

A glass globe of the Earth is the central focus, resting on a bed of vibrant green moss and ferns. The background is a soft-focus forest scene with sunlight filtering through the trees, creating a warm, natural atmosphere. The globe shows the continents and oceans, with a grid of latitude and longitude lines.

# OPEN CONTRACTING PARTNERSHIP

## Driving sustainability with open contracting

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## Today's Goal:

Introduce Open Contracting as a framework to advance sustainability in public procurement

## Agenda:

1. Why we need to “fix” public procurement and make it more sustainable?
2. What is open contracting and how can it help, including examples
3. How can we measure sustainability of public procurement using the Open Contracting Data Standard





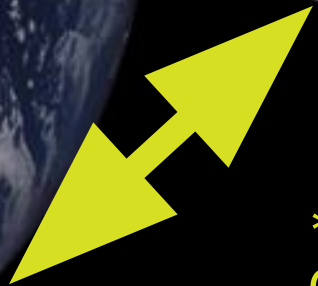
# 1. Why fix public procurement and make it more sustainable?

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US\$  
13,000,000,000,000



\* \$100 billion+ on  
COVID-19 procurement



# Revealed: fast track for PPE

**PROPUBICA** Graphics & Data Newsletters About

Racial Justice Health Care Technology Criminal Justice More... Series Video

**CORONAVIRUS**

## One Federal Agency Was Suing Him for Fraud. Another Paid His Company Millions for Masks.

Court records show the federal government gave \$20 million in contracts to a practices.

**PROPUBICA** Graphics & Data Newsletters About

Racial Justice Health Care Technology More... Series Video Impact Search

**CORONAVIRUS**

## You Can Make Millions Selling Masks to the Government in Three Easy Steps

The federal government is essentially providing seed money to PPE startups, including some run by people accused of fraud. Mask brokers describe a simple blueprint for buying masks from China to get rich.

by J. David McWilliams, July 11, 5 a.m. EDT

**WIRED** Technology | Science | Culture | Gear | Business | Politics

# Here's the data that reveals the scale of Carillion's big-money government deals

Data seen by WIRED reveals which parts of government gave deals to Carillion between 2011 and 2017

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**Public Leaders Network**

## The 8p banana that showed Bogotá needed more open public spending

Something was rotten in the Colombian capital's school food contracts. We faced fierce resistance trying to fix the problem, but we fought to achieve transparency

- María Victoria Angulo is education secretary for Bogotá

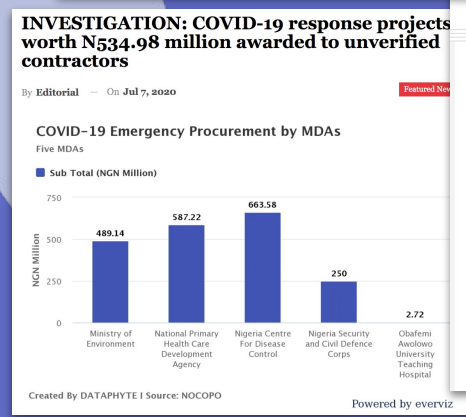


A typical school day, about a million pupils eat a meal / Reuters

**NEWS** DECISION 2020 PLAN YOUR VOTE CORONAVIRUS U.S. NEWS OPINION

**House Democrats find administration overspent for ventilators by as much as \$500 million**

Democrats say the episode raises questions about one of the Trump administration's largest contracts for ventilator production.

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**Local government**

## Nearly 100 London councillors have links to property industry

Almost one in 10 councillors work for consultancies involved in planning or construction firms



**LOGNA TECHNOLOGY SOLUTIONS LLC**

1000 Building, 548 CIE, Abu Dhabi, United Arab Emirates

**TAX INVOICE**

PROJECT INFORMATION	
Invoice Number	0784500000
Invoice Date	27 MAR 2020
Project Name	NOCOPO
Report Of	NET
City	Abu Dhabi
Invoice To	NOCOPO
Sub Total	\$2,000,000
VAT 5%	\$100,000
<b>TOTAL</b>	<b>\$2,100,000</b>

APPROVED BY: [Signature]





**Would you buy ventilators from a  
raspberry farm?**









**Public procurement is responsible for  
15% of all greenhouse gas emissions**



# Highlands Water Project

- Multi-billion dollar water transfer/hydropower project
- Bribes were paid to win contracts and evade environmental regulations
- Irreversible impacts to river ecosystem health and endangered fish species








**BOTTOM LINE:**

**Procurement needs a makeover**

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## 2. What is Open Contracting and How Can it Help ?

