

e-Procurement Experiences of Korea

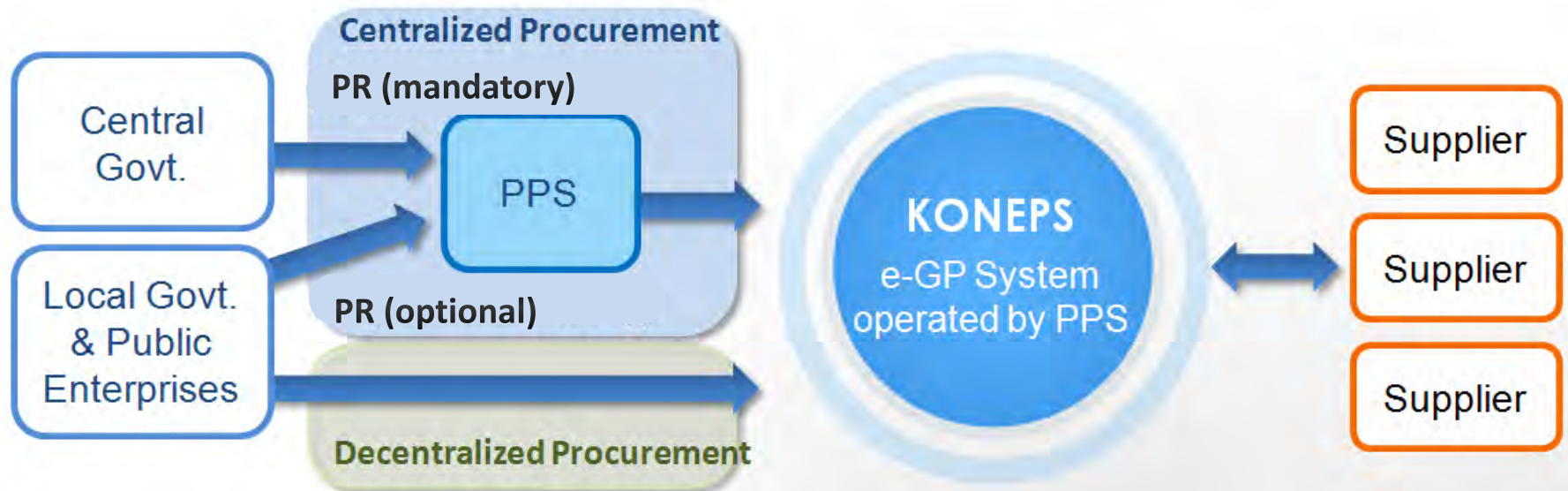
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Inaugural Conference, Manila**

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I e-Procurement in Korea

➤ Korea's Public Procurement Process



- Centralized procurement through PPS (2014) : USD 33.9 B
- **31.6%** of Korea's public procurement (107 B)
- Transaction via KONEPS : USD 67.3 B (**63%**) of Korea's public procurement
 - ❖ However, 100% of tender notices are published through KONEPS

