

Digital transformation of public procurement

E-procurement systems enable governments to increase the transparency of public procurement activities as well as collect consistent, up-to-date and reliable data on procurement processes. This, in turn, can feed into other government information technology (IT) systems through automated data exchanges, reducing risks of errors and duplication. Furthermore, integration with other digital government systems, such as digital invoicing, are essential to make e-procurement systems fully functional during all phases of the procurement cycle, including contract execution and payment.

The ability to disseminate information is expanding with the proliferation of data and enabling technology, hence the increase in the availability of public procurement documents to the general public between 2016 and 2018. Consequently, possibilities for participation in public procurement processes, opportunities for beneficial research and competition are also increasing. Open data standards, such as the Open Contracting Data Standard, contribute to open up public contracting through disclosure, data and engagement so that contract details become traceable and auditable, including for infrastructure. However, governments need to strike a balance between accountability and competition on the one hand, and trade secrets and suppliers' information confidentiality on the other.

OECD countries are increasingly integrating their e-procurement systems with other government IT systems, such as budgeting interfaces, business and tax registries, social security databases, public financial systems and enterprise resource planning (ERP), demonstrating the fast pace of digital government transformation and public service integration. While only 37% of OECD countries reported some kind of integration with other government IT systems in the 2016 Survey, this percentage has increased to 72% in the 2018 Survey, following the trend to cover the entire public procurement cycle with full-fledged e-procurement solutions, from planning and preparation to contract execution and payment. In Belgium, Chile, France, Israel, Portugal and Slovenia, the e-procurement system is connected with the budgeting and accounting ERP of the central government. Also, in Austria, Estonia, Greece, Latvia and the Slovak Republic, the e-procurement system is integrated with the business registry. Estonia and Latvia have integrated their e-procurement system with the local tax register. Many countries have started to integrate e-procurement systems with e-signature and e-invoicing systems. Overall, the Korean ON-line E-Procurement System (KONEPS) provides the highest connectivity to external databases, as it is interconnected to over 200 of them, out of which 65 are from public entities, others include interfaces with databases from private sector business associations, credit rating companies and the payment systems of commercial banks. Even though e-procurement systems are major drivers of efficiency in public procurement, only a minority of OECD countries measure said efficiencies.

Methodology and definitions

Data were collected through the 2018 OECD Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement. The survey focused on each of the 12 principles of the recommendation. Thirty-one OECD countries and one accession country (Costa Rica) responded to the survey. Respondents consisted of country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies. For detailed information on the 2016 Public procurement Survey, please refer to the public procurement section in the 2017 edition of *Government at a Glance*.

E-procurement refers to the integration of digital technologies in the replacement or redesign of paper-based procedures throughout the procurement cycle. Public procurement cycle refers to the sequence of related activities, from needs assessment, through competition and award, to payment and contract management, as well as any subsequent monitoring or auditing. Availability of public procurement documents to the general public means that documents are available without registration as a supplier.

Further reading

OECD (2018), *Mexico's eProcurement System: Redesigning CompraNet through Stakeholder Engagement*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9789264287426-en>.

OECD (2016), *The Korean Public Procurement Service: Innovating for Effectiveness*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9789264249431-en>.

Figure notes

Data for the Czech Republic, Luxembourg, Switzerland, and the United States are not available. On data for Israel, see <http://doi.org/10.1787/888932315602>.

8.7. Several respondents highlighted the need to protect trade secrets and proprietary information, particularly regarding contract text. Germany responded that contracts generally contain sensitive information that neither contracting authorities nor suppliers are free to publish. In the Netherlands, contract texts may be available in a redacted form (precise value of the contract omitted, for instance). In Sweden, all public procurement documentation should be available using the principle of public access to official documents.

