



კონკურენციისა და სახელმწიფო შესყიდვების სააგენტო
COMPETITION AND STATE PROCUREMENT AGENCY

We shape our systems; thereafter
they shape us
e-Procurement in Georgia

By David Marghania, CSPA for GeGF 2013, Seoul

Why we reformed procurement system?



Side effects of paper tenders in Georgia

Lack of transparency

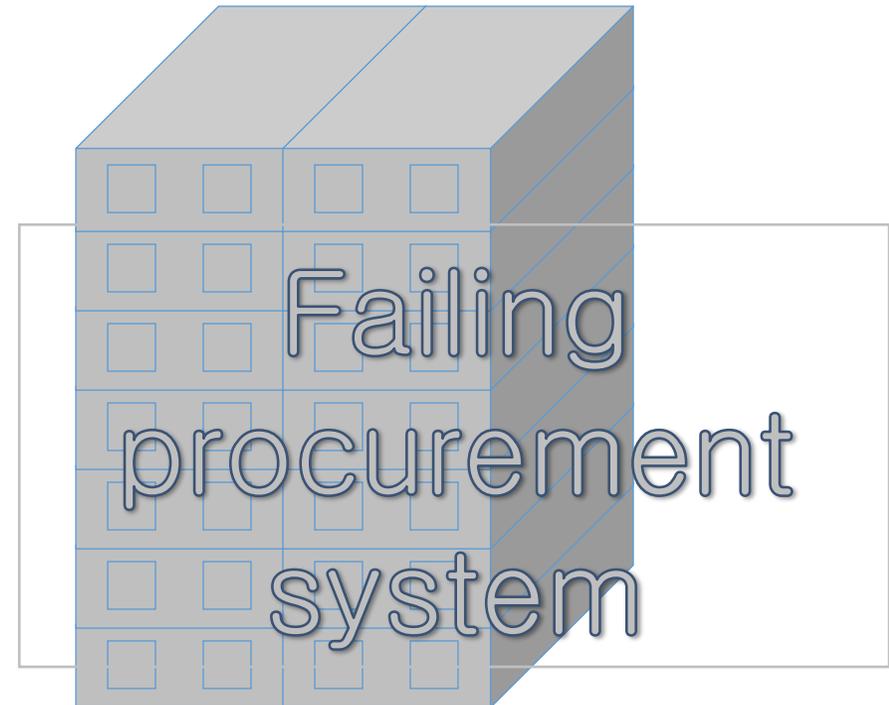
Non-reliable data

Restricted competition

Geographical inequality

High compliance costs

High risk of corruption



Georgian Electronic Government Procurement System – Ge-GP



100% e-tenders - since December 1, 2010

Developed in-house...in one year

More than 3 billion USD went through Ge-GP

More than 310 million USD public funds savings

More than 19 100 registered users

Elements of the reform



- National scope reaching every procurement process above GEL 5000
- One single and simple procurement law based on a decentralized model
- One strong and independent central procurement agency responsible for the whole e-system
- Independent electronic dispute resolution mechanism
- Heavy reliance on internal sources (in-house solutions, *but easily transferable for any framework*)

Some features of Ge-GP



Non discrimination

- No local preference/ No local presence/ more than 250 foreign bidders/ contracts won more than 70 /MULTILINGUAL (GEO, ENG, RUS +TUR,ARM)

Smart system preventing mistakes / warning

- Deadlines / Thresholds / Planning / Abnormally low price / Documents/Sequence of procedures/ Contract management

SMS/Internal messaging system

- Topics of interest / News / Updates / Legal and procedural amendments / Questions &Answers/ >20 million int. messages sent/>25 000 SMS in less than 3months

Fast and transparent dispute resolution

- E-submission of complaint/ Free of charge / Standstill Period/ Very fast -10 days / Civil society equally involved in decision making

Minimum administrative barriers

- No administrative documents in advance / No physical visits / Electronic bid bonds/only physical visit – for signing a contract

