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PART 1

KONEPS

e-Procurement platform in KOREA











2024. 8. 28





※ 유의사항 ※

본 강의안은 『공공누리 제4유형』을 적용함에 따라 상업적 목적으로 이용하거나 2차적 저작물 작성 등 변형하여 이용하는 것을 금지하고 있습니다.

X Cautions X

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<Careers>

(2022.01.~2022.11) Reform and revision of laws and systems related to public procurement

(2017.02~2021.12) Management of public procurement contract operations

- Information Technology and Service Contract
- Suppliers and customer support and management
- General Manager of Contract Management at Local Government Offices

(1994.02-2017.02) Building and operating the KONEPS



Contents

I. Public Procurement in Korea

II. KONEPS Overview

III. KONEPS Effect

IV. KONEPS Services



I . Public Procurement in Korea

1. The Role of the PPS



The Role of the PPS(Public Procurement Service)

Procurement Service

- Goods Procurement(27B USD)
- Service Contract(6.8B USD)
- Construction Contract(13B USD)
- Construction cost review or Management (20B USD)

Goods & Property Management

- Goods(15M items, 17B USD)
- Property(25.4% of the country's total area)

Stockpile Management

- Nonferrous Metal(6), Rare Metal(9)
 Emergency supply and demand control material(5)
- Reserved(291M USD)
 Released (332M USD)
 - → Stability of Price and Supply

Public
Procurement
Service

KONEPS Management

- Centralized Procurement system
- Korea ON-line E-Procurement System

2. Korea's Public Procurement Model



Centralized & Decentralized Procurement

 Central government entities are required to use PPS services for procurement above the threshold value

Goods & Services	above 77,000 USD (100,000,000 KRW)		
Construction Works	above \$2,310,000 USD (3,000,000,000 KRW)		

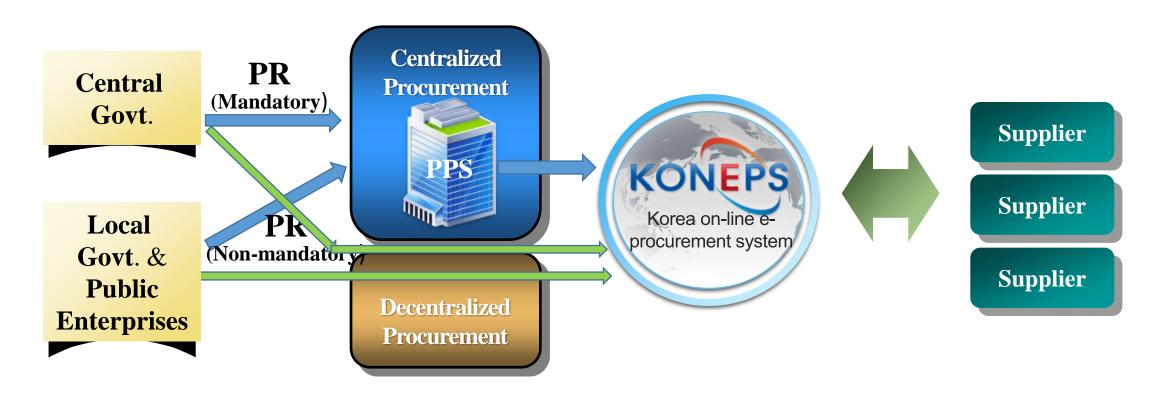
- Local govt. entities and public enterprises may procure either autonomously or use PPS services
- All public entities should purchase from PPS's Public shopping malls* whenever applicable

- ✓ Of PPS's procurement, 55.1% was upon mandatory procurement request and 44.9% was upon non-mandatory procurement request
- * Public shopping malls: unit-price framework contracts for commercial products established by PPS.

 All public entities may place orders against MAS contracts.

3. Public Procurement system in Korea





✓ Other Procurement system in Korea(24)

- Central government: Defense Acquisition Program Administration
- Public enterprise(24): Korea Railroad corp. Korea Electronic Power Corporation etc.)
- bidding system for special part(3): S2B, e-aT, k-apt

4. e-Procurement Laws & Regulations



Laws on electronic documents and signatures

- ***** Framework Act On Electronic Documents And Transactions
- **❖** Digital Signature Act
- **Solution** Electronic Government Act

Laws on public procurement

- **Act On Contracts To Which The State Is A Party (for central Gov.)**
- **Act On Contracts To Which A Local Government Is A Party (for Local Gov.)**
- **❖** Government Procurement Act (for PPS)

Law on e-Procurement

- **Electronic Procurement Utilization And Promotion Act**(2013. 3. 22)
 - Enforcement Decree, Enforcement Rule(2013. 9. 17)



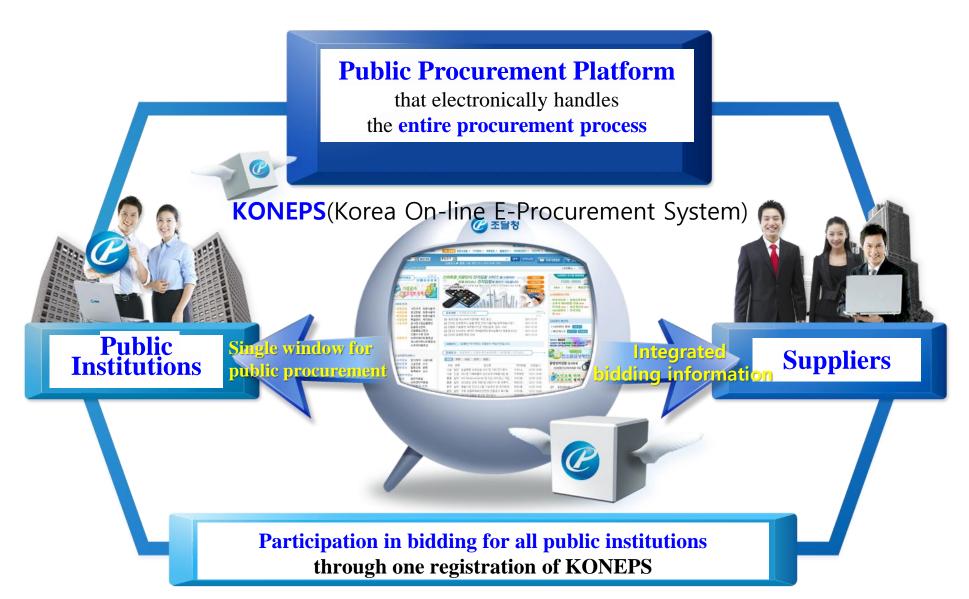
- **❖ 18 types Rules of contract** (including Government Bidding and Contract Execution Standards)
- **❖** 9 types Rules of e-Procurement (including Special Notice for Electronic Bidding)



II. KONEPS Overview

1. Concept of KONEPS





2. Launch the KONEPS



Beginning of e-procurement

1997~2001

Centralized e-Procurement system (e-Procurement EDI)

KONEPS development

2001~2002



One of the 11 key projects for e-government

- Establishment of Basic Plan for G2B Activation(2001)
- Full Grown Promotion of G2B Project(2002)

Launch the KONEPS

2002.10

Single window of e-procurement for public entities

2. Launch the KONEPS



11 key projects for e-government

Innovation in Services

- Government-wide e-Procurement System
- Single Window for Civil Services
- > Integrated Social Security Information System
- Internet-based National Taxation System

Administrative Productivity

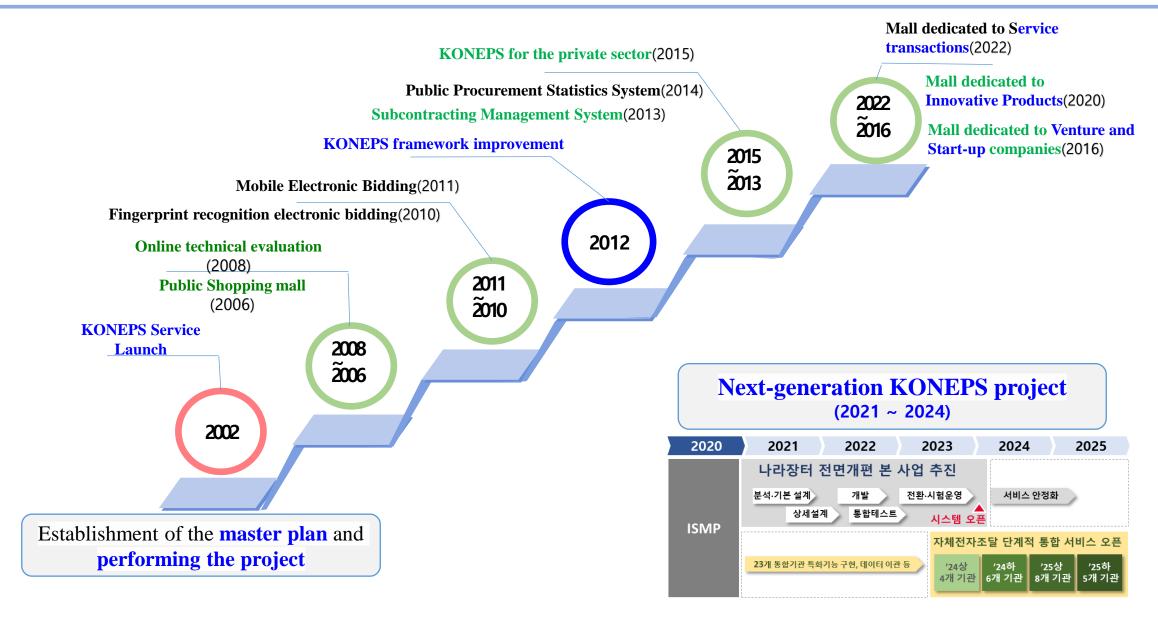
- National Finance System
- Integrated Administration System for Local Governments
- Nation-wide Educational Administration System
- Standardised Human Resources Management System
- Consolidation of e-Document Exchange and e-Reporting

Infrastructure

- > E-Authentication and e-Signature System
- Government-wide Information Technology Governance Environment