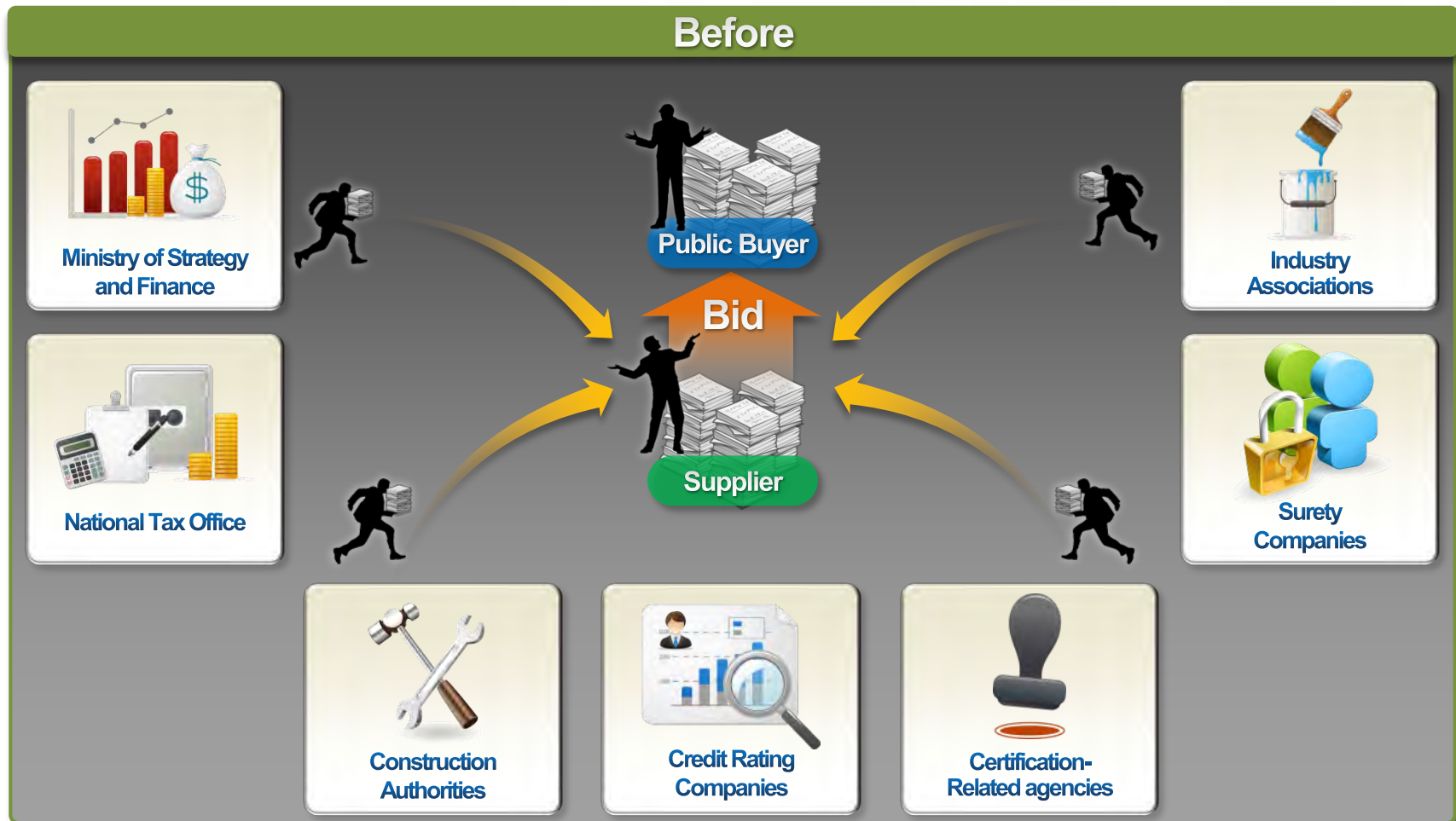
➤ KONEPS (Korea On-line E-Procurement System)

- Single window for public procurement
- End-to-end service that covers the entire procurement processes
- Seamless service through data interconnection with 160 database systems



