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27.08.2024

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General Country Profile - General Information of Country

- An island southeast of the Indian subcontinent
- Strategically located close to major shipping lanes.
- Total area of the country - 65,612 km²
- Two climate Zones - wet and dry
- Mean temperature - 26 – 28 ºC
- Total population – 21.7 million
- 25 Administrative districts are under 9 provinces

- Per capita GDP – USD 2,836
- GDP Rate – 1.6%
- Inflation Rate – 5.7% Annual Average
- Unemployment Rate - 4.7%
- Literacy Rate - 93.3%
- Life Expectancy – 77 Years (Average)
- Human Development Index - 0.782

General Country Profile - National Policies and Strategies on Public Procurement and e – Procurement

Department of Public Finance

- Plays a central role in public sector Governance and has a responsibility for a sound public finance regulatory framework which improves transparency, accountability and service delivery in the public sector.
- Works with other government institutions to enhance the management of public resources and strengthen transparency and accountability.
- To create necessary framework for the procurement of goods, works, consultancy services and other services to ensure value for money, open and effective competition, ethics and fair dealing, transparency and accountability in Public Procurement.

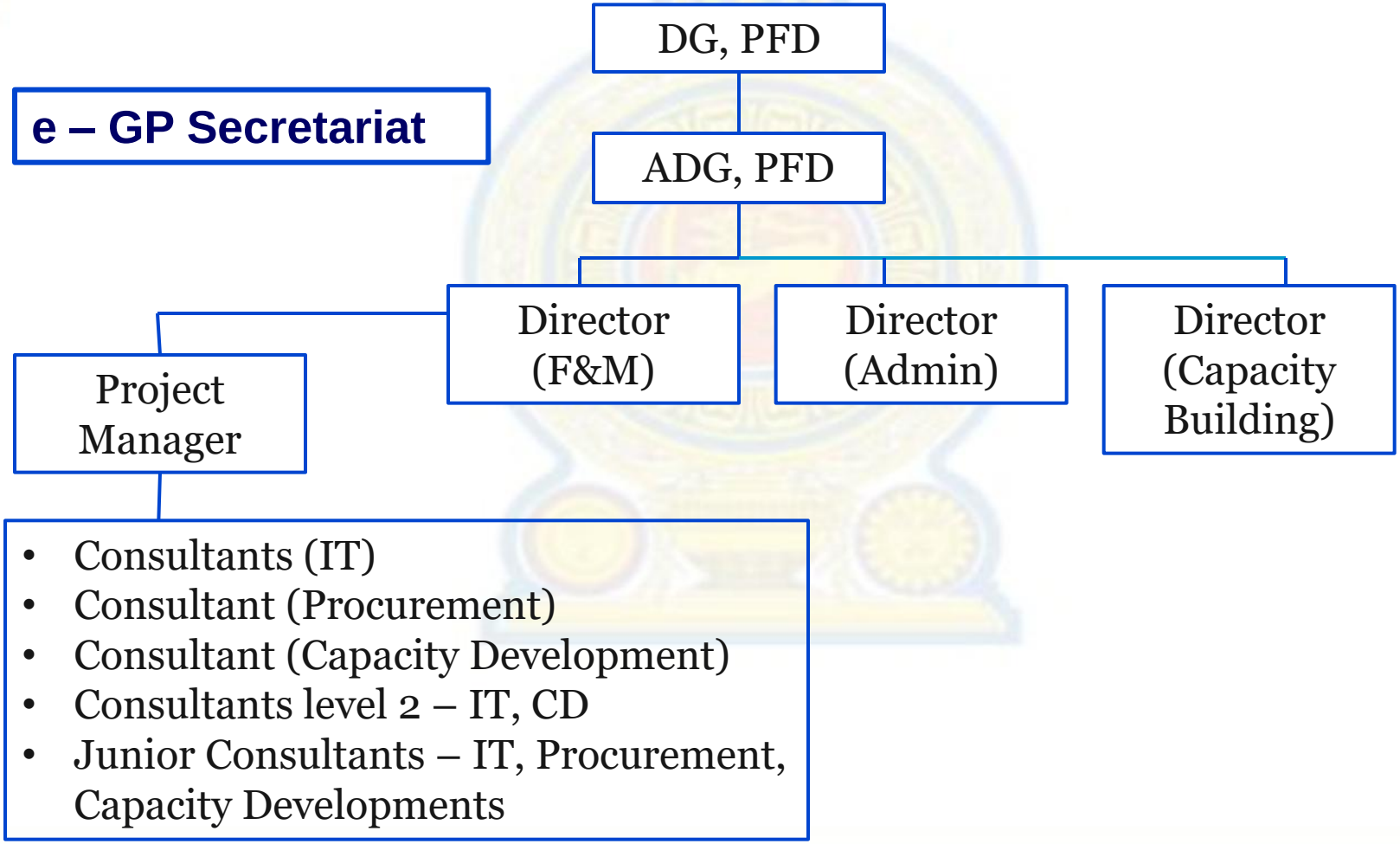
- **National Procurement Commission (NPC)**
  Formulate guidelines for government institutions' procurement of goods and services, works, consultancy services, and information systems. Monitor and investigate procurement-related activities done by the Procuring Entities.
  - Revising existing Procurement Guidelines, manuals and Standing Bidding Documents
  - Preparing Procurement Law