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# What is open contracting?

1	<b>Setting a measurable reform goal and securing buy-in</b>
2.	<b>Structuring and publishing data and documents across all stages of public procurement to improve their usability to achieve the goals</b>
3.	<b>Engage stakeholders to define and test reforms to improve outcomes and strengthen oversight</b>
4.	<b>Measure, adapt and institutionalize reforms</b>





**Value for money & Efficiency**



**Integrity**



**Effective service delivery**



**Level playing field for business**

A World Bank survey of 34,000 companies in 88 countries found that competition was higher and kickbacks were fewer and smaller in places where transparent procurement, independent complaint procedures and external auditing are in place.

**NEW: sustainability**



# Open and Sustainable Public Procurement

OPEN  
SPP



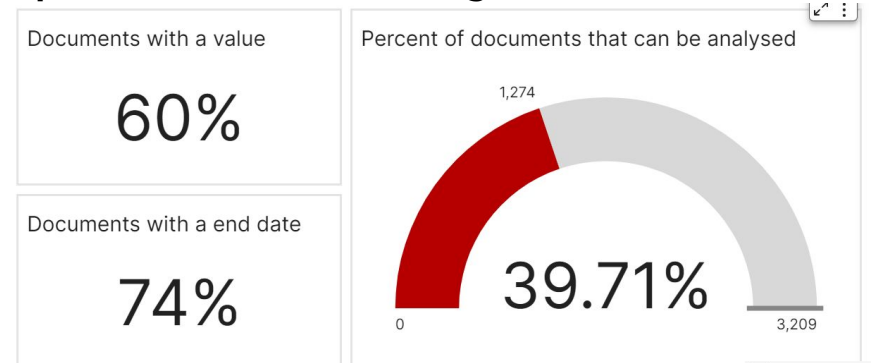
## What are the recommendations?

- Publish data on carbon emissions
- Use data to plan and action emissions reductions
- Reward suppliers that reduce emissions
- Unlock learning on what works and what doesn't

## Indicators that help track performance

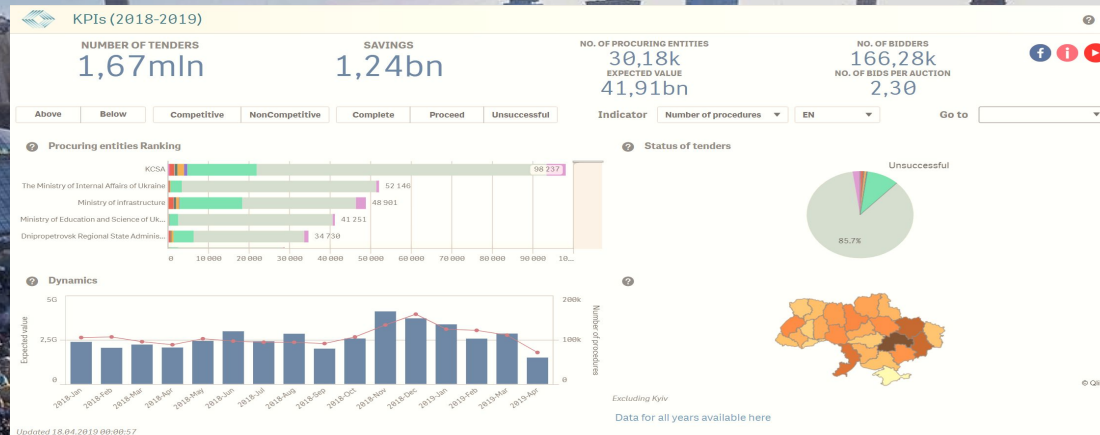
- Share of tenders where CO2 emissions reductions is scored and built into award criteria
- No. of suppliers who meet low carbon criteria (e.g. certifications)
- Share of tenders which include a carbon budget
- Tonnes of Co2 associated with public contracts
- Tonnes of Co2 saved on public contracts through low carbon measures

