

# **E-Government Procurement Program**

## **2005 SUMMARY REPORT OF ACTIVITIES**

### **1. Name of Activity**

E-Government Procurement Program

### **2. Organizer/ Coordinator**

- OAS throughout the Office of Trade, Growth and Competitiveness.
- Orlando Mason is the Program Coordinator

### **3. Brief Description of Project/ Activity**

The Program provides government procurement strategy makers and program managers from the Americas with opportunities to cooperate in reviewing lessons learned and best practices of leading institutions and to strengthen their capabilities for defining modernization strategies and implementing programs and projects in government procurement. It is expected that by generating and disseminating information, providing access to experts, organizing training and mobilizing technical support the Program will contribute to reduce the time, cost and risk of implementing initiatives to modernize government procurement processes and in the same time will increase the quality and the impact of the solutions adopted in each country. The program also includes activities intended to support the countries in the preparation of national and regional technical cooperation project profiles to advance their own strategies. What follows is a Summary Report of Activities carried out during 2005.

### **4. Beneficiary Countries**

The program has a regional scope and provides benefits to all OAS Member States through the identification and dissemination of lessons learned and best practices. Program activities oriented to the preparation of technical cooperation project profiles benefit particularly the Central American and Andean Countries.

### **5. Date of Activity (where relevant) / Time Frame**

During 2005 the following activities were carried out:

- **January - February** Electronic Forum in EG-P. Presented the experience of the Government of Costa Rica (February) in a forum conducted in Spanish. A forum conducted in English discussed the experiences of the Government of Mexico and the Government of Chile (March). These experiences had already been discussed in Spanish during 2004.
- **January - October.** Final versions of E-GP Country Profiles (Chile, Mexico, Guatemala and Uruguay). Other profiles are in preparation (Brazil)
- **February.** Final draft of a report on strategies for modernization of government procurement and its importance for trade and development.
- **April.** Report on comparative analysis of E-GP strategies in the Andean Communities countries
- **May 19-20.** "Meeting of authorities responsible for strategies of cooperation in the development of e-government procurement in the countries of the Andean Community", Lima, Peru. Annex 1 provides an overview of this meeting.

- **Jun 20-23.** “III Inter-American seminar in E-Government Procurement” in Santiago de Chile. Annex 1 presents and overview of this Seminar.
- **June 23.** Launching of the Website of the “Inter-American Network in E-GP”. visit [www.compraspublicas.org](http://www.compraspublicas.org)
- **Jun 24 and 25.** Institutional visits of E-GP’s strategy makers of El Salvador, Ecuador and Costa Rica to ChileCompra headquarters.
- **July 25.** Mobilization of experts to advise the Government of Ecuador in the development of its strategies to E-GP
- **Sept. 21-22.** Meeting on Strategies and Cooperation for the Development of E-Government Procurement in Central America. San Salvador, El Salvador, September 2005
- **Sept. 24.** Seminar on the challenges and opportunities of Free Trade Agreements in Government Procurement.
- **31 Oct - 2 Nov.** “II Government Procurement Conference of the Americas” Co-organized by OAS, GSA - US Government and the Canadian Commercial Corporation. For more information visit [www.fgpca.org](http://www.fgpca.org) .
- Since the beginning of the activity approximately 192 participants from 32 OAS countries have participated in activities of the Program

#### 6. Venue

- Most activities are coordinated in Washington DC
- The conferences and meetings had been held in Latin American countries (Peru, Chile, El Salvador) and the US (Atlanta)
- The online forum is a virtual place to discuss government procurement issues and is attended by public managers and representatives of OAS’ member countries.

#### 7. Amount of Funds (total funds provided; amount of funds used to date, with an indication of breakdown, if possible)

- The program has the sponsorship of the US mission to the OAS, the Institute for Connectivity in the Americas (ICA) and the OAS’ Office of Scholarship.
- The program also has received financial and in kind contribution from governments that have hosted events or supported activities (Brazil, Canada Chile, Peru, Costa Rica, El Salvador, United States and Mexico)

| Donor Agency                                    | Total amount | Amount Disbursed 2004 | Amount Disbursed 2005 | Available   |
|---|--------------|-----------------------|-----------------------|-------------|
| US Mission to the OAS                           | US\$ 300,000 |                       | US\$ 250,000          | US\$ 50,000 |
| ICA.  | US\$ 95,500  |                       | US\$ 94,000           | US\$ 1,500  |
| US Mission to the OAS (Atlanta’s Conference)    | US\$ 40,000  |                       | US\$ 40,000           | US\$ 0      |
| OAS scholarship                                 | US\$ 40,000  |                       |                       |             |
| In-kind contributions 2004<br>Sao Paolo Seminar | US \$80,000  |                       | US \$280,000          |             |