3. Continuous improvement in KONEPS



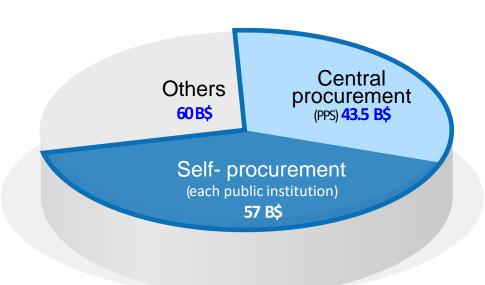


4. Scale of public procurement using KONEPS in Korea



Korea's annual public procurement transaction results 160 billion dollars

*As of December 2023



Of the total public procurement transactions (160 billion dollars),

the size of the KONEPS is around (100 billion dollars)

handwritten contract: 9.3billion \$ (5.8%)





Size of bid use



Buyer: 69,106

Supplier : 572,118

Electronic Tender Notice: 493,593

Bid participants: 46,560,000

Electronic bidding execution: 313,009

Electronic contract: 1,268,878



System linkage status

linked to **227** institutions and businesses

38 in '02 \rightarrow 141 in '13

 \rightarrow 227 in '22

5. KONESP Users



End-user institutions

classifica		Central	Local agency		Public Corporation				Non-classifi	Total
	tion	Gov.	Local Gov.	educational facilities	Public corporation	Quasi-Gov. institution	Non-classified public institution	local public corporation	agency	Total
	num.	5,554	7,115	12,666	1,071	1,444	545	275	40,436	69,106
	Rate	8.04%	10.30%	18.33%	1.55%	2.09%	0.79%	0.40%	58.51%	

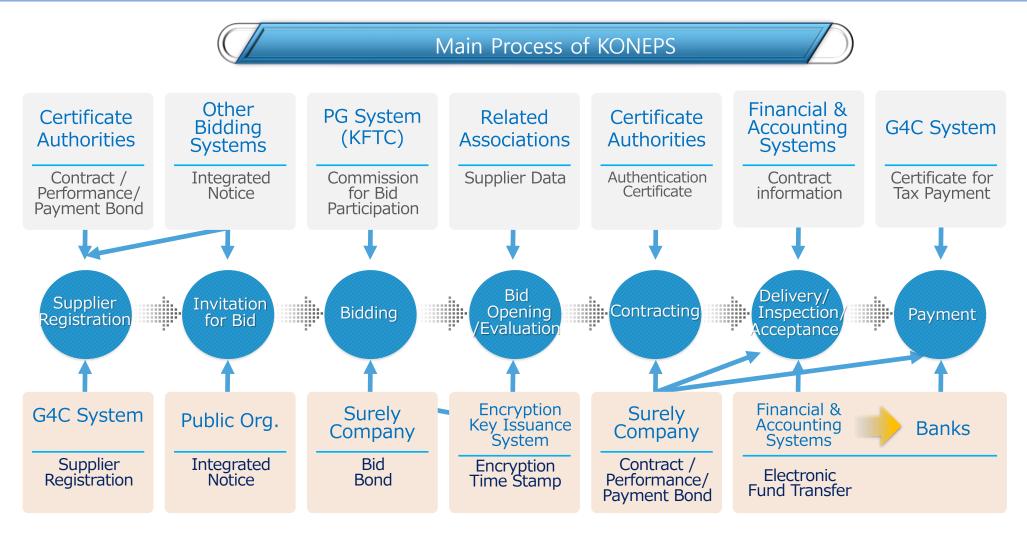
Suppliers

98.98%

Classification	Large enterprise	Middle-standing Enterprise	Small-medium Enterprise	Non-profit Organization	Total
num.	1,240	4,021	553,576	13,281	572,118
Rate	0.22%	0.70%	96.76%	2.32%	

6. Interoperated with external system





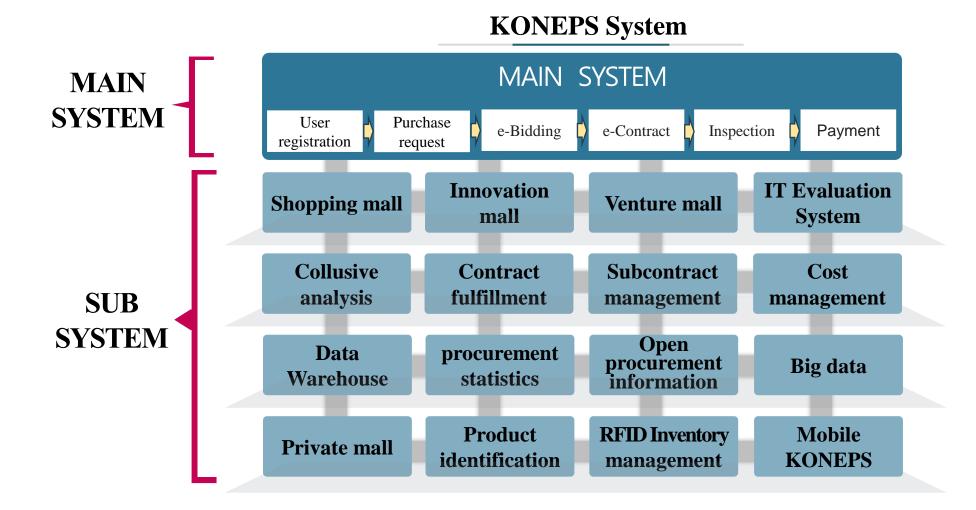


- All processes are digitalized from supplier registration to payment
- One-stop service is provided by using the linkage with 227 external systems

7. KONEPS Main system & Subsidiary system



KONEPS connects the main system and 29 sub systems in a complex and organic way



7. KONEPS Main system & Subsidiary system



Main Services of KONEPS

e-Bidding

- Bid Notice Registration
- Price Assessment/RFQ
- Auction Management
- Evaluation / Analysis

e-Payment

- Payment Request
- Payment Verification
- Expenditure Mgmt.
- **5 Monetary Transfer**
- Fee Management



e-Contracting

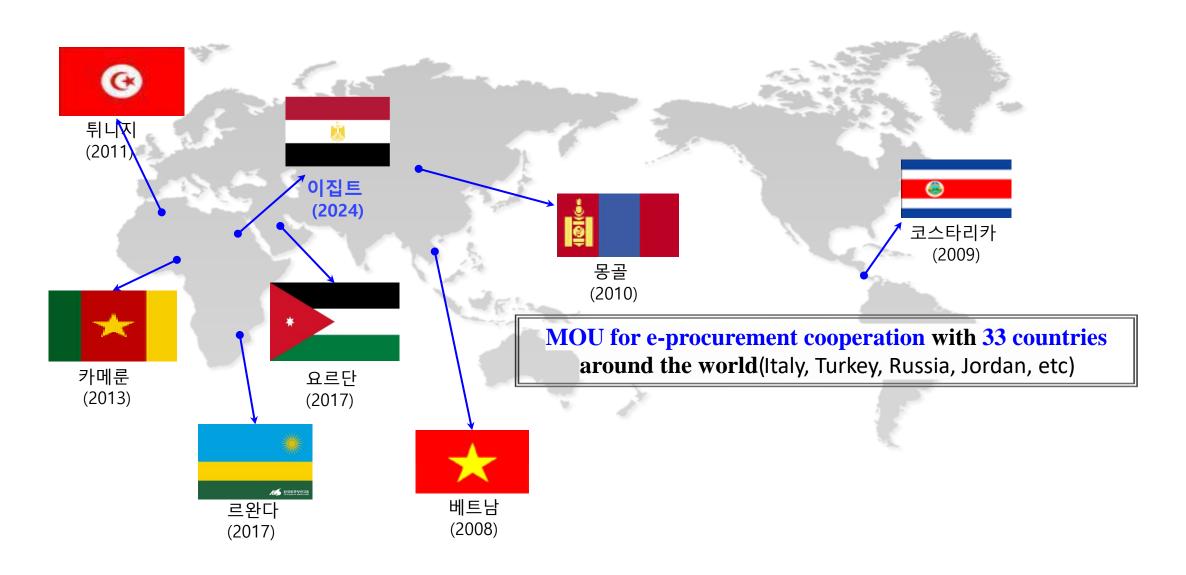
- Contract Registration
- Contract Composition
- Contract Review
- Contract Closure

e-Shopping Mall

- Product Registration
- Product List Inquiry
- Product Search
- ອ e-Mall

8. KONEPS in the world





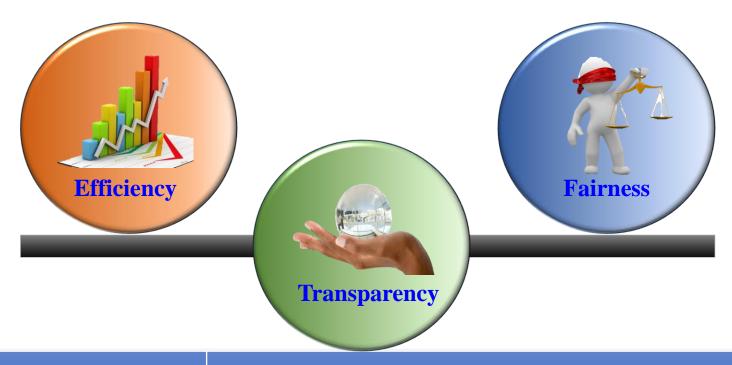


Ш. KONEPS Effect

1. Principles of public procurement



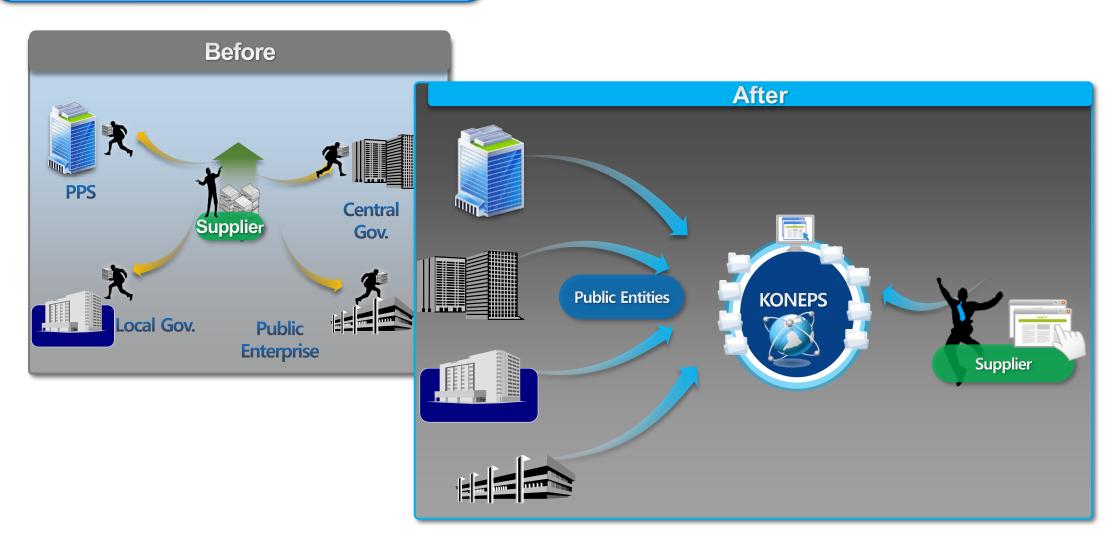
Balance between Efficiency and Fairness



Private sector	Focus on Results over Process
Public sector	Focus on Process over Results

