



SIGMA



MEASURING PERFORMANCE IN PUBLIC PROCUREMENT AND SOME SELECTED TOOLS TO ENSURE VALUE FOR MONEY

Erika Bozzay, OECD/SIGMA

A joint initiative of
the OECD and the EU,
principally financed
by the EU



1 June 2018, Athens

Creating
change
together
in my
lifetime

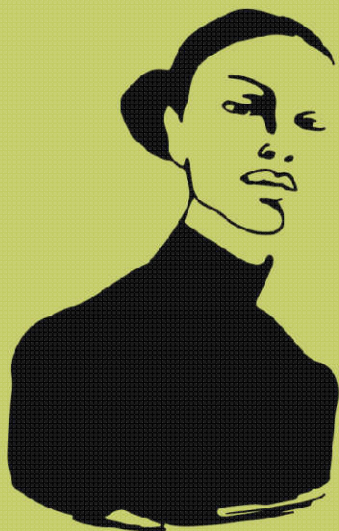


SIGMA
25 years

Support for **I**mprovement in **G**overnance and **M**anagement

A joint initiative of the OECD and EU that helps governments to strengthen their public governance systems and capacities.

Creating
change
together
in my
lifetime



Creating a vision and
choosing a direction

I want to achieve tangible results
by having a voice and contributing
to my government in building a
brighter vision for our future.

SIGMA
25 years

Creating
change
together
in my
lifetime



Effective and sound
public finances

As I invest in my future, good
financial planning and management
by my government gives me the
confidence and security I need.

SIGMA
25 years

Creating
change
together
in my
lifetime



Evidence-based and
inclusive policies

We trust our government to
implement policies which will
give our family the opportunity to
grow and flourish.

SIGMA
25 years



SIGMA

Main areas of SIGMA



Celebrating
25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

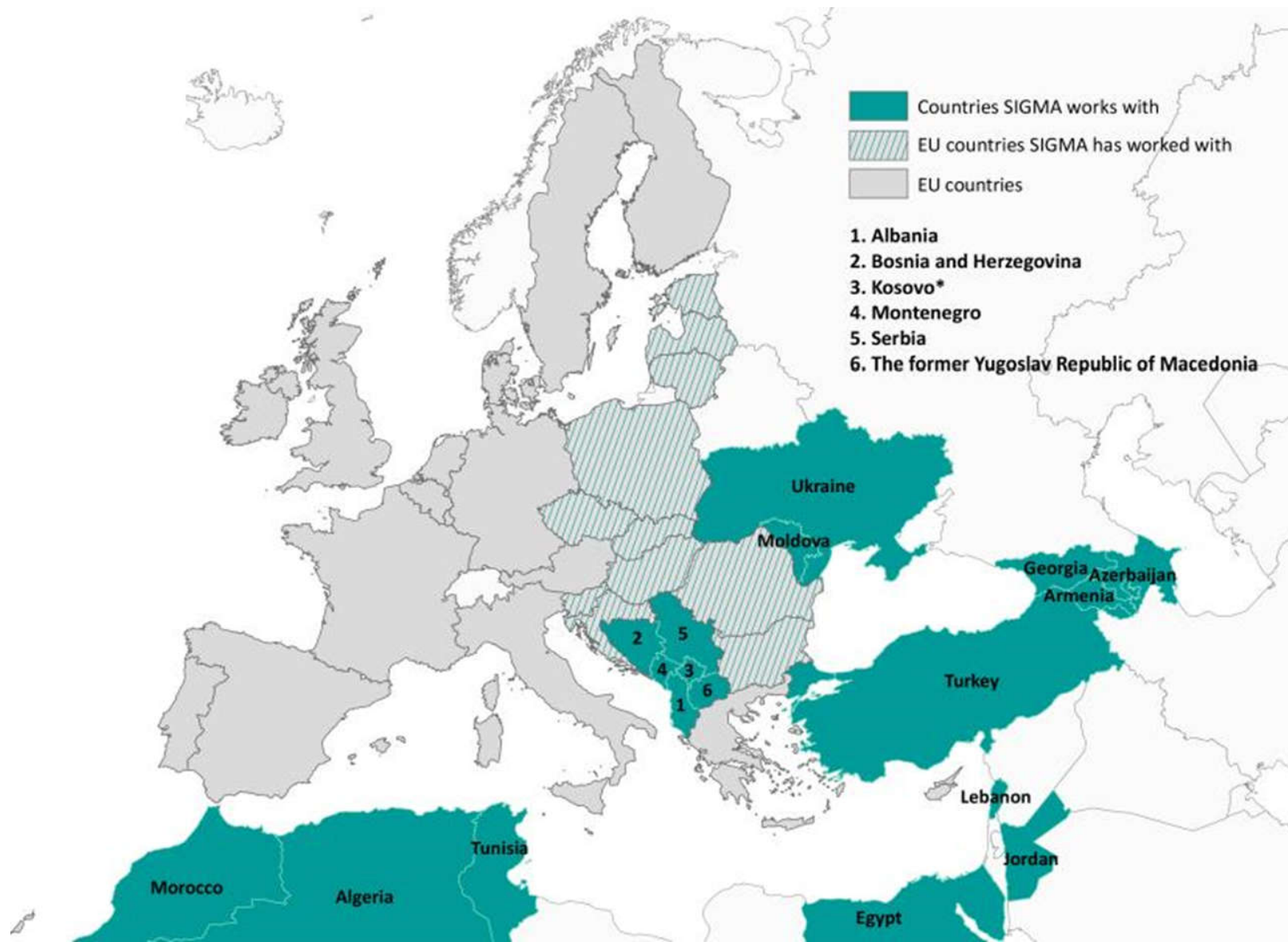
Celebrating

25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU



We are working with...





SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



How do we work?

We provide **short-term technical assistance**, including:

- Preparing strategies, reform plans and legal frameworks
- Implementing legislative and organisational reforms
- Awareness-raising events
- Advice to senior managers; practitioner-to-practitioner support
- Review of specific systems or organisations;
- Country monitoring against the **Principles of Public Administration developed by SIGMA.**

We also develop **policy papers and studies** on public governance.



