



Public
Procurement
Service



e-Evaluation of KONEPS

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Assessment & Evaluation Scheme



**Bidding
Price**

Price

Simple / Low Price
Services & Product

Security
Transparency



**Technology
Assessment**

Price + Assessment

Construction
Services & Product

Sharing information
Streamline



**Proposals
Evaluation**

Price + Proposal +
Evaluation + Negotiation

High-tech Services

Expertis
Outcome
S

Contents

I | e-Procurement in Korea

- Background of e-Government
- Scale of KONEPS

II | Assessment & Evaluation Scheme

- Linking external Information Systems
- PQ & Comprehensive Evaluation for Construction
- Eligibility Test for Services & Products
- Evaluation for Proposals for ICT

III | Sustainable Development

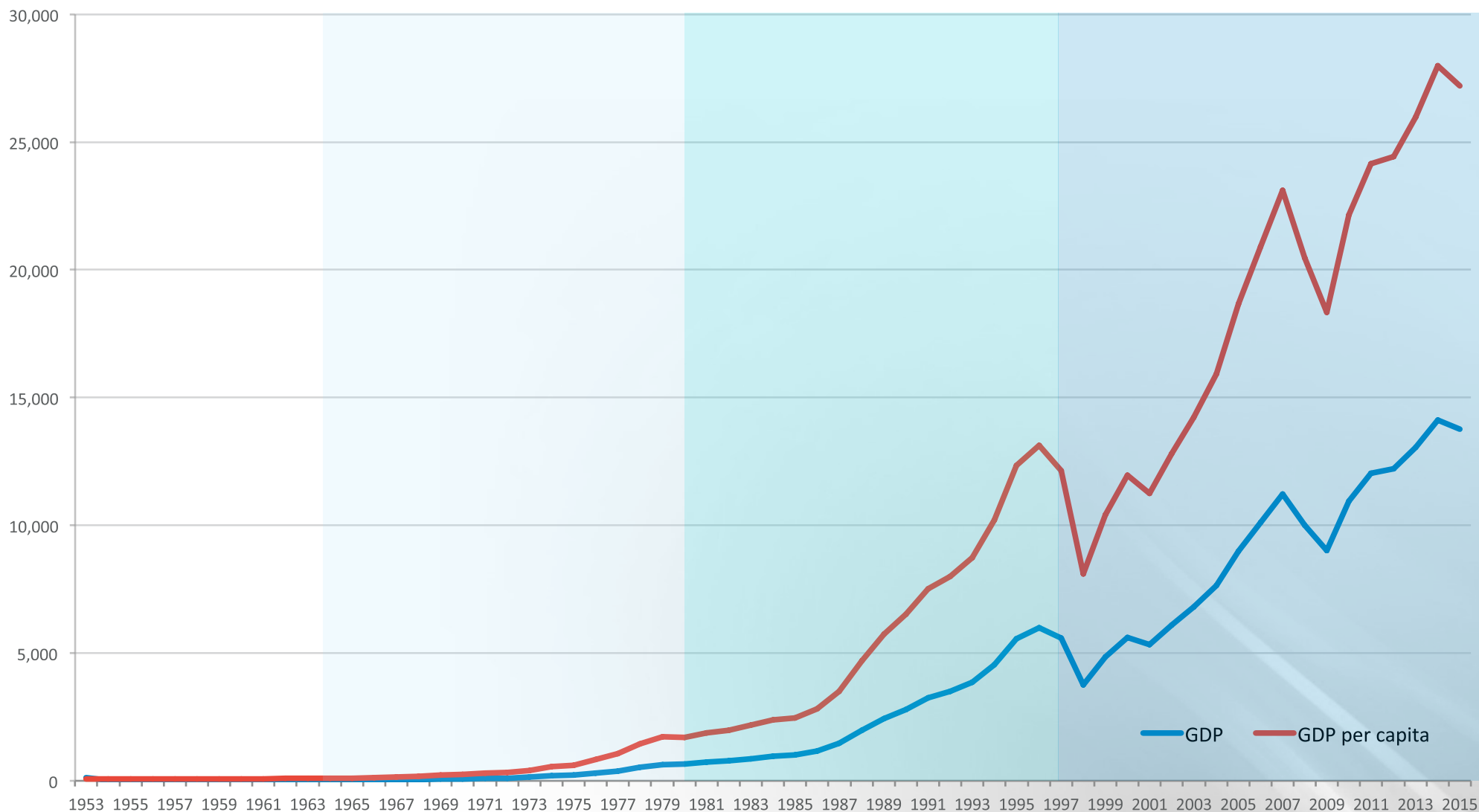
- Enhancing KONEPS
- Boosting Shared Prosperity

