

For any postal queries related to the Basque Governments Electronic Procurement System, please write to the following address:

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www.contratacion.info
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A simple,
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Public Electronic Procurement Model annual report summary

Public Electronic Procurement
Model Technical Secretariat.
Patrimony and Procurement
Directorate.

Public Finance and
Administration Department.
Basque Government.

21 January 2008

Project integrated in the Basque
Governments Strategic Plan for
Electronic Administration and
Government.



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A big effort in 2007

With the aim of ensuring sufficient and generalised means for electronic procurement, the Basque Government has made an important effort to drive the Public Electronic Procurement Model in 2007.

Aware of the fact that, despite the benefits of electronic procurement being self evident, the Information Society and Digital Administration were advancing at a slow pace, the Basque Government deemed it necessary to drive adoption by its bidding companies, particularly the 3,200 companies that, to date, have registered with the Official Register of Contractors.

Added to the difficulties inherent in any change of this magnitude, is the fact that the Basque Governments Electronic Procurement Model develops COMPREHENSIVE electronic procurement, given that ALL file procedures are performed electronically, from internal processing (including publication of procurement advertisements on the Internet and associated documentation, and the opening of tenders), to external (e.g. the presentation of bids by bidders, the receipt of notices or the signing of contracts).

All relevant interventions are guaranteed by the requirement for recognised digital signatures, highlighting the fact that electronic tenders are encrypted with the recognised digital signatures of the members of each procurement desk, in such manner that they can only be opened by such members if they form a quorum and present their electronic signature cards at tender opening desks.

If we add to such security measures, the fact that on the one hand such dossiers do NOT deal with lesser contracts (which would receive abbreviated processing), but rather open, restricted or negotiated contracts, and we add that for legal reasons the aforementioned electronic dossiers have to enable the presentation of tenders via traditional paper means, it is clearly that the challenge presented is substantial.

And our commitment is no less substantial, as can be appreciated in this summary of the annual activity report for 2007.

Continuing our efforts for the 2008 period, we will continue working on technological evolution, rolling out new features and incorporating the potential of the e-Administration Technology Platform, subject to development through the Basque Governments Electronic Administration and Government Strategic Plan.

Likewise, we intend to redouble our marketing, promotional and training efforts, as we intend to launch at least 300 new electronic procurement dossiers.

Our objective for 2008 is simple; to definitively instil the use of electronic tendering, as community directive 18/2004/CE for administrative procurement and the Law 30/2007 for Contracts in the Public Sector both contemplate the birth of new, exclusively electronic, procurement typologies.

Jaime Domínguez-Macaya
Director of Patrimony and Procurement
Public Finance and Public Administration Department
Basque Government

The Basque Government's Model for Electronic Procurement



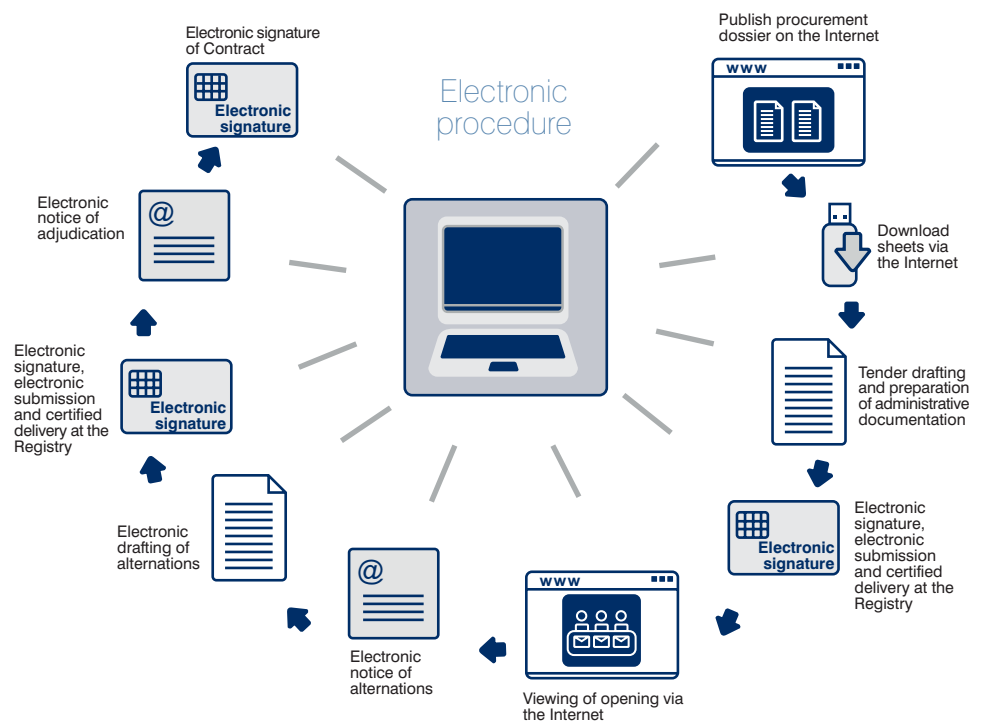
The entire procedure is performed electronically:

- Basque Administration (Publication on the Internet of tender advertisements and their documentation, sending of notices, opening of bids ...)
- Company (presentation of bids by bidders, receipt of notices, signing of contracts ...)

