



TOWARDS PUBLIC PROCUREMENT KEY PERFORMANCE INDICATORS

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10th Public Procurement Knowledge Exchange Platform
Istanbul, May 2014



The Organization for Economic Co-operation and Development (OECD)

- The OECD provides a forum where countries compare and exchange policy experiences, identify good practices, discuss emerging challenges and adopt recommendations for better policies.
- The OECD's mission is to promote policies that improve economic and social well-being of people around the world.

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The OECD work on Public Procurement ¹

For over a decade the OECD has supported governments in reforming their public procurement systems to ensure long-term sustainable and inclusive growth and trust in government by:

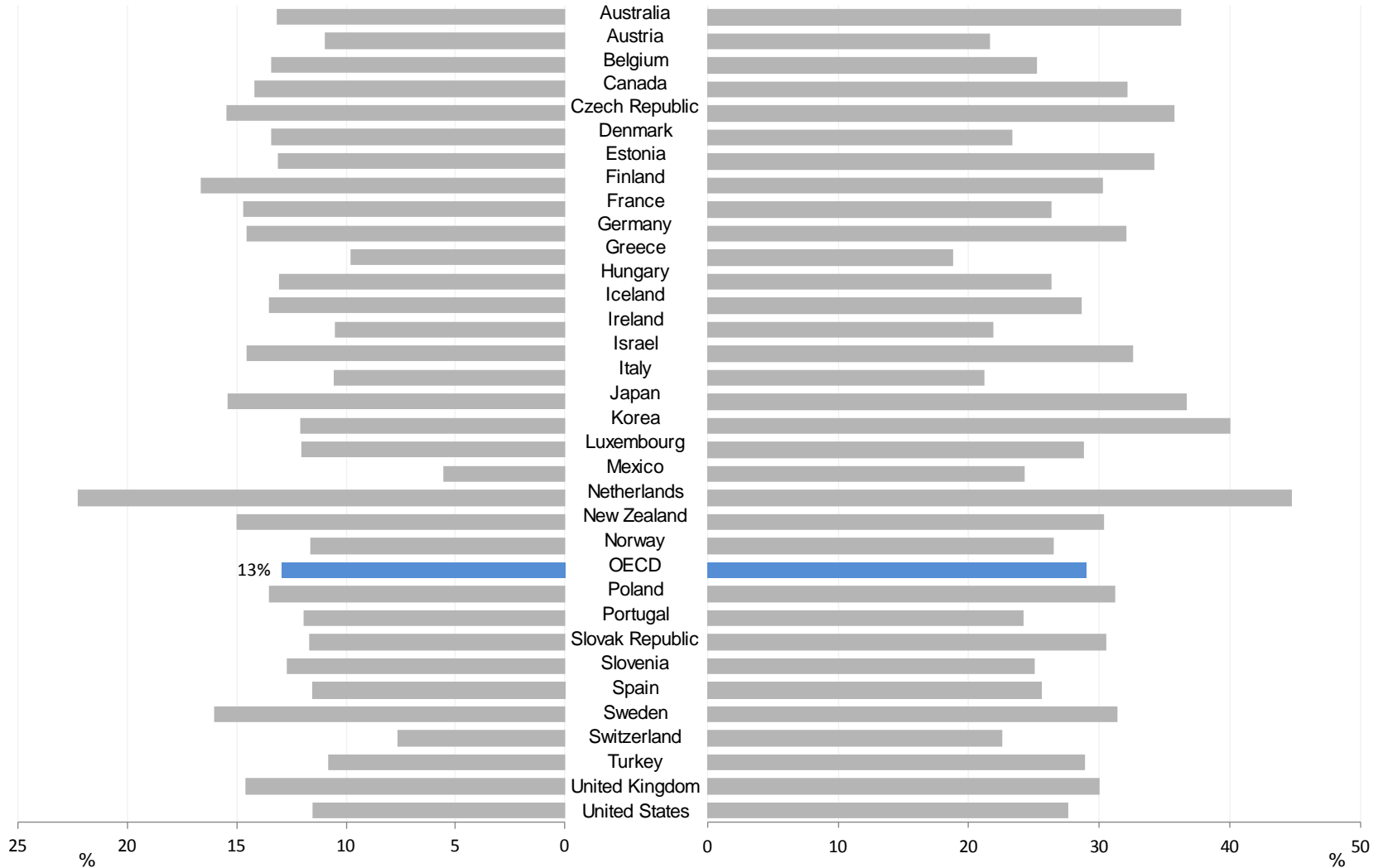
- Providing international standards on public procurement;
- Undertaking hands-on peer reviews that provide assessment of public procurement systems, either national or sectorial, and tailored proposals to address implementation gaps in specific context;
- Bringing together a community of practice on procurement to shape directions for future reforms;
- Organising policy dialogue on the co-operation between government and the private sector in the framework of the G8 and G20;
- Collecting useful and reliable evidence across OECD countries on the performance of public procurement operations as well as the impact of procurement on broader public policy objectives.



