

Procurement management  
in the public sector



# Procurement management in the public sector (goods, works and services)

Turin, Italy



World Bank



OECD - SIGMA

Support for Improvement in Governance and  
Management in Central and Eastern Europe



International Training Centre

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## Introduction

Public procurement refers to the process of acquisition by government and public entities of goods, works and services that are necessary to fulfil their mandate in the provision of services and facilities to the general public.

Public procurement has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental "value for money" considerations. This has adversely impacted the rate and quality of progress in realising the objectives of national development, especially in developing and transition countries.

During the second half of the 20th century, public procurement was transformed through the pressures of globalization and the proliferation of regional economic integration schemes e.g. European Union, NAFTA, MERCOSUR and COMESA. The global trade liberalisation agreements negotiated under the World Trade Organisation (WTO) also incorporated a plurilateral Government Procurement Agreement (GPA) which calls for the convergence of national procurement legislation to reflect internationally agreed norms like "unrestricted access" to procurement opportunities and "non-discrimination and due process" in the execution of public procurement operations. Within this context, and at the request of several countries, the United Nations Commission on International Trade Law (UNCITRAL) introduced a model public procurement law in order to guide countries in the process of reforming the legal framework of their public procurement systems.

The International Training Centre of the ILO (ITC-ILO) in collaboration with the World Bank and the Organisation for Economic Co-operation and Development (OECD) has, since the early 1990's, been offering courses for modernisation and reform of national procurement systems. These courses aim at upgrading national capacity in the management of the public procurement functions at the legislative, institutional and operational levels. This course titled "Procurement Management in the Public Sector" is designed to explain the significance of public procurement to national development, its founding principles (with reference to UNCITRAL Model Law, European Union procurement directives, World Bank procurement guidelines and WTO/GPA) and typical models for the design of its institutional and managerial frameworks. The course introduces the OECD Assessment Tool for national public procurement systems in order to enable the participants to scrutinise the current status of their own national systems and measure the extent to which it conforms with internationally-recognised standards. In addition the course provides essential practical business skills indispensable for successful implementation of the public procurement process for goods, construction works and services .



## Objectives

The overall objective of this course is to provide the participants with the practical skills necessary to enhance economy, efficiency and transparency in the management of public procurement operations.

On completion of this course the participants will be able to conduct the procurement process for goods, works and services in accordance with internationally accepted standards through:

- better understanding of the role of competition, non-discrimination and transparency in achieving "value for money" in public procurement operations;
- effective planning, execution and monitoring of public procurement operations;
- appropriate selection of prescribed procurement methods;
- preparation of well-balanced bidding documents based on standard models of proven validity and the ability to customise these to suit their national context and regulatory frameworks;
- increased awareness of the importance of "bid challenge" procedures and related remedies for the proper functioning of a public procurement system;
- upgraded ability to conduct bid evaluation, contract award and contract administration procedures;
- proficient use of international commercial trade terms - INCOTERMS;
- development of an action plan for improvement of national procedures for execution of public procurement in conformity with the existing national legislation;
- enhanced capacity to put in place systems for upholding integrity in public procurement operations: safeguards for prevention and detection of fraud and corruption with reference to a specifically-developed OECD checklist.



## Course participants

The participants of this course are:

- public procurement practitioners at the central (ministry) and sub-central (local government) levels;
- officials of ministries of finance in charge of monitoring/controlling public procurement transactions;
- members of national public procurement offices, tender boards and tender/proposal evaluation committees;
- procurement trainers from national educational institutes or government services;
- procurement and financial auditors as well as "probity advisors" and staff from civil society organisations.

The course is delivered in English and the participants need to demonstrate adequate level of proficiency in the English language.



## Course methodology

Course delivery methodology is a combination of presentations by subject-matter specialists, panel discussions on key issues, individual and group exercises, role play and analysis of case studies dealing with typical problems in public procurement.

Participants will be provided with prescribed course training modules and reference materials. Participants are encouraged to bring along copies of selected national procurement documents e.g. national public procurement law or regulations and standard bidding documents that are in use in their countries.

