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***Workshop on
“Reorganization of the Secretariat General of Commerce:
Enhancing SGC’s Function as CPB”***

***Session 1
Key Staff Positions at SGC***

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Athens, 30/06/2014



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CPB Definition: EU Public Procurement Directive

IMPACT ASSESSMENT made by DG Internal Market in 2012

Accompanying the document

**Proposal for a Directive of the European Parliament and of the Council
on Public Procurement**

CPB (Central Purchasing Body): CPBs are contracting authorities which either act as:

wholesalers i.e. buy, stock and sell on to other contracting authorities

or as

**Intermediaries i.e. award contracts or conclude framework agreements that will be
used by other contracting authorities**

SKI DENMARK

CONSIP ITALY

HANSEL FINLAND

Beschaffungsamt GERMANY

UGAP FRANCE

BBG AUSTRIA

eSPAP PORTUGAL

Ríkiskaup ICELAND

CROWN COMMERCIAL SERVICE UK

The cost-benefit analysis supports the inclusion in the Directives of a clear set of provisions regulating **aggregation**, generally via CPBs.

These structures are emerging as key hubs in the European public procurement landscape.

Procedures run through these structures should be visible to a wide range of market participants, traceable and less prone to conflicts of interest or subjectivity that may distort traditional procurement administration.

CPBs are more professional and aggregation may permit greater strategic buying power. Repetitive purchasing and issues of aggregation are inevitably evoked in the context of CPBs since **the reason to establish them is usually to provide smaller contracting authorities with the benefits of economies of scale**

CPBs would improve the professionalisation of procurement as they would have the specialised skills and expertise in running procurement transactions. CPBs are also better resourced to carry out procurement involving pursue of strategic objectives (e.g. complex or sophisticated tenders regarding new, innovative or eco-innovative products and services)

Through the aggregation of demand CPBs could significantly diminish costs of procedures.

Procurement techniques that involve aggregation usually take longer to award than non-aggregated procurement processes, but they are associated with lower cost than running "standard" restricted or negotiated procedures.

MS could consider a range of CPB models, adapted to their circumstances and needs, this may mean the creation of more than one CPB, to allow vertical procurement (e.g. medical and health related purchases) as well as horizontal (national, regional or local).

The number of staff involved in the largest CPBs (which also function as knowledge centres ranges from 100 to 900 people (with a rough average of 250 people)

The impact assessment concludes in favour of actions to strengthen administrative capacity by regulating CPBs, and to require MS to identify a national authority with responsibility for oversight of aggregate national purchasing and implementation of EU legislation. Any legislative actions proposed should be supported and complemented by soft law measures to provide further detail, guidance and if appropriate, training.

As a general rule, the suggestion is to create EU rather than national markets for Public Procurement.

Legal base for centralised procurement

Definition of CPB in each national law

Operation under specific mandate

Old and brand new ones

Organisational model, role and ownership

Most of the CPBs have the legal status of a publicly-owned limited company

Most CPBs are owned or under the auspice of the respective Ministry of Finance

Staff

Although different size and scopes, some common features:

CPBs are organised in divisions and specialised sub- divisions with specific skills and roles.

- Sourcing/Procurement
- Marketing and Communication
- Legal department
- eProcurement
- human resources, administrative units

Number of staff:

Fr: 1000

Sp: 287

It: 230

Ge: 220

Au : 94

Den : 75

Fi : 68

Ice : 25

Range of items covered by the CPBs' operations includes :

- ICT products and services
- Telecommunications
- Furniture and office equipment and supplies
- Travel services
- Mobility
- Fuel and Energy
- Food and meal vouchers

In terms of purchasing volumes, generally the largest product area is ICT products.

Types of FAs used

single and multi-supplier FA

Clients, end users, target groups

Mandatory for Central administrations and or local/regional administrations

Non mandatory but on a voluntary basis (fees)

Mainly Vertical Procurement (all types of standard G&S)

Less frequently Horizontal procurement (one specific product category, ex. Health)

Financing models

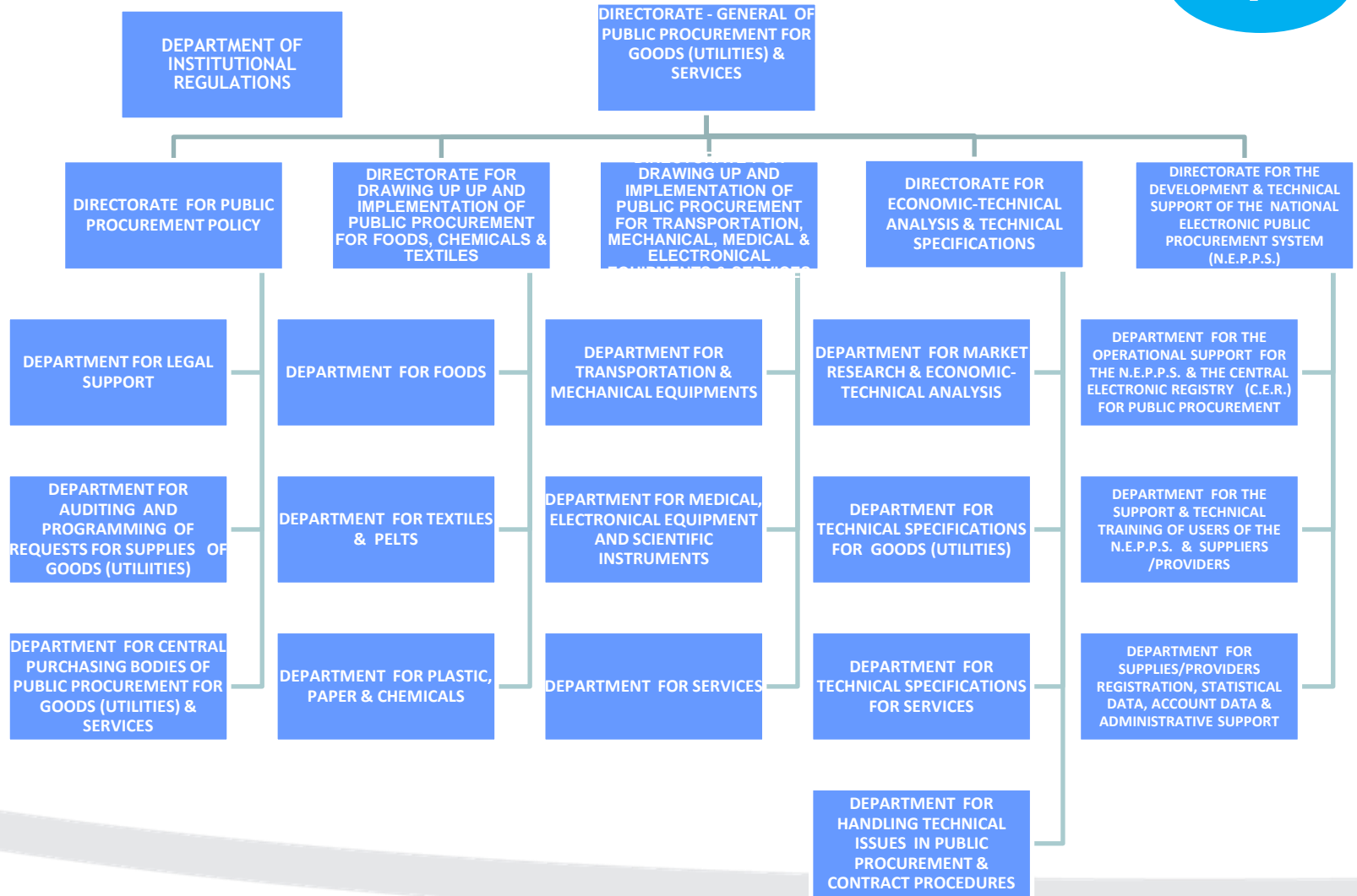
- 1. directly from the government budget**
- 2. service fees either on public entities using CPB services or on the suppliers**
- 3. Mix of the two financing models**

