Annex A. DPS implementation

While the efficiency instrument DPS has been part of the EU public procurement Directives since 2004, its use is still uneven among member states and its uptake has been much slower than originally anticipated. In some countries, there is a relatively widespread use of this instrument, while other countries have little or no experience with it. From a legal standpoint, DPS can also be used by an individual contracting authority for its own common purchases. Nevertheless, the benefits of the instrument accrue when there is substantial recurrence of purchases. As such, DPS is well suited to aggregating the demand of several administrations, typically through the work of a central purchasing body (CPB), or a similar entity that carries these functions.

This section explores concrete practices of DPS implementation by five entities in four EU countries (Austria, Denmark, Ireland, and Italy) and Scotland, analysing how DPS have been set up, and what kind of support is made available to users. The main benefits and key success factors of implementing a DPS are also explored.

Table A A.1. Use of DPS in selected organisations

	Austria	Denmark	Ireland	Italy	United Kingdom (Scotland)
Institution	BBG	SKI	OGP	Consip	Collaborative ICT team
Number of DPS in use	1	5	9	23	4
Purchasing categories related to ICT	N/A	Standard software Digital Teaching Aids Audio/Visio Solutions	Wide Area Network (WAN) Connectivity	ICT products and services with 14 sub- categories	Telephony and Communication Services Network Advice Internet of Things Digital and Technology Services
Available templates	Structured excel templates and contract templates (product specific)	Digital platform to support the use of DPS	Modify existing FWA documentation, but plan to create specific DPS templates	Documentation kit including: Model of tender specifications and template for technical specifications for specific contract	Template Terms and Conditions of Contract
Further information and links	DPS on food (BBG)	DPS (SKI)	DPS Guidance Schedule of frameworks and contracts (OGP)	DPS (Consip)	Scottish frameworks and contracts (gov.scot)

Source: OECD Brief Survey on DPS good practices (2022).

The use of DPS has been steadily increasing for some of the organisations analysed, notably the Office of Government Procurement (OGP) in Ireland, the Danish CPB Staten og Kommunernes Indkøbsservice (SKI), the Italian CPB Consip, and the Scottish Collaborative ICT team. DPS in Scotland are mostly used for technology-related purchases (Table A A.1 above) and are further planning to expand the portfolio to include software. The Austrian CPB Bundesbeschaffung GmbH (BBG) has currently one active DPS in the food purchasing category, while a second DPS related to vending solutions for food and consumer goods is in tendering phase. Out of the organisations surveyed, Consip has the longest experience of using DPS, dating back to 2011. Its DPS cover various purchasing categories such as health, food, services (security), among others. Consip has developed one DPS related to ICT, which contains 14 sub-categories of products² and has attracted 2.974 suppliers. It has a value of EUR 1.5 billion and runs for 48 months. The current DPS was a re-launch of a first version set up in 2013.

Organisational set-up

The set-up of the DPS did not require particular institutional changes in the organisations analysed. Rather, the management of DPS is integrated in regular activities as part of strategic and operational procurement. In Scotland, the DPS are managed within specific category teams as part of their overall portfolio of collaborative contracts and frameworks. Some organisations such as SKI bring in specific skills and expertise for the DPS that work horizontally in the organisation.

In terms of resources necessary, stakeholders reported that the main resource impact is in establishing the DPS. This is primarily due to the limited timescale allowed under the procurement regulations for assessing and on-boarding suppliers (10 working days). Furthermore, once a DPS is established, there is a resource requirement to process applications. Administrative effort is also required once a call-off is awarded. Overall, organisations use the same resources (FTEs) as for framework agreements. Over the period 2017-2021, Consip has allocated on average eight FTEs/year to all DPS.

Templates and support

An important aspect of launching a DPS is ensuring support to both contracting authorities and suppliers that will be using it. As such, the organisations surveyed have invested in guidance, templates and similar support tools. For instance, BBG supports contracting authorities as well as economic operators with training material, handbooks, click-instructions as well as with direct personal contact / consulting.

