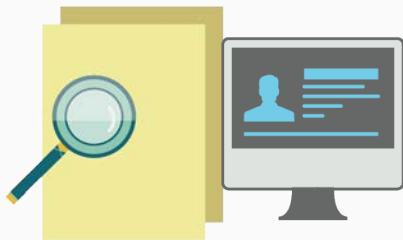# The Road to a More Efficient Procurement Assessment: The Philippine Context

Online Procurement Performance and Compliance Indicator System (OPPCIS) presentation by Dennis Santiago, GPPB, Philippines

**Asia Pacific Public Electronic Procurement Network Inaugural Conference
5-6 October 2015
Manila, Philippines**

Agency Procurement Compliance and Performance Indicator System (APCPI)

- OECD-DAC Methodology for Assessing National Procurement Systems (MAPS) was used in all Philippine Country Procurement Assessment Reports (CPARs).

  - Philippine 2008 CPAR = 2.06;
  - Philippine **2012** CPAR = 2.23

- MAPS - a tool for dialogue and a feedback mechanism in reforming the public procurement system.

Agency Procurement Compliance and Performance Indicator System (APCPI)

- The Government Procurement Policy Board (GPPB) through GPPB Resolution No. 10-2012, approved the use of the APCPI.

- Framed after the OECD-DAC MAPS, the APCPI was adopted as the standard national procurement monitoring tool in line with the 2008 CPAR recommendations which include development and strengthening of:

  1) Procurement monitoring system at the agency and national levels;
  2) Systems for analysis of procurement related information for policy and decision making purposes; and
  3) Capacity of the GPPB Technical Support Office to monitor compliance with RA 9184.

OECD DAC MAPS and APCPI

The APCPI Assessment Methodology

- The APCPI utilizes actual procurement data to determine compliance and performance with the set of indicators assessing compliance with –

  1) Legislative and Regulatory Framework;
  2) Management and Institutional Capacity;
  3) Procurement Operations and Market Practices; and
  4) Integrity and Transparency of the Agency's Procurement System.

The APCPI Assessment Methodology

STEP 1
Data Collection

The following are some of the prescribed procurement-related documents to be used in the conduct of an APCPI assessment:
(a) Annual Procurement Plan
(b) Procurement Monitoring Report
(c) Contract Management Records
(d) PhilGEPS Data
(e) Other related documents

STEP 2
Data Consolidation

The procuring entity shall complete the **Consolidated Procurement Monitoring Report** based on the data reflected on the earlier mentioned procurement-related documents.

STEP 3
Scoring and Rating

The procuring entity shall rate itself using a four-point rating scale based on:
(a) Recommended benchmarks obtained from the average scores of the pilot assessment; and
(b) A scoring criteria based on a set of conditions.

The APCPI Assessment Methodology

STEP 4

Analysis of Results and Preparation of Action Plan

Upon computation of the APCPI rating, the procuring entity shall then identify areas of strength where it can continue to develop and shall outline the strategy and proposal on how to address areas of weaknesses.
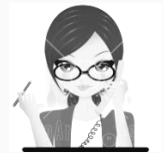
STEP 5

Submission of Initial Result of APCPI Assessment to the Confirmation Team

The initial result of the APCPI Assessment shall be submitted to the Confirmation Team for their review.

STEP 6

Invitation of Confirmation Team for Confirmation Exercise

The confirmation team shall take the role of an independent entity that will carry on the task of confirming the results of the APCPI using the same set of data used in the conduct of the APCPI.

The APCPI Assessment Methodology

STEP 7
Review of Initial Result of APCPI Assessment by the Confirmation Team

The confirmation team shall check the APCPI results of the procuring entity in terms of **completeness**, **correctness**, **consistency** and **responsiveness**.

STEP 8
Approval of Confirmed Result of APCPI Assessment by the HOPE.

The confirmed APCPI results of the procuring entity shall be submitted to the Head of the Procuring Entity (HOPE) for his approval.

