1. BASIC INFORMATION
1.1 Desiree Number: PL01.02.08  Twinning number: PL/IB/2001/FI/04
1.2 Title: Public procurement system
1.3 Sector: Internal market
1.4. Location: Poland

2. OBJECTIVES
2.1. Wider objectives
The implementation of provisions on public procurement fully harmonized with EC requirements, broader participation in public procurement procedures, electronic tendering.

2.2. Immediate objectives
Elaboration of an IT programme (software) based on new legislation on public procurement harmonized with EC requirements (the relevant legislation is to enter into force in the course of 2001) supporting contracting authorities in conducting their public procurement proceedings compatible with SIMAP and containing also some elements not covered by SIMAP.

2.3. Accession Partnership and NPPM priority
NPPM: Priority 1.17 (free movement of goods) Harmonisation of Polish law with the EC legislation in the field of public procurement. “The extent of legislation of the candidate country in the field of co-ordination of public procurement procedures harmonised with EC legislation is considered by the European Commission as one of the indicators of the degree of preparedness of the associated country to the integration with the EU internal market. The internal market legislation stresses the need of creating a uniform public procurement system. Full implementation of directives on public procurement shall abolish all barriers in participation of operators from the EU in public procurement procedures in all Member States (...). The entering into force of the new law is scheduled for the beginning of 2001. The harmonisation of Polish legislation in the field of public procurement shall end in 2001”
AP: “Public procurement: abolish by end 2002 National Preference Clause for Public Procurement by introducing access to award procedures in Poland for all Community companies”

2.5. Cross Border Impact: n.a.

3. DESCRIPTION
3.1. Background and justification
The importance of IT in public procurement was first underlined by the Commission in its “Green Paper on Public Procurement” in 1996. It was stated that the development of IT and the reduction of the telecommunication costs had created favourable conditions to moving from paper-based commerce towards a full Electronic Commerce scenario. The Commission proposed the Electronic Procurement to cover the whole procurement cycle from the very beginning (preparatory phase: planning, market analysis, drafting of technical specifications, budget allocation, identification of potential suppliers, qualification, etc.) through contractual phase (invitation to tender, sending terms of reference and other documentation to potential suppliers, reception of bids, ordering, etc.) till post -contract phase: delivery, invoicing, payments, operation, maintenance, etc.
In the Communication following the Green Paper the Commission further encouraged the introduction of fully fledged electronic procurement to allow the procurement process to take place more swiftly and significantly reduce transaction costs. The Commission set ambitious aim of 25 % procurement transactions done electronically by the year 2003. Further on, in May 2000 a legislative package of amendments was adopted to simplify and modernise the public procurement directives. One of its objectives is modernisation and flexibility- the proposed amendments of the directives aim to adapt award procedures to the needs of a modern administration and the new economy. A big step in the direction of fully electronic commerce was creation of SIMAP by the European Commission.

3.2 Description of activities
The aim of the project is to support procuring entities in conducting their public contracting procedures. On the basis of new Polish legislation on public procurement, an IT programme (software) will be elaborated. The programme will cover the whole cycle of public procurement proceedings. The programme will be first addressed to a group of up to twenty procuring entities at central and sub-national level (ministries, voivode offices, local self- government). To make the programme fully
operational it will be necessary to provide procuring entities participating in the programme with necessary hardware. The programme must be compatible with SIMAP.

The programme will cover the notification of public procurement opportunities (including publication in the Official Journal of European Communities). As regards this component the programme will be compatible with SIMAP (Système d’information pour les marchés publics). To this end it requires the obligatory use of standard forms and CPV, which in a near future will be mandatory in all public procurement procedures. This part of the software will be elaborated under a twinning contract. Apart from its links with SIMAP, the programme (software) will cover also other activities under Polish legislation on public procurement eg. requests for approval of proceeding, publication in Polish Bulletin of Public Procurement, exchange of information between a purchaser and supplier. The elaboration of the IT in its part exceeding the scope of SIMAP but covered by Polish legislation will be covered by technical assistance contract.