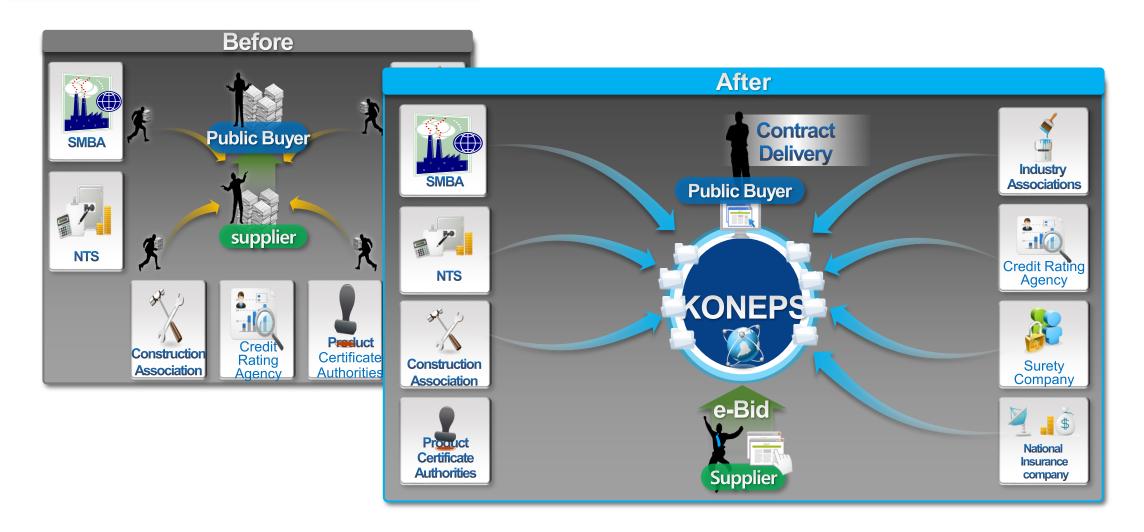


1. Single window for public procurement





2. One-Stop Service by information sharing





3. Transaction Cost Savings

 KONEPS is saving transaction costs of USD 8 billion annually

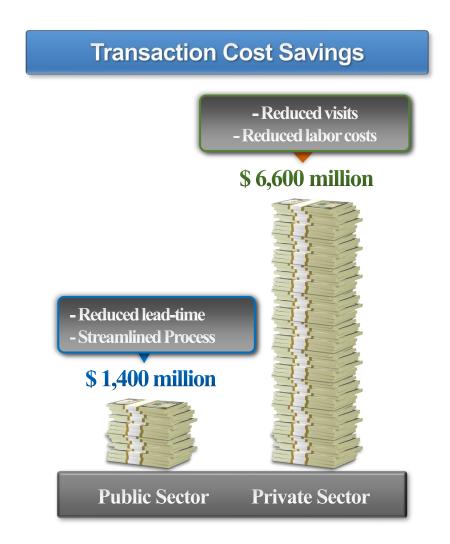
✓ Private Sector : USD 6.6 billion

✓ Public Sector : USD 1.4 billion(Hanyang University, 2008)

- Increased efficiency
 - ✓ Receiving bids, validating related docs. and selecting the winning bid

Before	over 30 hrs		
After	less than 2 hrs		

√ Reduction of 7.8 million pages of paper documents per year





4. Increase the productivity

* Compare to Number of contracts and orders between before and after introduction of e-Procurement

Total Num. of Employees

Total Num. of Contracts and Orders

Num. of Contracts per Employee









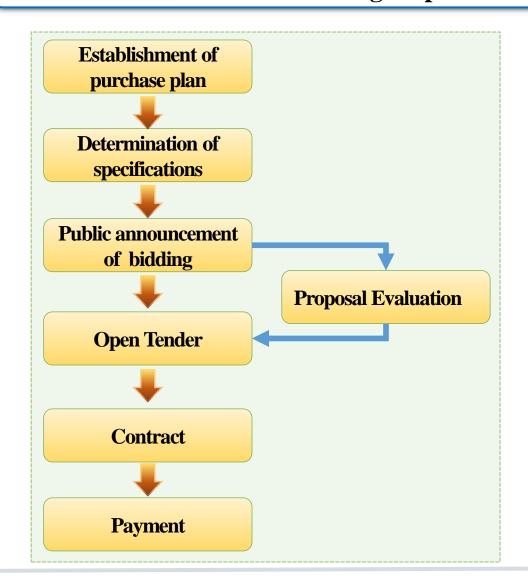
1. KONEPS Mandatory Use Regulations

- Public announcement of bidding: Should be publicly announced using KONEPS
 - * Parallel if necessary: Daily newspapers (central GOV.) or homepages (local GOV.)
- Submission of bid: Must apply using KONEPS
 - * In exceptional cases : direct bidding, postal mail bidding is possible: international bidding etc



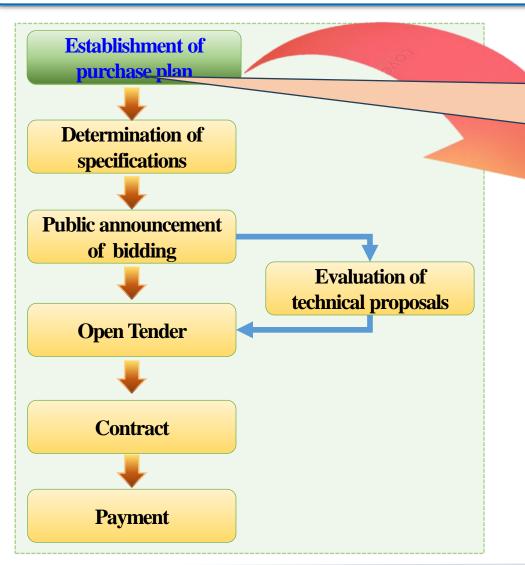
- Purchase through quotation: Should be done by way of competition using KONEPS
- Submission of technical proposals: In principle, submission is made using KONEPS
 - * In exceptional cases, submissions may be made by e-mail or postal mail
- Central governments and local governments cannot separately bid for goods or services contracted by the PPS at a unit price.
 - * Number of businesses: 12,800 Number of Items: 881,650, Amount supplied 23 Billion \$











- Providing purchase plans only to certain companies
- Create a purchase plan focusing on the specifications of a specific company
- When proceeding with a negotiated contract, it is impossible to confirm whether the negotiated contract is made for appropriate reasons.
- **❖** Puchase plan must be disclosed to KONEPS

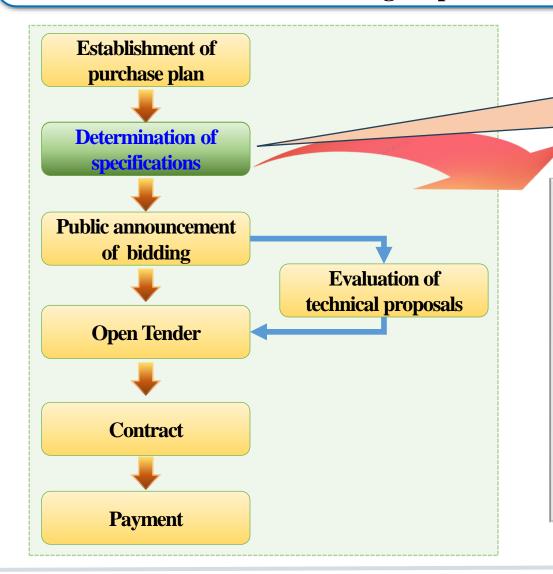
Central GOV. : Quarterly

Local GOV.: When plan is established, without delay

- Disclosure Items
 - Organization to purchase, purchase period, items to be purchased, project amount, bidding method, and contact person information to obtain additional information, etc
- Negotiated contracts also require the ordering plan to be disclosed.



2. Disclose information at each stage of procurement



- Contains specifications advantageous to specific companies
- Purchasing specifications include provisions that limit competition

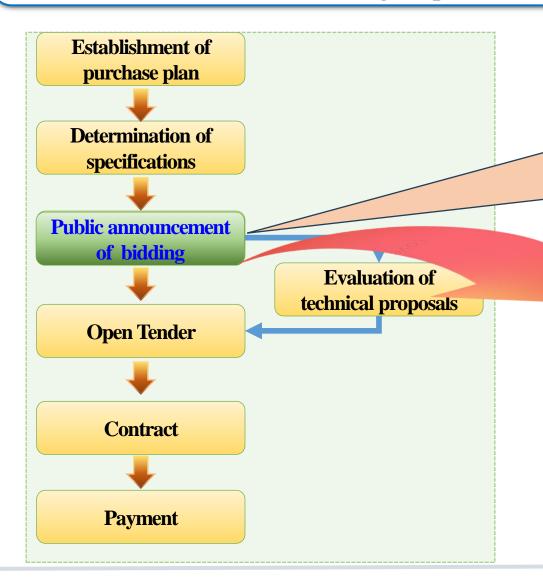
(Inappropriate performance requests, evaluation items, etc.)