SIGMA

Special focus on professionalisation in public procurement

Tools developed by SIGMA for supporting professionalisation:

- Public Procurement Training Manual (2010, 2015)
- Public Procurement Policy Briefs
- Selected judgements of the European Court of Justice on public procurement (2014)
- SIGMA papers on different topics
- (Capacity building workshops)

<http://www.sigmaweb.org/publications/key-public-procurement-publications.htm>



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA



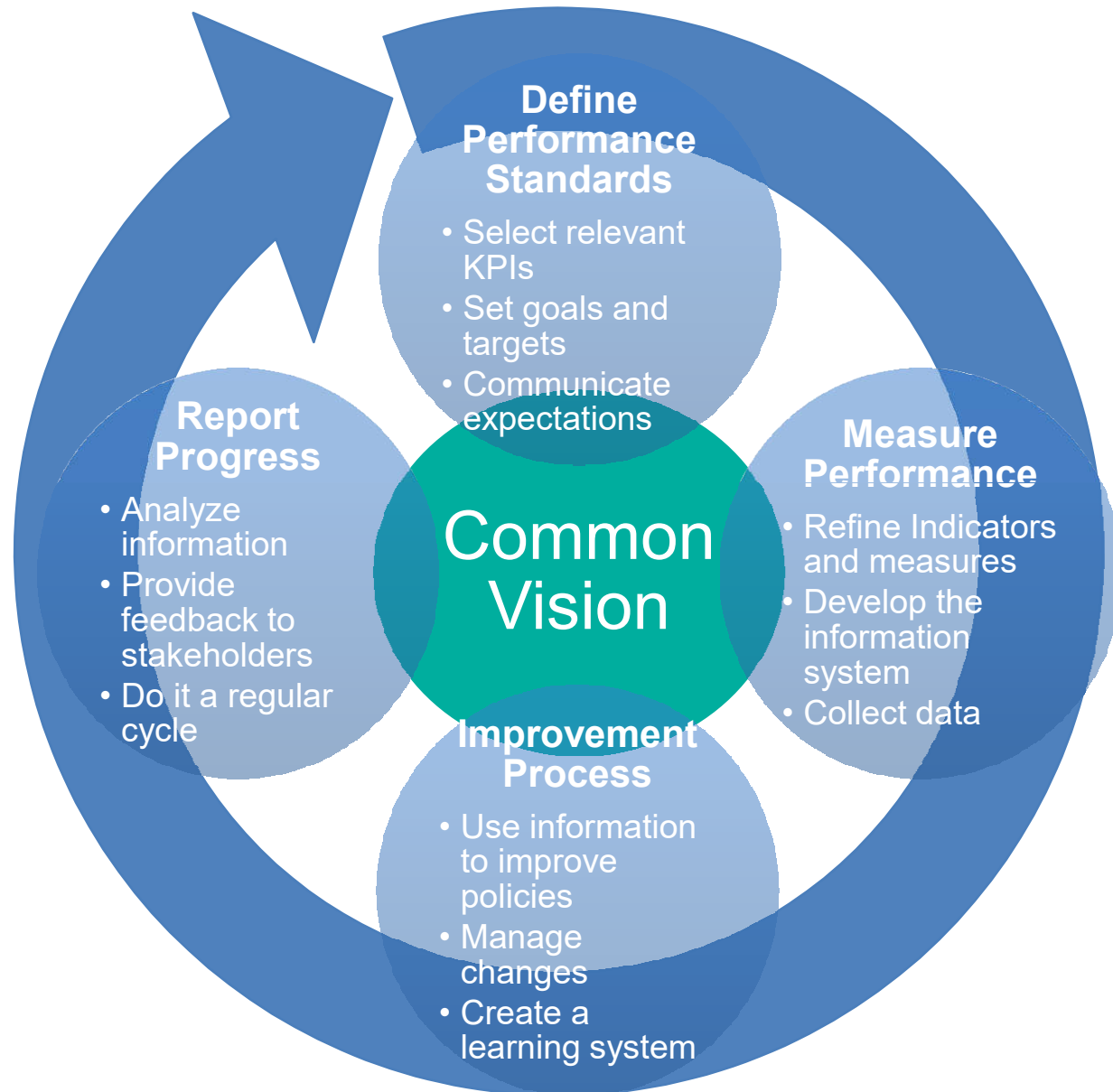
A joint initiative of
the OECD and the EU,
principally financed
by the EU



Performance measurement in public procurement:

- at national level
- at agency level (contracting authority level)
- at individual contract level

Implementing a Performance System





SIGMA

Purpose of the performance measurement in public procurement

The overall objective of a public procurement system is to deliver **efficiency** and “**value for money**” in the use of public funds, while also adhering to EU requirements (or other international obligations) and national laws and policies.



Do the procurement system and operations deliver in accordance with the objectives set?



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Purpose of any performance measurement

- Without knowing the starting point, it is hard to decide **what needs to be changed**.
- Without analysing progress over time, it is impossible to say **what has been achieved**.
- A tool which allows for evaluation of the current **state of affairs** and **progress over time** (and **comparison** with other countries).



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

WHY IMPORTANT? – National level

- To get information on the performance of the public procurement system
- To enable governments/parliaments to improve the quality of decision making and to take constructive, long-term actions
- To help governments to set priorities for reform actions



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Why important? – Agency level

- To provide information on the degree of efficiency and effectiveness of their procurement operations.
- To identify strengths and weaknesses in the contracting authority's procurement operations.
- To give input to long-term strategic and operations planning (including annual budget process, management and staff development).



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Evidence-based measurement

Valid and consistent conclusions, based on a “good enough” body of evidence, measured reliably, with clear justifications.

