Public Contracts and Digital Transformation: EU and American Evolutions

Prof. Gabriella Racca

Prof. Christopher Yukins

Introductory Session

28 March 2025 – 9:30

Room Varsavia

Dept. of Management "Valter Cantino"

University of Torino

Address: Corso Unione Sovietica 220

Public Contracts in Legal Globalisation

Contrats Publics dans la Globalisation Juridique

https://www.public-contracts.org

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PUBLIC CONTRACTS AND DIGITAL TRANSFORMATION: EU AND AMERICAN EVOLUTIONS

Introduction – h. 9.30
Gabriella M. Racca – *University of Torino, Italy*
Christopher R. Yukins – *George Washington University, USA*

Session I – h. 10.30
" DIGITAL TRANSFORMATION FOR INTEGRITY AND EFFICIENCY "

Paulo Magina – *Head of Infrastructure and Public Procurement Division, OECD* – "***AI in Procurement for Integrity and Efficiency***"
Tunde Tatrai – *Corvinus University of Budapest, Hungary* – "***The Power of Data Analysis in Public Procurement***"
Sope Williams – *Stellenbosch University, South Africa* – "***Fighting Corruption with AI and Digital Tools***"
Genoveva Ferrero – *Ciudad de Buenos Aires, Argentina* – "***AI and Platforms in the Argentinian Public Procurement***"

Session II - h. 14.00

" AI AND EVOLUTION OF THE PROCUREMENT PROCESS: INTEROPERABLE PLATFORMS AND DATA ANALYSIS "

Laurence Folliot-Lalliot – *Université Paris Nanterre, France* **– "*Digital Transformation for SMEs Participation in Public Procurement*"**

Jessica Tillipman – *George Washington University, USA* **– "*AI and the Qualification System in Public Procurement in the US*"**

Désirée Klingler – *University of St. Gallen, Switzerland* **– "*Amazon.gov: Opportunities and Risks of Disintermediation in Public Procurement through E-marketplaces*"**

Andrea Sundstrand – *Stockholm University, Sweden* **– "*Swedish Platforms for Public Procurement*"**

Conclusions

Jean-Bernard Auby – *Émérite de Droit Public, Université de SciencePo, France*

Introductions

- Professor Gabriella Racca
- Professor Christopher Yukins

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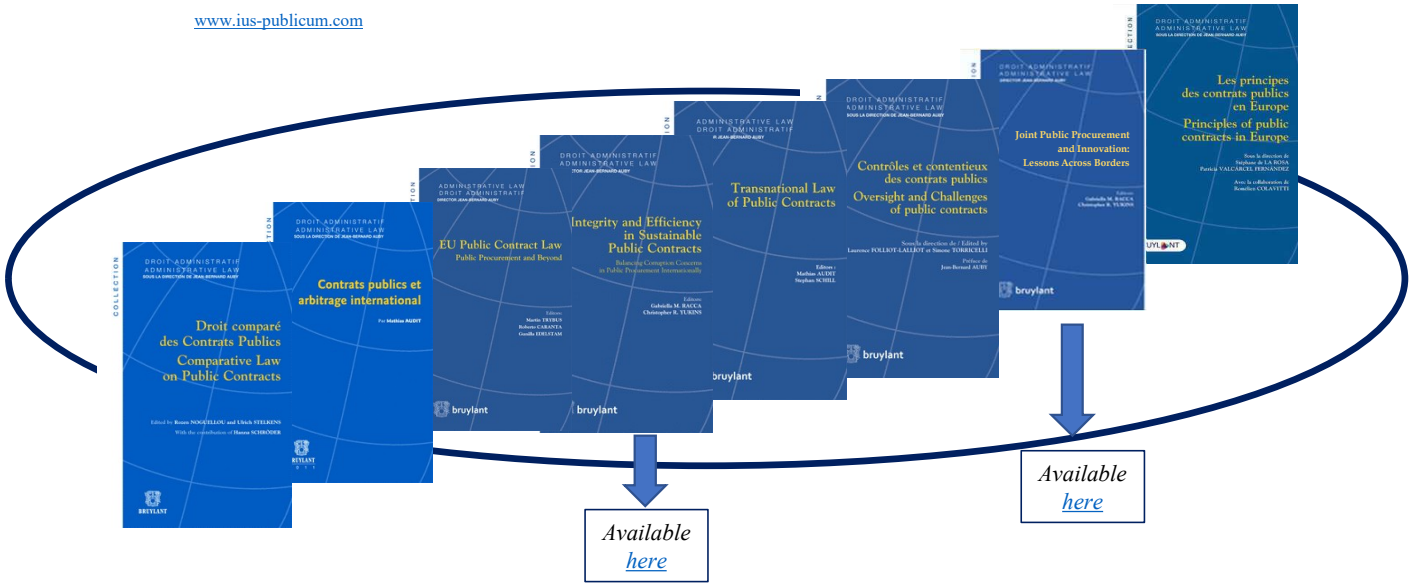

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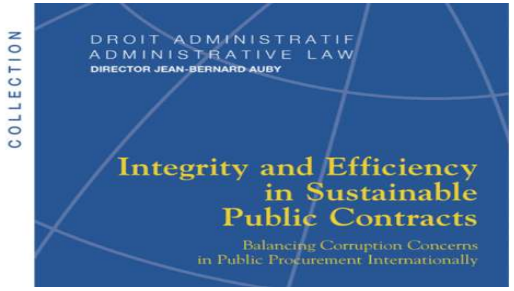
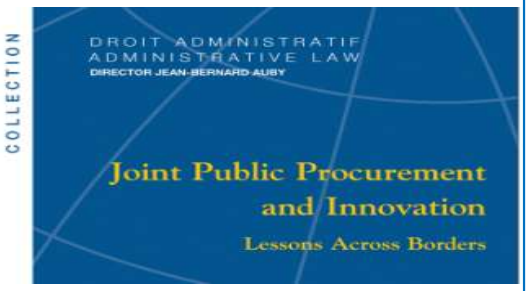
Feedbacks to the EU public consultations on Public Procurement Directives (2025):
PCLG Research Network - link
Prof. Racca Turin Research Group - link

Building Networks and projects…



G.M. RACCA, C.R. YUKINS, ***Integrity and Efficiency in Sustainable Public Contracts. Balancing Corruption Concerns in Public Procurement Internationally***, in Droit Administratif / Administrative Law Collection (*Directed by J. B. Auby*), **Bruylant**, Bruxelles, 2014



G.M. RACCA, C.R. YUKINS, ***Joint Public Procurement and Innovation: Lessons Across Borders***, in Droit Administratif / Administrative Law Collection (Directed by J. B. Auby), **Bruylant,** Bruxelles, 2019

CAPACITY DEVELOPMENT

Smart buyers

highly professional

and interconnected organizations

AGENTS OF SOCIAL CHANGE

Challanges of digital transition

…and circular economy

Building Networks and projects…

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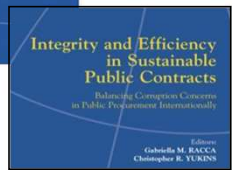
https://publicprocurementinternational.com

https://publicprocurementinternational.com/joint-public-procurement-lessons-across-borders/



https://www.gabriellaracca.it/wp-content/uploads/2024/03/RACCA_YUKINS_Integrity-and-Efficiency-in-Sustainable-Public-Contracts-1.pdf

EGPA European Group for Public Administration

THE GEORGE WASHINGTON UNIVERSITY WASHINGTON, DC

IIAS International Institute of Administrative Sciences

IISA Institut International des Sciences Administratives

IASIA/IIAS EGPA/IIAS LAGPA/IIAS AGPA/IIAS

https://www.iias-iisa.org/

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https://www.interregeurope.eu/neba

CircPro Interreg Europe

HAPPI

http://www.masterseiic.it/happi/

EHPPA European Health Public Procurement Alliance

Interreg CENTRAL EUROPE PPI2Innovate

https://www.interreg-central.eu/Content.Node/PPI2Innovate.html

Transparency in public procurement PUBLIC PROCUREMENT DATA SUPERPOWERS Harnessing artificial intelligence

Public Procurement Excellence

TENDER X

OPEN CONTRACTING PARTNERSHIP

prozorro PUBLIC PROCUREMENT

Integrity – Joint – Digital – Digital Joint – Digital Integrity…Digital Trust

NEXT BOOK

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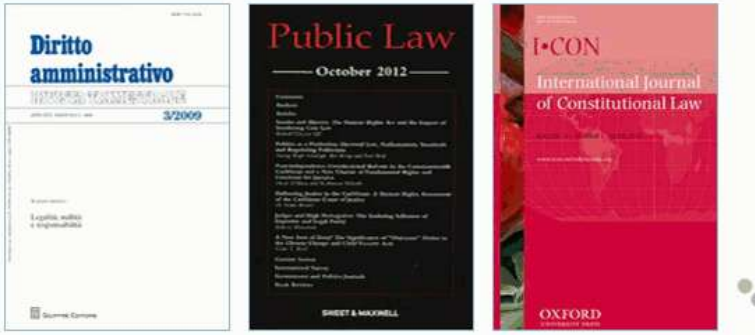

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Gabriella M. Racca, Christopher R. Yukins, Public contracts and digital transformation: EU and American evolutions, forthcoming

Gabriella M. Racca, Silvia Ponzio, Deep digital transformation in public procurement in the EU, forthcoming

Isabel Da Rosa – Digital Transformation of Public Procurement, Ius Publicum Network Review, n. 1/2023

Javier Miranzo-Díaz – Public Procurement Platforms in Spain: Decentralisation and Interoperability, Ius Publicum Network Review, n. 2/2023

Désirée Klingler - Amazon.gov: "Disintermediation" in Public Procurement Thorugh Digital Platforms – Benfits and Risks, Ius Publicum Network Review, n. 1/2024

Dmitri Goubarkov – Bridging the Risk Assessment Gap: a Case for Effective Cooperation in Public Procurement Between the European Union and the United States, Ius Publicum Network Review, n. 2/2023

Gavin Hayman, Oscar Hernandez, Lindsey Marchessault, Camila Salazar, The seven deadly sins of procurement digitization (and some practical suggestions on how to avoid them), Ius Publicum Network Review, n. 1/2023

Dan Schoeni, Why Public e-Procurement Platforms Generally Don't Work: Some Lessons from the U.S. Federal Procurement System, forthcoming

Comments on Proposed Revisions of 2014 EU Directives on Public Procurement

- **Public Contracts in Legal Globalization (PCLG) Research Network -** response to the EU public consultation (link)

- **Prof. Racca - Turin Research Group** – response to the EU public consultation (link)

Background

European Commission

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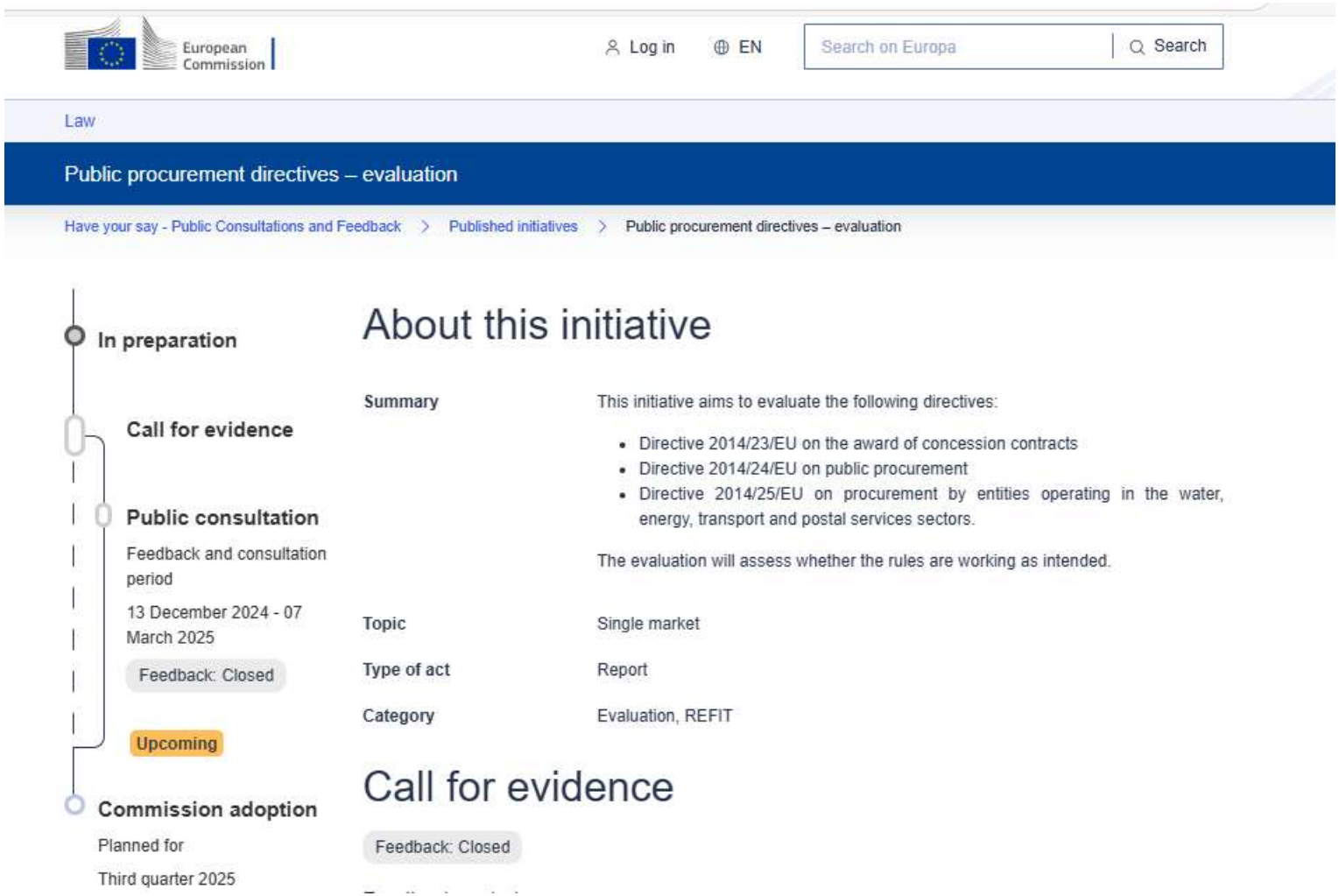
NEWS ARTICLE | 29 OCTOBER 2024

Evaluation of the Public Procurement Directives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Have your say - Public Consultations and Feedback
Published initiatives
Public procurement directives – evaluation
In preparation
Call for evidence
Public consultation
Feedback and consultation period
13 December 2024 - 07 March 2025
Feedback: Closed
Upcoming
Commission adoption
Planned for
Third quarter 2025
About this initiative
Summary
This initiative aims to evaluate the following directives:
Directive 2014/23/EU on the award of concession contracts
Directive 2014/24/EU on public procurement
Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors.
The evaluation will assess whether the rules are working as intended.
Topic
Single market
Type of act
Report
Category
Evaluation, REFIT
Call for evidence
Feedback: Closed

“EU Directives on Public Procurement – reform proposal”

Answers to the call of evidence - Ref. Ares(2024)8928678

University of Torino Research Group (Prof. Racca),
Link: *https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14427-Public-procurement-directives-evaluation/F3525461_en*

Public Contracts in Legal Globalization Network,
Link: *https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14427-Public-procurement-directives-evaluation/F3524844_en*

PROF. GABRIELLA RACCA – *UNIVERSITY OF TORINO*

DEEP DIGITAL TRANSFORMATION FOR EFFICIENCY AND SUSTAINABLE PUBLIC CONTRACTS IN THE EU - SUBMISSION

3 PILLARS OF DIGITAL TRANSFORMATION IN PUBLIC PROCUREMENT

1. ***BUYING AI***
2. ***DIGITAL AND INTEROPERABLE PLATFORMS***
3. ***SMART PROCUREMENT DECISIONS BASED ON DATA and COOPERATION***

CHANGE OF PARADIGM?

