E-library of public procurement good practices

User guide

The e-library contains a collection of public procurement good practice presented in a concise, accessible and visual format as fiches. The structure of each good practice fiche, including the type of information available in each section, is outlined below.

**Name:** Name of the good practice

**Summary:** Brief description of the good practice, its purpose and the rationale for using it

**Input:** The input necessary to implement the good practice. It is assessed on the basis of three dimensions, namely cost, time and complexity, with complexity including factors such as stakeholder participation, need for legal, organisational or procedural changes, and requirements for specific expertise, staff, or infrastructure. Further information on the criteria for evaluating input factors is outlined in page 2 below

**Category:** The fiches are classified according to a re-defined classification presented on page 2 below

**Good practice examples:** A map of the European Union displays MS where the good practice is already implemented. This list is non-exhaustive

**Impact:** Using a colour-coded scale, the positive or negative impact of the good practice on public procurement objectives is given. The procurement objectives are pre-defined (see page 4 below for more detail)

**Related good practice:** Good practices associated with the same objectives and that aim to address the same issues the good practice concerned is addressing

**Key success factors and potential pitfalls:** This section lists what is necessary to successfully implement the good practice in the sense of any legal, institutional, or administrative pre-requisites that must be in place for it to be viable and sustainable. This section also provides advice drawn from lessons learnt on bottlenecks, constraints and limitations to the adoption of the good practice

**Case studies:** Description of MS-specific example(s) of the good practice. Each MS example provides the name of the good practice and a brief summary of its main features
**Categories of good practice**

The good practices are classified according to eight thematic categories indicated at the top of each *fiche*, as follows:

- **Ad hoc support**: These good practices provide immediate help and support to solve arising issues in the procurement process. They rely on the use of information distribution mechanisms, which are available to be consulted by the relevant stakeholders.

- **Guidance documents**: These documents provide guidance throughout the procurement process to the stakeholders concerned through the use of standardised documents, procedures, additional information and manuals.

- **Professionalisation/ Training**: The good practices concerned focus on improving the skills of the parties involved in the procurement process, such as the procurers, SMEs and procurement judges, thus enhancing the general quality of the procurement system.

- **Increasing the quality of public procurement**: This category describes practices which seek to improve the quality of the overall public procurement process by making better use of existing structures or introducing additional mechanisms.

- **Simplification and efficiency**: The good practices concerned streamline existing procedures and practices with the goal of simplifying and thus increasing the efficiency of the entire public procurement system.

- **Transparency**: This category describes good practices which increase the overall level of transparency, therefore affecting competition and rendering the procurement system more efficient, predictable and less susceptible to corruption and irregularities.

- **Anti-corruption**: The objective of these good practices is to reduce corruption and decrease irregularities in order to ensure a better use of public money.

- **Strategic public procurement**: These good practices set out to integrate environmental, innovative and socially responsible objectives in the procurement process, so as to ensure a sustainable and forward-looking procurement system.

**Inputs required**

Information in the *fiches* on the inputs needed to implement each good practice covers three dimensions: cost, time and complexity.

**Cost**

There are many costs associated with the implementation of a public procurement practice. Some major sources of costs are:

- Cost of human resources;
- Training and awareness raising costs;
• Cost of development of new infrastructures;
• Maintenance costs;
• Costs created due to regulatory/ legal changes.

Considering the different types of costs incurred throughout the implementation of a good practice, an overall assessment of the costs incurred is made. Three different levels of costs are identified according to the following criteria:

• € - a low cost of implementation: no major acquisition of new equipment is necessary, no additional new resources are required, no new infrastructure has to be set up and the overall costs remain below EUR 200,000 in total. These good practices often rely on the reallocation of existing resources to different domains and tasks.
• €€ - a medium cost of implementation: some acquisition of new equipment is necessary, some new resources are required (for instance personnel), some new infrastructure has to be developed and the overall costs are between EUR 200,000 and EUR 1m.
• €€€ - a high cost of implementation: the acquisition of new equipment is necessary, new and significant resources are required, new infrastructure has to be developed and the overall costs exceed EUR 1m.

It is important to note that the monetary costs represent an order of magnitude and not an estimate of the implementation costs. They may vary according to the local cost level at in various MS, the size of the public administration, as well as the scale of implementation of the good practice, e.g. at national or regional level.

**Time**

When considering the activities required to implement the good practice the time dimension is evaluated as follows:

• Less than 6 months;
• Between 6 and 12 months;
• More than 12 months.