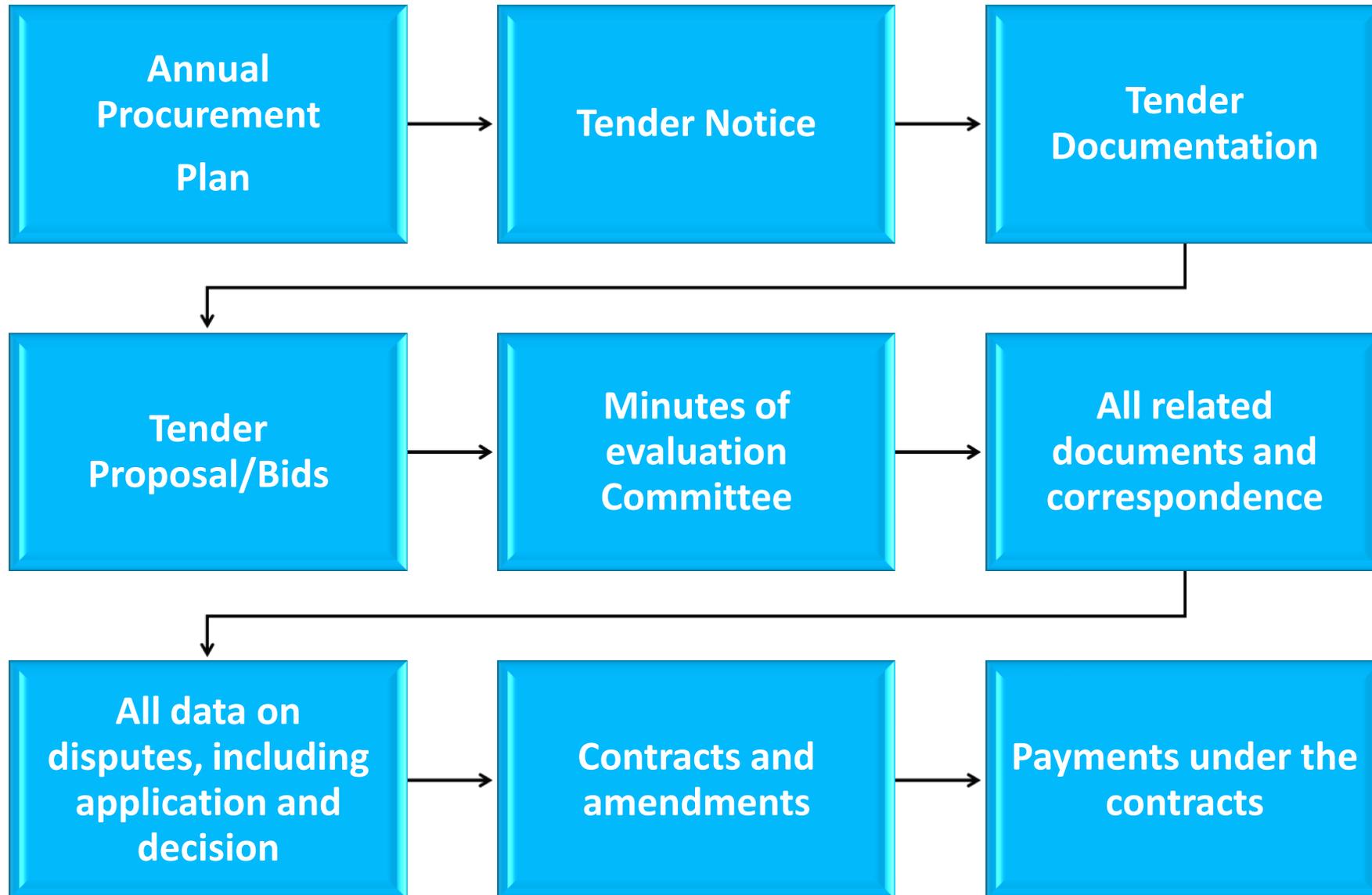
Some facts about Ge-GP



- Two basic procurement methods – direct contracts and open tenders
- Data is centralized – not the procurement/ decentralized 4215 CAs
- Estimated value of contract is disclosed
- Evaluation criteria is disclosed – criteria is objective and quantifiable
- Risk based bid rigging methodology
- Debarment system – black list – one year prohibition
- Business Intelligence – online real-time reports, interesting numbers;
- TI+cSPA joint project www.tendermonitor.ge

It is possible to track every transaction, every procuring officer, every supplier, to produce indicators, look for behavioral patterns.