❖ Detailed specifications of purchased items are disclosed for a certain period of time prior to bidding announcement.

The company participating in the bidding directly check whether contains specific specifications that may limit competition

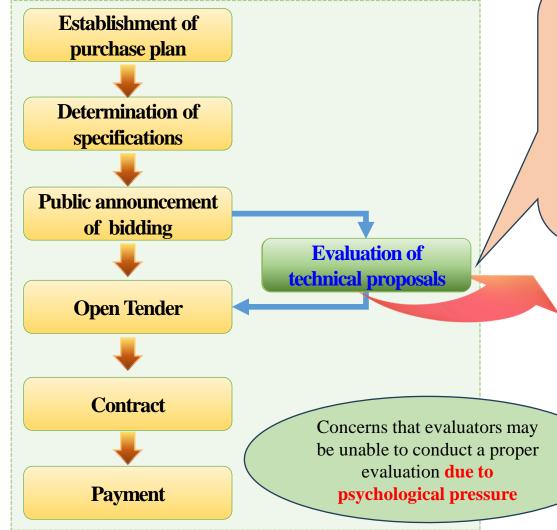
- Item: Specification sheet
- Service: Task details
- * First implemented by the Public Procurement Service, mandatory by law by the Legislative Investigation Office (2016)





- Bid announcements are made in local newspapers and on bulletin boards that are difficult for companies to access.
- Restrictions on viewing detailed bidding information, causing intentional inconvenience.
- Inequality in the provision of detailed bidding information.
- All public institutions (central government, local governments, public enterprises, etc.) must announce bids through KONEPS.
 - The law requires the inclusion of approximately 20 disclosure items.
 - All bidding information that does not specifically require security must be provided in the form of attachments on KONEPS.

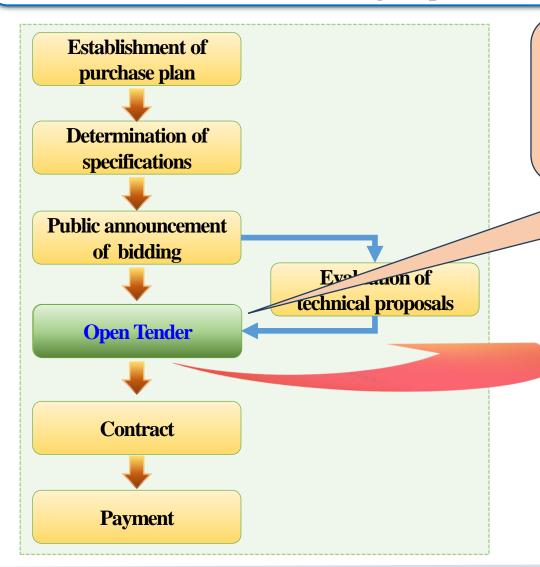




- Creating evaluation items favorable to specific companies
- Selecting evaluation committee members favorable to specific companies
- Informing the list of evaluation committee members to the company, leading to bribery of the evaluators by the company
- Bias towards specific companies by the demand institution during the evaluation process and the influence of influential evaluators (Big Mouths)
- Distortion of evaluation results through discussions
 - ❖ Detailed evaluation results are disclosed on KONEPS immediately after the evaluation is completed.
 - Detailed evaluation scores for each evaluation item and
 by each evaluator
 - * The names of the evaluators are not disclosed.



2. Disclose information at each stage of procurement

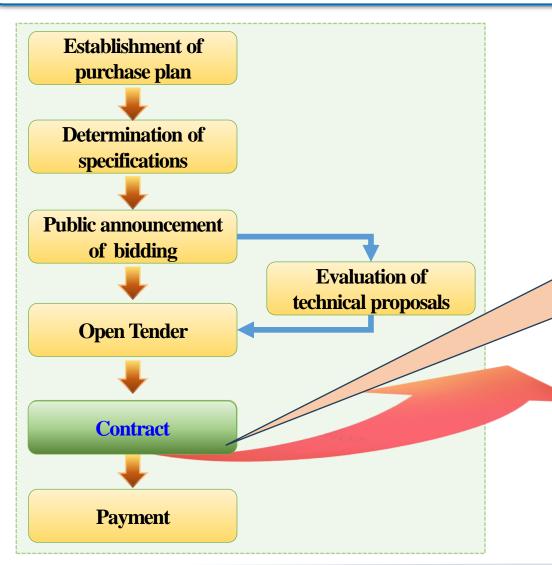


- In on-site bid openings, the process is conducted in an environment where the parties can observe it, but in online bid openings, on-site verification is difficult.
 - => Suspicions of distortion or alteration of bid opening results.
 - The results are disclosed on KONEPS immediately after the bid opening is completed.
 - The list of bidding companies, bid amounts, and even the bidding times are disclosed.

Once the bid opening results are published, they cannot be changed or re-opened under any circumstances.

* What if the bid was conducted incorrectly?

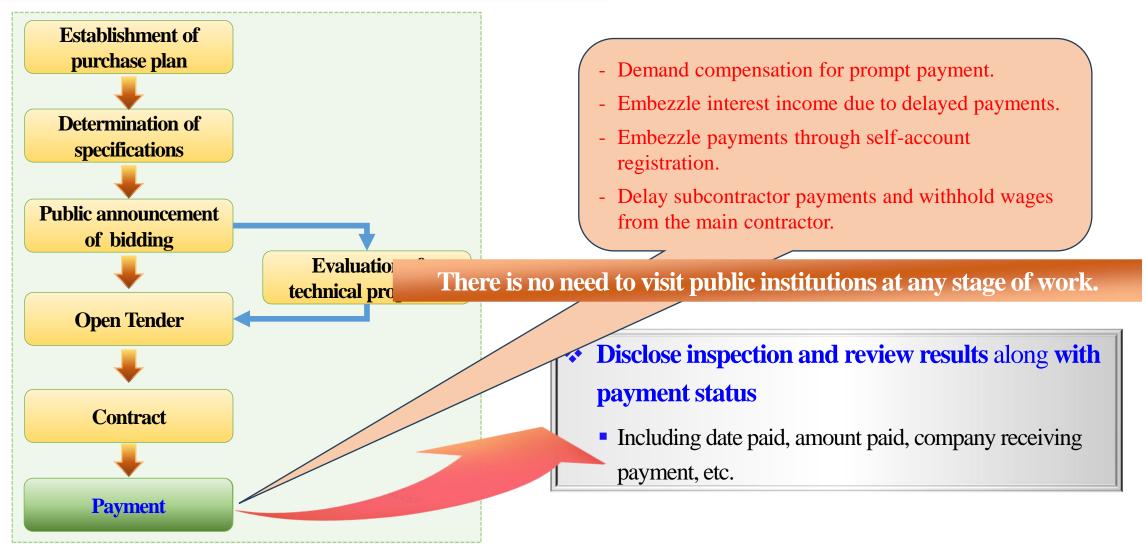




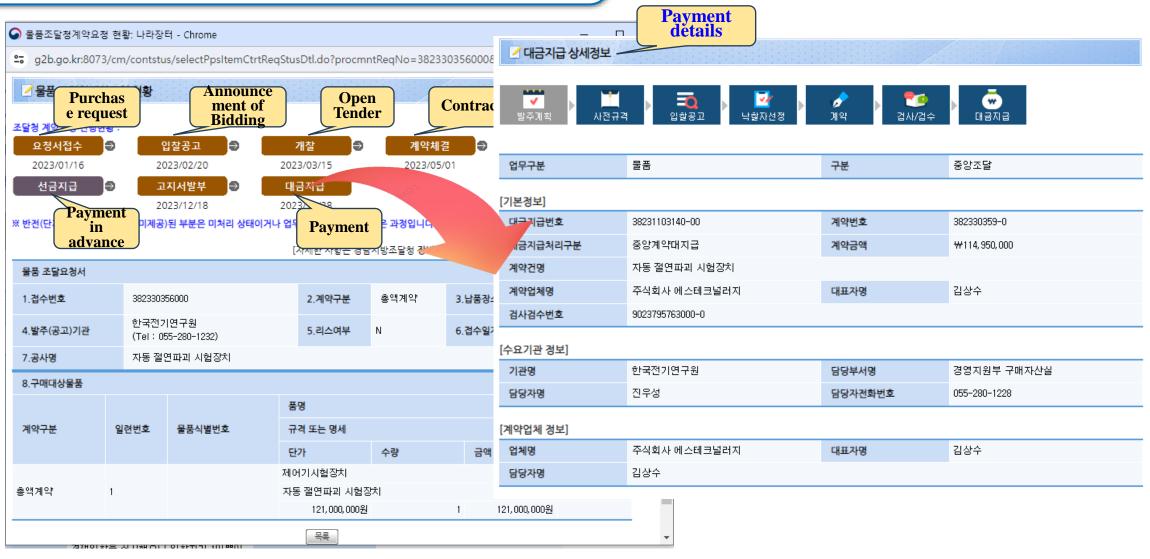
- Acquisition of personal gain during the contract process.
- Demand a commission in exchange for making the contract terms favorable.
- Since negotiated contracts are not publicly advertised, it is impossible to monitor whether the negotiated contract was made for appropriate reasons.

- ❖ All public institutions must **disclose detailed contract** information on KONEPS.
 - All contracts, including negotiated contracts, except in exceptional cases specified by laws, such as national security.











3. Eradication of corruption in the contract payment process

금융

경남은행횡령사고금액3천억 85억 횡령 수자원공

안준영 기자 jyoung@busan.com

인력: 2022-09-19 10:39:01

[비즈니스포스트] BNK경남은행 횡령 사고 규모가 3천약 억 원대로 알려졌던 것의 6배 수준이다.

