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The IDABC Quarterly

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The EU's move towards electronic procurement is both a drive for modernisation and the removal of red tape, and a positive effort to slash the procurement budgets of the Member States of the European Union.

The cornerstones of this effort are the new EU legal framework for e-procurement and the Commission's e-procurement Action Plan together with the IDABC programme to facilitate interoperability. Both of these support the ambitious objectives set for Europe by 2010.

The potential gains of this effort are indeed massive. In 2003, total expenditure on all goods and services by public authorities or utilities across the EU amounted to over €1 500 billion. Though not all areas are covered by the public procurement legislation, it still represents a massive volume. The savings that can be made through the use of electronic procurement are conservatively estimated at 5% over a wide range of procurement, with a potentially larger saving still on their related transaction costs.

It is not only the public purse which will be the beneficiary. It will significantly open up the public procurement process to smaller companies for whom the burdens of red tape can be very inhibiting. It should considerably expand the volume of cross-border tendering – currently at a very low level.

The articles in this issue of Synergy demonstrate the dynamism and energy being put behind the e-procurement transition by Member States.

I am particularly delighted to see the contribution from Denmark's Minister for Science, Technology and Development, Helge Sander, who outlines his country's ambitious efforts to modernise and computerise its procurement processes. It is also encouraging to hear the voice of industry and read positive, if not uncritical, support for the modernisation of the procurement process.

A successfully implemented process of e-procurement will benefit both ends of the spectrum: enterprises large and small will benefit through expanded business opportunities, and the public purse will benefit from considerably reduced procurement costs. Everyone will be a winner.

Karel De Vriendt
IDABC Head of Unit

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2010: The e-procurement target for Europe

The Commission's Action Plan on electronic procurement sets out to help modernise and simplify EU procurement procedures. It introduces a coherent EU framework for electronic public procurement and complements the EU's public procurement Directives* which came into force in January 2006. The objective is to enable any business with a PC and an Internet connection to bid for public contracts electronically, anywhere in the EU. In the process it will make the EU the most advanced zone in the world for public procurement and electronic procurement.

The Action Plan on electronic public procurement was launched by DG Internal Market and Services in January 2005 with the aim of providing guidance and organising a smooth transition towards e-procurement in the Member States. It sets out what the Commission and EU Member States can do to cut red tape and to ensure that the new legal framework is implemented in a consistent way across the EU. In particular, it aims to prevent barriers that could arise from incompatible systems in different Member States.

Setting up national plans
As part of the Plan, Member States have been invited to set up comprehensive national plans for a rapid adoption of the Directives and a tailored transition to e-procurement, including measurable performance targets.

In developing the Action Plan the Commission was particularly concerned that inconsistent implementation, with different rules and incompatible systems in different Member States, could hinder its uptake. There is also a risk of new 'e-barriers' arising in cross-border trade or in government-to-business and business-to-business procurement.

As part of the Plan, the Commission has issued an explanatory document on the new legal requirements and a preliminary list of functional requirements for e-procurement systems and tools. The aim of this is to ensure that e-procurement systems in all Member States comply with the same basic legal and technical rules and are compatible with each other.

Action Plan supporting documents

In July 2005 the Commission issued an Explanatory Document that summarises and interprets in a pragmatic way the new EU legal framework for e-procurement set by public procurement Directives 2004/18/EC and 2004/17/EC. The aim is to assist both Member States in writing the rules into national law and contracting authorities themselves in implementing them. The document follows the rationale of the Directives that any bidder using simple, common equipment and with a minimum degree of IT-literacy should be able to participate in a procurement procedure conducted electronically. It covers the general principles of the legal framework, the use of electronic means at each stage of the procedure and the new tools and procedures such as electronic auctions and dynamic purchasing systems.

In addition, it addresses horizontal issues such as the use of electronic signatures and how to handle the co-existence of electronic means and paper in the short term. The document comes with dynamic Learning Demonstrators i.e. interactive software that simulates an electronic public procurement environment.

Further steps which have been implemented include the development of a new generation of on-line standard forms for the publication of procurement notices and an improved product classification compatible with e-procurement, the Common Public Procurement Vocabulary (CPV).

Cutting red tape
To make life easier for suppliers, specific measures are planned to cut red tape, and to make public procurement more efficient. This includes for example agreeing on certificates and attestations that public purchasers usually require and on standards for electronic catalogues.

One of the most challenging issues highlighted by the Action Plan is the cross-border use of electronic signatures, in particular those based on a qualified certificate and which are created by a secure-signature-creation device. Whilst electronic signatures are a challenge for any type of e-government application, their use in public procurement may be particularly complex.

Next steps for e-procurement
The Action Plan stresses, in particular, the need to make the systems and tools used in e-procurement fully compatible with each other to allow tenderers to participate in any given procurement procedure across the EU.