|                           |              |  |                   |             |
|---------------------------|--------------|--|-------------------|-------------|
| 2004 Lima                 | US\$20,000   |  |                   |             |
| 2004 Costa Rica           | US\$20,000   |  |                   |             |
| SME Colombia              | US\$20,000   |  |                   |             |
| E-GP Profiles             | US\$8,000    |  |                   |             |
| E-Forums, Mx, Ch          | US \$4,000   |  |                   |             |
|                           | US\$152,000  |  |                   |             |
| In-kind contributions '05 |              |  | US\$ 400,000      |             |
| E-G Profiles              | US \$8,000   |  |                   |             |
| Santiago Seminar          | US\$ 80,000  |  |                   |             |
| Atlanta conferences       | US\$ 130,000 |  |                   |             |
| E-forums (CR, MC-CH)      | US\$4 000    |  |                   |             |
| 2005 Lima                 | US\$20000    |  |                   |             |
| 2005 El Salvador          | US\$20000    |  |                   |             |
|                           | US\$226,000  |  |                   |             |
| <b>TOTAL</b>              | US\$ 853,000 |  | US\$<br>1,064,000 | US\$ 51,500 |

(\*) Estimated amount for in-kind contributions from the Department of Scholarships – OAS and the National Governments of Peru, Costa Rica, Brazil, México, El Salvador, United States and Chile, among others.

## **Annex 1.**

### **2005 Key Meetings. Government Procurement Program**

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| <b>Meeting on Cooperation for the Development of E-Government Procurement in the Andean Community.</b> |
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|----------------------|
| Lima, Peru, May 2005 |
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Since 2002 the Andean Community and the OAS have been working together supporting the countries of the Andean region in their strategies to modernize their government procurement systems for grade and development. Among the first activities were preliminary assessment missions and meetings of coordination to device a Plan of Work. This Plan of Work has been implemented during 2004 and 2005. The plan has included the participation of countries of the Andean Community in activities of hemispheric scope under the framework of the OAS E-Government Procurement Program, preparations of E-GP profiles and support of strategies for technical cooperation.

This meeting counted with the attendance of 14 government procurement authorities and negotiators of government procurement chapters in free trade agreements of Bolivia, Colombia, Ecuador, Peru and Venezuela. The agenda included presentations and round tables to discuss issues of common interest and to identify the most important areas and specific issues for technical cooperation.

Among the areas of interest identified in the meetings are:

- Competitive participation of SMEs in Government Procurement
- Cataloguing
- Contracts models
- Harmonization
- Database systems
- Audit and management mechanisms.

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| <b>III Inter-American Seminar on E-Government Procurement.</b> |
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| Santiago, June 2005 |
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The “Third Inter-American Seminar on E-Government Procurement” was carried out in Santiago de Chile during June 20-23 as an activity of the “Inter-American Network of E-Government Procurement” that is currently coordinated by the Public Procurement and Contracts Directorate of Chile (ChileCompra).

The Seminar was attended by 38 high-level representatives from 18 OAS’ member countries and 2 multilateral institutions. The countries were: Argentina, Bolivia, Brazil, Colombia, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, México, Nicaragua, Panama, Paraguay, Peru, United States and Uruguay. The event was co-organized by the OAS and the Government of Chile. The sessions included presentations, workshops and round tables. The agenda addressed areas of high priority and interest that were identified by members of the Network during the II Seminar held in Sao Paulo in September 2004.

Topics covered in the workshops: E- Procurement tendencies in the Public and Private Sector, Role of electronic banking in E-Procurement, Global Experiences, Framework Contracts and procurement by e-catalogues

Topics covered in the Discussion Forums: Strategies for the development of e-government procurement (presentation of country profiles identified by the OAS); Legal Framework of public

procurement, Institutional Organization; Security and Digital Signature; Externalization of Platforms; Assistance and Training for platform users; and Competitive Participation of SMEs in Public Procurement.

The last sessions of the seminar were concentrated on the institutionalization of the initiatives that had been introduced in previous meetings, including the Inter-American Network on E-Government Procurement; the Inter-American Network of Central Government Procurement Institutions; and the presentation of the II Government Procurement Conference of the Americas.