Digital signature certificates, a guarantee for all relevant interventions:

- Transfer and encryption of tenders submitted.
- Opening and decryption via quorum of desk members.

Open, restricted and negotiated tenders



01. Documented elements

Throughout 2006 and 2007 important work has been performed editing catalogues that will illustrate the different technical and administrative aspects related to the launch of electronic procurement.

19 Catalogues
2 Manuals
8 issues of the Public Electronic Procurement magazine "Prest"



www.contratacion.info
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02. Internet

Given that the publication on the Internet of all information relating to the Public Electronic Procurement Model is a cornerstone of the project, numerous activities have been performed in this area.

A full English version of the web-site is available. See: www.contratacion.info

The information provided covers all model areas, with the following sections:

- Electronic Tendering: Application access.
- Tendering requirements: What do I have to do to tender electronically?
- Competitions and Tenders: Search for Administrative Procurements.
- Training activities.
- Official Register of Contractors: Queries, registration forms, etc.
- User support.

03. Promotional Days

23 promotional days: 950 people, 860 companies



04. Early Warnings and other e-Marketing actions

The Early Warning concept is a way for providing companies with sufficient notice (average of 45 days from procurement dossier publication in the Official Bulletin) so that they can learn about the technical and administrative conditions required by electronic procurement, meet, prepare and act on them.

Early Warnings are normally distributed through the following channels:

- **www.contratacion.info.**
- By direct email from the Technical Secretariat, to the following companies:
 - Companies registered with the **Official Register of Contractors** working in areas related to the procurement.
 - Departmental bidders that have presented bids for similar dossiers in previous years.
- By distribution to companies specialising in supplying tender information.

The following Electronic Marketing actions take place almost every day:

- Electronic notifications to companies. Messages are sent to over 2,000 people
- Electronic notifications to Basque Government procurement technicians. Messages are sent to over 200 procurement technicians.



05. Training

Intensive courses of 3 hours duration, which enable companies to experience electronic procurement quickly and fully about, given in Bilbao, Donostia-San Sebastián and Vitoria-Gasteiz.

Attendance and on-line training over the Internet for Bidding Companies:

Statistics for the 2006-07 period:

- 68 courses
- 403 companies
- 668 people

Statistics for the 2006-07 period:

- 32 courses
- 180 civil servants belonging to every departments and main autonomous bodies
- 56 people from the Call-Centre
- A total of 236 people formed

Attendance courses for administration users:

Training courses for procurement technicians that, in each department, should be responsible for managing dossiers put out to tender through the electronic procurement system.

Recipients involved in the procurement process:

- Secretaries, procurement desk presidents and technicians
- Auxiliary administrators and procurement unit administrators
- IT technicians
- Procurement bodies



06. Public Electronic Procurement User Support Centre

The Public Electronic Procurement User Support Centre for users of the Public Electronic Procurement Model provides:

- A central point for direct contact with the people who, at each company, adopt electronic procurement.
- Support for using applications and help in resolving possible incidents.

In addition to "Remote Collaboration" (WebControl) over the Internet. These are features that are provided over the Internet whilst, over the phone, the support technicians attend to users telephonically. If the user accepts the offer of support from the Support Centre, both the user and the support technicians connect to certain web addresses that will enable them to simultaneously observe what is happening on the companies' screen.

The company user and the support technicians perform operations relating to electronic procurement and verify if everything is working correctly.



07. Quantitative evaluation of our activity during 2006 and 2007

- Since the activity began in 2006, 100 procurement dossiers have been entirely digitally processed, with a procurement turnover of more than 80 million Euros.
- A total of 16 Government Departments, Autonomous Bodies or Public Entities issued e-Procurement dossiers.
- The number of electronic tenders increased notably the moment internal training courses were regularly provided.
- From January 2007, a regime has been put in place to enable the issue of approximately 10 dossiers/month.
- The types of goods and services provided through electronic tendering is growing and diverse:

- | | |
|--------------------------------|---------------------|
| · Consultancy services | · Auditors |
| · Insurance | · Office furniture |
| · Security systems | · Text translation |
| · Advertising | · Cleaning services |
| · Travel organisation services | · Pharmaceuticals |
| · IT services | · Pc-s and Servers |
| · Software | · ERP applications |
| · Maintenance services | · Electrical Power |

- Most procurement activity is linked to intellectual services and provisions. In many cases, the tenders received are complex and large in size.
- Of the 100 dossiers issued 50 (%) received digital bids.
- On average 33% of bids received have been digital.
- Dossiers of high value have been issued.
- The first procurements with 100% electronic bids have been developed.
- The "Early Warning" of dossiers subject to electronic tendering is essential for companies to prepare.
- It is essential to continue insisting on certain types of dossier which have not received digital bids, as the insistence in the emergence of dossiers instils a message of "inevitability" and leads companies to prepare for and adopt e-Procurement.
- Given that the Basque Government is the only public administration in the Spain that is performing e-Procurement promotional activities, the number of bids falls exponentially when a core of bidding companies are from outside the Autonomous Basque Community.

