



QUESTIONNAIRE

**READINESS
FOR
ELECTRONIC GOVERNMENT
PROCUREMENT (e- GP)**

(Self-Assessment version)

Date

Conducted for the Inter-American Development Bank by:

CONTENTS

1	ABOUT THIS SURVEY.....	3
2	KEY COMPONENTS OF THE SURVEY	7
	KEY COMPONENT 1: GOVERNMENT LEADERSHIP AND PLANNING	7
	KEY COMPONENT 2: DIRECT AND SUPPORTING LEGISLATION.....	8
	KEY COMPONENT 3: REGULATION.....	9
	KEY COMPONENT 4: INFRASTRUCTURE AND TECHNOLOGY.....	10
	KEY COMPONENT 5: INDUSTRY DEVELOPMENT	11
	KEY COMPONENT 6: PROCUREMENT MANAGEMENT.....	12
	KEY COMPONENT 7: EXTERNAL INFLUENCES.....	14
	KEY COMPONENT 8: CURRENT E-PROCUREMENT INITIATIVES.....	15
	OTHER SUB-COMPONENTS.....	17
	ATTACHMENT 1: GENERIC LEVELS OF READINESS FOR e-GP.....	18

1 ABOUT THIS SURVEY

The Survey

This Electronic Government Procurement (e-GP) Readiness Survey is intended to assist a jurisdiction to conduct a high level review of its existing procurement environment and assess its level of readiness to adopt e-GP in a sustainable manner.

The survey can be used in two ways:

- a) As a self assessment instrument to canvass the views of a wide range of respondents involved in the existing procurement environment. The subsequent report on the jurisdiction's existing procurement environment and state of readiness to adopt e-GP would represent the views of respondents
- b) As a self assessment instrument initially with the views of respondents on the existing procurement environment being discussed with a procurement expert to clarify and modify the responses as appropriate. The subsequent report on the jurisdiction's existing procurement environment and state of readiness to adopt e-GP would represent the views of respondents as modified by the discussions with the procurement expert.

Glossary

e-Procurement is defined here as the application of technology and infrastructure to the following aspects of the procurement environment.

- a) **Tendering:** the acquisition of high value, low volume goods, works and services by seeking bids (proposals) via a public process followed by the evaluation of bids and award of contracts.
- b) **Purchasing:** the acquisition of low value, high volume goods works and consulting services by direct quote in the open market or from prequalified suppliers and payment for the purchase.
- c) **Management of the procurement function:** the development and management of contracts, consolidation of procurement data to provide public information and aid future decision making, and the evaluation of the achievement of procurement outcomes for business and the community.

Electronic Government Procurement (e-GP) is defined as the online application of information technology and infrastructure to the management, processing, evaluation and reporting of government procurement.

Existing procurement environment is defined as the current procurement approach in use as reflected by the nine key components listed above and commonly would be an integrated, but largely manually driven approach to procurement, with perhaps limited use of technology in some areas.

The key components list, comprising nine items that are listed below, was developed from both research of and experience with a range of existing procurement environments in different countries. In most jurisdictions the existing procurement environment will be characterised by having the first eight components in place to varying degrees. Typically, many jurisdictions are looking at modernising their existing procurement environment in regard to issues such as more accountable procurement management and regulation; a clear direction set via defined outcomes, policy and process guidelines; improved transparency and integrity of the process; better access to information and opportunities, improved process effectiveness and efficiency; increased confidence of business and industry in the process and meeting the requirements of the jurisdiction's international trade and investment agreements.

Rationale

The methodology underlying the survey is as follows:

- a) The survey asks respondents to comment on nine key components and associated sub-components, which are relevant to the existing procurement environment, as well as having a bearing on the level of readiness to adopt electronically based procurement. The level of readiness has been constructed by reference to international practice with respect to these components. The premise is that if the existing procurement environment demonstrates a significant level of readiness on these components then the jurisdiction is in a good position to adopt e-GP. Conversely, if the readiness level is low, then the adoption of e-GP is going to require some building of the key components and will mean that the implementation strategy used will be different and probably require a longer time period.
- b) Once respondents have given their views on the existing procurement environment and the level of readiness it represents, there is a space for voluntary comment where it is considered some clarification in regard to specific sub-components is required.
- c) The survey addresses the following nine key components that influence the existing procurement environment.
 - 1) Government leadership and planning
 - 2) Direct and supporting legislation
 - 3) Regulation
 - 4) Infrastructure and technology
 - 5) Industry development
 - 6) Procurement management
 - 7) Environmental influences
 - 8) Current e-procurement initiatives
 - 9) Other relevant issues
- d) These key components underlay the development of e-GP. These same components, and the additional associated component related to implementation and change, are those that would have to be addressed if a jurisdiction were developing a strategic plan for e-GP. Therefore, the survey can be used to as a planning tool in that it both assesses the existing procurement environment and provides a description of the key components that have to be addressed in any strategy to adopt e-GP.
- e) The issue of current e-procurement initiatives has been included as many jurisdictions have initiated developments in this area. These initiatives need to be both acknowledged and reviewed in terms of how the development of supporting technology fits with the overall e-GP strategy to be adopted. Using technology in isolation, without also addressing the other

key components, will not necessarily deliver a sustainable procurement approach that achieves its required outcomes.

- f) In most cases a considered response to each sub-component is required rather than a yes/no or numeric response. This reflects the complexity of some sub-components and the fact that very different views will likely be experienced when the survey is completed by people with different perspectives on procurement. For example, buyers may see they have detailed policies but because of ineffective communication and education, suppliers hardly know they exist.

Responding to the Survey

- a) The survey is structured so that the key components are broken down into sub-components. For each key component, the survey provides a statement of good international practice and descriptors demonstrating a continuum from a low level of readiness for e-GP (Level 1) to a position of significant level of readiness (Level 4) from where it would be relatively easy to adopt e-GP. The higher the level of readiness the more likely the jurisdiction will be able to successfully adopt e-GP. However, a jurisdiction could start from a low level of readiness as long as its implementation strategy included the early addressing of critical sub-components such as access to the Internet, raising management and procurement staff expertise and establishing a lead agency to manage the implementation. The levels of readiness (LoR) are described in Attachment 1.
- b) Respondents are asked to consider the degree to which they see each sub-component has been addressed in the existing procurement environment and provide some evidence to justify the level of readiness they assign to the sub component. This evidence should be briefly stated in the column headed "Existing Environment". This evidence may include such things as the name of the legislation involved, a published document, or a statement of fact or a finding. The selection of a particular level should focus on what the jurisdiction has actually achieved and is in place, not what it plans to do. The level should be stated in the column headed "Existing LoR". The third column provides space for respondents to make any qualifying comment they wish to make.
- c) It is recognised that no one individual or even the staff from one organisation, could necessarily provide an informed viewpoint on all the subcomponents listed in the survey. Respondents should focus their considerations on those sub-components of which they have had some experience. A stakeholder organisation may choose to have a number of staff respond to the survey and then either amalgamate the various responses into one or forward the individual responses. The total picture of the existing procurement environment will be developed by combining the viewpoints from a range of key stakeholders involved.
- d) The issues in the survey are described from an international practice point of view and do not necessarily represent "best practice" in each instance. This is because the views on many issues in relation to e-GP are still developing.
- e) The Survey should be issued to respondents well prior to any discussion of their viewpoints. Experience is showing that respondents require a week or less to register their viewpoints on the survey.
- f) The survey information on the existing situation and the levels of readiness can be combined into a report that would provide an overview of the current state of the jurisdiction's existing procurement environment and the base information required to commence a strategic plan for the implementation of e-GP.

This survey was prepared by the Procurement Policy and Coordination Office (ROS/PRM) of the Inter American Development Bank.

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2 KEY COMPONENTS OF THE SURVEY

KEY COMPONENT 1: GOVERNMENT LEADERSHIP AND PLANNING

In most countries that have successfully adopted e-GP there has been significant government funding, leadership, planning and implementation to create an environment where procurement reform and change is supported. The incentives for governments to lead this process have included improved outcomes for business and the community, improved process integrity, transparency, efficiency and effectiveness and higher domestic and international confidence in the procurement situation. Government leadership and planning is evidenced by the degree to which a national vision and objectives for procurement has been articulated, a lead agency(s) is in place with responsibility for procurement policy and guidelines, an integrated implementation strategy for procurement reform and change, procurement career development and education, and the provision of procurement advice to agencies. An integrated and common approach is consistently applied across government agencies at all levels. Industry is actively involved in the formation and evaluation procurement policy and guidelines and there is a high level of confidence in government procurement. Independent agencies are available process unresolved complaints from suppliers.

