Chapter 1

Harnessing public procurement data in Colombia

The quality, availability and usefulness of data is a key determining factor for the success of public procurement reform. This chapter outlines OECD research on the importance of public procurement data across a number of relevant areas, including an emphasis on transparency, procurement system monitoring, and accountability in the context of the 2015 OECD "Recommendation of the Council on Public Procurement". The important role of e-procurement systems in supporting the collection and use of data is also examined. Against this background, the availability and use of data in the public procurement system in Colombia is explored, with particular focus on the quality of the data collected, real access to the data and opportunities for disclosure among a variety of stakeholders, citizen engagement with public procurement data and related accountability activities.

The importance of quality public procurement data

Adequate transparency is central to a well-functioning public procurement system. In monitoring public procurement reforms in OECD countries, "reform efforts [have] focused in particular on ensuring an adequate degree of transparency that does not impede the effectiveness of public procurement" (OECD, 2013a).

This central role of transparency is recognised in the OECD (2015a) "Recommendation of the Council on Public Procurement" (hereafter, the "OECD Recommendation"). See Box 1.1 for the section on transparency in the OECD Recommendation.

Box 1.1. **OECD Recommendation on transparency**

II. RECOMMENDS that Adherents ensure an adequate degree of **transparency** of the public procurement system in all stages of the procurement cycle. To this end, Adherents should:

i) Promote fair and equitable treatment for potential suppliers by providing an adequate and timely degree of transparency in each phase of the public procurement cycle, while taking into account the legitimate needs for protection of trade secrets and proprietary information and other privacy concerns, as well as the need to avoid information that can be used by interested suppliers to distort competition in the procurement process. Additionally, suppliers should be required to provide appropriate transparency in subcontracting relationships.

ii) Allow free access, through an online portal, for all stakeholders, including potential domestic and foreign suppliers, civil society and the general public, to public procurement information notably related to the public procurement system (e.g. institutional frameworks, laws and regulations), the specific procurements (e.g. procurement forecasts, calls for tender, award announcements), and the performance of the public procurement system (e.g. benchmarks, monitoring results). Published data should be meaningful for stakeholder uses.

iii) Ensure visibility of the flow of public funds, from the beginning of the budgeting process throughout the public procurement cycle to allow (i) stakeholders to understand government priorities and spending, and (ii) policy makers to organise procurement strategically.

Source: OECD (2015a), *"Recommendation of the Council on Public Procurement"*, www.oecd.org/corruption/recommendation-on-public-procurement.htm.

As identified in the OECD Recommendation, transparency plays a number of important roles in the public procurement process. Ensuring appropriate transparency into relevant laws, regulations and policies – not to mention public procurement opportunities – sets appropriate expectations and creates a level playing field among suppliers. Transparency into the flow of public funds also allows stakeholders, including the general public, to monitor and evaluate the priorities and effectiveness of government services delivery. From laws and policies through tracking spending, many types of procurement data can be made available. Table 1.1 demonstrates the public availability of these various types of data across OECD countries.

Table 1.1. **Public availability of procurement information at the central level of government**

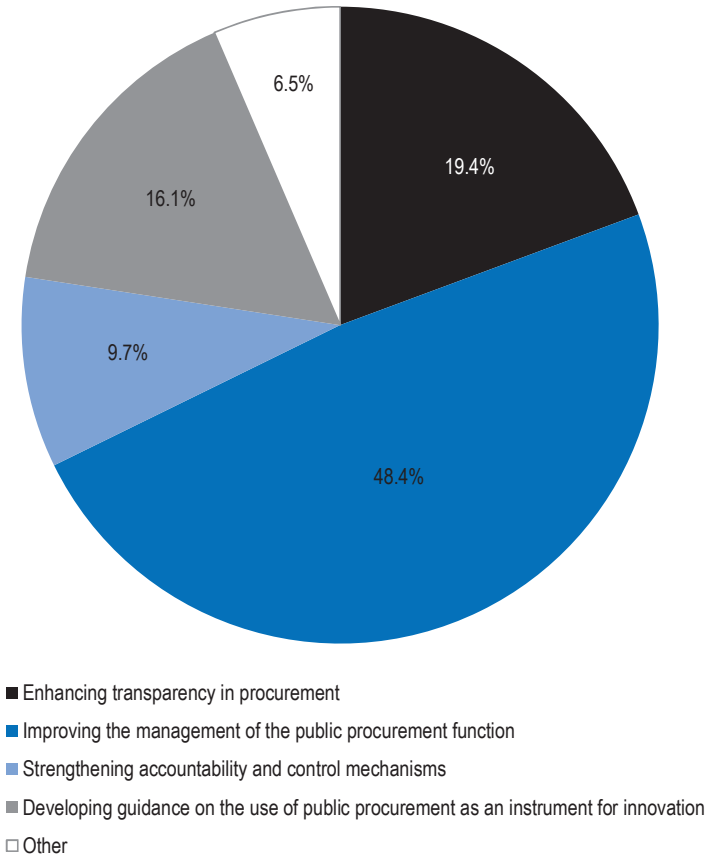
	Laws and policies	General information for potential bidders	Selection and evaluation criteria	Contract award	Specific guidance on application procedures	Tender documents	Procurement plan of anticipated tenders	Justification for awarding contract to selected contractor	Contract modifications	Tracking procurement spending
Australia	●	◘	◘	●	◘	◘	●	■	◘	●
Austria	●	◘	◘	◘	◘	◘	◘	○	◘	○
Belgium	●	●	●	●	●	●	●	●	●	○
Canada	●	●	■	●	●	■	○	■	●	○
Chile	●	●	◘	●	●	●	●	●	◘	●
Czech Republic	●	●	●	●	●	●	◘	◘	◘	◘
Denmark	●	●	◘	◘	◘	◘	●	◘	◘	○
Estonia	●	●	●	●	●	■	●	●	■	●
Finland	●	●	●	●	◘	■	◘	●	○	○
France	●	●	●	◘	●	◘	◘	■	●	■
Germany	●	●	◘	◘	○	◘	○	○	○	○
Greece	●	●	●	●	◘	●	◘	●	○	○
Hungary	●	●	●	●	●	●	●	●	●	●
Iceland	●	●	●	●	●	●	●	●	●	■
Ireland	●	●	●	◘	◘	●	●	◘	◘	○
Israel	●	◘	●	◘	◘	●	◘	■	●	○
Italy	●	●	●	●	●	●	●	■	●	■
Japan	●	●	●	●	●	●	●	●	●	■
Korea	●	●	●	●	●	●	●	●	●	●
Luxembourg	●	●	●	◘	◘	●	◘	■	■	◘
Mexico	●	●	●	●	●	●	●	●	◘	●
Netherlands	●	◘	◘	◘	◘	◘	◘	◘	◘	○
New Zealand	●	■	●	●	■	●	●	■	■	○
Norway	●	◘	◘	◘	◘	■	●	■	■	■
Poland	●	●	●	●	●	●	●	●	■	○
Portugal	●	◘	◘	◘	◘	◘	◘	◘	◘	◘
Slovak Republic	●	●	●	●	●	■	◘	○	●	○
Slovenia	●	◘	◘	◘	◘	◘	◘	■	◘	■
Spain	●	●	●	●	●	●	●	●	●	○
Sweden	●	●	◘	◘	●	◘	◘	◘	○	○
Switzerland	●	●	●	●	●	●	○	●	○	◘
Turkey	●	●	●	●	●	●	◘	■	■	●
United Kingdom	●	●	○	●	●	○	●	◘	○	○
United States	●	●	◘	◘	◘	◘	◘	○	■	◘
Brazil	●	●	●	●	■	●	○	■	●	●
Egypt	●	●	●	◘	●	●	○	○	◘	○
Ukraine	●	●	●	●	●	●	●	■	○	○
Total OECD34										
● Always	34	26	21	21	19	18	17	13	11	7
■ Upon request	0	1	1	0	1	5	0	10	7	6
◘ Sometimes	0	7	11	13	13	10	14	7	10	5
○ Not available	0	0	1	0	1	1	3	4	6	16

