



Implementing the new Organigram

The case of Portugal

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Support to the Greek Public Procurement Reform
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Portuguese Public Procurement System New Goals – New System



Structural Actions

Drivers

To Achieve...

- Simplified rules
- Enhanced management
- Standardized practices
- Strengthened economic behaviour and competitiveness
- Effective oversight and monitoring

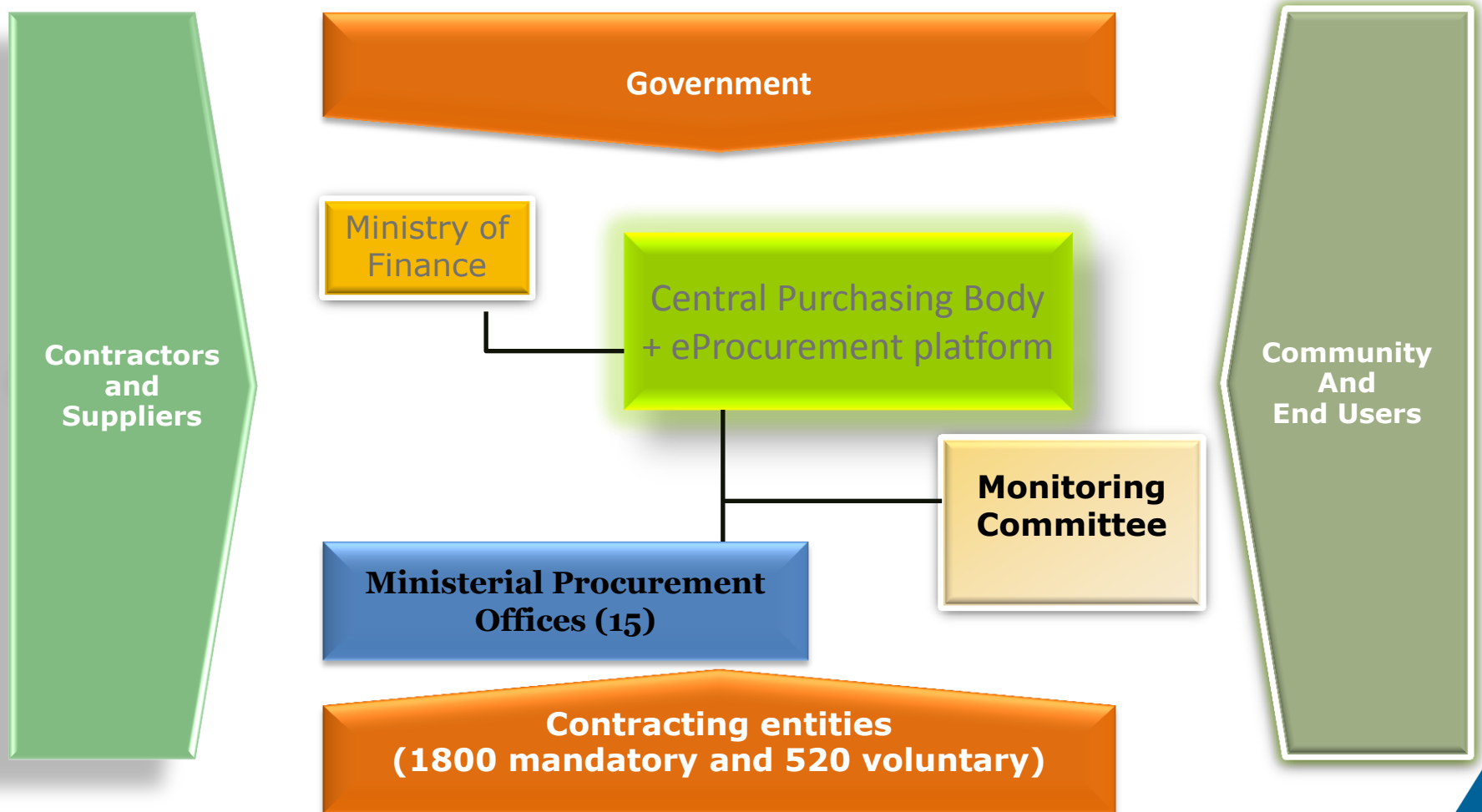
Creating...