This assessment is based either on our own estimates taking into account the complexity and resource requirements of each good practice as well as information collected from existing cases. Again, the time dimension represents an order of magnitude and may vary depending on local factors, e.g. size of the national administration.

**Complexity**

When thinking about the complexity of implementing a good practice, we looked at the potential changes needed in terms of:

• Staff resources;
• Organisational set up;
• IT Processes;
• Infrastructure;
• Legal set up.

Based on these factors we developed a ranking for the level of complexity, which differentiates between low, medium and high complexity. This assessment is based either on our own estimates as well as on information collected from existing cases.
Impact on procurement objectives

We have identified ten public procurement objectives that may be impacted by the implementation of a good practice. Good practices that are linked to specific objectives contribute to their achievement.

1. **Ensure better compliance**: In addition to maximising value for money, public buyers have numerous other obligations that have to be fulfilled during the procurement process. Good practices can ensure compliance by helping contracting authorities navigate the complexity of the procurement process more efficiently, and with greater legal certainty. This ultimately allows contracting authorities and economic operators to reduce irregularities and ultimately spend public funds more efficiently.

2. **Increase transparency**: Transparency is defined as timely, comprehensible and accessible information at every stage of the procurement cycle. Well-defined laws and regulations that are enforceable and open to public scrutiny, transparent advertising and equitable access to tenders, clear standard documents and selection criteria as well as full disclosure of awards and clear appeal mechanisms all contribute to increasing transparency in public procurement. Greater transparency allows to deter corruption practices, and encourage an environment of open competition for all.

3. **Improve accountability**: Accountability is about having public procurement practitioners held responsible for carrying out a defined set of duties or tasks, and for conforming with rules and standards applicable to their posts. To ensure accountability, transparency mechanisms such as public oversight, monitoring systems and effective sanctions are important. An accountable public procurement system helps reduce abuse, thus increasing the effectiveness of goods, works and services delivery and an effective use of public money.

4. **Promote professionalisation**: Professionalisation refers to the activities aimed at clearly defining and improving the competencies of public procurement professionals. Procurement professionals that are highly competent and skilled perform their professional duties better, thus they are more likely to avoid irregularities and achieve better value for money.

5. **Reduce administrative burden**: Administrative burden or red tape impose costs on contracting authorities and economic operators. Thus, a reduction in administrative burden will allow contracting authorities to be more efficient, and reduce the burden of competing for economic operators, thereby enhancing participation rates and competition.

6. **Enhance value for money**: Best value for money means choosing the best ratio of quality and price for a good, work or service purchased. Value for money can primarily be increased by promoting competition for public contracts, increasing participation rates, and ensuring that tender specification adequately take account of the quality of the tender and the its full cost.

7. **Strengthen anti-corruption efforts**: Anti-corruption efforts refers to all the activities aimed to detect, prevent and redress the abuse of power for private gain at each stage of the public procurement cycle. Corruption undermines value for money both directly, by
awarding contracts to bid that do not represent the greatest price-quality ratio, and indirectly by supressing participation rates and thus competition for public contracts.

8. **Advance modernisation and digitisation:** Digitisation in public procurement refers to the integration of digital technologies in the replacement or redesign of paper-based procedures throughout the procurement process. Modernisation involves the idea of having public procurement information publicly available by posting it online. Benefits of modernization and digitisation can include cost savings, increase in transparency, and less administrative burden.

9. **Incorporate strategic procurement:** Strategic procurement refers to the process whereby public authorities seeks to procure goods, works and services taking into consideration the social, innovative and environment aspects throughout the procurement lifecycle. In the context of this study, strategic procurement includes green procurement, socially responsible procurement and innovation procurement. Thus, integrating strategic procurement contributes to reaching secondary policy goals that may be important to an organisation.

10. **Increase competition:** Increasing competition in public procurement consists in facilitating the access and participation of economic operators in procurement opportunities. The more competitive procurement markets are, the more they deliver value for money. This objective mainly focuses on SMEs as they usually face more barriers in bidding for public tenders, and contributes to increase cross-border procurements.

For each good practice the relevant procurement objectives are identified and the extent to which they are impacted by the implementation of the good practice. This analysis is depicted using an icon with a colour-coded rating scale offering six degrees of impact. The rating scale with its six degrees can be described as follows:

- **Undermines the objective**
- Has a marginal impact on the objective
- Has a moderate impact on the objective
- Has a sizeable impact on the objective
- Has a significant impact on the objective
- Has a major impact on the objective