The APCPI Assessment Methodology

Assessment → Results → Confirmation → Action Plan

OECD-DAC
Methodology for Assessing National Procurement Systems (MAPS)

AGENCY PROCUREMENT COMPLIANCE AND PERFORMANCE INDICATORS (APCPI)

PILLAR I.
Compliance With Legislative And Regulatory Framework

PILLAR II.
Agency Institutional Framework And Management Capacity

PILLAR III.
Procurement Operations And Market Practices

PILLAR IV.
Integrity and Transparency of Agency Procurement Systems

APCPI: OECD DAC MAPS MODELED ASSESSMENT TOOL

PILLAR I. COMPLIANCE WITH LEGISLATIVE AND REGULATORY FRAMEWORK	Derivation - OECD DAC MAPS Baseline Indicator (BLI) and Compliance and Performance Indicator (CPI)

Indicator 1- **Competitive Bidding as Default Method of Procurement**
 	
Indicator 2- **Alternative Methods of Procurement**
	Sub-indicator 1(b) - requiring the legal framework of a national system to make open competitive tendering the default method of procurement;
	- assesses whether the legal framework includes:
	    a) a clear definition of the permissible procurement methods; and
	    b) the circumstances under which each method is appropriate

Indicator 3- **Competitiveness of the Bidding Process**	Sub-Indicator s (1c, 1d,1 e and 1g)- assesses the requirements on publication and advertising of opportunities, invitation, selection and participation policies, regulations on receipt and opening of tenders

APCPI: OECD DAC MAPS MODELED ASSESSMENT TOOL

PILLAR II. AGENCY INSTITUTIONAL FRAMEWORK AND MANAGEMENT CAPACITY	Derivation - OECD DAC MAPS Baseline Indicator (BLI) and Compliance and Performance Indicator (CPI)
Indicator 4- **Presence of Procurement Organizations**	Sub-indicators 6(a-b) - assess the degree of professionalism and knowledge of those responsible for implementation of procurement activities and the sufficiency of the procurement training and information programs in terms of content and supply
Indicator 5- **Procurement Planning and Implementation**	Sub-indicators (3a, 3c) – deals with procurement planning and associated expenditures as part of budget formulation and contribute to multi year planning and the safeguards precluding initiation of procurement actions unless funds have been allocated.

APCPI: OECD DAC MAPS MODELED ASSESSMENT TOOL

PILLAR II. AGENCY INSTITUTIONAL FRAMEWORK AND MANAGEMENT CAPACITY	Derivation - OECD DAC MAPS Baseline Indicator (BLI) and Compliance and Performance Indicator (CPI)
Indicator 6- **Use of Philippine Government Electronic Procurement System (PhilGEPs)**	Sub-indicator 1c- assesses the legal framework the requirements to publish contract awards, wide and easily accessible publication, and adequacy of time between publication and submission date
Indicator 7- **System for Disseminating and Monitoring Procurement Information**	Sub Indicators (5a, 5b) – determines the existence of information system in the country, its capacity, accessibility and coverage and the existence of a systems and procedures for collecting and monitoring national procurement statistics Indicator 11 - deals with the quality, relevance, ease of access and comprehensiveness of information on the public procurement system

APCPI: OECD DAC MAPS MODELED ASSESSMENT TOOL

PILLAR III. PROCUREMENT OPERATIONS AND MARKET PRACTICES	Derivation - OECD DAC MAPS Baseline Indicator (BLI) and Compliance and Performance Indicator (CPI)

Indicator 8- **Efficiency of Procurement Processes**	Sub-indicator 1(b) - requiring the legal framework of a national system to make open competitive tendering the default method of procurement;
	- assesses whether the legal framework includes:
	    a) a clear definition of the permissible procurement methods; and
	    b) the circumstances under which each method is appropriate

Indicator 9- **Compliance with Procurement Timeframes**	Sub-Indicator 1c – assesses advertising rules and time limits

