



NATIONAL TENDER DAY

Brussels

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Forum on Public Procurement in Ireland





AGENDA

- Overview of FPP
- The Ingredients
- Conclusion
- Question and Answer Session



WHO OR WHAT IS FFPP

- ***The Forum on Public Procurement in Ireland was established in 1996 by a group of public buyers and private suppliers interested in promoting excellence in public procurement***



FPP

- *Voluntary Organisation*
- *Board comprises 5 public sector buyers and 6 private sector sellers*
- *Secretariat run by Achilles Procurement Services*
- *Main Successes:*
 - *Charter on Debriefing;*
 - *Charter on Ethics*
 - *Charter on incorporating Acquired Rights into Service Contracts*



THE TOPIC TODAY:

- ESSENTIAL INGREDIENTS FOR A DYNAMIC PROCUREMENT MARKET



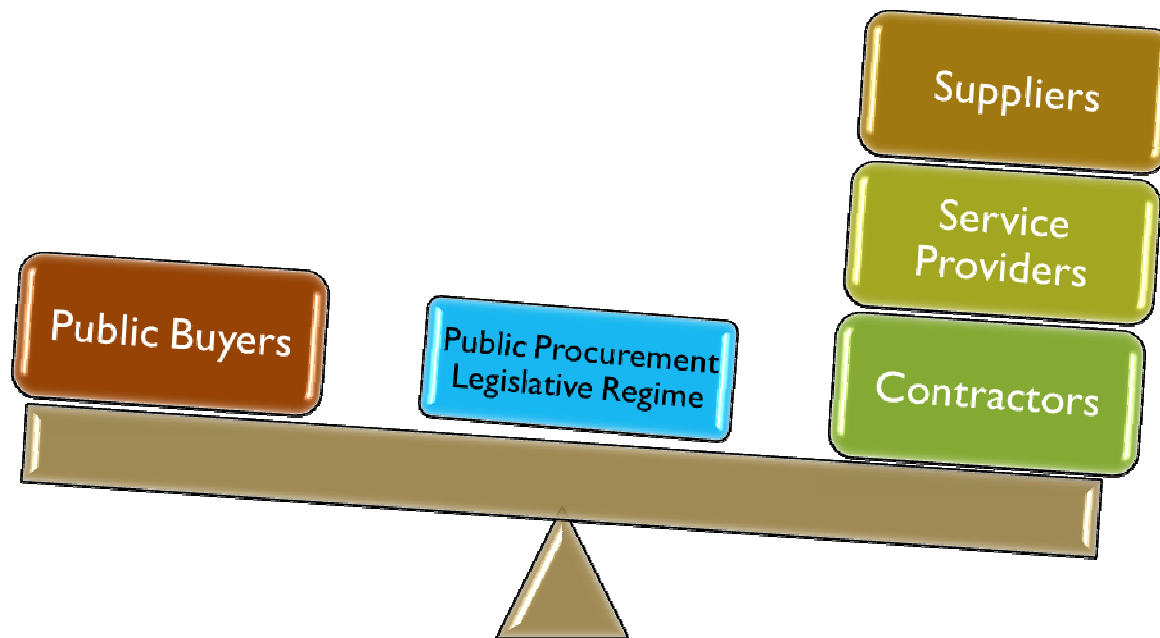
What is meant by DYNAMIC

- ***Dynamic means***
 - (a process or system) characterized by constant change, activity, or progress
 -Oxford Dictionary
- ***Assumption:***
 - ***Not there yet.***
- ***Assumption for presentation ~ Aim to get to a perfect market for buyers and suppliers with ideal market conditions and clear definitions.***



DYNAMIC PROCUREMENT MARKET

THE INGREDIENTS





THE PUBLIC BUYER

- What constitutes a “Superior Procurement”?
 - One eminently suited to the purpose intended!
 - Meets the highest standards
 - Aligns to strategic objectives of the organisation
 - Facilitates further efficiencies
- In summary:
- *A procurement that buyers can cherish and one that makes them proud as it makes their stakeholders happy!*



How to make it happen?

