



## Balance

### Purpose of the Checklist

- To guide and support public procurement practitioners in reviewing, developing and updating their procurement framework, according to the 12 principles of the Recommendation of the Council on Public Procurement.
- To encourage self-assessment and providing a starting-point for implementing the Recommendation.
- To provide more detailed information and guidance for each of the 12 principles as well as actions that can be taken to improve the strategic use of public procurement.

Public Procurement  
Principle: **Balance**

Procurement Stage:  
**All phases**

Audience: **Policy Maker,  
Procuring Entity, Private  
Sector, Civil Society**

### Description

Balance can be strengthened by following proposed steps below, while also improving other closely-linked principles (please refer to the box below). Suggestions and comments on the content and format of the Checklist can be sent to: [public.procurement@oecd.org](mailto:public.procurement@oecd.org).

#### Main linkages between balance and other principles of the Recommendation

- **Integrity:** Public procurement can be used to achieve secondary policy objectives, such as the development of small and medium-sized enterprises and standards for responsible business conduct, which have the potential to strengthen integrity fight corruption in the framework of public procurement processes and beyond.
- **Access:** The design of the specific tender opportunities can encourage the broad participation from potential enterprises, including new entrants and small and medium enterprises.
- **Participation:** Public procurement objectives, including secondary policy objectives, can be presented in the framework of transparent and regular dialogues with suppliers and business associations.
- **E-procurement:** E-procurement systems are a key tool to facilitate the achievement of secondary policy objectives and the effectiveness of procurement in achieving secondary policy objectives can be measured using e-procurement systems.
- **Capacity:** An adequate capacity of the procurement workforce can support secondary policy objectives and specialised expertise is often necessary to achieve secondary policy objectives.
- **Evaluation:** The evaluation of the use of public procurement as one method of pursuing secondary policy objectives in accordance with clear national priorities can contribute to achieve the balance between the potential benefits of pursuing secondary policy objectives against the need to achieve value for money.

## (A) Evaluation of the use of public procurement as one method of pursuing secondary policy objectives

**Evaluate the use of public procurement as one method of pursuing secondary policy objectives in accordance with clear national priorities, balancing the potential benefits against the need to achieve value for money. Both the capacity of the procurement workforce to support secondary policy objectives and the burden associated with monitoring progress in promoting such objectives should be considered.**

**A.1** Adherents should evaluate the use of public procurement as one method of pursuing secondary policy objectives in accordance with clear national priorities, balancing the potential benefits against the need to achieve value for money. In order to achieve this end, adherents could consider:

- Identifying the secondary policy objectives to be pursued through the use public procurement (such as sustainable green growth, the development of small and medium-sized enterprises (SMEs), innovation, standards for responsible business conduct or broader industrial policy objectives), in addition to the primary procurement objective (which refers to delivering goods and services necessary to accomplish the government’s mission in a timely, economical and efficient manner) – in accordance with the national priorities,
- Measuring the cost and burden of the procedures linked to specific policies and programmes aiming at supporting secondary policy objectives against the benefits they offer,
- Monitoring, evaluating and managing risks linked to the secondary policy objectives,
- Preventing the potential risk of "objective overload": addressing so many secondary policy objectives through public procurement that the system of mandates and preferences becomes unmanageable or impossible to satisfy,
- Considering the capacity and the capability of the procurement workforce to support secondary policy objectives (see bullet A2),
- Considering the effort associated with the promotion of such objectives (see part C).

**A.2** Adherents should enhance the capacity of public procurement entities to support secondary policy objectives in public procurement. In order to achieve this end, adherents could consider:

- Providing action plans or guidelines to inform procuring workforces on integrating secondary policy objectives into public procurement (see bullet B2),
- Designating a specific team specialized in pursuing secondary policy objectives in public procurement at the central government level,
- Developing and conducting specific trainings on pursuing secondary policy objectives based on the needs of the public procurement workforce,
- Raising awareness on secondary policy objectives among managers and leaders of public entities,
- Publishing case studies and holding workshops to feature best practices,

- Giving national awards and incentives to state agencies with good performances in pursuing secondary policy objectives in public procurement.

