Profiling Public Procurement
Leveraging e-procurement databases in Ireland

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Summary
Researchers at Dublin City University Business School identified a knowledge deficit in Irish public procurement. Although a recognized leader in the use of e-procurement across the public sector, Ireland had a poor record in collecting and analyzing public procurement data. Collaborating with academia, industry and the public sector, staff at the School’s Strategic Procurement Research Unit leveraged Ireland’s e-procurement database, creating an innovative survey to obtain data on the characteristics, behavior and opinions of over 600 public procurers and 4,000 private sector suppliers. This allowed comprehensive assessment of the market for public sector contracts, giving insights into procuring and tendering practice, the effects of e-procurement, implementation of measures to support small business and the impacts of EU Procurement Directives. The findings have already led to policy changes for more effective procurement.

Challenge
While Ireland is a recognized leader in the use of e-procurement across the public sector, the same cannot be said of its record in collecting and analyzing public procurement data. Without such analysis, it’s hard to know where opportunities lie for improvements to the public procurement system. Until recently, little if any data existed on the Irish public procurement market. This made the task of policy impact assessment difficult and left all stakeholders – procurers, suppliers, policymakers and researchers – in the dark regarding public procurement trends. Finding a solution to this problem had become a priority.

Based in Dublin City University Business School, the Strategic Procurement Research Unit (SPRU) contemplated this ‘knowledge deficit’ in Irish public procurement. The challenge for SPRU was how to profile a market that was dispersed and fragmented and had never been researched in any meaningful way. Initially this challenge seemed insurmountable but by thinking from fresh perspectives, a way forward soon presented itself.
Innovation
SPRU saw the potential of Ireland’s e-procurement database as a basis for researching public procurement. Over 4,000 public procurers and approximately 70,000 suppliers are registered on the government’s e-tenders website, making it an existing database of the research population SPRU needed to access. This presented an ideal way to survey the actors within the market for public sector contracts, including suppliers based overseas.

- Building partnerships
SPRU’s innovation lay in identifying and seizing this opportunity. It collaborated with industry actors and the public sector to make possible the mapping of Irish public procurement. The first step was to form a working partnership with the National Procurement Service of Ireland, which has ultimate control over Ireland’s e-procurement portal and its database of buyers and suppliers. As academic researchers know only too well, the best-laid research plans often come to nothing because access to a research population cannot be secured. But, impressed by SPRU’s idea, the procurement service agreed to partner it in using the e-procurement database to carry out Ireland’s first national survey of public procurement practice. SPRU also gained the support of industry representative groups, ensuring the cooperation of significant numbers of buyers and suppliers.

The collaborative approach was central. Throughout this period SPRU maintained ongoing contact with the National Procurement Service, keeping its partner informed of progress and soliciting its advice and expertise on certain issues. SPRU also used its industry contacts to develop the survey and pilot it with 30 industry experts.

- Technical and content design
Access to the database was granted in autumn 2011. SPRU began work on designing an online survey that would profile current public procurement practice. The design process involved much debate on what data was to be captured and how various procurement practices and behaviors should be measured. SPRU had to work from a blank canvas, but used this as an opportunity to explore contemporary challenges in procurement, such as increasing the number of smaller enterprises competing for public sector contracts, using public procurement to promote the eco-technology sector, and the insertion of environmental criteria into public tenders.

The survey was innovative in its design. SPRU was firmly of the opinion that both buyer and supplier perspectives were needed in mapping Irish public procurement. They were to be approached separately, with some survey questions common to both, and others particular to one or the other. The survey also made use of the latest data collection software (in this case, Survey Monkey). It allowed for comparison to be made of buyers’ and suppliers’ responses on the same or similar questions and topics. For example, both buyers and suppliers were asked whether they thought the Irish public procurement market had become more or less business-friendly over the previous three years.

- Launching the survey
In December 2011, after making the necessary adjustments in response to the pilot group’s suggestions, SPRU distributed the survey in electronic format to approximately 70,000 suppliers and 4,000 public sector procurers registered on the Irish government’s e-tenders website. This step was repeated exactly one week after the first emailing. Although risk is inherent when trying an innovative approach, any apprehension SPRU felt over whether the survey would succeed quickly disappeared, as thousands of responses poured in on the first day.
Of those registered users who received the survey, more than 4,000 suppliers and 600 public sector procurers responded. With over 50 questions to answer for each survey, many of them requiring detailed information, the level of response from both suppliers and procurers was excellent and adds to the credibility of the data and the general applicability of the findings. This willingness of both suppliers and public procurers to engage with the survey made it a resounding success. It yielded data essential to understanding the profile and workings of the Irish public procurement market. SPRU had achieved its central objective – in a cost-neutral, environmentally-friendly way.