Source: OECD (2013a), *Implementing the OECD Principles for Integrity in Public Procurement: Progress since 2008*, OECD Public Governance Reviews, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264201385-en.

Note: The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

At the same time, increasing transparency was identified by governments as a substantial area for improvement in an OECD survey (see Figure 1.1).

Figure 1.1. **Areas for improvement in procurement management**



Source: OECD (2013a), *Implementing the OECD Principles for Integrity in Public Procurement: Progress since 2008*, OECD Public Governance Reviews, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264201385-en.

Similarly, transparency and access to data were identified as key concerns by external stakeholders in a recent survey related to the development of a major infrastructure project, the New International Airport in Mexico City (see Box 1.2).

Beyond the importance of transparency, the OECD Recommendation also highlights the importance of quality public procurement data in driving performance improvements. Accurate data regarding individual purchases is important for monitoring the health and function of the public procurement system. When aggregated and developed into performance indicators, such data can support substantial reforms to increase efficiency and eliminate waste in the public procurement process (see Box 1.3).

Additionally, reliable public procurement data, presented in appropriate forms, is of critical importance in ensuring appropriate accountability in the public procurement system (see Box 1.4).

Box 1.2. **Top concerns expressed by non-governmental organisations (NGOs) in relation to the development of the New International Airport in Mexico City**

Transparency and trust. Communications and outreach efforts have to be more systematic and proactive in order to create and reinforce trust.

Mechanisms of access to public records. More technical studies and financial projections need to be available for public scrutiny.

Financial sustainability. The fall in oil prices will inevitably lead to cuts in public budgets. There are concerns about the availability of government resources to pay for the project given the Government's austerity measures.

Timetable and execution capability. The Government is seen as optimistic in its assertions that the airport will be ready by 2020.

Urban mobility plans. NGO leaders believe that the mobility plans are not in place, and they should have been ready before construction started.

Surrounding communities. Negotiations with local social leaders could foster distrust. Openness, consultation, and dialogue with local communities would better serve the Government's efforts to prevent conflicts.

Political conflict. As the 2018 elections come closer, changes in the political landscape could evidently put additional pressure on the project. The future use of the current airport also looms as a potential disagreement between the city and federal authorities.

Public security. The authorities seemed to have overlooked the fact that the *Nuevo Aeropuerto Internacional de la Ciudad de México* (NAICM) will be located in a high-crime area. Plans for regional security are needed.

Air safety. Some specialists consider that the area poses challenges that need to be fully addressed to ensure air safety. Birds are the top concern, and special measures will need to be taken.

Inter-institutional co-ordination. NGO leaders perceive that agencies such as CONAGUA, SEDATU, and SEMARNAT are not exactly on the same page as the SCT and GACM.

Source: OECD (2015b), *Effective Delivery of Large Infrastructure Projects: The Case of the New International Airport of Mexico City*, OECD Public Governance Reviews, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264248335-en.

Box 1.3. **OECD Recommendation on evaluation**

X. RECOMMENDS that Adherents drive performance improvements through **evaluation** of the effectiveness of the public procurement system from individual procurements to the system as a whole, at all levels of government where feasible and appropriate. To this end, Adherents should:

i) Assess periodically and consistently the results of the procurement process. Public procurement systems should collect consistent, up-to-date and reliable information and use data on prior procurements, particularly regarding price and overall costs, in structuring new needs assessments, as they provide a valuable source of insight and could guide future procurement decisions.

ii) Develop indicators to measure performance, effectiveness and savings of the public procurement system for benchmarking and to support strategic policy making on public procurement.

Source: OECD (2015a), *"Recommendation of the Council on Public Procurement"*, www.oecd.org/corruption/recommendation-on-public-procurement.htm.

Box 1.4. **OECD Recommendation on accountability**

XII. RECOMMENDS that Adherents apply oversight and control mechanisms to support **accountability** throughout the public procurement cycle, including appropriate complaint and sanctions processes.

To this end, Adherents should:

…

iv) Ensure that internal controls (including financial controls, internal audit and management controls), and external controls and audits are co-ordinated, sufficiently resourced and integrated to ensure:

1. the monitoring of the performance of the public procurement system;
2. the reliable reporting and compliance with laws and regulations as well as clear channels for reporting credible suspicions of breaches of those laws and regulations to the competent authorities, without fear of reprisals;
3. the consistent application of procurement laws, regulations and policies;
4. a reduction of duplication and adequate oversight in accordance with national choices; and
5. independent *ex post* assessment and, where appropriate, reporting to relevant oversight bodies.

Source: OECD (2015a), *"Recommendation of the Council on Public Procurement"*, www.oecd.org/corruption/recommendation-on-public-procurement.htm.

In support of expanded transparency, evaluation and accountability, the use of digital technology to support procurement processes has been adopted by many countries. In their most straightforward application, e-procurement tools have the potential to dramatically increase efficiency by eliminating wasteful and duplicative paper-based processes. Beyond this, e-procurement tools can also play a transformative role by enabling processes that are simply impossible to replicate without advanced digital technologies. This dual potential is therefore identified in the OECD Recommendation's definition of e-procurement as "the integration of digital technologies in the replacement or redesign of paper-based procedures throughout the procurement process." Through proper application, e-procurement systems also improve automation and standardisation, reducing time to complete tasks and the probability of human error, which is important for obtaining quality public procurement data. For these reasons, adoption of e-procurement is an important element of the OECD Recommendation (see Box 1.5).

