

Workshop.
February 22nd 2010.
09am – 05:30pm.
Schönbrunn Palace
Conference Centre.

eTendering.

Uptake of pre-awarding phases in eProcurement.

Dear readers,

Break the Silence



eTendering is a subject regarded as a dry matter relevant only to public management itself. We think this is not doing it justice.

With [auftrag.at](#) and [lieferanzeiger.at](#), Wiener Zeitung hosts advanced eProcurement and eTendering portals and strives continuously to optimize features and functionalities for buyers and suppliers.

We are proud to host our second international workshop on eTendering on February 22nd. An opportunity, that comes just right to show how eTendering is relevant to all of us and especially to those who are doing business with the public sector.

Some, not many, decades ago, communication that was not face to face was an event and transferring data meant to shovel paper from A to B. Communication was everything but inexpensive and fast. Then the internet came, e-mails replaced the fax. Today, servers transmit voluminous data in a blink. With communication and data transmission electrified to a continuous buzz distances have shrunk and markets have widened.

Everywhere?

Not entirely so, it seems, in procurement and tendering in the public sector. While ever better solutions for eProcurement and eTendering are available, public management only reluctantly moves towards procurement digitalisation. This might be due to technological obstacles, e.g. "interoperability", since most platforms evolved out of procurement processes that address either pre- or post-awarding phases. Thus, one of the main targets of this workshop will be to scrutinize and discuss the technological solutions both for procurement and tendering.

As we are partial about eTendering we feel the need to remind on what eTendering was invented for: transparent, efficient and competitive public tendering. We hope to speed up the tempo in which eTendering is introduced throughout the EU, since this would not only strengthen European markets and businesses, but optimize public buying in respects of costs and sustainability as well. In this sense we will discuss the progress of eTendering in various member countries and hope to raise public awareness on this matter as well.

Paul Humann,
CEO [auftrag.at](#)



auftrag.at breaks the silence that tends to fall upon eTendering processes once a notice has been published: The new PEP Online, which is the underlying operating system, is interactive, offering round-the-clock tendering information and the possibility to place questions and responses for everybody involved at any time. An open and public process, competition is not violated but enhanced – with fairness, says Elisabeth Grünmann.

Our new eTendering-module supports the procurement process before placing the contract, it covers every step from announcement to award or cancellation. Unlike other providers we set our focus not on the identification of the best bid or the description of requirements, but on the communication between (public) buyer and (private) supplier.

PEP Online, which is our operating system underlying both [lieferanzeiger.at](#) and [auftrag.at](#), has been optimized and now enables interactive communication between bidders and contracting authorities throughout the entire process: any question or response can be placed anytime by anyone involved until closing date. This communication is public, so that every bidder will benefit.

Regarding fairness and transparency we were careful as well to establish protocols that track any activity: Thus, every step, any activity, all questions asked and responses given are traceable, even after the tender has been awarded.

As eTendering is meant to be a time- and cost-saving service for bidders and contracting authorities, PEP Online is based on ASP technology: The contracting authority (public buyer) simply completes a standardized form, uploads any specifications or requirements and ticks the media in which the information is to be published. The application automatically transmits the notice to the European Union (OJS eSender), the chosen media and business operators, that have registered before.

By downloading the tender documents or – as a new supplier – registering at the platform for the specific procedure, a business operator automatically becomes a potential bidder and is entitled to participate in the bidding process. As such, the supplier might

use PEP Online to communicate with the contracting authority. There are no restraints contentwise: questions might concern the procedure or the tender. Responses are placed online.

Amendments to tender information, like corrigendum forms or new specifications, or to the procedure are actively communicated to all bidders. Suppliers might contact the buyer online and ask for further information if necessary.

When submitting the bid electronically, the bidder is obliged to sign with a qualified electronic signature, as required by Austrian public procurement law. This signature is placed on a container sheet to be downloaded to the local desktop. The electronic signature is also required to authorize any cancellations or modifications of the tender. After submission date the contracting authority can generate a list of all submissions in correct order for the electronic tender-opening session. It is also possible to add tenders that were submitted on paper to this list.