APCPI: OECD DAC MAPS MODELED ASSESSMENT TOOL

PILLAR III. PROCUREMENT OPERATIONS AND MARKET PRACTICES	Derivation - OECD DAC MAPS Baseline Indicator (BLI) and Compliance and Performance Indicator (CPI)
Indicator 10- **Capacity Building for Government Personnel and Private Sector Participants**	Sub Indicators (7a, 5c) – determines the existence of effective mechanisms for partnerships between the public and private sector and the quality control standards used to evaluate staff performance; determines existence of a sustainable strategy and training capacity to provide assistance and training to develop the capacity of government and private sector participants.
Indicator 11- **Management of Procurement and Contract Management Records** Indicator 12- **Contract Management Procedures**	Indicator 6(c) – assesses if there are established norms for the safekeeping of records and documents related to transactions and contract management

APCPI: OECD DAC MAPS MODELED ASSESSMENT TOOL

PILLAR IV. INTEGRITY AND TRANSPARENCY OF AGENCY PROCUREMENT SYSTEMS	Derivation - OECD DAC MAPS Baseline Indicator (BLI) and Compliance and Performance Indicator (CPI)
Indicator 13- **Observer Participation in Public Bidding**	Indicator 12(e) - assesses the strength of the public in maintaining a sound procurement environment; existence of respected and credible civil society groups that provide oversight and can exercise social control
Indicator 14- **Internal and External Audit of Procurement Activities**	Indicator 9 - determines the quality, reliability and timeliness of the internal and external controls preferably based on risk assessment and mitigation
Indicator 15- **Capacity to Handle Procurement Related Complaints**	Sub indicator 1h-Assesses the existence of right to review , steps and the timeframe for the review. Indicator 10 - measures the efficiency of appeals mechanism in contributing to the integrity of the public procurement system

APCPI: OECD DAC MAPS MODELED ASSESSMENT TOOL

PILLAR IV. INTEGRITY AND TRANSPARENCY OF AGENCY PROCUREMENT SYSTEMS	Derivation - OECD DAC MAPS Baseline Indicator (BLI) and Compliance and Performance Indicator (CPI)
Indicator 16- **Anti-Corruption Programs Related to Procurement**	Indicator 12 - assesses the nature and scope of the anticorruption provisions in the procurement system

APCPI Types of Scoring and Rating

- Uses a four-point rating scale based on recommended benchmarks **(22 Sub-indicators)**

Numerical Score	Qualitative Rating	Criteria
3	Very Satisfactory	Ideal Benchmark
2	Satisfactory	Above Benchmark
1	Acceptable	Within Benchmark
0	Poor	Below Benchmark

- Uses a two-point rating scale based on degree of compliance with a set of conditions **(4 Sub-indicators)**

Numerical Score	Qualitative Rating	Scoring Range
3	Very Satisfactory	Compliant
0	Poor	Not Compliant

- Uses a four-point rating scale based on degree of compliance with a set of conditions **(14 Sub-indicators)**

Numerical Score	Qualitative Rating	Criteria
3	Very Satisfactory	Fully Compliant
2	Satisfactory	Substantially Compliant
1	Acceptable	Partially Compliant
0	Poor	Not Compliant

APCPI, PhilGEPS and OPPCIS Linkage
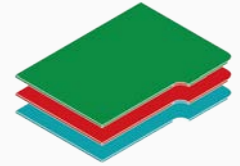
APCPI

OPPCIS

APCPI, PhilGEPS and OPPCIS Linkage

➤ One of the reform measures under the Government Procurement Reform Act (GPRA) is the recognition of electronic government procurement platform to promote **transparency** and **efficiency** in the government acquisition system;

➤ The Philippine Government Electronic Procurement System (PhilGEPS) was created to be the **primary source of information** on government procurement opportunities with the following features: 1) **electronic bulletin board**; 2) **electronic catalogue**; 3) **virtual store**; 4) **registry of suppliers, contractors and consultants**; 5) **electronic payment**; and, 6) **Electronic bid submission**.

APCPI, PhilGEPS and OPPCIS Linkage

Transparency

Efficiency

Accountability

- While the establishment of the PhilGEPS has pioneered the country's initiatives on electronic government procurement, particularly becoming an **effective platform for commercial engagement between the government and its suppliers**, it must also include a <u>procurement performance and compliance monitoring tool.</u>

APCPI, PhilGEPS and OPPCIS Linkage

Transparency

Efficiency

Accountability

Public Monitoring

Competitiveness

The integration of the **OPPCIS** in the **PhilGEPS** shall complete the picture of an eProcurement System that also focuses on **monitoring and assessment of the procurement performance and compliance** of various procuring entities.