The table below identifies the sub-components involved.

KEY COMPONENT 1: GOVERNMENT LEADERSHIP AND PLANNING			
SUB-COMPONENTS	FINDINGS		
The degree to which	Existing Environment	Existing LoR	Comment
a) The government has set a national vision and objectives for procurement change and reform			
b) A range of key public and private sector stakeholders and their support roles in procurement have been identified.			
c) A government lead agency is available and resourced to provide leadership and be responsible for developing policies and guidelines for procurement			
d) The government led and coordinated approach or strategy for procurement at the National and Regional level			
e) The range of expertise required to plan and implement a strategic procurement plan is available to government.			
f) A common approach to procurement is used across all government agencies			
g) Other related sub-components			

KEY COMPONENT 2: DIRECT AND SUPPORTING LEGISLATION

In most countries that have an existing procurement situation in place, a raft of direct and supporting legislation has been enacted and managed to provide laws that support transparency, efficiency, integrity and consistency throughout the procurement process, while providing realistic disincentives for those who transgress. The application of the law may be in the form of specific procurement legislation or via other legislation relating to financial management, public sector management, and consumer rights. Legislation that allows for policy to be developed and changed without requiring major change to the legislation appears to have some advantage in dealing with the evolving issues in procurement. Some specific legislation may have been enacted in relation to electronic commerce including digital identification, privacy and security of data.

The table below identifies the sub components involved.

KEY COMPONENT 2: DIRECT AND SUPPORTING LEGISLATION			
SUB-COMPONENTS	FINDINGS		
The degree to which	Existing Environment	Existing LoR	Comment
a) Direct specific procurement legislation to cover the existing procurement environment is available. (Note: Modern procurement legislation may include some or most of the sub-issues below).			
b) Other wider supporting legislation addressing procurement issues is available (eg privacy laws, laws on the behaviour of public officials, etc).			
c) Specific legislation has been enacted to support the requirements of e-procurement (eg use of electronic documents).			
d) Specific legislation is in place to link procurement law and practice with the requirements of international trade agreements and other international arrangements.			
e) Existing projects to modernise legislation and the law in relation to procurement are in progress or have taken place.			
f) Other relevant sub-components.			

KEY COMPONENT 3: REGULATION

Most of the countries with successful existing procurement approaches have an independent regulatory agency in place with supporting legislative power to set policies and guidelines, regulate both compliance and performance with procurement legislation and the conduct of procurement processes. Regulation of procurement is achieved by having appropriate legislation in place that defines responsibilities for outcomes as well as compliance with the process together with external and internal performance and compliance audit mechanisms and the devolution of management of the process. The regulators or agencies also have powers to audit government agencies and ensure standards are adopted for procurement. The regulatory agency may also cover a range of government functions outside procurement.

The table below identifies the sub issues involved.

KEY COMPONENT 3: REGULATION			
SUB-COMPONENTS	FINDINGS		
The degree to which	Existing Environment	Existing LoR	Comment
a) An independent agency or agencies (Regulator) with clear, enforceable powers to regulate both the procurement legislation and the conduct of procurement is in place.			
b) Legislation is in place and applied to support the role of the regulator(s).			
c) The regulator(s) is sufficiently resourced to carry out its role.			
d) A process is available to independently audit any government agency that has procurement responsibilities.			
e) The government has comprehensive procurement information made available to it to assist the management of its procurement function.			
f) The government has given an agency responsibility for setting standards for the national and international operation of the procurement function (eg item codes).			
g) Other regulatory mechanisms such as devolved management accountability for procurement decisions and operation and the employment of professionally qualified staff are in place.			
h) Other relevant sub-components.			

KEY COMPONENT 4: INFRASTRUCTURE AND TECHNOLOGY

Most countries that have successfully moved to e-GP have an adequate information and communication infrastructure. This infrastructure is typified by access to a range of voice and data services over a network that services both city and regional users. Access to the Internet is not overly constrained, a number of Internet Service Providers (ISP's) are available to support users with distributed user access points (eg net cafes) and the services are reasonably affordable to users. The speed and quality of the network is sufficient to encourage growth in its usage, there is a viable hardware and software market and sufficient expertise available to government to support and maintain the infrastructure.