## Spend Network Contracting Emissions Calculator





# Impact : Ukraine



2015-2020

- Savings >\$6bn+ (including 18% of Healthcare budget)
- 1000s of new suppliers & 80% to SMEs
- Corruption perception of Entrepreneurs halved
- Embedded CSO monitoring, helped to fix violations in 8,646 tenders with an estimated value of \$934 million

More stories of impact:  
<https://www.open-contracting.org/impact-stories/>



# Economic & social value: Moldova

How patients are using open contracting to help authorities make medicines affordable for all

## EFFICIENCY

Average time between tender announcement and contract signing reduced by two months

Medicine procurement contracts for upcoming year finalized two months earlier



## MONITORING

Real-time public monitoring of \$40 million in medical procurement and COVID-19 contracts

Real-time drug supply and service delivery monitoring platform promotes public accountability



## SAVINGS

15.4% savings on medical procurement transactions worth about \$60 million completed via open contracting system MTender

95% savings on antiretroviral drug Emtricitabine/Tenofovir disoproxil when switching to a low-cost alternative dose

19% savings on HIV medicine budget

Share of generics for HIV budget is over 90% up from 41%

Share of generics for hepatitis budget is 58% up from 0%

## CHILE: DATA-ENABLED MONITORING IMPROVES COMPETITION AND PUBLIC SERVICES SUCH AS MORE AFFORDABLE MEDICINES

### Increased competition



31% of the medicines increased the number of tenderers

Over 56% of the medicines having at least two suppliers

### Cheaper medicines



60% of medicines purchased at up to 80% cheaper

7% reduction in average price of medicines compared to the previous period

### Government cost savings



Total savings were 6.6 billion Chilean Pesos (approx US\$9 million), about 3% of total spend

### Open data



Only 46% of CENABAST procedures were open in 2018. 62% of CENABAST procedures are now open

### New participants are entering the market



17 of the 60 suppliers awarded contracts hadn't been awarded contracts in the previous period



**Transport produces 25% of emissions in Latin America**



**ECOBICI**  
SISTEMA DE TRANSPORTE INDIVIDUAL

**Ecobici, Mexico City**

# Green Flags for Procurement

- Lithuania used data to monitor usage of environmental sustainability criteria in public procurement.
- Within 1 year they went from 3% to 59% of procurement by value using these criteria

## ŠVIESLENTĖ PAGAL PIRKIMŲ RODIKLIUS

Pirkimo vykdytojo kodas: All

Pirkimo vertė: All

Pirkimo vykdytojo pavadinimas: All

Pirkimo vykdytojo tipas: All

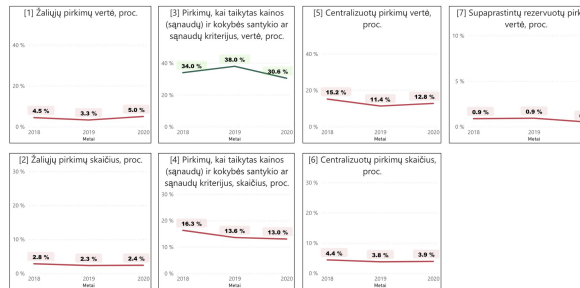
Pirkimo objekto grupė: All

Rodiklis	Žalia	Geltona	Raudona
[1] Žaliųjų pirkimų vertės dalis	≥ 30 %	20 % ≤ ... < 30 %	< 20 %
[2] Žaliųjų pirkimų skaičiaus dalis	≥ 30 %	20 % ≤ ... < 30 %	< 20 %
[3] Pirkimų, kai taikytas kainos (sąnaudų) ir kokybės ar sąnaudų kriterijus, vertės dalis	≥ 30 %	20 % ≤ ... < 30 %	< 20 %
[4] Pirkimų, kai taikytas kainos (sąnaudų) ir kokybės ar sąnaudų kriterijus, skaičiaus dalis	≥ 30 %	20 % ≤ ... < 30 %	< 20 %
[5] Centralizuotų pirkimų vertės dalis	≥ 15 %	10 % ≤ ... < 15 %	< 10 %
[6] Centralizuotų pirkimų skaičiaus dalis	≥ 15 %	10 % ≤ ... < 15 %	< 10 %
[7] Supaprastintų rezervuotų pirkimų vertės dalis	≥ 2 %	1 % ≤ ... < 2 %	< 1 %