8.8. Data for Germany and Ireland are not available.

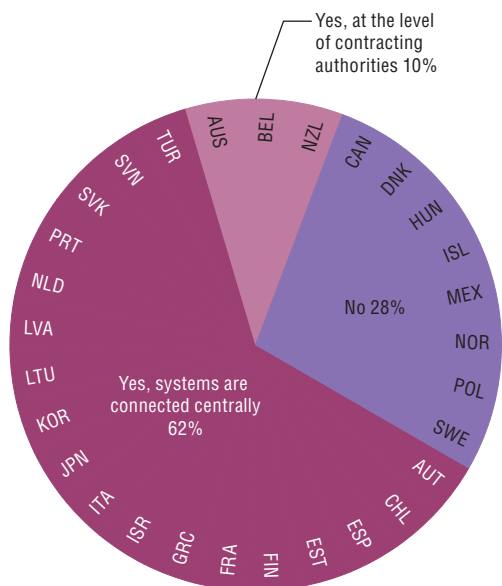
8.7. Availability of public procurement documents to the general public, 2016 and 2018

	Tender notice		Bidding documents		Evaluation criteria		Award notice		Contract text	
	2016	2018	2016	2018	2016	2018	2016	2018	2016	2018
Australia	●	●	○	○	●	●	●	●	○	○
Austria	●	●	○	●	○	●	●	●	○	○
Belgium	●	●	○	●	●	●	●	●	○	○
Canada	●	●	●	●	●	●	●	●	○	○
Chile	●	●	●	●	●	●	●	●	●	●
Denmark	●	●	○	○	●	●	●	●	○	○
Estonia	●	●	●	●	●	●	●	●	●	●
Finland	●	●	●	●	●	●	○	●	●	●
France	..	●	..	●	..	●	..	●	..	○
Germany	●	●	●	●	●	●	○	●	●	○
Greece	●	●	○	○	●	●	●	●	●	●
Hungary	●	●	○	○	●	●	●	●	○	●
Iceland	●	●	●	●	●	●	●	●	●	●
Ireland	●	●	○	●	●	●	●	●	○	○
Israel	●	●	○	○	●	●	●	●	●	●
Italy	●	●	●	●	●	●	●	●	●	●
Japan	●	●	●	●	○	○	●	●	○	○
Korea	●	●	●	●	●	●	●	●	●	●
Latvia	●	●	●	●	●	●	●	●	●	●
Lithuania	..	●	..	●	..	●	..	●	..	●
Mexico	●	●	●	●	●	●	●	●	○	○
Netherlands	●	●	○	○	●	●	●	●	○	○
New Zealand	●	●	●	●	●	●	●	●	○	○
Norway	●	●	●	●	●	●	●	●	●	●
Poland	●	●	●	●	●	●	●	●	●	●
Portugal	○	●	○	●	○	●	○	○	○	●
Slovak Republic	●	●	●	●	●	●	●	●	●	●
Slovenia	●	●	○	●	●	●	●	●	●	●
Spain	●	●	●	●	●	●	●	●	○	○
Sweden	●	●	○	●	○	●	●	●	●	●
Turkey	●	●	●	●	●	●	●	●	●	●
United Kingdom	●	..	●	..	●	..	●	..	●	..
OECD Total										
● Yes	29	31	18	25	26	30	27	30	17	18
○ No	1	0	12	6	4	1	3	1	13	13
Costa Rica	●	●	●	●	●	●	●	●	●	●

Sources: OECD (2016), Survey on Public Procurement; OECD (2018), Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement.

StatLink  <https://doi.org/10.1787/888934032852>

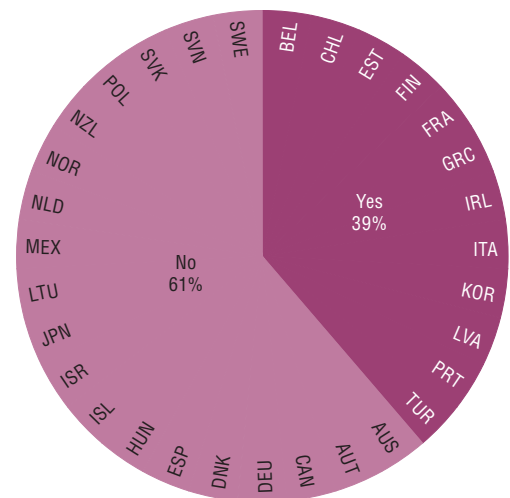
8.8. Integration of the e-procurement system(s) with other digital government systems, 2018



Source: OECD (2018), Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement.

StatLink  <https://doi.org/10.1787/888934032871>

8.9. Measuring of efficiencies generated by the use of e-procurement system(s), 2018



Source: OECD (2018), Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement.

StatLink  <https://doi.org/10.1787/888934032890>



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