Over the coming months, three primary interoperability issues will be investigated by DG Internal Market and Services under the Commission's IDABC programme:
• How to establish mechanisms for verifying the compliance of e-procurement systems and tools with the legal requirements;
• How to establish functional requirements for electronic catalogues that can be used as offers in a public procurement procedure;
• How to provide electronically the business certificates and attestations frequently required in public procurement procedures.

The potential gains from electronic procurement are substantial. The widespread use of electronic public procurement is expected to bring about savings of some 5% a year by 2010. This comes in addition to the EU public procurement Directives already in force which are believed to be saving as much as €130 billion per year across the EU.

* Directives 2004/18/EC and 2004/17/EC.

Basic tools: Electronic standard forms and the Common Procurement Vocabulary

The contracts to which the EU procurement Directives apply must be advertised in the Supplement to the Official Journal of the European Union (and on Tenders Electronic Daily). To help make electronic notices easy to use, the Commission has adopted a Regulation on Revised Standard Forms for the publication of notices. The electronic templates for these revised standard forms can be accessed online in the SIMAP website (http://www.simap.eu.int) together with technical documentation for sending notices in structured electronic format (XML).

The Directives require contracting authorities to use the Common Procurement Vocabulary (CPV) to describe the goods or services to be purchased. CPV is a list of approximately 8,000 products and services associated with a numeric code and translated into the 20 EU languages.

Eurochambres: the end-user perspective

The EU's e-procurement programme is welcomed by much of the business community. It sees benefits in making the whole process simpler, more transparent and more easily accessible by companies, particularly the smaller ones with fewer resources. *Synergy* talks with Eurochambres, the Association of European Chambers of Commerce and Industry.

Vincent Tilman

The business community is keenly following the move towards e-procurement. Current public tendering systems are widely viewed as being very bureaucratic and time-consuming for business end-users. They also inevitably favour the larger firms with the time and human resources to devote to the process.

"The EU's e-procurement action does indeed have the potential to change the whole cross-border tendering environment. It will also be in the interest of smaller companies," says Vincent Tilman, Information Society specialist at Eurochambres, the Brussels-based umbrella group for Europe's Chambers of Commerce and Industry.

"The business community recognises that there is a potential business opportunity on the horizon and is keen to see cross-border e-tendering become a reality. However, we feel we are a long way from having e-procurement in the EU. And there are some challenging problems to overcome. Public procurement is largely locally based. An interoperable solution presupposes, for example, getting common specifications for procurement managed by a municipal police department in Poland and a regional fire brigade in Germany. At the moment, it is the business community that has to adapt itself to hundreds of different procedures and this may lead to loss of economies of scale for the supply side."

Mr Tilman highlights the problems surrounding the issues of e-authentication which he sees as significant. "There are myriad problems that still need resolving in providing an efficient e-identity management process for companies. Technology allows substantial savings in time and security

that can maximise user comfort, but the fragmentation of the market impedes the take-up of existing solutions."

The Eurochambres solution
Within its network, which comprises some 2 000 local Chambers of Commerce and more than 18 million companies, Eurochambres has been developing its own e-signature system known as Chambersign. The system was launched in 2000 and encompasses the Chambers of seven European countries.

"Chambers have always viewed themselves as 'facilitators in business'. They also aim to establish 'trust in business'. The e-signatures issue is clearly an area where Chambers have an important role to play," says Mr Tilman. "Local Chambers are an ideal point of contact for businesses to obtain the appropriate e-signature. Chambers are close to their members and know them better than anyone else."

"One of the difficulties is that e-signatures are often application-driven. Businesses need one for filling in a tax form and another one for accessing bank services or e-procurement. Our solution is to work the other way round by introducing an e-signature that is recognised across different services and across international borders."

"Empowering businesses to manage their own identity online is still a challenge. Negotiations have started at national level in a number of large EU states, but they should be facilitated at European level. Otherwise they could become 'electronic red tape' – and that will harm the efficiency of the process."

Limitations of e-procurement
The current environment for cross-border procurement greatly favours the larger companies with local operating subsidiaries who are in a position to take part in public tenders in other territories, Mr Tilman explains. "The EU's e-procurement programme can certainly be a benefit here. It is not the solution for everything, however. It is ideal for standard, off-the-shelf products. The process does not favour products with intrinsic innovation and special qualities," he cautions.

Public e-procurement in Denmark is a driver for private e-business

Helge Sander, Denmark's Minister for Science, Technology and Innovation, explains to *Synergy* how his country's innovative e-invoicing initiative has set new standards and is encouraging private companies to switch to electronic invoicing.