## **(B) Integration of secondary policy objectives in public procurement systems based on an appropriate strategy**

**Develop an appropriate strategy for the integration of secondary policy objectives in public procurement systems. For secondary policy objectives that will be supported by public procurement, appropriate planning, baseline analysis, risk assessment and target outcomes should be established as the basis for the development of action plans or guidelines for implementation.**

**B.1** Adherents should develop an appropriate strategy for the integration of secondary policy objectives (i.e. economic, environmental and social criteria) in public procurement systems. In order to achieve this end, adherents could consider:

- Introducing the use of public procurement to pursue secondary policy objectives in the legal and regulatory framework,
- Ensuring that the legal provisions with regard to secondary policy objectives are consistent with primary objectives of public procurement to ensure value for money,
- Undertaking a stocktake of the national priorities and goals related to economic, environmental and social policies,
- Ensuring strong political commitment throughout the development of the strategy,
- Organizing a consultation process among relevant stakeholders for the adoption of new policies and programmes for supporting secondary policy objectives (governmental bodies as well as external stakeholders), e.g. “intermediaries” are bringing together buyers and suppliers,
- Developing appropriate planning, baseline analysis as well as risk assessment mechanisms,
- Developing target outcomes as well as milestones, against which the effectiveness of procurement in achieving secondary policy objectives can be assessed (see part C),
- Identifying competent managers or “transformational leaders” responsible of coordinating and monitoring the strategy as well as horizontal and vertical teams and working groups,
- Disseminating the strategy and raising awareness (by creating dedicated webpage or by conducting roadshows),
- Training all relevant public officials as well as relevant external stakeholders to ensure the implementation of the strategy (see bullet A2),
- Ensuring sufficient financial resources to implement the strategy.

**B.2** Adherents should develop action plans or guidelines for implementation. In order to achieve this end, adherents could consider:

- Developing a guide or manual based on the strategy for the integration of secondary policy objectives, in an interactive and informative way and making it accessible (by online publication to achieve maximum dissemination),

- Referring to the appropriate planning, baseline analysis and risk assessment mechanisms of the strategy (see bullet B1),
- Including a central listing of all mandatory and recommended goals or requirements regarding secondary policy objectives, with a brief explanation and relevant references,
- Including the guide or manual in the training programmes as a way of improving the capacity of procurement officials to use public procurement strategically,
- Including an evaluation framework as well as detailed indicators to facilitate the measurement of the effectiveness of procurement in achieving the secondary policy objectives (see part C).

**B.3** Adherents should develop appropriate implementation measures that are specifically promoting the integration of secondary policy objectives in public procurement (e.g. sustainable green procurement, development of small and medium-sized enterprises (SMEs), innovation procurement, etc.). In order to achieve this end, adherents could consider:

- Developing specific public procurement programmes that are complementary to additional programmes that are outside of the public procurement process in order to ensure a balanced approach to the direct use of public procurement,
- Developing mutually reinforcing programmes to support secondary policy objectives (e.g. in supporting SMEs and innovation at the same time for instance).
- Developing measures for encouraging **Green Public Procurement (GPP)** in public procurement operations, by:
  - Setting a GPP legal and policy framework to assist buying entities in incorporating GPP in their procurement procedures,
  - Planning GPP, including understanding market capacity and available technical solutions as well as assessing GPP costs and benefits,
  - Introducing environmental standards in the technical specifications, related to:
    - Specific materials or certain percentage of recycled or reused content
    - Specific production processes and methods,
    - Submission of alternative solutions from suppliers which may partially meet the full tender specification,
    - Exclusion criteria in case of serious non-compliance or misconduct.
  - Introducing environmental standards in the procurement selection and award criteria, as well as in the contract performance clauses, related to:
    - Setting a weight of environmental criteria against other considerations such as cost and general quality,
    - Using eco-labels (e.g. EU Ecolabel, EU Organic label, EU Energy Label) as a criteria according to respective country context,
    - Using environmental management system (e.g. Eco-management and Audit Scheme (EMAS), ISO 14001) as criteria according to respective country context.
  - Professionalising GPP and increasing know-how and skills,
  - Raising awareness on GPP solutions and their benefits with buyers, businesses and the civil society,
  - Monitoring the results of GPP and providing a feed-back loop into policy and regulation.