### Agreements

#### *1. Areas of common interest:*

The conclusions of the workshops identified areas of regional cooperation that are of high interest for the countries' representatives that attended the seminar. The two issues of highest priority common interest and the action areas identified in each of them were:

- Competitive SME participation in E-GP
- Professional development and training

Other issues of high priority common concern are

- Harmonization
- Integration of e-government procurement with financial and tax systems.
- Public-Private partnerships

#### *2. Executive Committee of the Inter-American Government Procurement Network.*

The country representatives agreed to integrate all ongoing multinational initiatives in government procurement in the Americas under a single Inter-American Government Procurement Network and to establish an Executive Committee to carry out the coordination of activities with the support of the OAS.

The Network will integrate the ongoing efforts related to the Inter-American E-Government Procurement Network coordinated by ChileCompra, the II Conference of the Americas on Government Procurement, coordinated by the US-GSA and the initiative for the establishment of an Inter-American Network of Central Government Procurement Institutions, coordinated by CONSUCODE of Peru, as well as any other multinational initiative that were to take form in the future.

The Executive Committee is integrated by the countries that had hosted previous events (Peru, Costa Rica, Brazil, Chile) and those countries that will host the next events that are in the agenda of the Inter-American Network (United States).

To facilitate the coordination of activities, the recently established Inter-American E-Government Procurement Network website will become the website of the Inter-American Government Procurement Network and named accordingly. All ongoing initiatives will establish cross links with this website. The Government of Chile offered to host and upkeep the website for a period of one year.

**Meeting on Strategies and Cooperation for the Development of E-Government Procurement in Central America.**

San Salvador, El Salvador, September 2005

Since 2002 Central American countries and the OAS have been working together to support the countries to establish government procurement electronic information systems. In 2003 several missions served to evaluate the situation in each country. The conclusions obtained were discussed in hemispheric coordination meetings. This included a coordination meeting in Costa Rica that was useful to identify and discuss E-Government Procurement initiatives in Central American countries and to prepare a plan of activities for these countries under the framework of the E-Government Procurement Program of the OAS. This plan includes the participation in hemispheric meetings and e-forums, preparation of E-Government Procurement National Profiles and, support to prepare strategies for technical cooperation.

The meeting counted with the attendance of 31 government representatives of Central America and Panama, including the executives in charge of the procurement agencies, their legal advisors and IT Directors and negotiators of the government procurement chapters in Free Trade Agreements of Guatemala, El Salvador, Nicaragua and Panama. The agenda included presentations and round tables aimed at discussing issues of common interest and at identifying the most important areas and specific issues for technical cooperation.

Conclusions of the meeting:

1. The meetings are a great opportunity to exchange knowledge and experiences among Government Procurement Managers, their legal advisors, negotiators of Government Procurement in Free Trade Agreements and IT Directors. This was the first opportunity that they meet with their similar to discuss important issues such as the challenges of the CAFTA and others FTA to the Government Procurement and joint cooperation to capacity building in Government Procurement.
2. To highlight the benefits of the OAS's Government Procurement Program to the countries; including the identifications of lessons learned and best practices; preparation of project profiles and institutional development.
3. The importance of the preparation of technical cooperation project profile, to be submitted by the countries to national and multilateral organizations. Each country took the compromise of prepare sub regional technical cooperation project profiles in areas of common interest according to the following table

| Area   | Country responsible |
|--|---------------------|
| Training   | Honduras            |
| Catalogues   | Costa Rica          |
| Suppliers registration                                   | Nicaragua           |
| Standardization of Tools and different options           | El Salvador         |
| SMES competitive participation in Government Procurement | Panamá              |
| CAFTA Implementation and other FTA                       | Guatemala           |
| Technological development                                | Costa Rica          |

4. To establish a Central American Government Procurement Program under the framework of the activities of the Inter-American Government Procurement Network to put together all activities associated to issues and areas of joint action that were identified as a priority. This Program has the objective of provide a platform to allow Central-American countries to coordinate technical cooperation activities among them, with other countries in the Americas and multilateral institutions in order to facilitate the development of Government Procurement electronic information systems. This program is lead by the

national directors of government procurement of Central America and Panama. The Government of El Salvador will coordinate the first year of activities of the program.

The first activities of the Network are:

- Participation of Central American countries and Panama in the II Government Procurement Conference of the Americas to be held in Atlanta, Georgia, Oct. 31 to Nov. 3.
- To complete E-Government Procurement National Profiles in the following 4 weeks after the acceptance of this compromise.
- To make consultancies with the other country's participants to prepare and complete a first version of technical cooperation project profiles on issues and areas that were prioritized in the meeting.