Results
Analysis of the survey data in the early weeks of 2012 enabled a benchmark profile of public procurement in Ireland for the first time ever. A report based on the survey findings, Opportunities in Public Sector Procurement, was launched in March 2012 by the Irish Government Ministers for Public Works and for Small Business. The outcomes of the survey were extremely useful and almost immediate:

• **Unprecedented insight**
The profiles of buyers and suppliers are now known, as are the organizations in which they are employed. Buyer-supplier interaction has been assessed and the tendering and procuring behaviors of each group analyzed. The impact of e-procurement on buyer and supplier roles has been documented and the translation of procurement policy into practice has been assessed.

The survey report, Opportunities in Public Sector Procurement, maps the Irish public procurement landscape and identifies opportunities for the creation of a more effective public procurement system. It profiles the prevailing conditions in both public and private sector procurement. More than 90 percent of respondents use the e-tenders web portal to identify available contracts. The portal is shown to have increased the number of public sector contract opportunities available to suppliers and made the process of tendering for contracts easier. Findings from the survey not only reveal what has happened in the public procurement market but, equally, what is likely to happen in the future. For example, it was found that 40 percent of suppliers intend to increase their tendering activity in 2012.

• **Input for future policy**
The survey will inform government attempts to balance the need for the public sector to obtain the best value for money and find innovative solutions to public needs, with the need to improve access by small and medium-sized businesses to government contracts. The report highlights successful initiatives such as e-tendering and progress in ensuring that financial capacity and insurance requirements are relevant and proportionate to public sector contracts. But the findings also draw attention to areas in need of further reform, particularly barriers to the participation of micro-enterprises in the public procurement market.

The report presents a range of opportunities that its authors believe should be seized by those involved in both public procurement policymaking and everyday practice. Public procurement is discussed at policy level not only in terms of achieving financial savings, but also in terms of offering growth opportunities to small Irish suppliers who have been hardest hit by the downturn in the domestic and international economies. Recommendations include more training for procurers and suppliers to research their markets, reduced paperwork for suppliers and ongoing skills development for those operating in public procurement. Taking these
opportunities will lead to better outcomes for all stakeholders in Ireland’s public procurement market, while also benefitting the wider economy.

Increased understanding of the procurement function will help the government ensure fair competitive conditions for all businesses, therefore allowing smaller enterprises a better chance to win public contracts. For example, the survey findings will help the government ensure that pre-qualification criteria, such as turnover levels or previous experience, are not weighted against small business and are proportionate to the contract itself.

- **An ongoing resource**
  Thanks to its success, the survey will not be a one-off event. SPRU has secured agreement with the National Procurement Service to continue it on an annual basis and benchmark procurement performance from year to year.

**Lessons Learned**
Several lessons emerge from this experience. By thinking from a completely new angle, SPRU identified and grasped the potential of e-procurement databases – making a seemingly overwhelming challenge easily solvable.

- **Seize opportunities**
  SPRU was proactive in creating access for itself to the e-procurement database of buyers and suppliers. This ‘can-do’ attitude was well rewarded. It was important to nurture partnerships with key stakeholders: without National Procurement Service support, the initiative would never have taken off. Equally, SPRU’s industry contacts proved invaluable in devising, testing and promoting the survey across the private sector.

- **Devise a project plan and manage by objectives**
  SPRU spent approximately four months bringing its innovative solution from conception to fruition. To maximize the chances of success, a project plan was created, a project leader appointed and key milestones set down, linked to the achievement of specific objectives. This enabled coordination and focus throughout the project.

- **Complex problems are never insurmountable**
  The key lesson from this case is a simple but powerful one: complex problems are never insurmountable. All that is needed is ingenuity to deploy existing resources in innovative ways. Among the key difficulties was prioritizing data to be captured. This issue was resolved through consultation with key public procurement stakeholders who advised on desirable questions and topics for inclusion. Among the changes suggested for the 2012 survey are a reduction in the number of questions and more targeted questioning on contemporary topics such as ‘green procurement’.

- **This approach is widely replicable**
  Looking beyond Ireland, this is an initiative that other countries can easily exploit, especially given the common use of e-procurement portals. The cost and resource requirements are negligible and online surveying is environmentally-friendly. However, survey fatigue on the part of buyers and suppliers is one potential obstacle that researchers should take into account.

SPRU’s innovative proposal has led to a strategic partnership with the National Procurement Service, which will prove vital for future research and lead to ongoing improvements in the efficiency of Ireland’s procurement system.
Complex problems aren’t insurmountable – just deploy existing resources in innovative ways

Researchers at Dublin City University Business School recognized the potential of Ireland’s e-procurement database – with over 4,000 public procurers and 70,000 suppliers – as a basis for profiling public procurement

Small-business suppliers learn about public procurement opportunities as the SPRU team share their findings at a trade association conference. Findings include the effects of e-tendering and how procurement policy can benefit Ireland’s economy