DGPP New Structure and Organization Proposals

Input for restructuring MinDev SGC into a CPB

Organization Chart Evolution

1



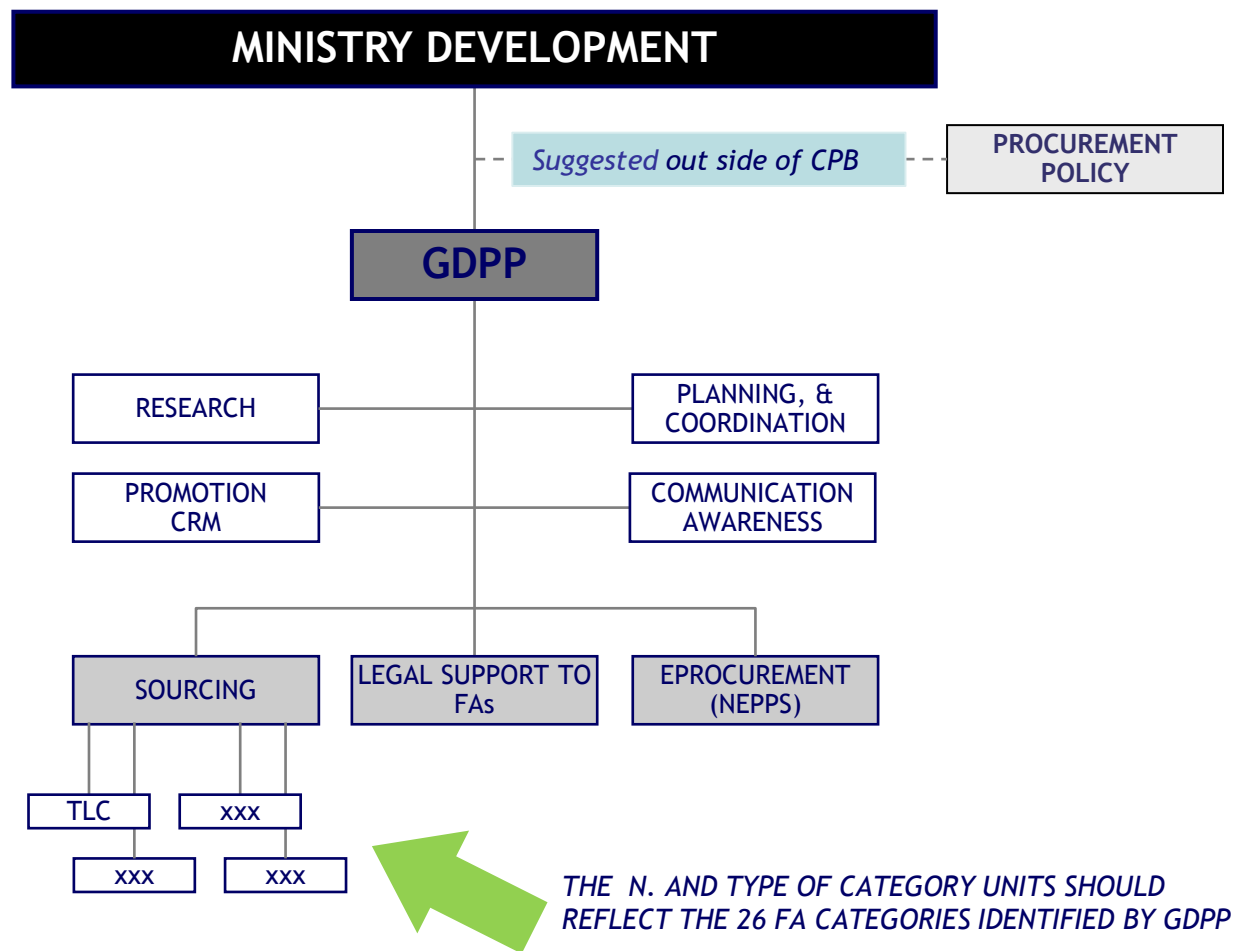
REMARKS

- POTENTIAL **CONFLICT OF INTEREST** BETWEEN THE ROLE OF A CPB AND THE ROLE OF A REGULATOR OF LEGAL FRAMEWORK ON PROCUREMENT
- STILL FOCUSED ON **1TO1 RELATIONSHIP** WITH CA
- **TOO SOURCING ORIENTED:** LACK OF SUFFICIENT AREAS DEALING WITH BUILDING RELATIONSHIP WITH CAS AND OTHER STAKEHOLDERS