IV | Appendix

- Legal Framework



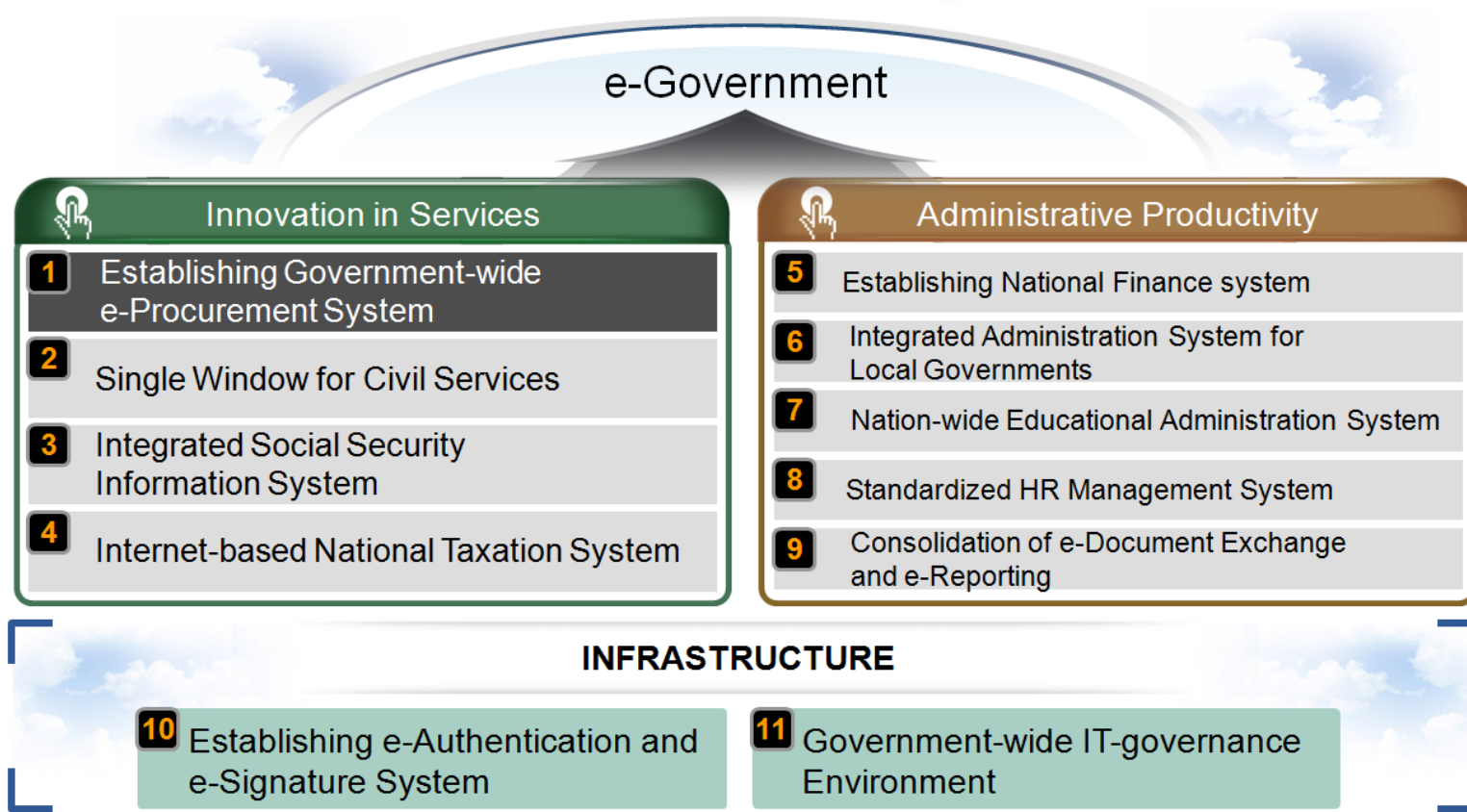
Background of e-Government



Background of KONEPS

- Harmonization with e-Govt. Plan

- | Government e-Procurement system was implemented as one of 11 e-Govt. projects



- Sharing contract information with other 23 organizations operating own e-Procurement

Scale of KONEPS

In 2015, 66% of Korea's total public procurement(\$108 billion) was conducted through KONEPS

User Registration

- 52,000 government agencies
- 340,000 registered businesses

e-Bidding

- 93% of all bids are conducted online
- 24M bidders participated in 247T e-bidding
- Total transaction value : \$44 billion

e-Contracting & e-Payment

- 711T contracts are electronic(99% of all contracts)
- 100% of all payments are electronic

Online Shopping mall

- 500T Purchase Orders issued online(99% of all POs)
- Total e-Mall transaction value : \$12.8 billion

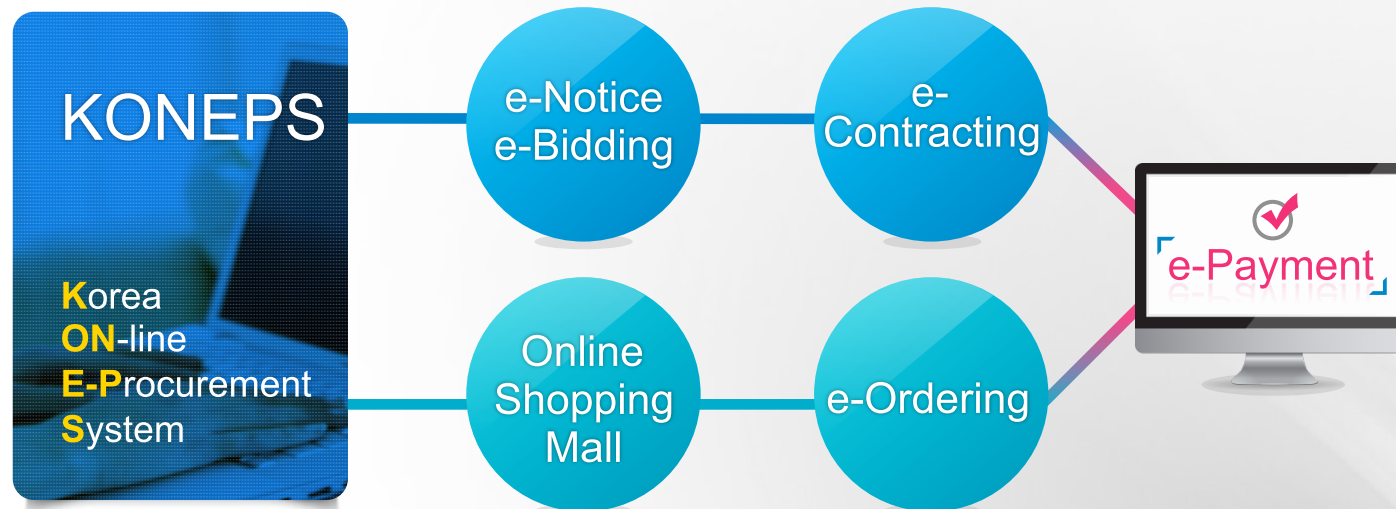
Scale of KONEPS

- Korea Online e-Procurement System (KONEPS)

- | KONEPS is the single portal for public procurement info in Korea

- End-to-end Functional Coverage

- | KONEPS processes the entire procurement procedures through sub-systems:
e-bidding, e-contracting, e-ordering from online shopping mall and e-payment



