

# *Strategy and actions for the use of electronic business processes and electronic procurement in the public sector*

**eNorway 2009**  
– the digital leap



*André Hoddevik*

*Project Manager, Ministry of Modernisation eProcurement Secretariat*

## The challenge

- Electronic public procurement is an important tool for modernisation of the public sector and realisation of benefits both in administrations and businesses
- New regulatory framework to be implemented
- How to...
  - ... create the right environment at national level...
  - ... for realisation of strategies on use of electronic means at public sector entity level...
  - ... that brings about professionalized and effective public procurement activities at the end user level?
- eNorway 2009 activity 8:
  - Strategy and actions for the use of electronic business processes and electronic procurement in the public sector (Strategy and action plan)

## The process

- Background
  - EU action plan for the implementation of the legal framework for electronic public procurement
  - Impact Assessment: Action Plan on e-Public Procurement, Part 1: Baseline Analysis, extended version covering EU 25, Iceland and Norway
  - Recommendations from Rambøll Management based on the extended version of the Baseline Analysis
- Meetings with stakeholders, feedback on preliminary version
  - Process from end of May through July
  - Contracting authorities, ministries, suppliers, trade organisations, interest groups, academic institutions
  - Facilitated by external consultants
- Finalisation and approval
  - Internal process in the Ministry of Modernisation and the eProcurement Secretariat
  - Iterations with political leadership of the Ministry
  - Final version approved by the Minister of Modernisation 10th of October

## Strategy and action plan focus



- Public sector entities shall be able to conduct all their procurement activities by electronic means
- In the course of 2007, all public sector entities shall have objectives, strategy and plans in place for their procurement that include the use of electronic processes
- In the course of 2009, 25 % of the volume of public sector operations related purchases shall be procured in full or in part by use of electronic processes for interaction with business and industry

# Status and goals

Procurement activity	Status 2005	Objectives 2009
Electronic submission and publication of notifications in Doffin and TED.	<ul style="list-style-type: none"> <li>• 100 % over threshold value.</li> <li>• Not used much below threshold values.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain 100 % above threshold value.</li> <li>• 100 % in "mini-Doffin"</li> </ul>
Electronic publication of tenders.	<ul style="list-style-type: none"> <li>• Varied, up to each individual contracting authority</li> <li>• Not part of the services offering in Doffin.</li> </ul>	<ul style="list-style-type: none"> <li>• Introduced as a main rule.</li> <li>• Offer of cost-free publication in Doffin.</li> </ul>
Electronic submission and receipt of tenders.	<ul style="list-style-type: none"> <li>• Only used as a supplement to submission on paper.</li> <li>• Lack of good security mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>• Introduced as a main rule.</li> <li>• Appropriate security mechanisms in place.</li> </ul>
Electronic evaluation and award of contracts.	<ul style="list-style-type: none"> <li>• Not used much.</li> <li>• Lacks total solutions for publication, submission and evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>• Introduced as a main rule.</li> <li>• Total solutions for publication, submission and evaluation in use.</li> </ul>
Electronic ordering.	<ul style="list-style-type: none"> <li>• Less than 1 % of operations-related order volume is electronic.</li> <li>• Few public sector entities have procurement solutions organised for electronic business with suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>• 25 % of operations-related order volume is electronic.</li> <li>• 50 % of public sector entities have procurement solutions organised for electronic business with suppliers.</li> </ul>
Electronic invoice handling.	<ul style="list-style-type: none"> <li>• Sporadic use, main -focus on scanning of paper invoices.</li> <li>• Small percentage of electronic invoices to / from public sector entities.</li> </ul>	<ul style="list-style-type: none"> <li>• All public sector entities shall be able to receive and process invoices electronically.</li> <li>• All public sector entities shall offer electronic invoices to their users.</li> </ul>

## Focus areas

On the basis of the strategy, the Ministry of Modernisation will implement a number of targeted actions within seven focus areas during the period 2006–2009. These are:

- a. Regulations
- b. Finance
- c. Standardisation
- d. IT solutions
- e. Information dissemination and competence development
- f. Organisation and strategy
- g. Knowledge and measurements