Within this framework, the next sections explore the current state of e-procurement and public procurement data in Colombia, looking to recent improvements, ongoing efforts and recommendations for future directions.

Box 1.5. **OECD Recommendation on e-procurement**

VIII. RECOMMENDS that Adherents improve the public procurement system by harnessing the use of digital technologies to support appropriate **e-procurement** innovation throughout the procurement cycle.

To this end, Adherents should:

i) Employ recent digital technology developments that allow integrated e-procurement solutions covering the procurement cycle. Information and communication technologies should be used in public procurement to ensure transparency and access to public tenders, increasing competition, simplifying processes for contract award and management, driving cost savings and integrating public procurement and public finance information.

ii) **Pursue state-of-the-art e-procurement tools that are modular, flexible, scalable and secure** in order to assure business continuity, privacy and integrity, provide fair treatment and protect sensitive data, while supplying the core capabilities and functions that allow business innovation. E-procurement tools should be simple to use and appropriate to their purpose, and consistent across procurement agencies, to the extent possible; excessively complicated systems could create implementation risks and challenges for new entrants or small and medium-sized enterprises.

Source: OECD (2015a), *"Recommendation of the Council on Public Procurement"*, www.oecd.org/corruption/recommendation-on-public-procurement.htm.

SECOP and SECOP II: Progress in improving data collection

SECOP

As a result of the implementation of law 1150/2007, the *Sistema Electrónico para la Contratación Pública* (SECOP) was created as an initial e-procurement system. SECOP exists primarily for contract publishing and also includes notices and information on awards. Government agencies are required to publish all procurement activity under Article 19 of Decree 1510 (2013), with the definition of procurement documents and an indicative list provided in Article 3 of the same decree. This includes:

- studies and prior documents related to the contract
- the call for tender
- statements of conditions for the invitation
- any addendums
- the offer
- the evaluation report
- the contract
- any other document issued by the entity during the contracting process.

Government agencies are also required to annually publish an acquisition plan on SECOP in a specified format, providing insights into future government needs.

As noted in the report on the procurement review conducted as part of the previous public governance review of Colombia, SECOP "makes procurement information easily available and helps bidders find procurement opportunities and authorities find procurement-related information" (OECD, 2013b). In fact, implementation of SECOP led to a 286% increase in the value of procurement information publicly available between 2011 and 2014. However, as the report identifies, there are issues which limit the effectiveness of SECOP.

First, data is manually entered into SECOP, not through connection to originating systems or through imported electronic files. This creates an opportunity for delay and inaccuracy, and in practice SECOP contains omissions and mistakes. To address this shortcoming, *Colombia Compra Eficiente* (CCE) undertakes an annual revision of the records made by all agencies to identify inconsistencies and ask for corrections. This method addresses some of the concern, but it is resource intensive and limited in scope, as the review covers only a sample of the available records (though the sample is large, with 45 000 records in 2014). This shortcoming is also addressed, to some extent, by participation of the market, when external stakeholders question available information or request that information be updated for accuracy.

Next, the data available in SECOP is not presented in a form that provides for structured extraction. CCE currently undertakes efforts to provide the number of contracts entered without competitive process, the number of offers submitted in each selection process, and any data required for the procurement accountability functions of the Inspector General of Colombia (*Procuraduría General de la Nación*, the *Procuraduría*) and the Comptroller General's Office (*Contraloria General de la República*, the *Contraloria*). Because all such data and outputs must be manually processed, CCE must dedicate time and resources to structuring the information in SECOP into a usable form for these and other stakeholders.

Finally, SECOP does not interface with other sources of information relevant to the procurement process. The Single Suppliers Register (*Registro Único de Proponentes*, RUP), operated by the Association of Chambers of Commerce (*Confecámaras)*, is the source of registry for suppliers wishing to participate in public procurement activities, but it does not connect directly to link certifications in SECOP. Similarly, the Financial Information Integrated System (*Sistema Integrado de Información Financiera*, SIIF) is not integrated to connect budget, accounting and procurement information.

SECOP II

To address these issues, CCE has designed and implemented a next-generation e-procurement platform, SECOP II. Designed to increase electronic availability of all procurement documents, allow electronic communication at all stages of the procurement cycle, and allow electronic submission of tenders. By expanding the functionalities for e-procurement, Colombia is in line with many OECD countries. As of 2014, all OECD member countries announce procurement opportunities and provide tender documents through their e-procurement systems; most of these countries are mandated by law to provide these functionalities. Functionalities at the beginning of the procurement cycle - in particular publishing of procurement plans (86%), electronic submission of bids (90%), and e-tendering (86%) - are provided in most OECD countries. In contrast, those towards the end of procurement cycle (except for notification of award [97%]) are provided by a lower number of OECD member countries. Fewer countries provide e-auctions, ordering, electronic submission of invoices and *ex post* contract management

through their e-procurement systems. The majority of countries provide these functionalities in their e-procurement systems even though they are not obliged by law (see Table 1.2).

