Public Procurement Monitoring Office

e-Government Procurement (e-GP) System

e-Procurement: Background and Importance

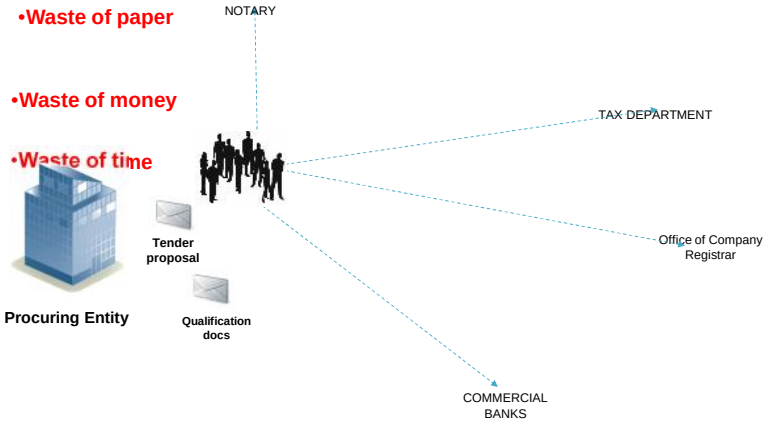
Overview Of PPMO

- PPMO was established as the government oversight agency in 2008 as per the public procurement Act 2007 and is placed directly under the Office of Prime Minister and Council of Ministers.
- PPMO is responsible for
  - i. Procurement policy formulation
  - ii. Procurement monitoring
  - iii. Capacity development
  - iv. Advising public procurement entities
  - v. Oversight and Punitive actions
  - vi. e-GP system implementation (PPA Clause 69) etc
- Has a vision of ensuring good governance in the public entity procurement system through transparent, accountable, proficient and free of corruption procurement practices adopting information and communication technology (ICT) as a tool.

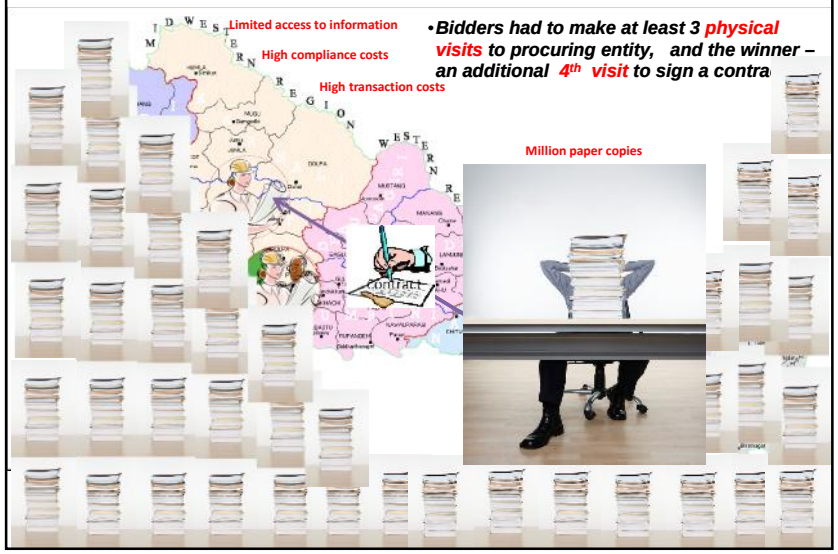
Where we started

Collection of Documents from Paper Tenders

- Waste of administrative resources
- Waste of paper
- Waste of money
- Waste of time

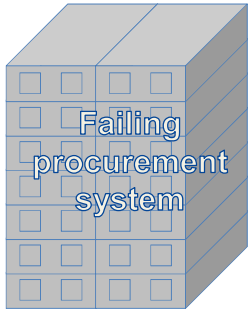


Paper Tenders



Side effects of paper tenders

- Risk of corruption
- Non-reliable data
- Restricted competition
- Geographical inequality
- High compliance costs
- Lack of transparency