Everyone sees everything



Basic logic of Ge-GP



Everyone sees everything

- Any interested person, including suppliers, CSOs, journalists, law enforcement bodies, etc. can see anything, related to public procurement in a real time regime

Everyone can question the tender

- Any registered Ge-GP user can question any tender using Q&A module. CA tender commission is obliged to answer

Everyone can freeze a tender

- Any registered Ge-GP user can appeal any decision of CA tender commission and “freeze” any ongoing tender. No more than two minutes to fill the appeal form

Everyone can participate in dispute resolution

- Civil society equally involved in decision making as everyone can elect the eDRB member

Public oversight over PP is encouraged

- If CSOs will be active public oversight will prevail over the state oversight.

eDRB module



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Unified Electronic System of
State Procurement

Enter keywords



The tender announcement
Development



2nd Invitation to the World
National Competitive Bidding



Be the member of the State
Related Disputes Resolution Board!!!



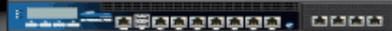
Georgian Electronic Government
Procurement (Ge-GP) System has been
recognized as one of the best worldwide.

23 May 2012

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Barracuda NG Firewall



Dispute Resolution Board

1076 GEL

ქართული



Black List



tern Georgia

Construction of Housing Complex of 8 Apartment Buildings in Zugdidi Town (Zu-01)

Contract No. KfW/CW/LCB/04

Georgia has received a financial contribution from KfW towards the cost of the Emergency Rehabilitation of IDP Housing in Western Georgia and intends to apply part of the proceeds towards payments under the contract for Construction of Housing Complex of 8 Apartment Buildings in Zugdidi Town (Zu-01) (# KfW/CW/LCB/04).

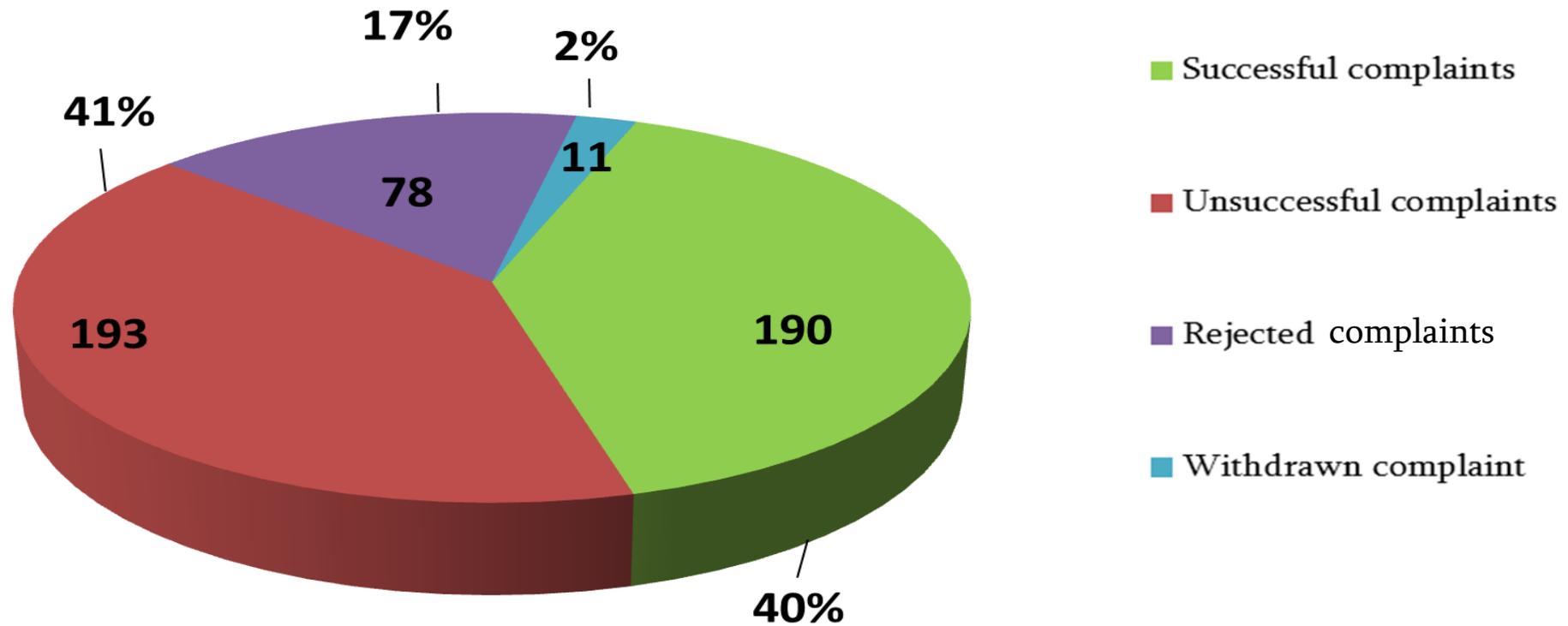
MDF now invites sealed bids from bidders who comply to the specified qualification criteria for the Construction of Housing Complex of 8 Apartment Buildings in Zugdidi Town (Zu-01).