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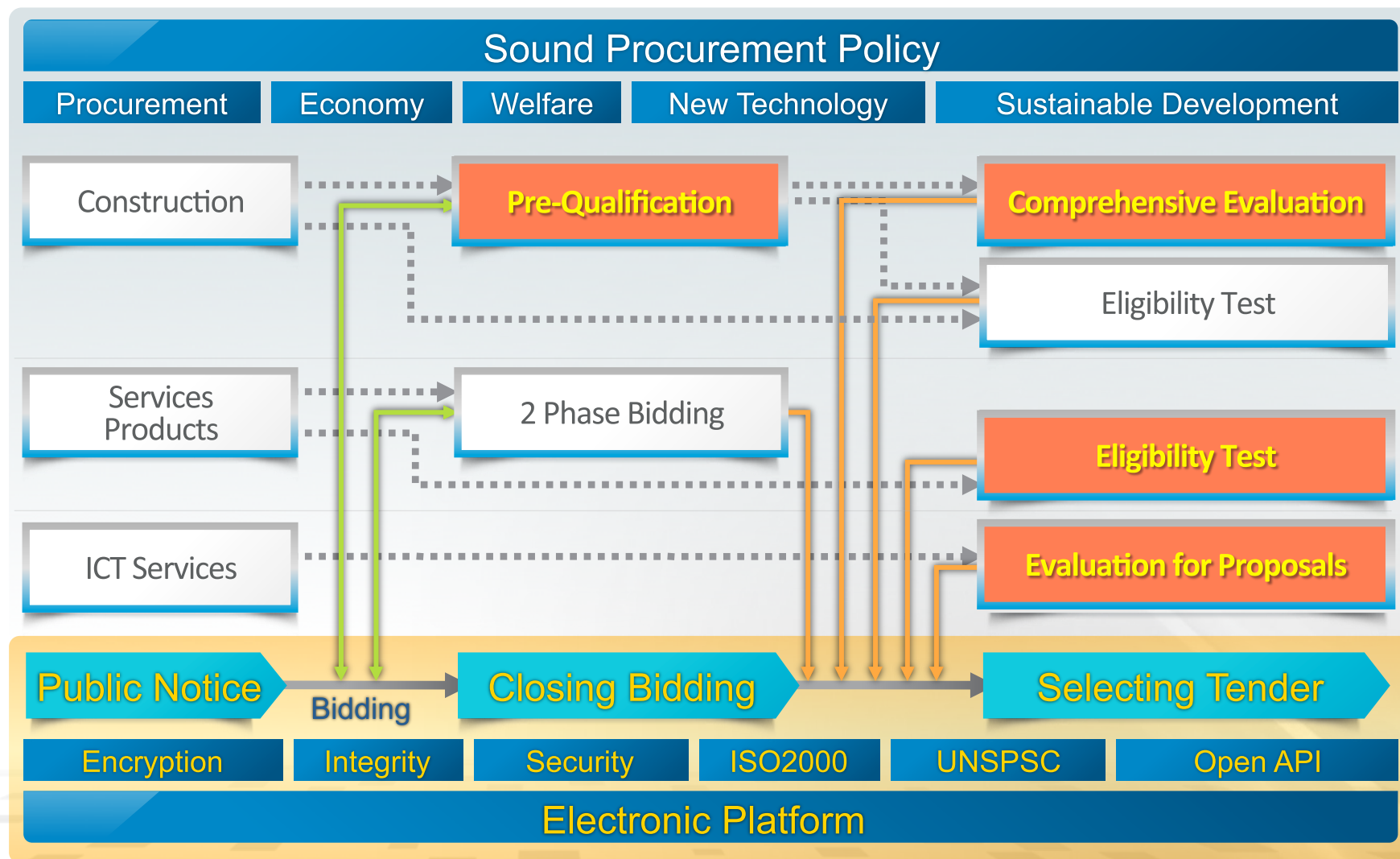
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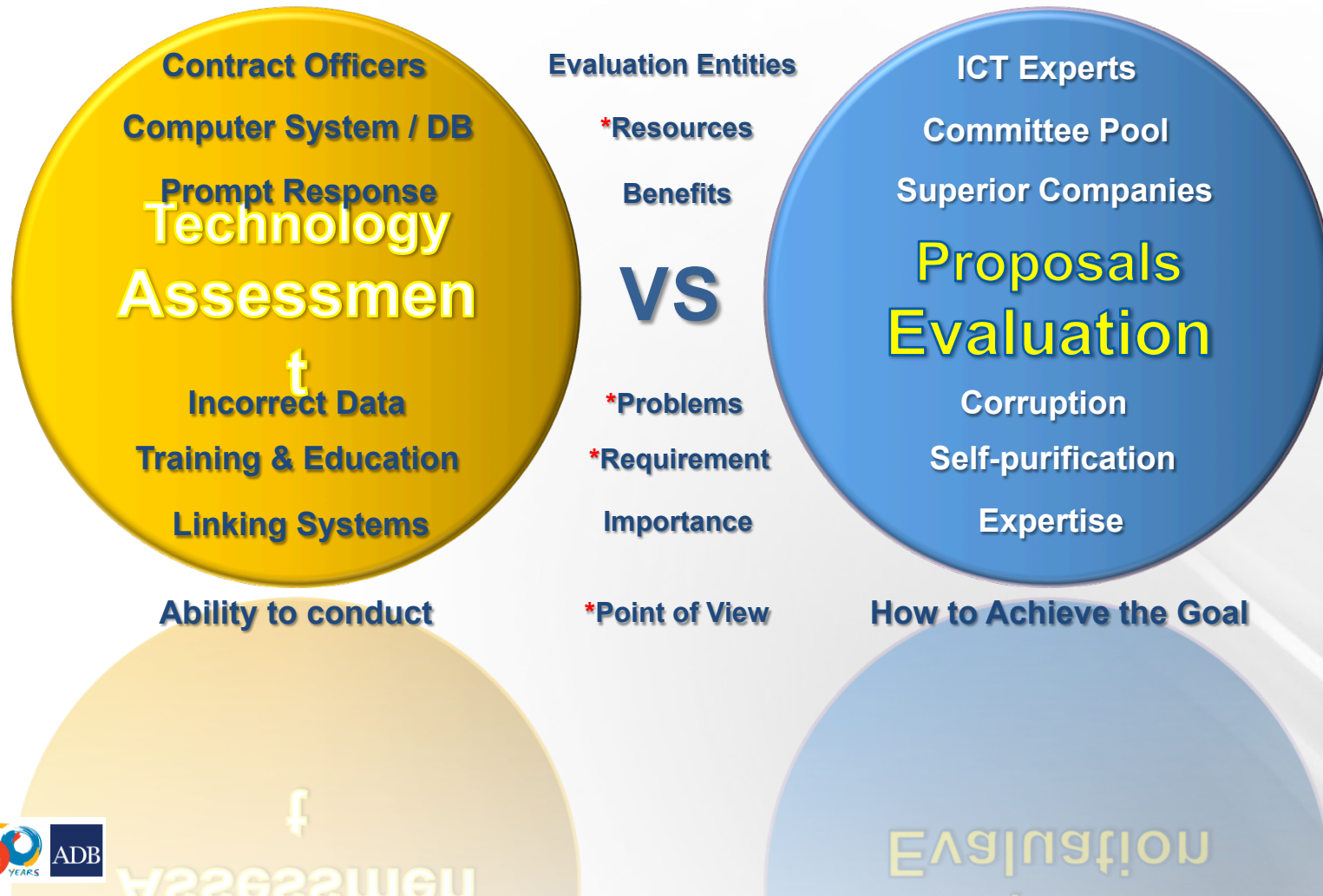