Initial list of actions with key performance indicators included

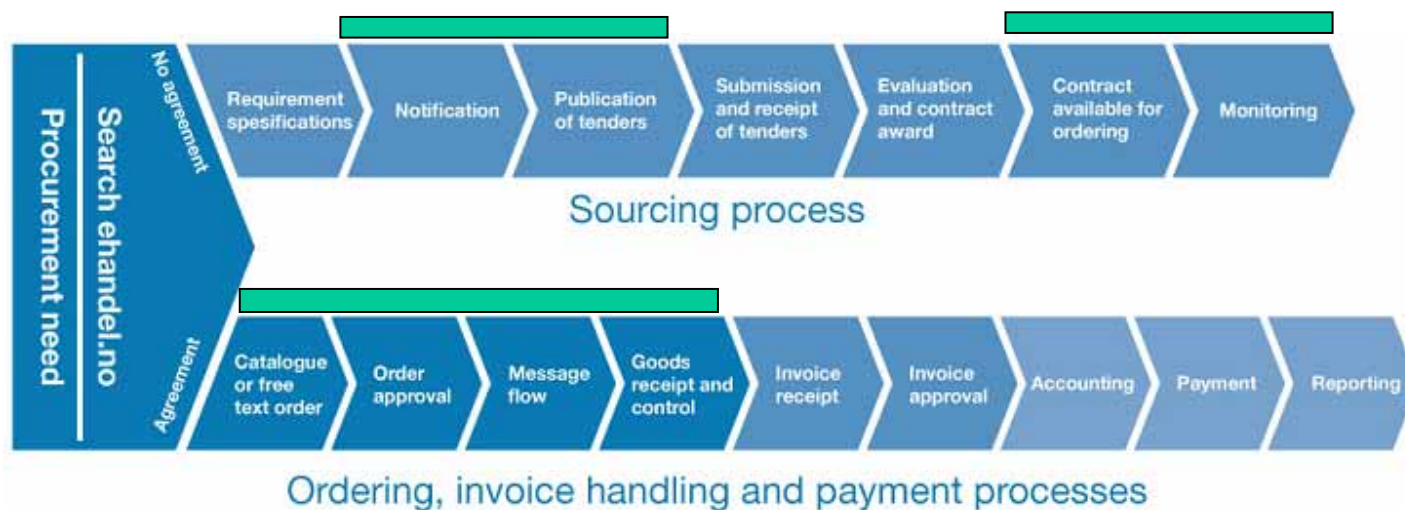
- Continual development of the list during the period is presupposed, with regard among other things to resource allocation
- Close cooperation between public sector entities, trade organisations, academia and business and industry is presupposed in order to be able to realise the actions

## Approach to “Organisation and strategy” actions



- In the course of 2007, all public sector entities shall have objectives, strategy and plans in place for their procurement that include the use of electronic processes
- Step by step implementation strategy on public sector entity level to be encouraged

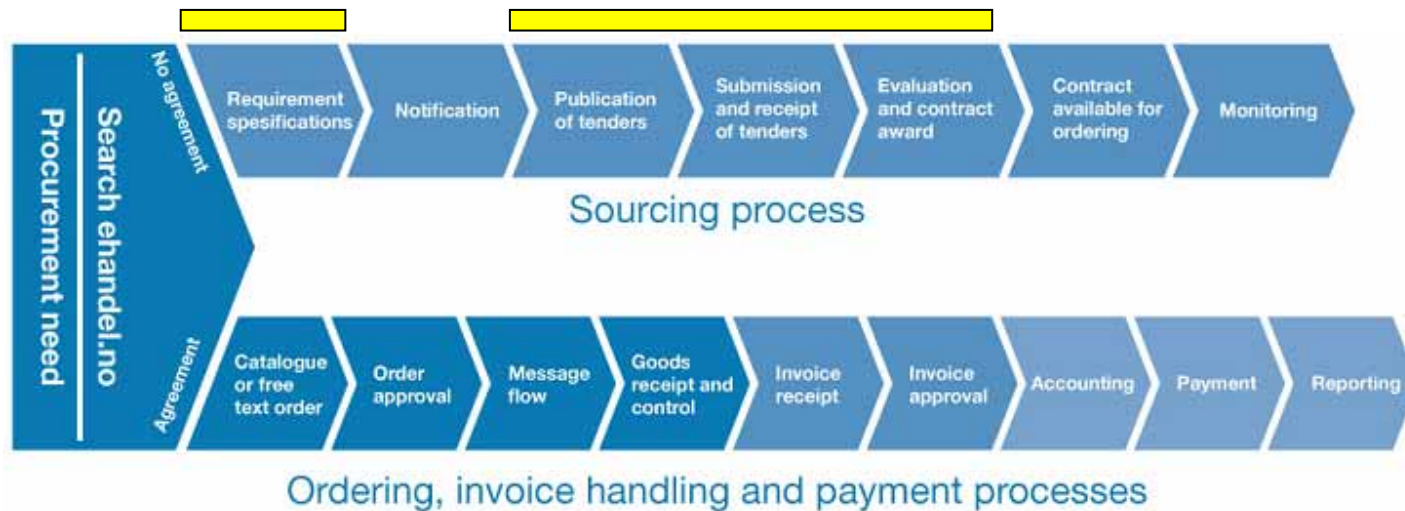
## Approach to “IT solutions” actions



Available services from 1.1.2006

- Electronic notification services available from 1997, change of service operator from January 2006, introduction of new functionality
- Electronic ordering services available from 2002