Quantities of main works are:



- Dispute Resolution Board was created on 10th of December, 2010
- Equal representation of CSO's and Public Administration in decision making
- Everyone can “freeze” a tender with just a single click of a button. Submission of appeal takes less than two minutes
- An appealed tender will be “frozen” for a period of 10 business days. During this period the eDRB will review the appeal and the results will be published in the Ge-GP

Statuses of appeals, filed with the eDRB



Total 472 complaints received

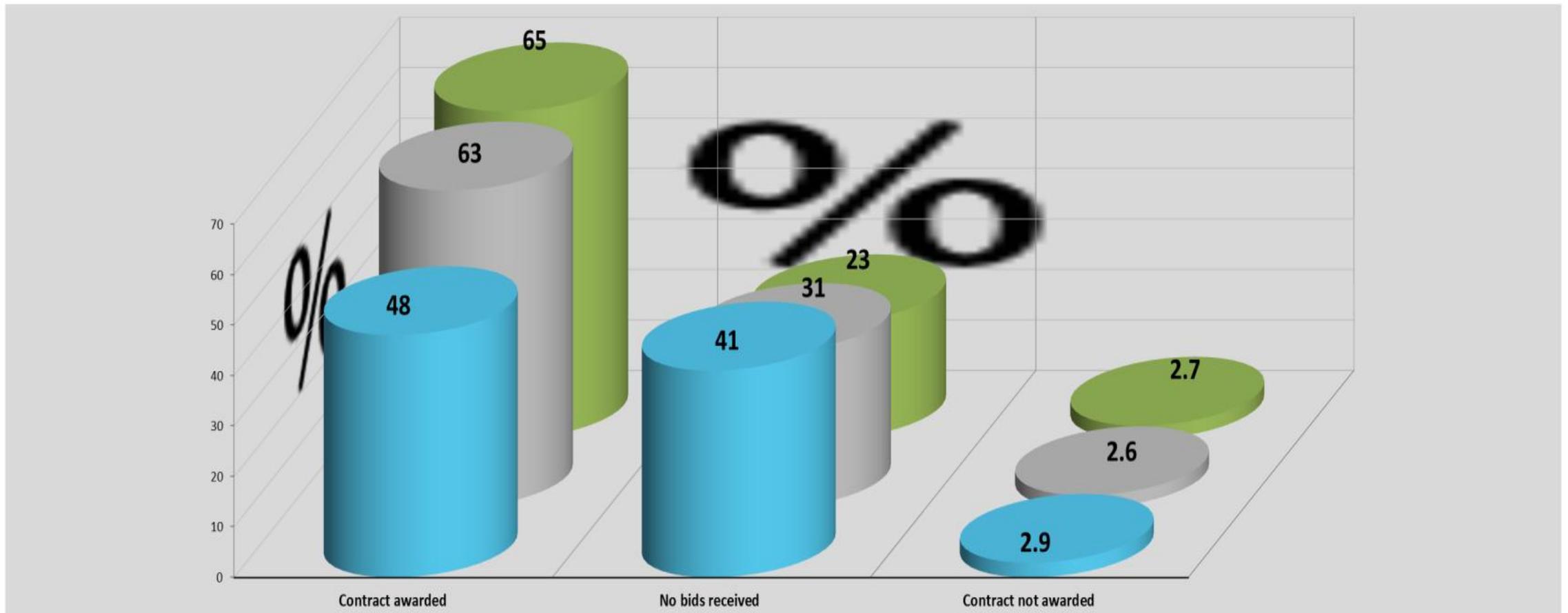
Thanks to Ge-GP



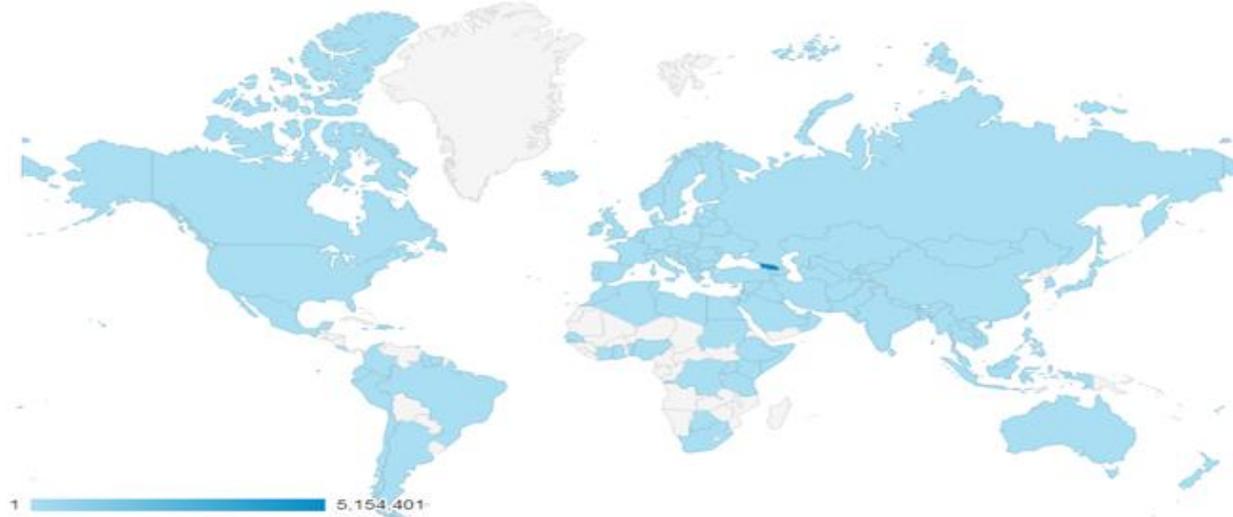
- Geographical inequality in tenders eliminated
- All CA's have an internet access
- Georgian Registry of Electronic Guaranties (GREG) was created
- Suppliers are using electronic payments
- Unique marketplace with online analytical and business planning tools is created
- More opportunities for the SME's
- Transparency and efficiency of public expenditures no longer an issue



Ge-GP is used more efficiently year after year



User demographics overview by locations



N	Country / Territory	Visits	%New visits	Pages/Visits	Avg. Visit Duration
1	Georgia	5,154,401	10.61%	2.93	0:04:55
3	Jordan	15,911	9.72%	2.99	0:05:17
4	Russia	13,340	21.75%	2.51	0:04:36
5	Germany	9,914	20.65%	3.22	0:03:57
6	United States	7,454	28.25%	2.6	0:03:45
7	Ukraine	7,147	22.85%	3.96	0:04:51
8	Turkey	6,781	42.93%	3.07	0:03:59
9	Armenia	2,952	23.00%	2.99	0:03:52
10	India	2,597	59.11%	3.39	0:04:22
11	Italy	1,961	36.05%	3.35	0:04:02
12	United Kingdom	1,850	36.65%	3.11	0:03:24
13	United Arab Emirates	1,689	13.50%	4.55	0:07:26