- New legislation for Public Procurement
- CPB: Framework Agreements covering several categories of goods and services; eCatalogue for use of FA, development of National System; GPP strategy
- Reporting tools to obtain information & control;
- A web Portal to publicize all public contracts (works, goods and services – www.base.gov.pt);
- Mandatory approach and not just “recommended” electronic public procurement



Portuguese Public Procurement System

Institutional framework





Portuguese Public Procurement System

Central purchasing - mandatory

The mandatory eProcurement approach

TYPE OF ENTITY	EPROCUREMENT USAGE (E-TENDERING AND E-AWARDING)	NATIONAL PUBLIC PROCUREMENT SYSTEM (SNCP)
Central Administration and Public Institutes	Yes Mandatory	Yes Mandatory
Municipalities, Regional and local entities	Yes Mandatory	Voluntary
State owned companies	Yes Mandatory	Voluntary



Portuguese Public Procurement System

Central purchasing body – create a story

Mission

The mission of the Agency is to set up, implement and manage SNCP - the National Public Procurement System (for transversal goods and services only) as well as to centrally manage the State-owned Fleet, contributing to increase the efficiency of the Portuguese Public Administration.

Vision

The Agency is to become the Portuguese reference in the fields of Public Procurement and State-owned Fleet Management.



Portuguese Public Procurement System

CPB – Strategic goals and Methodology

Strategic goals:

- Reduce public debt
- Control public expenditure
- Achieve savings
- Contribute to the efficiency and modernization of Public Administration
- Promote of economic competitiveness
- Address Environment / Green Public Procurement

Methodology:

- Process optimization and normalization
- Public tenders for framework agreement awarding
- Synergies and economies of scale
- Setting of a strategic sourcing policy
- Adoption of legislative measures
- Development of information systems guidelines



Portuguese Public Procurement System

CPB – The top priorities

- Public tenders with the aim of **awarding framework agreements** covering categories of goods and services that aim to fulfill common needs of the Public Administration. This strategy intended at creating value, financial gains, savings and cost reductions through framework agreements, which in turn promote synergies and economies of scale as a result of a concentration process.
- Development and implementation of a **Technological Model** able to provide full support to framework agreement procedures and call-offs.
- **Enhanced statistical information and reports on public procurement** (goods and services). Setup of a comprehensive Public Procurement Information System, responding to both management control needs and EU requirements.



Portuguese Public Procurement System

CPB – Develop a strategic plan (3-5 yrs)

- **For the Framework Agreements**
- **For the Technological Model**
- **For the Management Information System**

But also...

- **To address (political) compromises and requirements**



Portuguese Public Procurement System

Legal reform

A) Code of Public Contracts

Decree-Law 18/2008

Approves the Code of Public Contracts (CPC).

B) Institutional regulations towards a centralized national PP system (CPB)

Decree-Law No. 37/2007

Defines the National Public Procurement System and creates the Agency responsible for the management of that system.

Regulation 330/2009 – Issued by the Agency

Regulates the functioning of the National System of Public Procurement.

