



## Evaluation

### Purpose of the Checklist

- To guide and support public procurement practitioners in reviewing, developing and updating their procurement framework, according to the 12 principles of the Recommendation of the Council on Public Procurement.
- To encourage self-assessment and providing a starting-point for implementing the Recommendation.
- To provide more detailed information and guidance for each of the 12 principles as well as actions that can be taken to improve the strategic use of public procurement.

Public Procurement  
Principle: **Evaluation**

Procurement Stage:  
**All phases**

Audience: **Policy Maker,  
Procuring Entity, Private  
Sector, Civil Society**

### Description

Evaluation can be strengthened by following proposed steps below, while also improving other closely-linked principles (please refer to the box below). Suggestions and comments on the content and format of the Checklist can be sent to: [public.procurement@oecd.org](mailto:public.procurement@oecd.org).

#### Main linkages between evaluation and other principles of the Recommendation

- **Integrity:** The collection of consistent, up-to-date and reliable information and the use of data on prior procurement can facilitate the identification of corruption cases as well as collusion.
- **Balance:** The evaluation of the use of public procurement as one method of pursuing secondary policy objectives in accordance with clear national priorities can contribute to achieve the balance between the potential benefits of pursuing secondary policy objectives against the need to achieve value for money.
- **Efficiency:** Indicators can help measure performance, effectiveness and savings of the public procurement system.
- **E-procurement:** E-procurement systems contribute to the assessment of the results of the procurement process by collecting consistent, up-to-date and reliable information and use data on prior procurements.
- **Capacity:** Designating specific evaluation units or teams to analyse public procurement information and monitor performance in the public procurement system boosts capacity.
- **Accountability:** Coordinated, sufficiently resourced and integrated internal controls and external controls can contribute to the monitoring of the performance of the public procurement system.

## (A) Periodic and consistent assessment of the results of the procurement process

**Assess periodically and consistently the results of the procurement process. Public procurement systems should collect consistent, up-to-date and reliable information and use data on prior procurements, particularly regarding price and overall costs, in structuring new needs assessments, as they provide a valuable source of insight and could guide future procurement decisions.**

**A.1** Adherents should evaluate the effectiveness of the public procurement system from individual procurements to the system as a whole, at all levels of government where feasible and appropriate. The evaluation can include the:

- National (meta) level: assessment of the performance of the national public procurement system,
- Contracting authority (macro) level: assessment of the performance of the public procurement entities in the effective implementation of their operational goals and strategies and in decision making,
- Contract management (micro) level: assessment of the performance of an individual contract.

**A.2** Adherents should set up an effective performance management framework. In order to achieve this end, adherents could consider:

- Setting policy goals, objectives and targets for public procurement,
- Developing a harmonized measurement methodology,
- Providing clear guidance on the performance measurement methodology,
- Providing strong central support and guidance on performance measurement,
- Assessing intermediate development outcomes of procurement operations.

**A.3** Adherents should collect consistent up-to-date and reliable information. This can include:

- Information linked to the level of competition in the tendering process (e.g. number of suppliers contacted, number of responses, number of qualified responses, etc.),
- Information linked to contract and supplier performance (e.g. contractors' achievement of main tasks against agreed milestones, delays, failures, etc.),
- Information linked to market consultation (e.g. size of the market, suppliers previously awarded contracts, market evolution and trends, number of potential suppliers and their market share, etc.),
- Information linked to the timeframe of procurement operations (e.g. duration of the process of each phase, number of people involved in the process, etc.).

**A.4** Adherents should develop strategies to manage procurement data. In order to achieve this end, adherents could consider:

- Creating a system to collect data on the procurement of goods, works and services with support from e-procurement or other information technology,
- Archiving the data in the same place using a dedicated tool,
- Creating a system that manages data for the entire procurement process and allows analysis and trends, levels of participation, efficiency and economy of procurement and compliance with requirements,
- Ensuring high reliability of the information (verified by audits),
- Carrying out analysis of the information as well as publishing and using it to improve the system.

## **(B) Indicators to measure performance, effectiveness and savings of the public procurement system**

**Develop indicators to measure performance, effectiveness and savings of the public procurement system for benchmarking and to support strategic policy making on public procurement.**

**B.1** Adherents should develop Key Performance Indicators (KPIs) to measure performance, effectiveness and savings of the public procurement system for benchmarking and to support strategic policy making on procurement. KPIs can aim at:

- Measuring different aspects of the performance of procurement operations, including:
  - Level of competition (open biddings, restricted invitations or direct awards)
  - Extent of use of procurement tools such as framework agreements, dynamic purchasing system, reverse auctions
  - Savings at the contract level, procurement entity level and national level
  - Performance/quality of suppliers
  - Supplier concentration
  - Time required preparing or participating in biddings
  - Secondary policy objectives, such as SME participation, Green Public Procurement and innovation procurement
- Measuring performance against predefined targets and developing improvement strategies in case objectives are not met,
- Measuring performance over time.

**B.2** Adherents should undertake specific evaluation. They could consider applying the following evaluation methodologies depending on the evaluation needs and objectives:

- Evaluating on the national (meta) level through the use of national and international assessment institutions and tools (example: SAI, MAPS, etc.),
- Evaluating on the contracting authority (macro) level through:

- Comparing against pre-defined performance targets by:
    - Setting targets that are relevant, attributable, well-defined, timely, reliable, comparable and verifiable
    - Using various target indicators
  - Benchmarking, for instance by comparing its own operation with similar contracting authority known for its excellence, prices or service levels
  - Evaluating on the contract management (micro) level through:
    - Evaluating the performance of:
      - Delivery management
      - Relationship management
      - Contract administration
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**B.3** Adherents should use the results of the performance evaluation to support strategic policy making, by disseminating the results of the performance evaluations. In order to achieve this end, adherents could consider:

- Disseminating the results of the performance evaluations to relevant stakeholders,
- Informing clearly with stakeholders on where to find the results,
- Training public procurement entities to analyse the data,
- Using KPI results as inputs in defining the overall procurement strategy.