Metai	Visų sudarytų sutarčių vertė, Eur	Žaliųjų pirkimų vertė, Eur	Pirkimų, kai taikytas kainos (sąnaudų) ir kokybės santykio ar sąnaudų kriterijus, vertė, Eur	Centralizuotų pirkimų vertė, Eur	Rezervuotų pirkimų vertė, Eur	[1] Žaliųjų pirkimų vertė, proc.	[3] Pirkimų, kai taikytas kainos (sąnaudų) ir kokybės santykio ar sąnaudų kriterijus, vertė, proc.	[5] Centralizuotų pirkimų vertė, proc.	[7] Supaprastintų rezervuotų pirkimų vertė, proc.
2018	4,254,405,556.7	191,363,846.5	1,447,616,797.7	647,447,231.0	14,382,345.7	4.5	34.0	15.2	
2019	5,355,621,254.5	178,694,276.2	2,037,455,976.7	610,039,670.0	15,063,388.8	3.3	38.0	11.4	
2020	4,550,943,792.7	229,749,205.2	1,390,322,546.1	583,188,016.9	9,244,558.7	5.0	30.6	12.8	

Metai	Visų pirkimų skaičius	Žaliųjų pirkimų skaičius	Pirkimų, kai taikytas kainos (sąnaudų) ir kokybės santykio ar sąnaudų kriterijus, skaičius	Centralizuotų pirkimų skaičius	[2] Žaliųjų pirkimų skaičius, proc.	[4] Pirkimų, kai taikytas kainos (sąnaudų) ir kokybės santykio ar sąnaudų kriterijus, skaičius, proc.	[6] Centralizuotų pirkimų skaičius, proc.
2018	7,999	225	1,305	354	2.8	16.3	
2019	8,594	198	1,167	327	2.3	13.6	
2020	9,441	224	1,228	372	2.4	13.0	

## ŠVIESLENTĖS RODIKLIAI



## PIRKIMŲ VYKDYTOJŲ VERTINIMAS PAGAL METUS

Rodiklis	Raudona	Geltona	Žalia
[1] Žaliųjų pirkimų vertės dalis	3	2	4
[2] Žaliųjų pirkimų skaičiaus dalis	3	2	4
[3] Pirkimų, kai taikytas kainos (sąnaudų) ir kokybės ar sąnaudų kriterijus, vertės dalis	3	2	4
[4] Pirkimų, kai taikytas kainos (sąnaudų) ir kokybės ar sąnaudų kriterijus, skaičiaus dalis	3	2	4
[5] Centralizuotų pirkimų vertės dalis	1	0	2
[6] Centralizuotų pirkimų skaičiaus dalis	1	0	2
[7] Supaprastintų rezervuotų pirkimų vertės dalis	2	1	3