Assessment & Evaluation Scheme



Assessment & Evaluation Scheme

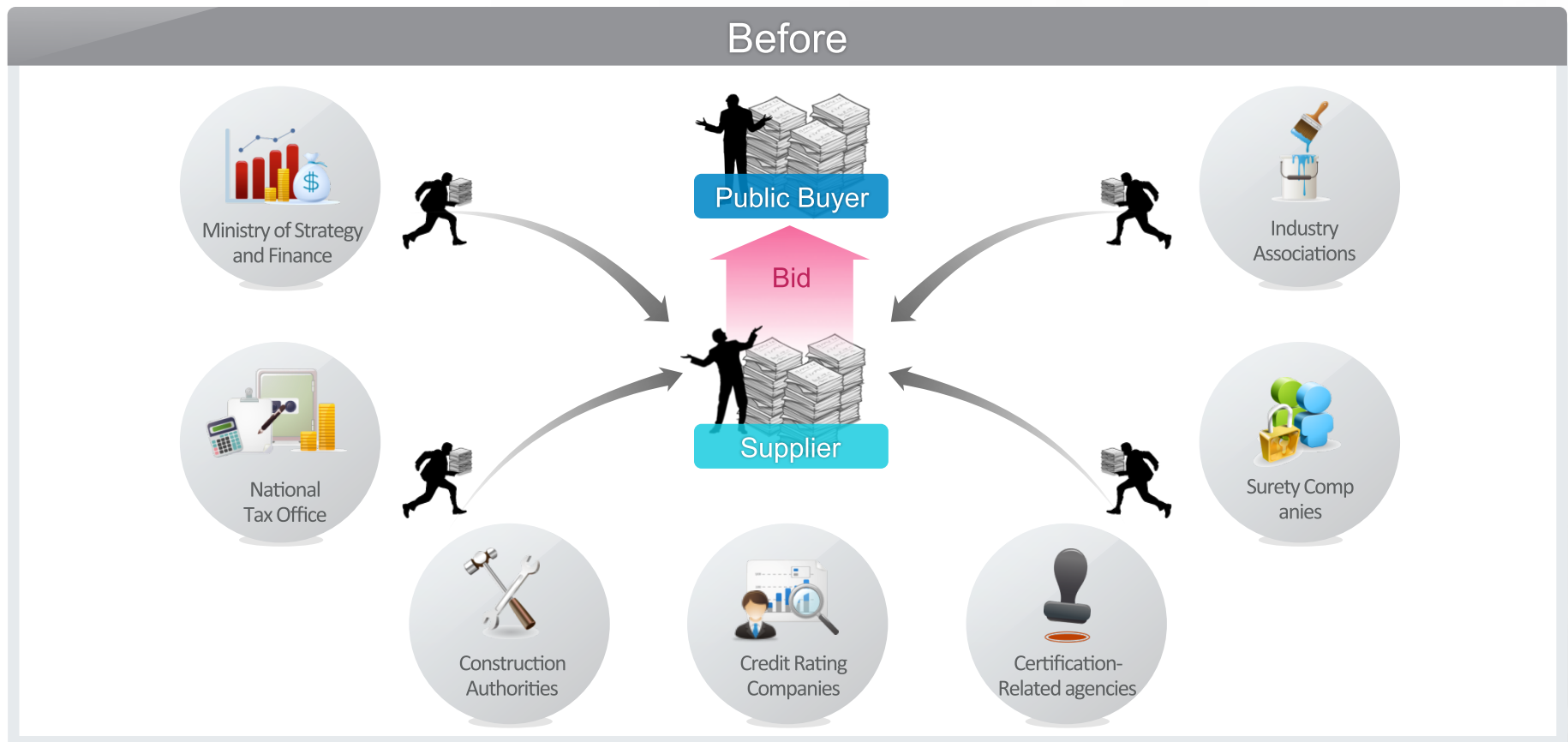
COMPARISON



Linking external Information Systems

- One Stop Service through Data Integration

| KONEPS exchanges data with 190 external info systems for supplier information, bid evaluation, bonds and payment, minimizing paper document submissions



Linking external Information Systems

- One Stop Service through Data Integration

| KONEPS exchanges data with **190** external info systems for supplier information, bid evaluation, bonds and payment, minimizing paper document submissions



Linking external Information Systems

What have we done ?

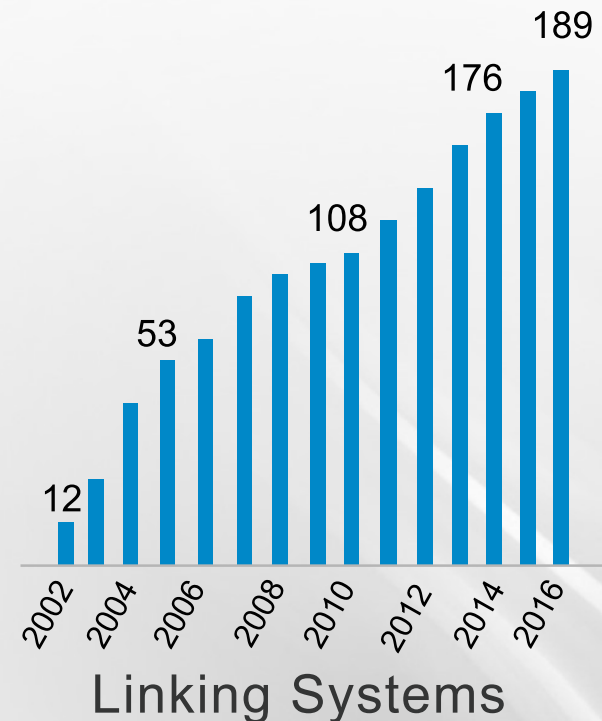
- Working-Level Tasks

- | Single Contact Point
- | Developing Open API
- | Distributing Manuals & Training stakeholders
- | Collaboration with other teams
 - 189 systems exchanges 130,000 electronic documents daily via KONEPS

- High-Ranking Tasks & Policy & Strategy

- | Win-Win Strategy
- | Accordance with Future Vision
- | Strong Willing of Heads of Organizations

By linking other information systems widely, the efficiency of the KONEPS has dramatically increased as well as transparency



Pre-Qualification

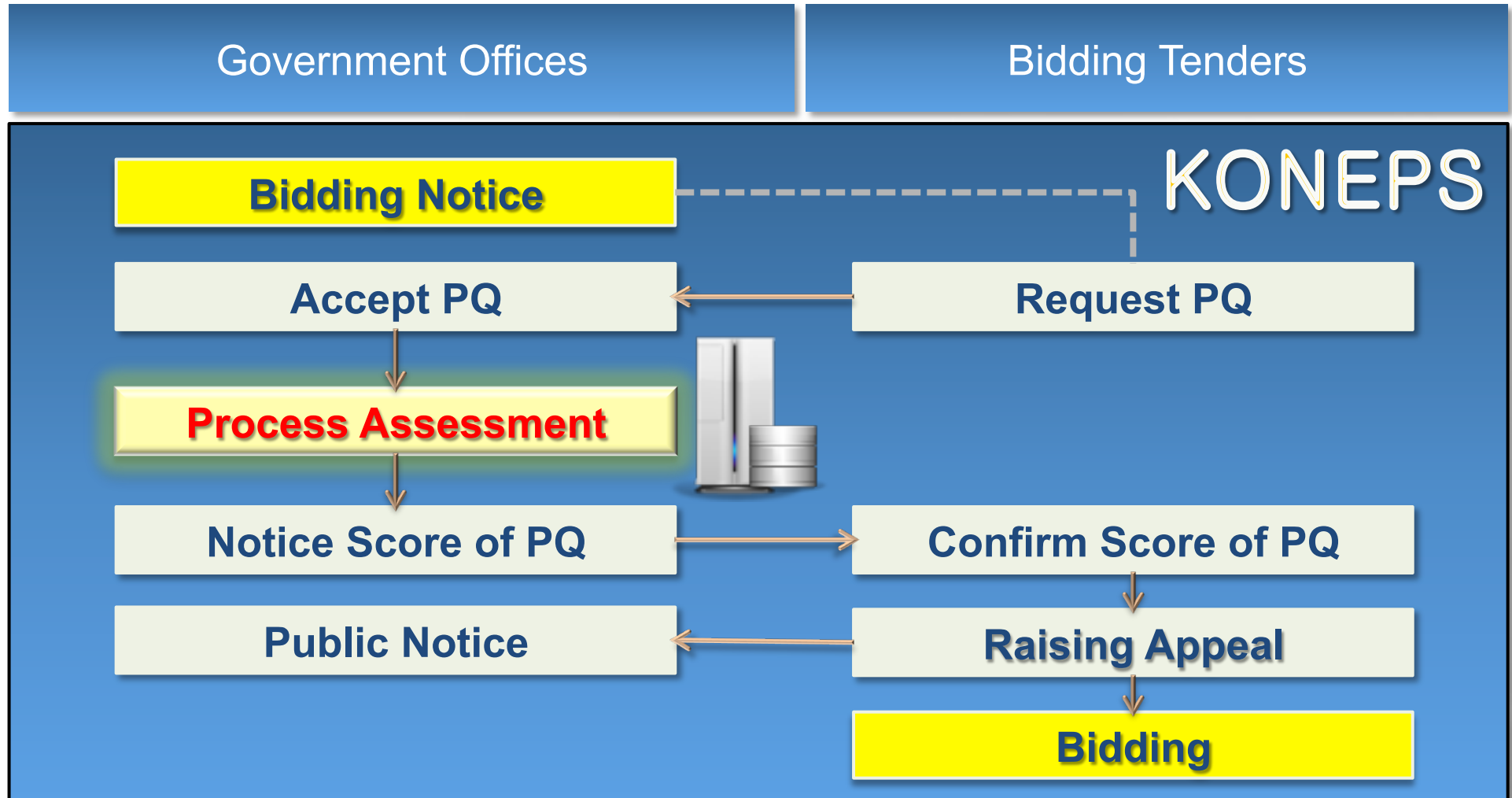
Construction

Pre-Qualification

Bidding

Comprehensive Evaluation

- Pre Qualification in Advance of Bidding



Pre-Qualification

(Technical Services)