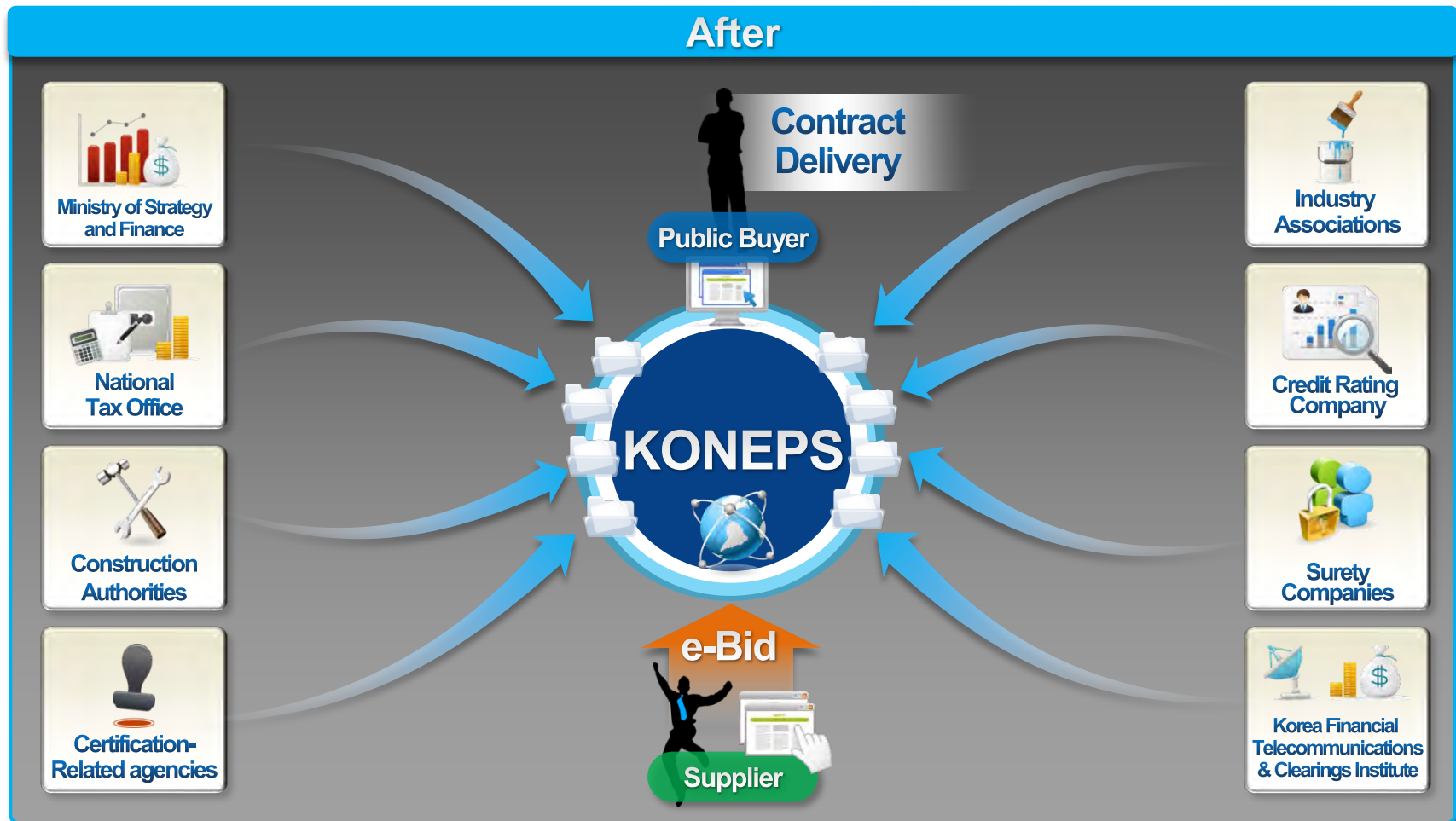
➤ Seamless Service through Data Integration