14	China	1,575	22.98%	2.35	0:03:20
15	France	1,395	28.75%	2.39	0:14:13
16	Switzerland	1,270	30.39%	2.51	0:03:21
17	Spain	1,212	31.35%	3	0:03:24
18	Azerbaijan	1,077	34.45%	3.89	0:03:43
19	Greece	799	49.31%	3.29	0:03:18
20	Poland	767	27.25%	2.33	0:02:37

What they say about Ge-GP



- “..most integrity safeguards and procurement efficiency instruments recommended by international best practice were adopted in Georgia in 2010” - **EBRD**
- “The official electronic procurement system through which the government does its contracting is state of the art and among the most transparent and efficient systems in the world” – **TI-Georgia**
- “The e-Procurement system implemented in Georgia may serve as a good example for Asia and other Pacific countries. The countries, which have not yet introduced the e-Procurement system, are particularly interested in the reforms implemented in Georgia” - **ADB**
- “The European Parliament Welcomes Georgia’s new procurement system, Georgia should also serve as an example for the EU Member States in this area” – **The European Parliament**
- 2nd place winner in the category : “Preventing and Combating Corruption in Public Service” – **UNPSA**

Ge-GP challenges and problems



- Lack of competences of all stakeholders (Passive and Active incompetence)
- Non-active CSOs – Non-active usage of controlling power
- Absence of standardized description of goods and services, checklists, toolkits, etc.
- What is high quality? No agreed vision, Subjective perception
- Mentality issues, negative influence



Main Finding

(Especially for the attention of high level Managers)





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