- Won't happen without a lot of work on behalf of supply market.
- Without procurement people having the necessary skills;
- Not simply a matter of advertising and waiting for that “PRINCE OF PRODUCTS” to land on the doorstep?



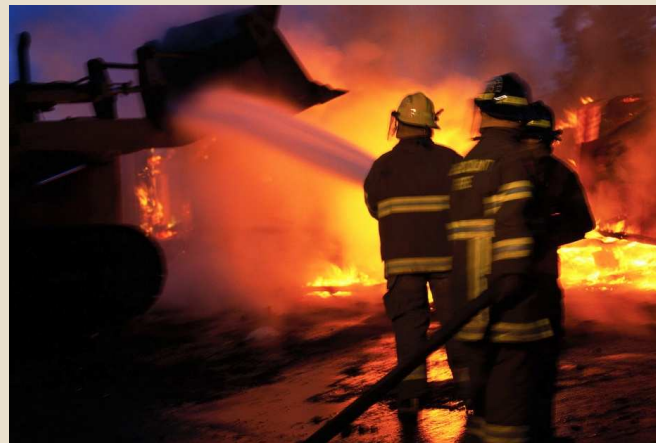
Key Questions

- Do buyers know what they want when they launch procurements?
- Are they capable of writing detailed specifications to which the market can respond?
 - Probably more of an “inexact approximation”
- Do they know the best market players in the field?
- Will an advert in the EU Journal give the result they need?



More Key Questions!

- Have public bodies got the right people trained with the right skill set? NO
- Are public bodies adequately resourced in terms of personnel / IT systems? NO
- Do they possess the right mindset? NO
- Can they plan in advance or is it always



YES, in most cases



THE FLEXIBILITY THAT EXISTS

- Acknowledging these issues:
- The EC regime has in-built flexibility which can assist dynamic systems
- However these are not being fully exploited!



Technical Dialogue

- Allows public bodies to meet potential suppliers and discuss and develop specifications
- Cannot have the effect of “precluding competition”



Open Procedure

- Widest access
- All offers considered
- Demands precise specifications
- But risky and costly for both sides

- Awarded strictly against specification
- Little flexibility



Restricted Procedure

- Not restrictive, all can apply
- Again demands precise specifications
- Less costly with limited numbers tendering
- Awarded against specification
- Little flexibility



Variants

- A variant provision was drafted in a deliberately open manner for use at the authority's discretion
- Variants are aimed at stimulating technical progress across the Member States
- May apply to any part of the tender document
- Acceptable only where permitted with the option of replacing part of the work specified while still meeting the minimum specifications
- When variants are employed then the MEAT criterion must be chosen for award purposes



Competitive Dialogue Procedure

- For particularly complex contracts, Member States may provide that where contracting authorities consider that the use of the open or restricted procedure will not allow the award of the contract.
- Authority conducts a dialogue with participants with the aim of developing one or more suitable alternatives capable of meeting its requirements.



Negotiated Procedure

- Exceptional
- Flexibility to negotiate terms and conditions
- Cannot make substantial change to requirement
- Limited use by Public Sector
- Universal use by Utilities



The Supplier's Role

- Collectively “the market”
- Individually:
 - Market aware
 - Specialists in their field
 - Constantly investing in Research & Development
 - Lead innovation
 - Quality & Reliability
 - Deliver the Public Service needs.....



The Supplier's Role

- Market competitiveness essential
- Partnership approach with buyers
- Development of Strategic Relationships



Finally, the Public Procurement Regime....





The Regime...

- Collectively today's package is not commercially focussed
- Too bureaucratic!!!
- Has not achieved the Single Market objective



Conclusion

- WHAT'S NEEDED:
 - Better trained buyers
 - Increased commercial focus
 - Changed mindset in public sector
 - Simplification of process
 - More cross-border interest
 - Greater supplier effort
 - Reduced threat of litigation



Urgently require:

- **D**ynamic
 - **N**ew
 - **A**pproach
- Or maybe IVF!



THANK YOU

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