The table below identifies the sub-components involved.

KEY COMPONENT 4: INFRASTRUCTURE AND TECHNOLOGY			
SUB-COMPONENTS	FINDINGS		
The degree to which:	Existing Environment	Existing LoR	Comment
a) A voice and data network is in place that can service both city and regional users.			
b) Buyers and suppliers have access to telecommunications systems			
c) Buyers and suppliers can access Internet services.			
d) Internet access is reasonably affordable.			
e) Average network speed and quality of connection encourage continued commercial use of the network.			
f) Buyers and suppliers have access to a viable, appropriate software and hardware market.			
g) Sufficient expertise is available to support and maintain the infrastructure and its software and hardware.			
h) Other relevant sub-components.			

KEY COMPONENT 5: INDUSTRY DEVELOPMENT

In many jurisdictions procurement policy, strategy and process management aims to assist industry development. There are benefits to industry if there is confidence in the integrity, fairness, transparency and efficiency of the procurement process, open access to a wider range of business opportunities and training and advisory support is available. This is achieved by ensuring industry is represented on government decision making bodies dealing with procurement strategy and process. It has ready access to information and advice on government policy, regulations and procedures. Both feedback for unsuccessful bidders and an independent appeal mechanism to deal with industry and public complaints is available. Industry already has some experience with electronic business. The cost of engaging in government procurement is not a deterrent for small to medium enterprises and they are not disadvantaged by the procurement process. Training and education on procurement is readily available.

KEY COMPONENT 6: INDUSTRY DEVELOPMENT			
SUB-COMPONENTS	FINDINGS		
The degree to which:	Existing Environment	Existing LoR	Comment
a) Industry participates in decisions related to government procurement.			
b) Information and advice on procurement policy, regulation and process is freely available to industry.			
c) Feedback on non successful bids is available.			
d) An independent appeal mechanism is in place.			
e) Industry costs to participate in government procurement are acceptable to big and small business			
f) Industry has confidence in the existing procurement system.			
g) Small to Medium Enterprises are not disadvantaged in the procurement process.			
h) Training and education on procurement is readily available.			
i) Some private industry sectors have already moved to an e-procurement approach.			
j) Other relevant sub-components.			

KEY COMPONENT 6: PROCUREMENT MANAGEMENT

If the current procurement function is well managed then this will probably provide a very good basis for moving to e-Procurement. E-procurement will assist a well-managed process not provide a substitute for it. Procurement management covers a wide area and, as expected, there is some overlap between this key component and most of the others. Efforts have been made to reduce this overlap as far as possible.

A well managed procurement system has clear policies and associated regulations, guidelines and procedures that can be translated into consistent management actions and outcomes. Procurement regulations, guidelines and the process are well documented to assist users to learn and check their understanding as required. Procurement planning is carried out to assess the feasibility and risks associated with procurement proposals. There are specialised procurement processes to cover a range of situations including building major assets, purchasing specialised services and products in areas such as the IT and Health industries and consolidated purchases for common goods such as stationery. Standardised documents and templates are available for tendering, contracting and reporting purposes. Contract outcomes are managed and reported and appropriate action is taken where required. Consolidated procurement data is available to support current understanding of the market and to support future decisions on government procurement. Some procurement efficiency and effectiveness measures are monitored and reported on.

Some technology has been used to support the procurement process. Public information on the process and procurement decisions is available. Sufficient management controls are imbedded in the process to ensure effective compliance, risk management, probity auditing and quality management so that corrective action can be taken. Independent external audits can be carried out on any agency with responsibilities for government procurement.

A formal national or regional procurement education and training strategy is in place. Procurement staff are well educated and trained, have confidence in the processes used, and see procurement as a worthwhile career that can deliver benefits to themselves and the community. An enforceable staff code of ethics is in place and supported by education and management practices. Procurement staff have access to appropriate competent advice on procurement issues. Some level of procurement responsibility is devolved to government agencies together with a mechanism (eg accreditation) to demonstrate they can meet the standards required. A significant percentage of suppliers participate in government work.