Table 1.2. **Functionalities of e-procurement systems**

	Mandatory and provided	Not mandatory but provided	Not provided
Publishing procurement plans (about forecasted government needs)	AUS, BEL, CHL, DMK, GRC, HUN, IRL, KOR, MEX, NZL, NOR, PRT, GBR, USA	AUT, CAN, FIN, DEU, ITA, JPN, POL, SVN, ESP, SWE, CHE	EST, FRA, LUX, SVK
Announcing tenders	AUS, AUT, BEL, CAN, CHL, DNK, EST, FIN, FRA, DEU, GRC, HUN, IRL, ITA, KOR, LUX, MEX, NZL, NOR, POL, PRT, SVK, SVN, ESP, SWE, CHE, GBR, USA	JPN	
Provision of tender documents	AUS, AUT, BEL, CHL, EST, FIN, FRA, DEU, GRC, HUN, IRL, KOR, MEX, NZL, NOR, POL, PRT, SVK, SVN, SWE, CHE, GBR, USA	CAN, DNK, ITA, JPN, LUX, ESP	
Electronic submission of bids (excluding by e-mails)	BEL, CHL, EST, FRA, GRC, ITA, MEX, PRT, USA	AUS, AUT, CAN, DNK, FIN, DEU, IRL, JPN, KOR, LUX, NZL, NOR, SVK, SVN, ESP, SWE, GBR	HUN, POL, CHE
E-tendering	BEL, CAN, CHL, EST, GRC, IRL, ITA, MEX, CHE, USA	AUT, DNK, FIN, FRA, DEU, JPN, KOR, NZL, NOR, PRT, SVK, SVN, ESP, SWE, GBR	AUS, HUN, LUX, POL
E-auctions (in e-tendering)	GRC, MEX, SVK, SVN, USA	DNK, EST, FIN, FRA, DEU, IRL, ITA, NZL, NOR, PRT, SWE, CHE, GBR	AUS, AUT, BEL, CAN, CHL, HUN, JPN, KOR, LUX, POL, ESP
Notification of award	AUT, BEL, CAN, CHL, DNK, EST, FIN, DEU, GRC, HUN, IRL, KOR, MEX, NZL, NOR, POL, PRT, SVK, SVN, ESP, SWE, CHE, USA	AUS, FRA, ITA, JPN, GBR	LUX
Ordering	CHL, FIN, ITA, CHE, USA	AUT, BEL, CAN, DNK, FRA, DEU, JPN, KOR, NZL, NOR, SVN, ESP, SWE, GBR	AUS, EST, GRC, HUN, IRL, LUX, MEX, POL, PRT, SVK
Electronic submission of invoices (excluding by e-mails)	AUT, DNK, FIN, ITA, ESP, SVN, SWE, CHE, USA	FRA, DEU, JPN, KOR, NZL, NOR, GBR	AUS, BEL, CAN, CHL, EST, GRC, HUN, IRL, LUX, MEX, POL, PRT, SVK
Ex post contract management	CHE, USA	AUT, DNK, FIN, DEU, ITA, JPN, KOR, NZL, NOR, SWE	AUS, BEL, CAN, CHL, EST, FRA, GRC, HUN, IRL, LUX, MEX, POL, PRT, SVK, SVN, ESP, GBR

Source: OECD (2015c), *Government at a Glance 2015*, OECD Publishing, Paris, http://dx.doi.org/10.1787/gov_glance-2015-en.

SECOP II is currently in the early stages of deployment. To ensure a successful transition, CCE has published drafts of the user manuals for SECOP II addressed to both government agencies and the private sector, and has designed training courses to teach the use of the system. There is an ambitious goal to bring on board 4 076 government agencies as users by 2018, including all national and department procuring entities as well as the mayors of major cities. State-owned businesses are currently instructed by CCE Circular 20 and related guidance to provide links to SECOP. Such entities will be

encouraged to use SECOP II, but not required by law to do so; some such as the City of Bogota Water Supply Company are already committed to doing so. In order to attract users that are not mandated to use the system, CCE should develop metrics for analysing burden reduction associated with the move to new electronic processes made possible by SECOP II.

As with any major transition, change management will be an important element of a successful implementation of SECOP II. Adoption of e-procurement brings with it specific challenges, and the OECD has identified these common challenges faced by countries in order to be addressed successfully. When responding to the OECD Survey on Public Procurement, the main challenge faced by both procuring entities and potential bidders and suppliers with regard to using e-procurement systems was limited knowledge and information and communications technology (ICT) skills (48%). This issue must be addressed through training and development of the procurement workforce. Low innovative organisational culture (41%) and limited knowledge of the economic opportunities raised by e-procurement systems (32%) were identified as additional challenges for procuring entities. Related to potential bidders and suppliers, 12 OECD member countries (41%) identified difficulties in understanding or applying the procedures and difficulties in the use of the functionalities as additional challenges (see Table 1.3). In addition, the broad geographical spread in Colombia will be a challenge to incorporating all of the targeted procuring entities.

Toward reliable and useful data

In addition to providing increased functionality and broader coverage of the public procurement cycle, one of the most important advantages of SECOP II will be the automation and centralisation of many of the data collection activities. By collecting data in structured formats, the resource-intensive processes of manually reporting data, manually sampling and testing for inaccuracies, and manually generating relevant reporting from the system can be eliminated, and these resources dedicated to other functions within the context of improving the public procurement system.

As the system was developed, Colombia recognised the importance of developing key performance indicators that can be derived from information available from within SECOP II and other related systems. Eleven key indicators across four key target areas have been identified and defined, and baseline evaluations have been conducted (see Box 1.6). These efforts are consistent with other countries identification of relevant information on which to base performance indicators for the health of the procurement system (see Box 1.7), as well as with ongoing OECD work to define and develop key performance indicators.

Table 1.3. **Challenges faced in e-procurement implementation**

	Procuring entities				Potential bidders/suppliers					
	Limited knowledge/ ICT skills	Limited knowledge of the economic opportunities raised by this tool	Low innovative organisational culture	Do not know	Limited knowledge/ ICT skills	Limited knowledge of the economic opportunities raised by this tool	Difficulties understanding or applying the procedure	Difficulties in the use of functionalities (e.g. catalogue management)	Low propensity to innovation	Do not know
Australia	No major challenges faced by procuring entities				No major challenges faced by potential bidders/suppliers					
Austria				●						●
Belgium			●						●	
Canada	●				●	●	●	●	●	
Chile				●		●	●	●		
Denmark				●			●	●		
Estonia		●				●				
Finland				●						●
France				●						●
Germany	●	●	●			●		●		
Greece		●	●		●	●			●	
Hungary	●		●		●		●	●		
Ireland				●			●			
Italy	●		●		●		●	●	●	
Japan	●	●			●	●	●	●		
Korea	●		●		●				●	
Luxembourg				●						●
Mexico	●	●	●							●
New Zealand	●	●			●	●				
Norway		●				●	●		●	
Poland	●		●		●		●	●		
Portugal	●				●		●			
Slovak Republic		●			●			●		
Slovenia	●	●	●		●	●	●	●	●	
Spain		●	●		●	●			●	
Sweden				●						●
Switzerland				●						●
United Kingdom	●		●			●		●		
United States	●		●		●		●	●	●	
Brazil	●	●	●		●	●	●	●		
Colombia	●	●	●		●	●			●	
OECD 29	13	10	12	9	13	11	12	12	9	7

Source: OECD (2015c), *Government at a Glance 2015*, OECD Publishing, Paris, http://dx.doi.org/10.1787/gov_glance-2015-en.