Online Procurement Performance and Compliance Indicator System (OPPCIS)

OPPCIS is the **online platform** for the APCPI, developed to provide **a more efficient procurement monitoring and assessment tool**.

OPPCIS

To gather accurate data for monitoring and assessment, the OPPCIS runs an online platform where Procuring Entities may prepare and generate its –

1) Annual Procurement Plans (APP);
2) Project Procurement Management Plans (PPMP);
3) Procurement Monitoring Report (PMR); and
4) Consolidated Procurement Monitoring Report (CPMR).

OPPCIS

The **APP** and **PPMP** become the bases for the OPPCIS to **consolidate an online procurement monitoring report** to allow agencies to record actual procurement accomplishments.

OPPCIS

End Users

Head of the End User Unit

Head of the Procuring Entity

BAC Secretariat

Adhoc Team

BAC Chairperson
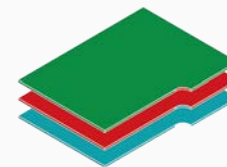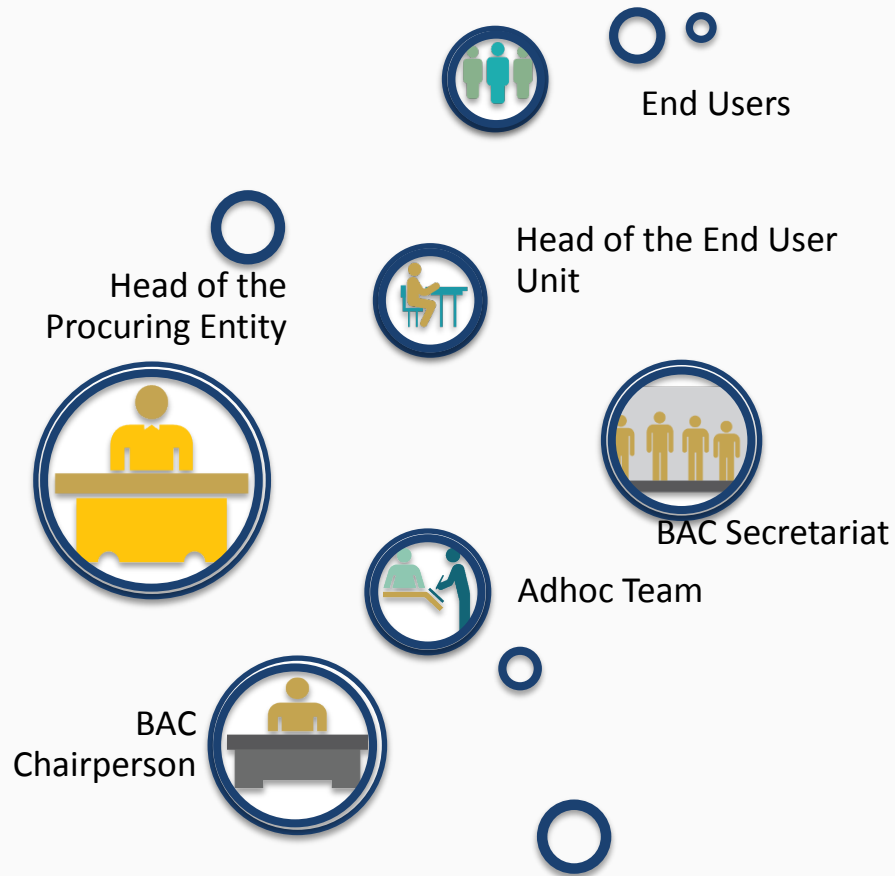