Legal instrument? 27 different implementations?

- *Key goal:* ***overcoming legal barriers to the opening of the procurement market – mandatory rules (as a Regulation) and national choices for low value or specific sectors?***
- ***Is it really a shared goal?***

On the choice of the legal instrument for the new European provisions on public procurement and on the need to develop interoperable "EU compliant" platforms

- The next European legal framework for public procurement might consist of **new Directives** with **some clearly identified mandatory rules**, **directly applicable**, to **avoid 27 different** (but mostly similar) **implementations** as a **core part** of the Directive

- **Key goal**: **overcoming legal barriers** to the **opening** of the **procurement market**

DIGITAL AND INTEROPERABLE PLATFORMS

***Interoperable Platforms**: establish interoperable national platforms aligned with EU standards to overcome legal and technical barriers*

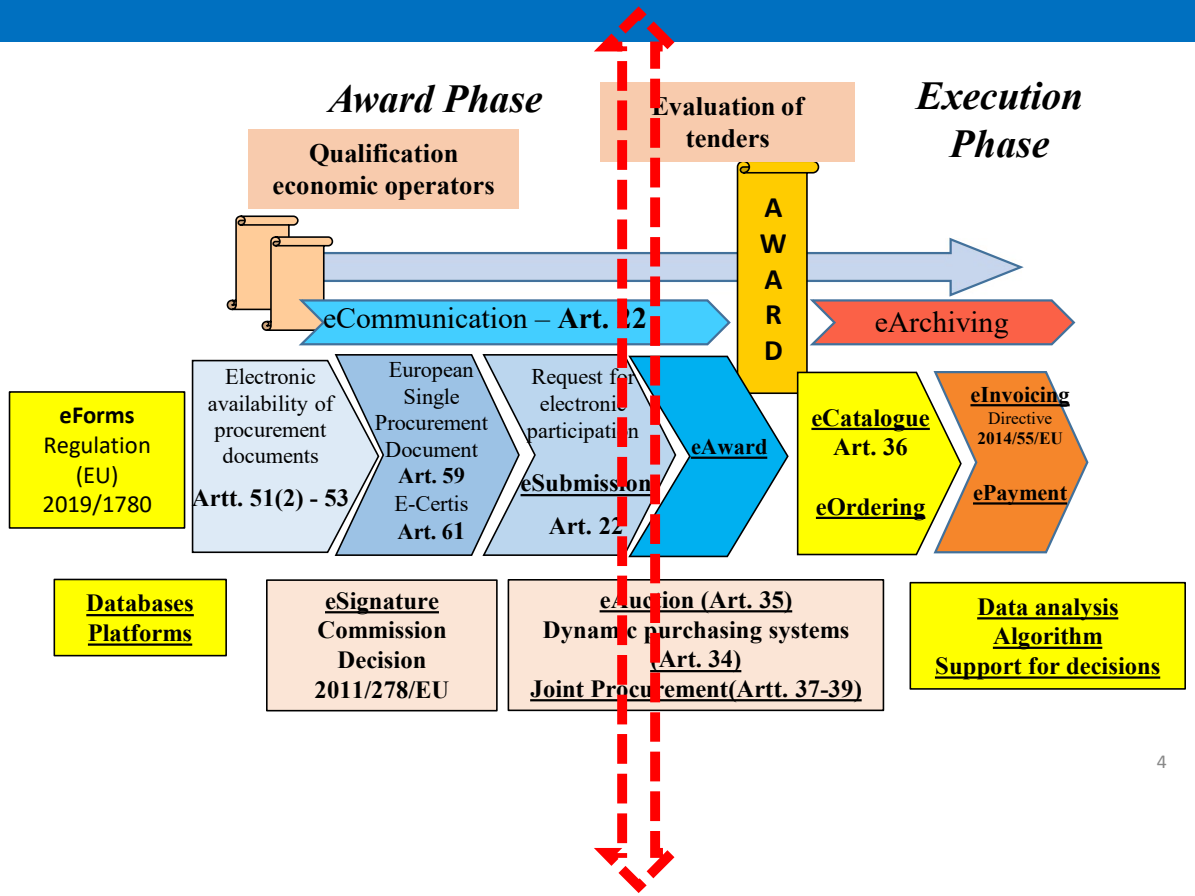
Reducing Bureaucracy: Automate eligibility verification **through**
Virtual Company Dossiers and AI-based systems.

GOALS:

- **<u>Digital assessment of economic operators' qualifications</u>**
- **<u>Integration of automated control systems (exclusion, qualification)</u>**

What about cutting in TWO the award procedure?

DATABASE WITH QUALIFICATION GROUNDS UPDATED IN REAL TIME?



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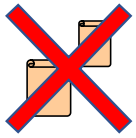
Evolution *of the ESPD model - digital model 4.0*

Digital Trasformation of qualification of economic operators

Art. 57 Directive 2014/24/EU

From documents… → … to self certifications… → … to data



ESPD/**ESPD-Service**

European Single Procurement Document (ESPD)
E-form

e-Certis

implemented by EU Commission + Member States

VIRTUAL COMPANY DOSSIER

ONCE – ONLY PRINCIPLE
art. 59, par. 4 dir. 2014/24/EU

Debarment
-
Cross debarment
-
Self-cleaning

Digital Trasformation of qualification of economic operators

Evolution *of the ESPD model*
SELF DECLARATION –
digital model 4.0

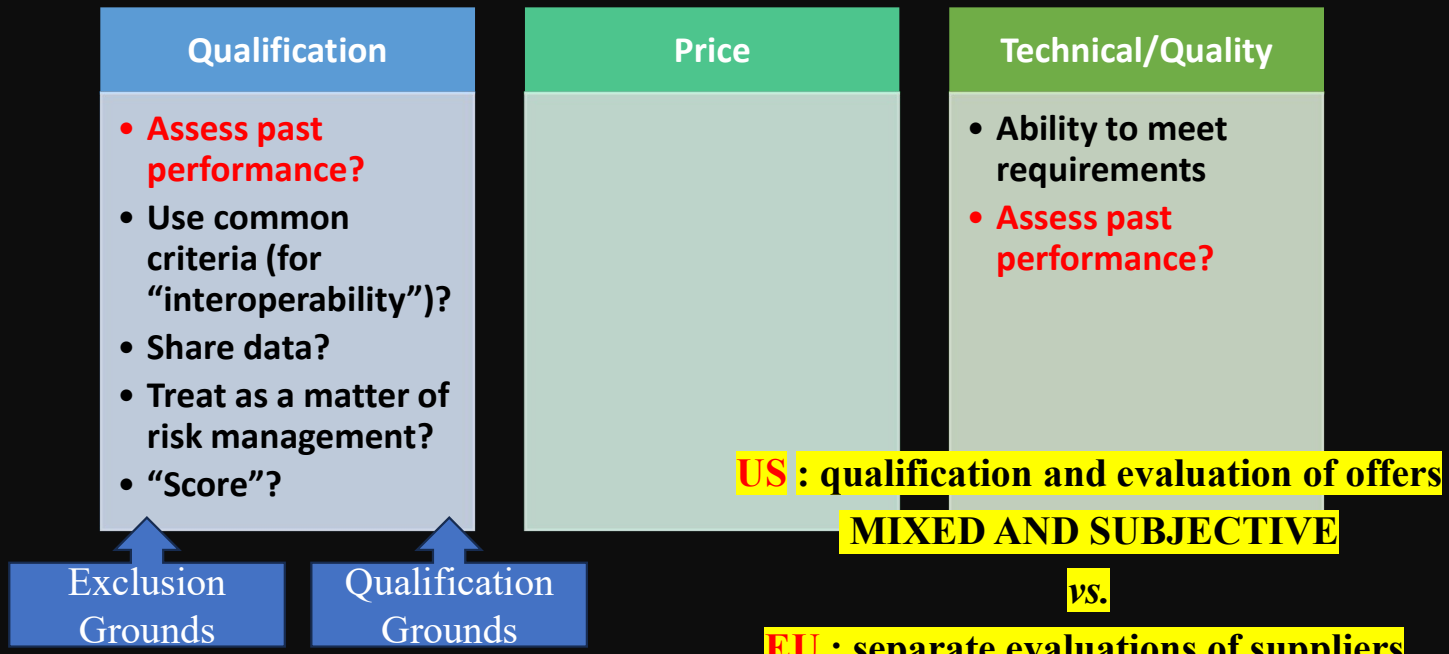
Art. 57 Directive 2014/24/EU

DIFFERENT ESPD IMPLEMENTATION

Italy	**<u>the "only" country where every single proof certificate Is requested</u>**
Germany	**no** certificates requested → associations provide business information
Belgium	database **TELEMA** (businesses information)
Portugal	**rich dataset of competition authority**
Estonia	**unique procurement platform** (e-procurement register), linked with **national databases** → digital ESPD (authomatic check with **green hooks)**
France	**Document unique de marché européen – DUME** partly interoperable with databases and pre-filled

OTHER EU COUNTRIES……..

Elements of an Award



US : qualification and evaluation of offers

MIXED AND SUBJECTIVE

vs.

EU : separate evaluations of suppliers and evaluations of offers

Joint and Collaborative Procurement: innovative models of administrative co-operation among contracting authorities and Central Purchasing bodies of different Member States

Innovation in Procurement Models

Adoption of collaborative public-private models (**e.g., based on digital twin technologies and BIM** (Building Information Modelling))

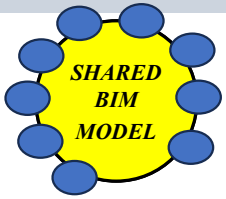
Traditional relationships in PUBLIC CONTRACTS: OPPOSING PARTIES

Public Demand
Public Side

Economic Operators/Offers
Private Side

BIM allows Parties to overcome the conflicts and ….:

- **INFORMATION ASYMMETRIES**
- **OPPORTUNISTIC BEHAVIORS**



NEW PARADIGMA

Collaborative and integrated processes with *BIM*
(Framework Alliance)

DIGITAL COOPERATION FOR THE SAME GOAL
Prompt and Fair Execution
Digital Trust

Thank You for Your attention!

Prof. Gabriella M. Racca
University of Torino
gabriella.racca@unito.it –
publications are available in open access at this link

Prof. Christopher R. Yukins
GW University, USA
cyukins@law.gwu.edu –
Blog: www.publicprocurementinternational.com

Digital Transformation for Integrity and Efficiency

10:30

Paulo Magina – Head of Infrastructure and Public Procurement Division, OECD

Artificial Intelligence (AI) in Procurement for Integrity and Efficiencey

Artificial Intelligence in Public Procurement for Integrity and Efficiency

Paulo Magina
Head of Division,
Infrastructure and Public Procurement Division, OECD

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2 The work of the OECD on AI and Public Procurement

3 Case studies

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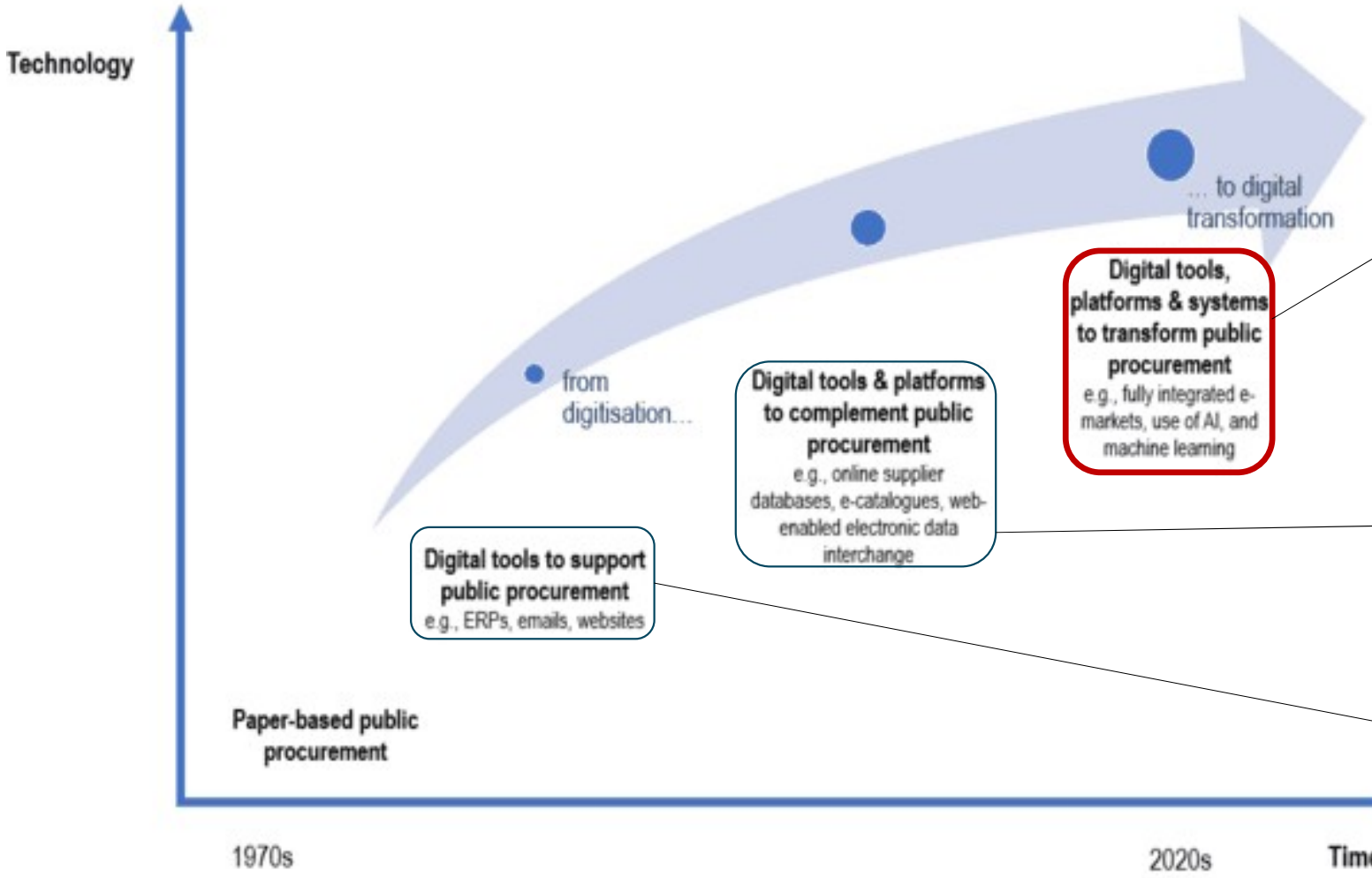
1 Understanding AI in Public Procurement

