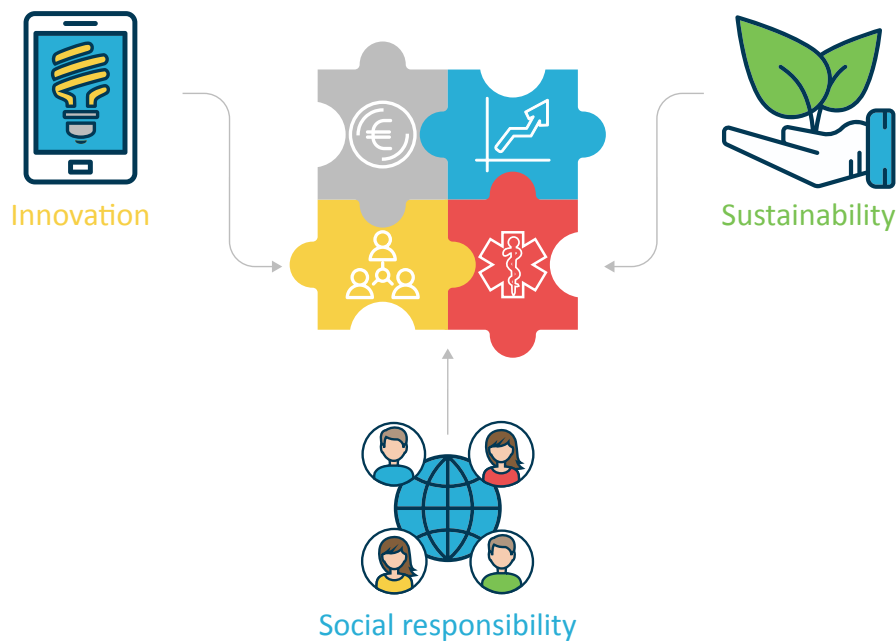


# Conference on Strategic Public Procurement

## Paris, 2 June 2017 Highlights

With more than 300 participants and 35 speakers and moderators, from almost 50 different countries, the joint conference of the European Commission and the OECD on Strategic Public Procurement (SPP) promoted the use of public procurement to achieve broader policy objectives. Through four thematic sessions the conference presented success stories, pitfalls and good practices to raise awareness among decision makers and the procurement community about the benefits of strategic procurement, with an emphasis on achieving sustainability, social responsibility and innovation goals.



The panellists, all at the forefront of thinking, leading and practicing strategic public procurement, articulated significant initiatives from the most advanced EU and OECD countries in this area.

## Political ownership for Strategic Public Procurement

“There is no favourable wind for a drifting boat - Government policies are needed for innovation to be successful”

Jesus Vazquez Almuiña,  
Minister of Health for the Galicia Region (Spain)

For participating political leaders representing different levels of government, strong political ownership will be decisive in implementing Strategic Public Procurement (SPP) and mitigating the inherent risks. Clear strategies and policies will be key to create political ownership and to increase the potential for an SPP approach to succeed.

That is the case in Paris, which has established a structured dialogue on public procurement within the Paris Council and has set an objective of including social clauses in 20% of its public contracts by 2020.

The development of SPP policies requires dialogue with all stakeholders, including suppliers and beneficiaries of public services.

As opposed to generating additional costs, SPP brings savings and long-term benefits should a comprehensive approach be taken. In Galicia, a tele-assistance platform was developed for patients with a specific disease at a cost of EUR 2M. It has led to average annual savings estimated at EUR 13M and a 13% decrease in the mortality of affected patients. This and other examples demonstrate that rather than taking a short-term, price-focussed approach, social and environmental outcomes can be reconciled with budgetary challenges.

# POLICY CHALLENGES

## Policies for Strategic Public Procurement

“Start small and scale fast”

Carolynne Blain, DG of the Strategic Policy Sector for the Acquisitions Program at the Public Services and Procurement (Canada)

It was widely acknowledged that procurers are faced with challenges when implementing SPP. These include modernising and simplifying procurement practices, developing new, fit-for-purpose controls and establishing clear socio-economic policy goals. Instruments such as e-procurement systems, initiatives to support SMEs, and strategic purchasing guidelines for public procurers, play a crucial role to overcome those challenges.

A change of mind-set among procurement officials will ease the development of SPP policies. Equally, a willingness to take risks and learn from failures contributes greatly to the successful delivery of SPP. This new approach is embedded in the Canadian procurement modernisation programme, in capacity building initiatives in the Korean Public Procurement Service and in the structure and functioning of the French Central Purchasing Body «Union des Groupements d'Achats» (UGAP).

At the same time, procurers should still define realistic objectives, assess possible consequences and align stakeholders' expectations when implementing SPP.

Looking beyond the procurement process, contracting authorities should measure the concrete impact of SPP through appropriate monitoring.

# KEY IMPLEMENTATION CHALLENGES

## Designing the right award criteria for promoting Strategic Public Procurement

“Carrots are nicer than sticks”

Jaap Strating, Chief Procurement Officer, City of Eindhoven (The Netherlands)

The effective implementation of SPP will not be possible without adequately designed award criteria, and that requires going beyond a ‘price only’ approach.

In the EU, the new generation of public procurement rules encourage procurers to go beyond a price only approach. When designing award criteria, procurers have the possibility to integrate social and environmental considerations.

It is in this context that the Dutch Ministry of Infrastructure and Environment has decided, when evaluating tenders, to monetise quality criteria related to the environmental impact of a tender submission. Efforts made by a supplier to lower the environmental impact of their proposal are deducted from the quoted price, giving tenderers with the most sustainable offers a higher chance of winning the contract.

