Electronic-Government Procurement and its Contribution to sustainability.

Presented By: Moses Ojambo
PPDA

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Objectives of the session

- To share with the practitioners the key issues to consider in sustainable procurement
- To share good practices on sustainable procurement
- To illustrate how sustainable procurement can be incorporated in eGP
- Discuss the benefits and barriers to sustainability in eGP
Sustainable Procurement defined

- The concept of sustainable procurement (SP) is based on 3 pillars: Economic, social and environmental aspects, which consequently support sustainable development (SD).
- SD is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- SP is therefore a process which incorporates sustainability considerations throughout the procurement process.
- SP considers Value for money elements such as, price, quality, availability, functionality.
1) **Financial** - Reduce total operating costs by procuring more efficient and sustainable goods, works or services that:

- Develop mkt capabilities to deliver sustainable solutions
- Increase demand for sustainable solutions, which increase mkt competitiveness.
- Strive for innovative and more sustainable outcomes
- Cost savings on a long-term basis by applying lifecycle costing
2) **Risk management**

Engage in mapping of economic, Legal, environmental and social sustainability threats and opportunities and develop appropriate approaches to manage them.

3) **Commitments and goals** - involves developing sustainable procurement policies that are in harmony with the country's overall strategy (NDP II vision 2040)

4) **Attractiveness** - implementing SP may attract other financial investors, boost labour markets and attract best firms to bid and drive develop’t goals.
E-GP is the use of Information and Communications Technologies in conducting activities of Government Procurement Process Cycle for the acquisition of goods, works, and services.

The eGP is envisaged to address the same challenges that compromise the achievement of value for money and service delivery through procurement. These include inefficiencies such as delays in the acquisition process, poor budget absorption, fraudulent practices, integrity, transparency and accountability issues; low bidder participation among others.
Progress made so far

- Set up a governance structure that will manage the initial system implementation. These include the project team, 5 workgroups and the application implementation team.
- Procured the system vendor and commenced system customization activities. Currently reviewing the software system design requirements.
- Setup a functional eGP unit at PPDA which will be the centre for eGP support
- Conducted stakeholder engagement activities both in private and Government
Procurement Done Right!

Common Database of procurements

- Enhancing decision making by providing meaningful and comprehensive procurement information
- Improve financial planning and budgeting
- Enhanced monitoring of procurement by PPDA
- Centralised record keeping and management

Efficiency and cost reduction in processes

- Increased Competition
- Better Quality of service
- Cost Reduction in both the processes and the services

Transparency and improved accountability of practices & Procedures

- Enhance citizen’s and businesses’ confidence in govt procurement processes and utilisation of public funds
Proposed eGP system

E-Government Procurement system modules

- Bidder Registration
- Planning
- Initiation
- Bid process management
- Online Evaluation
- Online auctioning
- Disposal
- Contracts management
- Framework agreements /contracts
- E-payment
- Administrative review
- Template Library
- E-catalog
- Notification
- Workflow management
- Performance management

Integrated Financial Management Information (IFMIS) for payments to suppliers, budget commitments

PBS system for budgeting

Uganda Registration Services Bureau for verification of registration of businesses

National Identification and registration authority for national identity information

Uganda revenue Authority for verification of filing of taxes by bidders as well as their tax identification numbers

NSSF

Banks for provision /verification of bid securities, performance securities and advance payment securities

Mobile Digital signatures for managing digital signatures

E-payment gateway for payments made by suppliers

SMS Gateway for notifications

E-payments gateway for payments made by suppliers

SMS Gateway for notifications
E-Procurement

Purchasing Process

- Needs Identification
  - Specifications
  - Supplier Evaluation
  - Supplier Selection

- Purchase Order Prep
  - Follow-up
  - Receipt/Inspection
  - Payment
  - Records Management
eGP Concept

**Environmentally Friendly**
Paper-free process: bidders should not submit printed originals and copies of bidding documents.

**Ge-GP**
E-PROCUREMENT

**Simple & Fast Review Process**
Procurement specialists can access bids info through the system.

**Remote Participation**
Bidders can submit bids remotely from their offices, reducing time and costs.

**Low Participation Fees**
Unlike conventional procurement, Ge-GP users obtain bidding documents free of charge and pay a nominal fee for their participation.