OPEN POINTS

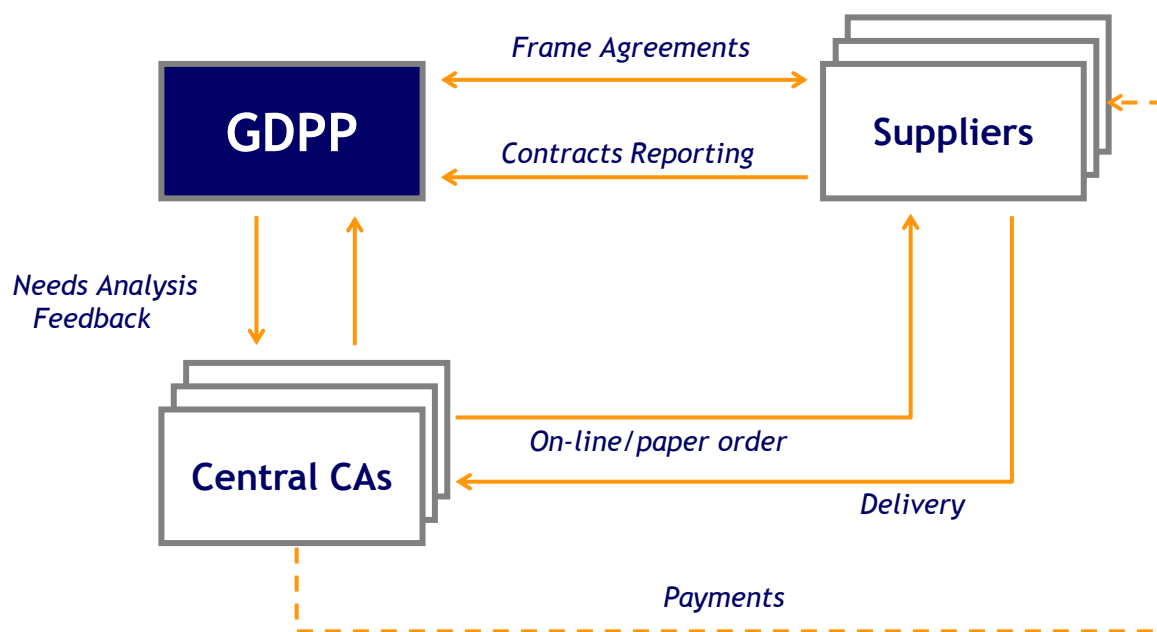
- NEED TO IDENTIFY THE APPROPRIATE **POSITIONING OF THE DIRECTORATE** FOR PROCUREMENT POLICY OUTSIDE OF THE CPB
- **NEED TO CLARIFY THE ROLE OF UPP** AFTER THE SETTING UP OF THE CPB. WHAT FUNCTION WILL THE UPP HAVE?
- NEED MORE **FOCUS ON CAS**

TO BE Model for Greek CPB organization - August 2013



New Procurement Centralized Model for Greek CPB organization - August 2013

Centralized Model for Framework Agreements



- From «1to1» FAs for individual CAs To «1toMany» FA s for all central administrations
- Changes at the subjective level (obligation for all Central Administrations CAs) and at the objective level (new and more product categories of FAs to run)



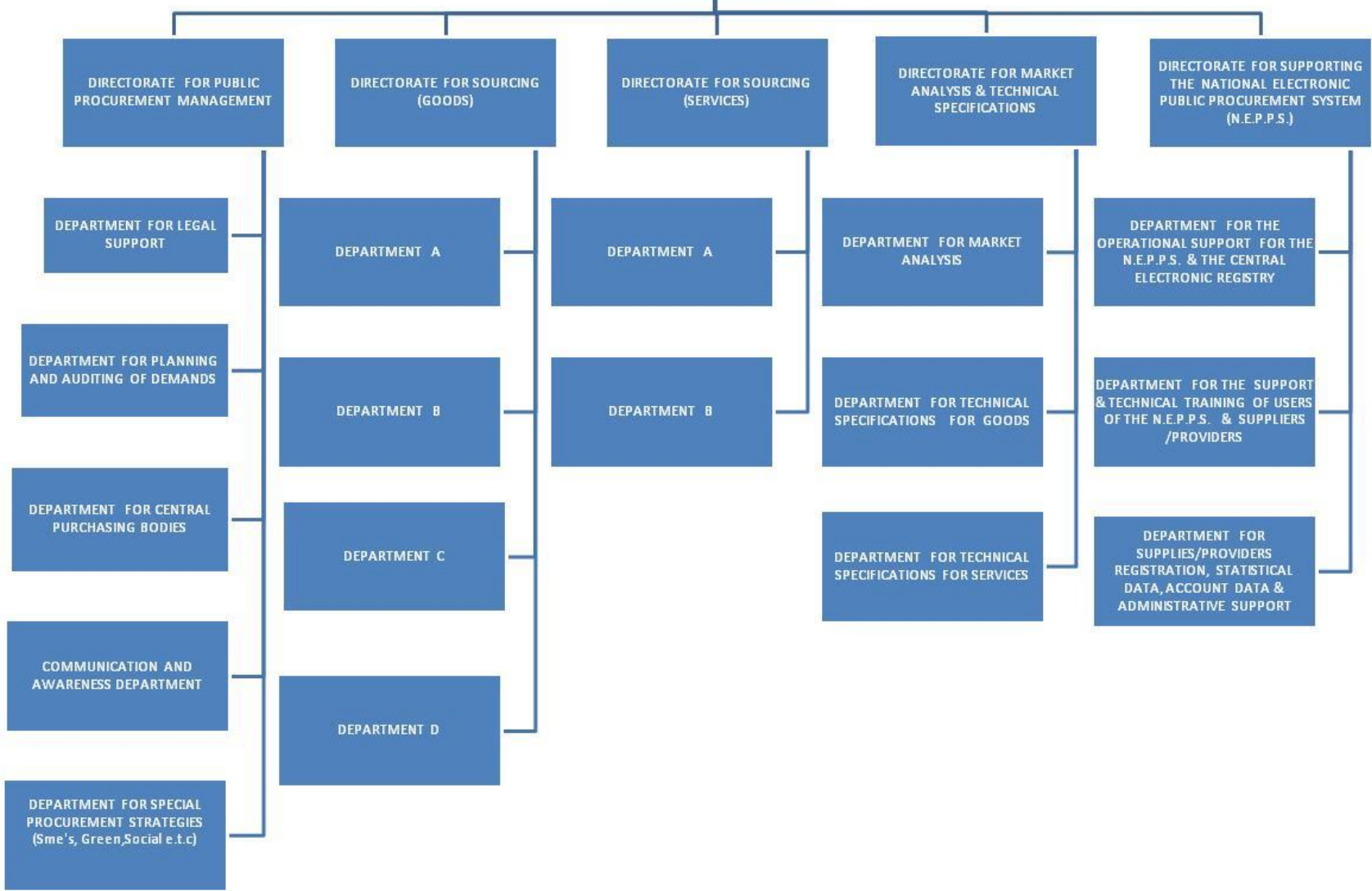
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Greek proposal for GDPP Organization (Sept. 2013)