C) Specific ePP related provisions

Decree-Law 143-A/2008

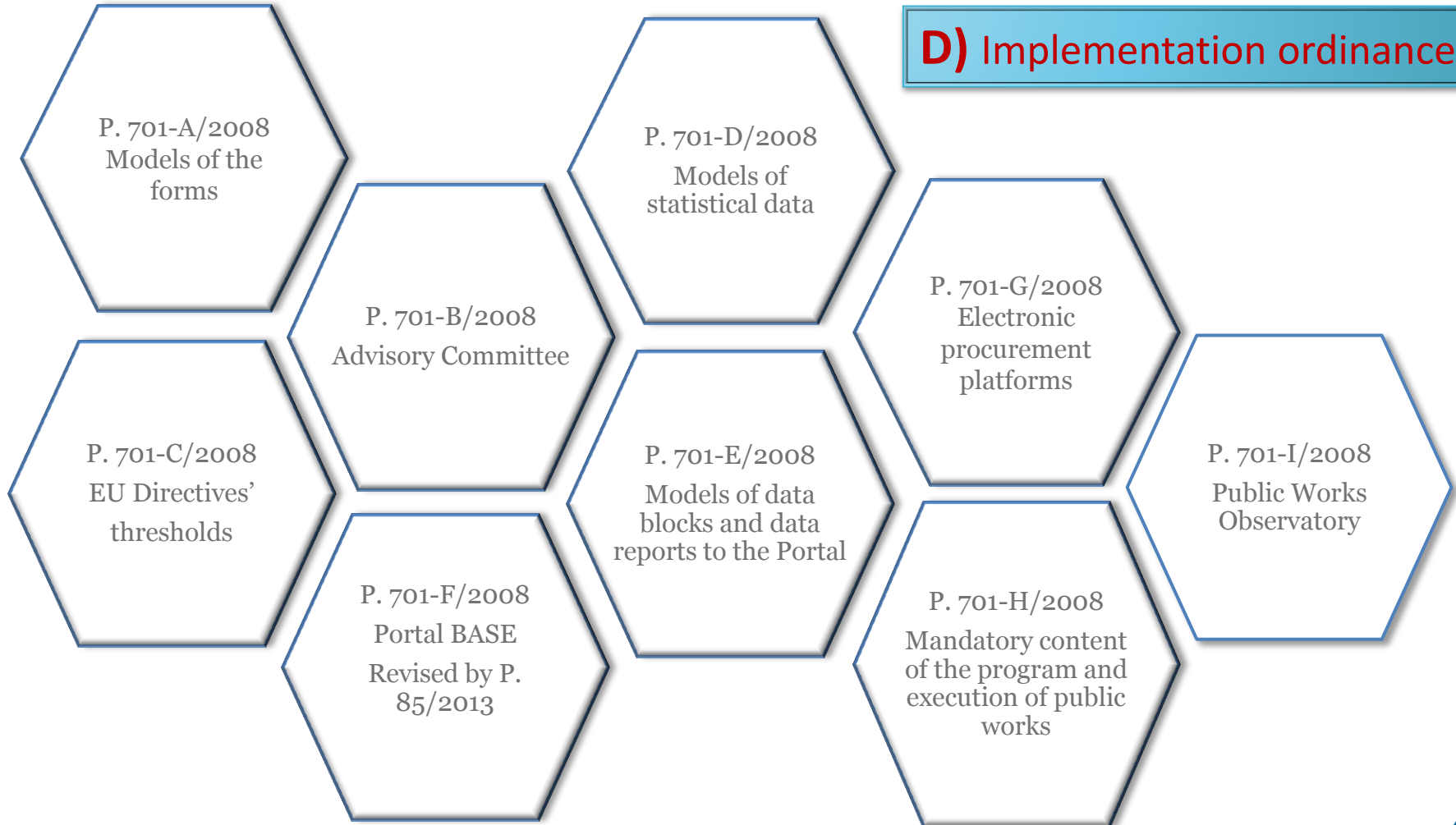
Concerning Electronic Platforms and data communication form.



