



## Integration

### Purpose of the Checklist

- To guide and support public procurement practitioners in reviewing, developing and updating their procurement framework, according to the 12 principles of the Recommendation of the Council on Public Procurement.
- To encourage self-assessment and providing a starting-point for implementing the Recommendation.
- To provide more detailed information and guidance for each of the 12 principles as well as actions that can be taken to improve the strategic use of public procurement.

Public Procurement  
Principle: **Integration**

Procurement Stage:  
**All phases**

Audience: **Policy Maker,  
Procuring Entity, Private  
Sector, Civil Society**

### Description

Integration can be strengthened by following proposed steps below, while also improving other closely-linked principles (please refer to the box below). Suggestions and comments on the content and format of the Checklist can be sent to: [public.procurement@oecd.org](mailto:public.procurement@oecd.org).

#### Main linkages between integration and other principles of the Recommendation

- **Transparency:** The visibility of the flow of public funds, from the beginning of the budgeting process throughout the public procurement cycle contributes to the transparency of the public procurement system
- **Integrity:** Oversight and control mechanisms help to reinforce accountability throughout the procurement process. An effective complaint system contributes to identifying and sanctioning cases of corruption related to public procurement operations. If appropriately used, complaint systems may also reinforce risk management strategies and contribute to build a culture of integrity among procurement officials.
- **Efficiency:** Specifically designed budget commitments can reduce fragmentation, which in turn increases efficiency. Multi-year financing options can contribute to take purchasing decisions that achieve long-term efficiency.
- **Risk management:** Multi-year financing options can contribute to take purchasing decisions that properly allocate risks
- **E-procurement:** E-procurement systems contribute to the integration of public procurement and public finance information

## (A) Alignment of procurement processes and information to inform overall public finance management

Adherents should rationalise public procurement spending by combining procurement processes with public finance management to develop a better understanding of the spending dedicated to public procurement, including the administrative costs involved. This information can be used to improve procurement management, reduce duplication, and deliver goods and services more efficiently. Budget commitments should be issued in a manner that discourages fragmentation and is conducive to the use of efficient procurement techniques.

**A.1** Adherents should rationalise public procurement processes which shed light on the overall level of resources allocated in these areas, in a way which feeds into the broader PFM and budgetary processes of resource allocation and prioritisation. This can include:

- Establishing annual or multi-annual procurement plans in support of the budget planning and formulation process and contributing to multi-year planning,
- Including a detailed and realistic description of financial and human resource requirements in the procurement plans,
- Preparing project-specific plans for purchases of goods and services that are considered high-value, strategic or complex to establish project milestones and an effective structuring of payment,
- Ensuring that e-procurement systems are integrated with public financial management systems (Integrated Financial Management Systems, IFMIS).

**A.2** Adherents should use the information on public procurement spending to improve procurement management, reduce duplication, and deliver goods and services more efficiently. This can include:

- Ensuring a proper monitoring of public procurement spending by public procurement officers, internal auditors as well as independent oversight auditors,
- Using the e-procurement systems to monitor public procurement spending and to ensure that procurement activities are conducted according to plans and budgets,
- Establishing a feed-back mechanism for certification of budget execution including information on the completion of major contracts,
- Disclosing all relevant fiscal information, including fiscal reports, in a timely and systematic manner,
- Publishing the public procurement plans to inform suppliers of forthcoming opportunities, ensuring that the information released is carefully selected to avoid possible collusion.

**A.3** Adherents should issue budget commitments in a manner that discourages fragmentation and that promotes sound and efficient procurement techniques. This can include:

- Ensuring that budget funds are committed or appropriated in a timely manner, and cover the full amount of the contract (or the portion of the contract to be performed within the budget period),
- Ensuring that no solicitation of tenders take place without certification of the availability of funds,
- Ensuring that the national regulations/procedures for processing of invoices and authorising of payments meet obligations for timely payment stated in the contract and that they are publicly available and clear to potential bidders.

## **(B) Multi-year budgeting and financing to optimise the design and the planning of the public procurement cycle**

**Adherents should encourage multi-year budgeting and financing to optimise the design and planning of the public procurement cycle. Flexibility, through multi-year financing options – when justified and with proper oversight – should be provided to prevent purchasing decisions that do not properly allocate risks or achieve efficiency due to strict budget regulations and inefficient allocation.**

**B.1** Adherents should encourage multi-year budgeting and financing to optimise the design and planning of the public procurement cycle. This can include:

- Establishing annual or multi-annual procurement plans in support of the budget planning and formulation process and contributing to multi-year planning,
- Ensuring that the multi-annual procurement allocations are properly accommodated and reflected within the Medium Term Expenditure Framework.

**B.2** Adherents should provide flexibility to prevent purchasing decisions that do not properly allocate risks or achieve efficiency due to strict budget regulations and inefficient allocation. This can include:

- Allowing some limited scope for reallocation or “virement” of allocations across budget lines,
- Allowing some scope for carry-over of expenditure allocations from one budget year to another, where this would promote efficiency and value-for-money.

## **(C) Harmonised public procurement principles across the spectrum of public services delivery, as appropriate, including public works, public-private partnerships and concessions**

**Adherents should harmonise public procurement principles across the spectrum of public services delivery, as appropriate, including for public works, public-private partnerships and concessions. When delivering services under a wide array of arrangements with private-sector partners, adherents should ensure as much consistency as possible among the frameworks and institutions that govern public services delivery to foster efficiency for the government and predictability for private-sector partners.**

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**C.1** Adherents should harmonise public procurement principles across the spectrum of public services delivery, as appropriate, including for public works, public-private partnerships and concessions. This can include:

- Ensuring that the legal and regulatory framework covers Public Private Partnerships (PPP) including concessions,
- Assigning the responsibilities for developing policies and supporting the implementation of PPPs including concessions,
- Ensuring consistency among the legal and regulatory frameworks governing public services delivery,
- Ensuring consistency among institutions governing public services delivery,
- Implementing the [OECD Recommendation on Principles for Public Governance of Public-Private Partnerships](#).