Box 1.6. **Indicators to measure the national procurement system**

Indicator	What does it measure?	Description
Value for money		
Opportunity of the contracting process	The level of budgetary commitments in a fiscal year	Ratio between the commitments and the appropriation during the fiscal year, which does not include staff costs, budgetary transferences, and debt expenses
Changes in value according to specifications	The variation in the value of the contracts between the initial value established in the tender documents and the final value awarded	Average difference between the estimated value for the selection and the final value of the contract
Average time of the selection process according to the award mechanism	Difference in time of the selection process by award mechanism	Period of time between the signature date of a contract and the starting date of the process
Integrity and transparency in competition		
Average of new contractors	Percentage of new contractors in a public entity regarding the former year	Ratio of new contractors of a public entity regarding the number of contractors working in the public entity in the previous year
Concentration of the contracts' value by contractor	The concentration of resources by contractor that perform for a public entity through public procurement	Concentration of a public entity's budget by contractor measured by the Gini coefficient
Percentage of contracts awarded to plural bidders	Frequency of awarded contracts to plural bidders by a public entity	Ratio of the contracts and the value of the contracts awarded by a public entity to plural bidders
Percentage of contracts awarded in non-competitive processes	Percentage of public contracting that is done under non-competitive processes	Percentage of awarded contracts without a competitive process, not including inter-administrative contracts, reserve spending of the defence sector and professional services
Accountability		
Percentage of public entity users of SECOP	SECOP use by the public entities that are obligated to use it	Percentage of public entities using SECOP
Percentage of public entities that publish their annual acquisition plans on SECOP	The progress in the compliance of the publication of the Annual Acquisition Plan on SECOP	Percentage of public entities that publish every year their Annual Acquisition Plan on SECOP
Percentage of publicity of the contracting processes in SECOP	The level of publication on SECOP of the contracts signed in a fiscal year	Percentage of the value of the procurement processes that a public entity publishes on SECOP
Risk management		
Percentage of contracts with modifications in time and/or value	Proportion of contracts modified after their signature regarding the total of contracts done by a public entity	Proportion of contracts modified in the value or in the duration of their performance after their signature

Box 1.6. **Indicators to measure the national procurement system** *(continued)*

In 2015, *Colombia Compra Eficiente* made the first indicators estimation of the Public Procurement System using the procurement information of the State Entities in 2014. The baseline results are presented in the following table.

Dimension	Indicator	Results baseline (2014)
Value for money	Opportunity of the contracting processes	7.4%
	Changes in value according to specifications	0.1%
	Average time of the selection process according to the award mechanism	Open tender: 37 days
		Merit contest: 38 days
		Abbreviated selection: 37 days
		Reverse auction: 38 days
		Abbreviated selection in instruments to aggregate demand: 9 days
		Direct contracting: 26 days
		Special regime: 38 days
		Selection with small budget: 12 days
		Lower value: 38 days
Integrity and transparency in competition	Average of new contractors	24.1%
	Concentration of the contracts' value by contractor	0.638
	Percentage of contracts awarded to plural bidders	10%
	Percentage of contracts awarded in non-competitive processes	38.5%
Accountability	Percentage of public entities users of SECOP	99%
	Percentage of public entities that publish their annual acquisition plan on SECOP	58%
	Percentage of publicity of the contracting processes in SECOP	49%
Risk management	Percentage of contracts with modifications in time or value	23%

Source: Information provided by CCE.

Additionally, SECOP II is integrated with the SIIF financial information system. In implementation of the *Tienda Virtual del Estado Colombiano* – the e-store system for the framework agreements managed by CCE – work was done to integrate with SIIF, and the development of SECOP II has benefited from this experience. A remaining challenge will be to integrate SECOP II with the financial systems at the subnational level. By providing a direct connection with the financial reporting system, data accuracy and transparency into the spending of procurement entities is much advanced.

Box 1.7. **Establishing good key performance indicators**

Good key performance indicators must possess some fundamental qualities to fully benefit an organisation and its suppliers. They should be:

- **Relevant**, i.e. linked to key objectives of the organisation (critical outcomes or risks to be avoided), rather than on process.
- **Clear**, i.e. spelled out in the contractual document and as simple as possible to ensure common understanding by the buying organisation and the supplier.
- **Measurable and objective**, i.e. expressed on pre-determined measures and formulas, and based on simple data that can be gathered objectively and in a cost-effective manner.
- **Achievable**, i.e. realistic and within the control of the supplier.
- **Limited**, i.e. as few as required achieving the objectives while minimising their disadvantages (costs, efforts and risk of dispute) to both entities. To the extent possible, the use of information and documentation already available under the contract management process should be promoted rather than requiring the collection of additional data or documentation.
- **Timed**, i.e. include specific timeframes for completion.

Procurement key performance indicators can be established for any important objective of the organisation. While a wide variety of subjects can be considered, the following ones may be appropriate:

- **Delivery**, i.e. whether the supplier delivers on time, delivers the right items and quantities, provides accurate documentation and information, responds to emergency delivery requirements, etc.
- **Pricing**: competitiveness, price stability, volume or other discounts, etc.
- **Customer service**: number of product shortages due to the supplier, training provided on equipment and products, warranty services, administrative efficiency (including order acknowledgement and accurate invoice), accuracy of performance data and reports provided by the suppliers, etc.
- **Product**: meets specifications (including percentage of rejects/defects), reliability/durability under usage, packaging, quality and availability of documentation and technical manuals, etc.

Finally, not all key performance indicators have to be monitored on the same frequency, the majority potentially being assessed on a monthly basis, with others only quarterly or even annually.

Source: OECD (2013c), *Public Procurement Review of the State's Employees' Social Security and Social Services Institute in Mexico*, OECD Public Governance Reviews, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264197305-en.

The situation regarding the relation between SECOP II and RUP is somewhat more complicated. Under current law, RUP is the mandated database for registration of supplier information. However, there are some challenges related to this arrangement. The fact-finding mission identified issues related to the cost and burden of registration in RUP. Suppliers are required to submit substantial documentation to register within RUP. Additionally, registration is required on an annual basis; if a supplier fails to register

within the appropriate time frame, they are automatically removed from the system. Finally, there is a cost to register with RUP, currently approximately USD 64. While this cost is not prohibitive, some stakeholders expressed concern that the overall cost and burden together is a reason why some suppliers resist attempting to provide goods and services to the government in Colombia. There are currently only 33 000 registered suppliers within RUP, which is a very small fraction of total potential suppliers in Colombia.

SECOP II includes an independent supplier registration process, which is also required for participating in the additional functionalities provided by the new system, including bidding on contracts conducted electronically. This registration is free for suppliers, but is therefore duplicative with the RUP process. While the RUP system offers some additional benefits, including verification by the Chambers of Commerce of the information submitted by suppliers, Colombia should consider options for addressing this duplication of effort in a manner that reduces costs and burdens for suppliers. Such efforts to streamline multiple data sources to reduce duplication have been ongoing in some OECD countries, such as the United States (see Box 1.8).