Participants are requested to obtain, in their home countries, a Schengen double-entry visa for Italy and a single-entry visa for Switzerland to enable them to take part in the scheduled study visit that is an integral part of the learning process. (Switzerland will be part of the Schengen countries as of 1 November 2008; therefore it will be not necessary as of that date to request a double visa).



## Course content

The course is based on the "Public Procurement Manual" specifically developed by OECD/SIGMA and ITC-ILO for the purpose in addition to handouts presenting recent World Bank and OECD tools for assessment of national public procurement systems and guidelines for enhancing integrity in the public procurement process. The Manual is in three sections as follows:

### SECTION I PUBLIC PROCUREMENT PRINCIPLES AND TYPICAL INSTITUTIONAL STRUCTURE

- Generic public procurement principles (with reference to UNCITRAL Model Law, EU procurement directives, World Bank Guidelines and WTO Agreement on Government Procurement)
- Institutional framework for public procurement with reference to examples from EU countries
- WB-OECD/DAC methodology for assessment of national public procurement systems
- Remedies in public procurement
- Bid challenge procedures and related systems for prevention and detection of fraud and corruption: OECD checklist
- Code of ethics in public procurement

### SECTION II TENDERING PROCESS FOR GOODS, CONSTRUCTION WORKS AND SERVICES

- Procurement planning
- Procurement methods

- Preparation of the bidding documents (World Bank standard bidding documents used as a model)
- Bid opening and evaluation
- Contract award
- Preparation of requests for proposals
- Evaluation of consultancy proposals

### SECTION III CONTRACT ADMINISTRATION AND RELATED IMPLEMENTATION INSTRUMENTS

- Contract principles
- Contract administration for goods, works and services
- Financial instruments (letters of credit, bonds, bank guarantees, etc.)
- Insurance
- Inspection and transport
- Use of INCOTERMS
- E-tendering and use of internet in public procurement

(The participants will be asked, as a course assignment, to identify recommended improvements in their respective existing national procurement systems guided by the OECD Tool for Assessment/Benchmarking National Public Procurement systems along the composite four pillars and related indicators.)



## Cost of participation

The cost of participation in this three-week programme is Euro **4,830** payable in advance by the participant's sponsoring organisation. This covers:

- tuition fee, which includes the use of the Centre's training facilities and associated support services, books and training materials;
- participant fee, which covers:
  - accommodation and full-board at the Centre, plus a standard lump sum to cover **incidental expenses**;<sup>i</sup>
  - study visit;
  - routine medical care and insurance.

Main travel between the participant's home country and Turin is not included.

Fellowships for training programmes conducted by ITC-ILO generally become available through the training allocations of development projects financed by International Financial Institutions or by United Nations' agencies, bilateral technical co-operation agencies, governments and/or private enterprises. Candidates are encouraged to contact these organisations and agencies in their countries to enquire about the availability of funds for sponsorship of their participation.

i Arrangements can be made to pay an additional allowance for incidental expenses at government or funding-agency cost to accommodate participant entitlements or other government requirements.



## The ILO Turin Centre's facilities

Located in an attractive park on the banks of the River Po, the Centre's campus provides a congenial environment in which to live and study.

It contains 21 pavilions with fully equipped modern classrooms, conference halls and meeting rooms fitted out for multilingual simultaneous interpretation, a computer laboratory, and a computerized documentation centre linked to various data banks.

The campus has 287 study/bedrooms, all with private bathrooms, telephones and cable television. It also has:

- a reception desk open 24 hours a day;
- a restaurant, a self-service canteen and a coffee lounge, all catering for international dietary needs;

- a bank;
- a travel agency;
- a laundry service;
- a post office;
- an internet point;
- a recreation room;
- facilities for outdoor and indoor sports;
- an infirmary.

Social events are regularly held both on and off campus, so that participants from different cultural backgrounds can make the most of the stimulating international climate.

## For further information, please contact:

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