## Approach to “IT solutions” actions

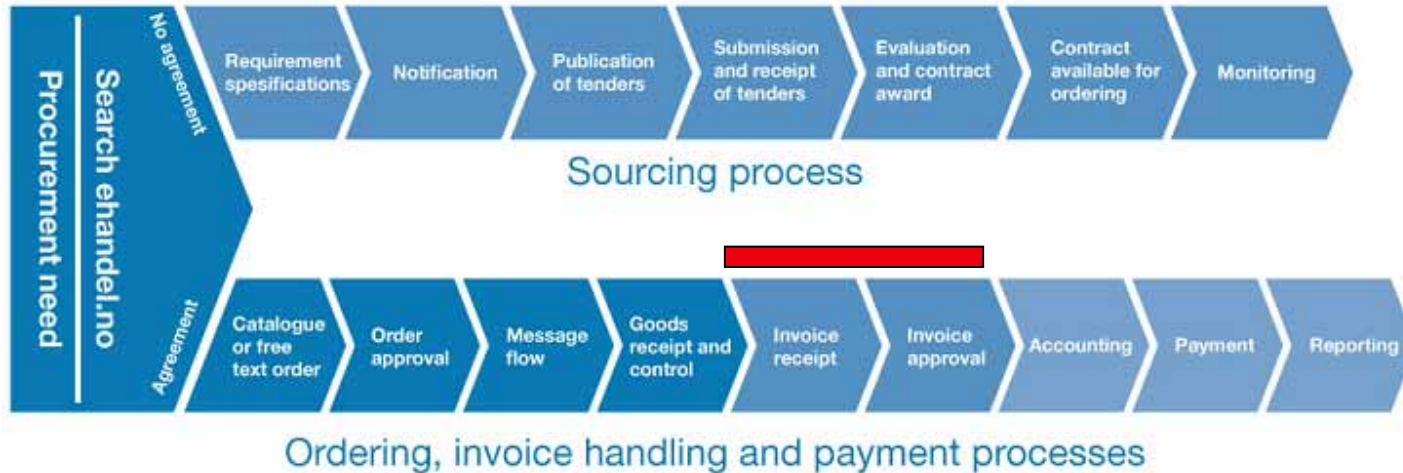


- Available services from 1.1.2006

### Services in pilot stage from February 2005

- 10 procurement processes within 2005
- Participation from regional authorities and central government entities, no local authorities so far
- Experiences to be used as basis for future guidance material on new public procurement regulations

## Approach to “IT solutions” actions



- Available services from 1.1.2006
- Services in pilot stage from February 2005

**■** Prioritised area for establishment of new services

- Service offerings for electronic invoice handling shall be introduced
- Solution architecture and business model under consideration

## Actions (I)

### a. Regulations

- ✓ Require the introduction of electronic order handling systems (procurement systems) in the government / public sector.
- ✓ Prepare the basis for using electronic invoices in the public sector.
- ✓ Prepare the basis for the electronic publication of tenders in connection with all types of public sector procurement.

### b. Finance

- ✓ Ehandel.no establishes a new web-based “information bank” for the public and private sectors in respect of how the benefit potential realised through electronic procurement can best be realised.

### c. Standardisation

- ✓ Contribute to international standardisation efforts of significance for the introduction of electronic business processes in the public sector.
- ✓ Ensure that Norway uses international standards.
- ✓ Further develop the concept of standard collaboration protocol agreements.

## Actions (II)

### d. IT solutions

- ✓ Establish solutions or service offering for electronic invoice handling for the public sector and its suppliers.
- ✓ Expand the functionality and service offering for notification and publication of tenders in Doffin and “mini-doffin”.
- ✓ Expand the functionality and service offering in Ehandel.no with a focus on total solutions for publication, submission and evaluation of tenders.
- ✓ Employ business models and solutions architecture in order to ensure that the public sector and its suppliers simply and cost-effectively attain access to solutions for electronic ordering.
- ✓ Evaluate the user-friendliness of the national portal(s) for public sector procurement based on both general criteria (navigational principles, design, language etc.) and an evaluation of functionality.

### e. Information dissemination and competence development

- ✓ Establish a national portal offering guidance and tools for better, simpler and more secure public sector procurement.
- ✓ Contribute to specific activities for developing knowledge and competence about electronic procurement, including security requirements, specifically aimed at SMEs.
- ✓ Establish cooperation forums with academic environments and other third-party interests for exchanging knowledge and experience of work with public sector procurement and electronic business processes.

## Actions (III)

- f. Organisation and strategy
  - ✓ Require that all public sector entities have goals, strategies and plans for their procurement that includes the use of electronic processes.
  - ✓ Further develop guidance material for the introduction of electronic procurement in public sector entities with a focus on change management.
  - ✓ Offer coaching for project managers who have the responsibility for introducing electronic procurement in public sector entities.
  - ✓ Lay the foundations for regional supplier development campaigns with a focus on public sector procurement and the use of electronic means.
- g. Knowledge and measurements
  - ✓ Stipulate requirements in respect to public sector entities' reporting of their own procurement and the use of electronic means.
  - ✓ Establish routines for the regular gathering and analysis of procurement and the use of electronic means in the public sector.
  - ✓ Prepare the way for research into procurement and the use of electronic means in the public sector.

## Questions?

- More information on Norwegian electronic public procurement experiences can be found on [www.ehandel.no/english](http://www.ehandel.no/english)
- The Norwegian Ministry of Modernisation eProcurement secretariat are available for further information and sharing of experiences
- Contact us via [info@ehandel.no](mailto:info@ehandel.no)