STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 CRIS Number: 2003/004-938-03

1.2 Title: Public Procurement in Slovenia

1.3 Sector: Government Finance – Public Procurement

1.4 Location: Slovenia

2. Objectives

2.1 Overall Objective:

Further Reinforcement of the Public Procurement area in Slovenia

2.2 Project purpose:

The project purpose of the new Twinning project should achieve the following five main results:

1. Alignment of the Slovene procurement legislative framework including secondary legislation, instructions, etc. with EU rules and regulations viz. the public procurement published law, regulations or other administrative provisions with EU rules and regulations;

2. Continuous enhanced assistance in development of an EU compatible information system in Slovenia for public procurement and so that procurement transactions could take place using electronic means and tenders, including Community-wide advertising of contracts so that firms in all Member States have an opportunity of bidding for them;

3. Dissemination of the procurement legislative framework, practical procedures and supporting technical systems (electronic information system), good practices, etc. to users, i.e. information and training programmes at various levels, including training of trainers;

4. Assistance in institution-building and organisation of an efficient and cost-effective government structure of “central purchasing bodies”, and initiating the new features of directives, i.e. a dynamic purchasing system, framework agreements, competitive dialogue, etc.; and

5. Continuous assistance in institution building, i.e. primarily the Public Procurement Office (PPO) and the National Review Commission of Slovenia (NRC).

The investment support concerns equipment both hardware and software for bringing about e-procurement, primarily in its use of electronic communication to transmit speedily notices for all national procurements above the value thresholds viz. indicative notices, contract notices and contract award notices to TED and thus made them transparent European-wide. The establishment of such e-procurement fits in the framework of materializing e-government in
the years 2003 and 2004 with the expected total outlay of € 1.5 on the national plane. The sole stakeholder and the owner proper of the equipment referred is to be the Public Procurement Office what confirms the link between the institution building and the investment.

2.3 Accession Partnership and NPAA priority

Accession Partnership: 1999 / Chapter 4.1 - Short term / Internal Market / Public Procurement: continue alignment

NPAA: Chapters 4.1 - Public Administration and 4.6 - Public Finance.

Action Plan: Chapter 1 - Free movement of goods / Strengthening of the Public Procurement Office and the State Control Commission to improve transparency of decisions in the area of public procurement.

3. Description

3.1 Background and justification:

Slovene authorities strive to secure the proper implementation of the best procurement practices, aligned with EU rules and regulations. Past Phare assistance under FM 98 and assistance under FM 1999 contributed to the improvement of the institution building of the central government procurement institutions and of public procurement procedures. The dominating part of the Twinning project (SL995.03.01 Public Expenditure Management and Public Procurement) on Public Expenditure Management concerns Procurement. The Twinning Project initially programmed to expire in June 2002 was extended until September 2002 with an addendum.

The Project Covenant stated the following »guaranteed results:

1. Strengthened public procurement organisations, in particular, the Public Procurement Office and the Department of Investment, Public Procurement and Concessions of the Ministry of Finance;
2. Introduced EU compatible information system;
3. Improved handling of procurement review cases by the State Review Commission;
4. Improved legal framework for procurement in compliance with EU legislative requirements.

The organisation of the Public Procurement Office, item 1, is being strengthened even though it appears understaffed in relation to the existing workload and the trend of the increasing number and complexity of cases to be handled. The National Review Commission has received more cases to handle recently and at the same time some more staff. There are nine (9) people presently working in the Public Procurement Office (the PPO has been in existence since May 2002) and fourteen (14) in the National Review Commission (NRC).

The ongoing revision of the Slovene legal framework for procurement, item 4, is being expedited by the Government to be completed by December 2002. Secondary legislation, instructions, etc. then have to be reviewed and revised to support the amended Procurement law. There will also be a need for quite significant efforts to consolidate the Procurement law
with the two forthcoming, as announced, major EU Directives concerning “classics” and “utilities”.

The building of the EU compatible information system for public procurement, item 2, is under way, as planned. The expected result by the project end will, however, is achieved only at minimum level. - The next phase of developing the information system means designing and installing the information system and getting it fully operational.

With the majority of the above so called “guaranteed results” achieved by the end in September 2002, a solid foundation for a well-functioning public procurement system in Slovenia have been laid. It is to be specified extra that the public procurement chapter was constituent part of the Project and one of its components alongside with “The Medium Term Programming and Budgetary Objectives” and “The performance Budgeting.” Concerning its part on public procurement all benchmarks stipulated in the Twinning Covenant were achieved in due time except the one with regard to building EU compatible Information System.