Validity = measuring the right thing

Consistency = over time, across countries (but findings can also be inconsistent or mixed)

Reliability = measuring it the right way

Body of evidence = not one source of information



A joint initiative of
the OECD and the EU,
principally financed
by the EU



Main challenges of any performance measurement

- Using objective and comprehensive indicators
- Setting goals and targets, managing and communicating expectations
- Availability of accurate and reliable data, statistical information
- Incentives for better performance (lack of performance-driven culture)



SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Performance management at national level

Methodologies, such as:

- SIGMA: The Principles of Public Administration (Methodological Framework)
- MAPS: Methodology for assessing public procurement systems



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Good practices

- Ground the assessment in the country's context and priorities: leverage opportunities for reform
- Clearly define objectives
- Involve competent authorities and stakeholders to define and carry out the assessment
- Select a competent assessment team, free from conflict of interest
- Rely on robust evidence: research, data and information
- Follow-up on the assessment results, adapt expectations



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



SIGMA
Creating Change Together

OECD
A joint initiative of the OECD and the EU,
principally financed by the EU

The
Principles
of Public
Administration

2017 edition

Authorized for publication by Karen Hill, Head of the SIGMA Programme.
This document has been produced with the financial assistance of the European Union (EU). It should not be reported as representing the official views of the EU, the Organisation for Economic Co-operation and Development (OECD) or its member countries, or of partners participating in the SIGMA Programme. The opinions expressed and arguments employed are those of the authors.
This document, as well as any data and any maps included therein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the names of any territory, city or area.
© OECD 2017 - The use of this material, whether digital or print, is governed by the Terms and Conditions to be found on the OECD website page: <http://www.oecd.org/termsandconditions>.

SIGMA
Creating Change Together

OECD
A joint initiative of the OECD and the EU,
principally financed by the EU

Celebrating 25 years

The
Principles
of Public
Administration:
Methodological
Framework for
ENP Countries

May 2018



SIGMA

SIGMA: The Principles of Public Administration

Derived from EU *acquis*, international standards and requirements, and good practice in EU/OECD countries

Defines what **good public administration looks like in practice** and outline its main requirements as a **guide for countries** in their reform processes, but also enable **benchmarking of performance**

Celebrating

25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Why did SIGMA develop the Principles?

- Each country has its own priorities for public policies which change over time.
- For a government to deliver on its priorities, good public administration is a key success factor.
- A comprehensive, holistic and cross-sectoral framework was needed to define good public administration and support reforms in different countries.
- The Principles provide you with a complete conceptual framework.

Celebrating

25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





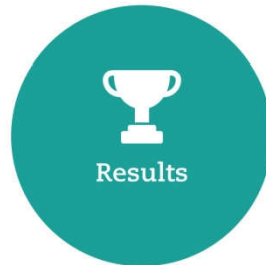
SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



Holistic approach



Principles





SIGMA

Measuring the Principles

- One composite indicator to provide a balanced measure of each Principles (in a few cases two)
- Mixed methodology, drawing on interviews, review of administrative data, on spot checks, surveys, etc. to triangulate data. Civil society inputs throughout.



A joint initiative of
the OECD and the EU,
principally financed
by the EU



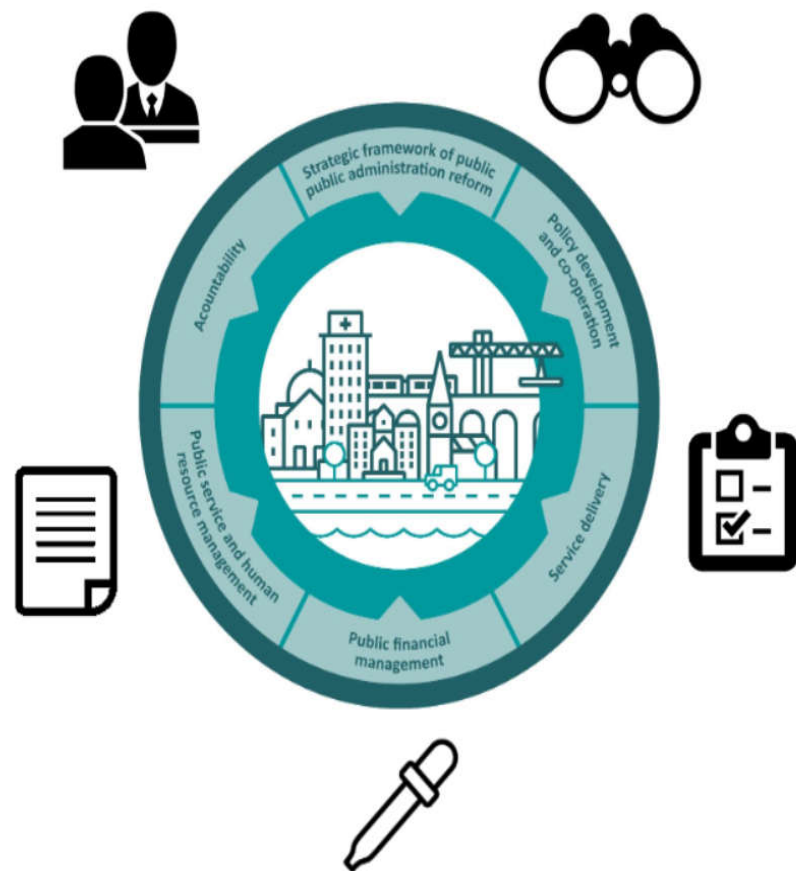


SIGMA

Indicators that actively mix methods and triangulate data for good analysis

Mixed methods:

- Desk review
- Interviews
- Test of practice
- On-site verification
- Review of cases
- Survey methodology
- Administrative data
- Official statistics



Celebrating
25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

What the Methodological Annex includes

- A list of indicators that can be used to support analysis and monitoring:
 - ✓ All indicators include descriptions that guide their application
 - ✓ There are both qualitative and quantitative indicators
- An overview of potential sources of information
- A methodological guide for analysis



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Illustrative examples



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Review system: Sub-indicators (1)

Legislative mechanisms for handling complaints

1) Right to challenge public procurement decisions	5
2) Time limit for challenging decisions taken by procuring entities	2
3) Available remedies	4
4) Mechanisms to ensure implementation of the review body's resolutions	2
5) Right to challenge decisions of the review body	3

Celebrating

25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Sub-indicators (2)