3

INDEPENDENT LEGISLATIVE DEPARTMENT (UNDER THE GENERAL SECRETARY)

DIRECTORATE - GENERAL OF PUBLIC PROCUREMENT FOR GOODS & SERVICES

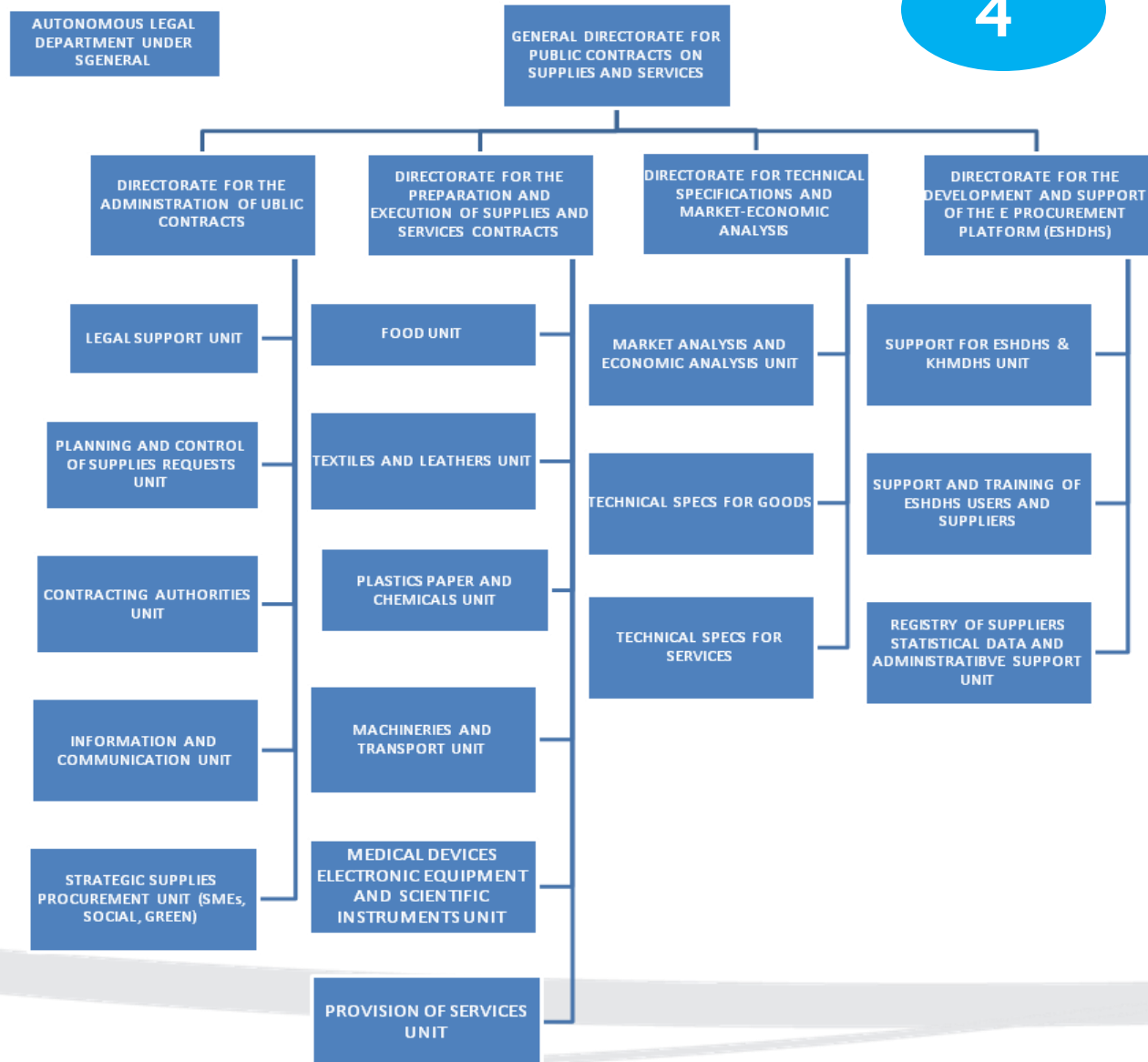


Greek proposal for GDPP Organization (Oct. 2013)