Box 1.8. **Consolidation of suppliers' information in the United States**

The System for Award Management (SAM, www.sam.gov) is a US Federal Government owned and operated free website that consolidates the capabilities from various legacy databases and systems used in federal procurement and awards processes. As it relates to suppliers' information, it covers the following systems:

- The Central Contractor Registration (CCR) is the Federal Government's primary vendor database that collects, validates, stores, and disseminates vendor data in support of agency acquisition missions. Both current and potential vendors are required to register in the CCR to be eligible for federal contracts. Once vendors are registered, their data are shared with other federal electronic business systems that promote the paperless communication and co-operation between systems. The information and capabilities of CCR are gradually being transferred into SAM.
- The Excluded Parties Lists System (EPLS) was a web-based system that identified parties excluded from receiving federal contracts, certain subcontracts, and certain types of federal financial and non-financial assistance and benefits. The EPLS was updated to reflect government-wide administrative and statutory exclusions, and also included suspected terrorists and individuals barred from entering the United States. The user was able to search, view, and download current and archived exclusions. All the exclusion capabilities of the EPLS were transferred to SAM in November 2012.

Furthermore, federal agencies are required since July 2009 to post all contractor performance evaluations on the Past Performance Information Retrieval System (PPIRS, www.ppirs.gov). That web-based, government-wide application provides timely and pertinent information on a contractor's past performance to the federal acquisition community for making source selection decisions. PPIRS provides a query capability for authorised users to retrieve report card information detailing a contractor's past performance. Federal regulations require that report cards be completed annually by customers during the life of the contract. The PPIRS consists of several sub-systems and databases (e.g. Contractor Performance System, Past Performance Data Base, and Construction Contractor Appraisal Support System).

Source: OECD (2013b), *Colombia: Implementing Good Governance*, OECD Public Governance Reviews, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264202177-en.

Focusing on stakeholders

In all of its work, CCE recognises the importance of providing relevant information to a wide variety of stakeholders. Previous efforts have included the development of an RSS feed to help the private sector identify public procurement opportunities, providing data as requested to the *Procuraduría* and *Contraloría* as required for oversight activities, developed and released the *Síntesis* system to consult legal and jurisprudential information related to public procurement, opened a help desk for all stakeholder, offered manuals and videos for the use of electronic systems, and issued manuals and guides designed to further understanding of the function of the procurement system. CCE also publishes a regular bulletin designed to highlight ongoing efforts and improvements for interested stakeholders. The implementation of SECOP II provides a number of opportunities to continue and expand this trend of stakeholder engagement.

As with any public procurement system, this outreach targets a number of relevant stakeholder groups. Government purchasing entities, suppliers and potential suppliers, control authorities, the media and NGOs and the general public all have a high degree of interest in receiving targeted and relevant outputs from the public procurement system. Through interviews with stakeholders from these various groups, the fact-finding mission identified an appreciation of the efforts undertaken by CCE so far, as well as substantial interest and anticipation in working together to implement SECOP II.

Government entities, suppliers and industry stakeholder groups who were interviewed expressed a strong interest in the reduced burden that will come from transforming many current processes into electronic processes, and the only consistently expressed concern involved a desire to move more quickly into adoption of SECOP II. Many also expressed the view that the move to SECOP II and more clearly defined electronic processes will help to eliminate some of the barriers that potential new entrants have in understanding the public procurement process.

Both the *Procuraduría* and *Contraloría* expressed satisfaction with the interaction with CCE regarding data necessary to carry out their functions. Both entities also welcome the additional possibilities available with SECOP II, including a suggestion from the *Contraloría* to better integrate public procurement information into the development of risk matrices used to evaluate the sufficiency of processes and the efficiency of outcomes. One recommendation for future action in this area involves the development of a feedback loop, designed to share findings of problems to inform future policy development and training.

Journalists are also heavy users of public procurement information currently provided by SECOP and CCE. Stakeholder interviews expressed surprise and satisfaction at the amount of information made available by CCE, and also with the availability of CCE personnel to address questions regarding whether data was available, or why it was not. As with other stakeholder groups, anticipation of the benefits involved in the transition to SECOP II was expressed. Both improved quality and better interconnection of the data available were highlighted as benefits of the new system. Additionally, the timeliness of available information was cited as of critical concern for the stakeholders that were interviewed.

Within this context, CCE can consider the development of additional standard reporting elements that can further satisfy stakeholder needs. While standard and automated reporting for the health and function of the procurement system is already planned, the available data can also be packaged in more targeted ways. Some state-of-

the-art country procurement systems have begun to add this functionality, as in the example of Korea (see Box 1.9).

Box 1.9. **Korea's public procurement data system**

While almost 70% of public procurement transactions in Korea occur via the Korean ON-line E-Procurement System (KONEPS), the remaining transactions, including defence procurement, procurement transactions by other public enterprises that use their own e-procurement systems and some manual transactions, are not currently captured in a centralised way. In 2013, Korea's Public Procurement Service (PPS) launched a Public Procurement Data System project to close this gap and provide policy makers and citizens with complete procurement transaction data across the entire public sector, enabling a better understanding of the procurement market and an analytical study on the policy results.

Proper legal authority for the project was established by the modifications of procurement laws including the Government Procurement Act (July 2013) and the Enforcement Decree on the Government Procurement Act (January 2014), giving PPS the legal authority to request data and establishing deadlines for government agencies to submit the requested procurement data.

Total public procurement encompasses procurements that occur in both electronic and non-electronic ways. Electronic procurement is carried out on KONEPS and 23 other electronic procurement platforms for specific procuring entities. Thus, data integration includes linking of the 24 e-procurement systems as well as central collection of manual records. A report will be prepared to present the data collected per government bodies, companies, and projects. Data will also be presented in infographics in order to facilitate end user comprehension.

The data integration faces some difficulties due to administrative burdens that are imposed on approximately 28 000 government agencies and delays in concomitant projects in some government agencies to improve their electronic systems, which were intended to facilitate the data integration. In order to alleviate the administrative burden on the collection of manually kept data, discussion on linking with other financial information systems is taking place, including the Educational Financial System, the Local Government Budget and Accounting System, the Local Pubic Enterprise Budget and Accounting System and the National Budget and Accounting System. Additionally, some difficulties arose due to the disparity of the information collected at each government agency and across different e-procurement systems. In response, new code mapping was provided to agencies where data were collected by different standards.

Provision and publication of data statistics on total public procurement on a monthly and annual basis and 103 specific reports based on the data are expected to increase availability of the data for companies and the public, and enhance transparency of the government budget. The reports will be made available on line.

Source: OECD (2016), *The Korean Public Procurement Service: Innovating for Effectiveness*, OECD Public Governance Reviews, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264249431-en.

Future directions

In addition to the planned activities designed to better utilise public procurement data available in SECOP II, there are additional methods of data integration that should be considered for future implementation.