KEY COMPONENT 6: PROCUREMENT MANAGEMENT			
SUB-COMPONENTS	FINDINGS		
The degree to which:	Existing Environment	Existing LoR	Comment
a) Clear policies that translate into regulations, guidelines and procedures are easily available to buyers and suppliers.			
b) Procurement planning to assess feasibility and risk of proposals is carried out.			

c) Specialised procurement processes have been developed for specialised goods, common goods and major capital assets.			
d) Standardised documents are available in the procurement process.			
e) Contract outcomes are well managed and reported.			
f) Consolidated procurement data is available for decision-making.			
g) Some level of technology has been successfully applied to the procurement process.			
h) The public has access to information on the process and the outcomes of procurement decisions.			
i) Management control of compliance, probity, quality, risk and efficiency and performance of the process is in place.			
j) External audits are carried out on all agencies with responsibilities for government procurement.			
k) A formal education and training approach for staff in strategic and operational procurement is in place			
l) A viable career structure for procurement is in place			
m) An enforceable and supported staff code of ethics is in place			
n) Procurement staff have access to high quality procurement advice			
o) Some form of accountability monitoring is applied to agencies with devolved responsibilities for government procurement.			
p) Procurement performance measures of efficiency and effectiveness are routinely reported.			
q) Other relevant sub-components.			

KEY COMPONENT 7: EXTERNAL INFLUENCES

This component does not have any set parameters, as the environment in each country will be different. However, sub-issues such as the incentives for government to follow through, on procurement reform, the development of a business model to support the implementation of the reforms, previous attempts at reform in government, community attitudes to corruption and the expertise available to government will all affect the likely success in planning and delivering an e-GP strategy.

KEY COMPONENT 7: ENVIRONMENTAL INFLUENCES			
SUB-COMPONENTS	FINDINGS		
The degree to which:	Existing Environment	Existing LoR	Comment
a) There are identified incentives for the government to reform and develop its approach to procurement.			
b) There are identified barriers for the government to reform and develop its approach to procurement.			
c) The government has the political will to support procurement change and reform.			
d) The government has developed a business model to support and achieve of procurement reform and change.			
e) The government is willing to provide the resources to support procurement reform and change.			
f) Key community attitudes that may be obstacles to procurement reform and change are identified			
g) Key community attitudes that may support procurement reform and change are identified			
h) Data on public and industry perceptions of the transparency and integrity of government procurement has been collected and made public.			
i) Other relevant sub-components.			

KEY COMPONENT 8: CURRENT E-PROCUREMENT INITIATIVES

. If the jurisdiction has not planned to develop and implement an e-procurement system then this component should not be addressed.

It is often the case in many countries that some initiative to establish specific e-procurement systems has already taken place. This may or may not be linked to an overall strategy to pursue e-GP. However, the sub-component list below could be used as future guidance to the issues involved in considering how these systems might be integrated into an overall e-GP strategy.

In countries that have successfully introduced e-procurement systems that can be linked to overall e-GP strategies the following features are usually present.

Government has taken the initiative to provide a context for the development and implementation of the system(s). This is the case even if the system being implemented has been developed by the private sector and is being modified for government procurement use. There is a government lead agency to oversee the development and implementation of the system(s). The systems (usually tendering systems) are web based and commonly have the following characteristics:

- Information on procurement opportunities, progress, award of contract and price is available to the public free of cost.
- Access for registered buyers and suppliers is free or at very affordable cost.
- Electronic download of documents
- Electronic upload of documents
- The system(s) provide security and privacy of information.
- All government procurement can be accessed through nominated sites with a common set of rules.
- Common inter-operability and procurement standards are applied to all systems.
- The systems are linked to supplier and buyer registries.
- The systems link to other back-office systems (eg finance, asset management). (Not a common feature yet but developing)
- No proprietary hardware or software is required by suppliers to use the system other than a web browser and access to the Internet.
- Government has control over the further development and use of the system (even though the delivery and support of the services may be via the private sector).

Specific legislation to support the use of e-procurement is in place (eg digital identification). Training for buyers and suppliers is available. Common standards for the operation of e-procurement systems are being developed and longer-term links to other back-office systems are being planned.