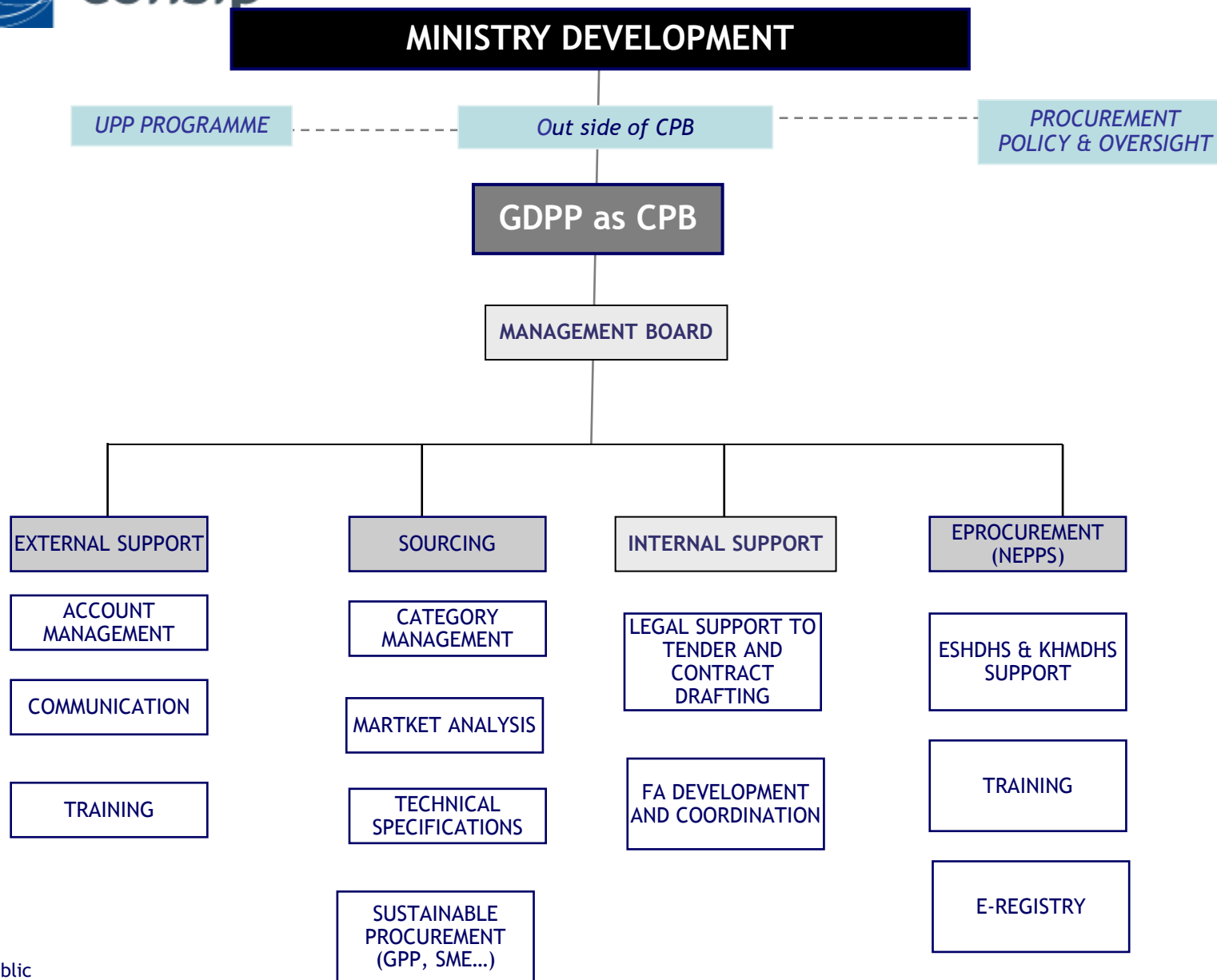
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4





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CPB ORGANIZATION - 2nd COUNTER PROPOSAL - 20 November 2013



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MINISTRY OF DEVELOPMENT

PROCUREMENT
POLICY & OVERSIGHT

Final organization
chart presented
by experts and
TFGR

GDPP as a CPB

6

MANAGEMENT BOARD

CUSTOMER
SUPPORT &
PLANNING

DEMAND
AGGREGATION
(UPP ACTIVITY
MANAGEMENT)

ACCOUNT
MANAGEMENT

COMMUNICATION &
TRAINING

FA MANAGEMENT

CATEGORY
MANAGEMENT 1

CATEGORY
MANAGEMENT 2

CATEGORY
MANAGEMENT 3

CATEGORY
MANAGEMENT 4

OPERATIONS SUPPORT

LEGAL SUPPORT TO
TENDER AND
CONTRACT
DRAFTING

FA DEVELOPMENT
AND COORDINATION

MARKET ANALYSIS

TECHNICAL
SPECIFICATIONS

SUSTAINABLE
PROCUREMENT
SPECIFICATIONS
(GPP, SME...)

EPROCUREMENT
(NEPPS)