20일 금융감독원은 최근 경남은행에서 발생한 부동산 : 해 긴급 현장검사를 실시한 결과 은행투자금융부 직원 (됐다고 밝혔다.

횡령 사고로는 역대 최대 규모로 알려졌다.

횡령에 따른 경남은행의 순손실 규모는 595억 원으로 집계됐다.

15년 동안 PF 대출 업무를 담당해온 이모씨는 2009년 5월부터 2022년 7월까지 본인이 관리 ▲ 20일 하던 17곳 PF 사업장에서 모두 2998억 원을 횡령한 것으로 파악됐다.



국내 첫 스마트시티

85억 원을 횡령해 중형을 5월 26일 보도)이 2억 원들

부산지법 서부지원 형사4 선고했다고 19일 밝혔다.

A 씨는 2014년 1월부터 2

끼주일보

HOME > 사회 > 사회일반

1200만원 횡령한 서귀포시 공무원 적발..감사원 파면 요구

○ 김두영 기자 | ○ 승인 2024.05.09

서귀포시, 10일 인사위원회 통해 징계 수위 결

1000만원이 넘는 공금을 횡령한 서귀포시 공무원이 ?

감사원은 9일 '2023년 공직비리 기동감찰' 주요 감시 공무원 A씨(6급)에 대해 파면 징계를 요구했다.

A OO City official was caught embezzling \$8,800. The Board of Audit and Inspection requested his dismissal.

감사원에 따르면 서귀포시 소속 회계 담당 공무원인 AME 2010년 포시 모 읍사무소와 보건소에서 근무하면서 관급자재 대금 300여 만을 조달청에 지급하 는 과정에서 조달청이 아닌 자신의 계좌로 입금하는 등 10차례에 걸쳐 1208만원을 횡령 한 것으로 밝혀졌다.

A씨는 횡령한 자금으로 의류를 구입하거나 생활비 등으로 사용한 것으로 밝혀졌다.

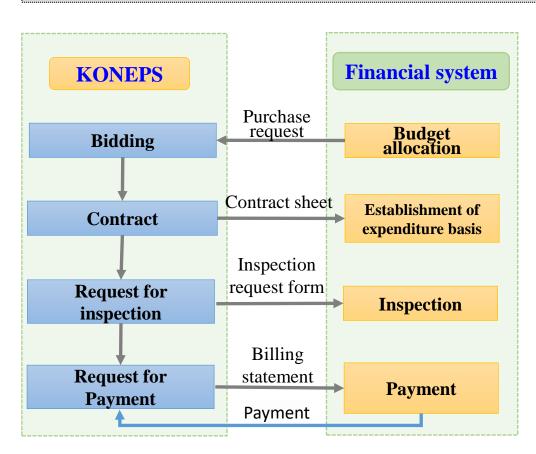
특히 A씨는 자신의 횡령 사실이 드러나지 않도록 세금계산서 등 관련 서류를 변조하는 A 전체도 4014년 1월구년 4 수법으로 허위 지출경비를 만들거나 다른 경비를 부풀려 집행한 것으로 조사됐다. 입금한 보증금 2억 원을 회장 교내 제공단 바라를 본도되는

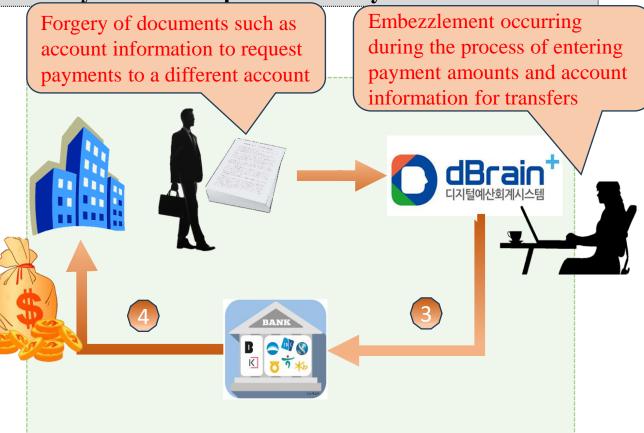


3. Eradication of corruption in the contract payment process

Transparent and prompt payment of contract funds

through the connection between the **financial system** and the **procurement system**



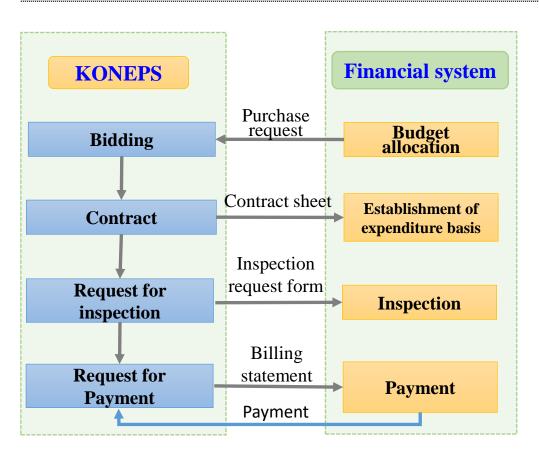


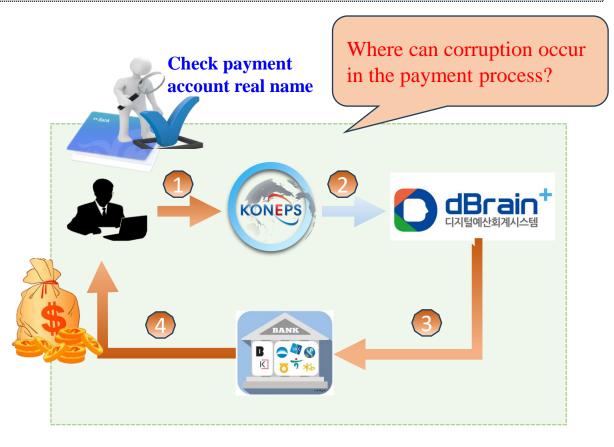


3. Eradication of corruption in the contract payment process

Transparent and prompt payment of contract funds

through the connection between the **financial system** and the **procurement system**







4. Transparent and fair technology proposal evaluation

Items and Score of Evaluation

	Contents	Score
Total		100
Technical Ability	-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	80 ~ 90
Bidding Price		10 ~ 20

- Creating evaluation items favorable to specific companies
- Selecting evaluation committee members favorable to specific companies
- Informing the list of evaluation committee members to the company, leading to bribery of the evaluators by the company
- Bias towards specific companies by the demand institution during the evaluation process and the influence of influential evaluators (Big Mouths)
- Distortion of evaluation results through discussions



4. Transparent and fair technology proposal evaluation

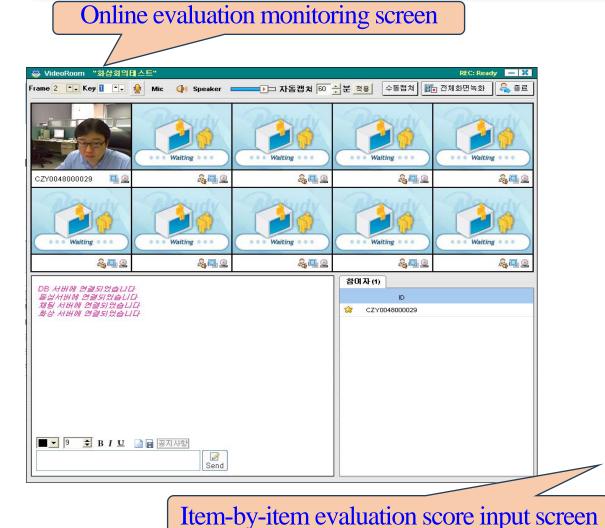


- ❖ KONEPS operate a pool of 7,400 evaluators in 17 evaluation areas
 - SW business technology evaluation, design contest company selection, etc
- ❖ Select evaluators using the **ARS automatic selection system**.

- Evaluation items cannot be arbitrarily set.
- The evaluation items are disclosed to and verified by the companies.
- ❖ Even contract officers cannot know the selected evaluation committee members until one hour before the technical evaluation.



4. Transparent and fair technology proposal evaluation



제안서 평가 - Microsoft Internet Explorer ② 온라인 도움말 🛂 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 평가등급 배점 배점기준 - 개발경험의 유사성 - 개발경험 건수 및 시기 유사분야에서의 개발경험 최적합 20 - 개발분야의 규모 및 역할 - 자체개발기술 등 관련기술 보유 개발대상사업의 미해도 10 - 업무분석체계의 명확성 개발계획부문 30 - 목표시스템 구성의 적정성 - 추진전략의 타당성 개발전략 평가대상아님 🗸 - 적용기술의 혁신성 - 적용기술의 최신성 - 제안기술의 실현가능성 적합 10 기능 및 성능(상용SW, HW 포함) - 운용요구 충족도 - 표준요구 충족도 - 사용자편의성 충족도 개발부문 - 개발절차의 타당성 35 - 개발산출물의 적정성 적합 개발방법론 10 - 도구와 기법의 적정성과 경험 - 적용방법론의 경험 - 개발장비 보유현황 및 확보방안 개발환경 보통 15 - 개발도구 보유현황 및 확보방안 경영상태 보통 - 신용 평가기관의 신용도 - 조직체계의 적정성 사업수행조직 최적합 - 참여인력의 적정성 - 품질보증계획의 적정성 - 품질보증인력의 자질 최적합 품질보증방안 - 사업자 품질보증 능력 - 국제 소프트웨어 개발 프로세스 품질 관리부문 10 인증 획득 며부 - 위협/자원 관리방안의 적정성 치저하 7LJJHHH 2 ✓ 신뢰할 수 있는 사미트



5. Blocking the possibility of corruption in all procurement processes

지치

나라장터 4년, 조달 비리 사라졌다

시스템 구축으로 총 18조원 비 2006.10.11

기사인쇄하기

KONEPS 4 years later, procurement corruption has disappeared.

10일 조달청에 따르면, 2002년 나라장터 구축 이후 입찰, 낙찰결과 등 모든 정보를 실시간으로 공개 하고 업무처리를 자동화함에 따라 조달행정 투명성도 획기적으로 높아졌다.