- **National Agency for Public Private Partnership (NAPP)**
  Provide financial, legal and investment structuring expertise during the process of soliciting and negotiating Public Private Partnership (PPP) investment projects.
  - Preparing Public Private Partnership Law

Public Procurement in SL - Guidelines on Government Procurement Procedure

- Government Procurement Guidelines & Manual (Works & Goods) 2006
- Guidelines for Selection & Employment of Consultants Guidelines & Manual - 2007
- Guidelines for Pharmaceuticals & Medical Devices of a Consumable Nature – 2022
- Guidelines on Private Sector Infrastructure Projects – Part II (1998)
- Guide to Project Management & Contract Management For Infrastructure Development Projects (Works) -2017
- Standard Bidding Documents for Shopping, Goods and Service
- Construction Industry Development Authority (CIDA) developed SBDs for works contracts

Current Status and Perspectives on e – Procurement - Government Organizational Structure and Relevant Stakeholders



Relevant Stakeholders

- Ministries and Departments
- State Owned Enterprises
- Provincial Councils and Local Authorities
- National Audit Office
- Vendors/Contractors
- Funding Agencies
- Citizens

Need to Provide System Interface with the following Agencies;

- Lanka Clear
- National Medicine Regulatory Authority (NMRA)
- Company Registrar
- Construction Industry Development Authority (CIDA)
- Integrated Treasury Management Information System (ITMIS)

- US $ 4.06 bn or 24% of Total Government Expenditure & 6.3% of GDP (2020) will be used for the procurements.
- 80% of the Total Capital Expenditure is related to the procurement activities
- 20% of 80% is for shopping procurements
- According to the World Bank studies, non availability of a e-GP System in the country cost the state approximately US$ 1.2 Mn per month.

Current Status and Perspectives on e – Procurement

- Size of e-Procurement

Since using the e-GP platform is not mandatory, unable to provide the exact amount or percentage. However, comparing the usage of the Procurement Entities, around 10% of PEs use the shopping procedure through the e-GP platform.

Current Status and Perspectives on e – Procurement - Past and Current Level of Stage on e- Procurement

- 2016 – e-GP readiness Assessment and Road Map was prepared.
- 2017 – Approval of the Cabinet of Ministers was granted to develop an e-GP system for Sri Lanka and establishment of e-GP Special Project Monitoring Committee
- 2018 – e-GP Secretariat was setup under the Department of Public Finance
- 2019- e-GP system development contract was awarded to Theekshana R&D, two Circulars were issued on the implementation of e-GP in Sri Lanka
- 2020 – Implementation of e-Bidding process for National Shopping Goods initiated under e-GP version 1, World Bank reviewed version 01.
- 2021-2022 Established e-GP implementation Committee, ICTA reviewed the e-GP system and recommended to revise the contract by issuing Addendum Advanced version (version – 02) of the e-GP system development.
- 2023 – Grant was received from the EU/World Bank under the Public Financial Strengthening Project for the e-GP System Development and new agreement signed with the existing contractor in accordance to the WB requirement.
- 2024 - Shopping Version 2.1 released. Software requirement specifications (SRS) completed. Version 3 development is ongoing (NCB)

Sri Lanka Electronic Government Procurement (e-GP) System

Developed and Implemented by	Department of Public Finance, Ministry of Finance, Economic Stabilisation and National Policies
System Implementation Partner	Theekshana R&D Ltd
Hardware Implementation Partner	Sri Lanka Telecom (Cloud) and will be moved to new Cloud solution base on the new architecture.
Commencement	November 2019
URL	www.promise.lk

- **Product Development Stages**
  - Shopping Version 1 (2020) - completed
  - Shopping Version 2 (2023) - completed
  - Shopping Version 2.1 (2024) - completed
  - Version 3 - NCB/ICB (2024) - ongoing
- **World Bank/EU/ADB Assistance**
  - USD 4.2 Mn Grant from EU (06th July 2023 – 30th November 2026)

Current Status of e-GP Version 2.1

- The e-GP V2.1 was released in February 2024
- Form Base System
- Common Procurement Vocabulary (CPV) Codes are use for Vendor Registration
- Online evaluation can be carried out in V2.1
- Use Monolithic Architecture
- Jira software use to manage the issues and operational requirements communication
- The development of the comprehensive Software requirements specification (SRS) completed.
- Using Agile software development methodology, we are fine tuning the comprehensive SRS based upon the Stand Up meetings.
- The e-GP guidelines are currently being developed with the assistance of ADB.
- The Standing Bidding Documents and User Guides are currently being developed.
- An average of between 500 and 700 ongoing Shopping procurements
- There are 60 to 110 opening and closing of RFQs during the weekdays