Institutional set-up for handling complaints

6) Legal provisions ensure the independence of the review body and its members	7
7) Adequacy of the organisational set-up and procedures of the review body	4
8) Public availability and timeliness of data on the review system	4

Celebrating

25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



Sub-indicators (3)

Performance of the review system

9) Fairness of fee rates for initiating review procedures	3
10) Actual processing time of complaints	3
11) Complaint submission in practice	4
12) Quality of decision making by the review body	4
13) Cases changed or returned after verification by the court (%)	2



SIGMA

Sub-indicators (4)

Performance of the remedies system in PPPs/concessions

14) Right to challenge lawfulness of actions/omissions in PPP/concessions procedures

5

15) Legal provisions ensure independence of the review body for PPPs/concessions and its members

5

16) Timeliness and effectiveness of complaints handling system for PPPs/concessions

5

Total points	0-8	9-19	20-30	31-41	42-52	53-62
Final indicator value	0	1	2	3	4	5



A joint initiative of the OECD and the EU, principally financed by the EU





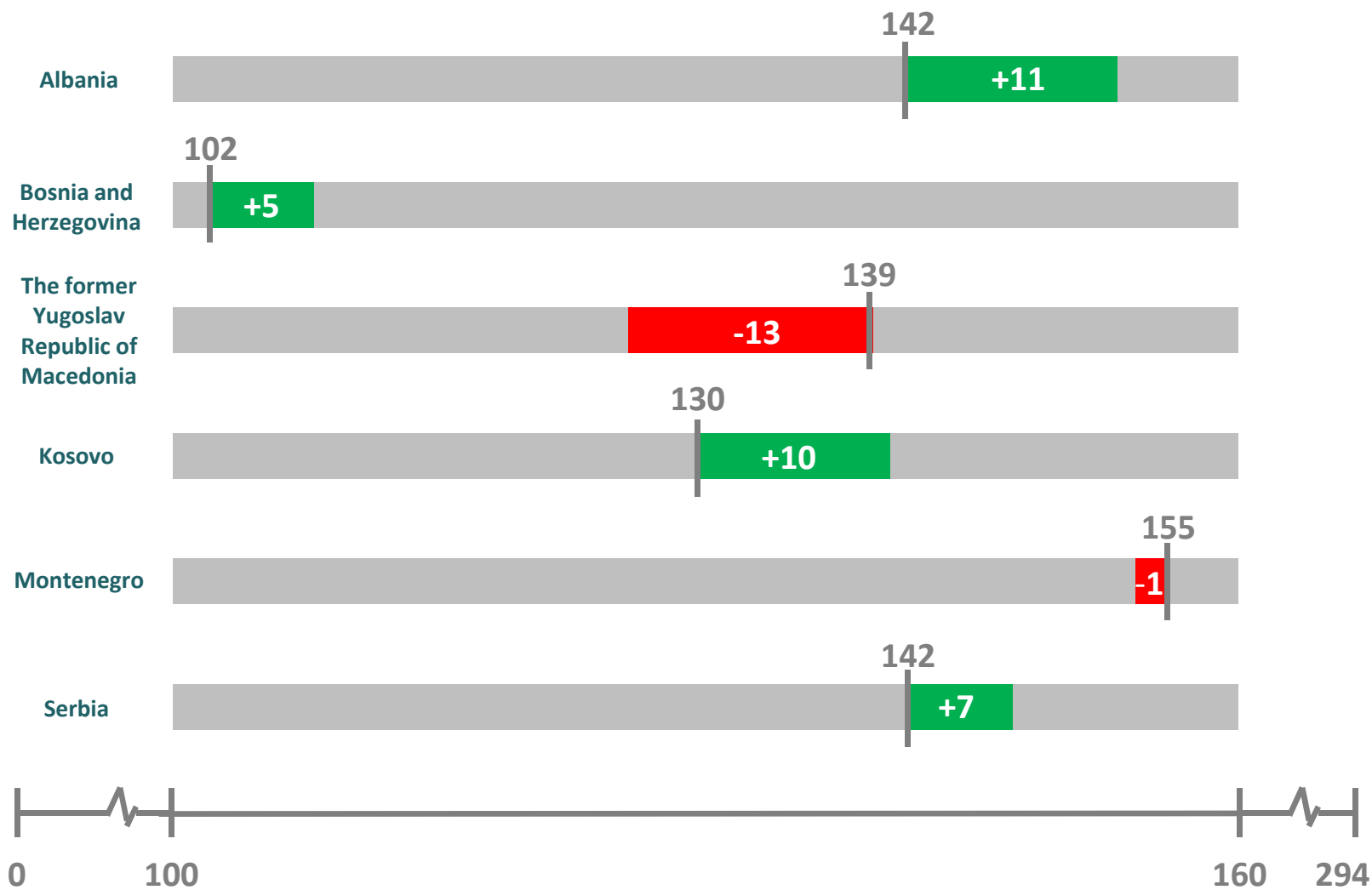
SIGMA



A joint initiative of the OECD and the EU, principally financed by the EU



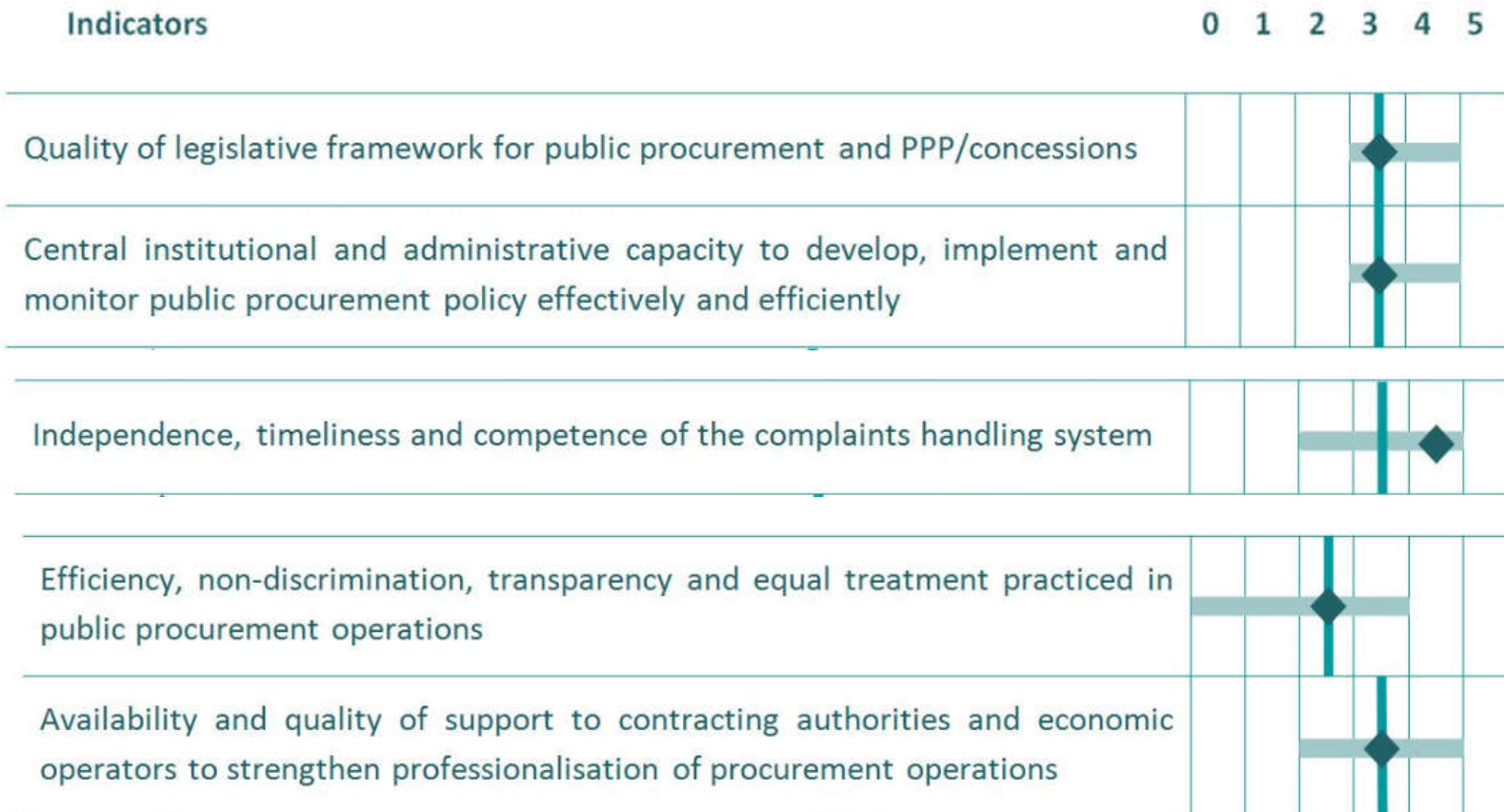
Progress against baseline by country (2015-2017)





SIGMA

Indicators



Legend: ◆ Indicator value — Regional range | Regional average



A joint initiative of the OECD and the EU, principally financed by the EU



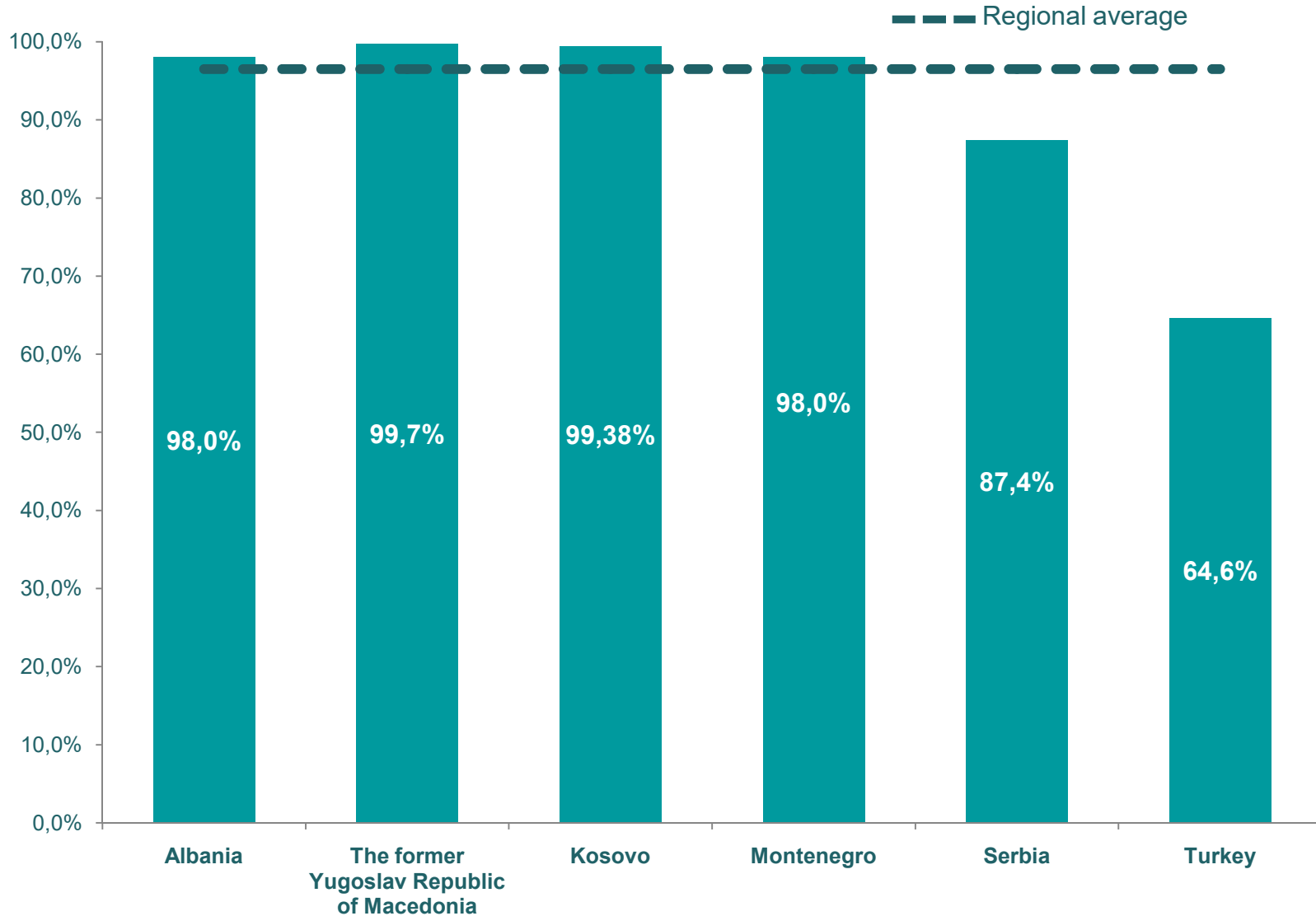
Contracts are based only on acquisition price