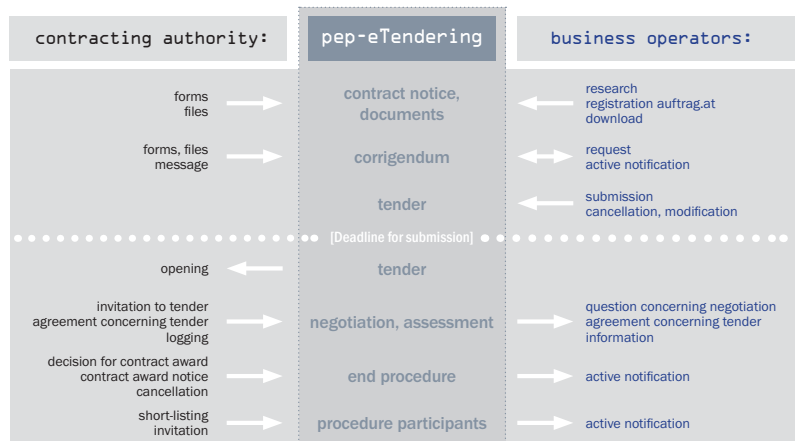
During the tender-opening session a protocol will be created, tenders will be encoded and the technical correctness of the qualified signatures is verified. Tenders will also run through a virus-check before a final report is generated. All technical checks done, the contracting authority (the buyer) can access each tender and download all documents that are included.

eTendering offers myriads of business opportunities as, we believe, it has the potential to become a future near-to-ideal marketplace. Its the SMEs that might profit the most from eTendering. By adding an interactive communication tool to PEP Online, we hope to having enhanced the strengths of eTendering even more, which we identified as it's fairness and transparency.

ABOUT US. Founded in 1703, "Wiener Zeitung" is probably the oldest daily newspaper in the world. Today's Wiener Zeitung is a modern newspaper and – as it is state-owned and belonging to the federal chancellery – provides public services such as the daily Austrian Official Journal, which is also available online. It was partly due to this "official" background, that Wiener Zeitung founded [auftrag.at](#) in 2001 as a subsidiary company. [auftrag.at](#) specialises in developing and providing online services for the public and private sector. With [lieferanzeiger.at](#) and [auftrag.at](#) we provide two portals that form advanced eTendering solutions: Any public tender is accessible through these portals offering new business to austrian and european companies. We aim to enhance our services continuously and most recently added a module to PEP Online enabling eTendering.

The BENEFITS of one centralized solution are obvious:

- One centralized contact for coordination and development
- Competent and well trained helpdesk to support buyers and suppliers
- Focus: the entire process is operated automatically
- Reduction of operating and investment costs
- Consistent processes for repeated usage



Positive Reinforcement



Successful eProcurement is all about communicating the benefits rather than setting strict rules and guidelines, says eProcurement Specialist Nils Fjelkegård from National Procurement Assistance and Development of the Legal, Financial and Administrative Services Agency (Kammarkollegiet) in Sweden. Sweden implemented mandatory eProcurement in 2008.

eProcurement in Sweden gains momentum since the Swedish Government set up the National Action Plan for eGovernment in 2008. The plan calls for a three step strategy to implement electronic support for the whole chain of Swedish public procurement. Having mastered successfully two of the three – the first being electronic invoicing for the Swedish public sector, the second electronic ordering – we are now tackling the third, the introduction of IT support for the pre-award procurement process, i.e. electronic notifications, qualifications and tenders. We seek to ensure that the complete procurement process can be conducted electronically, from identifying a need to invoice and payment.

What renders the Swedish case especially interesting is that the development of Swedish pre-award electronic procurement had

previously been attributed to private sector procurement system suppliers and individual initiatives before our agency, the newly established National Procurement Assistance and Development Initiative, took over in 2009.

First, we feel it is critical to balance the interests of a strong, already existing private market and our desire to increase control and supervision over the general development. We seek to encourage innovation and competition between private market platform suppliers, while at the same time strive to retain our influence regarding interoperability and accessibility and thus creating a principled understanding of „a national eProcurement platform“.

Second, we also must pay attention to the highly decentralised structure of public pro-

urement in Sweden. We responded by communicating the possibilities and benefits of eProcurement on a national level, rather than introducing regulations and strict policies. A strong political will and commitment is as essential to get everyone on the train, as communication, interaction and the adaptation to individual needs.