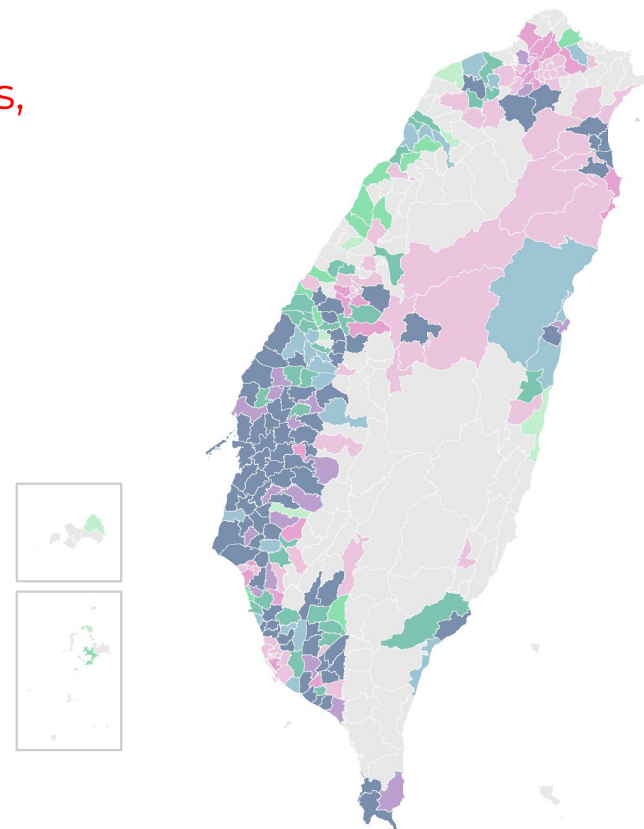
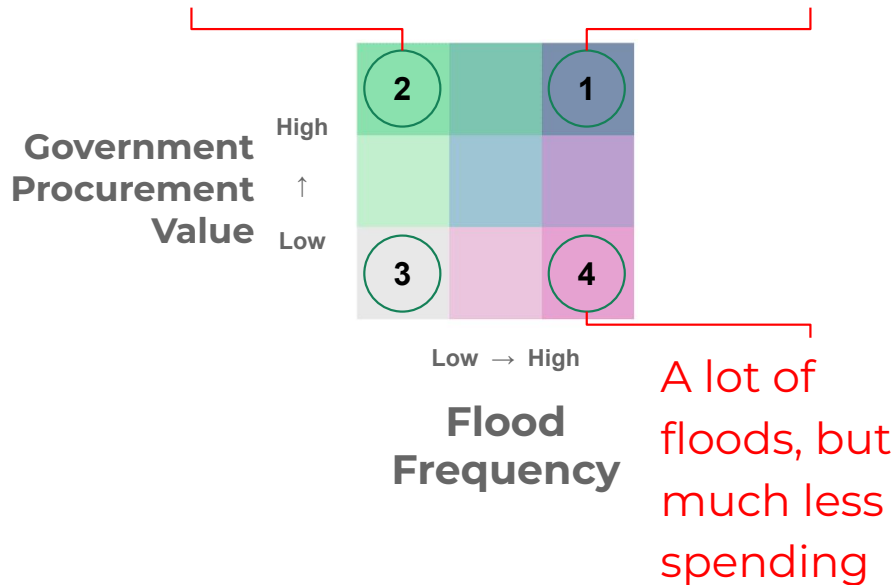
Rodiklis	Raudona	Geltona	Žalia
Bendras [1]-[6] rodiklių vertinimas	< 13 balų	13 balų ≤ ... < 17 balų	≥ 17 balų
Bendras [1]-[7] rodiklių vertinimas	< 13 balų	13 balų ≤ ... < 20 balų	≥ 20 balų