Highlights

General government procurement as share of GDP (2011)

General government procurement as share of total general government expenditures (2011)





Main findings from the OECD work

The OECD's experience in working with public procurement shows that a sound procurement system includes:

- a) procurement rules and procedures that are simple, clear and ensure access to procurement opportunities;
- b) effective institutions to conduct procurement procedures and conclude, manage and monitor public contracts;
- c) appropriate electronic tools;
- d) suitable, in numbers and skills, human resources to plan and carry out procurement processes; and
- e) competent contract management.



Towards key performance indicators

In Feb. 2013, the Leading Practitioners on Public Procurement asked the OECD to help developing a set of indicators to measure the performance of public procurement systems and their evolution over time.

Four areas for the development of indicators were identified:

1. Efficiency of the public procurement cycle
2. Openness and transparency of the public procurement cycle
3. Professionalism of the public procurement workforce
4. Contract performance management



The stocktaking report

- In November 2013 a report was prepared by the OECD providing an overview of what public procurement data is collected by countries in each of the aforementioned four areas. The main conclusions are:
 - ✓ Countries are already collecting a significant amount of data.
 - ✓ Mostly, they use the information to promote an open, fair and transparent procurement system.
 - ✓ However, still some challenges need to be overcome to be able to have complete, clear or timely dataset allowing the creation of indicators.



The challenges ahead

- Countries report that procurement data may be collected in individual cases by each ministry, entity or level of government but not centrally recorded.
- Uncertainty concerning what data should be collected exists. In most cases, data is only collected to fulfil legal and audit obligation but there is no broader view on how data will contribute to improve the procurement system.
- Finally, data collection involves an important cost for institutions in terms of defining the scope, manually entering the information as well as extracting and analysing the information.



The first set of key performance indicators 1.

1. Efficiency of the public procurement cycle

- 1.1. Use of contracting mechanisms
- 1.2. Uptake of e-procurement
- 1.3. Use of e-procurement per contracting mechanism or per low/high value procurements
- 1.4. Savings
- 1.5 Savings using framework agreements with second-stage competition
- 1.6. Efficiency of the public procurement unit
- 1.7. Level of unsuccessful public procurement processes
- 1.8. Reasons for unsuccessful public procurement processes
- 1.9. Public procurement award time



The first set of key performance indicators 2.

2. Openness and transparency of the public procurement cycle

2.1. Promoting competition: procurement procedure

2.2. Promoting competition: number of bids

2.3. Increasing the supplier base

2.4. Transparency of public procurement information



The first set of key performance indicators 3.

3. Professionalism of the public procurement workforce

- 3.1. Number of public procurement officials according to the value and number of contracts and unsuccessful processes
- 3.2. Level of trained public procurement officials



The first set of key performance indicators 4.

4. Contract performance management

4.1. Are suppliers delivering the right thing?

4.2. Are suppliers delivering at the right moment?

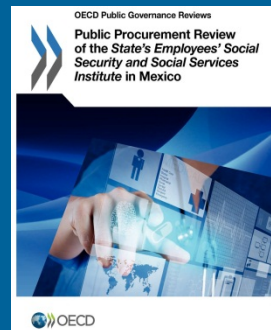
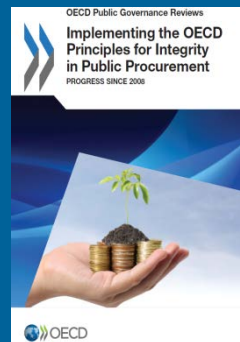
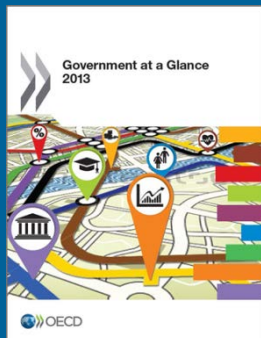
4.3. Are there delays in payment?



THANK YOU

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For more information on OECD work on public procurement



<http://www.oecd.org/gov/ethics/integrityinpublicprocurement.htm>