For several years, the Ministry of Science, Technology and Development has worked to implement the government's strategy to promote the use of e-procurement in the public sector. The primary goal is to make the public sector more efficient via the use of e-procurement in close partnership with the private business sector.

One of the latest initiatives is the Law on Public Payments. As part of the implementation of the law, the public authorities in Denmark must, as of February 2005, receive all invoices electronically. This initiative is intended not only to make the public sector more efficient but also to encourage a wider use of electronic invoicing in private companies.

Helge Sander: "We hope this initiative will set the standard for how Nordic and European countries… can develop an ICT-architecture that will make large-scale cross-border e-commerce a reality."

e-government award

With its public sector e-invoicing initiative Denmark is setting a new standard for public government initiatives, for which the Ministry of Finance received the EU's government 2005 award. Despite some initial criticism, the e-invoicing solution has turned out to be a success and in 2005 the public sector received approximately 10 million digital invoices.

"…the transition to e-procurement and e-commerce represents a challenge not only for public sector authorities but also for the private business sector – particularly small and medium-sized businesses."

Denmark is now in a position where the use of e-invoices in the public sector can drive the digitalisation of business processes in the private sector. It is however important that we focus not only on the digitalisation of invoices but also on the digitalisation of entire business processes from e-catalogues, to e-orders, and e-invoices.

A prerequisite for this is that we must have a usable standard for e-commerce. The Ministry of Science, Technology and Development is therefore actively participating in the development of an open and international standard for e-commerce within OASIS. This work is coordinated with the other Nordic countries. The purpose of the coordination is to ensure future interoperability when private businesses digitalise their business processes, such as invoicing, across the Nordic borders.

We are aware that the transition to e-procurement and e-commerce represents a challenge not only for public sector authorities but also for the private business sector – particularly small and medium-sized businesses. Being "e-ready" will, however, become an important competitive factor in the global market and it is important that smaller businesses are also included in this development.

Developing an e-business framework

We want to make the digitalisation of business processes easier for these companies. We are therefore – in co-operation with the private sector – developing a service-oriented infrastructure that will make it as easy for businesses to exchange electronic business messages, as it is to send an e-mail. We must lower the barriers to make this vision become a reality. In essence it should

be possible to exchange business messages, such as e-invoices, using "off the shelf" business software, a standard Internet connection, digital certificates and with the use of open and international standards.

A service-oriented infrastructure based on Internet technologies and open standards can provide a level playing field for all organisations.

"Being "e-ready" will, however, become an important competitive factor in the global market and it is important that also smaller businesses are included in this development."

Private companies of any size will be able to participate in electronic supply chains and other business interactions due to the low technical, administrative, and economic barriers. We believe an e-business framework capable of sending different kinds of business messages to public authorities and companies of all sizes will increase the incentives for businesses to digitalise their business processes.

Denmark will be the first country to implement a national initiative of this kind. We hope it will set the standard for how Nordic and European countries in joint action – and in co-operation with the private sector – can develop an ICT-architecture that will make large-scale cross-border e-commerce a reality.

Helge Sander, Minister for Science, Technology and Innovation, Denmark.

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Norway embarks on the "digital leap" and closely tracks EU action

Norway is another Nordic country which is embarking on the "digital leap" and as part of its program aims to establish e-invoicing in the public sector by 2008. Though not an EU-member, Norway is a part of the European public procurement-market through the European Economic Area (EEA) agreement and closely follows actions taking place in Brussels and across the EU.

André Hoddevick

Spearheading the country's action plan is the Norwegian e-Procurement Secretariat, which reports directly to the Ministry of Government Administration and Reform. This unit is now putting much of its capacity into the deployment of electronic invoice handling in the public sector. If all goes to plan, the e-invoice will be the standard payment-device in the Norwegian public sector by the end of 2008.

The platform for the country's e-government work is the central government initiative "eNorway 2009 – the digital leap" and the local and regional authority plan "eMunicipality 2009 – the digital leap".
Also in preparation as a follow-up to eNorway 2009, is a separate document, "Strategy and actions for the use of electronic business processes and electronic procurement in the public sector".

The "Strategy and actions" document forms a good basis

"If all goes to plan, the e-invoice will be the standard payment-device in the Norwegian public sector by the end of 2008."

for the work to come," states the Minister of Government Administration and Reform, Heidi Grande Røys. "The Government is determined to reform the public sector and electronic procurement is thus a very important tool in our work to increase the efficiency and effectiveness of the public sector."
"National projects are at the heart of the Government," says the Minister. "Through widespread up-take of electronic procurement and more efficient purchasing processes in the

public sector, we see the possibilities for better management and usage of the community resources in total."