However, further development efforts are very much needed for buttressing the public procurement system. The goal is to obtain all necessary systems parts, well functioning and also well integrated, supporting each other and promoting the same overall goal. As of now, only some few single parts have been designed and become operational but at best only as separate, non-integrated parts.

3.2 Existing linked activities

Development activities are being undertaken within adjacent areas by the Slovene Government; some of which are supported by EU Phare. The most important ones concern:

- Development of the Court of Audit into a full-fledged central government auditing institution, among others, introducing effectiveness auditing of government programmes and projects, aiming at evaluating and promoting cost-effectiveness and efficiency government administration, including procurement activities;
- Development of more systematic and modern internal financial control and auditing procedures through the continued build-up of the Budgetary Services within the Ministry of Finance;
- The recent establishment of the government Office for Prevention of Corruption and the Office for Monitoring Development of Marketing Conditions.

3.3 Results

At the end of the Project, the following results shall have been achieved:

1. A legislative framework for procurement, fully aligned with the latest EU directives, including general standard procedure requirements;
2. A functioning EU compatible information system, promoting transparency and accessibility of procurement information through contract and award notices above the thresholds, to the full scope of the European procurement market place;
3. Introduced structures and procedures for regular, timely dissemination of easily available information within the public procurement area to actors in the field, resulting in their improved knowledge on existing legislation and standard procedures;

4. More efficient and cost-effective government organisational structure for institutions performing procurement/purchasing tasks in the field, including arranging framework agreements etc.;

5. Strengthened internal organisational structure and working procedures of the Public Procurement Office (PPO) and the National Review Commission (NRC); this shall include: transferred knowledge on the use of modern administrative methods and technical equipment, improving efficiency and cost-effectiveness in the work of the PPO and the NRC; this shall also include: an improved functional organisational structure with more efficient distribution of assignments among the staff, supported by a proper delegation of authority; the technical equipment shall include the use of advanced electronics, as for example, websites and systems for reliable and speedy information retrieval.

6. The investment support concerns equipment both hardware and software for bringing about e-procurement, primarily in its use of electronic communication to transmit speedily notices for all national procurements above the value thresholds viz. indicative notices, contract notices and contract award notices to TED and thus make them transparent European-wide. The establishment of such e-procurement fits in the framework of materializing e-government in the years 2003 and 2004 with the expected total outlay of € 1.5 million on the national level. The sole stakeholder and the proper owner of the equipment referred is to be the Public Procurement Office that confirms the link between the institution building and the investment.

There are presently nine people employed with the PPO (of which two functionaries, four professional procurement experts and two technical assistants); in case of the NRC there are five members of the Commission, six counsellors and three technical assistants. With the reference to good practices and past experience with the Twinning Programme just expired all professional personnel of both institutions is intended to get involved in the activities of the forthcoming Twinning Programme. Yet, at least four (4) proficient officials of the PPO and two (2) of the NRC are supposed to be directly committed with their binding responsibility to the proper implementation of the project.

PPO and NRC plan to employ yet another two (2) and one (1) professional staff respectively in order to fulfil their recruitment plan for the year 2003. In this capacity the newly attached personnel with be dutifully tied to the prospective twinning project.

3.4 Activities

Within the project the following activities/tasks will be undertaken:

1. Transposition of provisions of Classic, Utility and Remedy Directives into the national procurement legislation; Preparation of proposals to update Slovene public procurement legislation and concerned practical procedures to EU directives and generally accepted standards;

2. Evaluation of existing plans for designing and installing EU compatible information system in Slovenia for public procurement Making arrangements for the follow-up and
monitoring the operation of EU compatible information system in Slovenia for public procurement procedures;

3. Preparing, organising and undertaking briefings, workshops, seminars and other information events for dissemination of knowledge on existing legislation, practical procedures and skills to actors within the area of public procurement with the aim to increase effectiveness and efficiency of the behaviour of said actors within the area of public procurement; Making arrangements for and establishing structures and procedures for regular, timely dissemination of information within the public procurement area to actors in the field, resulting in their improved knowledge on existing legislation and general standard procedures;

4. Assessments of efficiency and cost-effectiveness of existing organisational structure for government “purchasing bodies”, performing procurement/purchasing tasks in the field, including arranging framework agreements for works, supplies and services, intended for more effective and efficient contracting of works, procurement of supplies and services; Preparation of proposals and monitoring implementation of plans to improve effectiveness and efficiency of existing organisational structure for said government “purchasing bodies”; as yet, separate centralised purchasing bodies do exist in the role of the Joint Service of Government (for bulky purchases in the form of furnishing, cars etc.) and the Centre of the Government for Informatics (for IT acquisitions); however, according to the proposed Consolidated Directive for the classic sector there is an option to establish Central Purchasing Agency covering sizable government purchases and aggregating departmental requirements in order to secure procurement savings still further. For the time being a central purchasing agency is not identifiable and is a prospective project in its own right.