Risk management

The availability of real-time, quality public procurement information regarding ongoing activities provides an opportunity to develop risk-management tools that are otherwise unavailable. In many countries, such systems are being designed to provide "red flags" during ongoing procurement processes as a means of highlighting cases where additional investigation may be required. Examples include the Public Spending Observatory established in Brazil (see Box 1.10) and the National Database on Public Contracts established in Italy (see Box 1.11).

Box 1.10. **Brazil's Public Spending Observatory**

The Office of the Comptroller General of the Union launched the Public Spending Observatory (*Observatório da Despesa Pública*) in 2008 as the basis for continuous detection and sanctioning of misconduct and corruption. Through the Public Spending Observatory, procurement expenditure data are cross-checked with other government databases as a means of identifying atypical situations that, while not *a priori* evidence of irregularities, warrant further examination.

Based on the experience over the past several years, a number of daily actions are taken to cross procurement and other government data. This exercise generates "orange" or "red" flags that can be followed up and investigated by officials within the Office of the Comptroller General of the Union. In many cases, follow-up activities are conducted together with special Advisors on Internal Control and internal audit units within public organisations.

Examples of these tracks related to procurement and administrative contracts include possible conflicts of interest, inappropriate use of exemptions and waivers and substantial contract amendments. A number of tracks also relate to suspicious patterns of bid rotation and market division among competitors by sector, geographic area or time, which might indicate that bidders are acting in a collusive scheme.

Finally, tracks also exist regarding the use of federal government payment cards and administrative agreements (*convenios*). In 2013, there were 60 000 instances of warnings originated from the computer-assisted audit tracks used by the Office of the Comptroller General of the Union to identify possible procurement irregularities, such as:

1. business relations between suppliers participating in the same procurement procedure
2. fractioning of contracts in order to use exemptions to the competitive procurement modality
3. non-compliance by suppliers with tender submission deadlines
4. registration of bid submissions on non-working days
5. supplier's bid submissions or company records with the same registered address
6. contract amounts above the legally prescribed ceiling for the procurement modality used
7. contract amendments within a month of contract award, in violation of the specific tender modality
8. evidence of bidder rotation in procurement procedures
9. use of reverse auctions for engineering services
10. micro- and small-sized enterprises with shareholders in other micro- and small-sized enterprises
11. personal relations between suppliers and public officials in procurement procedures
12. use of bid waiver when more than one "exclusive" supplier exists
13. bid submission received prior to publication of a procurement notice
14. possibility of competition in exemptions
15. participation of newly established suppliers in procurement procedures
16. contract amendments above an established limit, in violation of the specific tender modality
17. commitments issued prior to the original proposal date in the commitment registration system
18. bidding procedures involving suppliers registered in the Information Registry of Unpaid Federal Public Sector Credits (*CadastroInformativo de CréditosNãoQuitados do SetorPúblico Federal*)
19. micro- and small-sized enterprises linked to other enterprises
20. micro- and small-sized enterprises with earnings greater than BRL 0.24 million or BRL 2.40 million, respectively.

Source: OECD (forthcoming), *Compendium of Good Practices for Integrity in Public Procurement*.

Box 1.11. **Transparency and traceability in public procurement in Italy**

The Authority for the Supervision of Public Contracts has implemented a National Database on Public Contracts (NDPC) in line with Law n. 136/2010. It aims at collecting and processing data on public procurement in order to provide indications to the supervising departments and to inform regulators on measures that need to be taken to promote transparency, simplification and competition. It collects data on information technology and conducts market analyses. In particular, it collects and assesses data on:

- The structural characteristics of the public procurement market and its evolution. Statistics about the number and value of procurement awards are grouped by localisation, procurement entities, awarding procedures; the different typologies of procurement are periodically published.
- The criteria of efficiency and value for money during the procurement process. Modifications to contractual conditions are recorded in the authority's database which, in turn, detects dysfunctions and anomalies of the market.
- Dysfunctions and anomalies of the market through fixed measures. These dysfunctions and anomalies are detected through: *i)* the assessment indexes of excessive tendering rebates, with respect to the average rebates; *ii)* the number of bids to be presented in each awarding procedure; *iii)* the localisation of awarded companies with respect to the localisation of the contracting authority.

The Construction Company Database (*Casellario Informatico*) and the data on the declarations filed by the economic operators on the reliance on the capacities of other entities are, *inter alia*, parts of the National Database of Public Contracts.

Through the quality of the data made available by the NDPC, the authority improved its activities, notably supervision and regulation activity, in order to provide guidelines on measures that need to be taken into account to promote transparency, simplification and competition in the entire procurement process and, particularly, in the pre-bidding and post-bidding phases.

Source: OECD (2013b), *Colombia: Implementing Good Governance*, OECD Public Governance Reviews, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264202177-en.

The identification of potential cases of collusion or other anti-competitive behaviour is another area where improved access to reliable data can provide an initial warning system of cases that require deeper investigation. The Colombian *Superintendencia de Industria y Comercio* is developing such a system in Colombia, and integration with data from SECOP II could serve to improve the effectiveness and speed with which such a system operates. The *Superintendencia de Industria y Comercio* and CCE have developed a formal partnership to study procurement issues with competition implications following OECD recommendations and they should jointly develop training sessions and education activities to prevent and manage bid rigging to further implement such recommendations (OECD, 2014). This approach is being pursued in some OECD countries, for example Korea (see Box 1.12).

Box 1.12. **Korea's Bid Rigging Indicator Analysis System (BRIAS)**

The Fair Trade Commission (FTC) in Korea works with public buying entities to identify cartel activity and potential cases of bid rigging in public procurement. This work is particularly relevant at this time, as a number of potential cases related to increased spending in response to the 2009 economic crisis have been identified. During 2009 and 2010, Korea launched a number of large public works projects in a short period of time, and there are now claims that contractors colluded to divide this work.

To identify cases of collusion, the FTC traditionally relied on voluntary reporting by cartel members seeking leniency, and on reports by competing suppliers. These remain the most reliable sources of identification of potential collusion. In 2006, the FTC developed the Bid Rigging Indicator Analysis System (BRIAS) to supplement these methods of identification.

Drawing information directly from the Korean e-procurement system KONEPS, BRIAS looks to data elements including bidding price (as a ratio compared to reference price), the number of participants, and the competition method, and applies a formula that generates a potential bid-rigging score. If above a certain threshold, this then suggests the need to collect more information regarding the contract action. Based on this closer look, an investigation is opened in cases where it is warranted.