• Pre Qualification in Advance of Bidding



- A system to **evaluate bidders' comprehensive capability** such as technical capability, past delivery performance and credit rating in case where construction technical service or design order by construction law **exceeds KRW 230 million** in accordance with Act on Contracts to Which State is a Party.
- Bidders with a certain score or above in capability evaluation by criteria, standard, and method determined by the relevant regulation are exclusively entitled to participate.
- **SOQ (Statement of Qualification, Technician Evaluation) and TP (Technical Proposal, Technical Evaluation)**

In case where construction is subject to technical evaluation or proposal evaluation by the decision made in the construction technology review council and design advisory committee in accordance with Article 24, Clause 2, sub-Paragraph 1 and Article 30, Clause 7 of the Enforcement Decree of the Construction Technology Management Act

Unit KRW Million

Design Service			Inspection Service	
Service Fee	Basic Plan, Basic Design, Construction Design	Proceeding Design	Service Fee	Construction Supervision, Inspection, Responsible Inspection
230~1,000	PQ	PQ	250~2,000	PQ
1,000~1,500	PQ+SOQ		2,000	PQ+SOQ
1500~2,500	PQ+TP	PQ+SOQ	PQ+TP	-
More 2,500		PQ+TP		

PQ Architecture

Construction

Pre-Qualification

Bidding

Comprehensive Evaluation

Service for Design

Criteria	Score	Method
1. Performance in contest of design	5	- No. of winning
2. Participating technicians	50	- Experience and level of participating technicians, training, performance in the previous service capability in technology, management ability
3. Performance in similar service	15	- Performance in design by participating technicians
4. Credit rating	10	- Debarment, suspension of operation, penalty points, financial soundness
5. Technology development and investment	10	- New technology, patent, utility model, investment performance
6. Repetitious work	10	- Repetitious work by participating technicians with other projects
TOTAL	100	

- Construction design standard

© Rate of target : Company about 18% ~ 25%
Engineer about 75% ~ 82%

Service for inspection

Criteria		Score	Method
1. Participating supervisor		50	Level and experience of participating supervisor, training, qualification, interview
2. Past performance in similar service		10	Performance amount of inspection company
3. Credit rating		15	Debarment, suspension, penalties, financial soundness
4. Technology and investment performance		10	New technology for construction, patent, utility model, investment
5. Repetitious work		5	Repetitious allocation of supervisors
6. Frequency of replacement		10	Replacement of inspection company or inspectors
TOTAL		100	
7. Add and subtract	Add	1	- Contribution to curtaining price
	Subtract	5	- Involved in corruption

© Rate of target : Company about 28% ~ 40%
Engineer about 60% ~ 72%

Pre-Qualification / SOQ

Construction

Pre-Qualification

Bidding

Comprehensive Evaluation

SOQ(Technical Evaluation) Evaluation Standard <Service for Design>

Category	Criteria	Score	Description
Capability of Organization	<ul style="list-style-type: none"> - Participating Supervisor - Past Performance in similar construction - Credit Rating - Technology and Investment Performance - Task Overlay - Frequency of replacement - Add and subtract points 	70	- Scores are adjusted to fit PQ
Contract Implementation Plan and Method by Participating Supervisor	Implementation Plan	5	- Comprehension level on nature and scope of order
		10	<ul style="list-style-type: none"> - Inspection Plan on Construction - Quality and Safety, Process Management
		5	- Expected Problems and measures for improvement
	Presentation and Interview	10	- Presentation and interview are conducted to see capability of responsible supervisor
	Sub Total	30	
Total		100	

Pre-Qualification / TP

Construction

Pre-Qualification

Bidding

Comprehensive Evaluation

● TP(Technical Proposal) Evaluation Standard <Service for Architecture Design >

Category	Criteria	Score	Description
Artistic Value for Design, Quality of Value, Functionality, Safety	Urban planning, housing, complex building plan	10	Road, traffic, and complex building plan, urban beauty, function protection
	Artistic value, quality of value of planned construction	35	Appropriateness of plan, creativity, uniqueness and functionality, contribution to public, eco-friendly design
	Technology and safety of structure and construction plan	12	Safety in structure, durability, requests of end-user
	Contribution and balance level with surrounding and urban nature	15	Public facilities like landscaping, sculpture, guidance facilities in urban areas, cultural space installation and community-based festival hosting ability
	Economical and public value	8	Standardization of design and materials, use of materials fitting weather and soil, energy saving, public contribution, environment management plan like life cycle of construction, recycle of waste resources
	New technology or alternative construction method	5	Proposal for improvement in basic design and application of new technology and technique
	Subtotal	85	
Implementation Plan and Methodology	Implementation plan and method	5	Specified plans on implementation, technique, expected problems and measures
	Participating supervisors and performance in service	10	Scores are adjusted to fit PQ
	Subtotal	15	
Total		100	