SIGMA



A joint initiative of the OECD and the EU, principally financed by the EU



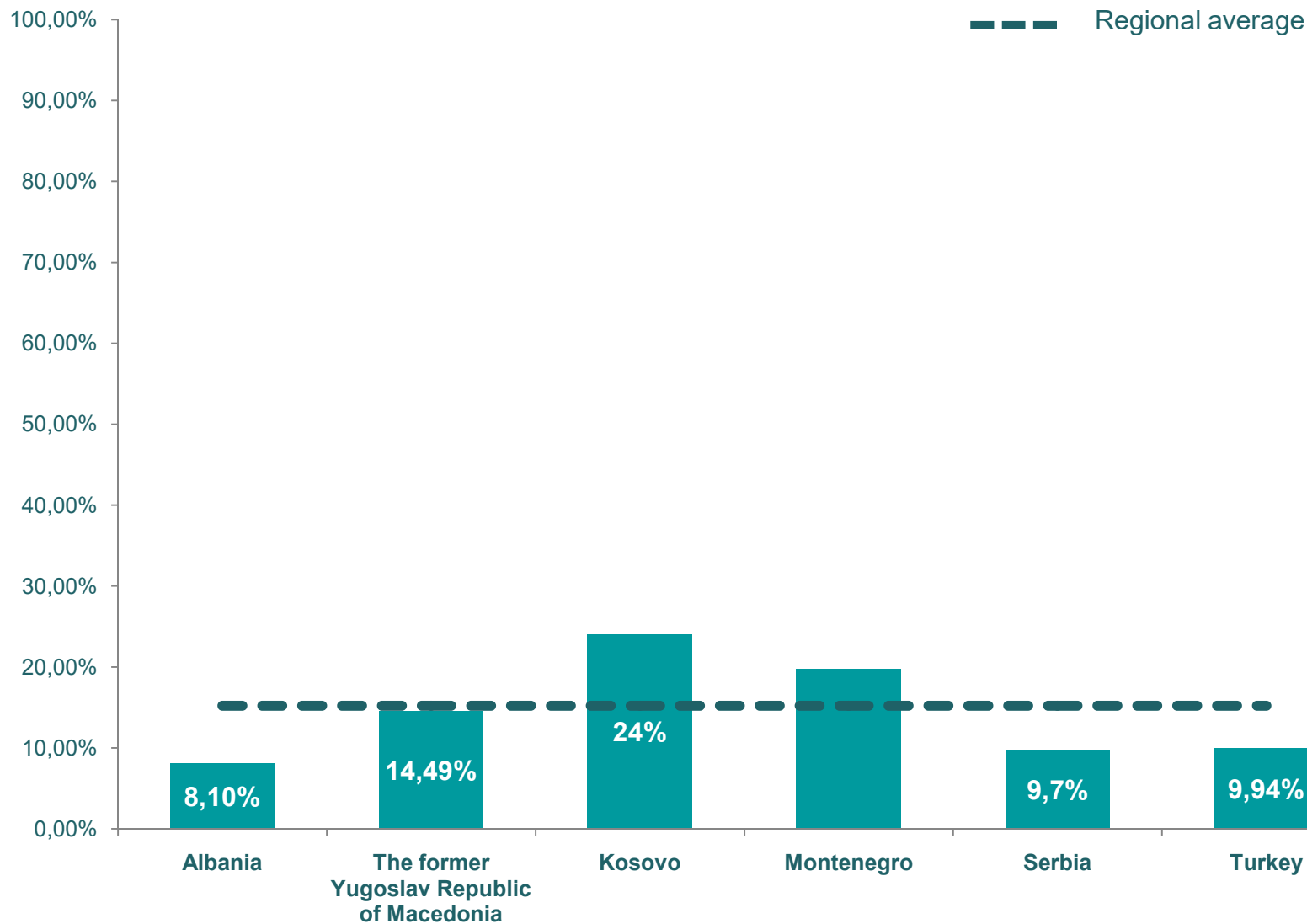
Many procurement procedures are cancelled