- Data interchange with 160 external info systems for seamless process

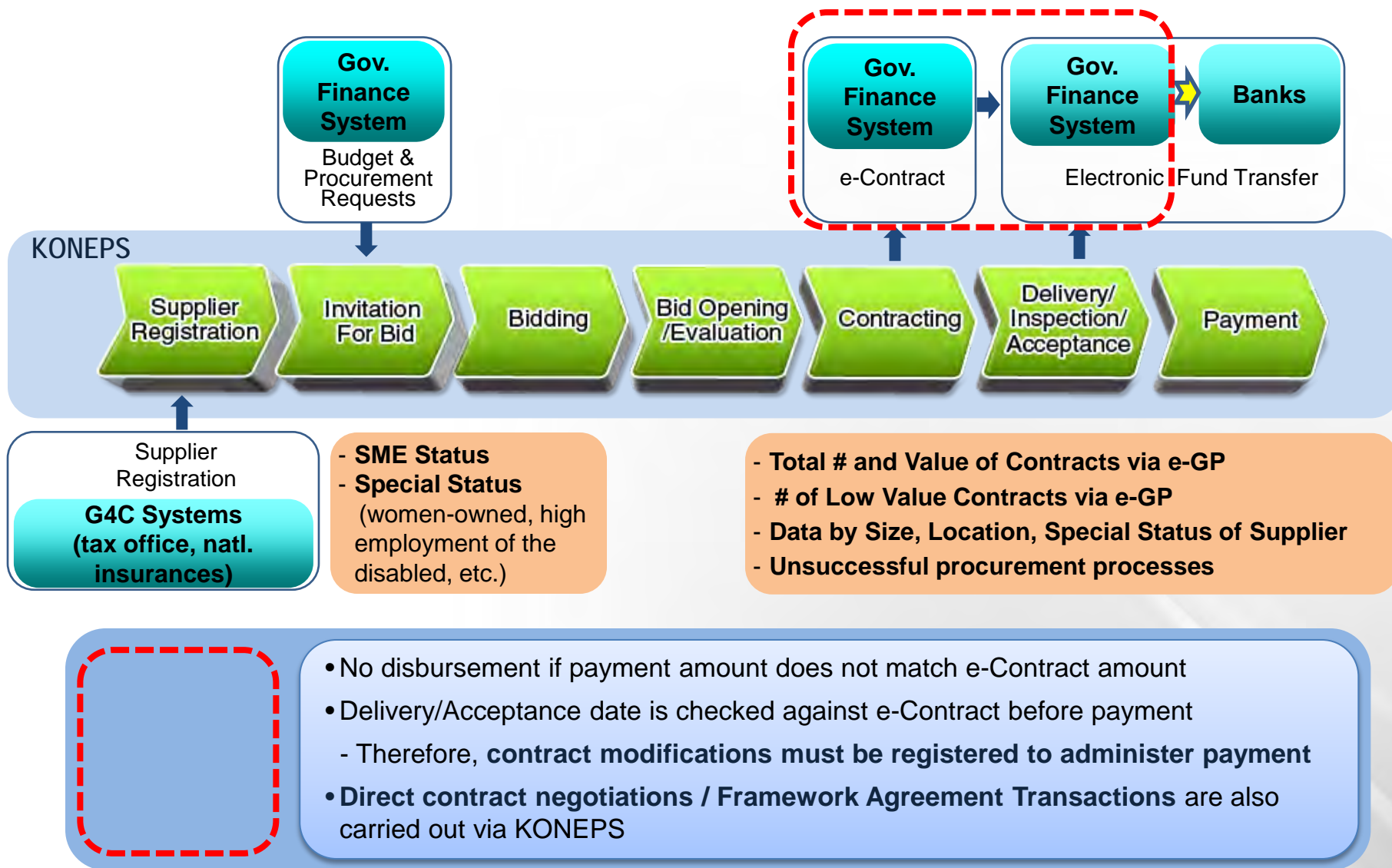


➤ Seamless Service through Data Integration

- Data interchange with 160 external info systems for seamless process



■ Data entry in the procurement cycle



Online Shopping Mall for Framework Contracted Products

KONEPS Catalogue Information PPS

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Online Shopping Mall

Shopping Category ▾

Product Category

Cultural goods ▶

Office, Edu. Video ▶

Electronic, ICT ▶

Software ▶

Fabric, Rubber, ▶

Chemical, Fire ▶

Vehicle, Transport ▶

Electricity, Testing Machinery ▶

Cement, Asphalt ▶

Civil Engineering ▶

Road, Rail, others ▶

Food ▶

Plants ▶

Search Result

[< Prev](#)

Search result for **Computer** : 311 companies found from 46 product names

Product Names

- | | | | | |
|---------------------|--------------------|--------------------------|------------------------|-------------------------|
| - Notebook | - Desktop computer | - Assembled computer | - Computer mouse | - Network switch system |
| - Stand | - Computer storage | - Computer server | - Computer security | - Computer speaker |
| - Desk | - Tablet computer | - Automatic switch | - Optical reader | - Edu, software |
| - Graphic SW | - Safe | - Digital voice recorder | - Multimedia system | - Multi-tab |
| - Caller ID | - Security SW | - Office SW | - Office wrist guards | - Sign pen |
| - Industry SW | - Cleaner | - Automatic recording | - Scanner | - Video conf. system |
| - Testing system | - Signboard | - Access system | - Monitor | - Operation system |
| - Interactive board | - Keyboard | - Folding chair | - Light control system | - Parking system |

> Increased Transparency

● Real-time information disclosure

- ✓ Bidding results and contract details disclosed to the public on-line
- ✓ Peer monitoring on fair results

● Accuracy in bid evaluation

● Support for decision-making

- ✓ Traceable prices and specifications

[Integrity perception index on public procurement (Korea Civil Rights Commission)]

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Integrity index	6.80	7.34	8.52	8.65	8.36	9.20	8.44	8.80	8.77	8.52

> Saving of Transaction Costs via KONEPS

● Cost saving : **USD 8 B** per year

- ✓ Private Sector : **USD 6.6 B**
- ✓ Public Sector : **USD 1.4 B**

● Increased efficiency

- ✓ Receiving bids, validating related docs. and selecting the winning bid

Before	over 30 hrs
After	less than 30 mins.