The digital transformation is an ongoing phenomenon since the 1970s

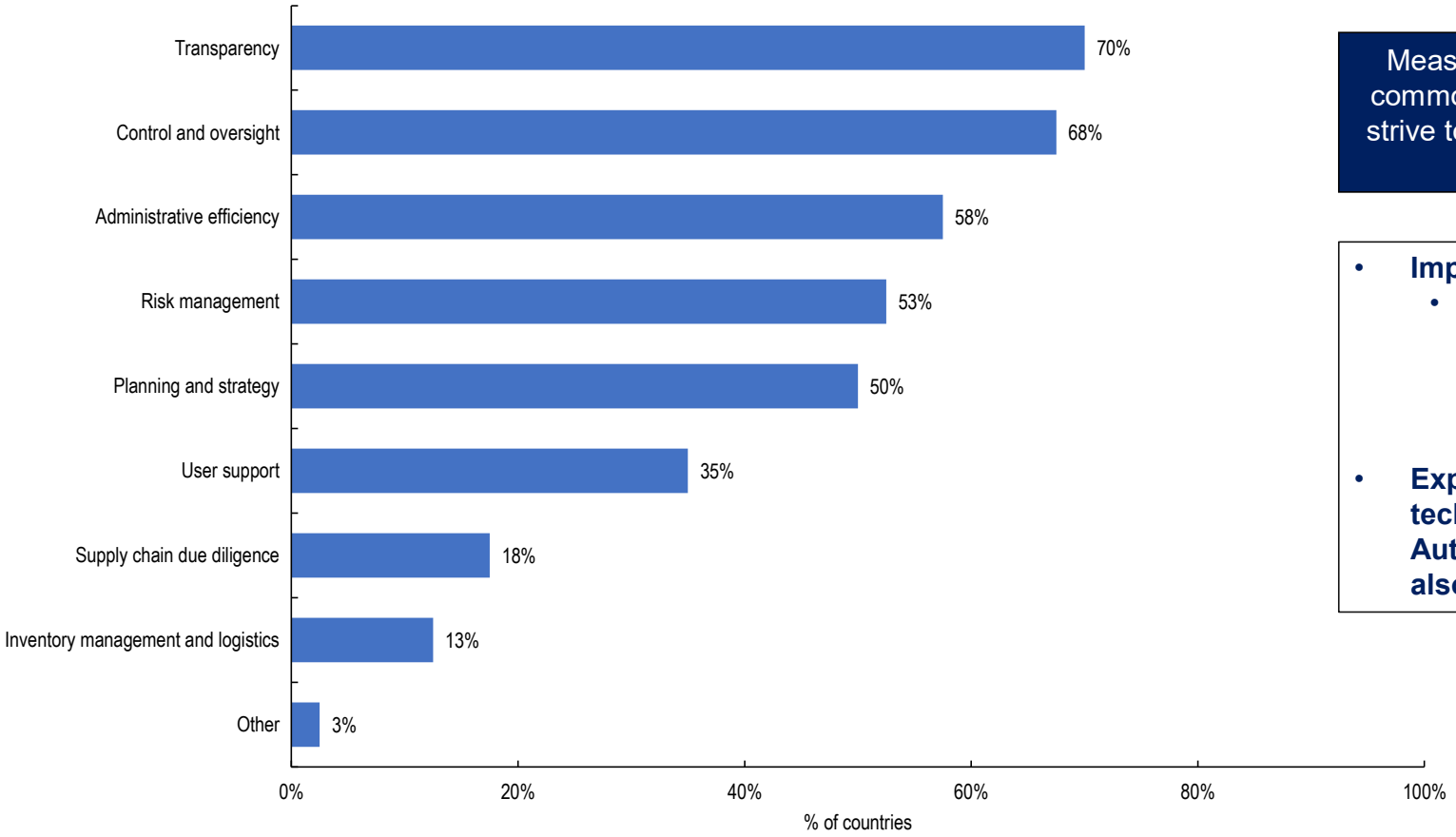


Digital Transformation: Encompasses the whole organisation, not just the processes, and typically involves cruss-cutting changes to strategy and behaviours. Use of AI is also changing the procurement landscape.

Digitalisation: The use of digital technologies and data that result in new activities or changes to existing ones.

Digitisation: The converstion of analogue data and processes into digital formats.

The type of use of innovative technologies in public procurement to strive to optimise performance and achieve better outcomes



Measuring and enhancing efficiency are common goals for many countries, as they strive to optimise performance and achieve better outcomes.

- **Impact Assessments:**
  - 19 OECD countries measure administrative efficiency or have such measures under development.
- **Expanding the use of innovative technologies – AI, Robotic process Automation, cloud storage, etc. – can also drive greater efficiency.**

Note: The figure presents data for respondent countries. Data for Denmark, Japan, and Switzerland is not available.

Source: OECD (2024), *Survey on the OECD Recommendation on Public Procurement 2024*

Emerging technologies are used in all phases of the procurement lifecycle

	Pre-tendering phase				Tendering phase				Post-award phase		
	Needs assessment and market analysis	Planning and budgeting	Development of specifications and requirements	Choosing the procurement procedure	Request for proposal/bid	Bid submission	Bid evaluation	Contract award	Contract management	Order and payment	Reporting/ performance evaluation
AI	Forecasting ; automated data analysis; identification of risks and opportunities.	Optimising budgeting ; predicting costs; analysing various budget scenarios.	Automation of specifications development by document analysis and information extracting.	Optimised selection process; reduced decision - making time.	Automating the drafting of RFPs by analysing past documents and current requirements .		Automating the evaluation process		Reduced manual oversight; automated monitoring / compliance checking	Automated order processing and payment verification	Accurate reporting on supplier performance and procurement outcomes
Blockchain				Providing a tamper -proof record of decisions .		Secure and transparent bid submission by tamper - proof record s		Recording contract award decision s for transparency	Secure and immutable record of terms and amendments	Facilitating secure and transparent tracking of transactions	
IoT	Providing data inputs for assessment										
Big data and data analytics	Analysing large datasets for market trends; demand assessment; and mapping supplier capabilities.	Data-driven budget decision; identification of cost -saving opportunities .	Determination of most effective specifications based on past procurement s and market analysis	Analysing previous procurement outcomes to identify the most effective procedure.			Data-driven decision - making; identification of patterns and anomalies				Generating insights into supplier performance, contract compliance, procurement efficiency
Cloud computing	Cost -effective data management ; accessibility from anywhere	Access to up-to-date financial information	Streamlined process es and real-time updates	Providing a platform for document and process management	Hosting the RFP document s; comm . bw. procurers and bidders	Providing an online platform for bidders to submit their proposals		Centralised contract management ; easy access to contract information	Centralised access to contract information ; version control.	Managing orders and payment s; financial system linked with suppliers.	Hosting performance data and analytics tools
				Call for tender				Signing of contract		End of contract	

AI has become an integral part of the public procurement lifecycle, basically impacting each step with its transformative capabilities.

There is potential for AI applications throughout the public procurement cycle

Steps in the procurement cycle	Budget/spent analysis	Market study (with identification of potential suppliers)	Supplier management	Tendering phase	Contract management	Payments
AI application	Machine learning	AI-driven data analysis	AI-driven data analysis and data management	Bots	Natural language processing	Machine learning
Tasks to address	Classification of spend data into standard taxonomies.	Benchmarking suppliers and recommending new suppliers to be involved in market engagement activities.	Supplier risk monitoring based on real-time public data. Management of supplier register (creating and supplementing vendor data).	Virtual purchasing assistants for handling routine inquiries from bidders, e.g. to provide real-time updates to suppliers about the status of their bids.	Contract lifecycle management with reduced manual oversight and automated monitoring (e.g. compliance checking).	Payment tracking and verification (with identification of errors and fraud).

Pros and Cons for AI in public procurement

CHALLENGES

- Ethical and bias concerns
- Transparency and explainability
- Data privacy and security
- Lack of standardisation
- Regulatory and legal frameworks
- Safety and robustness
- Public trust and perception
- Resource intensiveness – especially data collection and management

OPPORTUNITIES

- Improved efficiency
- Enhanced decision-making
- Cost saving
- Supporting the oversight of public procurement operations
- Citizen engagement
- Accessibility and inclusivity
- Improving demand forecasting and strategic procurement planning, gaining insights into market trends

AI procurement is much more than a simple IT acquisition as it impacts data quality and continuity, challenges both dynamic and static systems, has unforeseen costs, and impact the whole organisational decision-making.

2 The work of the OECD on AI and Public Procurement

The OECD's work on digital transformation

- The OECD's **Recommendation on Public Procurement** provides a platform for digital transformation that is integrated with broader public procurement goals
  - **Direct support to countries** to enhance the digitalisation of their public procurement systems
  - Thematic reports and policy papers to **identify trends and promote good practices**

The OECD Recommendation on Public Procurement

OECD definition of an AI system – The OECD AI principles (2019/2024)

An AI system is a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment.

Source:
OECD AI Principles

Expert Group on AI and Public Procurement

- At the 2024 meeting of the Working Party of Leading Practitioners on Public Procurement (LPP), delegates highlighted diverse approaches to integrating AI into public procurement systems globally and opted for leveraging the use cases and good practices on AI and procurement in the form of an expert group to solicit expert feedback to set the path for future work.
- **The Expert Group has over 30 participants from 12 OECD member and partner countries and 4 intergovernmental organizations.**
- Bimonthly meetings. Themes include:
  - Integrating AI into the procurement cycle and using AI to inform public procurement strategies
  - Training and capacity building for AI
  - Guidance and frameworks for the procurement of AI
- The overall objective is to strengthen the collaborative efforts to support governments in establishing a nourishing and safe policy environment for the implementation of AI in public services.
- A paper on the procurement of AI is planned to be published in the third quarter of 2025. The outputs of this Expert Group are also expected to feed into the discussion on emerging technologies in public procurement at the Global Public Procurement Forum (1-2 July 2025, Paris, OECD Headquarters).

3 Case Studies

The case of Portugal: Enhancing Control Oversight at Tribunal de Contas

- Enhancing efficiency and transparency of public procurement by strengthening the overall control framework through developing data governance strategies and a machine learning tool.
- The project's key focus was to leverage artificial intelligence (AI) and machine learning to enhance the TdC's capacity to identify and assess risks and irregularities in public procurement.

Long-term

- Increased reliability in detection of irregularities/risks related to public procurement
- Improved public procurement transparency, accountability and efficiency of the use of public funds
- Accelerated digital transformation of the TdC.

Short/Medium term

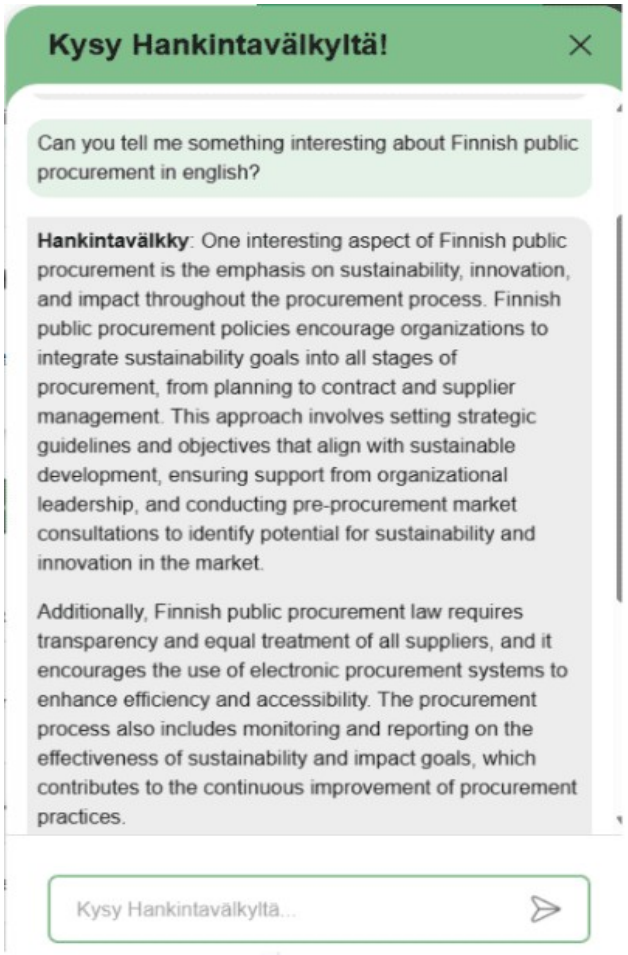
- Better data governance and improved use of available PP information
- Stronger control capabilities and more efficient allocation of resources by the TdC

Main outputs :

- **OECD report on "the efficient financial compliance and control of public procurement"**
- **Development of a data-driven risk-based model (with NOVA IMS)**
- **Guidelines and training workshops for auditors**
- **Opening Conference (Jan.2023) and Final Conference (Feb.2025) in Lisbon**

The case of Finland: AI advises on public procurement

- The Ministry of Finance has introduced an AI chat bot in the Hilma public procurement service. The bot is intended to assist experts in public procurement with related questions.
- The bot can practically answer any question about procurement. The tool also informs users if it does not know the answer to a question.
- The benefit of the AI chat bot lies in the complexity of public procurement and the fragmented nature of related information. Public procurement can be a complex and confusing subject for people who do not yet know much about it.
- The Ministry of Finance has also identified some problems with the bot's implementation as it can also hallucinate and give incorrect answers. Therefore, the chot bot does not yet provide official advice.



4 Future trends

AI is changing the procurement landscape

Public Procurement as Facilitator and Gatekeeper

- **Facilitator**: Public procurement can drive innovation by adopting AI technologies, enabling efficient and effective service delivery.

- **Gatekeeper**: Ensures responsible AI adoption by setting standards for transparency, trustworthiness, and ethical use.