SIGMA

Celebrating
25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



MAPS

The Universal Tool for Assessing Public Procurement Systems

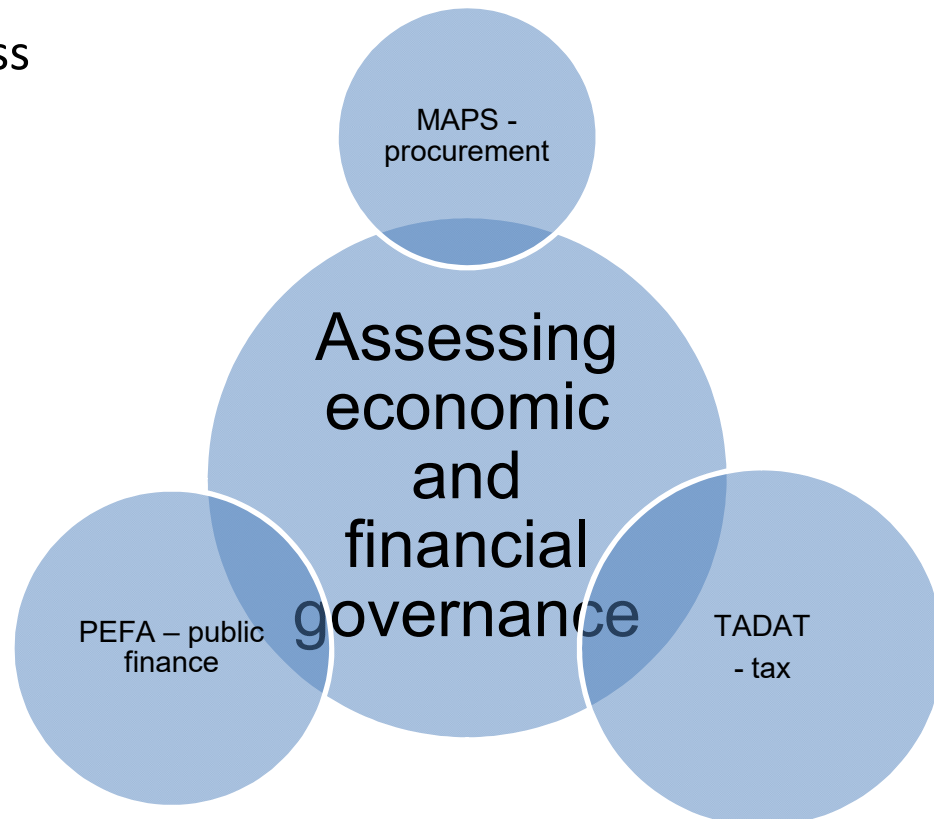


SIGMA

MAPS is part of a community

Governments need to evaluate their economic and financial systems to:

- Maintain accountability
- Report to their constituents
- Identify opportunities for reform
- Monitor progress



A joint initiative of the OECD and the EU, principally financed by the EU





SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



Origin of MAPS

- Methodology for Assessing Procurement Systems (MAPS) was developed as collective effort of development partners and partner countries in 2003/2004
- Adopted in the Paris Declaration on Aid Effectiveness in 2005 as a common tool to assess national procurement systems and provide a basis for capacity development and improvement of the system
- Used in dozens of countries to identify and address risks when channelling aid through country systems

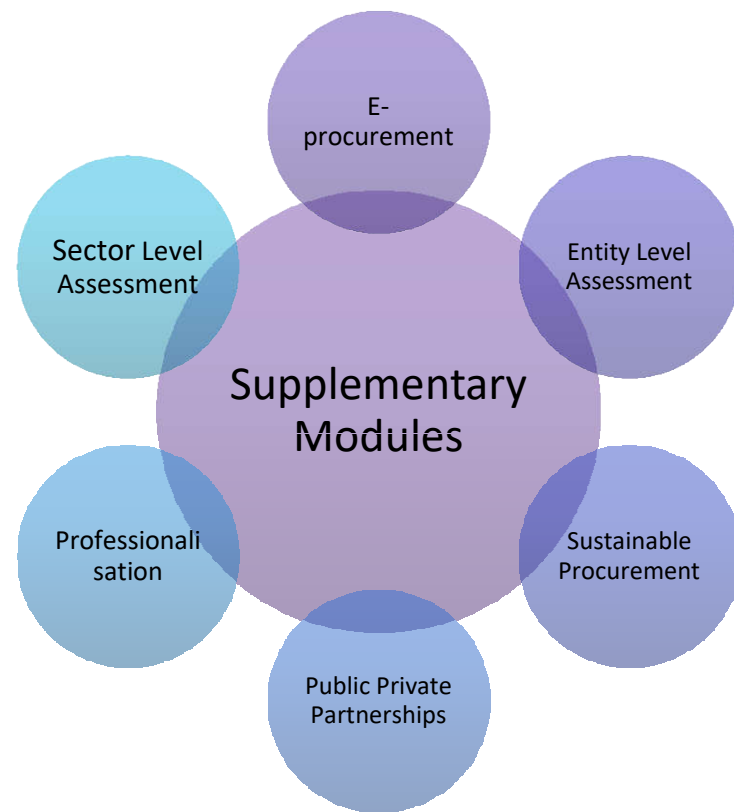


SIGMA

MAPS Core Tool and Supplementary Modules

The MAPS Suite includes:

- MAPS core tool to assess the procurement system as a whole
- Supplementary modules to focus and deepen the analysis on a specific aspect
- Guidance and templates to support the assessment



A joint initiative of the OECD and the EU, principally financed by the EU





Some selected tools to ensure value for money: market analysis and preliminary market consultations