Third, slicing the process into a pre-award and post-award phase as in Sweden has its benefits, as it brings various parties, systems and processes in, but at some point these should form one seamless procurement process. The new electronic procurement procedures tend to question the division in pre and post award processes, anyway.

So, interesting years lie ahead as the various initiatives start gaining momentum towards the joint target of achieving full electronic support for public procurement.

Less is more

In 2008, Portugal set up a new legal framework, allowing more flexibility in eProcurement and eTendering. While the bureaucratic grip was loosened, eProcurement was made compulsory for all public buyers. This increased not only transparency in public buying but accessibility of public tenders as well, says Luis Valadares Tavares, IT-Consultant to the Portuguese Government.



Shortcomings in the existing law, the need to comply to the Directives 2004/17/CE and 2004/18/CE and the desire to make Portugal one of the leading European States in information technologies, led to a new legal framework for public procurement, which was approved in 2008.

The previous law, many parties felt, was too fragmented, while imposing heavy bureaucratic loads on tenders and setting too rigid contracting rules. The new law was inspired by quite a variety of different objectives:

- Full adoption of web based eBusiness: All notices and contract awards are delivered to an electronic official journal (DRE) and published through a single portal (www.base.gov.pt).
- Flexibilisation of awarding procedures, including new options such as reverse auctions, dynamic acquisitions systems, framework agreements, etc.
- Availability of the full specification of the multiple criteria model to evaluate tenders prior to their presentation.

- Reinforcement of review rights by introducing a moratorium of 11 days between award and contract.

The initial proposal was developed by an interdisciplinary team including myself and experts in Public Law, Economics, Decision Sciences and Management from 2001 to 2003. The approval of the Directives 2004/17/CE and 2004/18/CE as well as the Directive 2007/66/CE on review rights encouraged us to strive for a more innovative framework. In 2009, the new legal framework (Decree 18/2008 and additional legal documents) was implemented and since 1st November 2009 every public competitive (open, restricted or negotiated) procedure to award a public contract has to be conducted electronically.

Obviously, a new legal framework brings new challenges for every party involved: the contracting authorities governed by public law, the suppliers and, last but not least, the IT suppliers that develop the platforms. After

a long discussion and an evaluation of the services available, the Portuguese Government decided to purchase on the market, rather than setting up its own platform.

The purchase is subject to strict regulations, e.g. platform suppliers must be certified by CEGER (Centro de Gestão da Rede Informática do Governo – Management Centre of the Government Information Network), reducing the number of suitable suppliers to eight. Six of them (AnoGov, Forum B2B, Infosistema, Trade.com, Bizgov, Vortal) are founding members of APMEP, the Portuguese Association of Public Markets, that has a market share of more than 75 %.

Each of these six firms is striving for innovation and excellence according to its individual history, potential, mission and strategy. Some were founded as marketplaces for industrial sectors (e.g. construction), some derived from online shopping for SMEs, others are based on ICT consultancy and another

“This world sunlit and grand
of which we are the heirs
with a proud unconsciousness”

Fernando Pessoa, 1904, “The World”

is a spin-off of the largest Portuguese service suppliers. All of them are highly competitive, but as they are also aware that cooperation is a value, they are best examples for the new management paradigm of “co-opetition”.

Despite this new market order, the full adoption of eProcurement asked for new innovative services to cover the contracting cycle. Collaborative platforms to support design and evaluation activities and a multi-criteria model to identify the “best bid” are two main features.



The Virtual Company Dossier Project (VCD)

The VCD (Virtual Company Dossier) is one of eight work packages of the EU-project PEPPOL (Pan-European Public Procurement Online) which aims to set up a pan-European pilot solution to facilitate public eProcurement EU-wide. VCD supports the potential bidder by creating and assembling an electronic information package that contains all required documentation, evidence, attestations, certificates, declarations and metadata.

