



Ministero
dell'Economia
e delle Finanze

eProcurement: the Italian experience

Angela Russo, Head of International Affairs- Consip SpA

Montego Bay
April 13, 2011



consip

The Italian Public Administration: a complex scenario



- Population: ca 59 mln
- Public Admin. employees: 3.350.000

Fragmented Public Administration

- Ministries: 21
 - Central PA Authorities: >100
-
- Regions: 20
 - Provinces: 110
 - Municipalities: 8.101
 - School system: Universities: 94
Public schools: >10.000
 - Health Sector: Hospitals, Local Health Agencies, Public Clinics: >300

Fragmented industry market

98% of SMEs

20% of EU SMEs

Public Procurement Centralization

Financial Act 2000 (law n.488 - Dec. 23, 1999 art. 26) laid down the foundations for the Programme for the rationalization of public spending on goods and services.

MEF entitled Consip to carry out the implementation of the Programme

**Eprocurement for
Public
Administrations**

The Programme is part of a bigger government project, the e-Government plan, aiming at digitalization of public administration

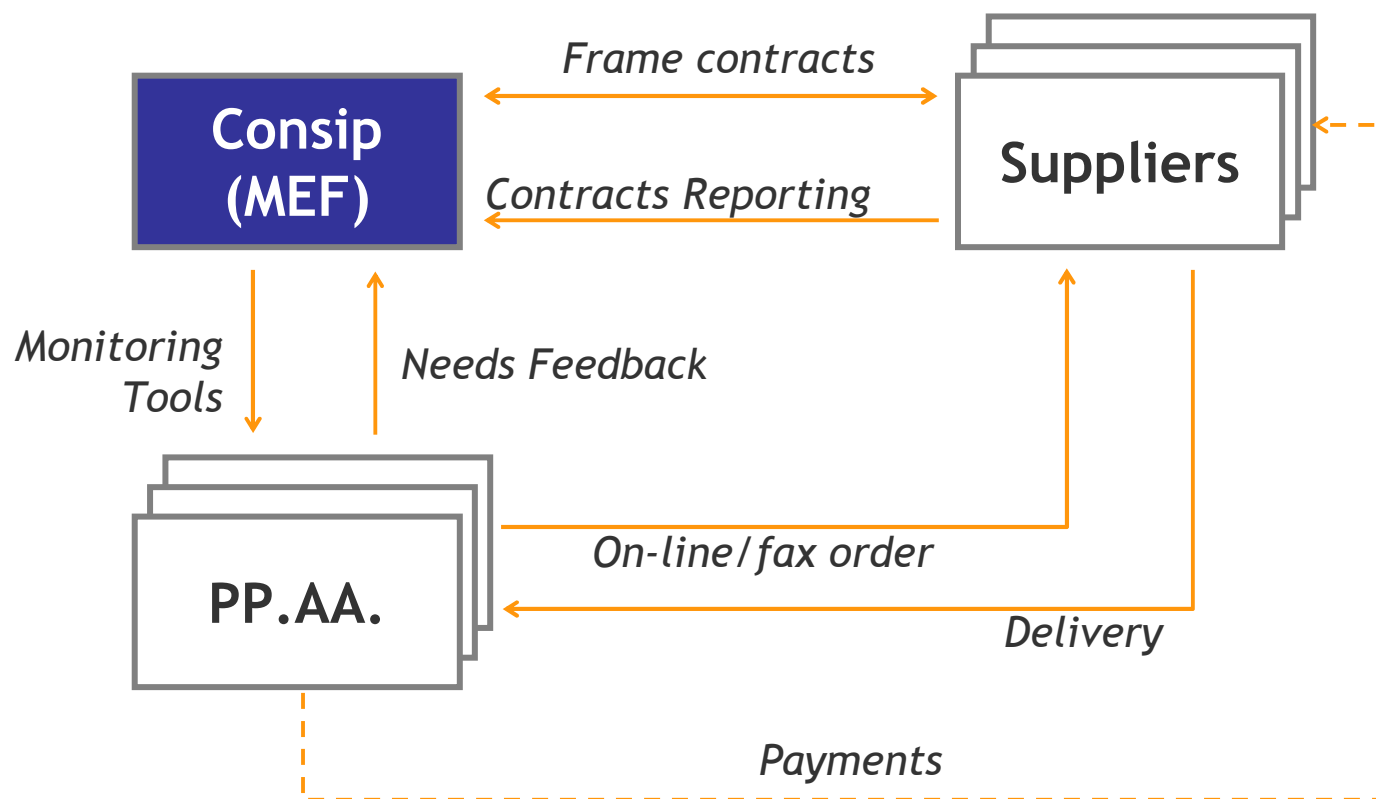
Introducing innovative procurement tools and models aimed at public spending rationalization, enhancing simplification, transparency and competition