The programme being completed and in operation will be accessible to all procuring entities free of charge. Due to the fact that e-commerce requires electronic communication between two parties of the process- i.e. a purchaser and supplier- a special IT programme for contractors will be created simultaneously. The latter programme will be directly obtainable from procuring entities participating in the project. That programme will support suppliers or contractors in preparing necessary bidding documentation compatible with the law on public procurement. This component will be based on Polish legislation on public contracts and will be covered also by a technical assistance contract. Due to the fact that Public Procurement Office plays coordinating role for the whole system of public procurement in Poland it will be necessary to prepare a coordinating programme for PPO (TA contract) as well as purchase of equipment (investment support).


3.3 Linked activities
SPP (PHARE98): Special Preparatory Programme (SPP) for Structural Funds in Poland- Public Procurement System Conforming with EC Requirements: law approximation- the assistance to PPO in preparing necessary legal amendments to reach full compliance with acquis in the field of public procurement; draft law assessment, preparation and distribution of a manual on public procurement based on the new PPA and other publications regarding public procurement in EU, elaboration of monitoring system and dissemination of information; training on the new legislation in the field of public procurement for public procurement officers both from PPO as well as from procuring entities.

The project will not overlap with previous activities covered by SPP. Previous projects represented the assistance to PPO in adoption of a new legislation compatible with acquis as well as dissemination of information while the activities covered by PHARE 2001 will help procuring entities as well as suppliers in applying new legislation and introduce electronic tendering.

3. 5 Results/Outputs
Full implementation of SIMAP in Poland. Software supporting procuring entities in conducting their public procurement procedures (introducing elements of electronic tendering) elaborated; Software and necessary hardware installed at up to 20 procuring entities; Software for contractors participating in public procurement procedures elaborated, supporting contractors in preparing necessary bidding documentation with compliance with the law; Coordinating software and hardware for PPO elaborated and installed.

3. 6 Inputs
Elaboration of IT programme supporting procuring entities in conducting public procurement procedures; purchase of necessary hardware; installing IT at procuring entities covered by the programme; distribution of IT programme among procurement entities; training on new tool; elaboration of a special IT programme (coordinating) for the Public Procurement Office which as a central government agency responsible in matters of public procurement plays coordinating role for the whole system of public procurement; purchase of necessary equipment for PPO; training for PPO employees.

Twinning: The elaboration of the IT as far as it concerns compatibility with SIMAP will be covered by a twinning project, as well as training on SIMAP. PAA is required to have good command of English and at least 5 year experience in public procurement. PAA will be located at PPO premises (Al. Szucha 2/4, Warsaw). Short term experts are required to have good command of English and at least 3 year of experience in public procurement.
TA: Those components of the programme (IT) which concern Polish legislation as described above will be covered by technical assistance contract. As regards its scope the project at the outset will be addressed to limited number of procuring entities representing different levels of administration (central and sub-central administration, local self government). Participants of the project will be selected on the basis of their possibilities of further distribution of IT (eg. Voivod offices should be able to distribute IT in the region), taking into account value of public contracts awarded by the procuring entity (the entity chosen should be representative for each group). The following entities will be chosen for the project: central state administration: 3 ministries (big, medium sized and small), two central offices - sub central administration: 6 offices of voievodes representing 2 big, 2 medium sized and 2 small Voivodships - local self government: 10 entities representing three different levels of self government (gmina, powiat, region). A training on new tool for employees of offices participating in the project will be organized. The training will be covered also by technical assistance contract. Under technical assistance contract a contractor will be fully responsible for development of an IT programme supporting procuring entities in conducting their public procurement proceedings. The Office of Public Procurement in cooperation with procuring entities will be responsible for providing contractors with all necessary information on Polish legislation relevant in the field of public procurement.

Investment: The exact needs as regards necessary hardware will be assessed after the elaboration of the IT programme bearing in mind that investment element (hardware) plays only supportive role for conceptual work (elaboration of IT). Purchase of necessary hardware will be covered by investment contract. Preliminary cost estimate: 0.45M€: 0.1M€ for PPO for the central system; 0.03M€ main server; 0.03M€ back up server; 0.04M€ communication devices; 0.25M€ for entities participating in the project (ca. 0.0125M€ for each entity; 5000€ two work stations, 2500€ communication devices, 5000€ server).