Portuguese Public Procurement System

A clear legal framework

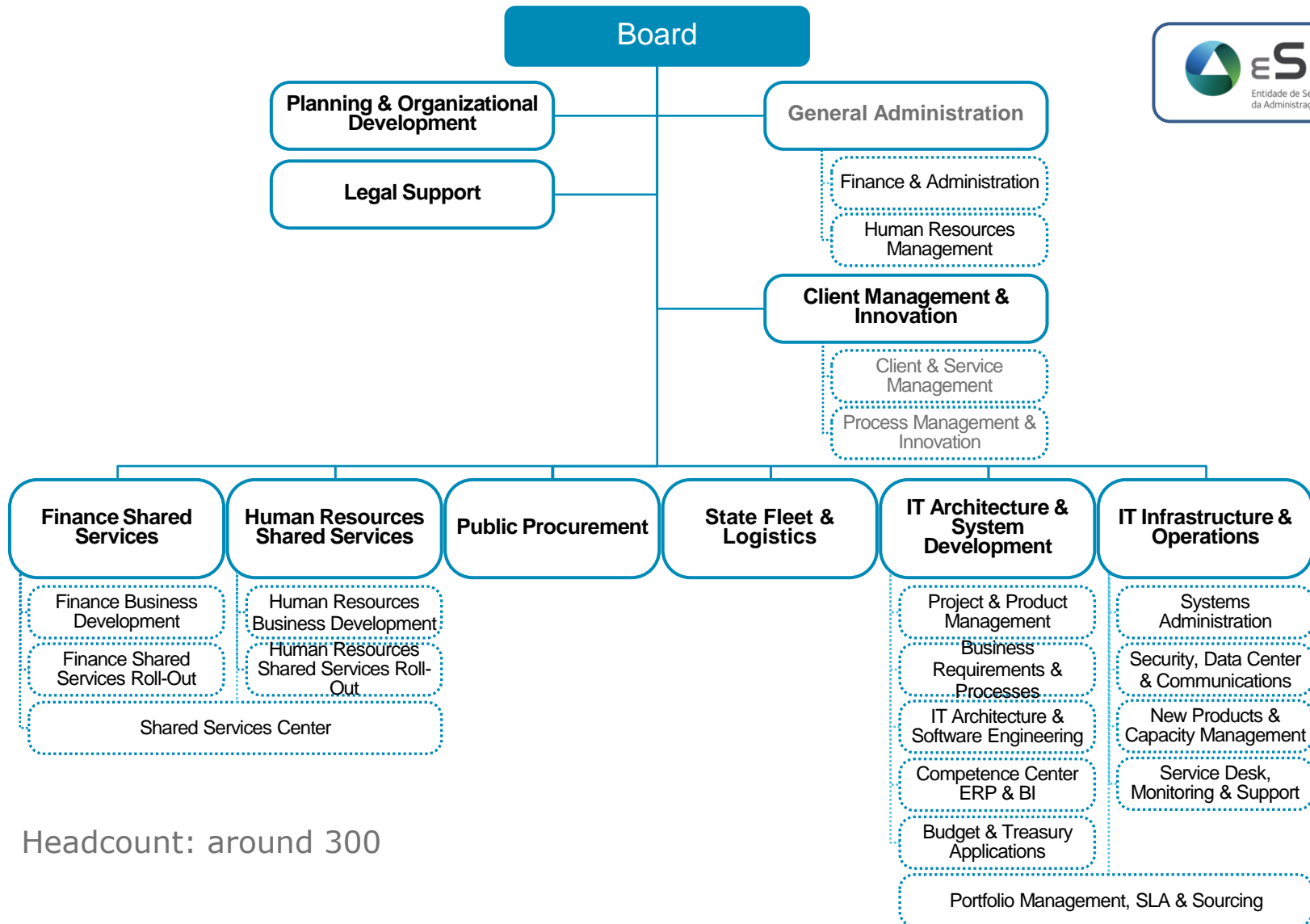
D) Implementation ordinances





Centralised purchasing system

The new structure

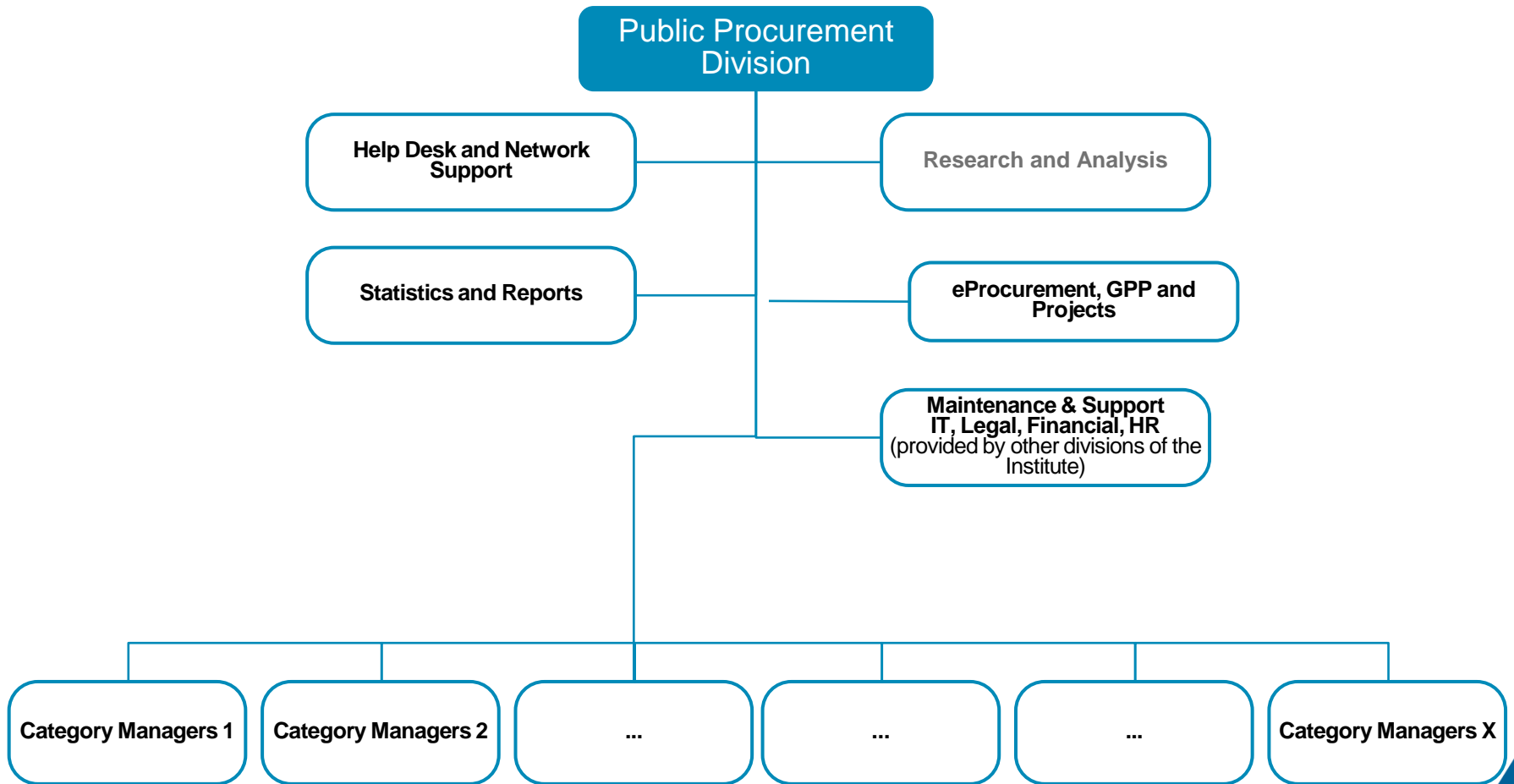


Headcount: around 300



Centralised purchasing system

The public procurement division

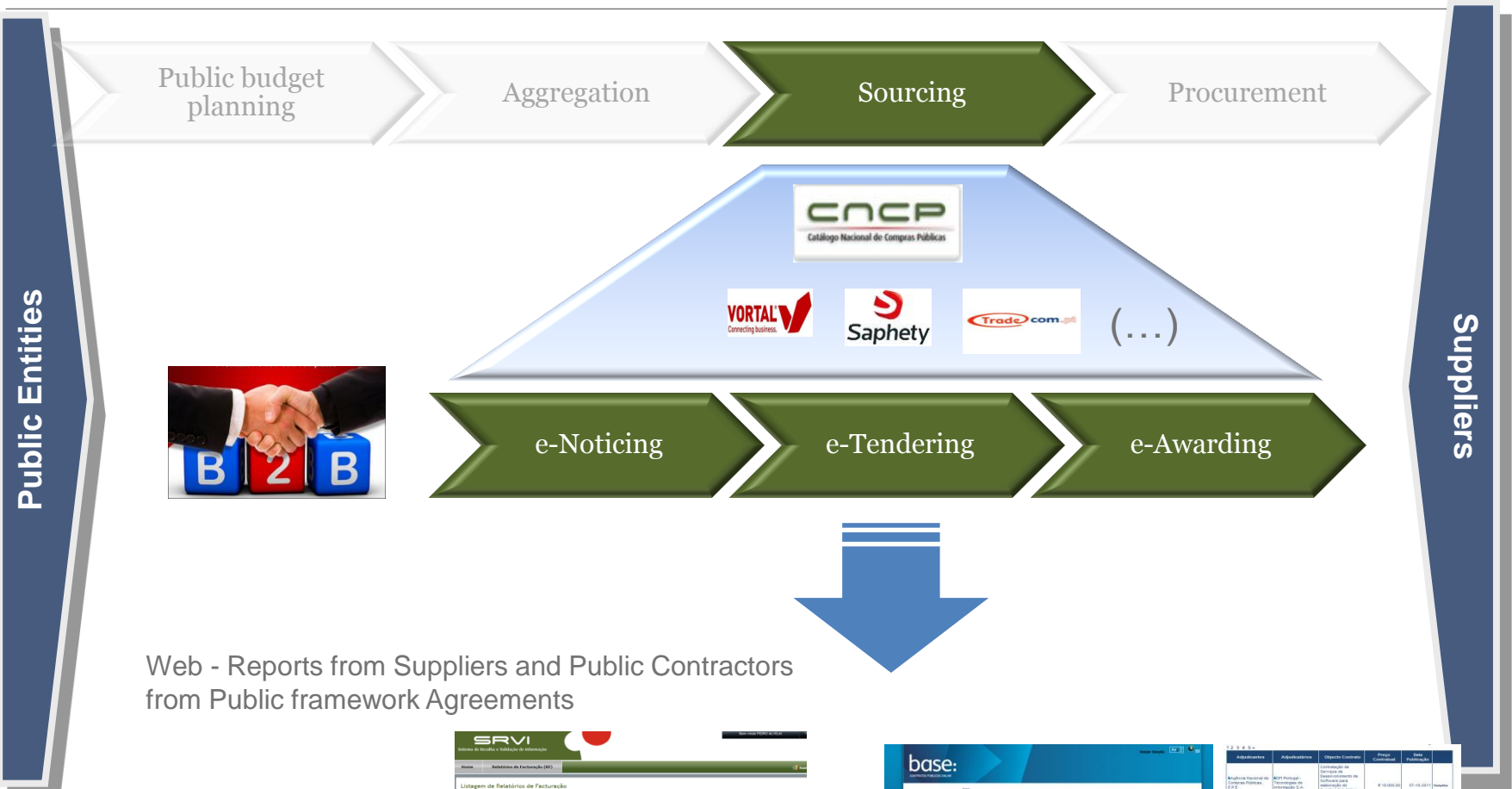


Headcount: around 20



Centralised Purchasing System

The technological model



Web - Reports from Suppliers and Public Contractors from Public framework Agreements

Determine Public Procurement Savings and Management Fee

ID	Descrição	Valor	Data	Status	
1742	Veículos Automóveis e Motocicletas	19.00	14-03-2011	1,03	Jan 2011
4239	Veículos Automóveis e Motocicletas	10.00	23-05-2011	13.244.423,32	Jun 2011
4930	Veículos Automóveis e Motocicletas	66.00	19-07-2011	2.035,00	Nov 2011
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Centralised Purchasing System

Services provided

- Manages ePlatform and manages and updates eCatalogue
- Aggregates demand in defined categories of goods and services
- Leads centralised call off procedures for defined categories using e-platform tools and framework agreements