- ✓ Reduction of 7.8 million pages of paper documents per year

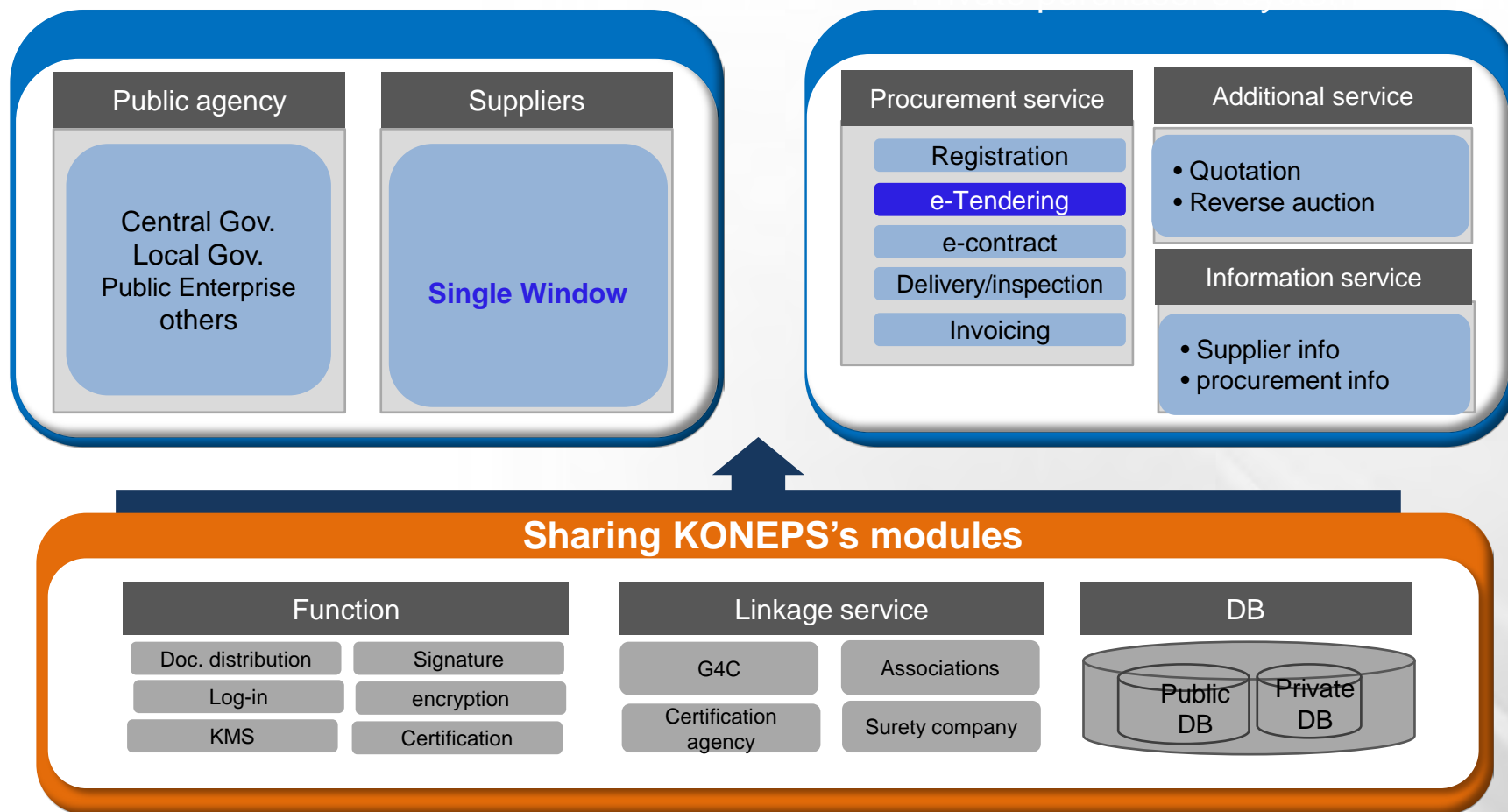


II Recent Initiatives in e-Procurement



Objective : Spreading the benefits of e-Procurement into the private sector

- Transparency, fairness and cost savings
- Shared supplier data with KONEPS



Progress

- **e-Bidding service for apartment complex mgt. offices and agricultural/fishery associations** (October, 2013)
- **e-Bidding, e-Contracting, e-Invoicing for non-profit organizations and SMEs** (December, 2014)