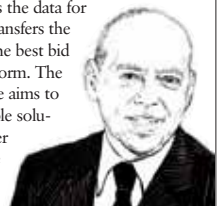
The core component of VCD is the osSso Machine based upon a semantically enriched service oriented architecture (SSOA). osSso leads an ontology describing all national and international legal sets. Furthermore, it provides a semantic description of input data needed and expected output data. osSso detects matching criteria and missing evidences, suitable services, and finally creates service chains which the VCD engine executes. Each tender individual requirements are determined “on-the-fly” and the best service chain, e.g. concerning costs or time, is provided. The osSso approach allows flexible responses to legal or other amendments by adapting the ontology or providing new services.

Josef Makolm,
Austrian Federal Ministry of Finance

PEPPOL eCatalogue - Electronic Catalogue in European Public Procurement

Electronic catalogues already play a central role in online ordering but in the future also in online awarding (eTendering), thereby closing a gap in electronic procurement procedures. One of the resulting benefit is that data are only entered once. The delivered documents are stored electronically until closing date. The software then automatically checks the data for completeness and transfers the information about the best bid to the ordering platform. The PEPPOL eCatalogue aims to find technically simple solutions to access tender platforms and define common standards.

Stefan Krammer,
BBG - Austrian Federal Procurement Agency



workshop eTendering

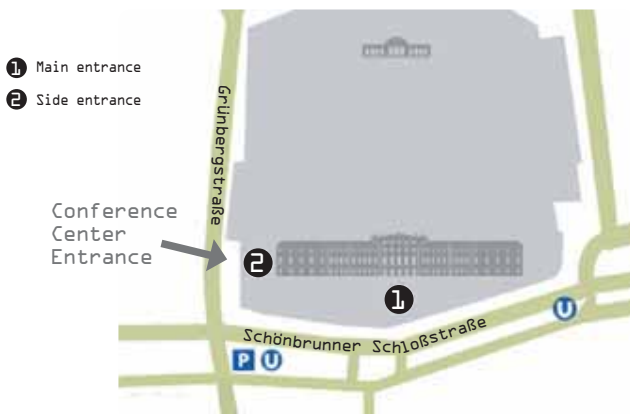
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speakers

Richard Baker, Founder, Managing Director and Chairman of Sequence, United Kingdom
Manuel Caño, Strategic Director for PLYCA with LCI, Spain
Eva Coscia, Senior Project Manager with TXT, Facilitator for eProcurement Forum, Italy
Pierre Fau, Director of ATEXO International, France
Nils Fjelkegård, The Legal, Financial and Administrative Services Agency, Sweden
Elisabeth Grünmann, Project Manager with auftrag.at, Austria
Paul Humann, CEO auftrag.at, Austria
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Marco Tardioli, European Commission, Brussels
Luis Valadares Tavares, Systems Researcher, Consultant and Trainer, Portugal
Johannes Wimmer, BBG - Federal Procurement Agency, Austria

how to get there



By public transport:
Underground line No.4 or tram 10 and 58 to
Schönbrunn Station

By car:
Very few public parking spaces, charged
parking opposite of the castle

credits

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eTendering application samples

portugal

The Portuguese portal www.vortalgov.pt was designed by Vortal Connecting Business and is operating since 2004. With eProcurement rendered compulsory in 2008 the portal attracted more and more entries. Today, more than 16.000 buyers and suppliers use vortalgov.pt.



italy

www.albofornitori.it is an Italian eProcurement portal, developed by CSAméd, that emphasises fairness and transparency for bidders. The portal is used predominantly by public sector clients and it has managed almost 3.000 tenders worth more than one billion euros since 2004.



united kingdom

The Welsh Assembly Government procurement portals, www.sell2wales.co.uk and www.buy4wales.co.uk are one of the most mature in the world especially for cross sector/country-wide notice publication. They form one single portal for the whole county to which notices from across the public sector would be published.



france

LOCAL TRUST is the platform underlying the French eProcurement portal www.marches-publics.gouv.fr. Electronic tendering is compulsory for all public contracts since 2005. Approximately 20 000 public buyers manage 100 000 tenders per year with LOCAL TRUST.



sweden

OPIC tendesign is the leading eProcurement system in Sweden, with more than 60 customers from the public sector. As a 100 % web-based eProcurement solution, OPIC doesn't require any additional devices or applications. OPIC is set up in five divisions that cover all eProcurement issues such as planning, specifications and templates, advertising and surveys, tendering, evaluation, awards and contracting.