Framework Contracts

Mandatory for Central Administrations

Benchmark for Local Administrations

Public Procurement Centralization





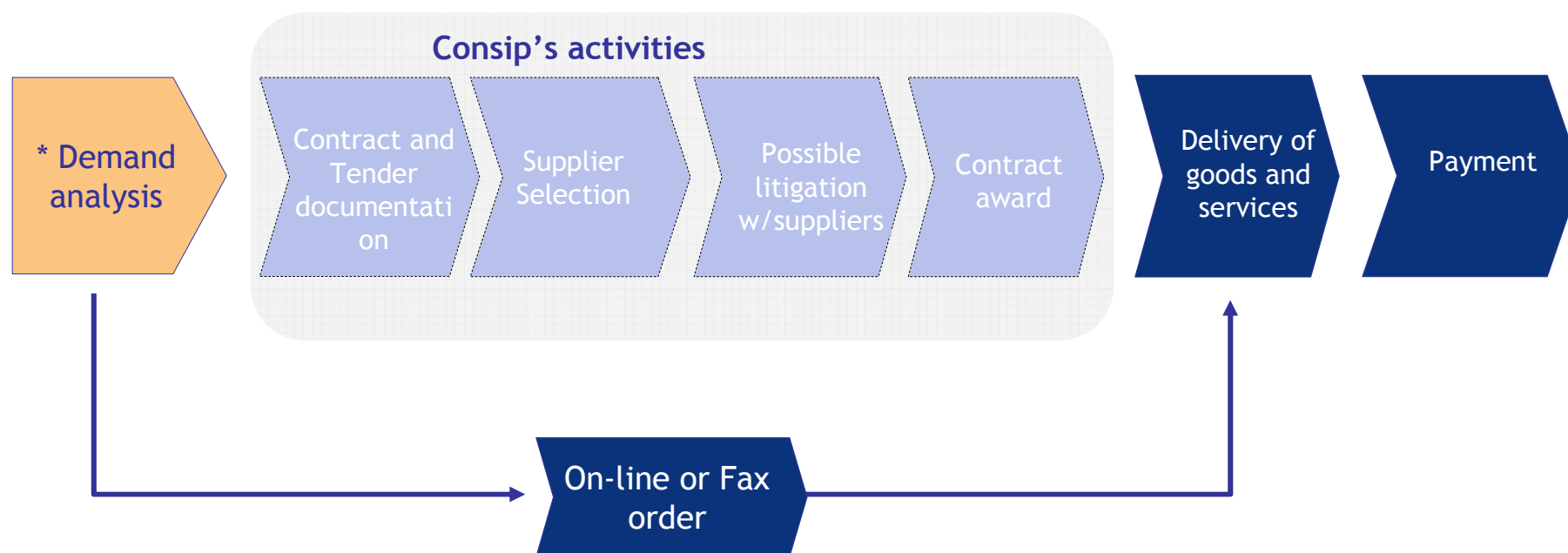
consip

Process simplification



Ministero
dell'Economia
e delle Finanze

The process for the purchase of goods and services



Reduction of administrative procedures for both the P.A. and Supply Market

** The demand analysis is made in cooperation with Consip and MEF*



consip

The Public Procurement Division



Ministero
dell'Economia
e delle Finanze

Legal

Public Procurement
Division (ca.150
headcounts)