On the go
The e-Procurement Secretariat, headed by André Hoddevik, is responsible for doing the work in the field. The Secretariat has initiated and carried out a number of specific actions that have made it easier to exploit the full potential of cashable and non-cashable benefits in electronic public procurement.
The most important new initiative is the introduction of electronic invoicing in the public sector, André Hoddevik explains. His team took part in the competition for European eAwards for e-government at the EU ministerial meeting in Manchester in November 2005 and was runner-up. The Norwegian team was one of the few competitors in the finals from outside the EU.

"Our top priority now is to prepare the public sector for e-invoicing from the year 2008, but it is not the only service we focus on. …our aim is to make it possible for public sector entities to conduct all their procurement activities by electronic means."

The Manchester declaration
 "We follow the EU processes on developing electronic communications and systems for use within the internal market very closely," Hoddevik emphasises.
"Indeed, the Ministerial Declaration that was unanimously approved in Manchester represents a great inspiration for the e-Procurement Secretariat."
The Declaration states that e-procurement is one of the proven high-impact services that meet citizen's and businesses' needs. Over the 2006-2010 period, emphasis will be put on such high-impact services, because they support progress towards the Lisbon goals.

For public sector entities to conduct all their procurement activities by electronic means, all the steps in the "value chain" for public procurement must be supported.

| Notification | Publication of tenders | Submission and receipt of tenders | Evaluation and contract award | Ordering | Invoice-handling |

One of the EU targets is that by 2010 all public administrations across Europe will have the capability of carrying out 100% of their procurement electronically, where legally permissible, thus creating a fairer and more transparent market for all companies independent of a company's size or location within the Single Market. And by the same year at least 50% of public procurement above specified EU public procurement thresholds will be carried out electronically.
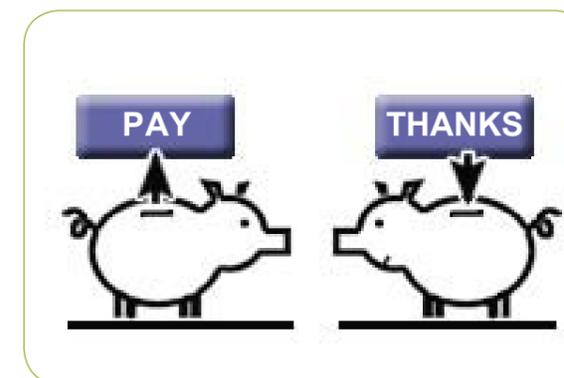
"The declaration represents an ambitious vision and serves as an important support for our efforts. We will do our utmost to keep Norway in the European lead in this process," Hoddevik stresses.
The e-Procurement Secretariat also participates in working groups/expert groups on electronic public procurement under the Directorate General (DG) Internal Market and Services, DG Information Society and Media and in the IDABC programme.

Electronic public procurement services
The administrative responsibility for the Norwegian "TED" (the electronic portal for notification of tender notices – doffin.no) was transferred to the e-Procurement Secretariat in 2005.
André Hoddevik and his team now manage both electronic portals in Norway for public procurement on behalf of the Government. And there may be some more operational services coming up soon. "Our top priority now is to prepare the public sector for e-invoicing from the year 2008, but it is not the only service we focus on. Based on the "Strategy and actions" document, our aim is to make it possible for public sector entities to conduct all their procurement activities by electronic means."
To achieve this, all the steps in the "value chain" for public procurement (see figure above) must be supported. In order to take advantage of the new possibilities, all public sector entities shall, according to eNorway 2009, have goals, strategies and plans for their procurement activities that involve the use of electronic processes by 2007.

eNorway 2009 - the digital leap:
http://odin.dep.no/mod/english/doc/reports/050001-990252/dok-bn.html

The UBL standard:
a foundation stone for interoperability?

The Universal Business Language standard UBL 2.0 has already been widely adopted in the Nordic countries. Could it be the standard for all of Europe? UBL specialist Tim McGrath outlines the issues for *Synergy*.

Defining the Problem

A basic requirement for two organisations to conduct business is that their business systems interoperate. Interoperability requires all members of a trading community to understand the information they exchange.

Tim Mc Grath

This is why businesses adopt common patterns often described with terms like marketplace, procurement or information distribution. Patterns are simply models or methods that are sufficiently general, adaptable, and worthy of imitation that we can use them over and over again. We can think of any commercial or governmental operation in terms of combinations of these patterns.

Complementary to these business patterns are the information patterns contained in the documents used to communicate between parties. We are all familiar with documents such as catalogues, purchase orders and invoices. It is these documents (and only these documents) that connect the business patterns.

Standardising XML

Standards are patterns that either have sanction from an officially approved body such as ISO, the United Nations, IEC and ITU or they have 'traction', meaning they are widely used.