5. Assessments of internal organisational structure and working procedures, etc of the Slovene central public procurement institutions, the Public Procurement Office (PPO) and the National Review Commission (NRC); Preparation of proposals for further improvements (development plans) of the internal organisational structure and working procedures, etc. of the PPO and the NRC; Monitoring of adoption and implementation of said development plans as well as evaluation of actually undertaken measures.

All activities under the main headings shall be properly integrated with the development activities within the procurement area, undertaken by the government administration viz. the Public Procurement Office (PPO) and the National Review Commission (NRC) of Slovenia. All aforementioned activities shall further have an input in a document accompanied with proper description of each phenomenon together with specific recommendation to the Candidate Country, the PPO and the NRC.

3.5 Lessons learned

No Interim Evaluations or MRA Reports have so far been made concerning earlier undertaken procurement development assistance. However, it should be noted that the PPO and the NRC have been in operation during less than one year. The necessary balance between budgetary funds and staff resources in relation to the workload due to external demands has not yet been reached.

Public procurement activities are rapidly growing in Slovenia. Therefore, the PPO and the NRC need the full input of knowledge on administrative methods and technical equipment, which can lead to increased use of the capability of the staff – and also improved labour
productivity and overall cost-effectiveness in performed duties. This is necessary to meet the present, fast growing workload. There is also a need to improve the professional qualifications of the staff through internal training and acquisition of the most modern working methods etc.

3.6 Required input of expertise

The project will be implemented through a twinning co-operation, including Short-term experts and a Pre-accession advisor.

Profile of short-term experts and pre-accession advisors:

The short-term experts shall:
- have at least 3 years of working experience at a high professional level within the concerned area;
- have practical experience in activities similar to the above mentioned project activities;
- be fluent in English.

The pre-accession advisor:
- shall have a thorough and broad theoretical background within the area of organisational development of government administration institutions at least 5 years experience from working in similar positions and performing duties similar to those of a pre-accession advisor;
- should preferably have working experience from administration of EU twinning projects as concerns organisational development in general and specifically public procurement development;
- be fluent in English.

4. Institutional framework

The institutional framework for the project is the Public Procurement Office (PPO) and the National Review Commission (NRC). Part of the planned results of the twinning is improved efficiency in both organisations and cost-effectiveness in providing required services to the general public within the procurement area.

According to the organisational chart, the PPO is as a governmental body an in this capacity responsible via by the Government Secretary General to the Prime Minister. It is however functionally linked to the Ministry for Finance in legislative matters.

The owner of the equipment invested will be the PPO and thus the State itself. The domestic funds used as co-financing will be used for the acquisition of IT as well as the staff training for building up an integral system and rapid communication linked to the European-wide publishing media.

The body within the government responsible for e-government is to take up the future maintenance job for the equipment and the provisions are made by the PPO that in the future the maintenance cost are to be covered with national funds. The PPO is planning this within
its budgetary framework for the year 2003 and onwards what makes the sustainability of such an investment feasible.

5. Detailed budget (in €)

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>National Cofinancing*</th>
<th>IFI*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1</td>
<td>170,000</td>
<td>280,000</td>
<td>450,000</td>
<td>60,000</td>
<td></td>
<td>510,000</td>
</tr>
<tr>
<td>%</td>
<td>37 %</td>
<td>63 %</td>
<td>100 %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>170,000</td>
<td>280,000</td>
<td>450,000</td>
<td>60,000</td>
<td></td>
<td>510,000</td>
</tr>
</tbody>
</table>

* earmarked in national budget

Value Added Tax is not included in the Phare contribution or in the National co-financing

6. Implementation arrangements

6.1 Implementing Agency

CFCU, Ministry of Finance
Beethovenova 11
1000 Ljubljana
Responsible person: Mr. Peter Škofic, Director
Tel.: + 386 1 478 6203, fax: + 386 1 478 6204
E-mail: peter.skofic@mf-rs.si

6.2 Twinning

The project is designed to be implemented as a regular twinning package, consisting of short-term expert input, a pre-accession advisor (PAA) and a project assistant and on the location implementation of the results achieved through the project. At the disposal of both PPA and a project assistant will be the office space of the PPO at the address quoted underneath together with the related resources i.e. office IT equipment and the likewise in order to facilitate their mission.