Impact on Professionalisation

- **Skill Enhancement**: AI tools require procurement officers to develop new skills in data analysis, AI management, and strategic decision-making

- **Role Evolution**: Shift from manual tasks to strategic roles, focusing on AI oversight and implementation

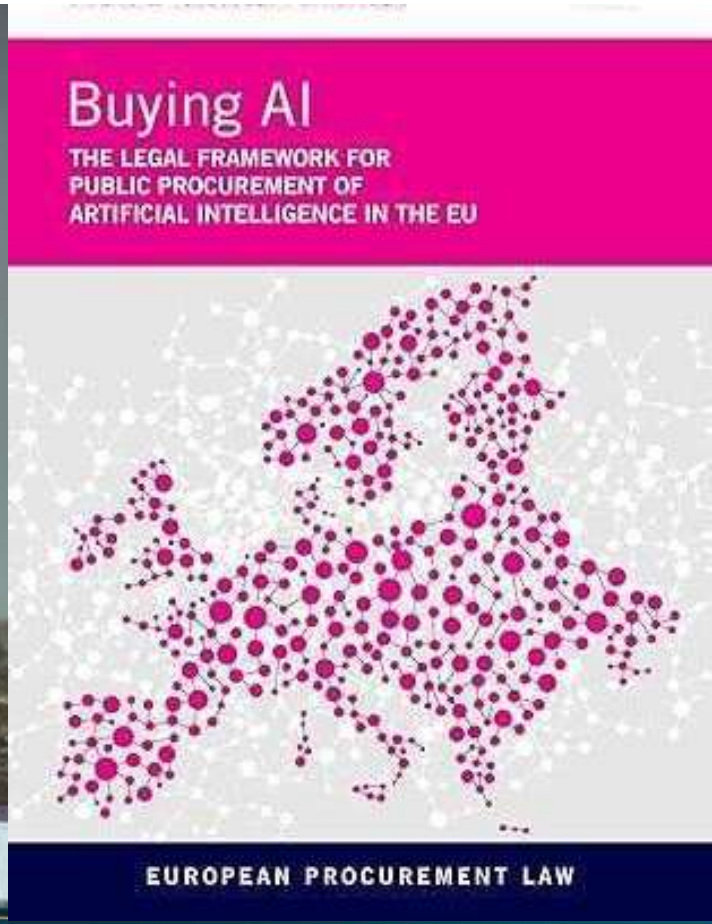
Efficiency and Transparency

- **Operational Efficiency**: AI automates routine tasks like supplier selection, invoice processing, and contract management, reducing time and costs

- **Enhanced Transparency**: AI-driven analytics provide real-time insights, improving decision-making and accountability

THANK YOU!

Paulo Magina (paulo.magina@oecd.org)

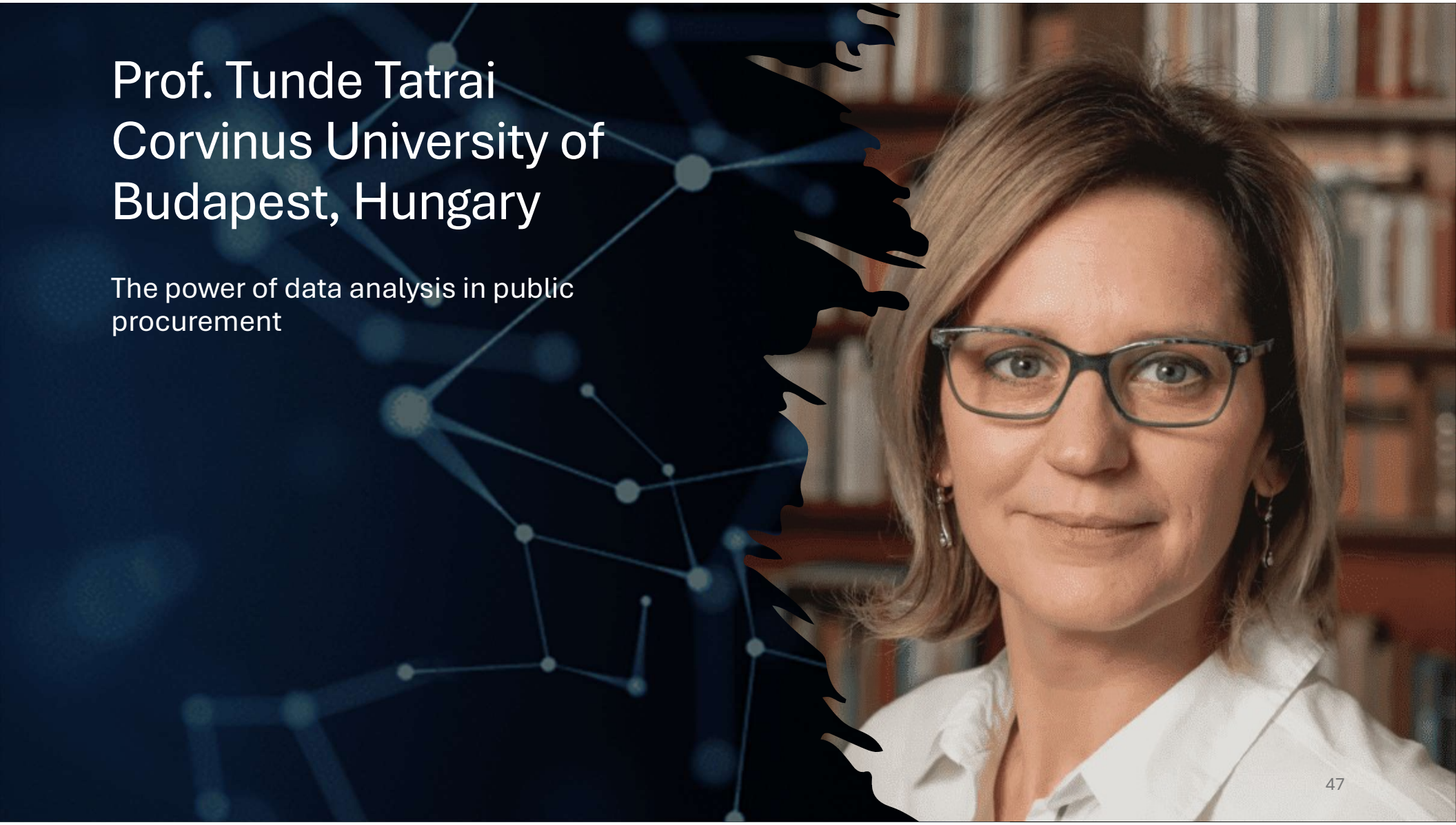


Prof. Patricia Valcárcel

Universidad de Vigo, Spain

Prof. Tunde Tatrai
Corvinus University of Budapest, Hungary

The power of data analysis in public procurement



“THE POWER OF DATA ANALYSIS IN PUBLIC PROCUREMENT”

Tunde Tatrai – Corvinus University of Budapest, Hungary –

DATA, DATA

Structured data

Same variables

Quality

Missing information

CONTRACT VALUE AND LENGTH BY PROCEDURE TYPES 2017-2019

• Tátrai, T., Vörösmarty, G., & Juhász, P. (2024). EU public procurements-analysis of Tenders Electronic Daily. *International Journal of Procurement Management*, *20*(2), 171-186.

	N	**Contract value (EUR Million)**	**Length (months)**
Without negotiations	217118	1 544 245.20	23.83
With negotiations	14980	4 581 999.86	40.33
Total	232098	1 779 795.28	25.10

THE PROPORTION OF SINGLE-BID AND TWO-BID OFFERS ACCORDING TO COUNTRY (%) 2017-2020

Tátrai, T., Vörösmarty, G., & Juhász, P. (2024). Intensifying competition in public procurement. *Public Organization Review*, *24*(1), 237-257.

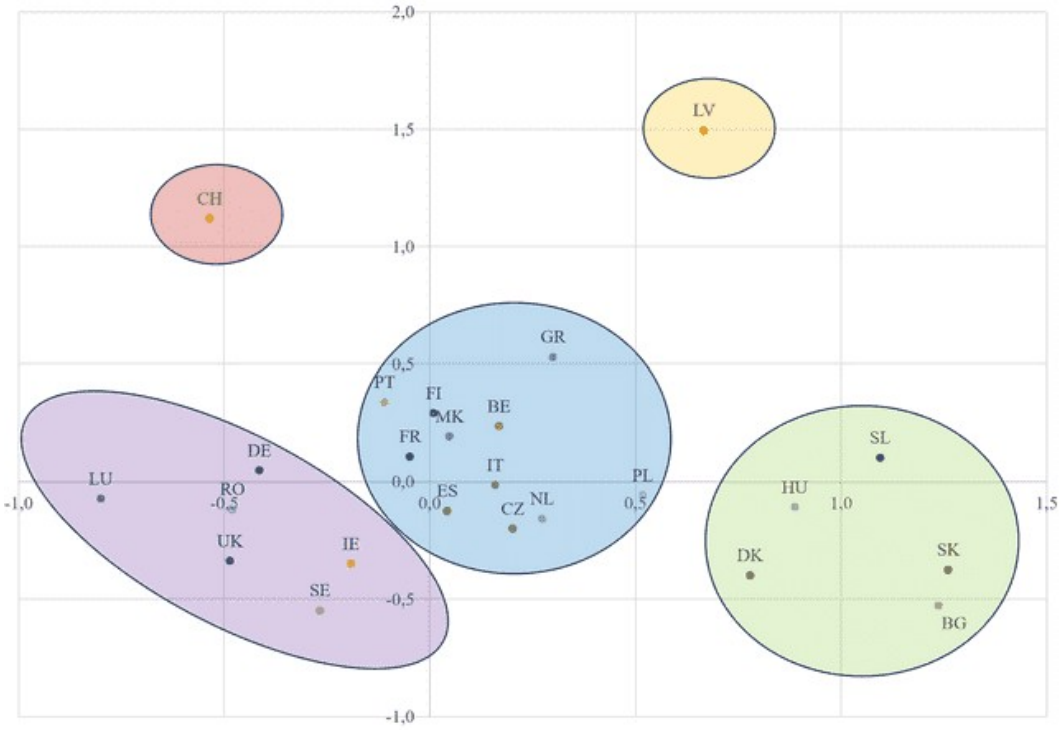
Positive effect on the number of bidders	Negative effect of the number of bidders
Type of contracting authority – regional, local authority	Type of contracting authority – ministry
Type of subject matter - work	Type of subject matter – service, good
Division of subject matter into LOTs	Division of subject matter into too many LOTS
Value of contract - high	Value of contract - low
SME – if many bidders, many of them SMEs	EU-Funded project
Presence of negotiation	Accelerated procedure
Awarding criteria – lowest price	Awarding criteria - MEAT
Duration of contract - longer	Duration of contract - shorter

SUMMARY OF RESULTS

VOID LOTS 2013-2023

IPSERA Conference 2025

T. Tátrai, P. Juhász, Gy. Vörösmarty, D. Tresó



POWER OF PUBLIC PROCUREMENT DATA

- PP strategy
- Regulation
- Competition
- Innovation ecosystem

Tünde Tátrai

tunde.tatrai@uni-corvinus.hu

Sope Williams

Stellenbosch University
South Africa

Fighting Corruption with AI and Digital Tools

Fighting Procurement Corruption in Africa with Digital Tools: The Case of South Africa

Prof Sope Williams

28 March 2025

Stellenbosch UNIVERSITY IYUNIVESITHI UNIVERSITEIT

forward together
sonke siya phambili
saam vorentoe

Photo by Stefan Els

Overview

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- Introduction to public procurement in SA
- The corruption problem in SA
- The extent of procurement digitalization
- The challenges with procurement digitalization
- The future of procurement digitalization

Introduction to public procurement in SA

- Public procurement in SA accounts for around 15% of GDP – approx. 48billion euros.
- Procurement is decentralized and contracting authorities are required to purchase goods and services for their own account and for the public they serve.
- In SA, procurement has an elevated status as it is enshrined in section 217 of the Constitution and is also used as a means of redressing the economic disparities caused by apartheid.

Introduction to public procurement in SA

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- Section 217(1) of the Constitution requires that when an organ of state contracts for goods and services, it must do so in accordance with principles of fairness, equity, transparency, competitiveness, and cost-effectiveness.
- Section 217(2) further states that subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for (a) categories of preference in the allocation of contracts; and (b) the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.
- Section 217(3) states that national legislation must prescribe a framework within which the policy referred to in subsection (2) must be implemented.

Introduction to public procurement in SA

- Apartheid was a system of white minority rule that dispossessed black people of economic assets and relegated them to poverty.
- Apartheid ended in 1994 with democratic elections, where black people were permitted to vote.
- Apartheid left SA with great economic inequality along racial lines. It has the largest income inequality in the world by the Gini index.

Introduction to public procurement in SA

- 0 is the most equal country- meaning everyone has the same income. 100 is the most unequal means 1 person has all the wealth and 99% have none. Less than 25 is considered a fairly equal country.
- SA's Gini index is 63- so 37% have all the wealth and the rest have "none".
- Italy's Gini index is 34.8%
- 64% of black South Africans live in poverty.
- 1% of white South Africans live in poverty.

Introduction to public procurement in SA

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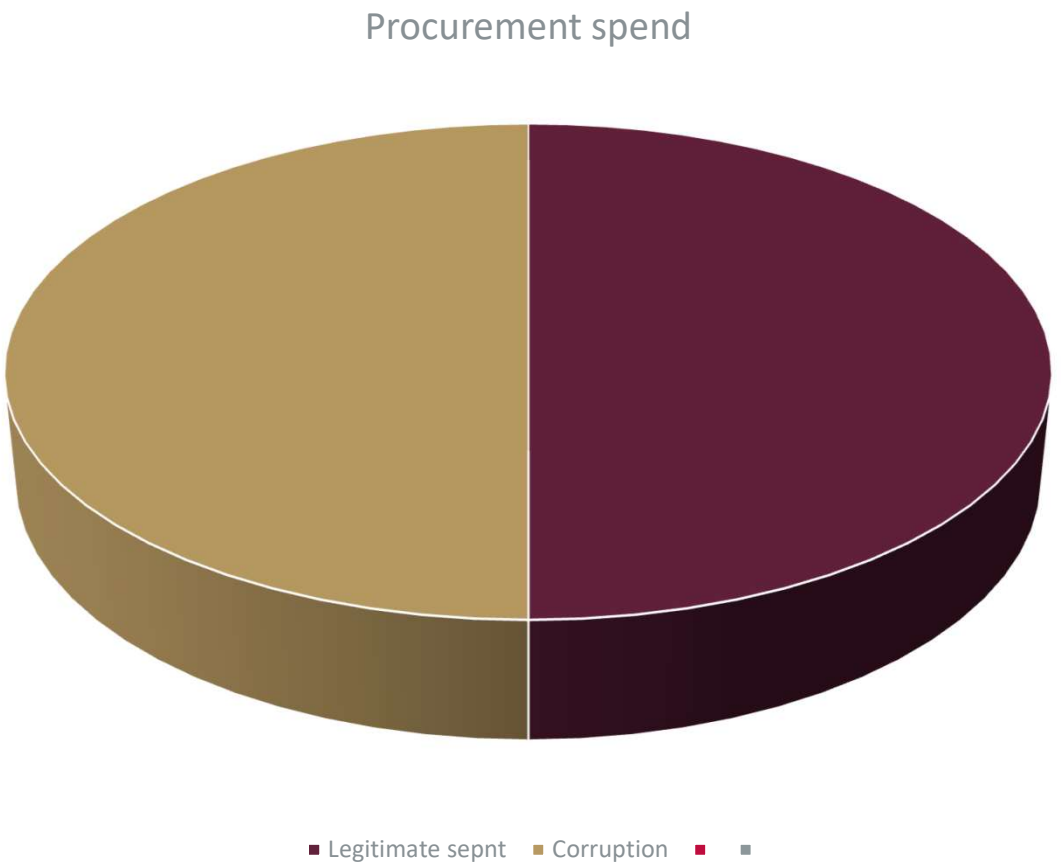
- Since 1994, the SA government has been trying to redress the economic inequalities created between black and white South Africans created by apartheid.
- it has done this by requiring that procurement contracts are awarded to firms owned by ”historically disadvantaged individuals”.
- The government used a formula where 20 or 10 points we allocated to HDI status and 80 or 90 points allocated to price.
- This formula is now under review.