Comprehensive Evaluation

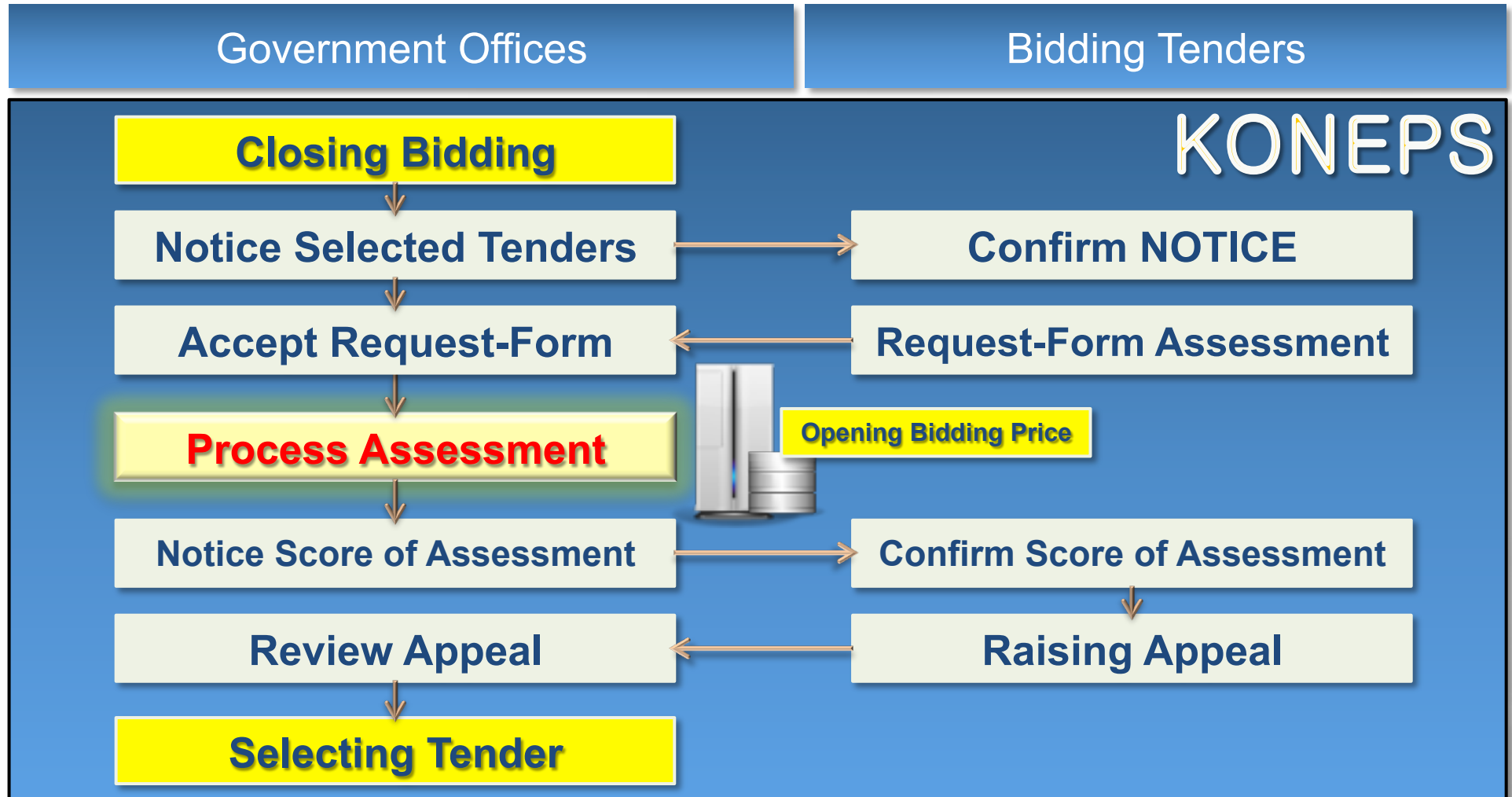
Construction

Pre-Qualification

Bidding

Comprehensive Evaluation

- Comprehensive Evaluation



Comprehensive Evaluation

Construction

Pre-Qualification

Bidding

Comprehensive Evaluation

Comprehensive evaluation refers to selection mechanism for large construction order exceeding KRW 30 billion of design and construction separation contracts.

Social responsibility is newly added to criteria.

This shows government procurement policy is to **emphasize coexistence** beyond price and efficiency.



Expected Effects

“

Capable construction firm conduct construction at reasonable price”

”

Comprehensive Evaluation

Construction

Pre-Qualification

Bidding

Comprehensive Evaluation

● Evaluation Standard for Comprehensive Evaluation♪

Category		Criteria	General	Advanced
50 Construction execution Capability	Professional	Past delivery performance(or personnel)	15	15
		Professional skills in relevant construction	5	7
		Dispatched technicians	10	11
	Capability	Construction evaluation score	15	15
		Construction capability by size	3	-
		Composition of joint supply	2	2
	Social responsibility (Plus 1 point)	Employment of construction labor	0.2	0.2
		Safety of construction	0.2	0.2
		Fair trade	0.2	0.2
		Contribution to local economy	0.4	0.4
50 Bid price	Appropriateness of price calculation (take off points)	Evaluation of unit price	-4	-
		Evaluation of sub-contracting plan	-2	-2
		Quality evaluation (take off/add points)	-	-2 / +1
		Evaluation of construction execution	-	-2
Credibility for contract(take off points)	Breach of technicians dispatch plan		Point cut	Point cut
	Breach of sub-contracting management plan		Point cut	Point cut
	Exceed the sub-contracting price adjustment bottom line		Point cut	Point cut
	Breach of construction plan		Point cut	Point cut
Total			100	100

Services & Products

Construction

Pre-Qualification

Bidding

Comprehensive Evaluation

Contract for Services & Products

Services

- Academic Research
- Services of Relevant Facilities
- ICT services
- Disposal of Waste Matter
- Transportation Service on the road

	ITEM	Contents	Score	
			USD 2M +	USD 2M -
Capacity for Conducting the Service	Past delivery per formance	Within 3 years, Conducting similar Services equivalence nt the mount of its	30	-
	State of Managem ent		30	30
	Credit rating		+6.75 ~ -2	
Bidding Pric e			40	70

Products

- **Article 42, Clause 1 of Act on Contracts**
- Submit Document
- - within 3~5 business days
- - to KONEPS by online

	ITEM	Contents	Score	
			USD 1M +	USD 1M T-
Capacity for Conducting the Service	Past delivery per formance	Within 5 years, Conducting similar Services equivalence nt the mount of its	5	-
	Technical Ability		10	
	State of Managem ent		30	30
	Credit rating		+3 ~ -2	
Bidding Pric e			55	70

Services & Products

Services & Products

Eligibility Test

Eligibility test

Category	Items	Contents	Score allocation	Index
TOTAL			100	
I. Capability for supply of contracted products	Past performance	Equivalent or more qualified products to contracted one Equivalent products	5	
	Technical capability	Technology level	10	
	Management status	Credit rating	30	
II. Bid price	Bid price		55	Refer to overage score calculation equation
III. Credit rating	Quality management Degree of trust	Ultrahigh certification, green, general certificates, women-owned, disabled, SMEs, job creation, joint venture	+3~-2	
IV. Reasons for disqualification	Relevant products Delivery completion Capability Reasons for Disqualification	It is judged that contract completion is seen as difficult for some reasons like bankruptcy (except, court decides for receivership, authorization on completion)	-30	

Limited Competition (exceeding KRW 1 billion) to Manufacturers for Supply of Manufacturing Products

Negotiation Contract

ICT Services

Evaluation for Proposals

CONTRACT FOR ICT SERVICE

RFP

Bidding

Proposal

Evaluation

Negotiation

Selecting Tender

Contract

Major Projects by Negotiation Contract

Information Transportation System
System Integration
e-Learning system
Financial Management System
Hospital Automation System
ETC.



Negotiation Contract

ICT Services

Evaluation for Proposals

• Regulation

- On management, selection, negotiation of technology review committee members, specified standards for review of proposals in contracts by negotiation, committee members selection system for technical proposals

• Consist of

- Professor
- Associate Professor
- Public Servant
- Researcher for institute etc.