The beneficiary institution is:

Public Procurement Office
Slovenska 54, 1000 Ljubljana
Responsible person: Mr. Igor Šoltes, Director
Tel.: + 386 1 234 9852, fax +386 1 234 9874
E-mail: igor.soltes@gov.si

6.3 Non-standard Aspects

none
6.4 Contracts

The Public Procurement Office of Slovenia will be the Contracting Authority for this project. There will be one covenant with a selected Member State. One contract for equipment.

7. Implementation schedule

7.1 Start of the tendering/call for proposals: July 2003

7.2 Start of project activities: November 2003

7.3 Project completion: November 2004

8. Equal opportunity

Participation will be open to both female and male personnel. Records of staff participating in training and other project activities will reflect this statement. The gender structure within the public authorities, entities and bodies on State and local level where are the majority of procurement purchases is well balanced. This enables fair male/female deployment in the execution of the project per se.

Moreover, the beneficiaries will purposefully initiate fair half and half male-female recruitment plan for the contracting officers, procurement professionals and other subjects involved in the project also at the inception phase of the project and pursue it throughout its duration.

9. Environment

not applicable

10. Rates of return

not applicable

11. Investment criteria

Investment criteria imply that investments are suitable in the long term i.e. beyond the accession. Sustainability of the achieved results are to be secured and maintenance costs covered by the budget of the PPO via the national budget.

12. Conditionality and sequencing

No conditionalities.
ANNEXES TO PROJECT FICHE

1. Logical Framework Matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme
4. Developing of an EU-information system for procurement in Slovenia
## Annex 1: Phare log frame

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project</th>
<th>Programme name and number</th>
<th>Program name and number 2003/004-938-03</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total budget: 510,000 €</td>
<td>Phare budget: 450,000 €</td>
</tr>
</tbody>
</table>

### Overall objective
Further reinforcement of the Public Procurement area in Slovenia.

### Objectively verifiable indicators
- 90 Articles of the Public Procurement Act Amended
- Due to more efficient procurement legislation reducing the consultancy work of PPO for procurement practitioners by 20%
- Rapidity of solving complaints by NRC increased by 10%
- Effectiveness of solving complaints increased in order to consume yearly 20% larger workload;
- Reduced need for corrections and reduced workload for government procurement authorities thus rationalizing procurement workforce by 5%
- Reduced procurement costs for all involved parties by 10% through centralization of government purchasing.

### Sources of Verification
- Questionnaires and surveys
- PPO and NRC staff
- Statistics of PPO and NRC
- Inquiries and surveys
<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ultimate alignment of domestic legislation with EU rules and regulations;</td>
<td>Number of opinions provided by the PPO and decisions made by the NRC reduced per procurement unit by 20%</td>
<td>Statistical reports of PPO and NRC</td>
<td>Alignment of the domestic legislation with the current European Law on procurement</td>
</tr>
<tr>
<td>Continuous enhanced assistance in development of an EU compatible information system; Dissemination of procurement legislative framework, practical procedures and supporting technical system to users, Assistance in institution building of “central purchasing bodies” Continuous assistance in institution building.</td>
<td>Percentage of opinions and decisions related to total number of procurements in Slovenia will be kept in balance (although the number of PU may still rise) Average duration procurement process in various sectors and branches, measured in days should shorten by 10%.</td>
<td></td>
<td>Development of the communication strategy of the PPO (building its integral public awareness)</td>
</tr>
<tr>
<td>Results</td>
<td>Objectively verifiable indicators</td>
<td>Sources of Verification</td>
<td>Assumptions</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Task 1: Legislation framework</td>
<td>Task 1: Familiarization with EU procurement methods and practice. Relative increment of the share of two basic standard procedures i.e. open and restricted; making comparison of their respective shares with the base year of 2001.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 2 and 3: EU compatible information system and dissemination of information</td>
<td>Task 2 and 3: All encompassing system of European-wide publishing of notices and their recording through the adequate statistical reports. Task 2 and 3: Diminuation of costs due to simplification of qualification requirements for bidders esp. their personal position; Instructions for publishing notices using European standard contract notice forms; Balancing the number of complaints by issuing expert legal opinions and advice of the PPO to the contracting entities; Measurable rationalizing the procurement costs by reaching economies of scale through aggregation of a number of same-item purchases of various government departments; Improved professional capacity of staff involved in PPO and NRC; Reinforced internal capacities, skills, organisation setup.</td>
<td>Monthly and Quarterly Reports</td>
<td>Option for setting up a Central Procurement Agency for the aggregation of government departments purchases as envisaged in the proposed consolidated Directive for the classic sector Adoption of the Amendments on some ninety Articles of the current Procurement Law as a final step of transposing current Procurement Directives</td>
</tr>
</tbody>
</table>
### Activities