Introduction to public procurement in SA

- Procurement is regulated by the Office of the Chief Procurement Officer created in 2013.
- The OCPO issues guidance documents and manages the e-procurement portals.

The corruption problem in SA

- Corruption in public procurement is a huge problem. In 2017 the Chief Procurement Officer indicated that 50% of the procurement spend was lost to waste and corruption.
- This amounts to 24billion euros a year.
- There are many reasons for the prevalence of corruption.



The corruption problem in SA

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- The procurement landscape is very fragmented and confusing different requirements for construction and goods/services.
- Little contract management oversight
- Most procurement is paper-based, and it is easy to manipulate documents for an illegal purpose.
- Limited compliance with rules and limited consequences.
- High degree of poverty, making procurement a good avenue for wealth generation and making bidders desperate.

The extent of procurement digitalization

- SA has not relied extensively on digital tools in procurement.
- There is a “e-tenders” portal where contracting authorities are required to publish contract opportunities.
- There is also a central supplier database where potential government contractors are supposed to be registered, but no verification of information.

The extent of procurement digitalization

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- Since COVID-19, there is work being done to collect procurement data using the Open Contracting Data Standard (OCDS).
- The OCDS was developed by the Open Contracting Partnership and is a globally recognized framework for structuring and publishing procurement data across all stages of the procurement lifecycle, from planning to implementation.
- The OCDS offers a schema to unify procurement documents and records across systems.
- The OCDS enables disparate data fields or models to be translated, mapped, and organized in a consistent manner, making it easier to tailor red flag indicators to specific contexts.

The extent of procurement digitalization

- Key data points in the OCDS include:
  - The number of bidders per contract.
  - The procurement method used (open, restricted, or direct award).
  - The identities of procuring entities and suppliers.
  - Modifications or cancellations to contracts.

The challenges with procurement digitalization

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- Quality of data

The reliability of any corruption measurement or red flag detection is directly tied to how well the data fields are populated and the percentage of contracts covered.

Incomplete or poor-quality data severely limits the usability of datasets for detecting corruption risks, making it difficult to draw accurate conclusions.

In SA, there is an issue with the quality of procurement data, which varies significantly depending on the contracting authority.

The challenges with procurement digitalization

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Analogue/ paper-based procurement

Most of the procurement processes are paper-based and there is no system for real e-procurement.

This makes data collection very difficult.

The challenges with procurement digitalization

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Legacy systems in interoperability in procurement

There are challenges with integrating new digital procurement systems with existing financial management and accounting systems.

This makes change very difficult.

The challenges with procurement digitalization

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Technical capacity and legal uncertainty

There is a lack of technical capacity in the public sector.
Reliance on paper-based systems.

The future of procurement digitalization in addressing corruption

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- AI can analyze large procurement datasets to identify irregularities such as bid rigging, duplicate payments, or inflated contract prices.
- Machine learning algorithms can detect suspicious patterns in bidding behaviour, reducing the risk of corruption.
- AI-powered data analytics tools can track real-time procurement spending, making information accessible to auditors and the public.
- AI can assess suppliers based on their past performance, compliance records, and pricing history, ensuring fairer and more data-driven decisions.
- AI can continuously monitor procurement contracts, ensuring compliance with legal frameworks and anti-corruption policies.

The future of procurement digitalization

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- There is ongoing work and political will to use digital tools to address procurement corruption.
- Recently, the Minister for Public Works approved the of tech and AI to track fraud and corruption in the Department of Public Works (to combat the construction mafia issue).
- This project is new and will take some time to be completed.

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Thank you
Enkosi
Dankie

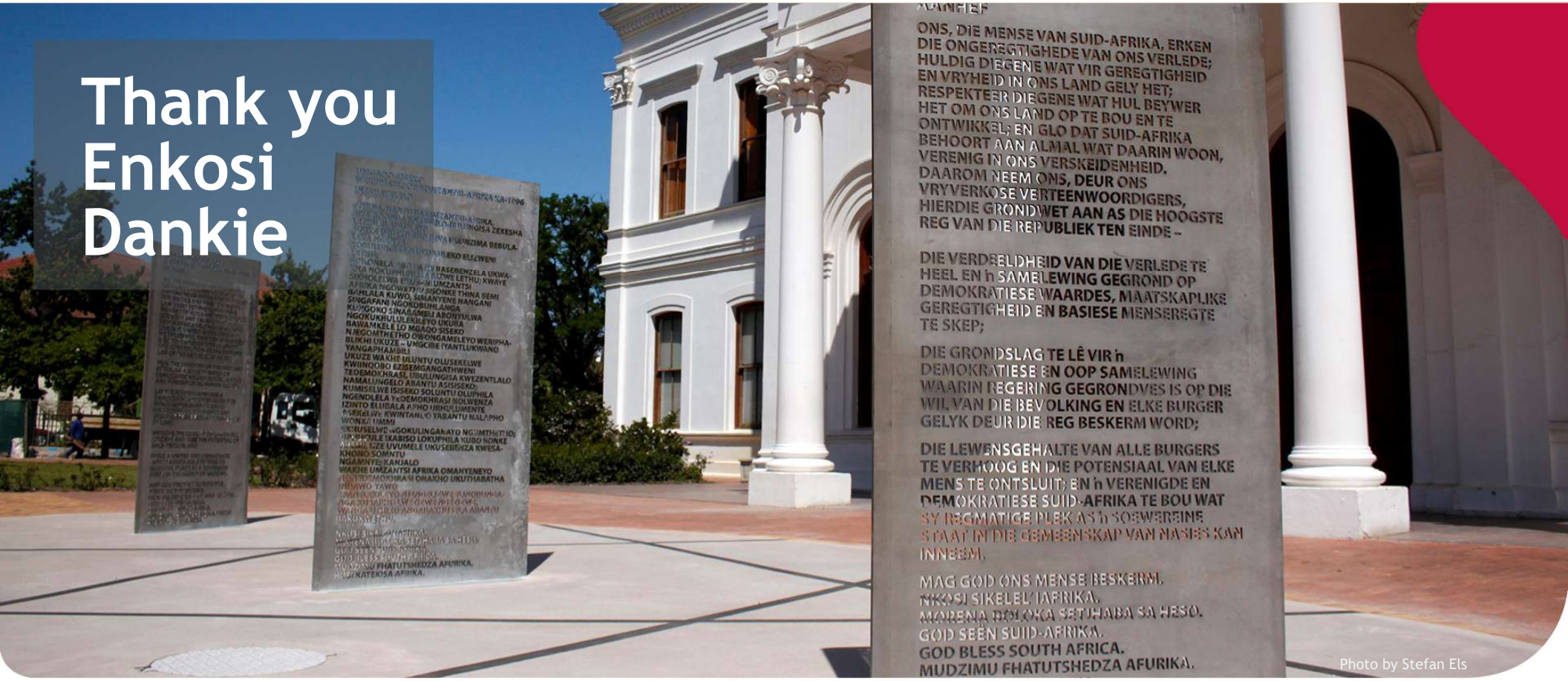
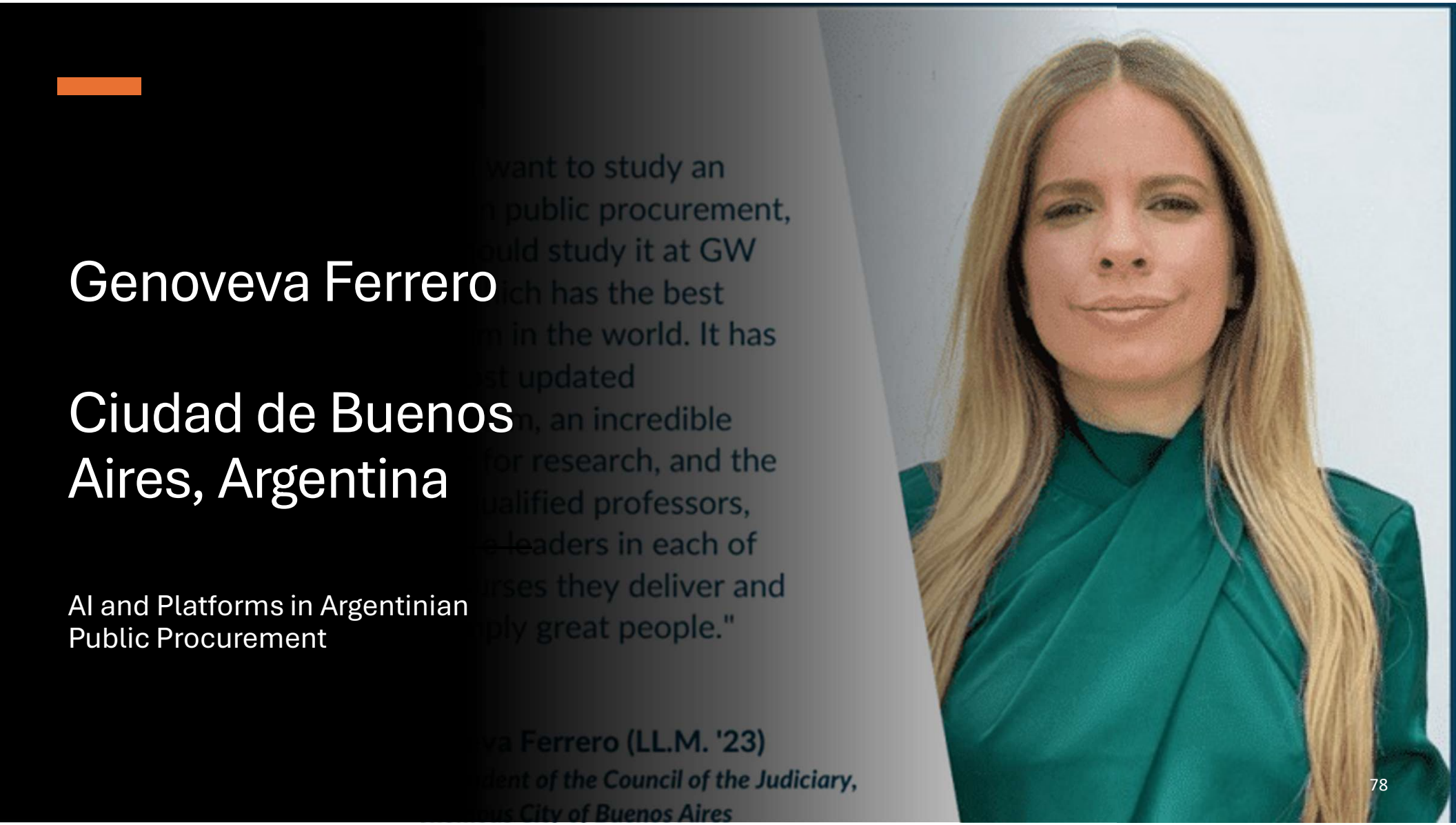


Photo by Stefan Els

Genoveva Ferrero

Ciudad de Buenos Aires, Argentina

AI and Platforms in Argentinian Public Procurement



Public Contracts and Digital Transformation:

EU and American Evolutions

AI and platforms in the Argentinian Public Procurement

Secretary of General Administration and Budget of the Judiciary of the Autonomous City of Buenos Aires - Argentina

INDEX

01 INTRODUCTION

02 SITUATION IN LATIN AMERICA

03 ARGENTINA

04 CONCLUSION

INTRODUCTION

- Since the beginning of the 21st century, Chile, Uruguay, Brazil, Argentina and Paraguay have modernized their public procurement systems to increase the effectiveness and efficiency in the use of public resources, incorporating new practices and information and communication technologies (ICTs) to promote development and good governance.

- Most of the developed countries in Latin America have incorporated new public procurement criteria, which are added to the historical criteria of: competition, transparency, efficiency, economy, integrity and equity, quality considerations and sustainability (economic, environmental and social).

- In Latin America, public procurement represents on average between 12% and 16% of the Gross Domestic Product (GDP)

- According to the IDB, 2% of GDP is lost in Latin America due to inefficiencies in public procurement.

SITUATION OF ELECTRONIC PUBLIC PROCUREMENT IN LATIN AMERICA

- A research **book on electronic public** procurement in Latin America is in the works.

- The following countries have been analysed: Chile, Brasil, Paraguay, Uruguay and Argentina:

ELECTRONIC PUBLIC PROCUREMENT:

COUNTRY	YEAR	PLATFORM
BRASIL	2001	https://www.gov.br/compras/pt-br
CHILE	2003	https://www.chilecompra.cl/
CITY OF BS AS (ARG)	2009	https://www.buenosairescompras.gob.ar/
PARAGUAY	2010	https://www.contrataciones.gov.py/
URUGUAY	2011	https://www.comprasestatales.gub.uy
ARGENTINA	2016	https://comprar.gob.ar

-The survey will be completed with a study of electronic public procurement in: Brazil, Mexico, Colombia, Peru, Bolivia and Venezuela.

DEGREES OF PROGRESS IN ELECTRONIC PUBLIC PROCUREMENT IN LATIN AMERICA:

CHILE

The most developed and consolidated in the region: https://www.chilecompra.cl/

- ChileCompra Platform
- Public MarketTransactional Portal
- Framework Agreements
- Chile Suppliers Registry
- Sustainable Procurement
- Interoperability
- Open Data
- Electronic signature
- Advanced Analytics (AI) in Public Procurement

BRASIL:

Significant progress and development: https://www.gov.br/pncp/pt-br

- Portal Comprasnet
- E-auction
- Centralized Registry of Suppliers (SICAF)
- National Public Procurement Portal (PNCP)
- Purchasing Dashboard, which is a business intelligence tool for detailed analysis of data on hiring.
- Artificial Intelligence ("Alice" System)

URUGUAY:

Significativo avance: https://www.comprasestatales.gub.uy

- Centralized digital platform
- Single Registry of State Suppliers (RUPE)
- High level of transparency
- Mandatory nature of electronic systems
- Standardized catalog of goods and services
- Electronic file

PARAGUAY:

Important progress: **https://www.contrataciones.gov.py**

- Public Procurement Portal (DNCP)
- Public Procurement Information System (SICP)
- Electronic platform
- State Supplier Information System (SIPE)
- Virtual Store
- Electronic Auction
- Results-Based Management System

ARGENTINA:

Significant progress: https://contratar.gob.ar/

- COMPR.AR Platform
- CONTRAT.AR Platform
- National Public Data Portal
- Goods and Service
- Identification System (SIByS)
- Digital Signature
- Builders Registry

VENEZUELA, BOLIVIA y PERU:

are the countries that present the greatest challenges in the region.