	2013	2014	2015
Users	Apartment Complex Mgt. Offices Agricultural/fishery Associations	Non-profit orgs.	SMEs
Functions	e-Bidding	e-Bidding	e-Bidding e-Contracting e-invoicing

Roll-out

- Gradual buy-in Oct. 2013 to Dec. 2014, and rapidly increased use from 2015

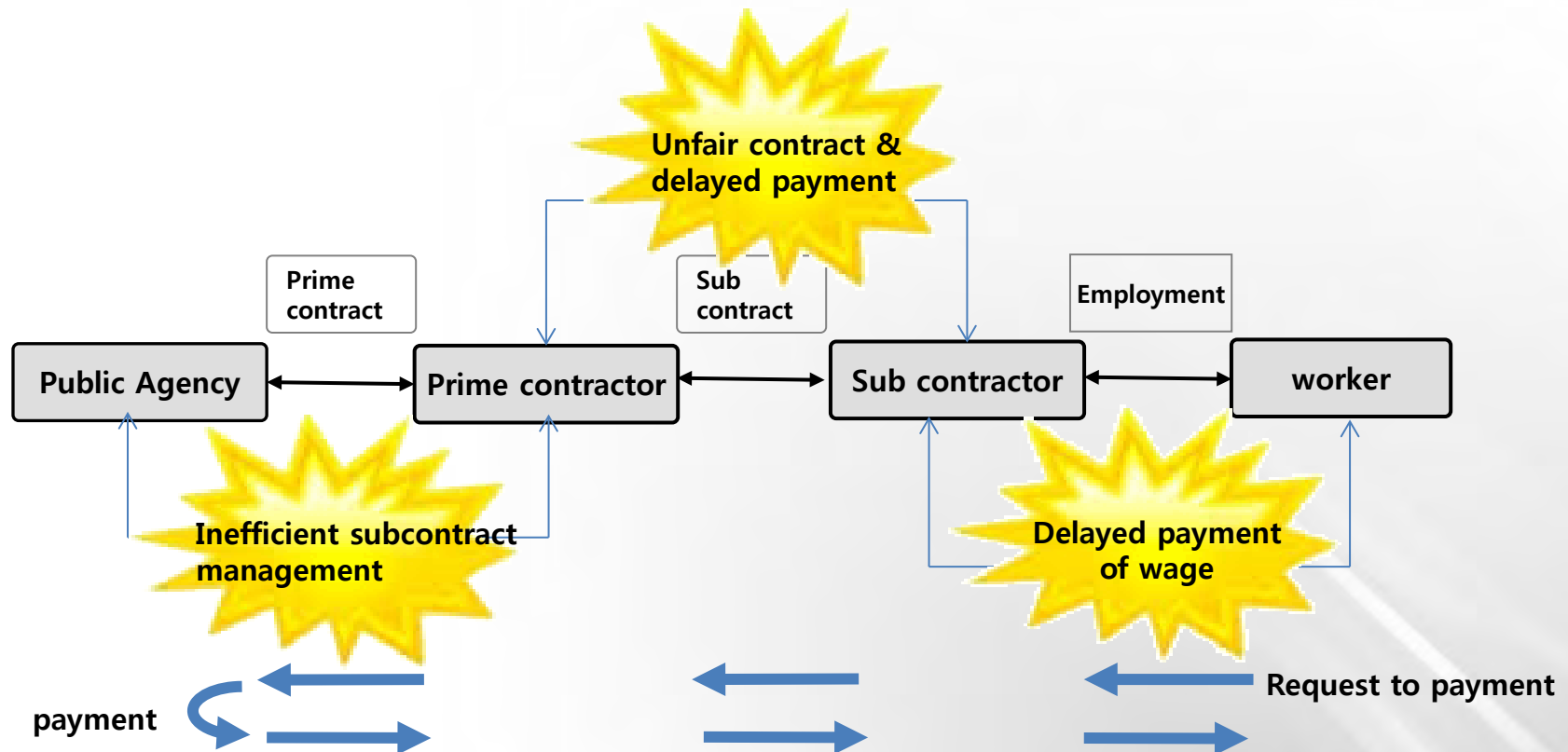
● Number of e-Biddings by Private Sector Purchasers