10일 나라장터의 영문브랜드 '코넵스' 선포식이 서울지방조달청 국제회의실에서 열렸다.

조달청은 입찰과 낙찰결과 등 간의 대면접촉 기회감소로 매년 청 내역이 단 한 건도 발생하지 않았다.

Transparency is dramatically increased by disclosing all information, including bids and successful bid results, in real

time and automating work processing.

그간 정부구매 및 계약은 부조리 양산의 산실로 기억돼왔다. 지난 2000년 160건, 2001년 166건, 2002년 98건의 부조리에 대한 매스컴 보도가 있었으며 국제투명성기구(TI)의 부패인식지수(CTI) 평 가 등급도 2001년에 42위, 2002년에는 40위에 머물렀었다.

L랬던 나라장터가 2004년 OECD 반부패포럼에서 우수사례로 선정돼 주제발표까지 됐으며, 국가청 념위의 청렴도 측정결과 2002년 <u>6.8점에서 2005년 8.65점으로 27%나 상승했다.</u>

✓ As a result of the National Corruption Commission's integrity measurement, it 이처럼 조달비리가 사라진 데에 increased by 27% from 6.8 points in 2002 to 8.65 points in 2005.

겁들은 과거처럼 물품을 납품하기 위해 조달청에 찾아가거나 부탁할 필요가 없고, 처리과정이 모두 병하게 공개되는 조달 비리 가능성이 원천 봉쇄된 것이다.

> Companies do not need to visit the PPS for contracts, and the process is transparently disclosed, preventing any possibility of corruption.

기 때문이다.

4. Achieving policy objectives through KONEPS



***** Efficient means of implementing government policies

Support new technology products, environmental protection products, socially disadvantaged and socially responsible companies

* Additional points for bidding, Theme mall, Exclusive mall

Technical Innovation Policy

Net Excellent Technology

New Excellent Product

K-Mark/Korean Standard Product

Good Software /
Good Design Product

Excellent Performance
Certificated Product

Patent / Utility Model
Product

Green Policy

High Efficient energy Equipment

Save energy Product

Eco-Label Certificated Product

Recycled Product

Social Support Policy

Disabled person's Product

Organizations of Patriots and Veterans' Product

Woman Business Enterprise

Culture goods

Disabled person-Owned Enterprise

Social enterprise

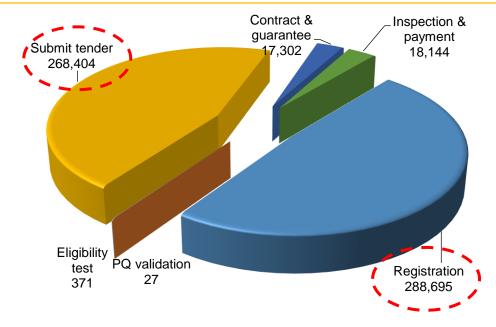
4. Achieving policy objectives through KONEPS



- Reduction of carbon emission: 615,000 ton annually
 - ✓ Reduction of visiting to procurement agency: 592,000 ton
 - ✓ Paperless business process
- Economic effect by reduction of carbon emission: 25 million \$ annually (Based on market price of EU CERs)
 - ✓ Equal Carbon absorption amount of 30 years old 50 million pines
 - ✓ 5 times to carbon emission amount of LG chemical Ulsan factory

- the results of a 2013 study -

Process	Reduction amount (unit: ton)	Economic effect (Unit: M ton)
Registration for bidding	288,695	12
Application for PQ validation	27	0
Submit eligibility test	371	0
Submit tender document	268,404	11
Contract and submit guarantee	17,302	0.7
Delivery inspection and payment	18,144	0.8
Total	592,944	25





IV. KONEPS Services

(Sub-Systems)

1. Shopping Mall



Public shopping malls

where you can search, select, and purchase products with unit price contracts without cumbersome bidding procedures

An institution for use

- ☐ Mandatory purchase: State institutions, local governments (including educational institutions)
- Selective purchase: Public enterprises, quasi-governmental institutions, and other institutions registered as demand institutions in the Public Procurement Service

Characteristics

Supplier

Select a product

Entry into the market

Competitive bidding contract

1 commodity 1 supplier contract

Decide by tender

High barriers to entry (Compete before the contract)

Multiple Award Schedule

1 commodity multiple supplier contract

Selected by the demand organization

Low barriers to entry (Compete after the contract)

1. Shopping Mall



Amount supplied

Shopping mall category

Transaction size

Products

도로/철도/시설

사무/교육/가구

섬유/의류/생활

소방/안전/의료

소프트웨어

식품류

운동/취미/악기

전기/기계/설비

전자/정보/통신/영상

조경

차량/운송/운반

토목/건축/자재

화학/시험/계측

Services

보험/의료

교육/번역

여행/숙박

임대

환경/위생/방역

Certified Mall











Number of

businesses

12,800





Quantity of goods

Number of

Commodity

1,502





881,650

Number of Items





23 B\$

사회적가치실현기업

우수조달물품

품질보증조달물품

우수조달공동상표

상생협력제품

창업기업제품

기술품질인증

녹색물품

정책지원

Theme Mall











4차산업혁명











국민안전물품

전통문화상품

향토명품44선

중기간경쟁제품

시스템장비외

디지털서비스

레미콘·아스콘

국방상용물자

Marketing



Dedicated platform that manages and supports innovative procurement policies such as innovative demand generation and innovative product market support

Challenging Demands Efficient Purchase **Buyers** Dedicated mall for innovative products supply & demand communities Communication channels that enable innovation ☑ Excellent R&D Innovation Products (Fast Track I) demand from demand institutions and solution **Innovation Procurement** ✓ Innovative prototype (Fast Track II) proposals from companies ✓ Products recognized for innovation and publicity **Platform Support** for connection between supply and (Fast Track Ⅲ) demand using expert manpower such as patent (Integrated search trading institutions for innovative products Integration of public R&D demand survey Informatization of innovation procurement system and Purchase support) ☑ Linkage of public demand survey channels ✓ Implementation of pilot purchase project procedures distributed by ministries for innovative prototypes **Provision of Technology Proposal** Supplier

innovation information

2. Innovation Mall



Major Policies for Innovative Product

- Institution can purchase designated innovative products at the 'Innovation Mall'
- ❖ Negotiated contracts can be made for three years after designation as innovative
- Institutional buyers are protected from audits

3 Types of Innovative Product

Fast Track I



Excellent R&D products

Excellent products from R&D deliverables conducted by central administrative agencies

(9 central agencies)

Fast Track II



Innovative prototypes

Pre-commercial prototypes that are recognized for innovation and commercialization (Designated by PPS)

Fast Track III



Innovative products recommended by the head of a central government agency

(11 central agencies)



Designation and purchase status of innovative products ('22)

Designation of innovative products **a total of 1,574 products** selected through designation screening by three fast tracks(**from 2019**)

Designating innovative products

Fast Track II (Excellent R&D) 485 Fast Track II (Excellent R&D) 485 Fast Track II (Innovative prototype) 516

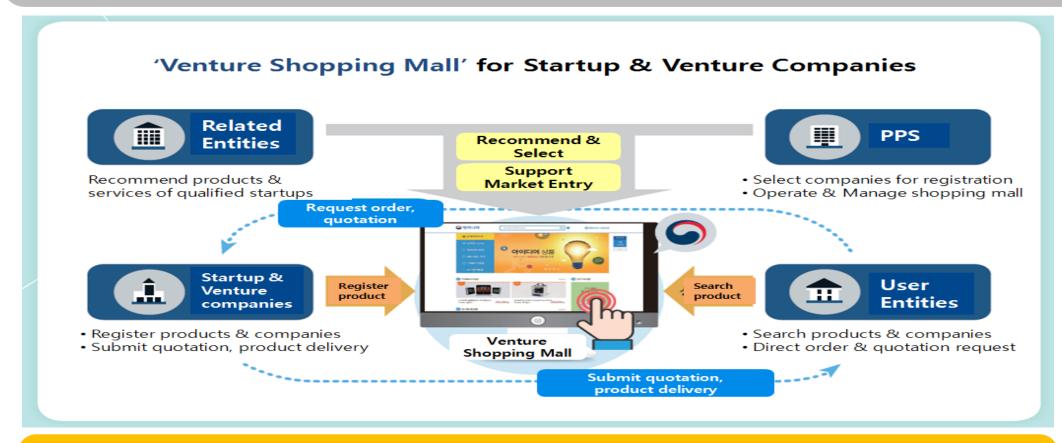
Purchase innovative products

(Million \$)

Track	2022	2019~2022
FT1	125	246
FT2	174	338
FT3	163	310
Total	462	894



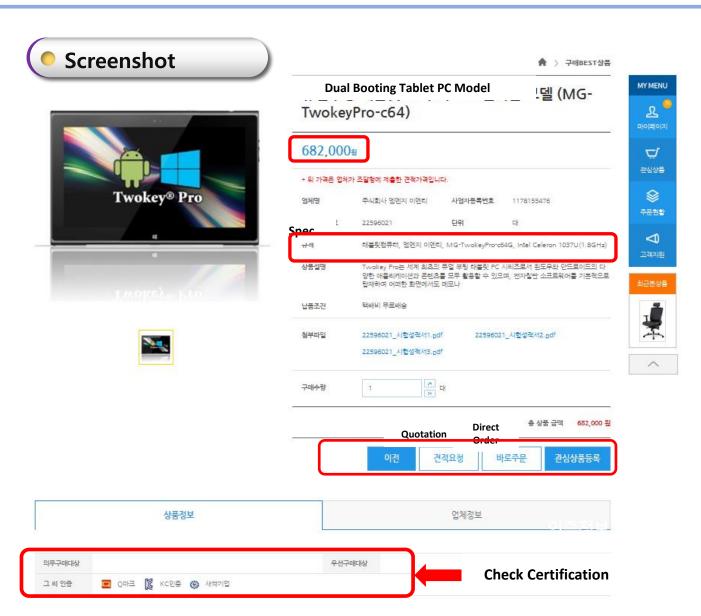
A specialized shopping mall that support start-ups and venture companies that have excellent technology and quality but have difficulty entering the public procurement market



Interlinked with KONEPS, D-brain ▶ **Direct order, quotation, contract, inspection, payment**

3. Venture Mall







- ✓ quotation price submitted by supplier
- ✓ direct order possible if purchasing quotation price
- ✓ Quotation request upon price reduction in large quantities



Request change in spec.