ARTIFICIAL INTELLIGENCE (AI) IN PUBLIC PROCUREMENT IN LATIN AMERICA

The implementation of Artificial Intelligence (AI) in electronic public procurement systems in Latin America is relatively incipient, but there are some countries that have begun to incorporate these technologies, including:

CHILE: Important Progress	1. Predictive Analytics 2. Recommendation systems 3. Natural Language Processing 4. Automatic classification of goods and services for the electronic catalog
BRASIL: Significant Progress	1. "Alice" Platform (Analysis of tenders and contracts) 2. System that uses AI to identify fraud risks in public tenders. 3. Shopping Dashboard with artificial intelligence analytics

CHALLENGES: The implementation of artificial intelligence (AI) in public procurement in Latin America faces several technical, social, economic, and regulatory challenges:

- Specific regulatory regulation, with ethical safeguards.
- Installation of the appropriate technological infrastructure.
- Training and education of contracting operators.

ARGENTINA

- It is a country with a federal government system, politically divided into 23 provinces and the Autonomous City of Buenos Aires. Each of these jurisdictions has its own local legislation and establishes systems for the procurement of goods, services, and public works.

Federal Government:

- Delegated Decree No. 1.023/2001 - National Administration Contracting Regime. *(Article 21 establishes that contracts may be made in digitally signed digital format)*
- Decree No. 1.030/2016 - Regulations of the National Public Administration Contracting Regime.

The National Procurement Office (ONC) is the governing body of the National Public Administration's National Procurement System and has assisted Argentine provinces in implementing digital public procurement systems in their jurisdictions.

Provinces with electronic public procurement

Provinces without electronic public procurement

Public Contracts and Digital Transformation: EU and American Evolutions

Public Electronic Platforms:

- The Electronic Public Procurement Platform was installed from 2016: https://comprar.gob.ar/contactenos

- Public Works Contracting Portal of the National Public Administration: https://contratar.gob.ar/

According to the IDB, the COMPR.AR system has reduced the public procurement process to 11 days.

Also, you have saved 4% on the price of purchases of similar products.

These savings represent an estimated savings of more than USD 35 million, considering only the effect of lower prices paid.

City of Buenos Aires: - Electronic Public Procurement (2009)
"BAC – Buenos Aires Purchases"

Statistical Data:
-Population: 3.121.707
-Budget 2025: 12.497 M. U$S
-Km2: 202

City of Buenos Aires:

Law No. 2095 establishes that procurement and contracting procedures must be executed electronically.

Benefits of electronic public procurement in the City of Buenos Aires:

I. Greater transparency and access to information:
- Mayor visibilidad de los procesos.
- Contract monitoring.

II. Reduction of discretion and corruption:
- Automated and standardized platforms and procedures.
- Open competition for digital access to tenders.

III. Improvement in administrative efficiency:
- Reduction in bureaucracy through digital platforms.
- Reduction in operating costs in public procurement management.

- Framework Agreements: These are used by different public authorities to streamline public procurement, for example, the Judiciary of the City of Buenos Aires.

City of Buenos Aires:

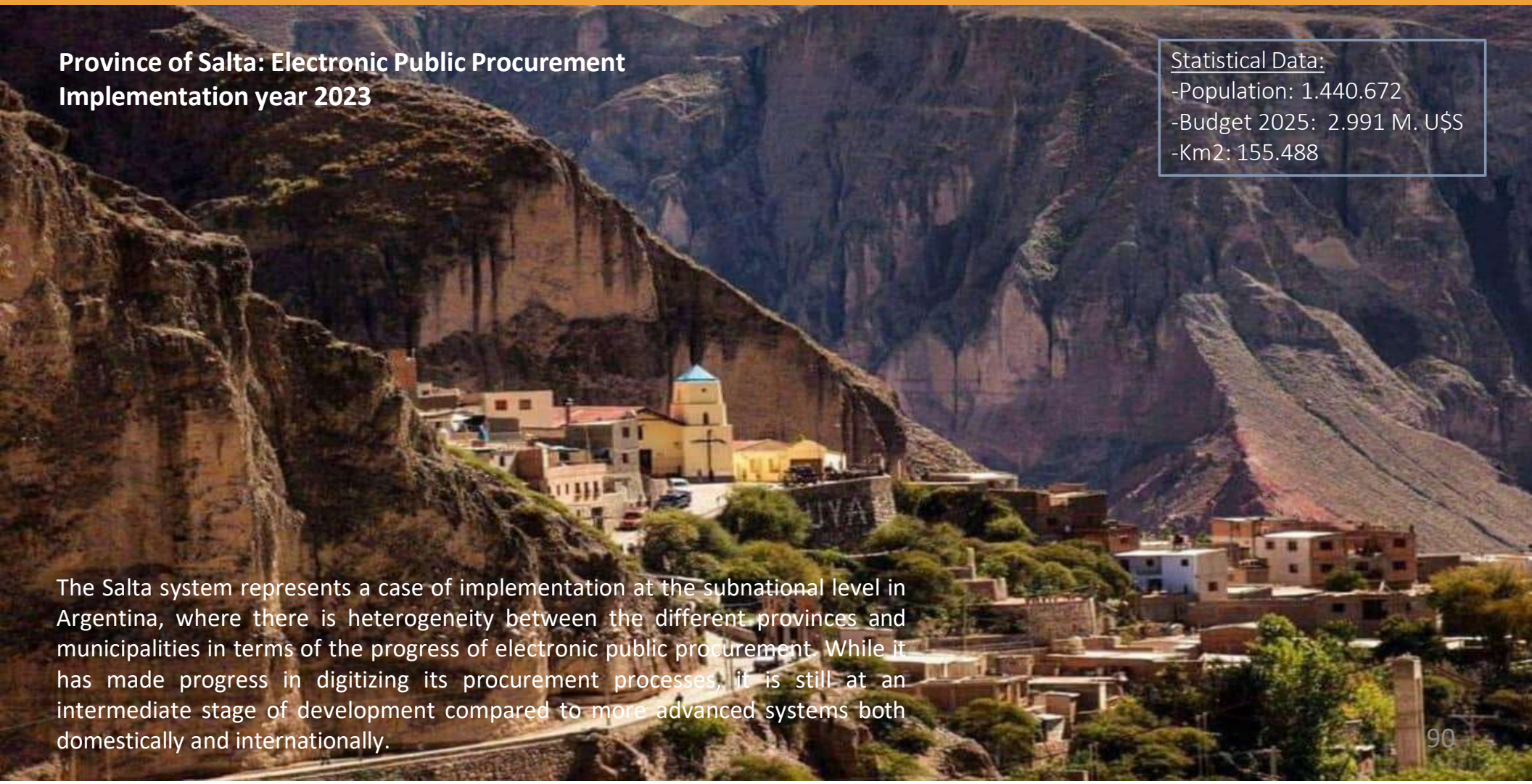
- The City of Buenos Aires led the way in Argentina in the implementation of electronic public procurement platforms.

- Electronic Public Procurement (2009) BAC – Buenos Aires Purchases

-Shopping Portal: https://www.buenosairescompras.gob.ar/

-Electronic Public Procurement (2021) BA – Obras

-Public Works Portal: https://buenosairesobras.dguiaf-gcba.gov.ar



Province of Salta: Electronic Public Procurement Implementation year 2023

Statistical Data:
-Population: 1.440.672
-Budget 2025: 2.991 M. U$S
-Km2: 155.488

The Salta system represents a case of implementation at the subnational level in Argentina, where there is heterogeneity between the different provinces and municipalities in terms of the progress of electronic public procurement. While it has made progress in digitizing its procurement processes, it is still at an intermediate stage of development compared to more advanced systems both domestically and internationally.

Province of Salta

Argentina, as a federal country, has varying degrees of implementation of electronic public procurement systems. The Province of Salta was the last to implement it.

Key features:

1. Digital portal.
2. Publication of specifications and bidding rules.
3. Active transparency with the publication of awards and results of bidding processes.
4. Digital supplier registration.
5. Hybrid system.

Current limitations:

1. Partial digitalisation.
2. Interoperability with limited integration with other systems.
3. Unemployment analysis capacities with little development.

Benefits of electronic public procurement in the Province of Buenos Aires:

- Transparency and dissemination of purchasing and contracting processes.
- Innovative supplier selection mechanisms and contracting methods.
- Free public access via the internet.
- Updated information available on the portal.

https://saltacompra.gob.ar

JUDICIAL BRANCH OF THE AUTONOMOUS CITY OF BUENOS AIRES:

In the Judicial Branch of the City of Buenos Aires, the use of Artificial Intelligence (AI) with ethical paradigms was established through **Resolution No. 206/2025**

ARTIFICIAL INTELLIGENCE (AI) IN PUBLIC PROCUREMENT - DEVELOPMENTS IN PROGRESS 2025:

- DRAFTING OF SPECIFICATIONS FOR PUBLIC TENDERS: In the process of implementation during the year 2025
- EVALUATION OF OFFERS: In the process of implementation during the year 2025

PROMETEA: is a software developed by the Innovation and Artificial Intelligence Laboratory of the University of Buenos Aires "UBA" in conjunction with the Public Prosecutor's Office of the City of Buenos Aires, consisting of software whose main purpose is the automation of repetitive tasks and the application of AI for the automatic preparation of legal opinions based on analogous cases for the solution of which there are already repeated judicial precedents.

The system developed is being implemented for use in the drafting of Public Procurement Specifications and for the Evaluation of Bids.

ARTIFICIAL INTELLIGENCE:

- Automatic image generators and automatic text generators are marking a real revolution in the world of artificial intelligence (AI) and soon in the daily lives of all of us, but they are highly questionable for their distortions of reality and their significant biases.
- The generators work with a database of information chosen and composed of a human.
- Databases and robots extract information to process the result requested by another human being, many with questionable biases

Question:

How are the linguistic and iconic skills of these generators structured and processed to translate any request into words and images and to provide content of all kinds and on any topic?

ARTIFICIAL INTELLIGENCE: In the Fabrizio Intonti Exhibition held at the Ex Asylum Ciani in Lugano, on 23-10-2023, the artist appeals to Artificial Intelligence with a series of portraits that allow us to question the representations generated by the tools of (AI).

The "**image generators**" were asked to **reproduce a photograph** of several people with characteristics: first positive and then negative, using minimal and essential indications.

POSITIVE CHARACTERISTICS

NEGATIVE CHARACTERISTICS

The **end result:** is a series of portraits of human types strongly characterized by social stereotypes, which in some cases can border on real prejudices.

Public Contracts and Digital Transformation: EU and American Evolutions

CONCLUSION:

- The challenges in Latin America for the implementation of AI in public procurement are wide and varied due to its potential to transform public administration into a more efficient, transparent, inclusive and less corrupt system.
- Progress has been made, some countries have important achievements and are not very developed.
- In the region, it has developed electronic public procurement with varying degrees of progress.
- Brazil and Chile are in better conditions for the installation of artificial intelligence (AI) projects.
- Uruguay, Argentina and Paraguay are in optimal conditions to advance in these developments.
- We must be agents of cultural change.
- We need to be at the forefront of the revolution that (AI) produces and incorporate its challenges into public procurement.

IN THE REGION SHOULD BE INCORPORATED:

THANK YOU VERY MUCH !

Midday Break

AI and Evolution of the Procurement Process: Interoperable Platforms and Data Analysis

14:00

Laurence Folliot Lalliot
Université Paris Nanterre
France

Digital Transformation for SMEs' Participation in Public Procurement

Increasing opportunities for SMEs in public procurement

DIVERSIFYING THE WAYS IN WHICH SMES CAN PARTICIPATE THROUGH DIGITISATION

PROF. LAURENCE FOLLIOT LALLIOT, UNIVERSITÉ PARIS-NANTERRE (FRANCE)

TURIN MARCH 2025

EU E- PROCUREMENT TIMELINE

10/2017 eInvoicing standard
Commission decision: publication of reference of eInvoicing standard

04/2017 eInvoicing
Central purchasing bodies

04/2016 eNotification & eAccess
All contracting authorities

04/2016 Commission ESPD & eCertis v2

01/2016 European Single Procurement Document (ESPD) regulation

05/2014 eInvoicing directive

eProcurement timeline

10/2023 eForms - mandatory use

11/2022 eForms - optional use

04/2020 eInvoicing
All contracting authorities

10/2019 eForms Implementing Regulation

04/2019 eInvoicing
All contracting authorities with potential derogation for sub-central contracting authorities

10/2018 eSubmission
All contracting authorities

Public Digital Procurement platforms can significantly enhance the participation of small and medium-sized enterprises (SMEs)

- Digital procurement platforms can increase competition by providing SMEs with better access to public procurement markets.
- This can lead to more business opportunities for SMEs and help level the playing field with larger firms
- Including those owned by women and disadvantaged groups, to participate in public contracting.
- In summary, digitalization can empower SMEs to overcome traditional barriers in public procurement, enhance their competitiveness, and contribute more effectively to national economic and social objectives.