Implementation of V2.1 - Registration

Status of Implementation	Ministries and Departments	SoE's including Banks	Provincial and local Govt.	Total
No. of Procuring Entities (PE) in Sri Lanka	800		2,200	**3,000**
Registration				
No of PE registered in e-GP system	358	144	47	**549**
No of active PE's using the system (consider as active if PE has used the system even once since 10 Feb 2024)	178	84	14	**276**
No. of vendors registered in the system			**3,248**	

Implementation of V2.1 - Utilization

Status of Implementation	Ministries and Departments	SoE's including Banks	Provincial and local Govt.	Total
No. of tenders published in the e-GP system	3,473	5,493	86	**9,052**
Value of tenders published in the e-GP system (Rs Mn)	17,553.6	25763.4	45.2	**43,362.3**
No. of tenders published in **2024**	2,828	1,439	38	**4,305**
Value of tenders published **2024** (Mn)	1,048.4	13,674.7	30.8	**14,754.0**

Roll-Out Strategies

Strategy No	Type	Strategy Description
S1	Self Learning	Online resources for self learning in e-GP System
S2	Online Training	Conduct e-GP Online Training Programs using Zoom Platform
S3	Physical Training	Conduct e-GP Physical Training Programs in Colombo and Out stations
S4	Dedicated Training Facilities	Develop an in-house dedicated training lab Establish dedicated provincial training institutes.
S5	Dedicated Training Team from PEs	Develop 100 dedicated Trainers

Version 3 Development - NCB/ICB

- Currently released sprint two out of five, including 29 sections of it.
- Cloud Sizing Completed based on the Microservice Architecture
- Micro service Architecture Design Completed

Current Status and Perspectives on e – Procurement - Legal and Regulatory Component Relevant to e - Procurement

No Specific Public Procurement Law in SL – Civil Law is applied currently

- Force Law in Public Procurement in SL
- Public Contract Act
- Arbitration Act 11 of 1995
- Unfair Contract Terms Act
- The Sale of Goods Ordinance
- Electronic Transaction Act No 19 of 2006
- Computer Crime Act No 24 of 2007
- Payment & Settlement System Act No 28 of 2005
- Intellectual Property Act No 36 of 2003

e-GP Regulatory Framework

- Cabinet approval for e-GP implementation was received in 2017.
- The following Circulars were issued on e-GP implementation
  - 05/2018 – Introduction of e-GP
  - 08/2019 – Implementation of e-GP
  - 08/2019 (i) and 08/2019 (ii)– Mandatory Publication of Procurement Notices and Awards over 200Mn
- e-GP Steering Committee
  - Special Monitoring and Evaluation Committee - 2017
  - Steering Committee Established - 2023
- e-GP Guidelines and Manuals preparation is underway by the e-GP Secretariat.

Challenges & Issues on e-Procurement – Identify Major Challenges and Pending Issues on e - Procurement

a. Business Process Reengineering (BPR) was not done at the initial stage.
b. CPV structure is too complicated. Due to the complexity of the CPV code system, a simplified code structure is required.
c. Project progress was delayed due to that the System Implement Partner (SIP) not competent to hire highly skilled staff
d. Some key procurements like third party certification, cloud procurement were delayed due to delays in various approvals and decisions.
e. Standard Bidding Documents issued by CIDA are supplied to the required stakeholders and are subject to payment.
f. Vendors are reluctant to enter the system due to a lack of knowledge of handling IT systems.
g. Business Registration does not define the field of the business. (the general nature of the business)
h. Most stakeholders do not have a proper system to interface with the e-GP system.

i. Procuring Entities are also reluctant to change from a manual system to a web-based system.
j. Lack of knowledge of staff in PFD in the competence of IT field and hands-on experience
k. Not identified suitable mechanism for Long-term sustain, maintenance and improvement of the system after completion of the project

Future Strategies and Solution on e- Procurement - Improving Strategies and Planning Action Plan for own Country

a. It is identified to introduce a new code system based on the Chart of Accounts Structure currently used by the ITMIS.
b. SIP has agreed to expedite the project as per the signed agreement.
c. The department has to increase the number of human resources with IT knowledge competence.
d. A proper mechanism should be defined to share the cost to CIDA
e. Enhance the Capacity Development program for vendors to be aware of the use of the e–GP system
f. Enhance the vendor registration system with the ability to upload financial statements, history of key contracts, and supporting documents
g. Discussion is ongoing to seek the possibility of sharing supplier data between e–GP and Business Directory website (Rainbowpages. lk) platforms

h. Mechanisms need to be introduced to interface the Stakeholder's system

i. Enhance the Capacity Building programs for Procurement Entireties with some reward mechanism

j.There needs to be an increase in the number of human resources with competence in technical knowledge within the department

k. Needs to be done some assessment to identify sustainable mechanisms for long-term sustainment, maintenance and improvement of the system

Thank you !!