- Support entities in the development and launching of eProcurement procedures.
- Conducts training sessions and capacity building seminars to improve skills in the handling of eProcurement tools, for procurement officials, for all contracting entities and purchasing bodies.



Centralised Purchasing System

Financial sustainability

- Operations are funded by charging fees on suppliers that are part of the framework agreements. No fees are charged on public buyers.
- There are only fixed rates in each framework agreement that are charged to suppliers based on their invoicing amount to public entities under the framework (purchases). Rate range: from to 0.5% up to 3%, average 1%. The usage of the e-procurement tools is free of charge.
- Framework fees are calculated to support the Agency in setting up and managing costs, but also operating costs. The fees take in consideration the relevance of each category of goods and services, in terms of market size, margins and relevance.
- In 2011/12 fees from FA accounted for 100% of operating costs.



Centralised Purchasing System

Major figures

eProcurement platform (CPB)	2010	2011	2012	2013
Registered Contracting Authorities	1 040	1 270	1 490	1 921
N. of procedures	1 538	2 311	4 492	6 895
Registered users	4 510	7 181	7 245	8 000



To design, implement and roll-out CPB To consider... amongst others...

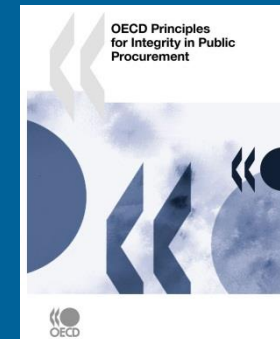
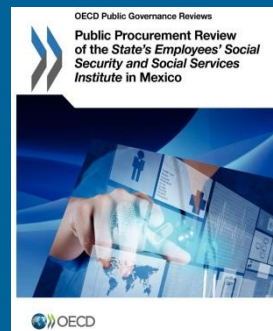
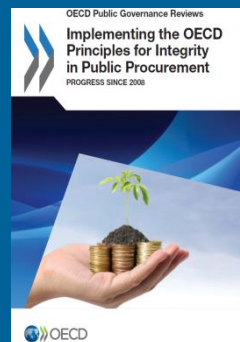
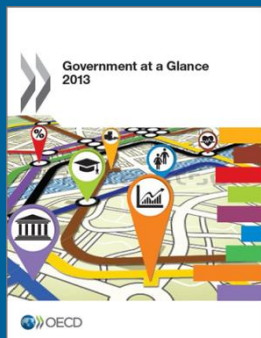
- Coverage of the procurement chain – What to deliver and how? Step by step or full speed?
- Strategic planning – where do we want to be in x yrs, investments, resources? Structure - are we capable? Or enough?
- Available electronic tools – off the shelf? How to take advantage?
- Legal framework – is it sufficient? Add extra sugar?
- Enforcement and empowerment – Government wants, Government gets?
- Mandatory or voluntary?
- Replicate models – traditional approach? One size fits all?



THANK YOU

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For more information on OECD work on public procurement



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