- New tools, I.A.
- OECD:
- *"Digital technologies, such as cloud computing, teleworking-enabling software and supply chain management solutions, can help SMEs absorb adverse impacts, innovate and adapt in their offers and business models in response to market changes".*

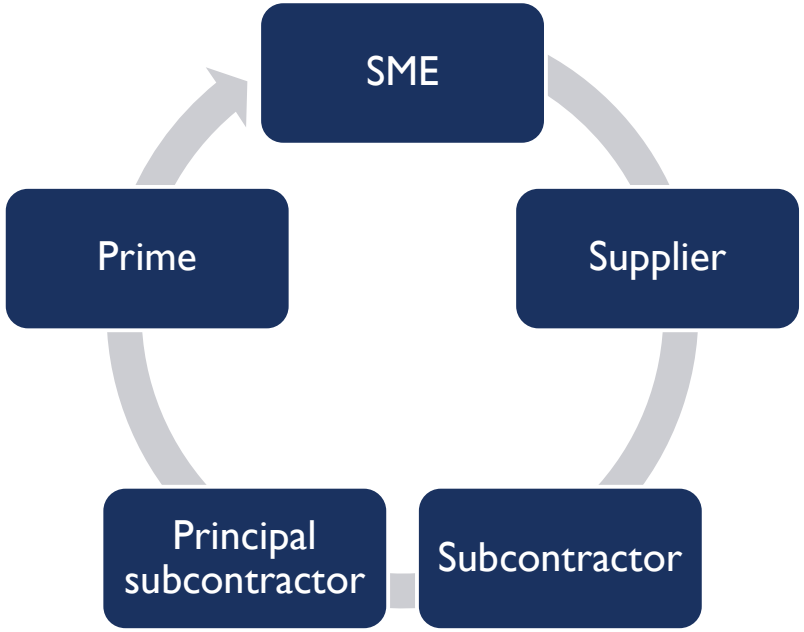
DEMATERIALIZATION CAN HELP SMES WIN PUBLIC CONTRACTS

- Improved transparency & access to opportunities
- Increased Competition & reduce barriers to entry
- Streamline administrative burden, reduce costs

OVERCOMING THE LEGAL BARRIERS

- Public contracts v. Private contracts
- Subcontracting considered to be out of the scope of public contracting in many countries
- Limited regulation in the EU Public Contracts Directives
- Not in the US (SBA – Tax payer money)
- London Olympic Games as an example
- Irrelevant on private marketplaces

PROPOSAL: ENHANCING DIRECT AND INDIRECT PARTICIPATION OF SMES TO PUBLIC PROCUREMENT



- As direct participants : stimulating access to Public procurement opportunities
- As indirect participants in various roles: suppliers, subcontractors, sub-concessionnaires…

Using technological tools to help SMEs move from subcontracting to first-tier public procurement contracts

DEMATERIALIZATION CAN HELP SMES SUBCONTRACT PUBLIC PROCUREMENT CONTRACTS

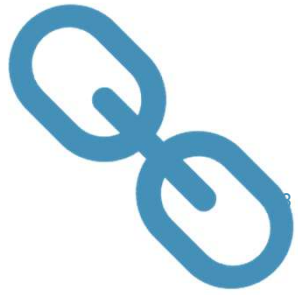
- **Mandatory advertisement of indirect opportunities on a centralized public platform**
- **Access financial and policy support**
- **Prompt and Protected Payments by the Prime**
- **Capacity building - develop skills**

DEMATERIALIZATION CAN IMPROVE MONITORING OF SUBCONTRACTS BY C.A.

- Monitoring of Subcontractors performance & compliance -
- Tracking the experience of SMEs as future candidates

EXPANDING THE LEVERAGE EFFECT OF PUBLIC PROCUREMENT

- **Actual Economic impact of Public contracting**
- **Support for National Development Objectives**: Taking into account the impact of public subcontracting to fine-tune public policies can support broader national goals such as enhancing public service delivery, industrial policy, developing human capital, and empowering the private sector.
- **Support for Localization and Sustainability**: SMEs can support greater localization, reducing carbon footprints associated with delivery and helping public sector organizations reach net-zero goals. This can make SMEs more attractive partners in public procurement.
- **Flexibility and Adaptability**: SMEs are more agile in responding to changes in demand from Contracting Authorities, enabling them to adapt services quickly to meet demands without delays.
- **Improving supply chain management & ESG compliance**



PREREQUISITES FOR AN EXPANDED PUBLIC PLATFORM COVERING SUB-PARTICIPANTS

- **Better Data Integration**: Digital procurement must allow for the integration of data-based approaches at various stages of the procurement process.
- **Mandatory exchange of data** and documents among C.As
- **Capacity building of SMEs** : creating mandatory online certificats (or public procurement diploma) before being able to post

THANK YOU

MRS LAURENCE FOLLIOT LALLIOT

PROFESSOR OF PUBLIC LAW, UNIVERSITY OF PARIS NANTERRE (FRANCE)

Antonio Miño López
Xunta of Galicia, Spain

Anticompetitive Behaviours and a Digitalised Public Procurement System

Dean Jessica Tillipman

George Washington University
USA

AI and the Qualification System in Public Procurement in the U.S.

AI and the Qualification System in Public Procurement in the US

Jessica Tillipman
Associate Dean for Government Procurement Law Studies
The George Washington University Law School

UNIVERSITY OF TURIN, ITALY
Friday, 28th March 2025

The Promise and Peril of AI

AI: The Good

AI: The Bad

GW LAW
GOVERNMENT PROCUREMENT

CITIZEN ENGAGEMENT, DELIVERY, AND SUPPORT

COMPLIANCE AND RISK MANAGEMENT

WORKFORCE & BUSINESS PROCESS AUTOMATION

ANALYTICS (DECISION-MAKING)

How does AI benefit the government procurement?

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Most Importantly…

- AI should NOT be a solution in search of a problem.
- We do not buy AI just to buy AI

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AI in Vendor Pre-Qualification for Public Procurement

Automated Document Processing & Certification Verification

Risk Assessment & Fraud Detection

Past Performance & Reputation Analysis

Compliance Diligence

Predictive Analytics re Contractor Performance

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AI and Integrity Risks in Vendor Pre-Qualification Key Areas of Concern:

Algorithmic Bias
Opacity of AI Decision-making
Fraudulent Document & Credential Generation
Over-reliance on Historical Data & Amplified Inequalities
Reduced Human Oversight
Cybersecurity Threats, Data Poisoning, Algorithm Manipulation by Vendors
State Capture
Conflicts of Interest

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Questions?

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Prof. Désirée Klingler
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Amazon.gov: Opportunities and Risks of Disintermediation in Public Procurement through E-marketplaces

University of St.Gallen

Amazon.gov – Disintermediation in Public Procurement through Digital Platforms

Prof. Dr. Désirée Klingler

Conference: Public Contracts and Digital Transformation
Turin, March 28, 2025

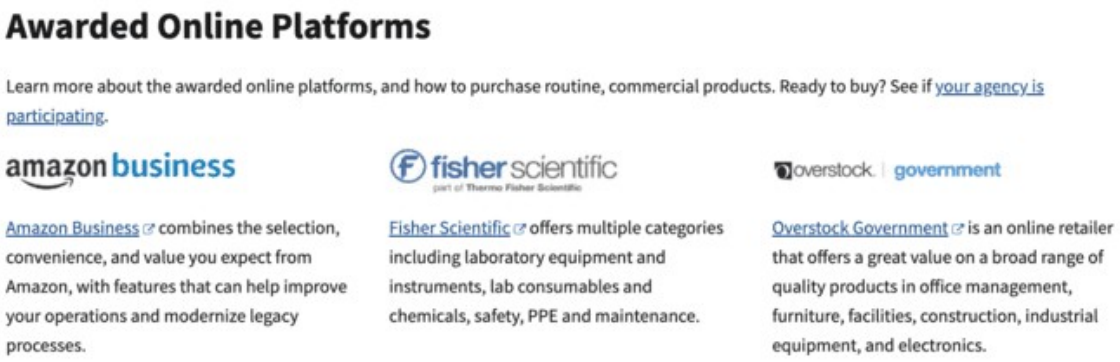
From insight to impact.

Abstract

*E-marketplaces have the potential to **disrupt traditional public procurement** systems. While the U.S. General Services Administration (GSA) Commercial Platforms program was criticized for abandoning competition, transparency, and accountability as safeguards of traditional procurement, this article shows that e-marketplaces do not abandon but **redefine those principles**. Process transparency becomes data transparency, formal tendering and bidding become **competition as observed in private markets**, and accountability is shifted from the government to platform operators and users. A principle that seems to be elevated (and to some degree replacing value for money) on e-marketplaces is the **standard of customer satisfaction**. At the same time, e-marketplaces also pose new challenges that must be properly managed – since private marketplaces, Amazon and other commercial platforms are generally profit-maximizing and do not thrive to maximize social welfare. While antitrust laws help **deter anticompetitive behavior** of platform operators, mandatory government requirements (such as cybersecurity concepts) remain necessary to protect the government and its users against external threats. E-marketplaces can also help promote socioeconomic policies. The added function to search and filter platform offerings for "green" products increases the salience of sustainable products and can help **promote sustainable public procurement**.*

Background – The GSA Commercial Platforms Program

- 2018: Congress launched initiative (based on National Defense Authorization Act)
  - Decision between (1) existing commercial marketplaces, (2) technology that powers GSA's own marketplace, or (3) direct purchases by users from online vendors – chose option 1
  - Idea to reduce costs and deliver quality
- U.S. General Services Administration (GSA)
  - Issued draft RFP in July 2019; solicitation in October 2019; amended RFP in January 2020
  - June 2020: awarded contracts to three platforms: Amazon, Overstock and Fisher Scientific
  - For commercial off-the-shelf (COTS) items (contracts below $10,000)
- March 2024: Program extended to eight platforms: Amazon, Fisher Scientific, Noble, Staples, Grainger, Pacific Ink, G-Commerce and e-Procurement Services



Awarded Online Platforms

Learn more about the awarded online platforms, and how to purchase routine, commercial products. Ready to buy? See if your agency is participating.

amazon business

Amazon Business combines the selection, convenience, and value you expect from Amazon, with features that can help improve your operations and modernize legacy processes.

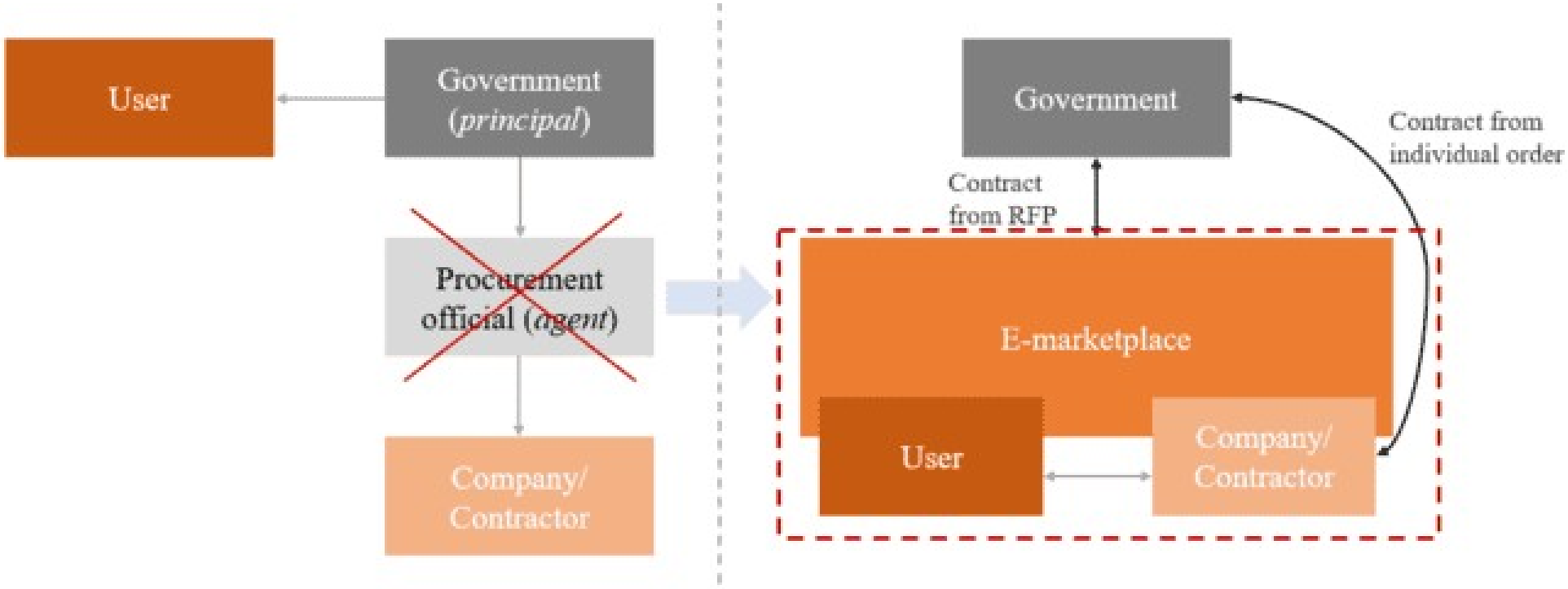
fisher scientific

Fisher Scientific offers multiple categories including laboratory equipment and instruments, lab consumables and chemicals, safety, PPE and maintenance.

overstock | government

Overstock Government is an online retailer that offers a great value on a broad range of quality products in office management, furniture, facilities, construction, industrial equipment, and electronics.

Amazon.gov – Disintermediation or reintermediation?



Transfer of responsibilities from officials to platforms – A new principal-agent problem?

Responsible entity	Project-related responsibilities	Process-related responsibilities
Officials	• Market research • Technical assessments • Past-performance review	• List of qualified suppliers • Order-splitting prohibition • Bid protests • Recordkeeping and contract audits
Platforms	• Supplier qualification • Supply chain risk management	• E-certification • Limited review • Limited recordkeeping and ad hoc audits
Users	• Market research • Customer reviews	• Government purchase card policies • Oder splitting prohibition

Procurement principles	In traditional procurement	On e-marketplaces
Efficiency/Value for money	• Efficient use of public resources	• Transaction cost reduction • Replaced with customer satisfaction?
Competition	• Public tender and bidding • Open competition: high entry barriers?	• Matching of demand and supply • Free competition: closer to private market competition? • Anticompetitive effects: self-preferencing?
Equal treatment	• of suppliers	• of suppliers and customers? • MFN – same price for government and commercial customers
Transparency	• Mainly process transparency	• Easier market research • Data transparency – Government as data owner (platforms cannot utilize data) • But "black box" of supplier selection • Risk of cyberattacks and counterfeits
Strategic procurement	• Social and environmental criteria	• Filter function for "green" products

Opportunity for sustainable procurement

Features and Capabilities	Consumer Websites	GSA's Commercial Platforms program
Intuitive and Familiar User Experience	Yes	Yes
Detailed Product Information	Yes	Yes
Speedy Delivery	Yes	Yes
Order Tracking	Yes	Yes
Competitive, Real-Time Pricing	Yes	Yes
B2B Pricing / Discounts	No	Yes
Volume Discounts / Tiered Pricing	No	Yes
Tax Exemption (automatically applied)	No	Yes
Identification of Restricted Items / Excluded Vendors	No	Yes
Identification of Sustainable / "Green" products per EPA guidance	No	Yes
Support of Mandatory Source programs (AbilityOne) and Small Business	No	Yes
Approval Workflows / Account Hierarchies	No	Yes
Product Curation by Agencies	No	Yes
Spend Analysis (Across all Agency Accounts)	No	Yes