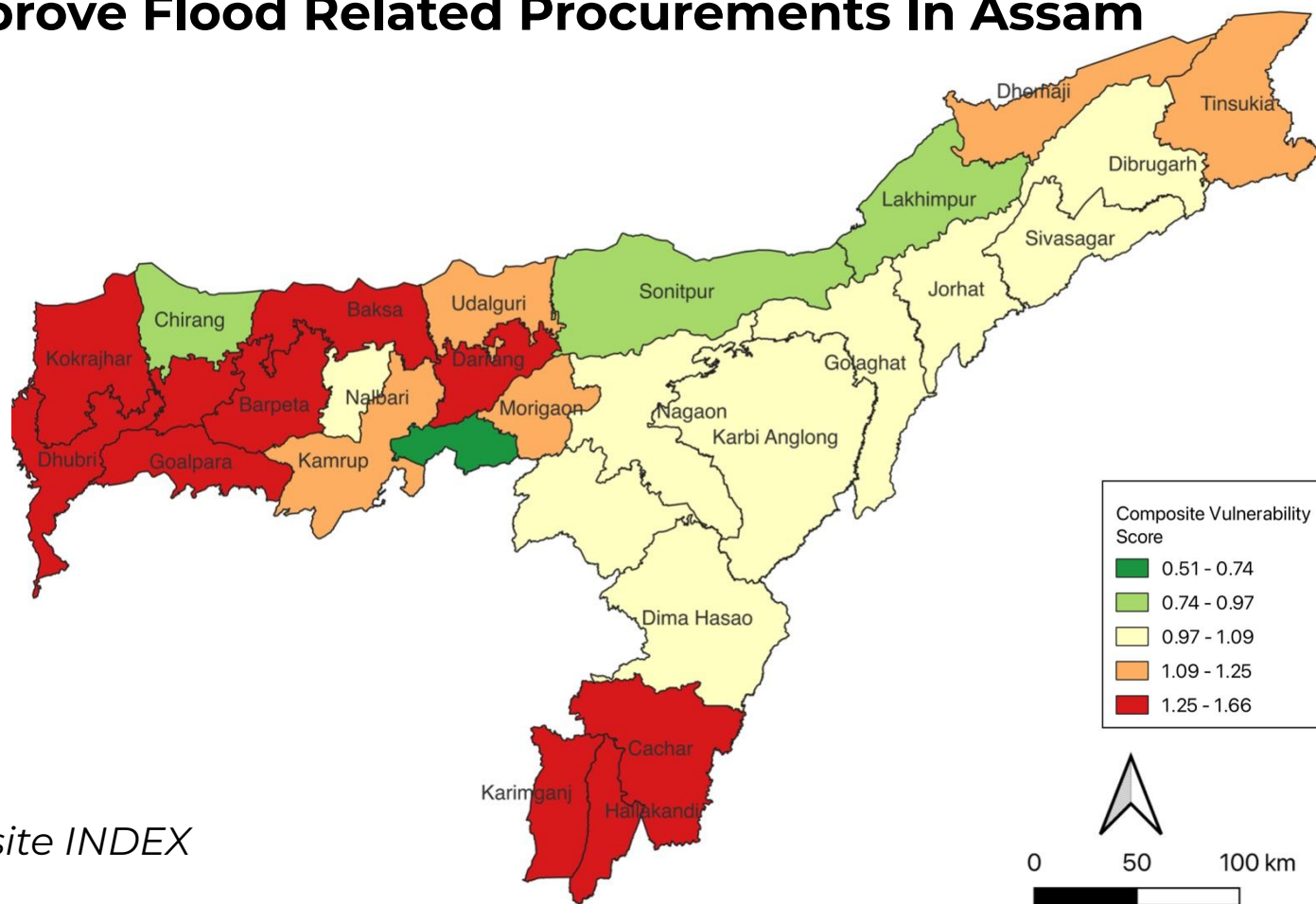
# Climate adaptation: Overlaying flood risks with flood infrastructure procurement (2004-2015)

Only a few floods, but a lot of spending

Lots of floods, a lot of spending



# Climate adaptation: Linking fiscal, geospatial and socio-economic data to Improve Flood Related Procurements In Assam



Composite INDEX

B	C
District name	Composite score_4
Dhubri	1.949
Hailakandi	1.546
Bongaigaon	1.496
Goalpara	1.487
Cachar	1.483
Barpeta	1.467
Baksa	1.451
Kokrajhar	1.447
Darrang	1.412
Karimganj	1.389
Udalguri	1.285
Tinsukia	1.279
Dhemaji	1.256
Morigaon	1.251
Kamrup	1.234
Golaghat	1.200
Nagaon	1.200
Nalbari	1.191
Jorhat	1.186
Sivasagar	1.165
Dibrugarh	1.159
Karbi Anglong	1.126