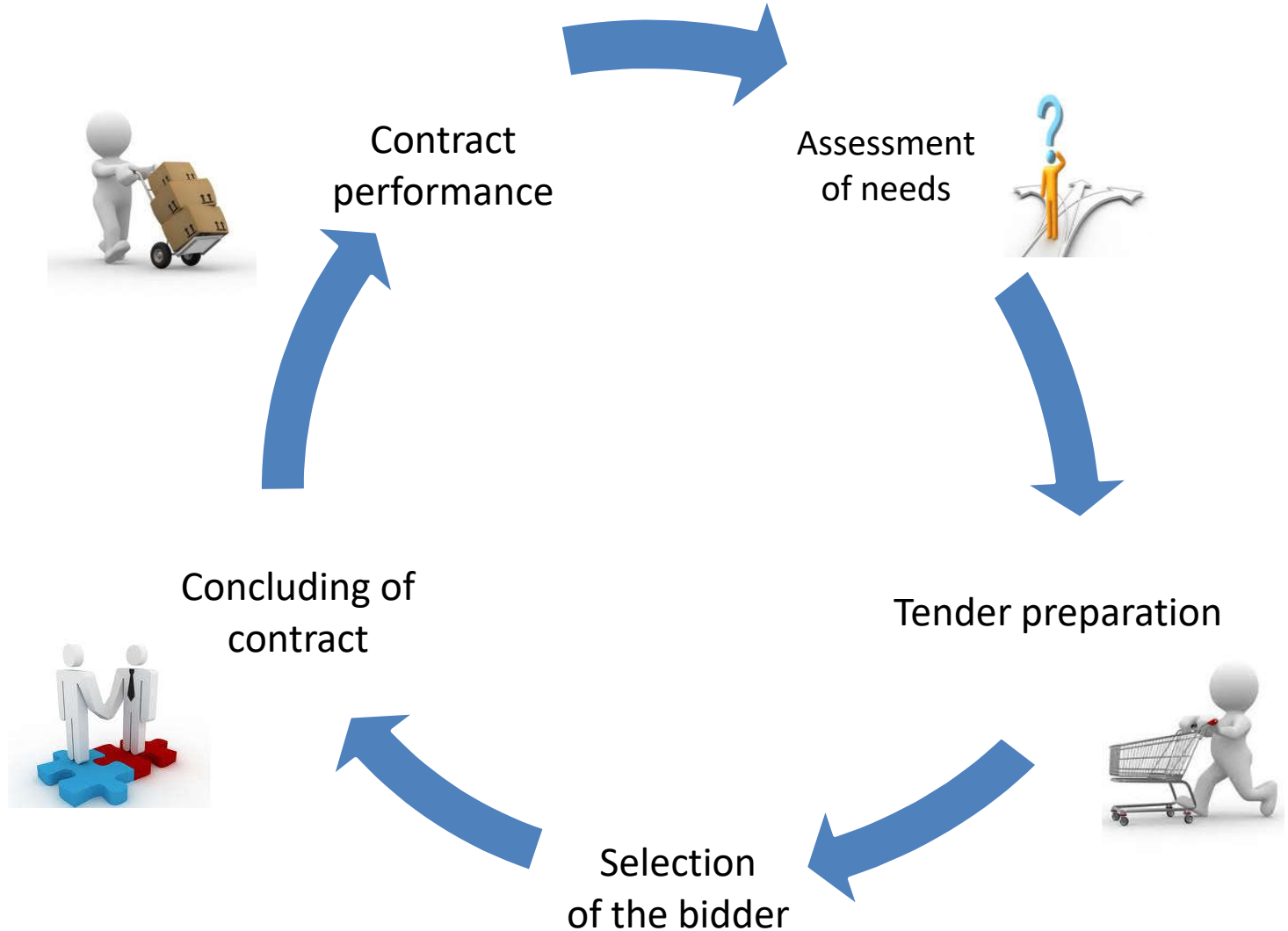
SIGMA



A joint initiative of the OECD and the EU, principally financed by the EU



Public procurement cycle





SIGMA

Phases of procurement

Pre-tender stage:

- Needs assessment and market analysis
- Planning and budgeting
- Development of specifications/requirements
- Choice of procedure

Tender stage:

- Request for bid/offer
- Communication between contracting authority and private sector
- Preparation and submission of the bids
- Public bid opening
- Evaluation and award notice

Post - tender stage:

- Contract management
- Execution of the contract (orders/payments)
- Monitoring and audit
- Archiving of documents

Celebrating

25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Planning & Preparation

- EU directives only provide a framework
- So much depends on the implementation by the Member States
- This means a lot of interpretation will have to be done in the years to come
- A central institution like a Public Procurement Office can play an important part in this process
- A constant training, both covering awareness and technical handling of the procurement process is necessary



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Planning & Preparation

- Planning is a vital part of a procurement officer's activity
- Procurement planning is defined as both:
 1. A process used by contracting authorities to plan purchasing activity for a specific period of time
 2. A plan for the purchase of a specific requirement
- Procurement officers will need to be closely involved with budget-holders and other stakeholders



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Planning & Preparation

Market research involves understanding:

- The full range of current and potential economic operators
- Current and potential goods and services
- The nature and dynamics of the local and global markets involved

Procurement officers must extend their research to regional and global views



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Planning & Preparation

- Research complements current knowledge and experience held by the contracting authority
 - This may be incomplete, fragmented or out of date
 - It aims to build a systematic, in-depth comprehensive view of the whole market for the particular requirement
- Who are the economic operators?
 - What is their size? Breadth of line? Niche focus? Do they have a relationship with contracting authority?



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Planning & Preparation

- Who are the major buyers in the market?
 - By niche and product or service? For what purpose do they use the product or service?
- Who supplies the economic operator?
- The cost breakdown of the goods and services?
 - What are the key components of cost that drive those goods/services and markets?

Celebrating
25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Preliminary Consultations

Article 40, Directive 2014/24

Before launching a procurement procedure, contracting authorities may conduct market consultations with a view to preparing the procurement and informing economic operators of their procurement plans and requirements.

Celebrating

25
years

A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA

Preliminary Consultations

For this purpose, contracting authorities may for example seek or accept advice from independent experts or authorities or from market participants. That advice may be used in the planning and conduct of the procurement procedure, provided that such advice does not have the effect of distorting competition and does not result in a violation of the principles of non-discrimination and transparency.



A joint initiative of
the OECD and the EU,
principally financed
by the EU





SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



Prior Involvement

- Article 41, Directive 2014/24
 - Where a candidate or tenderer or an undertaking related to a candidate or tenderer has advised the contracting authority, whether in the context of Article 40 or not, or has otherwise been involved in the preparation of the procurement procedure, the contracting authority shall take appropriate measures to ensure that competition is not distorted by the participation of that candidate or tenderer.



SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



Prior Involvement

Such measures shall include the communication to the other candidates and tenderers of relevant information exchanged in the context of or resulting from the involvement of the candidate or tenderer in the preparation of the procurement procedure and the fixing of adequate time limits for the receipt of tenders. The candidate or tenderer concerned shall only be excluded from the procedure where there are no other means to ensure compliance with the duty to observe the principle of equal treatment.



SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



Prior Involvement

Prior to any such exclusion, candidates or tenderers shall be given the opportunity to prove that their involvement in preparing the procurement procedure is not capable of distorting competition. The measures taken shall be documented in the individual report required by Article 84.



SIGMA



A joint initiative of
the OECD and the EU,
principally financed
by the EU



Thank you for your attention!

More information can be found at:

SIGMA Policy Brief 32

www.sigmaweb.org