✓ Possible to change some spec. such as size and color



Designation and purchase status of the Ventuer mall

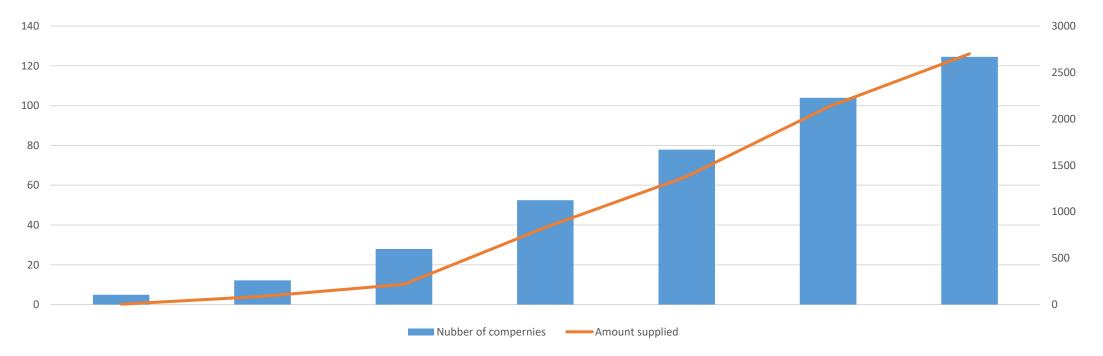
Designating products

Purchase products

2,668 companies registered **18,554 products** (accumulated)

104 companies('16) → '22 2,668 compernies('22)

126 M\$ in transaction results, cumulative **343 M\$** $0.17(`16) \rightarrow 4(`17) \rightarrow 10(`18) \rightarrow 39(`19) \rightarrow 64\{`20) \rightarrow 994(`21) \rightarrow 1,26(`22)$ Million USD



4. Joint Mall(Open Public Service Market)



An open platform dedicated to public services

that allows service products to be registered without contract procedures and allows services to be traded **through free conversation** and **consultation**

Necessity

The Shopping mall lists products contracted with the Public Procurement Service

- Uncontracted service products cannot be purchased
- Purchase according to specified specifications and conditions
- Difficulty in entering the procurement market without bidding and contracts
- Difficulty in developing new service products

Two-way deal that connects buying and selling

- Purchase the product you want conveniently (Get it)
- Mutual consultation of required specifications and conditions

Open platform open to everyone

- Register and sell service products freely(Sell it)
- Promote new service offerings and provide sales channels

Enabling Service Transactions

Enable service innovation growth

4. Joint Mall(Open Public Service Market)



Purchase procedures for Joint Mall

Order it directly on the "Sell it" TAB

Demand organizat ions



Submit quotation on the "Get it " TAB

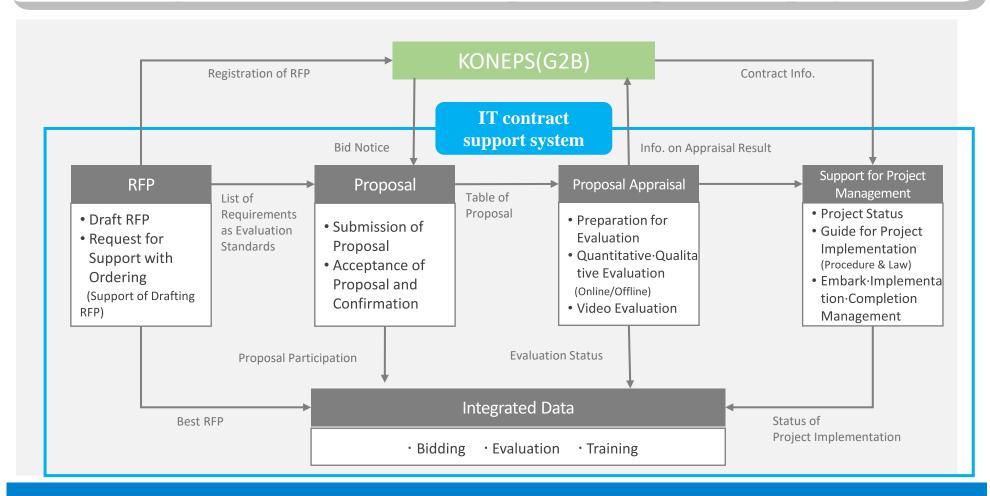
Suppliers

Service production registration < Sell it >	et Receive an order < Supplier >	Respond to an order < Suppliesr-> Buyer >	Performing services	Inspection < Buyer >
Registering a product on the "Sell It" TAB	Check the order from sent by Buyer	Submit acceptance response to a contract or order		charge a bill

5. Proposal evaluation and Project management System



Provide systematic and efficient online services throughout the **entire business process of public IT projects**

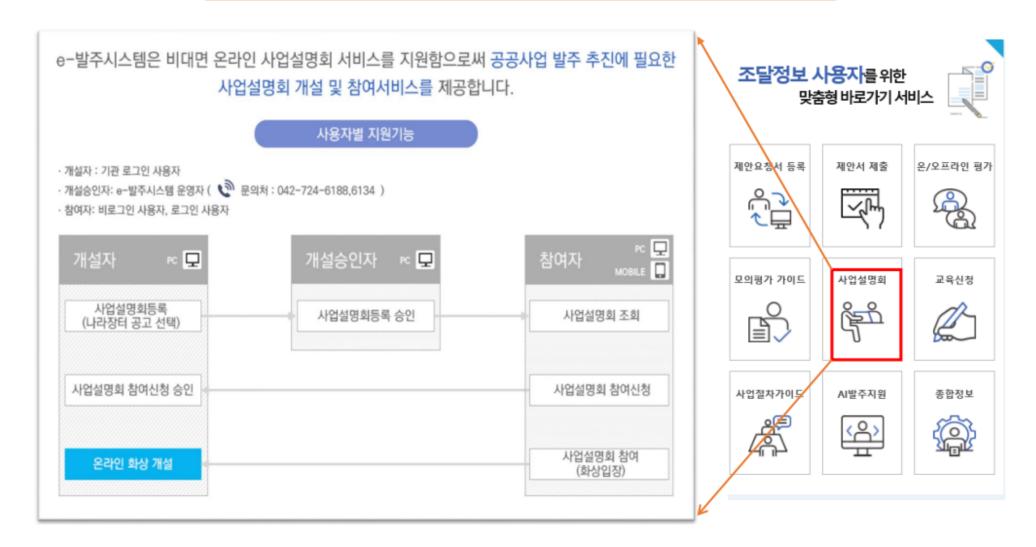


One-Stop Service from Ordering to Completion via KONEPS Linkage

5. Proposal evaluation and Project management System



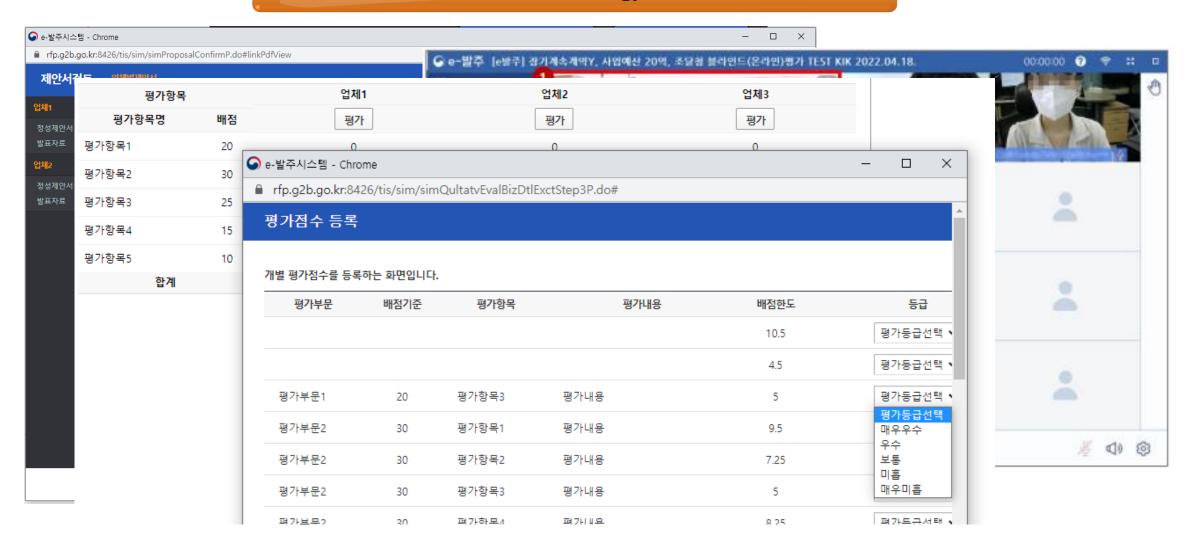
Online Business Briefing



5. Proposal evaluation and Project management System



Online video technology evaluation

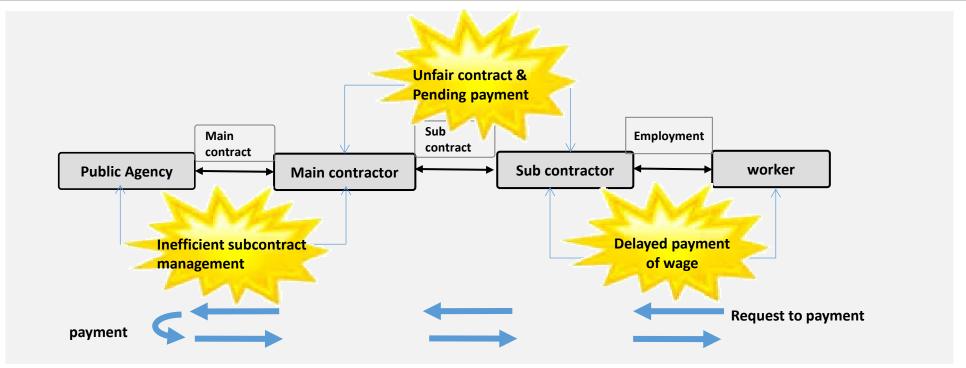


6. Subcontract Management System



Process subcontracts and payments in real time for fair and efficient management of subcontracts