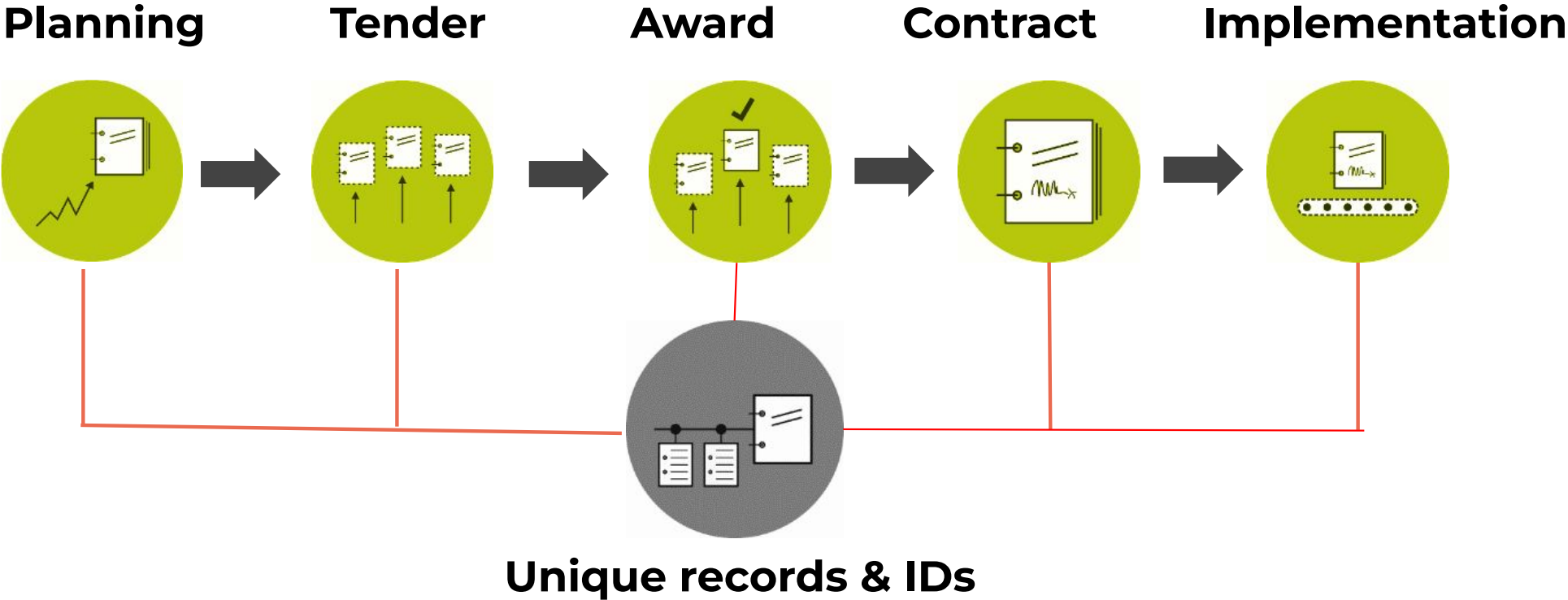




**3. How can we use the Open Contracting Data Standard to measure sustainability in procurement?**

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# Open Contracting Data Standard (OCDS)





# Standardized open data can help us to monitor performance using indicators...

## ...including for sustainability

Topic	Indicators
<b>Competition</b>	Proportion of open tenders
	Proportion of single bid tenders
	Proportion of value awarded in single bid tenders
	Average and median number of tenderers
	Market concentration
	Number of unique suppliers by item
	Number of unique suppliers by entity
<b>Supplier performance</b>	Top suppliers by value and number of awards
	Success rate of bidders
	Share of single bid contracts
	Share of direct awards
<b>Efficiency</b>	Average duration (in days) of the tendering period
	Average duration (in days) of the award period
	Proportion of cancelled tenders
	Proportion of contracts with savings and overruns

Share of tenders which reference SPP criteria within specifications

<b>Information needs</b>	Indicator that the tender has SPP goals and uses technical specifications as a strategy
<b>Suggested OCDS fields</b>	tender/hasSustainability, tender/sustainability/goal, tender/status, tender/sustainability/strategies set to technicalSpecifications
<b>Calculation method</b>	<ol style="list-style-type: none"> <li>1. Count the total number of tenders where the tender/status is active or complete.</li> <li>2. Count the total number of tenders where the tender/sustainability/strategies include technicalSpecifications and the tender/status is active or complete. Note: a single contracting procedure can have different strategies.</li> <li>3. Calculate the total number of tenders where the tender/sustainability/strategies include technicalSpecifications (step 2) divided by the total number tenders (step 1).</li> </ol>

## Environment & Ecosystem Services: Understanding conservation risks on infrastructure planning & procurement

- How open data in public infrastructure planning, procurement and delivery can help to improve environmental and conservation outcomes
- targeted indicators to help stakeholders analyze data on infrastructure projects and contracts to identify potential environmental and conservation risks

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# How to do it?

1	<b>Setting a measurable reform goal and securing buy-in</b>
2.	<b>Structuring and publishing data and documents across all stages of public procurement to improve their usability to achieve the goals</b>
3.	<b>Engage stakeholders to define and test reforms to improve outcomes and strengthen oversight</b>
4.	<b>Measure, adapt and institutionalize reforms</b>

Check out [sustainable.open-contracting.org](https://sustainable.open-contracting.org) to get started



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