Throughout 2007, a series of highly innovative actions have been performed in relation to the status of electronic procurement in Spain

- The Basque Health Service is launching the first electronic procurement dossier for health products in Spain.
- The Basque Health Service is generalising electronic procurement for the purchase of pharmaceutical products.
- Launch of the first Works dossiers.
- Receipt of the first electronic bid including the presentation of a software prototype of a computer application for procurement.
- For the first time, Electronic guarantees, both Provisional (e-Bid Bonds) and Definitive, have been received through the electronic procurement system.
- The receipt of digital documents for financial solvency reports is also being made possible.
- Implementation of the first Information Sessions for companies that are still continuing to use traditional forms of bid submission.

08. Our contribution to the evolution of the state-of-the-art in eTendering

- **Development of a Rollout/Introduction Methodology considers:**
 - Analysis of procurement historical profile.
 - Potential digitalisation issues.
 - Reference criteria for dossiers to be tendered electronically.
 - Rollout strategy and Institutional Support Policies.
 - Support Centre services.
 - Training for companies and officials.
 - Marketing.
- **Development of e-procurement regulation in Spain.**
- **eTendering extension to the procurement of services and intellectual supplies:** Consultancy services, auditing, insurance, advertising, travel organisation, IT services, etc.
- **Pilot Tender Launch Protocol to help officials to prepare their first dossiers.**
- **Access to electronic tender openings via live video images over the Internet.**
- **Development of the Early Warning concept.** A system for providing companies with sufficient notice (average of 45 days from procurement dossier publication in the Official Bulletin) so that they can learn about the technical and administrative conditions required by electronic procurement, meet, prepare and act on them.
- **Promotional and training elements for companies and officials.** Such elements, of a multi-channel character, can be useful to other projects.
- **Multi-channel Support featuring "remote collaboration" over the Internet for incident resolution.**



09. ePractice.eu Good Practice label for 2007

The European Commission has recognised the Basque Government's Electronic Public Procurement Model as a Good eAdministration Practice, awarding it the ePractice.eu Good Practice label for 2007.

On the occasion of the 4th European Commission Ministerial Conference on eGovernment development, the European Union awarded the Basque Government's Electronic Public Procurement Model the ePractice.eu Good Practice label for 2007.

At the Conference, the European Union presented the eGovernment State of the Art Report 2007, drawn up by a team of independent experts led by the Danish Institute of Technology. The report analyses both the general progress made during the period (2005-2007), and projects from 20 European Union countries which are officially promoting eGovernment development.

The issues studied in this report include Electronic Procurement practices, and it analyses the progress made with the general practice in 19 of the 25 countries making up the European Union. The report states that Electronic Procurement is one of the "high-impact digital services" in the strategy aimed towards reaching the goals of the i2010 Plan.

The practices analysed include **the Basque Government's Electronic Public Procurement Model, awarded the ePractice.eu Good Practice label for 2007, which is only received by 10% of the projects presented, i.e. some fifty initiatives in all areas of electronic administration, only a few of which are concerned with Electronic Public Procurement.**



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10. Organisation

The Basque Government's Public Electronic Procurement Model is being driven by the Patrimony and Procurement Directorate, part of the Basque Government's Department for Public Finances and Administration.

A project that forms part of the Basque Government's Electronic Administration and Governance Strategic Plan (PEAGE). The aim of the plan is to coordinate the promotion and advancement of the Basque e-Administration, in order to improve, on the one hand, its relationship with its citizens and companies in addition to services provided, and, on the other hand, its internal efficiency. The plan is being driven forward by the General Secretariat for Modernisation and Electronic Administration, specifically by Management at the Administrative Modernisation Office.

The Basque Government's Public Electronic Procurement Model is managed and energised by the Technical Secretariat and articulated around the following axis: All applications that comprise up the e-Procurement system are supported within the context of the e-Administration Technology Platform, PLATEA, driven by the IT and Telecommunications Directorate in the context of the Basque Government's Strategic Plan for Electronic Administration and Governance.

EJIE S.A., the Basque Government's IT services company; provides the IT and telecommunications services and is responsible for the development of the Basque Government's Strategic Plan for Electronic Administration and Governance. In such circumstance, it is responsible for the technology and support development of the technical infrastructure required by the e-Procurement Plan.

Izenpe S.A. provides the recognised electronic signature services, promoted by Basque Administrations. Its recognised electronic signature certificated are used to sign tenders, encrypt them, and to certify their receipt at e-Procurement servers.

Future objectives

The European Union has set as an objective for 2010 that 50% of all European public administration be performed via electronic procedures.

The Basque Government aims to achieve this goal as soon as possible.