ESH DHS & KHMDHS
SUPPORT

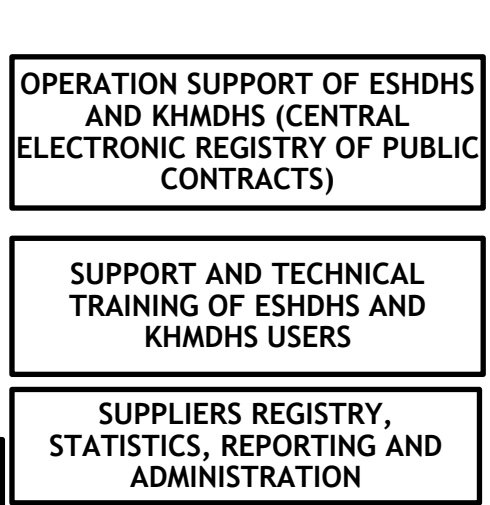
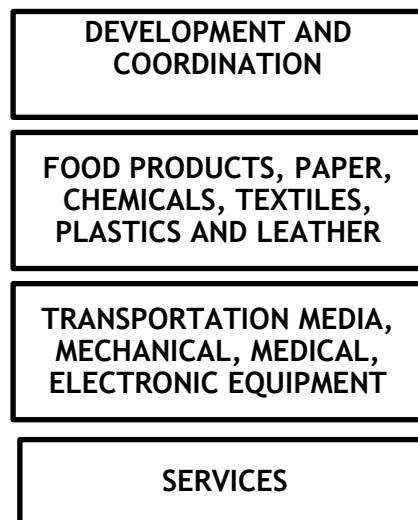
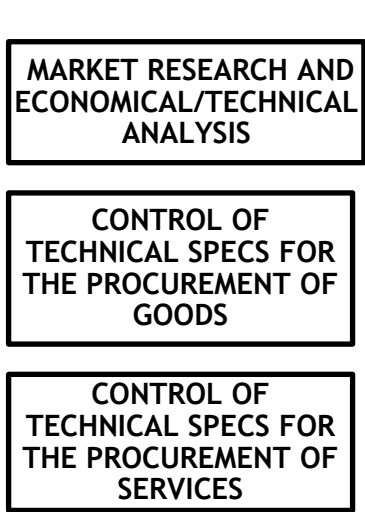
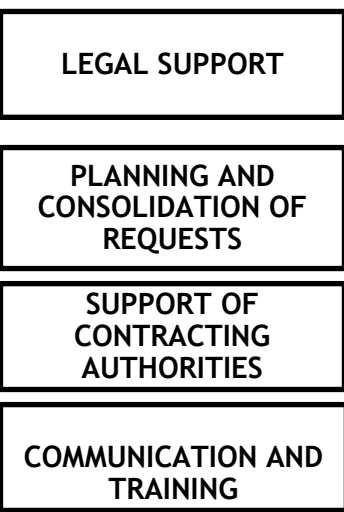
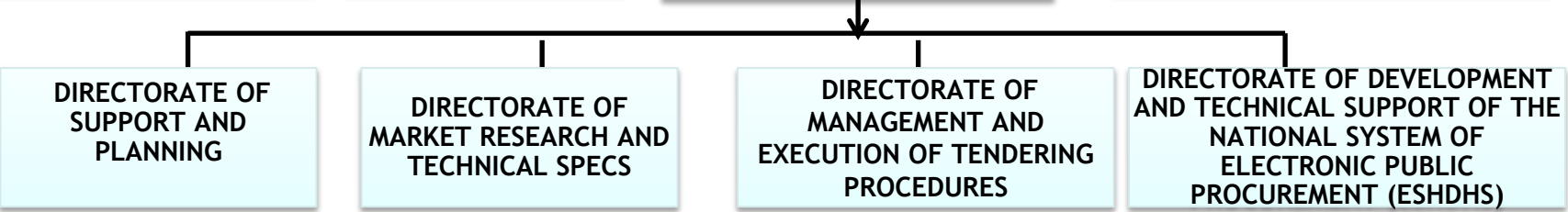
EPROCUREMENT
TRAINING

E-REGISTRY

ORGANIZATION CHART
DIRECTORATE GENERAL OF PROCUREMENT AND PUBLIC CONTRACTS (according to the Presidential Decree draft submitted to the Council of State)

7 new

DIRECTORATE GENERAL OF PROCUREMENT AND PUBLIC CONTRACTS



COMPARISON BETWEEN 2nd COUNTER PROPOSAL AND LATEST GREEK CHART



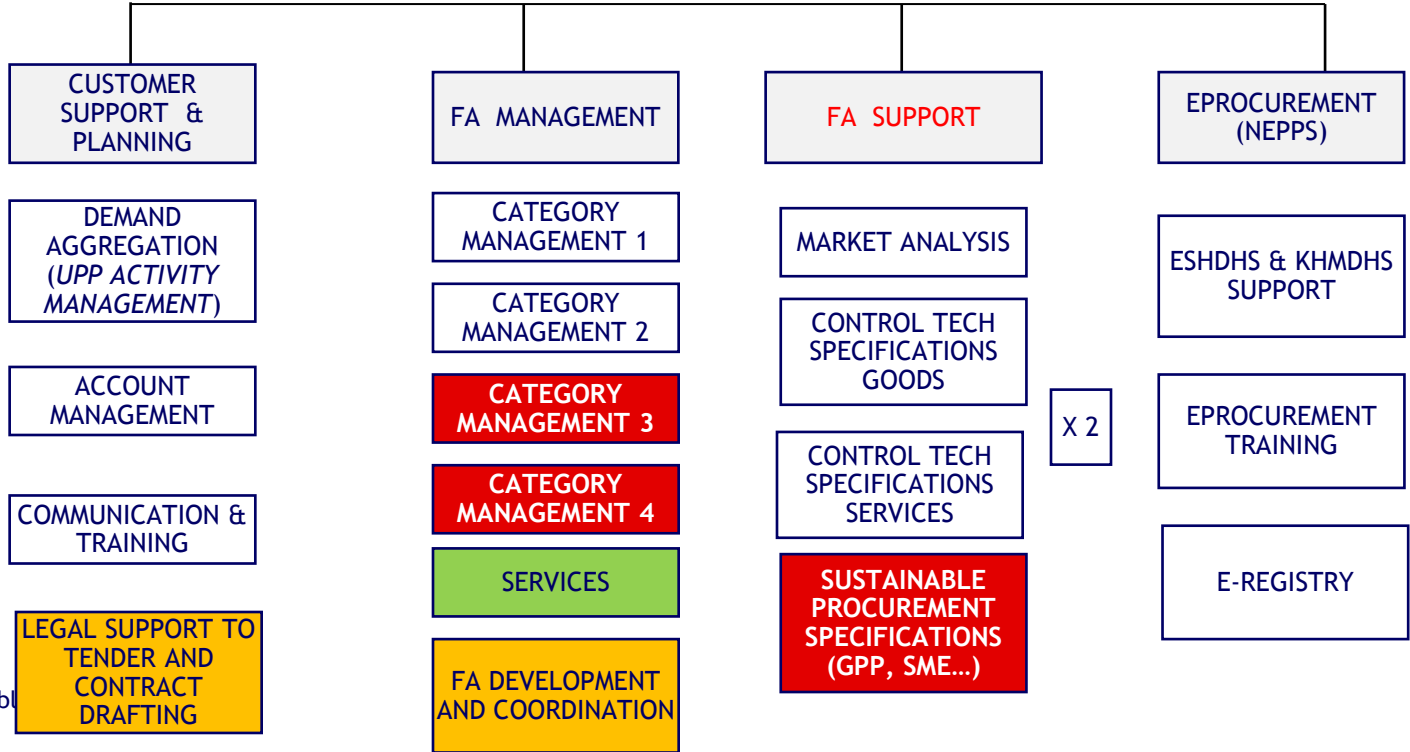
MINISTRY OF DEVELOPMENT

PROCUREMENT
POLICY & OVERSIGHT

6+7

GDPP as a CPB

MANAGEMENT BOARD



- MOVED
- DELETED
- NEW



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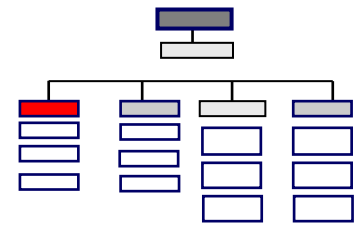
TO UPDATE ACCORDING TO
ORGANIGRAM N. 7