	2013	2014	2015	Total
Apartment Complex Mgt.	27	340	2,694	3,061
Agricultural/fishery assoc.	4	13	31	48
Non-profit orgs.	-	45	89	134
SMEs	-	-	50	50
Total	31	398	2,864	3,249 (USD 102 million)

- Users reported average 7.2% lower contract price compared to the projected price

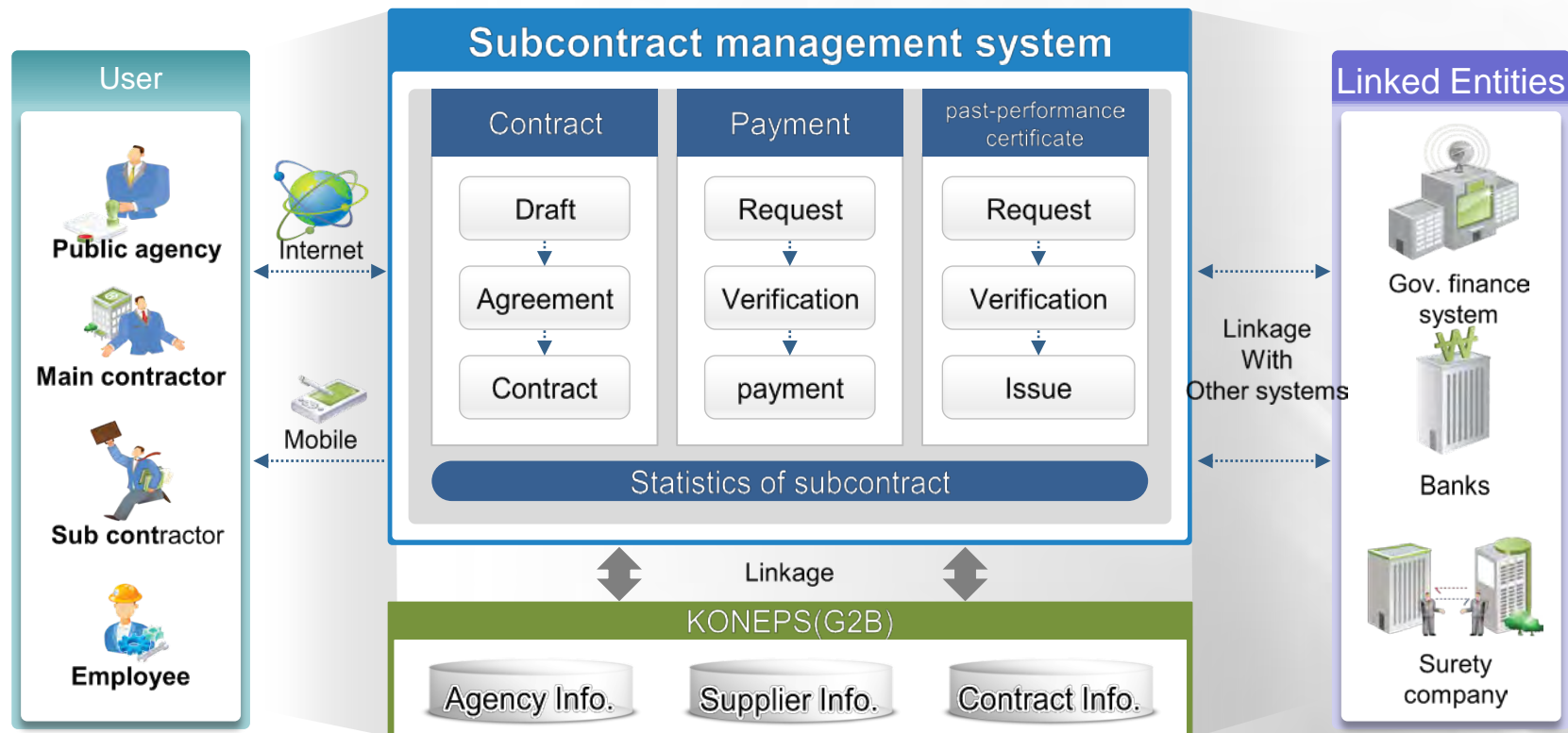
Objective

- Promote and enforce fair subcontracting practices in public procurement contracts



Progress

- **Launch of Subcontract Mgt. System** (December, 2013)
- **e-Subcontracting, e-Payment, Contract performance Certificate Issuance**
- **Allows project owners (public entities) to monitor subcontracting practices**





**Public
Procurement
Service**

THANK YOU