History tells us traction is more important than sanction. For example, technologies such as HTML, SMTP and TCP/IP became standards by almost universal adoption, whereas the official ISO OSI standards faded to obscurity. The lesson is clear, sanction is a means to achieve traction – not a goal in itself.

Today XML is recognised as a standard for e-procurement. But XML itself is not enough to provide interoperable documents. As Jon Bosak (who organized and led the working group that created XML) puts it:
 "Only standardisation on a single XML syntax can pave the way for interoperability and the commoditisation of business systems that history teaches us is inevitable."

Standards for Interoperability: ebXML and UBL

ebXML is the sanctioned ISO standard framework for electronic business (ISO 15000). The specification of ebXML infrastructure is managed by the Organization for the Advancement of Structured Information Standards (OASIS), and ebXML content specifications are the responsibility of UN/ECE (through UN/CEFACT).
It is probably fair to say that this delineation has created some confusion and frustration (and leave it at that!).

The Universal Business Language (UBL) is an international, royalty-free standard for business documents patterns in XML syntax based on the ebXML Core Component Technical Specification by an OASIS Technical Committee. UBL was created specifically to fill a recognised gap in document standards for web services and other service-oriented architectures.

While UBL applies across all industry sectors and international trade it is proving particularly popular for government e-procurement.

UBL has already been implemented in e-procurement projects by the governments of Denmark and Sweden and is part of the UK government's Zanzibar service. Interest has also been expressed from many other agencies across Europe and East Asia. In the US, pieces of UBL are being used by the US GSA (the federal procurement agency) the US IRS (the federal taxation agency) and UBL will be used in a pilot project by the Dept. of Transport.
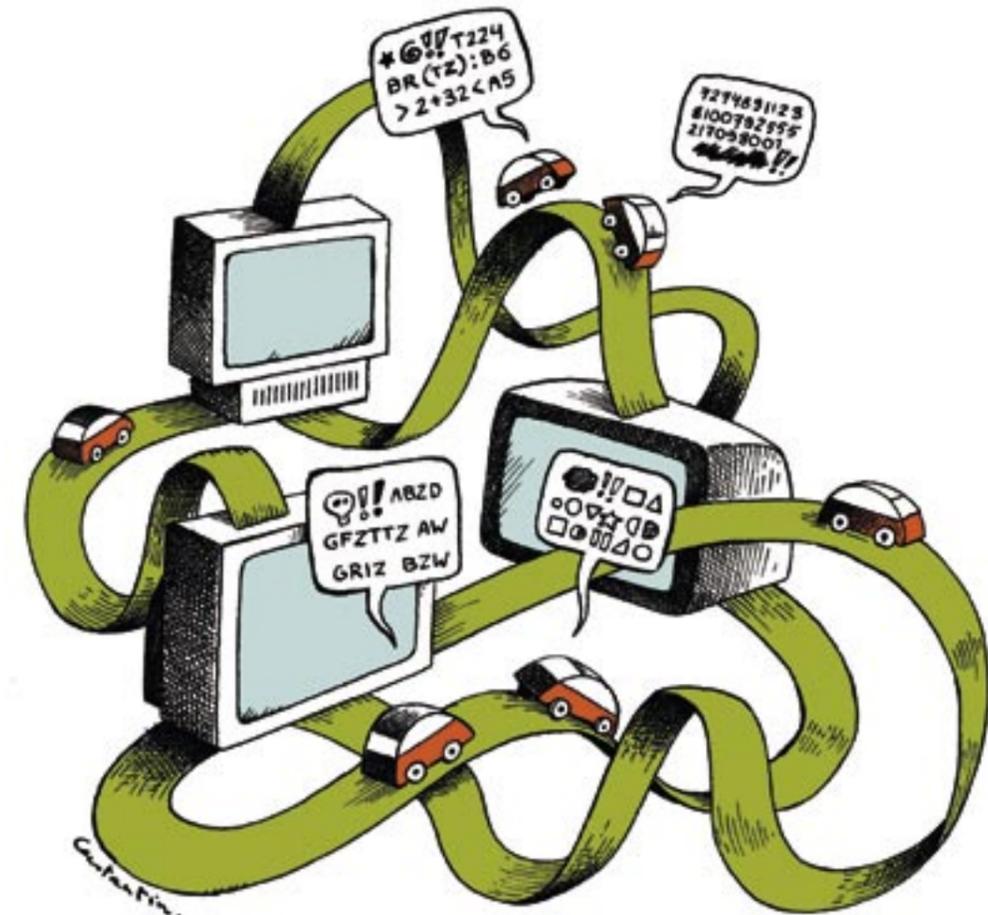
UBL: the Future

A public review of the first draft of UBL 2.0 will close this month (March 2006). Feedback from this review will shape the final product due for ratification in the 3rd quarter of 2006.
Version 2.0 of UBL represents a watershed for the initiative. UBL was formed in 2001 to avert a crisis in electronic business caused by competing XML syntaxes. Having developed a proven solution, UBL intends to promote its work to the UN/ECE and ISO bodies to rationalise standardisation work in this area.