GDPP New Structure and Organization
Additional slides to be further developed

Core Functions Description

FUNCTION DESCRIPTION

CUSTOMER SUPPORT & PLANNING



This Directorate should handle a constant and daily relationship with the primary customer: **central administrations CAs.**

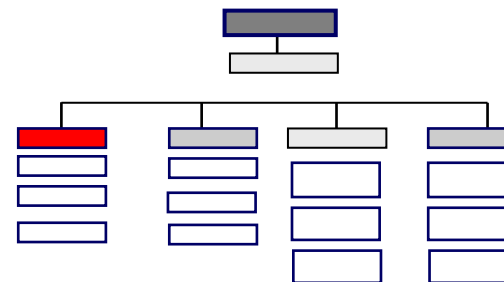
The Account Management Department should be devoted to:

- ✓ building a useful and beneficial relationship between the CPB and the customers
- ✓ communicating the aim and major activities of the newborn CPB
- ✓ collecting the NEEDS of the customers in cooperation with the Demand Aggregation Dept.
- ✓ collecting the satisfaction of the customers
- ✓ sharing this information with the planning and sourcing departments
- ✓ providing support in the market analysis phase
- ✓ providing training to CAs on how to submit electronic orders (in a more mature phase)
- ✓ keeping track of any kind of information on public buyers (contact details, n. of visits made during the month, claims and dissatisfactions expressed, etc.) this allows the setting up of an internal precious data warehouse shared by all CPB departments

The Demand Aggregation Dept. is the area in which the UPP activity will be conveyed, at an initial stage, in order to allow a gradual shifting from 1to1 tenders to full FA running in the form of aggregated and bulk purchasing.

The suggestion is to keep coexistence, at the initial stage, between the two activities carried out by GDPP, individual tenders and FA, with a view to gradually reduce the individual tender activity by devoting the majority of the efforts to the implementation of FA, i.e a full CPB.

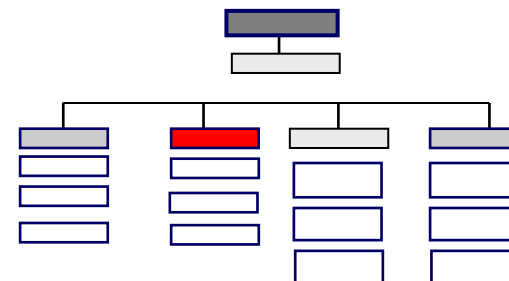
In this view the Demand Aggregation dept. should work in close hands with the Account Management dept for the collection of the needs of all CAs and the correct needs assessment



CUSTOMER SUPPORT & PLANNING

The Communication Department should handle a constant relationship with the main stakeholders, both internal and external

- ✓ Handle external communication: implement a communication strategy, deriving from a communication plan internally agreed upon, that also foresees the identification of the new mission, tasks and roles of the CPB and the communication of the new overall procurement scenario in a clear and effective way (resistance prevention)
- ✓ Train public buyers (organizing information and training events)
- ✓ Support e-procurement directorate in training economic operators (information and training events)
- ✓ Handle the internal communication (effective communication among the 4 directorates)
- ✓ Provide immediate actions/reactions in case of resistance shown by the users
- ✓ Provide immediate reaction to critical and wrong messages published by the Press
- ✓ Rise awareness in the country on the new public procurement scenario, stressing on the benefits and challenges faced



FA MANAGEMENT DIRECTORATE

This Directorate is responsible for writing the FA documentation and running the FA

It should work in very close hands with the Operations Support Directorate

Resources should be mainly category managers, with technical category and procurement skills, devoted to:

- ✓ Writing all tender documentation
- ✓ Supporting MARKET ANALYSIS on the supplier market referred to the category of FA they follow
- ✓ build a solid and collaborative relationship with associations of suppliers, especially with SMEs representatives
- ✓ Take care of the FA contract management

THE NUMBER AND TYPOLOGY OF CATEGORY DEPARTMENTS OF THIS DIRECTORATE SHOULD REFLECT THE CATEGORY AGGREGATION DERIVING FROM THE LIST OF 26 FA THE GREEK CPB HAS BEEN ASKED TO RUN.

SOME EXISTING FA CATEGORIES ON THE GREEK PRESENT ORGANIZATION COULD BE SWITCHED TO EPY

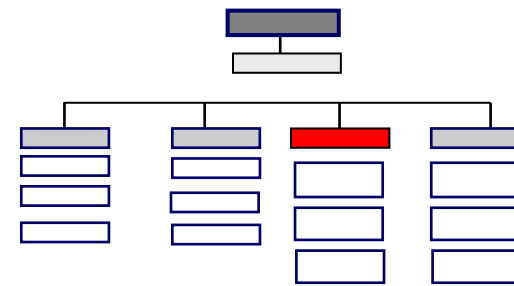
OTHERS COULD BE BETTER AGGREGATED (BY RUNNING FA PROVIDING MORE THAN ONE TYPOLOGY OF GOODS - SUCH AS SCREENS INCLUDED IN THE PC FA)

FROM A MORE GENERAL POINT OF VIEW THE LIST OF 26 FA CATEGORIES COULD BE OPTIMIZED

FUNCTION DESCRIPTION



OPERATIONS SUPPORT DIRECTORATE



This Directorate plays a bridge function between the Directorate for FA Management and the Directorate for Customer Support and Planning. In fact, it should coordinate the inputs received by the Customer Support and Planning Directorate devoted to collecting the needs (Account management + UPP) in order to make the market analysis and identify technical specifications, thus guaranteeing the correct implementation of the internal processes that characterize the life-cycle of a FA. Then pass the information to the FA Management Directorate for the running of the FA itself.