With the OPPCIS, procuring entities can **view the status of their procurement** and may at anytime generate their APCPI rating that can help them identify procurement **strengths** and **weaknesses.**
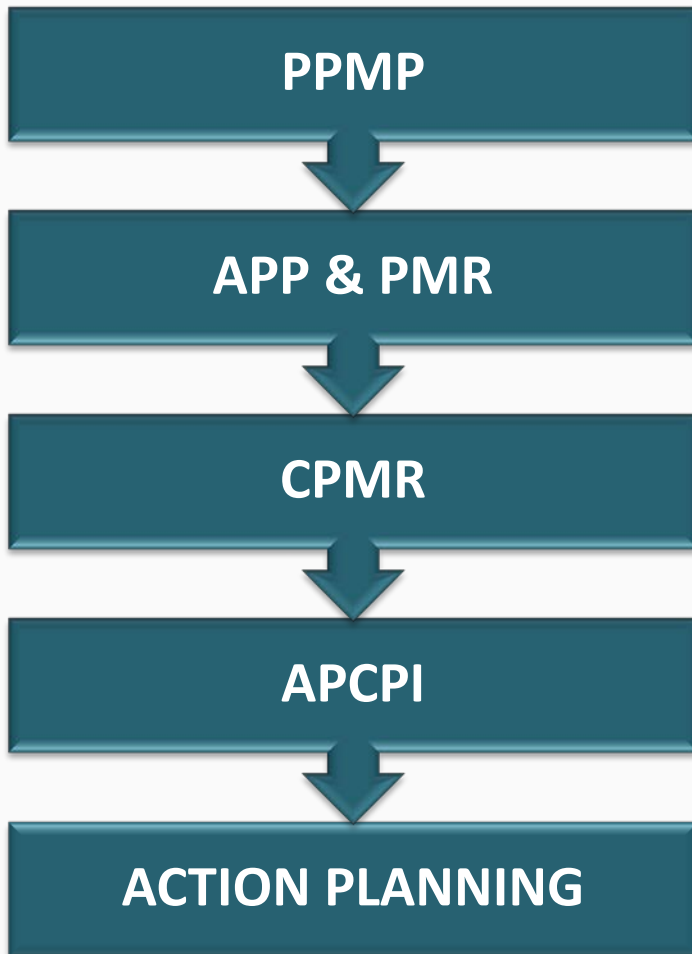
OPPCIS Process Flow

```
┌─────────────────────────┐
│          PPMP           │
└─────────────────────────┘
              ↓
┌─────────────────────────┐
│       APP & PMR         │
└─────────────────────────┘
              ↓
┌─────────────────────────┐
│          CPMR           │
└─────────────────────────┘
              ↓
┌─────────────────────────┐
│          APCPI          │
└─────────────────────────┘
              ↓
┌─────────────────────────┐
│    ACTION PLANNING      │
└─────────────────────────┘
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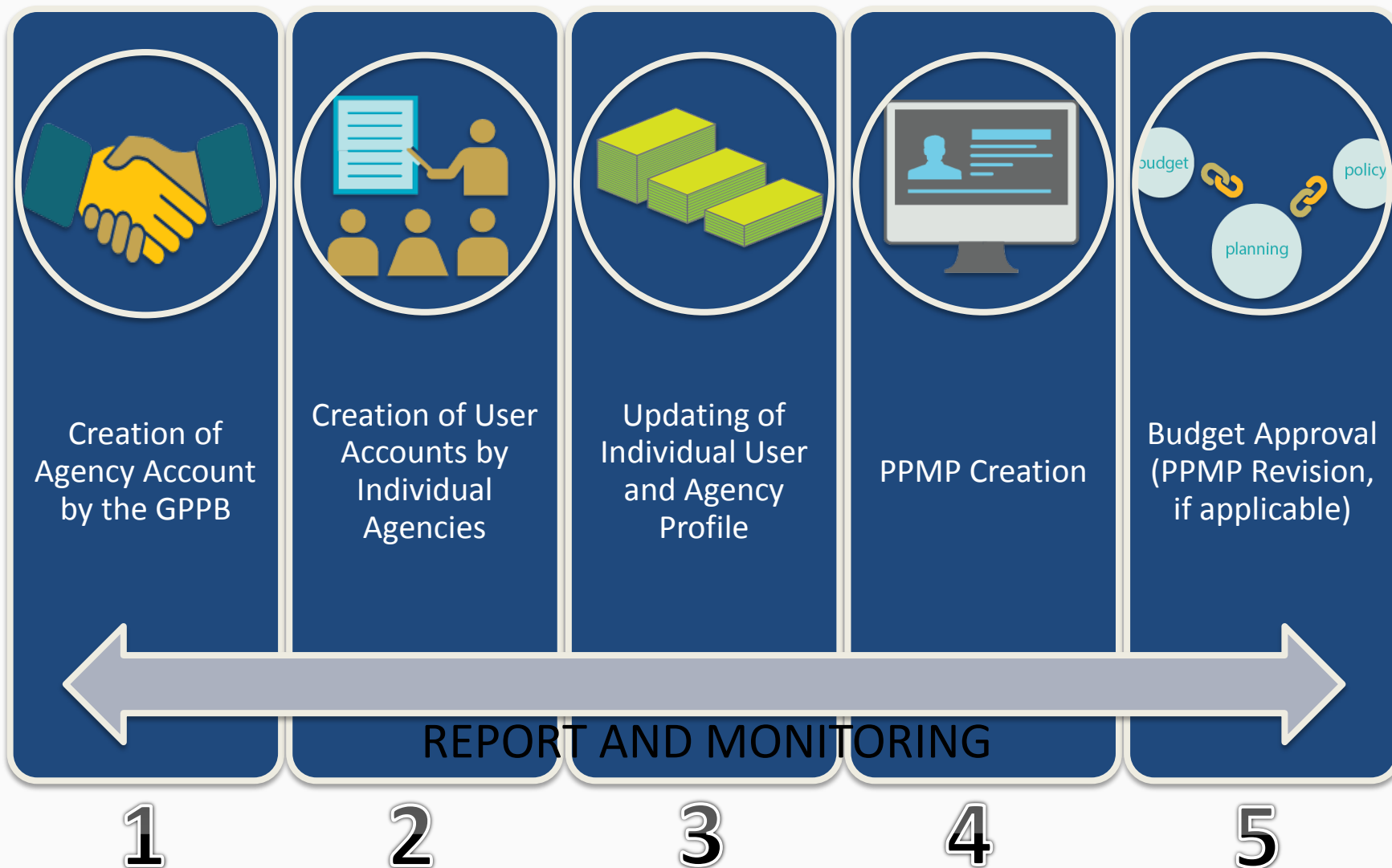
- APP & PMR information shall automatically fill-out CPMR.

- Indicators that are based on the CPMR shall be auto-populated.