As per EU requirements, tendering activity under DPS is required to be conducted wholly electronically. In Scotland, the on-boarding and tendering process is managed using the electronic tendering platform PCS-Tender. Furthermore, each of the DPS has a buyer guide which contains practical advice and guidance on the operation of the DPS. Template Terms and Conditions of Contract are also made available to buying organisations.

Similarly, SKI has developed a digital platform to support the use of DPS. In addition, it provides guidance to suppliers on how to apply for the DPS. In Italy, Consip also provides ready-made documentation for contracting authorities, such as model documents and templates for technical specifications for a specific contract.

Benefits

DPS provides easy and ready access to public sector procurement opportunities for new suppliers able to offer innovative solutions in the fast-paced technology services sector. Efficiency and simplicity characterise for the use of the instrument, as many steps of the process are standardised. For instance, the DPS platform can be designed in a way to automatically check technical and financial offers, and

simplify analysis of administrative documentation through an electronic platform. As a result, the DPS allows very fast timeframes, especially with regard to the phases of preparation of tender documentation and stipulation.

Nevertheless, the key benefits for using a DPS are related to enlarging the market and increasing competition. In fact, in several instances newly launched DPS have been able to attract a significant and initially overwhelming level of interest in participation, including from new suppliers who had not previously bid for public sector contracts. As a result, the level of competition available under the DPS is typically increased compared to a traditional framework agreement. However, the intensity of the competition will be heavily influenced by the attractiveness of a particular call-off.

With a significantly higher number of suppliers participating to a DPS versus a framework agreement, several organisations were concerned about the risk in a potential increase in the volume of responses received for any given opportunity. This was monitored closely and to date, DPS users did not identify this as an issue, as suppliers self-select to tender only for opportunities relevant to their area of expertise.

From a supplier perspective, DPS also is considered beneficial. It provides the flexibility for suppliers to join and leave (or not compete) the DPS at any time. Potential suppliers are not locked out of the market, as they would be in a traditional framework agreement. If suppliers are not at first successful in applying to the DPS, they are able to amend their application and reapply at any time.

DPS reduces the risk and cost of tendering associated with securing a place on traditional frameworks. As a result of the simplified approach to joining and participating in DPS arrangements this has increased opportunities for Small and Medium Enterprises (SME) in particular. For example of the 440 suppliers participating in the Scottish DPS arrangements 75% are SMEs.

Key success factors

For DPS to be accepted and become standard practice, DPS owners reported that a significant amount of market and stakeholder engagement should be undertaken prior to the creation of the DPS to make buyers and potential suppliers are aware of the benefits, practicalities and challenges of operating and participating in a DPS.

Furthermore, it is important to introduce an efficient and well-structured process ("user-friendly tool") for the call-offs and awards within the DPS. Efficiency gains should be available for both contracting authorities and economic operators. Communication and training for suppliers and contracting authorities is key. Depending on the level of maturity of the market regarding certain industries or product groups, the engagement and communication needs may vary. Communication efforts also includes promotion of the DPS throughout its lifetime to attract additional suppliers, for instance by publishing information on the specific calls within the DPS so the market sees the potential and attractiveness.

Finally, it is also important to consider the application phase and qualification criteria for a DPS carefully. Namely, it is often expected that economic operators that are selected to participate in DPS maintain a minimum standard of qualification, particularly, if the DPS is launched by a CPB. However, given that the DPS requires the assessment of new applicants within 10 working days, an adjustment of qualification criteria is most likely needed compared to traditional framework agreements. The DPS owner thus needs to strike a balance between setting requirements that can be verified in a short amount of time, and reflect certain standards of qualification.

Notes

¹ In spite of not being part of the EU, the Scottish procurement framework is still fully aligned with the EU 2014 directives, making it a relevant example for this section.

² The product enterprise & specialised systems; servers; storage area network equipment; network equipment; storage; integrated systems and converged infrastructures; printing and copying equipment; pc and mobile devices; ICT infrastructures; software; technical assistance and maintenance services; cloud services; video surveillance, access control and intrusion detection; information security.



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