- Reviews of legislation, analyses and proposals for amendments;
- Installed respective modules for dissemination of information;
- Information events, workshops, seminars, etc;
- Assessments of cost-effectiveness and efficiency of existing organisational structure and working procedures;
- Implementation of decisions.
- Investment support

### Means

- Twinning covenant (one PAA, short term experts)
- Purchase of equipment

### Assumptions

- Adoption of relevant legislation
- Availability and retention of qualified staff of the respective institutions
- Adoption of proposed national strategy, its timing and execution
- The PPO able to cope with various novel tasks (optional) and to absorb reforms on IT field.

### Preconditions

- None
Annex 2: Implementation Time Chart

Project name: Public Procurement in Slovenia

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td>Task 2</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td>Task 3</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td>Task 4</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td>Task 5</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
</tbody>
</table>
Annex 3: Contracting and disbursement schedule by quarter for full duration of programme

Project name: Public Procurement in Slovenia

(Million €)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting</td>
<td>0.450</td>
<td>0.450</td>
<td>0.450</td>
<td>0.450</td>
<td>0.450</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0.056</td>
<td>0.196</td>
<td>0.226</td>
<td>0.422</td>
<td>0.450</td>
</tr>
</tbody>
</table>
ANNEX 4

DEVELOPING AN EU-INFORMATION SYSTEM FOR PROCUREMENT IN SLOVENIA

The need for organizational structure to be established

Public Procurement Office will secure together with the Ministry for Informatics and Centre of the Government for Informatics, The Official Gazette and Joint Service of Government the organizational structure, which is to regulate the transmission of the contract notices above and below thresholds, which are to be advertised. There is still no central point for collecting and transmitting contract notices concerning supplies, services and works above the thresholds to be transmitted to TED (Tender electronic daily) in order to be published European-wide.

The need for reinforcement of the organizational structure

This implies setting up the organizational unit (with professional staff and well equipped technically) capable of synthesizing electronic information immediately to European procurement market place being linked with TED in order to publish Slovene contract notices above thresholds there.

This organization also provides the establishment of the domestic environment which allows purchasers and bidders for early detection and overview of their opportunities on a website in order to participate in bidding.

Contracting authorities have a thorough insight into procurement market and its range of competition.

First development purpose

Primarily, it contributes yet to wider and more profound transparency, acceleration of procurement procedures and also lowering of costs on the part, both purchasers and bidders. Procurement entities can accept tenders, submitted by electronic means and other means, including electronic tenders. There is an immediate confirmation of such tender to be required by a procurement unit. The provision applies for tenders above and below the thresholds.

Our works has first to focus on developing database and search tools to provide contract information. In order to introduce e-purchasing in Slovene procurement environment and for the sake of efficient and rapid links with potential contractors (as well as links with TED later) across the boarder certain preconditions have to be well secured:

- an adequate information communication infrastructure with links to all potential, domestic and foreign to be established (this implies certain modification of organization set-up in the area of communication of the biggest public authority purchasers);
- standards have to be defined and agreed upon for electronic exchange of data;
- legal framework for e-procurement is to be adopted. There already exist the law on electronic business and signature and will include provisions of European provisions of European Directives concerning e-procurement).
- new structure of purchasing process is to be executed.

Second development purpose

A second development step would be to design the information system on procurement so it would enable bidders and potential contractors to communicate via internet, the so called «electronic purchasing mechanism» (Appendix)

Third development purpose

Thirdly, the establishment of information system allows the PPO to gather relevant statistical data according to the Public Procurement Act. The procurement units are obliged by the provision of the law to keep separate information for the award of contracts of goods, services and works and for the award of contracts in the water, energy, transport and telecommunication sectors.

They have to communicate a report on contracts concluded in the previous year to the Public Procurement Office. PPO shall prepare an overall statistical report in order to be sent to the Government.