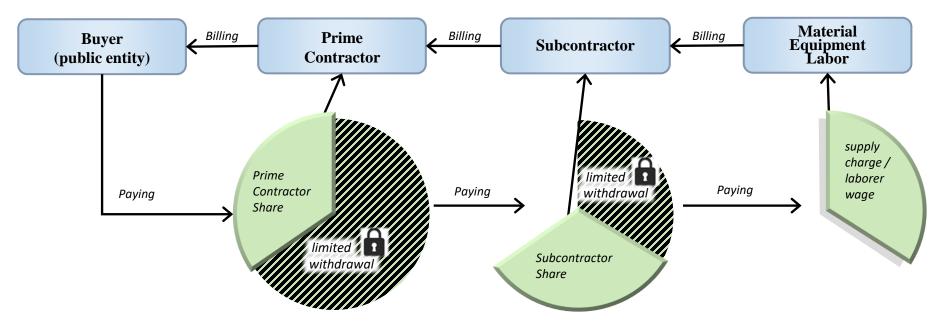
- ➤ Of complaints regarding construction, sub-contracting accounted for 84% (Anti Corruption & Civil Rights Commission, '16)
 - * Contents: Reduced Payment / Delayed Payment / No Payment for Modified Price / Back-door Deal
- Complicated Hierarchical Structure -> Leaves Room for Unfair Practices



6. Subcontract Management System



Payment Flow of Subcontract Management System



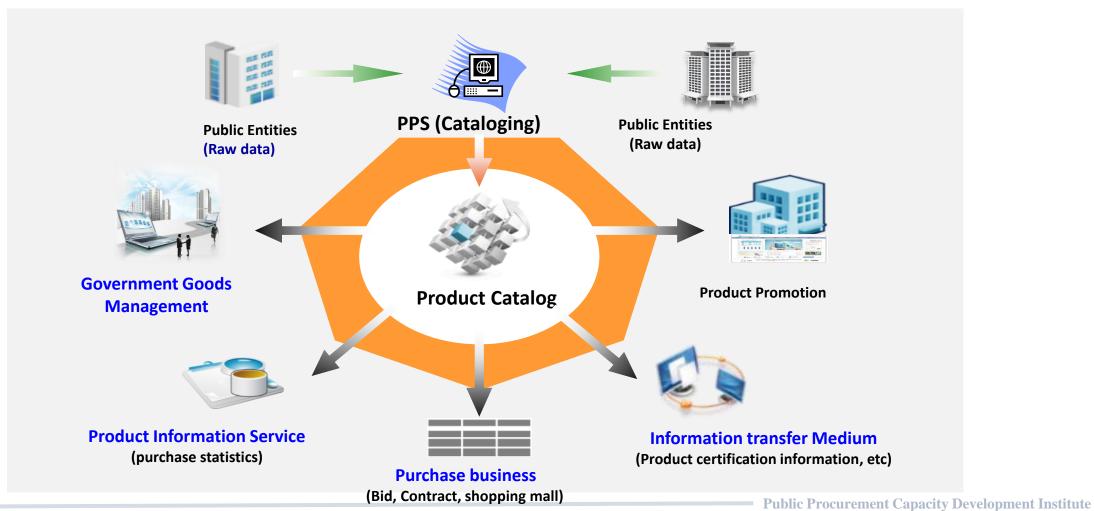
- ✓ Payment for Subcontracts / Rental Fees for Materials · Equipment / Labor Fees are transferred to the bank account for a prime contractor
- ✓ Restriction of money withdrawal allows a prime contractor to draw only its portion
- ✓ Prime contractor cannot draw the portions of payment for subcontractors, material and equipment firms, and labors

Sub-Contract: 109,714, 49 Billion USD, Payment: 47 Billion USD (*23)

7. Commodity lists Information System



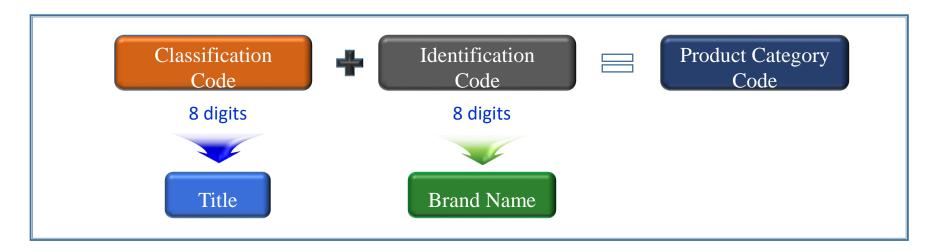
A system for systematically **classifying and assigning unique numbers** for the efficient purchase and management of **goods and services**



7. Commodity lists Information System



Code scheme for items in KONEPS



- Classification Code: 2 digits Large(Segment), Middle(Family), Small(Class), Sub(Commodity)4 Stages
- ➤ Identification Code : Individual Code for an Item (Code itself does not carry any meaning)

Classification	Large (Segment)	Medium (Family)	Small (Class)	Smaller (Commodity)
Classification Title	Commercial and Military and Private Vehicles and their Accessories and Components	Motor vehicles	Passenger motor vehicles	Bus

8. Government Goods Management System



Built on the basis of RFIF **for efficient management of government-run goods** such as handling, storage, use, and disposal

As a core element in ubiquitous, RFID is comprised of

(1) Tag, (2) Reader, and (3) Host Computer to be variously utilized and applied

* RFID: Radio Frequency IDentification

Tag



))))))

Reader



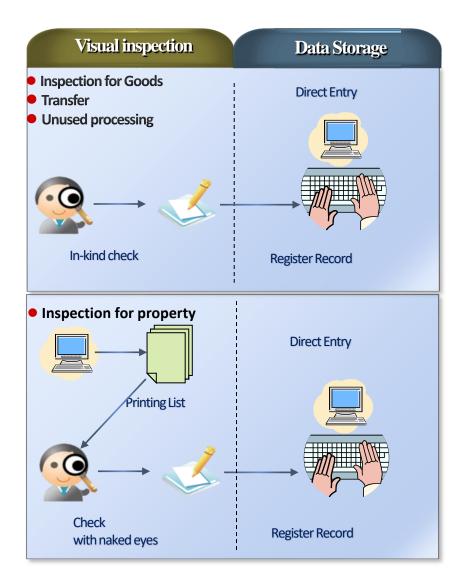
Host Computer



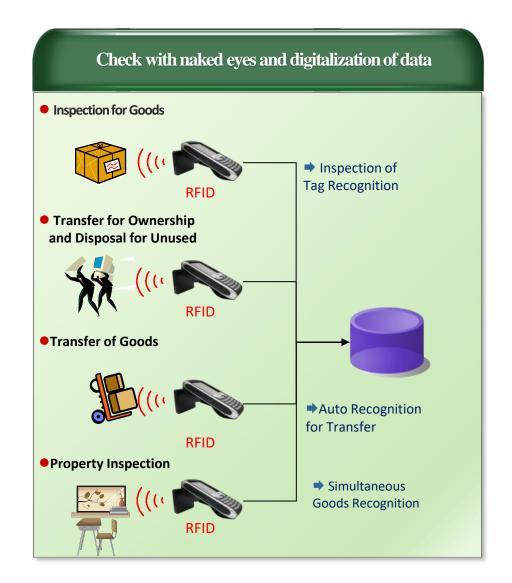
- IC chip with an integrated antenna
- Attached to devices or things
- Wireless radiation by a reader
- Collection and processing on tag data by using wireless radiation
- Update and storage of tag data
- Extract, organize and process data from a reader
- Transmit data to either network or central data processing system
- Control of sub-devices

8. Government Goods Management System





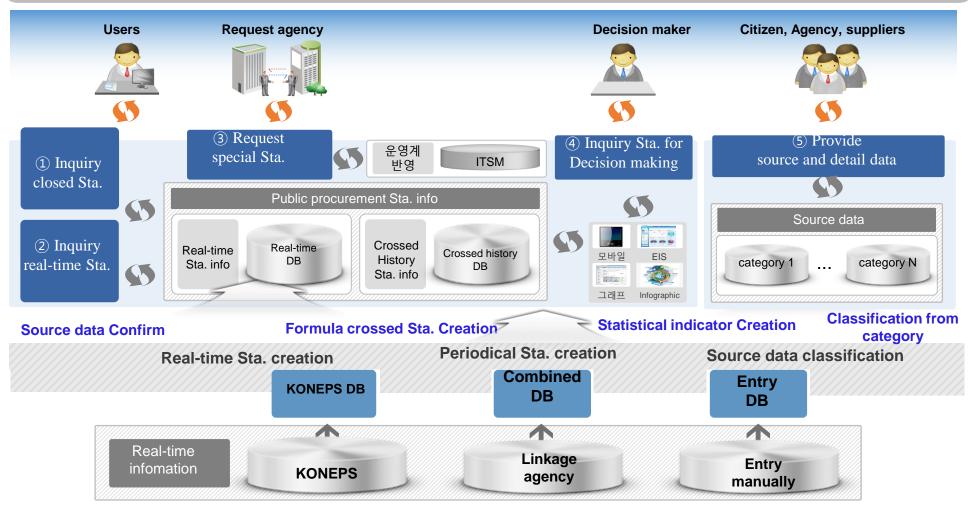




9. Statistics system for public procurement



A statistical system that collects, manages, and provides information on 26 electronic procurement systems, including KONEPS





Thank you

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