The key issue here is the extent to which e-procurement systems are being developed so as to be compatible with a longer-term national e-GP strategy. The table below identifies the sub-components involved

KEY COMPONENT 8: CURRENT E-PROCUREMENT INITIATIVES			
SUB-COMPONENTS	FINDINGS		
The degree to which:	Existing Environment	Existing LoR	Comment
a) A strategy to modernise procurement and adopt e-GP is in place.			
b) A business model to resource, develop, operate and support an e-procurement system is in place.			
c) Government has control of the direction of the development and implementation of the system.			
d) A government lead agency is managing the development and implementation of the system.			
e) A web based system to support procurement activities and with some functionality is in place.			
f) If a web based system is in place it has some of the following functions			
1) Information on future procurement opportunities is public ally available.			
2) The public can monitor progress of the procurement process.			
3) Contract award details and price is made available to the public.			
4) Information is made available to the public free of cost.			
5) Access for registered buyers and suppliers is free or at very affordable cost.			
6) Electronic download of documents is available to users.			
7) Electronic lodging of documents is available to users.			
8) The system(s) provide security and privacy of information.			
9) All government procurement can be accessed through nominated sites with a common set of rules.			
10) The systems are linked to supplier and buyer registries.			
11) The systems link to other back-office systems (eg finance, asset management).			
12) No proprietary hardware or software is required by suppliers to use the system other than access to the Internet.			
g) The Government has control over the further development and use of the system			
h) Responsibility for setting common standards for inter-operability of systems and procurement has been assigned.			
i) Training for buyers and suppliers is available.			
j) Other relevant sub-issues			

OTHER SUB-COMPONENTS

Now that the survey has been completed please identify any other sub-components, which you believe would influence the jurisdiction's readiness to adopt e-GP.

OTHER COMMENTS			
SUB-COMPONENTS	FINDINGS		
The degree to which:	Existing Environment	Existing LoR	Comment
a)			
b)			
c)			

ATTACHMENT 1: GENERIC LEVELS OF READINESS FOR e-GP

Level of Readiness	Generic Descriptors of Existing Procurement Environment (Degree to which the component is being addressed)
1 Little or none	<p>The issue is currently not being addressed and supported to any real degree. No apparent leadership, planning, implementation, regulation or monitoring is in place. Very few people with appropriate skills and incentives and other resources are being applied to the issue. The future implications for e-GP have not been considered. Little or no technology and infrastructure is available to support procurement. Generally access to the processes by the users and the public is very limited. Communication regarding the issue is non-existent or poor. No measures of procurement effectiveness or efficiency are monitored and reported. Where components or sub-components require supporting management strategies, training and education approaches, dissemination and application of sanctions or incentives they are not evidenced to any real degree.</p>
2 Small degree	<p>The issue is being addressed and supported to a small degree. Very limited leadership, planning, implementation, regulation and monitoring are in place. A few people with appropriate skills and incentives and other resources are being applied to the issue. Very limited technology and infrastructure is available to support procurement. A few of the implications for e-GP are starting to be considered. Generally, access to the processes by the users and the public is very limited. Little communication regarding the issue is taking place. Very few measures of procurement effectiveness or efficiency are monitored and reported. Where components or sub-components require supporting management strategies, training and education approaches, dissemination and application of sanctions or incentives they are evidenced to a small degree.</p>
3 Some degree	<p>The issue is being addressed and supported to some degree. Some leadership, planning, implementation, regulation and monitoring are in place. Some people with appropriate skills and incentives and other resources are being applied to the issue. Some of the future implications for e-GP have been considered. Some technology and infrastructure is widely available to support procurement. Generally, access to the processes by the users and the public has broadened. Some formal and regular communication regarding the issue is taking place. A few measures of procurement effectiveness or efficiency are monitored and reported. Where components or sub-components require supporting management strategies, training and education approaches, dissemination and application of sanctions or incentives they are evidenced to some degree</p>
4 Significant degree	<p>The issue is being addressed and supported to a significant degree. Ongoing leadership, planning, implementation regulation and monitoring are in place. Sufficient people with appropriate skills and incentives and other resources are being applied to the issue. Many of the future implications for e-GP have been considered. The technology and infrastructure is widely available to support procurement. Generally, access to the processes by the users and the public has few restrictions. Formal and regular communication regarding the issue is established. Some measures of procurement effectiveness or efficiency are monitored and reported. Where components or sub-components require supporting management strategies, training and education approaches, dissemination and application of sanctions or incentives they are evidenced to an adequate degree</p>