R&D

Promotion vs
Public
Administrations

Relationship
with PAs

Planning and
Monitoring

GPP

eProcurement
strategies

IT
G&S

TLC
G&S

Real Estate
G&S

Health
sector
G&S

Utilities
and other
G&S

Sourcing and relationship with suppliers

Platform IT specialists

ITALY

- Population: ca 60 mln
- PA employees: 3.700.000
- 98% enterprises are SMES
- €120 bln expenditure on G&S

CENTRAL PA

- Ministries: 21
- Central PA Authorities: >100

LOCAL PA

- Regions: 20
- Provinces: 110
- Municipalities: 8.101
- School system: Universities: 94
Schools: >10.000
- Health Sector: >300

CONTRACTING AUTHORITIES

- > 13.000 authorities
- Regional CPB: around 10



consip

Consip's eProcurement system



Ministero
dell'Economia
e delle Finanze

Eprocurement portal - www.acquistinretepa.it

2000

Framework contracts

eshops

- Purchases within frame contracts
 - ♣ Large volumes
 - ♣ Demand aggregation
 - ♣ Standardized goods
 - ♣ Low price volatility

Above and Below EU Threshold

2010 transaction value

2600 mln €

2002

On line tenders

- Frame contracts or ASP
 - ♣ Large volumes
 - ♣ Demand aggregation
 - ♣ Standard /Specialized goods
 - ♣ High price volatility

MEPA

eMarketplace

- Direct order or RFQ
 - ♣ Low cost goods
 - ♣ Spot purchasing
 - ♣ Highly fragmented offer
 - ♣ ecatalogue

Only Below

2004

FA and DPS

- On-line tenders in a structured and managed environment - two phase procedures
- Standardised procedures for commonly used goods & services with customisation

Above and Below

2010 transaction value

250 mln €

2010

- > 5000 suppliers making business
- 97% of enterprises using it are SMEs
- 66% of SME's are micro enterprises(< 10 employees)
- average number invited SMEs in RfO: 72 in 2010. 38 in 2007





MEPA - Main Results Achieved



Ministero
dell'Economia
e delle Finanze

ORDERS

value (M€)

	2004	2005	2006	2007	2008	2009	2010	Aggregated value
	8,3	29,8	38,2	83,6	172,2	230,6	254,2	816,8
% growth vs previous year		259%	28%	119%	106%	34%	10% *	

number

	2004	2005	2006	2007	2008	2009	2010	Aggregated value
	3.143	9.677	11.468	28.173	63.245	72.796	77.132	254.189
% growth vs previous year		208%	19%	146%	124%	15%	6% *	

N. orders: 20% RfQ

Value orders: 67% RfQ

Average value:

- RfQ: 10.600 €
- Direct Order: 1.400 €

Offer

Enterprises

on line

	2004	2005	2006	2007	2008	2009	2010
	309	597	868	1.156	2.088	3.027	4.556

Catalogues

on line

	2004	2005	2006	2007	2008	2009	2010
	324	771	1.146	1.809	3.692	5.406	6.640

Articles

on line

	2004	2005	2006	2007	2008	2009	2010
	113.207	190.484	226.748	332.465	540.000	1.331.915	1.490.818