It should also provide any kind of legal support during the pre award, post award phase and entire duration of a FA

Its contribution is fundamental in each of the 4 main stages concerning the life-cycle of a FA (slide n.31)

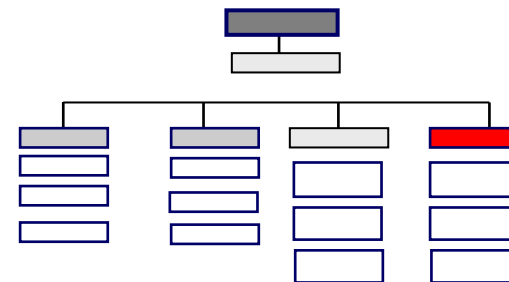
According to the new procurement model suggested, it should also manage the litigation phase on behalf of the CAs. This is a strategic function that needs specific legal skills in procurement matters

This Directorate should also

- ✓ support the **design the new internal workflow processes**, information flows, responsibilities of areas...
- ✓ build a solid and collaborative relationship with associations of suppliers, especially with SMEs representatives
- ✓ deliver a monthly report on the use of FAs and monitor erosion of FA G&S availability
- ✓ The monthly report should be distributed and shared among the other CPB Directorates

The FA Development and Coordination department plays a key role in the coordination of the inputs and presentation of the FA strategy to the Management board in order to get final approval prior to passing the information to the FA Management Directorate

EPROCUREMENT DIRECTORATE



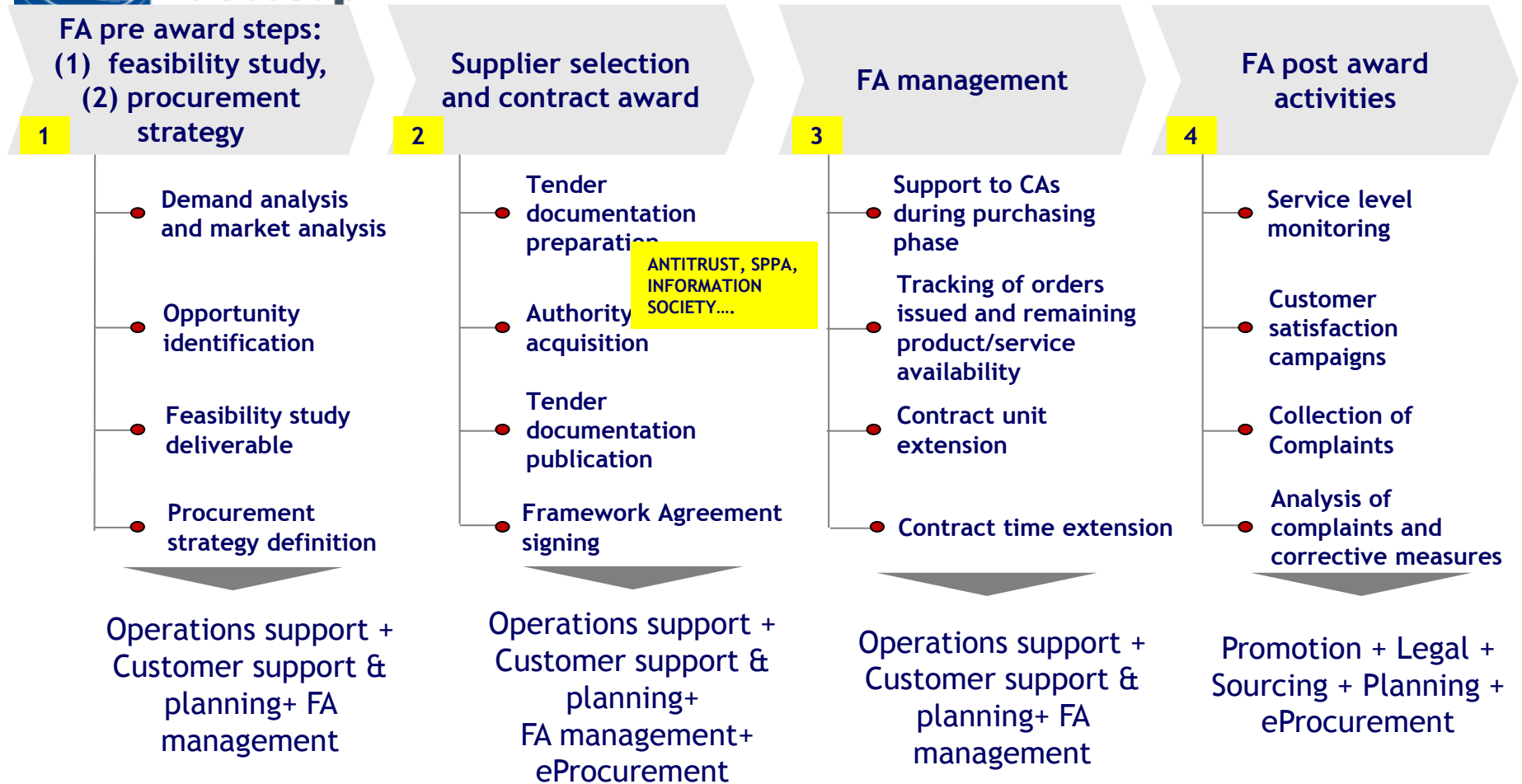
This Directorate is responsible for the management of the platform and eCatalogue

- ✓ It should also take care of the evolution of the platform according to the evolution of the EU procurement directives (i.e. implement in the future new eprocurement tools)
- ✓ It should manage the internal data warehouse and provide reports when required
- ✓ It should deliver training to economic operators, especially SMEs, on general procurement and EPROCUREMENT issues, especially on how to use the ecatalogue supported by other dept
- ✓ It should check the correct use of CPV codes and customize CPV classification according to the CPB approach

WHAT IS STILL MISSING?

INTERESTING

Coordinated Team Working



IT IS NECESSARY TO DEFINE THE MOST APPROPRIATE RELATIONSHIP BETWEEN THE NATIONAL CBP AND OTHER RELEVANT INSTITUTIONS SUCH AS SPPA, EPY, ANTITRUST, ANTI CORRUPTION AUTHORITIES, INFORMATION SOCIETY SA., IN ORDER TO ADAPT SECTION **2** OF THE ABOVE MODEL