To this end, UBL has an invitation to transfer the future development of UBL activity into a UN/CEFACT working group. This is likely to take place after the finalisation of UBL 2.0. Meanwhile every effort is being made to minimise the task of harmonising UBL with UN/CEFACT after the transition.

The European Opportunity

The European Community through groups such as IDA/BC and CEN/ISSS has been a valued contributor to the UBL initiative.
In 2004, IDA/BC commissioned a survey of the e-procurement requirements of all EU members. These requirements, together with experience from UBL implementations in Europe, have been a significant force behind the development of UBL 2.0, extending its scope to cover documents from sourcing to payment.
This means UBL now offers the potential for European governments to align their e-procurement approaches, not simply for internal but for inter-European and also international interoperability.
One of the keys to this strategy is to align UBL with the work of CEN/ISSS on a common European approach. To encourage this, UBL will hold a plenary meeting in Brussels in May 2006, hosted by CEN/ISSS.

For more information see the UBL website at:
http://www.oasis-open.org/committees/tc_home. php?wg_abbrev=ubl.

NATO: mobilising the full potential of e-procurement

To appreciate the tangible advantages of e-procurement systems, and their potential for adding a new dimension to the purchasing and logistics process, NATO's NLSE system provides an eloquent example.

NATO Logistics Stock Exchange is a virtual e-business place that links together defence consumers (the armed forces) and producers (industry). It lies at the heart of a global network for intensive co-operation between the 37 armed forces – armies, navies and air forces – of 19 countries on the one hand and 700 suppliers on the other.

"Longer-term contractual relationships, as well as the notion of partner-ships, have a favourable impact on the stability of lead times as well as prices."

Nico Oorebeek, Manager, NATO Co-operative Logistics, NAMSA

Built on the alliance's "eBrokerage" system, which offers a fully integrated and secure search-tendering-offering-approval-ordering service, it provides asset visibility, global demand forecasting, consolidation of the armed forces' logistics needs and replenishment from industry at the lowest possible cost.

Key to the establishment of the NLSE was the development of a common business language to identify, classify and codify procurement items. The database features some four million lines out of the 10 million or so that are used by two or more of the armed forces involved.

By consolidating the demand data from all the armed forces involved, the NLSE is able to compute a global virtual buffer stock level and improve the reliability of future demand prediction. A projection of stock replenishment needs can then be made for a period of five years by computing the global virtual buffer stock level, the future predicted demand and the actual stock situation. NATO negotiates outline agreements with industry once this analysis of global future requirements has been made and, when awarded a contract, the supplier is directly linked to the NLSE.

A vital component of the system is the electronic catalogue, eCat-1, a virtual item stock list (VISL) and a state-of-the-art web-based tool. Users search for an item on the basis of the NATO stock number and the contract details with all supplier data will be automatically displayed. They can then place orders directly with the click of a button, using a fully electronic procedure that forms an integral part of the secure web-based system. The supplier receives the order almost instantaneously, followed by an e-mail indicating that the order has been placed, and can then accept (or reject) the order by again clicking on a button.

"The development and exploitation of electronic catalogues is simple to do. More difficult is to make users actually practise e-procurement."

Nico Oorebeek, Manager, NATO Co-operative Logistics, NAMSA

One of the most interesting features of the NLSE system is that, once the order has been met, it automatically credits the supplier and debits the user, thereby completely eliminating the tiresome and time-consuming procedures associated with conventional invoicing and payment procedures. Users do not have to go through the lengthy process of invoice verification and payment, and suppliers get their money faster.

A final and extremely cogent argument in favour of the NLSE is that it ensures total transparency of NATO's defence assets. The system provides a secure means for all armed forces to report their entire inventory of spare parts and components, currently some 4 500 000 line items reported by 22 organisations. In this way, items that are superfluous to the needs of one user can be traded to another.

NATO's armed forces, often confronted with strict budgetary constraints, now regularly exchange assets on the NLSE, liberating 'frozen capital' which can be transformed into additional buying power. For the purchaser, this option often represents a 30-40% reduction in the cost of acquisition. The benefit is on both sides and the reliability of the NLSE system is such that, over a six-year period, some 30 000 exchanges have been made, but only 573 have shown any discrepancy, mainly shortfalls.

For more information on the NLSE, go to:
http://www.namsa.nato.int/info_sys/nlse_e.htm

Cross-border sharing of e-procurement software development – can it work?