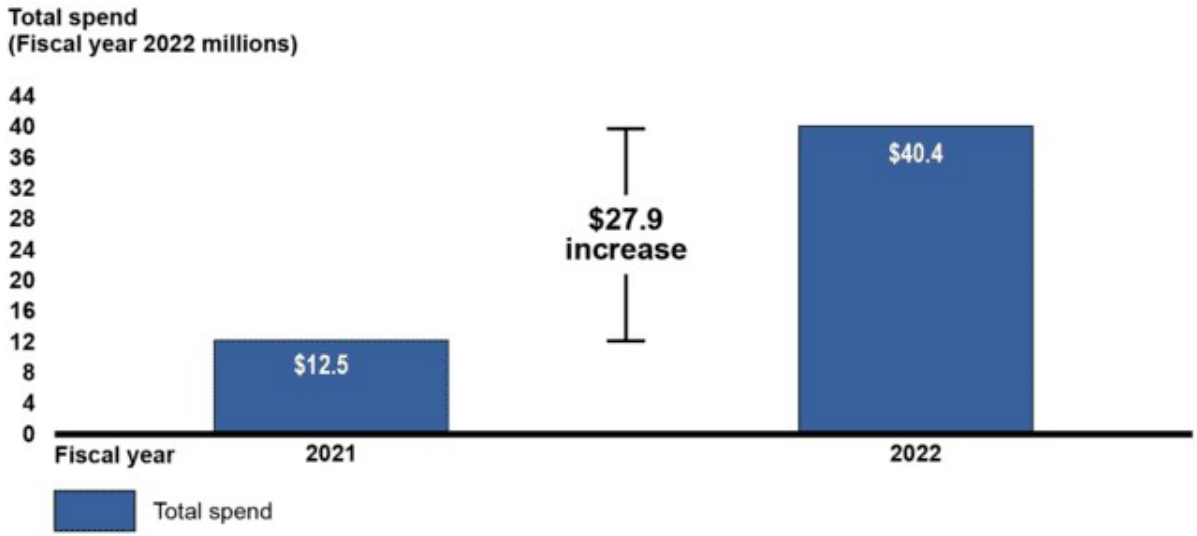
Government Accountability Office (GAO) 2023 Report

Success story:

- Total spend on GSA platforms more than tripled from 2021 to 2022
- Agency participation multiplied
  - 2020: 6 agencies
  - 2022: 27 agencies
- March 2024: 35 agencies and 40,000 card holders

Two recommendations:

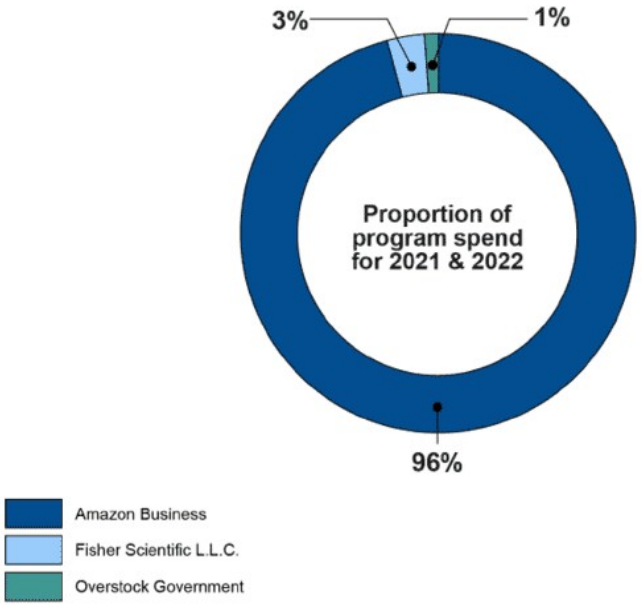
- Increase use of AbilityOne (products from people with disabilities)
- Increase participation of SMEs



Source: GAO analysis of General Services Administration (GSA) Commercial Platforms Program data. | GAO-23-106128

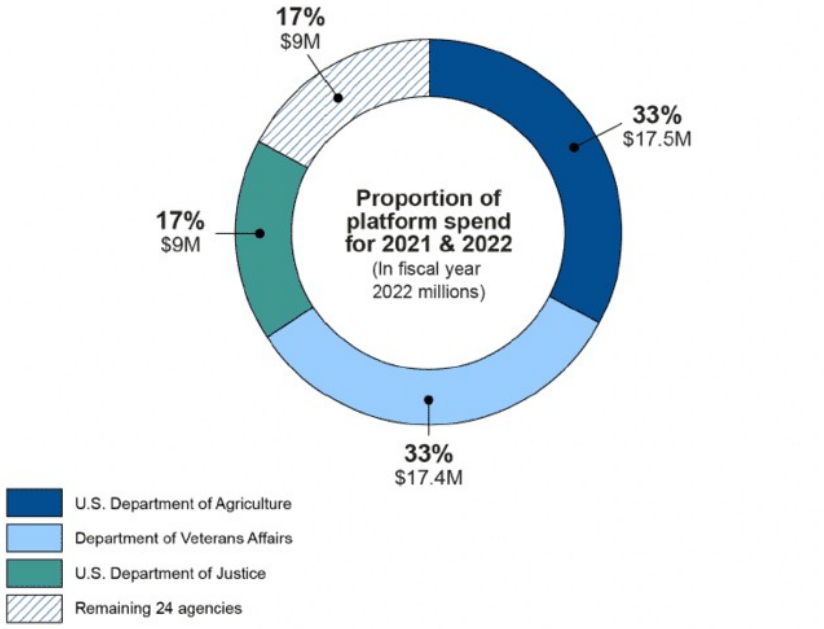
GAO 2023 Report

Figure 3: Proportion of Spend in GSA's Commercial Platforms Program by Provider, Fiscal Years 2021 and 2022 Combined



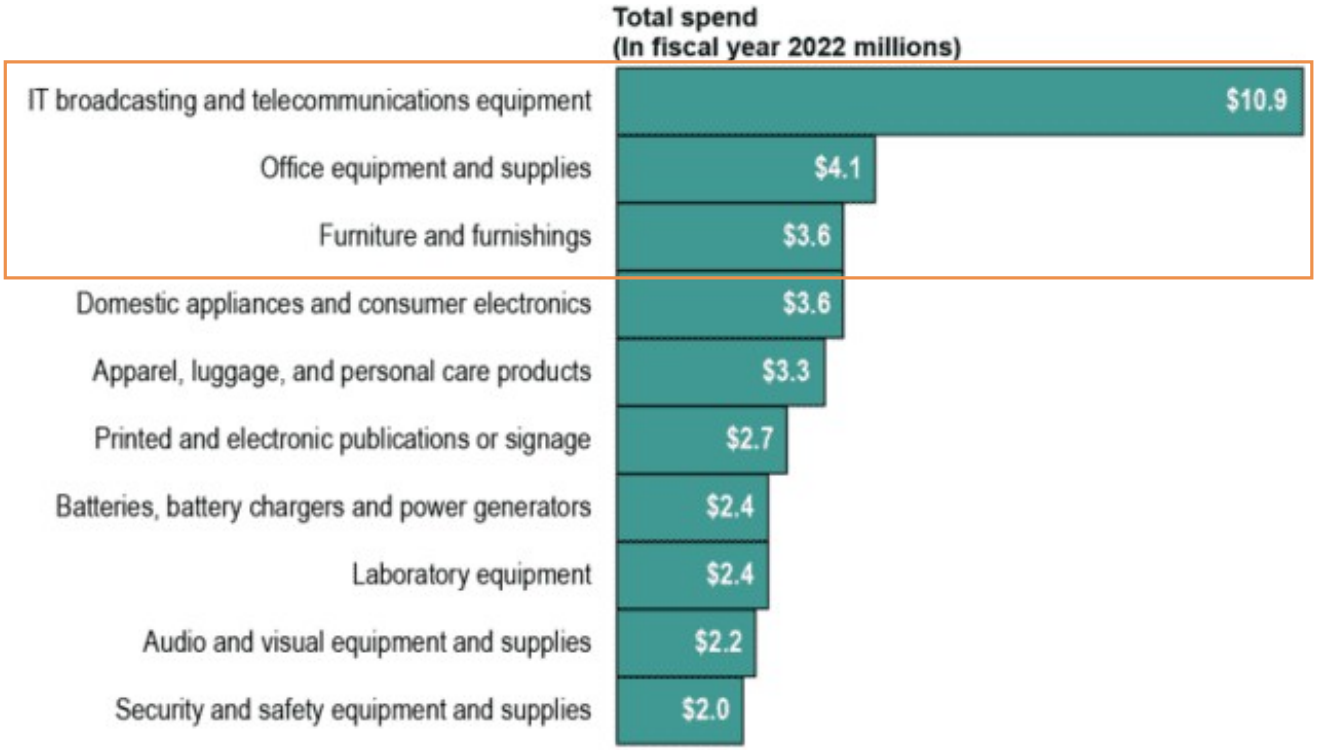
Source: GAO analysis of General Services Administration's (GSA) Commercial Platforms Program data. | GAO-23-106128

Figure 2: Agencies' Proportion of Spend in GSA's Commercial Platforms Program, Fiscal Years 2021 and 2022 Combined



Source: GAO analysis of General Services Administration's (GSA) Commercial Platforms Program data. | GAO-23-106128

GAO 2023 Report – Sectorial analysis



Source: GAO analysis of General Services Administration's (GSA) Commercial Platforms Program data. | GAO-23-106128

GSA Commercial Platforms – Performance metrics

GSA metric and description	Target	Performance for fiscal year 2021	Performance for fiscal year 2022
Small Business Spend – Increase the purchases from small businesses, as identified in the System for Award Management	Greater than 20%	**21%**	18%
Green Procurement Spend – Increase the percent of green-related (i.e., environmentally sustainable) product spend	Greater than 5%	1%	4%
AbilityOne Spend – Tracking measure to help agencies see their percent of total spend directed to AbilityOne[a]	Greater than 2%	0.11%	0.16%
Made in America – Increase the percent of spend on products with a Made In America label[b]	Greater than 5%	0.12%	0.49%
Time Savings – Maintain or exceed percentage of users stating that they saved time using the platforms, based on customer survey data	70%	**85%**	**81%**
Price Competitiveness – Maintain or exceed percentage of users that agreed they were able to find desired products with fair and reasonable pricing, based on customer survey data	84%	**88%**	**93%**
Customer Satisfaction – Maintain a customer satisfaction survey score equal to or greater than the previous calendar year's American Customer Satisfaction Index for Online Retailers[c]	Equal to or above 8.0	**9.0**	**8.9**
Active Purchasers – Increase the number of individual purchasers making at least one purchase on the platforms[b]	22,000	4,354	17,875
Repeat Purchasers – Increase the number of individual purchasers making more than one purchase on the platforms[b]	8,800	1,374	7,270
First vs. Third-party Sales – Fulfill the majority of sales by third-party suppliers as measured by the ratio of sales of provider's own private label items to third-party supplier items	More than 70% of sales fulfilled by third-party suppliers	Third-party sales 70%	Third-party sales **79%**
Sales Distribution – Distribution of sales by platform provider greater than the combined average market share for consumer and government spend	Amazon Business 92% Fisher Scientific L.L.C. 6% Overstock Government 2%	Amazon Business 94% Fisher Scientific L.L.C. 5% Overstock Government 1%	Amazon Business 96% Fisher Scientific L.L.C. 3% Overstock Government 1%

Legend: **Bold** font in the fiscal years columns indicates that GSA met the target for the metric.

Source: GAO presentation of General Services Administration (GSA) information. I GAO-23-106128

Socioeconomic policies

Marketplace benefits

Anticompetitive protections/concerns

Transferability to EU Public Procurement? The New Public Procurement Directives

- Why "national platforms" and not EU-wide platform like TED?
  - National certifications could be connected
  - Goal to promote EU-internal market
- Suggestion for one-stop shop, not several platforms
  - Why separate platforms for innovation procurement (PPI) and pre-commercial activities (PCP)?
  - Learning from interoperability losses in GSA Commercial Platforms program
  - Selection of specific sectors: e.g., IT equipment and office supplies – GSA excluded healthcare products
- Agree: Platform for small contracts, i.e., below EU threshold
  - Difficulty to scale/standardize large contracts
- Implications of other EU laws for public platforms?
  - DMA: Protection of consumer data
  - Competition law: Amazon's commitments to not use seller data and give equal access to Buy Box
  - FSR: List of suppliers with foreign subsidies?

Thank you.

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Swedish Platforms for Public Procurement

Swedish Platforms for Public Procurement

Andrea Sundstrand
Associate Professor

Stockholms universitet

1 July 2002

Sweden decided to have obligatory digital notices for procurements below the thresholds, and the national legislation on public procurement was amended by 1 July 2002.

The Swedish government at the time did not want to pay for a national database for notices of public procurements.

Instead it left it up to private interests to start databases/platforms for such national notices.

Private databases in Sweden

Several Swedish information companies started data-bases/platforms where they offered publication of notice for free for contracting authorities and entities. Instead they made money from selling extra services.

I was involved, and made sure that suppliers could access the databases for free. Also they were offered extra services, like alerts on certain kind of notices, for purchase.

Doffin as eSender in Norway

Doffin is the central database for public procurements in Norway. Its origins trace back to the implementation of Norwegian public procurement regulations in 2001.

According to Norwegian regulations, only Doffin is authorized to convey notifications to TED, making it the sole eSender in Norway.

Statistics in public procurement

Sweden has always had problems with getting good statistics for procurements below the thresholds. Getting good statistics is necessary for making good procurements. The contracting authorities and entities were not helping. So how to get it?

The Swedish government decided to make the Swedish private databases/platforms responsible for collecting statistics of public procurements.

It also decided to make it obligatory to put notices for all kinds of procurements in the Swedish private databases/platforms.

Private databases for statistics

According to the Swedish regulation for Procurement Statistics, private databases/platforms for notices in Sweden must be registred.

The Swedish Competition Authority keeps the register of the databases/platforms that have been granted registration.

The owners of the registered databases/platforms are obliged to provide the information needed to produce statistics to the Swedish Procurement Authority, which is the statistical authority.

Swedish databases today

According to the Swedish Regulation on Procurement Statistics, the Swedish Competition Authority must keep a register of the databases for advertising that have been granted registration.

Name	Web adress
e-Avrop	www.e-avrop.com/www.pabliq.se
KommersAnnons.se	www.kommersannons.se
Mercell	www.opic.com/upphandlingar
Konstpool	www.konstpool.se
Clira	www.clira.io

Mandatory for notices

On 1 January 2021, it also became mandatory to advertise procurements in the registered databases/platforms for notices. This applies to all kind of notices, *both below and above the EU thresholds*. The purpose was to improve statistics in the area of procurement.

The National Procurement Authority is responsible for compiling and making the statistics publicly available, and has created a national database for statistics in the area of procurement.

National databas for statistics

The national database for procurement statistics makes it possible for anyone to produce tailored procurement statistics. The statistics can be exported in various formats, are free to use and are also available as open data.

https://www.upphandlingsmyndigheten.se/statistik/statistikdatabasen/?area=upphandlingsstatistik&chartStacked=false&chartType=column&fetch=20&resultFormat=table

Stockholms universitet

Conclusion

By making it obligatory to put notices in these databases/platforms and to put the responsibility of collecting procurement data on private companies, Sweden now has world class statistics on public procurements!

Thank you for listening!

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Conclusions

Interventions

- Eliza Niewiadomska – European Bank for Reconstruction and Development (EBRD)
- Anna Romeo – University of Messina
- Simone Torricelli – University of Firenze

University of Torino

- Manuela Consito
- Silvia Ponzio
- Mara Demichelis
- Gloria Sdanganelli
- Francesco Gorgerino

Conclusion

Forthcoming book:

Digitalisation and Procurement: New Cross-Border Directions