BRIAS collects information from KONEPS on a daily basis, and each month the system is run on collected data from the previous month. For goods and services, BRIAS is run on tenders above USD 423 800. For public works, the threshold is USD 4.2 million. As of 2012, BRIAS was run on 20 000-30 000 biddings per year; of approximately 20 000 runs in 2012, the system generated 200 hits that warranted an additional look. The establishment of this kind of automated system for the detection of red flags in public procurement is a good practice implemented successfully in other countries such as Brazil.

Whether identified through BRIAS or through traditional means, investigation of potential cases of collusion involves collection of additional information from PPS followed by site visitations and other investigative steps to find evidence of information exchange. These investigations can take anywhere from one to three years, from initial reporting to final verdict, and the FTC has established a separate investigation unit focused solely on public procurement. When found guilty, sanctions can range from orders for corrective action, which are essentially warnings for minor offenses, through a financial penalty of up to 10% of the contract volume involved. Additional criminal charges can also be filed with prosecutors. In 2012, more than 40 cases led to findings of guilt, leading to fines in excess of USD 847 million. The number of investigations and findings of guilt has been increasing.

In terms of direct contribution, the results from BRIAS have been limited: only three cases initially identified by BRIAS have led to findings of guilt. In part, this is attributable to the fact that the capacity to investigate is limited, and cases based on voluntary reporting or challenges by other suppliers begin with a more firm investigative basis than the circumstantial red flag generated by BRIAS. But during the period of its operation, voluntary reporting by cartel participants has increased significantly, and some of this increase is attributed to the raised awareness and fear of being caught generated by the implementation of the BRIAS system. This result is consistent with the OECD Recommendation on Public Procurement, which identifies the publication of risk management strategies, including systems for generating red flags, as an important element of their effectiveness.

To further expand the benefits of the BRIAS system, the FTC established a committee between project commissioners (including PPS and other large enterprises) to try to encourage adoption of a similar system at other public enterprises. In addition to providing the same functionality in a broader range of public procurement cases, spreading systems like this will allow the FTC to develop broader expertise, based on the differences in procurement practices at different entities, to better identify and prosecute cases of collusion. Dissemination activities are also undertaken to spread awareness and identify typical cases of collusion. In addition, the PPS training centre recently developed a separate training course on collusion, implemented in collaboration with the FTC.

Source: OECD (2016), *The Korean Public Procurement Service: Innovating for Effectiveness*, OECD Public Governance Reviews, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264249431-en.

Business intelligence and supplier utilisation

One of the recommendations from the 2013 procurement review of Colombia involved the development of business intelligence features to aggregate numbers, duration and amount of contract per product or service, as well as by buyer and supplier, to generate reports and statistical analysis to ensure proper visibility into public procurement spending. Many of these elements are envisioned in the reporting capabilities provided by SECOP II, but some countries are taking these efforts further into "supplier management" efforts. Designed to give the government more insight into the assets and capabilities of suppliers and their markets, such efforts represent a next step in effective utilisation of data to improve public procurement. One example is the management of supplier relationships in New Zealand (see Box 1.13).

Box 1.13. **Managing supplier relationships in collaborative contracts in New Zealand**

A New Zealand initiative to improve the performance of managing supplier relationships in collaborative contracts is applying a strategic supplier relationship management model.

All-of-government (AoG) contracts establish a single supply agreement between the Crown and approved suppliers for the supply of selected common goods and services purchased across government (see www.procurement.govt.nz). These contracts deliver a range of benefits to agencies, suppliers and, ultimately, the New Zealand taxpayer. These benefits include: cost-savings to agencies, the government and taxpayers; productivity gains for agencies and suppliers; and improved competition.

Strategic supplier relationship management (SSRM) is the systematic, enterprise-wide assessment of suppliers' assets and capabilities with respect to overall business strategy, determination of what activities to engage in with different suppliers, and planning and execution of all interactions with suppliers, in a co-ordinated fashion across the relationship lifecycle. The objective is to maximise the value realised through those interactions. The focus of SSRM is to develop two-way, mutually beneficial relationships with strategic supply partners to deliver greater levels of innovation and competitive advantage than could be achieved by operating independently or through a traditional, transactional purchasing arrangement.

Suppliers are encouraged to view SSRM in the AoG context as an attractive proposition as it helps them:

- better understand government's strategic direction to inform commercial strategies
- gain strategic alignment with New Zealand Government Procurement (NZGP) which can inform business planning
- better understand and inform category strategies
- gain early engagement with capability and capacity alignment
- discuss shared roadmaps and focused innovation opportunities
- receive strategic feedback from government on performance and identification of gaps that are effective their relationship with government
- better influence agency performance in contract utilisation and leverage.

Box 1.13. **Managing supplier relationships in collaborative contracts in New Zealand** *(continued)*

Key aspects of SSRM when applied to NZ common capability contracts include:

- A focus on procurement excellence across the plan, source, manage procurement lifecycle to maximise value for agencies.
- Assisting in maximising value during the contract management phase.
- Supplier classification enabling supplier focus and effort to be applied commensurate with the importance, value, risk and cost of the relationship.
- Models are applied to assist with classification, including Supply Positioning and Supply Preferencing.
- Providers are "classified" into one of three tiers:
  - Tier 3 = "light touch" – generally for the larger panels within professional services categories.
  - Tier 2 is similar to current effort across many of the current AOG contracts. It pertains mainly to majority of contracts within ICT and Corporate and Support Services.
  - Tier 1 provides for organisational alignment across three levels. It is more intense and is intended for the likes of key suppliers to government.

Source: Case study provided by New Zealand.

Recommendations

- CCE should develop metrics and continue to highlight the burden reduction associated with the move to electronic procurement processes, as a means of demonstrating value and attracting additional users.
- CCE should continue to carefully plan, monitor and evaluate the gradual implementation and expansion of SECOP II, applying appropriate change-management and communications strategies, to ensure the effectiveness of the new system. This could include connections with other systems, including subnational financial systems.
- CCE should continue implementation and expansion of standard reporting processes from the data available in SECOP II, including:
  - calculating on yearly basis the key performance indicators defined to monitor the health and function of the public procurement system and communicating them
  - reports designed to address specific stakeholder needs.
- CCE should consider the appropriate path forward to eliminate the duplication resulting from two mandatory supplier registry systems, the RUP and SECOP II.

- CCE should work with the Procuraduría and Contraloría to ensure that lessons learned from oversight activities are incorporated in policy development and training activities.
- CCE should consider additional opportunities to utilise SECOP II data in order to:
  - integrate with risk matrices used by the *Contraloría* in its activities
  - develop real-time risk management alerts
  - integrate with the anti-trust system for identifying collusion or cartel behaviour
  - develop supplier-focused business intelligence to better manage the procurement markets.

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