• Scale of the pool

- 15 area of ICT sector, 4,000 specialists

• Members of committees

- 7~9 people
- * Depend on the budget price

• Call for members

- By **Committee Members Selection System**

• Method of Committee

- Physical meeting for the evaluation
- * **Online evaluation less than USD 1 Billion**



Negotiation Contract

ICT Services

Evaluation for Proposals

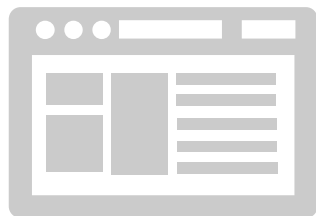
Committee Selection System

Electronic Documents

Auto Calling System

Contract Officer

Selecting appropriate
ICT Groups



Audit Officer

Operating **CMSS**
Management **Pool** 6,
000 Experts



Specialists

Attending
the **committee**



Negotiation Contract

ICT Services

Evaluation for Proposals

• Items of Evaluation and Score

	Contents	Score
Total		100
Technical Ability	<ul style="list-style-type: none"> -Technology & Knowledge -Technician, Organization, Management skills -Project Management Plan -Support Knowledge and Management after Project -Career of Conduct of Similar Projects -States of finance or Management -Collaboration 	90
Bidding Price		10

Presentation of proposals



• Negotiations



Negotiation Contract

ICT Services

Evaluation for Proposals

SW development, operation and maintenance, ICT strategies project

Category	Criteria
Strategy and method	Comprehension on project, strategies, applicable technologies, standard frame work application and method for development
Skills and functions	System requirements, update of function, security request, data request, system operation
Performance and quality	Performance, quality requests, interface request, and green sector contribution
Project management	Management method, implementation plan, equipment for development
Project support	Quality endorsement, test operation, training, maintenance, confidentiality, contingency plan
Co-existence and sub-contracting	Co-existence, sub-contracting appropriateness

Negotiation Contract

ICT Services

On-line Evaluation for Proposals

VideoRoom "화상회의 테스트" REC: Ready

Frame 2 Key 1 Mic Speaker 자동캡처 60분 적용 수동캡처 전체화면복화 종료

CZY0048000029

Waiting

Waiting

Waiting

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Waiting

DB 서버에 연결되었습니다.
음성 서버에 연결되었습니다.
채팅 서버에 연결되었습니다.
화상 서버에 연결되었습니다.

참여자 (1)

ID

CZY0048000029

9 B I U 공지사항

Send

제안서 평가 - Microsoft Internet Explorer

제안서 평가 점수관리

[평가집계표 - 점수입력]

- 평가등급별 점수산정기준은 아래와 같습니다.
: 최적합 = 배점*1.0, 적합 = 배점*0.8, 보통 = 배점*0.6, 미흡 = 배점*0.4, 부적합 = 배점*0.2

대항목	중항목	평가요소	평가등급	배점	배점기준
개발계획부문	유사분야에서의 개발경험	- 개발경험의 유사성 - 개발경험 건수 및 시기 - 개발분야의 규모 및 역할 - 자체개발기술 등 관련기술 보유	최적합	20	30
	개발대상사업의 이해도	- 개발목표 및 내용의 이해도 - 문제파악의 정확성 - 업무분석체계의 명확성 - 목표시스템 구성의 적절성 - 제안요청서와의 부합성	적합	10	
	개발전략	- 추진전략의 창의성 - 추진전략의 타당성 - 적용기술의 혁신성 - 적용기술의 최신성 - 제안기술의 실현가능성	평가대상아님	0	
개발부문	기능 및 성능(상용SW, HW 포함)	- 기능요구 충족도 - 성능요구 충족도 - 운용요구 충족도 - 표준요구 충족도 - 사용자편의성 충족도	적합	10	35
	개발방법론	- 개발절차의 타당성 - 개발산출물의 적정성 - 도구와 기법의 적정성과 경험 - 적용방법론의 경험	적합	10	
	개발환경	- 개발장비 보유현황 및 확보방안 - 개발도구 보유현황 및 확보방안	보통	15	
관리부문	경영상태	- 재무구조 - 신용 평가기관의 신용도	보통	1	10
	사업수행 조직	- 조직체계의 적정성 - 참여인력의 적정성	최적합	1	
	품질보증방안	- 품질보증계획의 적정성 - 품질보증인력의 자질 - 사업자 품질보증 능력 - 국제 소프트웨어 개발 프로세스 품질 인증 획득 여부	최적합	1	
	위험/자원 관리방안의 적정성	- 위험/자원 관리방안의 적정성	최적합	1	