Distribution and further amendments to the software
Software will be distributed free of charge among all procuring entities. Office of Public Procurement should have all rights to the programme to modify its content in case of further amendments to the law. New tool will allow more effective and less expensive introduction of new law and conducting public procurement procedures. It will make also more effective communication of procuring entities with PPO (whenever law requires it).

4. INSTITUTIONAL FRAMEWORK
The following entities will be covered by the project: Public Procurement Office which plays coordinating role for the whole public procurement system, and up to twenty procuring entities at different levels of administration: central (ministries, central offices), sub-central (offices of voievodes) and local self-government (gmina, powiat, region). When selecting procuring entities to participate in the programme the possibilities of further distribution of software will be taken into account, eg. Voivodship offices will distribute the software in their regions. The programme will cover also suppliers or contractors competing for contracts awarded by procuring entities selected to take part in the programme.

5. DETAILED BUDGET

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The co-financing funds for the project implementation will be available.

6. IMPLEMENTATION ARRANGEMENTS:
6.1. Implementing Agency
Central Financing and Contracting Unit- Foundation Cooperation Fund; Nowy Swiat 6/12, 00-400 Warszawa, tel. 6617126, fax 6617226.
6.2. Twinning
Twinning project as regards the compatibility of software with SIMAP.
Office of Public Procurement (PPO), Al. Szucha 2/4 00-582 Warszawa, Robert Bartold- director general of PPO. Tel. +48 22 4587714, Dariusz Piasta- director of European Integration Department, PPO. Tel. +48 22 45877718 fax 4587000.
Up to twenty procuring entities participating in the programme (at national and sub-national level)

6.3. Non standard aspects
DIS procedures will be followed

6.4. Contracts
Contract 1 - twinning covenant for the value of 0.65M€. The amount of 0.05 MEURO of national co-financing of the twinning covenant will include such costs as: air travel tickets, office space renting, etc.
Contract 2 - TA covering the elaboration of IT programme supporting procuring entities of value 1M€
Contract 3 - investment contract IT equipment (hardware) for the value of 0.45M€

7. IMPLEMENTATION SCHEDULE:
7.2. Start of project activity: second quarter of 2002
7.3. Project Completion: last quarter of 2003

8. EQUAL OPPORTUNITY:
Contractors will be required to guarantee equal access for women and men to all activities connected with the project

9. ENVIRONMENT
not apply

10. RATE OF RETURN
not apply.

11. INVESTMENT CRITERIA
not apply

12. CONDITIONALITY AND SEQUENCING
Planning is based on the assumption that new law on public procurement will be passed by the Polish Parliament and in force. It is expected that the relevant legislation which is now in the Parliament will enter into force in the course of 2001.
Annex 1: LogFrame

End Contracting: 15/12/2003 - End Disbursement: 15/12/2004

Implementation of harmonized provisions on public procurement

Wider objective

The implementation of provisions on public procurement fully harmonized with EC requirements; introduction of electronic tendering

Immediate Objectives

Elaboration of IT programme based on new legislation on public procurement supporting contracting authorities in conducting their public procurement proceedings. Distribution of software among contracting authorities. Elaboration of special IT programme (coordinating) for Public Procurement Office.

Results/Outputs

Software supporting procuring entities in conducting public procurement procedures (supporting also some elements of electronic tendering) elaborated; Software and necessary hardware installed at up to 20 procuring entities; Software supporting contractors in preparing necessary bidding documentation elaborated and distributed; Software and hardware for PPO elaborated and installed

Activities

Elaboration of an IT programme based on new legislation on public procurement; Installing of IT in procuring entities. Providing procuring entity with necessary hardware; Training of employees of procuring entities officers in new tools

Annex 2-4: Implementation, contracting and disbursement schedules

End Contracting: 15/12/2003 - End Disbursement: 15/12/2004

Implementation of harmonized provisions on public procurement

Wider objective

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Immediate Objectives

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Activities

Elaboration of an IT programme based on new legislation on public procurement; Installing of IT in procuring entities. Providing procuring entity with necessary hardware; Training of employees of procuring entities officers in new tools

Legend: D = design of sub-projects / C = tendering and contracting / I = contract implementation

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Legend: D = design of sub-projects / C = tendering and contracting / I = contract implementation