

# Anti-Corruption Policies with Procurement



**Public Procurement Service**



# Contents



**Anti-Corruption Policies with Procurement**



**PPS Anti-Corruption Policy for 2018**



# I . Anti-Corruption Policies with Procurement



## II. Anti-Corruption Policies with Procurement

### Background of e-Procurement

#### ■ General characteristics of traditional procurement practices

**Paper-oriented procedure**

**Face to face contacts**

**Limited disclosure of info**

**Complicated process**



**Inefficiency**

**Low transparency**

**Low service quality**

#### ■ Changes in the procurement environment

- **Advances in Information Technology**
- **Best value for customers and tax payers**
- **Business Transparency**



## II. Anti-Corruption Policies with Procurement

### Long Road to KONEPS

**EDI  
(1997~2000)**

Paper documents → e-Documents

- XML-based standard e-Document Interchange for procurement process

**e-Bidding  
(2000~2001)**

Physical bidding → Online e-Bidding

- Year-round training at 23 training centers across the country
- Process integration for user convenience (e-Certificates, online fee payment)

**e-Payment,  
e-Guarantee (2001)**

Government check → e-Fund transfer

- Payment via electronic fund transfer (EFT), e-certification for guarantee deposit

**KONEPS (2002)**

**Integrated Services** through a **single portal**

- **Entire procurement process** through a single portal





## II. Anti-Corruption Policies with Procurement

**Restriction of  
Bid  
Participation**

**Bid · Award, Contract · Implementation**

**Firms with Bribery Offer → 3  
months - 2years**

**Contract  
Info.  
Disclosure**

**Plan for Order, Size of Contract Target**

**Disclosure of Contract**



# **II. Anti-Corruption Policies with Procurement**

## **2. Government Procurement Act**

### **● Coverage of Compulsory Procurement**

- **[Central Gov.] Products Worth KRW 100m or above**
- **[Central Gov.] Construction Worth KRW 3b or above**
- **Products under the Unit-Price Contract by PPS**
- **According to Other Acts**



## II. Anti-Corruption Policies with Procurement

### 3. Contract Rules in Public Corporations & Quasi-Gov. Org.

#### Commissioned Contract Work of Public Entities

- Bribery with Contract Work leads to 2years behind the bar
- Commission Status of Contract Work

(unit : KRW 100m)

Commissioned Entities	Tasks	Performance	Index
12	Product, Service, Construction	1,604	4 Entities in Progress





## II. Anti-Corruption Policies with Procurement

### 4. Transparency is enhanced through KONEPS.

Procurement  
Business

- **Total Government procurement was about USD 123 billion.**
- **52,000 User Public Entities**
- **373,000 Registered Suppliers**
- **Transactions via KONEPS 71% of Public Procurement**  
(In KONEPS : USD 87B)

Procurement  
Service

- **All public entities should purchase from PPS's MAS contract \***

Central Gov.	Mandatory*
Local & Public Enterprises	Optional

\* threshold - \$100,000 for goods and services, \$3,000,000 for construction

\* MAS contract : unit-price framework contracts for commercially available products.  
All public entities may place orders for MAS contracted products.

Source: 2017 PPS Procurement Statistics



## II . PPS Anti-Corruption Policies for 2018

# III. PPS Anti-Corruption Policies for 2018

## 1. Environment of Integrity

- Fostering leaders with integrity
- Operation of Integrity Governance
- Anti-Corruption Policies Evaluation
- Integrity Mileage Evaluation System



# III. PPS Anti-Corruption Policies for 2018

## 2. Integrity Culture and Expansion

- Internalizing Integrity Training
- Analysis on High Officials Corruption Likelihood
- Disclosure of Selection System for Tech Evaluation Panels
- Improper Solicitation and Graft Act Training





Thank You