Enterprises

- 65% micro (<10)
- 25% small
- 8% medium
- 2% big

Average yearly turnover

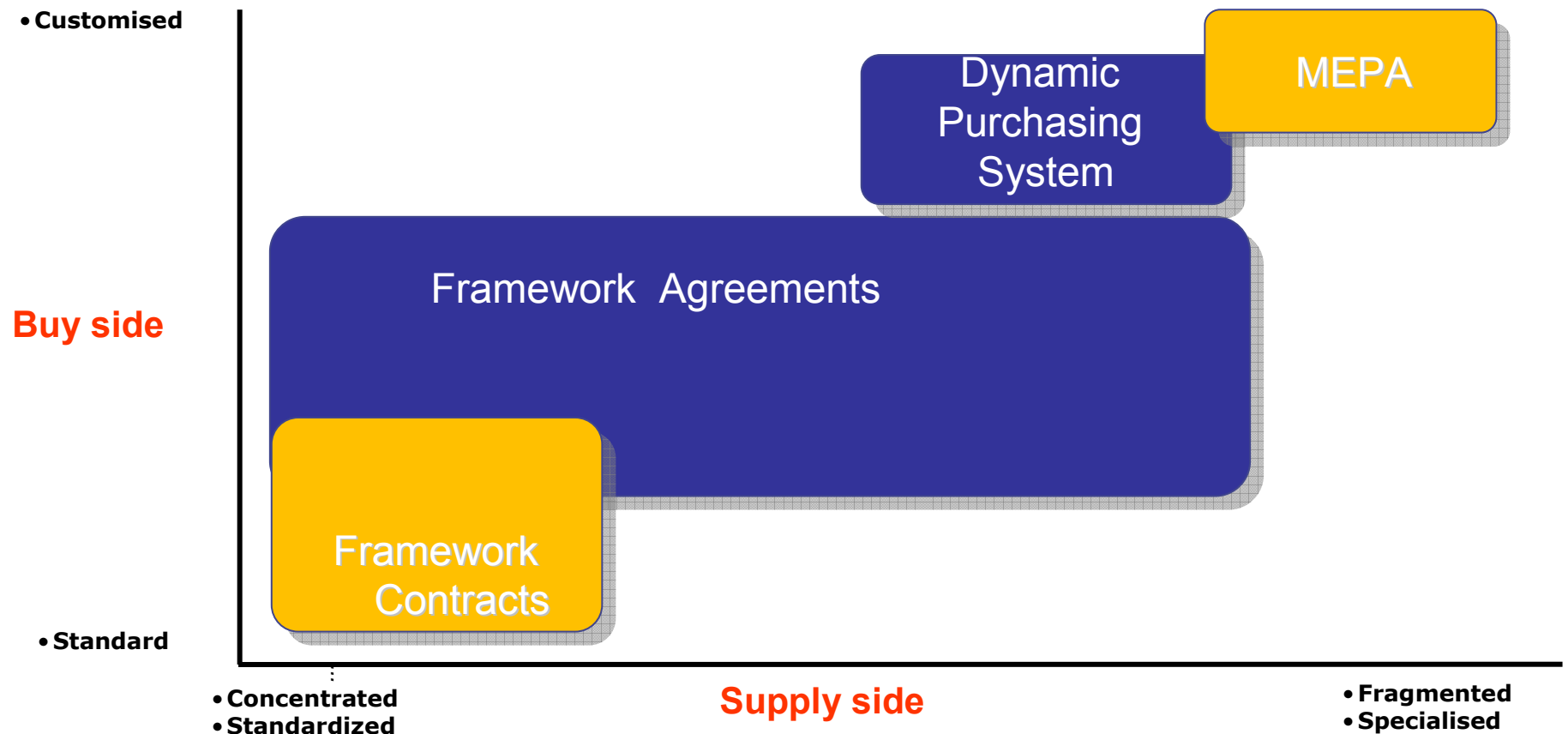
110.000 €

Demand

Active buyers

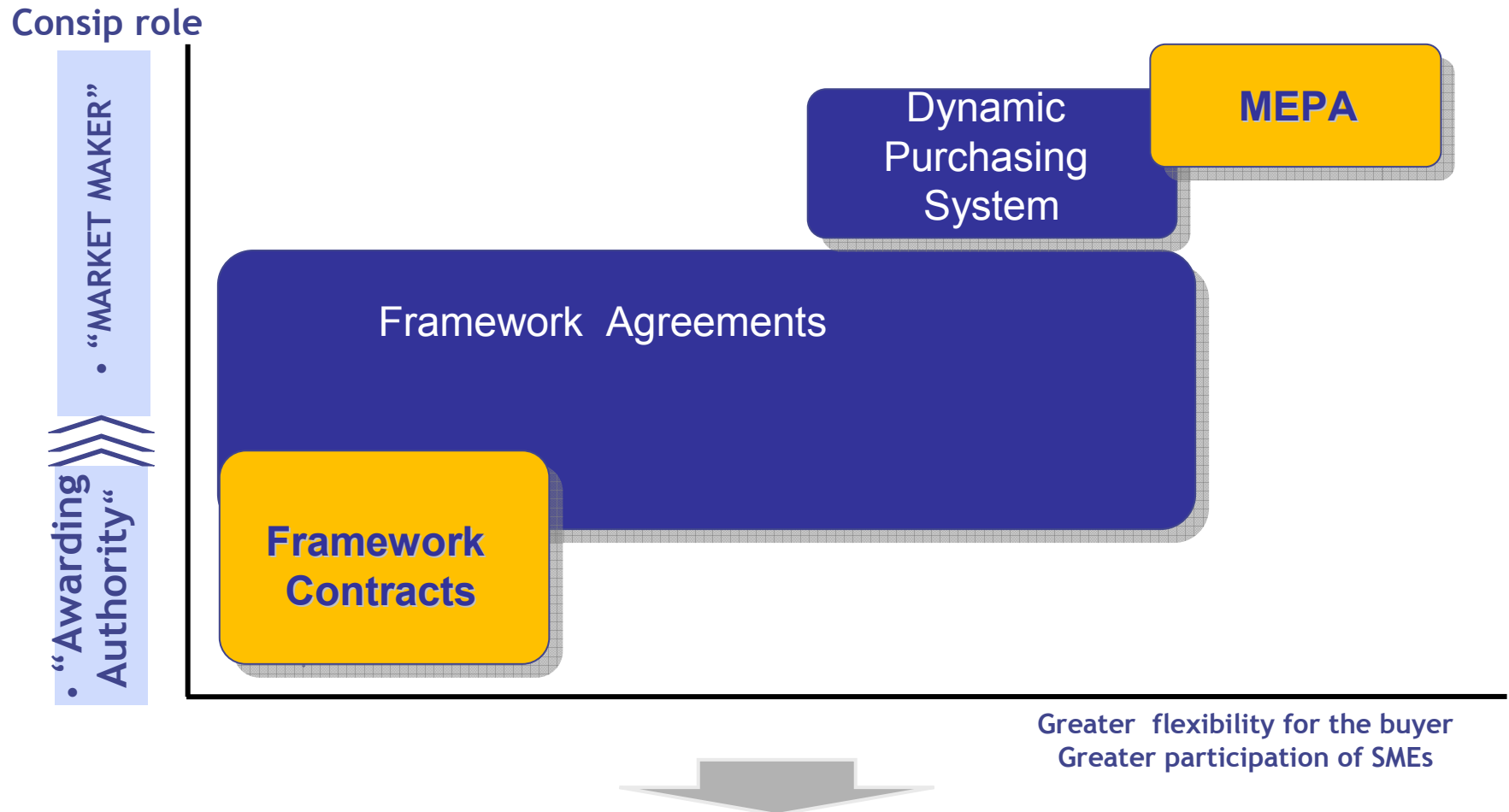
	2004	2005	2006	2007	2008	2009	2010
	540	1.100	1.255	2.748	4.288	5.070	5.339

Evolution of e-Procurement tools



- The adoption of different tools is related to the market (buy and supply side) characteristics
- More business opportunities for SME's through e-procurement
- More autonomy for PA

Evolution of e-procurement tools and Consip's role



New e-proc tools adoption calls for a strategic change in Consip's role and capabilities

A new e-procurement Platform for a new key role for Consip

From
Awarding Authority and eproc market maker
to
Change Management driver

- “Users’ network” development and management
- Service Customization and Integration
- End-to end functionalities
- Unique ecatalogue
- User Assistance and Support

Innovation

- Highly skilled and professional human resources
- Re-engineering of procurement processes
- Advanced e-procurement technologies

Efficiency

- Management by objective approach
- Efficient internal organization
- Capitalize on best practices (reuse, if possible)
- **Change management support**

Sponsorship

- Support from Institutions
- Appropriate legal framework
- **Sharing of the goals with stakeholders**
- Involvement of all stakeholders, PA e suppliers , including local groups, ensuring the project is co-owned
- **Foster the creation of a network among stakeholders**

CONSIP NO LONGER SEEN AS A THREAT BUT AS AN OPPORTUNITY

Consip is a public stock company, created in 1997 by the Ministry of Economy and Finance (MEF), its sole stockholder.

Consip has no profit goals and deals with two main fields of action.