Procurement units are bound by law to report to the PPO the information on estimated total value of concluded contracts; the number and total value of concluded contracts and the type of procedure under which the contract was awarded, the type of goods, services or works, the name of the contractor and its other relevant identity and registration data. Where a contract was concluded by negotiated procedure it shall be necessary to state the objective reasons and bases referred to. The statistics reported include also the number and total value of contracts concluded with domestic contractors, contractors from EU and elsewhere.

The statistical system set up within the PPO encompasses collecting, processing, analysing and reporting relevant data which are meant both, as a preparation for reporting statistical data to the European Commission after the accession of Slovenia to EC (the provision given in the directives) and for the analysis of domestic public procurement system in previous year with proposals for its upgrading (provisions in the Public procurement Act for Public Procurement Office).

Appendix:

1. The emergence of the new Information and Communication Technologies (ICTs) offers promising opportunities as regards the efficiency, transparency, and opening-up public procurement. In its Communication on Public Procurement in the European Union of 11 March 1998, The Commission set itself a very ambitious target: 25% of all procurement transactions should take place using electronic means by the year 2003. Against this background, it called on all the players involved to develop such a system.

This approach was endorsed by a large number of contributions and responses, particularly from the European Parliament.

It also featured in the Presidency conclusions from the Lisbon European Council of 23 and 24 March 2000, in which the Commission, the Council and the member States were requested »to
take the necessary steps to ensure that it is possible by 2003 for community and government procurement to take place on-line.

Under current legislation on public procurement it is possible, under certain conditions, to use electronic means for the submission of tenders. However, there are procedures for which the use of electronic means has not been mentioned (i.e. transmission of notices) or is not authorized (i.e. accelerated procedure).

As things stand, this possibility is left to Member States, which are able to authorise the use of means other than direct or postal delivery. The proposal is aimed at enabling each entity to decide in future to use electronic means to the exclusion of all others.

2. While some fear that businesses lagging behind in terms of computer equipment could thus be precluded from public contacts, which are awarded by electronic means, this situation is set to change rapidly. It would therefore not appear necessary to provide a transitional period during which the parallel use of traditional means would be compulsory, especially as business will benefit de facto from a transitional period by virtue of the time-limits for adoption and transposition.

Permitting to use electronic means in the area of public procurement requires i. a. that their use for communication and information exchange be put on an equal footing with other, more traditional means with the aim of encouraging greater recourse to electronic means in the future.

3. Finally, electronic contract award systems should yield a significant time saving in the course of a procedure. Electronic transmission will make it possible to reduce the time-limit of 12 days which are necessary at present, except in the case of accelerated procedures, for transmission to the Publication Office and publication in the Official Journal.

It will thus be possible to reduce maximum time limit for publication from 12 days to five.

4. The introduction of electronic means has also highlighted the difficulty, which may result from laws freezing the use of certain technical facilities, such as the TED database.

Given the rapid development of the technologies used, this explicit reference in the legislation means that regular updating will be required. To lessen these difficulties involved in the adaptation of the legislation, the proposal no longer mentions specific means of publication in the operative provisions of the Directive.

»Certain new electronic purchasing techniques are continuously being developed. Such techniques will help increase competition and streamline public purchasing, particularly in terms of the savings in time and money, which their use will allow. Contracting authorities may make use of electronic purchasing techniques, providing such use complies with the rules drawn up under this Directive and the principles of equal treatment, non-discrimination and transparency.

To that extent, a tender submitted by a tenderer, in particular where competition has been reopened under a framework agreement or where a dynamic purchasing system has been introduced, may take the form of that tenderer's electronic catalogue if the latter uses the means of communication chosen by the contracting authority…
In view of the rapid expansion of electronic purchasing systems, appropriate rules should now be introduced to enable contracting authorities to take full advantage of the possibilities afforded by these systems. Against this background, it is necessary to define a completely electronic dynamic purchasing system for common purchases, and lay down specific rules for setting up and operating such a system in order to ensure the fair treatment of any economic operator who wishes to take part therein. Any economic operator, which submits an indicative tender in accordance with the specification and meets the selection criteria must be allowed to join such a system. This purchasing technique allows the contracting authority, through the establishment of a list of tenderers already selected and the opportunity given to new tenderers to take part, to have a particularly broad range of tenders as a result of the electronic facilities available, and hence to ensure optimum use of public funds through broad competition.« (Proposal for a Directive of the European Parliament and of the Council on the coordination of procedures for the award of public supply contracts, public service contracts and public works contracts, Brussels, 28 May 2002, (31a),(31b)).