on the procurement portal. In Mexico, satisfaction surveys involve suppliers, purchasing units and civil society (please see Box 3). Finally, in Korea, public entities are required to supply buyer satisfaction survey response (online) for each order when delivery is accepted. The requested feedback refers to the satisfaction level on the quality of the delivered product, the price of the delivered product, customer support, and the overall satisfaction level.



**Figure 9. Countries carrying out supplier satisfaction surveys**

Source: 2013 OECD Questionnaire on procurement performance data

#### **Box 4. Perception survey on the efficiency of the public procurement system in Mexico**

In the framework of the Open Government Partnership initiative, a national commitment was established to develop a satisfaction survey for the citizens including suppliers about public procurement effectiveness in Mexico. In October 2012 a satisfaction survey was carried out to suppliers, contracting authorities and civil society.

The suppliers' survey was answered for 3123 enterprises of which 82% have participated in at least one procurement procedure. The qualification obtained for the Public Procurement System in Mexico was 7.23 in a 0-10 scale (where 0 means poor performance and 10 means excellent).

Suppliers, contracting authorities and civil society were able to respond question related to:

Procurement regulation

Procurement strategies

Compranet (the Mexican e-procurement system)

Measures to promote transparency and accountability

Professionalization and training

Efficiency of the procurement system

Source: [http://www.funcionpublica.gob.mx/web/doctos/ua/sracp/upcp/mejores-practicas/vf\\_encuesta\\_publica.pdf](http://www.funcionpublica.gob.mx/web/doctos/ua/sracp/upcp/mejores-practicas/vf_encuesta_publica.pdf)

## **CHALLENGES IN COLLECTING ACCURATE AND COMPLETE PROCUREMENT DATA**

As evidenced through the questionnaire responses, countries are already collecting a significant amount of data. Mostly, they use the information to promote an open, fair and transparent procurement system. However, still some challenges need to be overcome to be able to have complete, clear or timely dataset allowing the creation of indicators. For example, the procurement structure of the country may have an impact on the collection of standardized data. Countries report that procurement data may be collected in individual cases by each ministry, entity or level of government but not centrally recorded. In Canada for example, most of the information in the questionnaire is not centrally recorded but is collected in individual files. Denmark has mentioned five different sources: i) Suppliers report sales quarterly, ii) Customers report spend (large uncertainty in data because of manual coding), iii) E-invoices (in development), iv) Surveys on customer satisfaction and v) Ad hoc collection of data from customers to support analysis of supplier performance on ad hoc basis.

In addition countries report that there may be uncertainty concerning what data should be collected. In most cases, data is only collected to fulfil legal and audit obligation but there is no broader view on how data will contribute to improve the procurement system. Finally, data collection involves an important cost for institutions in terms of defining the scope, manually entering the information as well as extracting and analysing the information. Some of these problems can be solved through the use of e-platforms. Countries such as Canada, Israel, Korea and Colombia reported that e-platforms are being updated or implemented to collect data through automated online process.