Sharing the development cost of e-procurement software and making it available EU-wide is the objective of a project underway between France and Belgium. Rapid progress has already been made on basic specifications but a few hurdles are still there to surmount. Jean-Pierre Gennotte of Belgium's Federal e-Procurement Service talks to Synergy.

Jean-Pierre Gennotte

The policy of the Belgian state is to have public procurement computerised by the beginning of the next decade in line with the EU's 2010 programme. For one of Europe's smaller public authorities, the investment in developing the required e-procurement software is a significant issue.

"The development costs for software for e-notification, e-tendering and e-cataloguing are challenging for all countries. If we could share the cost of developing the software and make it available free to all interested parties, this could be a major step forward. Joint development can also work towards improved interoperability," explains Jean-Pierre Gennotte of the Belgian Federal e-Procurement Service. (→ p. 14)

The Belgian and French authorities have embarked on a project to explore the feasibility of joint software development.

"The initial idea for cooperation was generated at the 'Transforming Public Services' conference in Manchester last November. Discussions between French and Belgian participants revealed that they both had plans for the development of e-catalogue software during the course of 2006. They agreed to explore the possibility of joining forces to share the cost of software development."

It was evident that their operating methods were broadly similar and aspects such as, for example, the flow from the e-procurement platform to the back office – for matters such as budgetary controls – followed the same procedures.

Progress on functional specification
Progress since that November meeting has been rapid and broad agreement has already been reached between French and Belgian counterparts on the functional specifications for the project.

"A 30-page functional specification is now in place and we are working on the definition of the practical milestones for planning the software development," he adds. But key issues are starting to emerge.

"We are finding that the legal aspects are less easy to resolve than the technical ones. There is an important issue of the legal basis on which we can operate. Who is the lead contractor? How do we combine budgets across national borders? Where does responsibility lie? Basically, who's in charge and what is the contractual solution," Gennotte explains.

"The resolution of these key issues could represent a blueprint for many other countries."

Exploratory process
Gennotte admits that the Franco-Belgian cooperation is an exploratory process with a few potential stumbling blocks along the road.
"Our purpose is to implement something rapidly, share the cost and make it available to other countries. While OSS is involved, it is in fact not the goal in itself. The purpose is to share."

The involvement of two countries sharing a frontier has in practice made cooperation easier.
"It is just a 90-minute train ride between Paris and Brussels. And we share a common language which certainly facilitates rapid progress. All documentation is prepared in French."

Gennotte's counterpart in Paris is Esther Lanaspa in the French Government's ADAE department. "We are trying to establish a roadmap for multinational OSS collaboration which could be shared by all countries. Our approach and philosophy is both realistic and pragmatic. We need solutions rapidly and this concrete project surrounding e-catalogues is a perfect testbed," Esther Lanaspa says.
"Our aim is the 'mutualisation' or collaborative sharing of resources - human, budgetary and, importantly, know-how."

A memorandum of understanding (MoU) between the two countries is in preparation which defines the sharing of resources and responsibilities.
The organisational arrangements have been kept simple but well structured to guarantee the feasibility of the project in terms of procurement processes and the IT and technical areas.

"We believe that collaborative development can also resolve most of the interoperability issues at the outset and avoid fragmenting technical implementation," she points out. "E-procurement and e-cataloguing solutions are highly complex projects but the mutualisation could be the path for doing this on time, on budget and being fully interoperable."

Open approach
The partners have agreed to use the IDABC preliminary specifications on e-catalogues. It is also planned to be a multilingual development and available as an open source tool.
"At the end of the day we hope that the MoU and the principles for sharing which we have established will be easily usable by other countries. Indeed the open source approach is being developed in a European context. The IDABC working group will be an ideal environment for sharing our results with other participating countries," Jean-Pierre Gennotte concludes.

SETS: breaking down the barriers to public tendering

A key need for European e-government is to standardise tendering and procurement procedures through the development of state-of-the-art information and communication technologies. Not only will e-procurement benefit European and Member State administrations: it will facilitate the work of business by simplifying tendering procedures, and also improve the daily lives of Europe's citizens by reducing administrative costs and simplifying procedures.

SETS is an public/private initiative that benefits from EU funding. The project is designed to match the tendering and purchasing requirements of Europe's public administrations. It addresses many important aspects of public procurement, ranging from the preparation of calls for tender to the evaluation of offers, with particular emphasis on document preparation during the pre-tendering phase.

SETS = Single European e-Tendering Service
The **SETS** consortium brings together the expertise of three systems developers – one Italian, one British, one Greek – and the operating criteria of Italian and Greek local administrations. The hub of the system is an Internet portal that will be accessible by all European public administrations, potential tenderers and other external users.