- Scoring will be automatic
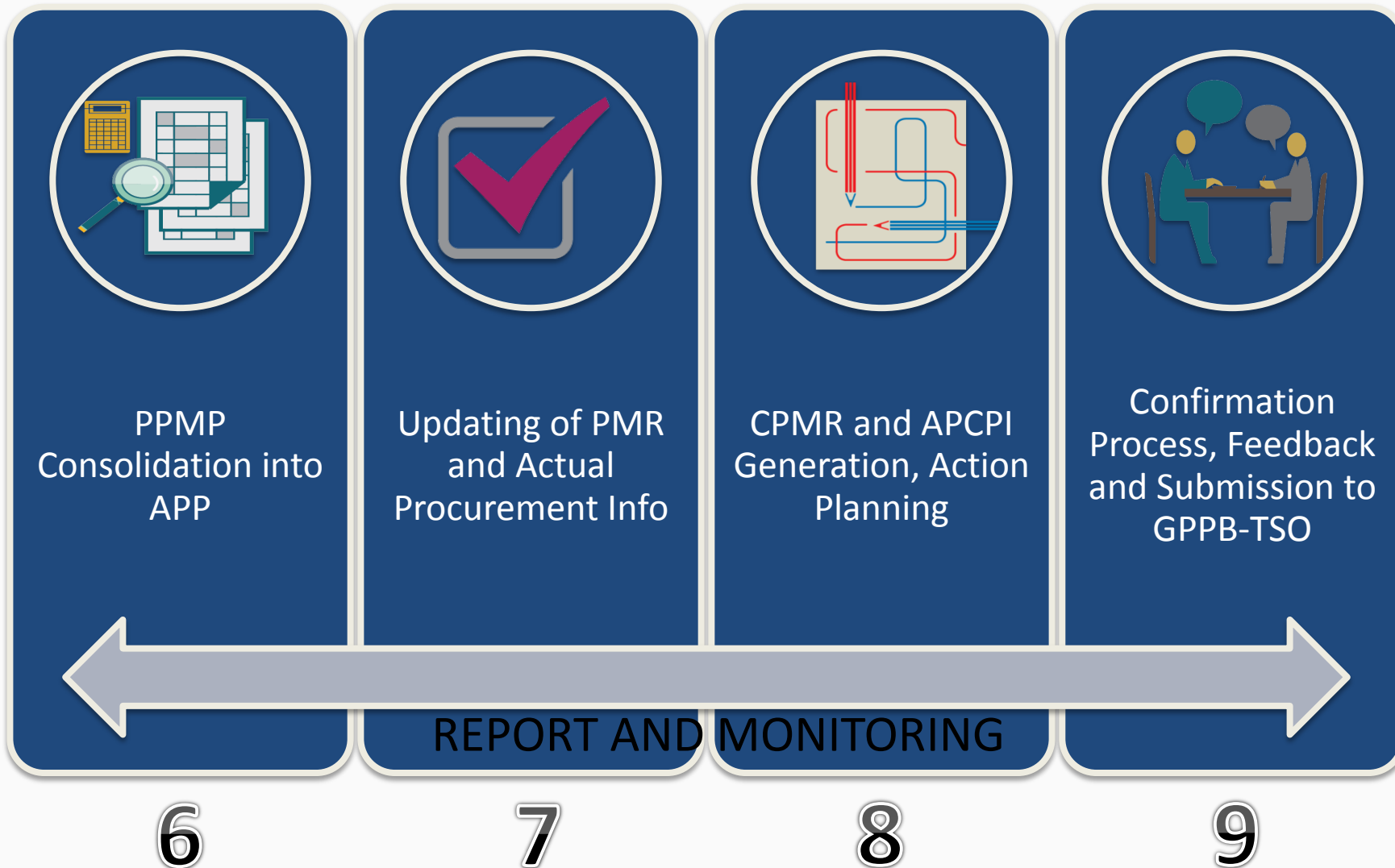- Approval of confirmed results shall be done online

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- System shall follow a simple logic in identifying Strengths and Weaknesses

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- Sub-indicators shall be identified in the Action Plan including suggested actions

Functionalities of OPPCIS

Creation of Agency Account by the GPPB	Creation of User Accounts by Individual Agencies	Updating of Individual User and Agency Profile	PPMP Creation	Budget Approval (PPMP Revision, if applicable)

REPORT AND MONITORING

1 **2** **3** **4** **5**

Functionalities of OPPCIS

| PPMP Consolidation into APP | Updating of PMR and Actual Procurement Info | CPMR and APCPI Generation, Action Planning | Confirmation Process, Feedback and Submission to GPPB-TSO |

REPORT AND MONITORING

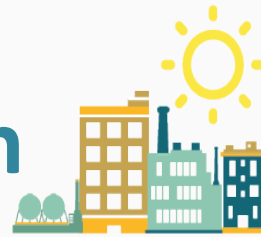6   7   8   9

Benefits of OPPCIS Implementation

- Improve procurement **planning** and **monitoring** ;

- Accessible database and baseline information for **procurement compliance** and **performance** of agencies;

- Enhance procurement **efficiency** and **transparency**;

- **Feedback mechanism** – Government Procurement Policy Board, Supreme Auditing Institution and Procuring Entities;

- **Public Monitoring** – Civil Society Organization and Market Operators;

Benefits of OPPCIS Implementation

- Increase **competition**;

- Improve **contract** and **records management**;

- Promote **accountability** in procurement transactions;

- **Strengthen capacity** of procurement personnel; and

- **Address procurement delays** and assist procuring entities in the preparation of an **Action Plan**.

Thank You…

Dennis S. Santiago
Executive Director V
Government Procurement Policy Board – Technical Support Office