### **Government Procurement Conference of the Americas**

Atlanta, US, October 31-November 3rd

The Government Procurement Conference of the Americas was carried out in Atlanta, Georgia to bring together 52 Senior Executives in Government Procurement from 20 countries of the Americas to discuss issues of common interest and joint action to modernize Government Procurement Processes as part of the countries' efforts to increase transparency, small business participation in government procurement and implementation of free trade agreements. The meeting was co-organized by the General Services Administration of the US Government, the Canadian Commercial Corporation and the Office of Trade, Growth and Competitiveness of the OAS with the sponsorship of the Institute for Connectivity of the Americas and the US-OAS Cooperation Program.

The Conference consisted in two days of private sessions and two days of public conferences. During the private discussions the heads of National Government Procurement Offices of the countries identified four priority areas to modernize government procurement in the Americas, these areas are Strategy Development, Training and Professional Development, Competitive SMEs participation and harmonization of systems. They also agree to create workgroups to advance in these areas of common interest.

During public sessions the Government Procurement Conference of the Americas included discussion panels with speakers from the private sector, national governments, Universities and NGO's involved in Government Procurement. Among the main speakers were Ana Vilma de Escobar, Vice-president of the Republic of El Salvador, Hector Barreto, Administrator of Small Business Administration of the US Government, and Robert Burton, Acting Administrator of the Office of Federal Procurement Policy in the Executive Office of the President, Office of Management and Budget of the US Government. These public conferences counted with the attendance of 245 participants from the private sector, governments, international consultants, and civil society and hosted a trade show of 32 exhibitors.

The countries represented in Atlanta were Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, United States, and Venezuela; the Conferences also had active participation of multilateral organization such as the Caribbean Regional Negotiating Machinery, CARICOM, and the Andean Community.

The Government Procurement Conference of the Americas was organized as part of the activities of the OAS's Government Procurement Program. Among previous activities under this program are the support to the creation of the Inter-American Network on Government Procurement ([www.compraspublicas.org](http://www.compraspublicas.org)), two inter-American meetings (Brazil, 2004 and Chile 2005), coordination meetings of Central-American countries (Costa Rica 2004 and El Salvador, 2005),

coordination meetings of the countries of the Andean Community (Peru, 2004 and 2005), online forums, and preparation of E-Government Procurement National Profiles. For more information about this program contact Program Manager Orlando Mason at [omason@oas.org](mailto:omason@oas.org).

### 1. Topics covered in the Private Discussions

The Senior Government Procurement Executives that attended the conferences participating in private session. These sessions included:

- Presentations of best practices of the US Government in the following issues related to Government Procurement
  - Education
  - SME Participation
  - Contingency contracting
- Meeting of the Inter-American Network in Government Procurement (INGP)
  - Report of Activities of the INGP
  - Financial planning
  - Priority activities for the INGP in 2005-2006

#### *Work Priorities identified by the Senior Government Procurement Executives*

During the private discussions the SGPE agreed to plan activities in the following areas:

- Strategies, Strengthening of each country's capabilities to design and implement processes and systems that contribute to transparency, efficacy and efficiency in Government Procurement. Includes institutional organization.
- Professional development and training of administrators and buyers
- SME participation, Competitive participation of micro, small and medium enterprise and links with financial and Tax Administrator as well as with small business support administration
- Harmonization, Adoption of practices that not preclude and whenever possible facilitate, later advances in process homogeneity, system's interconnectivity, use simplification and multinational integration

#### *Working Groups to address priorities identified by the Senior Government Procurement Executives.*

The SGPE created commissions to address issues of interest that were identified

- Strategies: Brazil, Canada, Chile, Costa Rica, Jamaica, Mexico, United States, Peru
- SME Participation: Brazil, CARICOM, Ecuador, El Salvador, Peru, Uruguay
- Professional Development and Training: Argentine, Bolivia, Chile, Ecuador, Peru
- Harmonization: Bolivia, Brazil, CARICOM, Colombia, Ecuador, Chile, Peru, Uruguay

### 2. Topics covered in the public panels:

Thirteen panels were scheduled in public sessions to discuss issues of interest in Government Procurement. Speakers and audience includes private sector, government and NGO representatives. Following is the list of panels:

- E-Government Procurement: systems and Challenges
- Contracting Challenges, Tips and Lessons learned from the private sector

- Contract Management: Best Practices and Challenges
- Impact of Free Trade Agreements on Government Procurement
- Procurement Training and Professional development
- Impact of Procurement Policies/Procedures on democratic governance
- Promoting opportunities for small business
- Success stories: companies perspectives in Winning Government Contracts in the Americas
- Using strategic sourcing to get the Best Value for your Organization
- Procurement Officials Discuss important initiatives in Government Procurement
- Practical Steps to Becoming a Government Contractor in a Different Country
- Federal Supply Schedules/Frameworks contracts
- The future of IT Purchasing