The system incorporates two specific sub-systems. The first is a Process Modelling Service (PMS) that enables non-IT staff in procurement departments to define all the internal processes for the preparation and revision of documentation relevant to a call for tenders. The second sub-system is a Process Execution Service (PES) that allows individuals to establish a configurable and customised environment in order to co-ordinate their tasks and have easy access to all pertinent information. **SETS** permits the consolidation of data from a variety of sources and provides standardised procedures for tendering and bidding.

SETS for the initiated…
Specific aspects of this pan-European solution to public tendering and bidding are:
- templates of configurable and adaptable process models for call for tenders preparation, bids preparation and evaluation/awards management
- model-generated workspaces for users, including knowledge search and retrieval, knowledge reuse and adaptation, and cooperative work support
- CPV codes management
- procedures for document indexing and classification
- knowledge and information repository browsing
- Q&A facilities.

For more information on the SETS project, go to: http://www.sets-procurement.org/

Excerpts from an e-procurement glossary

Call for Tender: A formal request to prospective economic operators soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions. The official public available document describing the Call for Tender can also be referred as "Contract Notice".

Catalogue: Organized descriptive list of products or services made available by economic operators to potential purchasers. A catalogue usually includes descriptive information or illustrations and contains items from a variety of suppliers or service providers, merged together. The catalogue has generic prices and is accessible by the general user population.

Contract award criteria: the criteria (also expressed through mathematical formulas) that will be used by the Tendering Department to evaluate the admitted tenders. These criteria are made public by including them in the Call for Tender or by publishing them separately.

To obtain the full list of definitions, go to http://www.sets-procurement.org/ **and click on "Glossary"**.

Today e-procurement provides the opportunity to speed up and radically simplify the purchasing process, to the benefit of administrations, the business world and, ultimately, the public.

To learn more about the opportunities and achievements to date, and for guidance on how to adopt e-procurement in your own organisation, go to:

http://europa.eu.int/idabc/eprocurement

Agenda

10-11 April 2006
NATO Logistics Stock Exchange (NLSE) Conference
Capellen, Luxembourg

The NATO Logistics Stock Exchange (NLSE) is a co-operative logistics programme launched in 1994 which permits customers to place orders to industry using a modern web-based e-tool called eCAT-I. This conference aims to bring logisticians and procurement experts up to date with respect to the progress made, the experience gained and the plans for the future.

11 April 2006
IDABC OSS workshop in Prague
Prague, Czech Republic

The third edition of IDABC's annual OSS workshop takes place in Prague in parallel with the Czech LinuxExpo 2006 in Prague under the title 'Implementing Open Source Software in Public Administrations: Problems and Solutions'. The workshop will focus on: The legal context; How to procure OSS; Models for cross-border collaboration; Platform for collaboration: the IDABC OS Repository.

25-26 April 2006
German administration congress: "Effizienter Staat"
Berlin, Germany

Discussion topics include: Quality standards in public administration, Interoperability of e-Government in Europe, and standardisation policy in Europe.

8-9 May 2006
Government UK IT Summit 2006
London, United Kingdom

The second annual Government UK IT Summit will bring together a select group of senior public sector decision makers to discuss key IT and communication procurement issues and influencing factors around the e-government agenda.

10-12 May 2006
eHealth 2006
Malaga, Spain

The 4th edition of the eHealth High Level Conference is devoted to review and to analyse the role that eHealth plays in the progress of health policies in the Europe of the regions and includes a session on Procurement in eHealth.

15 May 2006
Electronic Public Procurement
Oslo, Norway

This event organised by eProcurement Secretariat of the Norwegian Ministry of Government Administration and Reform, focuses on how to establish strategies for better, simplified and safer procurement in the public sector, and will have contributions from politicians and other decision makers in the public sector, as well as representatives from industry. At the event, which will be held in Norwegian, there will also be case presentations from buyers and sellers on their experiences with electronic public procurement, and from financial managers on implementation of electronic processes for better control.

16 May 2006
E-Procurement in the Public Sector
London, United Kingdom

This event will cover the main issues surrounding e-procurement and will cut across central and local government looking at e-procurement techniques for tendering contracts, buying goods and services and managing contracts.

13-16 July 2006
IADIS International Conference e-Society 2006
Dublin, Ireland

The IADIS (International Association for Development of the Information Society) e-Society 2006 conference aims to address the main issues of concern within the Information Society. Broad areas of interest cover: eGovernment/eGovernance (including eProcurement), eBusiness/eCommerce, eLearning, eHealth, Information Systems, and Information Management.

For further details about these and other eGovernment events, please consult the Events section of the eGovernment Observatory at:

http://europa.eu.int/idabc/egovo

http://europa.eu/idabc/eprocurement