신뢰할 수 있는 사이트

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Impact of e-Procurement

• Increased Transparency

Real-time information disclosure

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

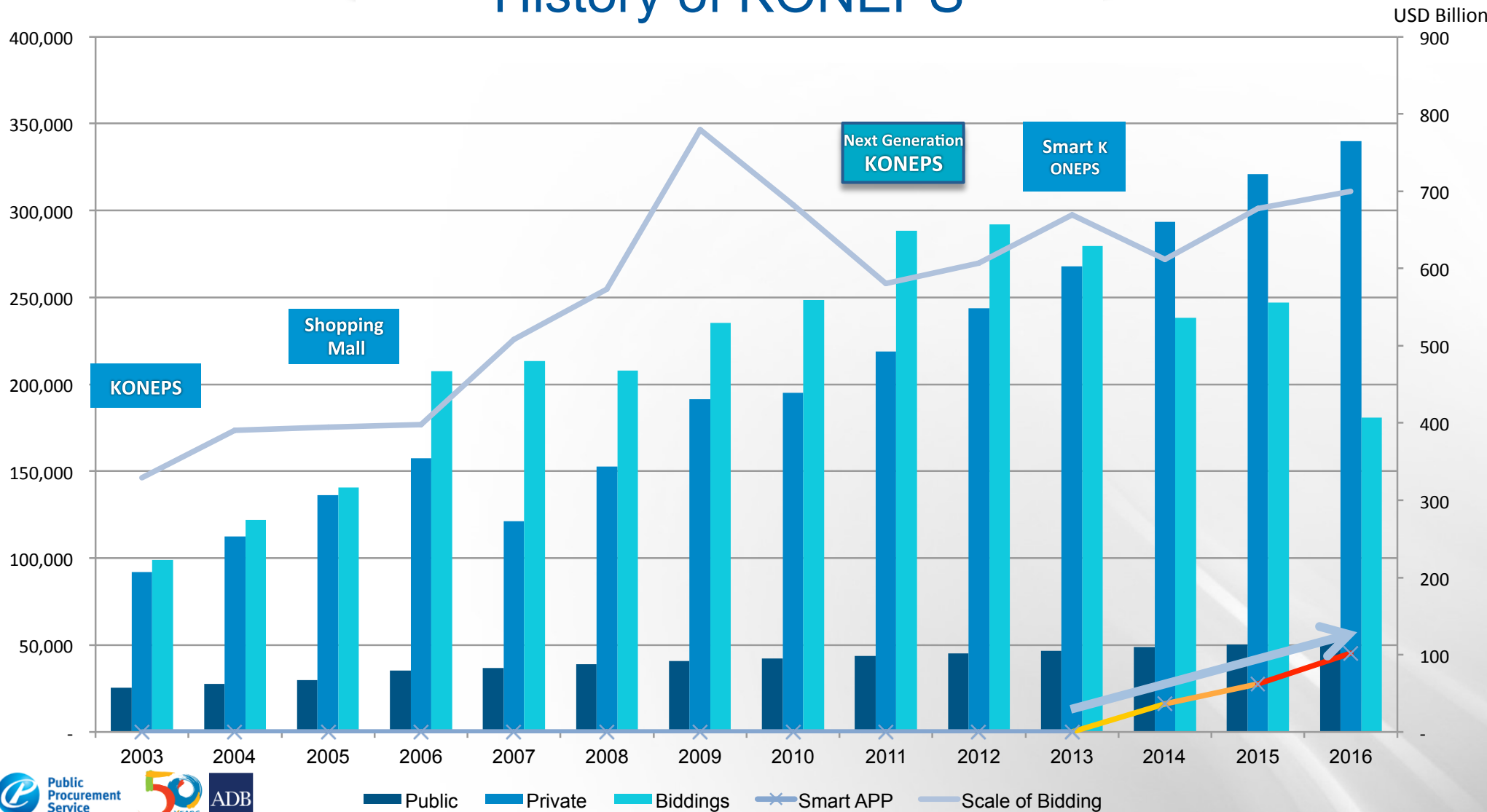
Objectivity in bid evaluation

- Bid evaluation based on objective, validated data

- Traceable prices and specifications
- Reduced risks of biased decisions from information asymmetry

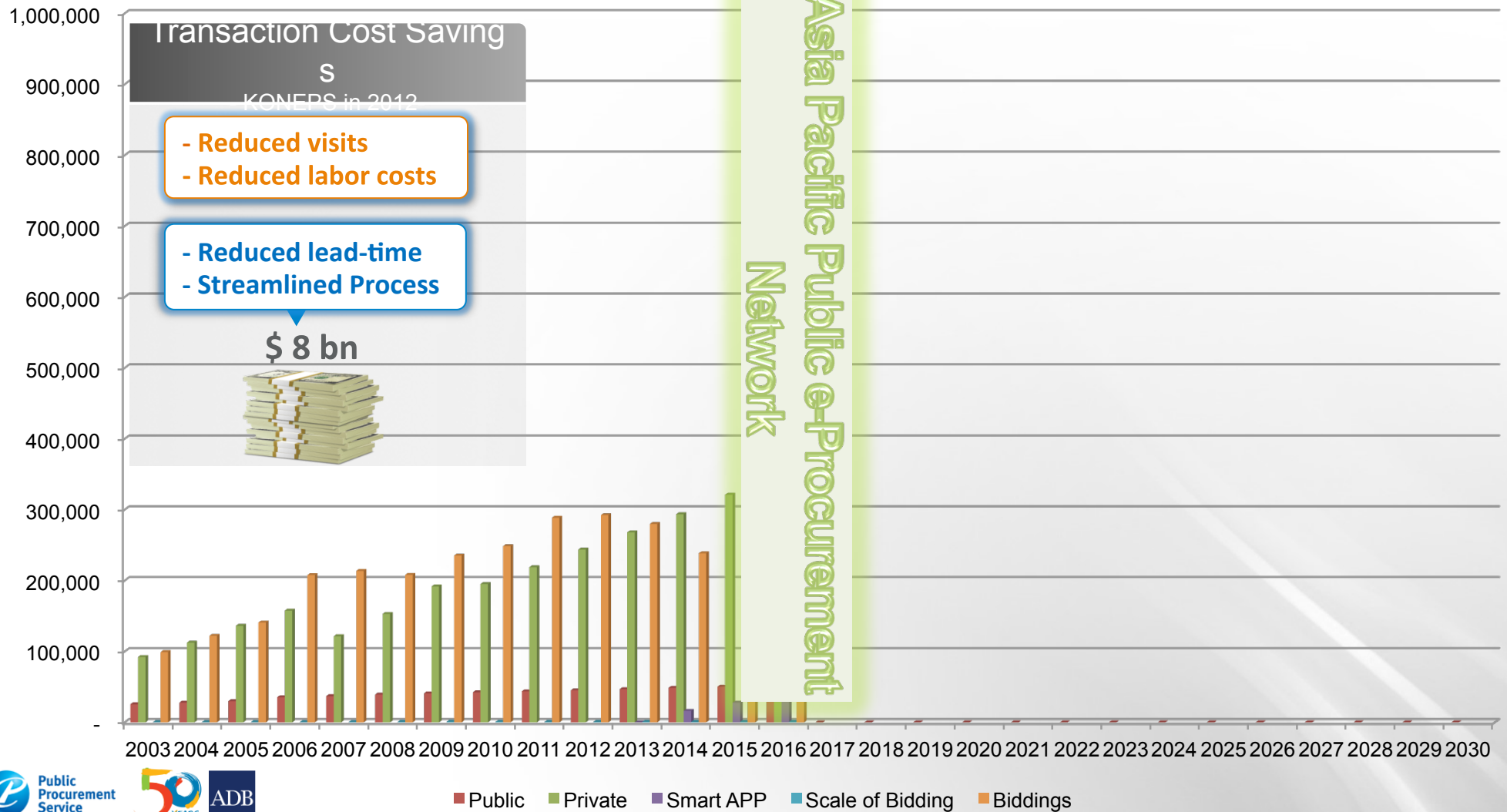
Enhance KONEPS

History of KONEPS



Boosting Shared Prosperity

History of KONEPS with All of YOU



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Legal Framework

• Governing Laws

- No separate primary legislation for e-Procurement until Feb. 2013
- e-GP was rolled out without mandatory-use provisions (except tender notice)

Act on Contracts to Which the State is a Party (State Contract Act)

- General guideline on bidding and contracting for the central government : method of contracting and awarding
- No provisions on e-GP

Enforcement Decree of State Contract Act (presidential decree)

- Mandates the publication of tender notice, procurement reporting and announcement of debarments via designated e-GP system (KONEPS)
- Empowers the Minister of Ministry of Strategy & finance to designate the operator of the e-GP system

Enforcement Regulations of State Contract Act (Ministry of Strategy and Finance)

- Provides for the shared use of supplier information in KONEPS by public organizations

- e-GP could be implemented under existing laws on e-Commerce

Framework Act on Electronic Commerce

- Defines digital documents and actions related thereto (transmission, reception)
- Provides for legally binding effect of digital documents

Digital Signature Act

- Legal effect of digital signature
- Regulates the management of Certification Authorities, issuance of digital certificates, etc.

Other Acts

- Act on Common Use of Administrative Information
- Act on Protection of Personal Information by Public Entities
- E-Government Act promotes digitalized administrative process wherever possible

Choosing e-GP Model

Gateway to Government Procurement

- E-Procurement Portal
- Comprehensive Information Contents
- Integrated Information Search
- Customer Service

Standardized Procurement Process

- ASP for public institutions
- Services for suppliers
- System development for the System Operation Authority

Efficient Procurement Process

- One-time registration for participating in all public bids
- Reducing the paper document submissions by bidders

Integrated Information & Shared Use

- Comprehensive information on public bids and bid awarding
- Access to data from public authorities and industry associations
- Shared use of information

Standardization of Data

- Standardizing Product Catalog based on UNSPSC
- Creation of e-Catalog
- Standardizing 149 e-Document forms

Reliable e-Document Exchange

- Conformity to ebXML international standards
- End-To-End security measures with PKI encryption
- Security assurance

Integrated
e-GP
System



THANK YOU



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Information Management Division

e-Procurement Specialist

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