**Reduced Risks**
A bidder’s identity remains confidential and is only disclosed after the bid opening.

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In order to facilitate anytime, anywhere access to the system, 2 channels are to be established.

1) eGP portal- This shall provide information to stakeholders whether registered or not, on transaction based capabilities.

2) Mobile devices-The channel will provide information on services such as notification alerts offered by eGP mobile applications.
Sustainability in the eGP

Needs identification

Contract award and Management
E-negotiation
*E-contracts
E-invoicing
E-signatures

Analyze Sustainability needs

E-Supplier selection
*E-sourcing
*E-evaluation

Develop sustainability requirements and evaluation methodologies

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1-Needs identification

- Country policies and needs based on 3 pillars
  - Local content issues, promotion of SMEs
  - Equality in employment
  - Health and safety standards, emissions stds, packaging
  - Gender and social inclusion (GSI), disposal etc.

- Community needs and expectations
  - Economic, social and env’tal resources change
  - Depletion and distribution of resources
  - Understanding these helps determine effective sustainable procurement.

- ESIA helps in identifying appropriate selection mthd
2-Analyze sustainability needs

- This focuses on analyzing the identified needs and develop an appropriate strategy to achieve sustainable outcomes
- Develop actions that generate ESE benefits while minimizing damage to the env’t
- Demand related approaches—elimination, reduce, re-use
- How the sourcing strategy will determine sustainability procurement objectives
eGP-cont’d

- Determine how sustainability procurement requirements will be incorporated
- Analyze whether the market is ready to deliver sustainable goods
- Determine when the sustainable criteria will be used - prequalification/bidding/or at evaluation?
- Expected sustainability benefits including lifecycle savings
- Impact on budget

Procurement Vs cost, risk and vulnerability
eGP-cont’d

3- Develop sustainable requirements and evaluation methodology
This helps to ensure that appropriate sustainability priorities are incorporated in the procurement process

✓ Specifications need to be compliant with the local laws
✓ Sustainable priorities need to be communicated well to potential suppliers
✓ Conformance specifications-design related
✓ Performance specifications-describe outcomes
4-Source the supplier

The bidding document should clearly describe the sustainability criteria so that suppliers are informed on how their proposals will be evaluated.

- pre-bid/proposal briefing to explain sust. reqts.
- Evaluation methodology- may include: qualifying criteria, rated criteria and monetary quantifiable criteria (MoP/energy consumption, CO2 emissions/waste)
- The supplier with the most sustainable criteria may not always be the successful bidder if they are not competitive in other areas
Evaluating non-cost attributes

Score the supplier against a weighted sustainability criteria

Suppliers may be required to summarize within their bid/prop., their experience and proposed methodology to deliver the sustainable solution.

Eco-labels, environmental pdt declarations and other pdt stds can help evaluate sustainable credentials of a product.

Lifecycle costing-assessing sustainability impacts throughout the products lifecycle
5-Contract award and management

Sustainability commitments, standards and measures ought to be written into the contract to ensure the suppliers are contractually bound to deliver them.

- KPI are used to measure the performance of suppliers
- Targets and KPI should be aligned to sustainable goals, objectives and the sustainable procurement approach
eGP sustainability benefits

- Reduced time frame-Impact and impact on env’t, social & economic aspects
- Reduced transaction costs-impact on ESE-5-8% reduction on budget
- Increased competition-transparency; chance for SMEs
- E-catalogues provide price transparency
- Increased quality of life-improved service to society, less toxic chemicals in cleaning products, increased consumption of organic products etc.
- Increased innovation and technology transfer

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eGP sustainability barriers

- Perceived costs-the whole process is perceived to be expensive and time consuming- contradiction. Many organizations do not have practices that factor in total cost of ownership or full life costs.
- Lack of senior management support.
- Availability of suppliers of sustainable assets or services.
- System challenges
- Environmentally preferred products are not as readily available and may not meet performance specifications or not cost competitive.

E-coverage
Public Procurement and Disposal of Public Assets Authority

Head Office:
UEDCL Towers, Plot 37 Nakasero Road
P.O. Box 3925, Kampala Uganda
Tel: 256 414 311 100
Fax: 256 414 344 858 or 256 414 250 031
Web: www.ppda.go.ug
Email: info@ppda.go.ug
Connect: www.facebook.com/ppdauganda