सार्वजनिक खरीद ऐन २०६३ मा भएको व्यवस्था

६९. बिद्युतीय संचारको माध्यमबाट खरिद कारोबार हुन सक्नेः

(१) यस ऐनमा अन्यत्र जुनसुकै कुरा लेखिएको भएतापनि नेपाल सरकारले नेपाल राजपत्रमा सूचना प्रकाशन गरी सार्वजनिक निकायले विद्युतिय संचारको माध्यमवाट पूर्व योग्यता निर्धारणको प्रस्ताव माग गर्न, बोलपत्र आहवानको सूचना जारी गर्न, आशय पत्र माग गरी संक्षिप्त सूची तयार गर्न, परामर्श सेवाको प्रस्ताव माग गर्न, बोलपत्र वा पूर्व योग्यता सम्बन्धी कागजात पठाउन, बोलपत्र, पूर्व योग्यताको वा परामर्श सेवाको प्रस्ताव प्राप्त गर्न, खरिद सम्झौता गर्न, भुक्तानी दिन र अन्य सूचना दिन वा लिन सक्ने व्यवस्था गर्न सक्नेछ ।

(२) उपदफा (१) बमोजिमको संचारको माध्यम प्रयोग गर्दा देहाय बमोजिम प्रयोग गर्नु पर्नेछः-

(क) त्यस्ता संचार माध्यममा संचारको विषयवस्तुको अभिलेख कानूनी रुपमा मान्य र संरक्षित हुने गरी,

(ख) त्यस्तो संचार माध्यमको सुरक्षा पर्याप्तरुपमा हुने गरी,

(ग) खरिद कारबाहीमा बोलपत्रदाताको पहुंच अनुचितरुपले नियन्त्रीत नहुने गरी, र

(घ) यो ऐन र यस ऐन अन्तर्गत बनेको नियम र अन्य कानुन विपरित नहुने गरी ।

सार्वजनिक खरीद नियमावली २०६४ संसोधन २०६८ मा भएको व्यवस्था

२४. **मूल नियमावलीको नियम १४६ मा संशोधनः** मूल नियमावलीको नियम १४६ को,-

(१) उपनियम (२) को सट्टा देहायको उपनियम (२) राखिएको छ :-

"(२) सार्वजनिक खरिद अनुगमन कार्यालयले ऐनको दफा ६९ को प्रयोजनको लागि एउटा मात्र पोर्टल रहने गरी विद्युतीय खरिद प्रणालीको स्थापना, सञ्चालन र व्यवस्थापन गर्नु पर्नेछ ।"

(२) उपनियम (२) पछि देहायको उपनियम (३) थपिएको छ :-

"(३) सार्वजनिक निकायले उपनियम (२) बमोजिम स्थापना भएको विद्युतीय खरिद प्रणालीमा आवद्ध भई सार्वजनिक खरिद अनुगमन कार्यालयको मार्ग निर्देशन बमोजिम विद्युतीय संचारको माध्यमबाट खरिद कारोबार गर्नु पर्नेछ ।"

e-Government Procurement

- e-Government Procurement (e-GP) system is defined as the use of information technology system by governments in conducting their procurement relationships with suppliers and contractors for the ***procurement of works, goods ,consulting services and other services required by the public sector***.
- e-GP is the application of an efficient high quality management framework to public sector procurement, facilitated through online information and processes. e-GP has the potential to strengthen the ***accountability, transparency, efficiency and effectiveness*** of this sensitive high value government function.
- e-GP has become a common business practice for many governments around the world such as ***Argentina, Australia, Albania, Bangladesh, Brazil, Chile, Finland, Hong Kong, India ,Italy, Mexico, Norway, Romania, Singapore, South Korea, Philippines, Indonesia, Albania, Nepal.***

Significance of e-GP

An e-GP system provides a valuable management tool for ***monitoring*** and ***analyzing*** procurement activity. An e-GP system helps to determine the following information:

- What is being procured,
- Who are the main procuring entities,
- What is the level of participation in bid,
- Who are the wining suppliers,
- What is the average timeline for different types of procurements