On the social front, the use of alternative award criteria in public procurement in Barcelona has helped socially excluded people to return to the workforce. Once again, effective cooperation with audit institutions was deemed essential for success.

To date, it has been difficult to measure the anticipated positive impacts of establishing such award criteria given the lack of meaningful data. Data collection in this area will have to be improved in order to measure and demonstrate the benefits of this approach.

### Getting the market on board: Market consultations

“We have to do more with less and move beyond just products and prices”

Mark Lloyd Davies, EMEA Medical Devices Leader, Government Affairs & Policy, Johnson & Johnson (Belgium)

There was agreement among the speakers on the importance of engaging with the market in order to effectively implement SPP and achieve various policy objectives. It enables the development of a mutual understanding between procurers and suppliers, leading to a reduction in risk and information asymmetry. Therefore, approaching the market at an early, pre-tendering phase can help procurers to better understand and articulate their needs.

Given the evolving nature of the public procurement function, contracting authorities should be prepared to engage with stakeholders, including through innovative ways. For example, New Zealand has used a ‘speed dating’ format to engage with suppliers, and in Eindhoven (the Netherlands) ‘matchmaking events’ have been organised.

This calls for a cultural change for contracting authorities, economic operators and perhaps even more importantly, oversight authorities such as audit institutions. In any case, having clear rules on accepted practices for market consultation will ensure fairness and transparency, while protecting public procurers from undue exposure to risk.

300 participants from public  
& private sector & civil society  
35 expert speakers  
5 continents



European Commissioner Bieńkowska with speakers and the organisation team



*“With the new public procurement framework across Europe, now is the perfect time to open up to a new generation of thinking among procurers.*

*The big task will be in hands of the public authorities.*

*We are here to work with you.*

*If we can do that, we can use public procurement and public money as effectively and strategically as possible. ”*

Elżbieta Bieńkowska,  
European Commissioner for Internal Market,  
Industry, Entrepreneurship and SMEs  
in her opening remarks.



I. Lundström reminds us of importance of #risk-taking in #procurement #eupublicprocurement

Deputy Mayor of Paris stresses that ‘prevented’ costs must be included in #EUPublicProcurement cost considerations

Strategic #eupublicprocurement - because there is more at stake than initial price #env #jobs #health #innovation | oe.cd/procurement



With @A\_Gurría :#EUPublicProcurement: a priority in the works of @EU\_Commission and @OECD in the coming months @EBienkowskaEU

 #EUPublicProcurement



*“Strategic public procurement has become an indispensable tool for governments and policymakers. It is opening up new possibilities and enables us to tackle today’s growing challenges by creating important economic, social and environmental opportunities.”*

OECD Secretary-General, Angel Gurría, at the opening of the Conference



Jaap Strating CPO #Eindhoven on #eupublicprocurement: More long-term perspective is needed to increase sustainability. Involve market more.

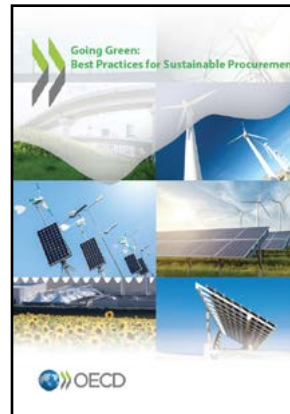


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# OECD & EC Resources related to Strategic Public Procurement



**Public Procurement for Innovation**  
Good Practices and Strategies



**Going Green**  
Best Practices for Sustainable Procurement



**Developing Administrative Capacity for Public Procurement in the Slovak Republic**  
A Training Action Plan for 2016-2019

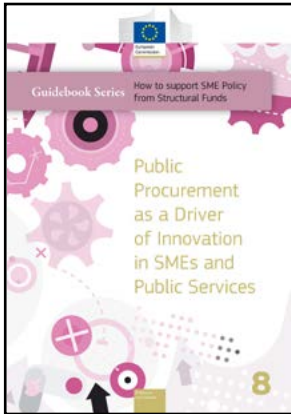


**Development and Implementation of a National E-Procurement Strategy for the Slovak Republic**

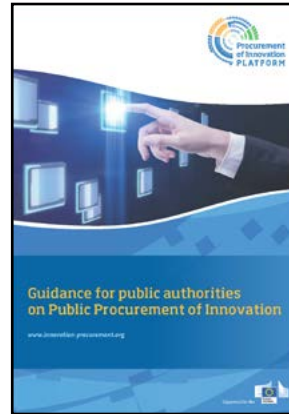


This online resource provides a collection of policy tools and specific country examples, and proposes indicators to measure your public procurement system and help implement the 12 principles of the OECD Recommendation on Public Procurement

[oe.cd/procurement-toolbox](http://oe.cd/procurement-toolbox)



## Public procurement as driver of Innovation in SMEs and Public services



## Guidance for Public authorities on Public Procurement of innovation



## Single market Scoreboard:

EU Member States performance on public procurement



## Procurement of Innovation Platform

[www.innovation-procurement.org](http://www.innovation-procurement.org)



## Green Public Procurement toolkit

[http://ec.europa.eu/environment/gpp/toolkit\\_en.htm](http://ec.europa.eu/environment/gpp/toolkit_en.htm)



## European Assistance for Innovation Procurement

<http://eafip.eu/>

More about the conference:

<http://europa.eu/!wK74nx>

More information on public procurement:

[www.oecd.org/gov/public-procurement/](http://www.oecd.org/gov/public-procurement/)

[http://ec.europa.eu/growth/single-market/public-procurement\\_en](http://ec.europa.eu/growth/single-market/public-procurement_en)