- Developing measures for encouraging **SME participation** in public procurement operations, by:
  - Having in place a specific legislative provision or policy (e.g. set-aside, bid preferences) to encourage participation from SMEs in procurement
  - Removing barriers to SME access to public procurement by:
    - Disseminating information on bids online,
    - Offering possibility to submit bids online,
    - Dividing into lots of the contract,
    - Simplifying administrative procedures for SMEs to participate its tenders.
  - Offering training and capacity building for SMEs, by:
    - Making documentation or guidance focused on SMEs available online,
    - Providing capacity building programs and workshops for SMEs to help new entries into the public procurement marketplace,
    - Developing dedicated call centres for addressing questions from SMEs.
  - Applying preferential fees or financial incentives:
    - Offering preferential financial treatment (e.g. waiving fees) for SMEs,
    - Providing tender documents at lower price for SMEs,
    - Reducing the payment deadlines for SMEs.
  
- Developing for encouraging **innovative goods and services** in public procurement operations, by:
  - Establishing a specific legislative provision or policy that encourages the participation from firms with innovative goods or services (and defining specific product categories that allow preferential purchasing for solutions with innovative technology,
  - Offering preferential treatment (e.g. waiving fees, quotas) to innovative firms,
  - Encouraging participation from SMEs with innovative solutions. This includes:
    - Purchasing assurance scheme,
    - Framework contracts for the certified products for innovative solutions.
  - Allowing more flexibility within the tendering process to foster collaboration across different parties for developing solutions that are not readily available in the market. This includes:
    - Joint cross-border collaborations,
    - Collaboration between different institutions with complementary expertise.
  - Bridging the innovation gap by using demand-side policies based on needs assessment,
  - Creating incentives for contract authorities or innovative suppliers to spread good practice cases.

## (C) Impact assessment methodology for measuring the effectiveness of procurement in achieving secondary policy objectives

Employ appropriate impact assessment methodology to measure the effectiveness of procurement in achieving secondary policy objectives. The results of any use of the public procurement system to support secondary policy objectives should be

**measured according to appropriate milestones to provide policy makers with necessary information regarding the benefits and costs of such use.**

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**C.1** Adherents should employ an appropriate impact assessment methodology to measure the effectiveness of procurement in achieving secondary policy objectives. In order to achieve this end, adherents could consider:

- Developing an appropriate methodology to measure the effectiveness of procurement in achieving secondary policy objectives,
- Developing detailed indicators, according to relevant policies and programmes (in order for instance to measure the cost and burden of the procedures against the benefits they offer),
- Ensuring the collection of data concerning the use of procurement as a policy lever to pursue secondary policy objectives (using e-procurement systems for instance),
- Developing incentives to measure the effect of relevant policies and programmes as well as ensuring sufficient financial resources,
- Developing legal requirements for the measurement of the effectiveness of procurement in achieving secondary policy objectives (example: government agencies can be required to publish in their end-year performance reports a section on progress made in implementing these objectives),
- Evaluating the relevant policies and programmes for preferences of the public procurement system,
- Evaluating the potential opportunities to consolidate or streamline overlapping policies and programmes to inform any future efforts to support additional secondary policy objectives,
- Including assessments of the extent to which public procurement is used in practice to support secondary policy objectives compared to other methods,
- Using the results of the impact assessments to consolidate the benefits of secondary policy objectives and feed them back in the planning, setting of criteria, etc.