Existing e-Submission System

Initiatives of e-Submission System In Nepal

S.N	Name of Public Entity	Year of Start	Total Bids
1	Department of Road	June,2007	5170
2	Special Economic Zone	March, 2009	8
3	Nepal Electricity Authority	June,2010	528
4	Department of Local Infrastructure Development & Agricultural Roads	Dec,2010	1031
5	Chilime Hydropower Company Limited	Dec,2010	12
7	Department of Urban Development & Building Construction	Jan,2011	12
8	Office of President of Nepal	Feb,2011	13
9	High Powered Committee for Integrated Development of the Bagmati Civilization	July,2011	1
10	Department of Irrigation	Jan,2011	6
11	Civil Aviation Authority of Nepal	June,2011	7
12	Nepal Army	Sept,2011	20
13	Public Procurement Monitoring Office	Sept,2011	395
14	Melamchi Water Supply Project	Feb,2011	4
15	Nepal Telecom		74
16	B.P Koirala Institute of Health Sciences		
17	Civil Hospital		
18	Bir Hospital		
19	Biratnagar Sub-Metropolitan City		
		Total Bid Published in Different e-Submission System	7281

Benefits & Challenges of Existing e-Submission System

Benefits:-

- Reduction in collusion and intimidation

Challenges

- Isolated e-Submission systems implemented in those public entities which impaired the benefits of e-GP System :
  - *Standardization of processes*
  - *Effective planning*
  - *Control*
- Duplication of efforts and costs.
- Interrupted power supply and internet connectivity

Pace of the reforms

Following are the e-GP related polices enactment(s) in Nepal

- Enactment of Nepal Electronic Transaction Act, 2005
- Provision of e-Procurement in Public Procurement Act, 2007
- "Nepal Electronic Government Procurement Readiness Assessment and Roadmap" , WB, October 2007
- "Implementation of e-GP Strategic Policy Document", GoN July 2010
- Report on "*Consulting Services on Requirement Analysis for Upgrading of existing e-Procurement Systems of Select Public Entities of Nepal*", WB, 2011
- GoN Commitment-"Budget speech of FY 20010/11", e-GP for procurement above NRs 20 M and Recent GoN policy requires e-Procurement for above NRs. 10 M.
- Technical Assistance (TA) of Asian Development Bank (ADB) for the development of single national e-GP System of Nepal

Need for a National and Central E-GP System

- Support in enforcement of provisions of the PPA and PPR
- Achieving the stated objectives of PPA and PPR (e.g. transparency, economy, accountability, competition & equal opportunity)
- Support in procurement planning that will minimise the cost and time in procurement
- Establishing the secure, effective and reliable e-GP system to cater the needs of PEs
- Avoiding the duplication of efforts and cost.
- Implementing and replicating the learning and good practices in e-GP uniformity for all the PEs

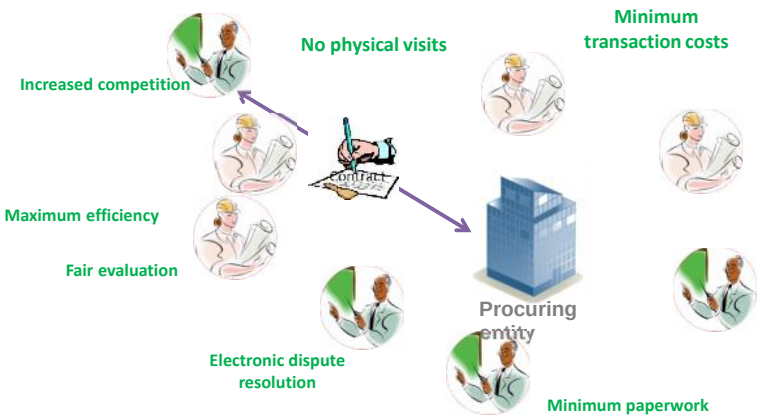
Implementation Approach

	E-GP Requirement	Project Phase
1	E-GP Portal for PEs and Service Providers	Phase I
2	User registration for PEs and Service Providers	Phase I
3	Annual Procurement Planning	Phase I
4	E-Bidding	Phase I
5	Creation and Management of Item Master	Phase II
6	E-Payments	Phase II
7	E-Evaluation	Phase II
8	Procurement Performance Reporting	Phase II
9	Contract Management	Phase II
10	Public Procurement Management Information System	Phase II

What will we get

Everyone sees everything

- Bidders do not make physical visits to procuring entity. Only the winner once visit procuring entity to sign a contract



Challenges of e-GP System

- Managing of adequate Resources
  - *I. Humanware (Capacity building, Training)*
  - *II. Hardware (Accessories, Internet Connectivity)*
  - *III. Software (Development, Security and Digital Signature)*
  - *IV. Interrupted power supply*
- Piecemeal Approach
- Operation ,Maintenance & Improvement of the system

Thank you for your attention!