



Why is data useful?

Open contracting use cases

OBJECTIVES

1

Participants will understand the concept of open contracting

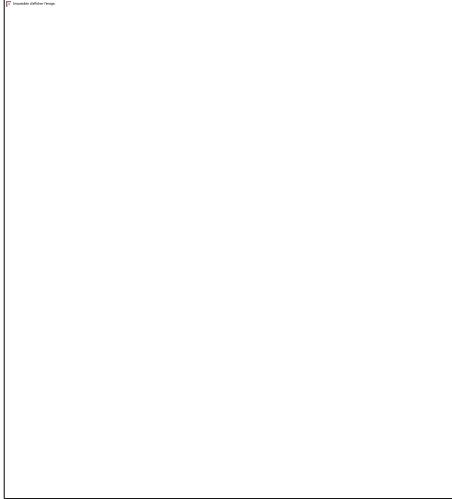
2

Participants will understand how open procurement data can be used to carry their relevant procurement reforms through use cases

3

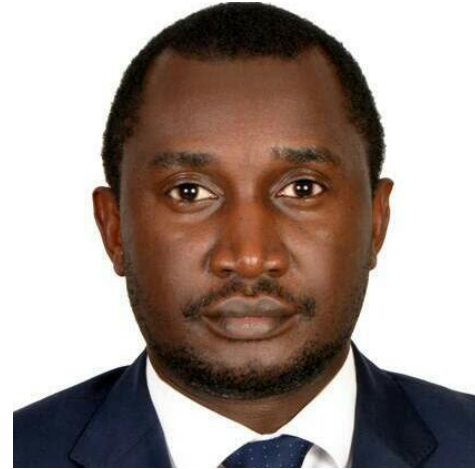
Participants will also be introduced to some examples of open contracting at work

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Introducing OCP

- OCP was spun out of World Bank in 2015
- Silo-busting, not-for-profit to **open up & transform** public contracting
- Working on **open data & open government** across entire chain of public contracting (planning, tender, award and implementation)
- **40+ countries**, OECD and non-OECD



Our mission

Transforming public contracting so it is open-by-design, fair and efficient.

We build a global community for change and support powerful examples of what is possible when governments, businesses and citizens work together. We measure and share results from open contracting, including **increased competition, better value for money, and improved efficiency, integrity and trust** in public markets.



US\$13,000,000,000,000



So what is open contracting?

**OPEN
CONTRACTING
PARTNERSHIP**

What We Mean by Open Contracting

Open contracting principles and practices include:

- **Moving from paper-based to digital** procurement systems with open data
- **Identifying user needs during planning** through multi-stakeholder collaboration and open information systems
- **Designing inclusive tender processes** with clear and accessible language, aligned incentives, and that are driven by needs and results
- **Engaging stakeholders** throughout the procurement process, from planning through delivery
- **Track performance and enable feedback loops** during delivery

What We Mean by Open Contracting

Open contracting is the set of principles and processes that support effective public service delivery and access to economic opportunity through open data and stakeholder engagement.

Open contracting is about disclosing procurement information and making it accessible so that governments can collaborate with residents, businesses, and private sector organizations, to address challenges across the entire contracting cycle and improve service delivery.

We help partners
think differently
about procurement
using an **open**
government & an
open data approach
to drive **impactful,**
sustainable
reforms



Why is data important?



Structured data & records for every public contract



Planning

Including:

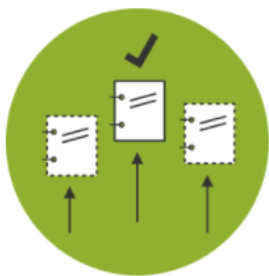
Budgets
Project plans
Procurement plans
Market studies
Public hearing info



Initiation (Tender)

Including:

Tender notices
Specifications
Line items
Values
Enquiries



Award

Including:

Details of award
Bidder information
Bid evaluation
Values



Contract

Including:

Final details
Signed contract
Amendments
Values



Implementation

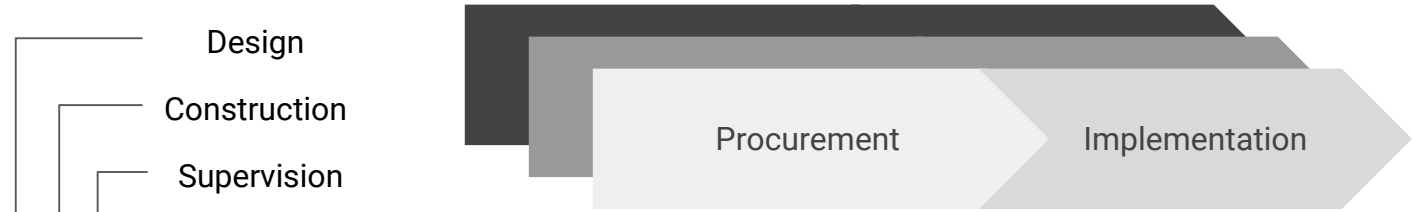
Including:

Payments
Progress updates
Location
Extensions
Amendments
Completion or
Termination info

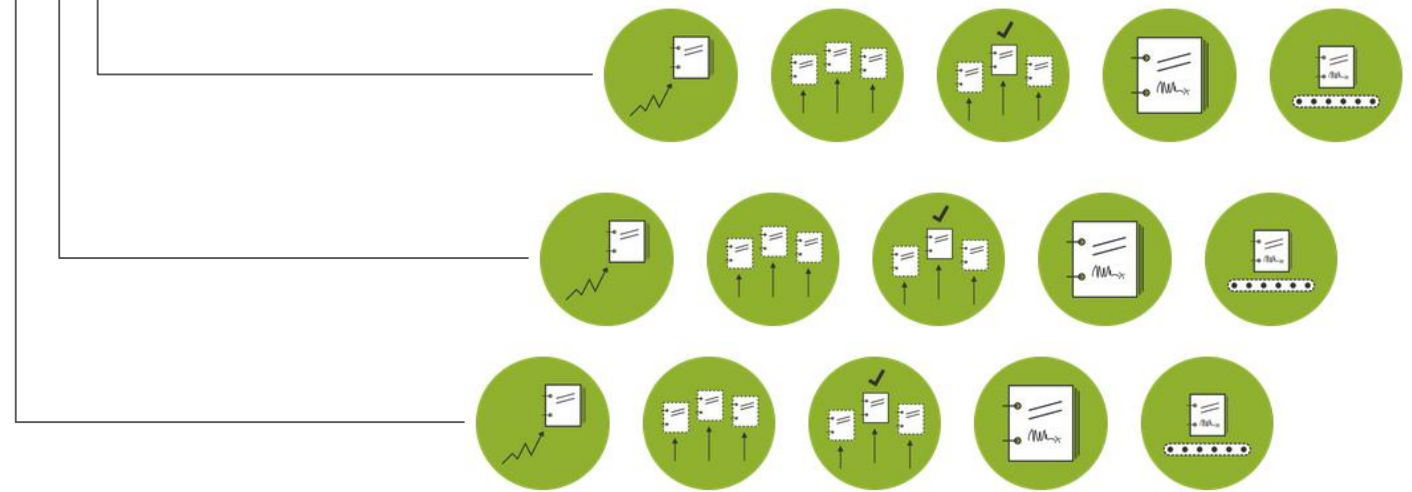
Level 1:
Project



Level 2:
Contracting
process
summary



Level 3:
Contracting
process
detail



Value of structured, open data

DATA



ARRANGED



SORTED



PRESENTED
VISUALLY





The value of data lies in how it can be used, when it is analyzed and used for decision making.

Use cases

A *use case* is a specific instance of using data to achieve an outcome in pursuit of a goal.



Market opportunities



Value for money



Public integrity



Service delivery



Internal efficiency

For each use case there are specific data fields needed and indicators that can be calculated

Why are use cases important

1

Identifying key use cases are important to define clear measurable goals and what metrics are needed to track them.

2

It can help you prioritize what data you need to collect, publish or analyze.

3

Identify key users of the data publication and develop strategies to increase data use.

4

If you are clear about your goals and data needs it can save you time and resources!

We recommend to define use cases at the **beginning of your Open Contracting journey**, since it can inform your data publication strategy and technical implementation decisions.

If you **already have data available**, use cases can help you identify what is possible with the data, increase data use by different actors, improve how data is used for decision making and improve your data publication further.

USE CASE GUIDE



A successful implementation of OCDS is one that produces useful, actionable data that improves the agency or insight of a specific set of users—but it's often not straightforward to get governments, citizens, businesses, technologists, journalists and academia to use data. To bridge that gap, we wrote a [use case guide](#) with five steps for publishers to follow:

1. Identify your stakeholders
2. Figure out what information they want and why
3. Document your user requirements
4. Map demand to supply and make a plan
5. Document use and impact for adaptive learning

Linking OCDS to indicators

Core to this work is a [preliminary spreadsheet of indicators linked to OCDS](#) that we have drawn up to show what OCDS fields are needed to measure each indicator. Keep reading before you take a look!

What the spreadsheet is for

Users can:

- Learn new indicators to measure progress towards outcomes, like fairer competition;
- Lookup an indicator to learn how to measure it with OCDS data;
- Use the indicators in a monitoring and evaluation (M&E) framework.

If an [OCDS field](#) is required by an indicator of interest, publishers can prioritize the field for:

- Collection (if it is not already collected by internal systems);
- Publication (if it is not already published);
- Data quality improvements.

www.open-contracting.org/resources/using-it/



Use case guide: Indicators linked to OCDS #public



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	A	B	C	D	E	F	H
1	ID	Group	Indicator	Information needs	Suggested OCDS fields	Rationale and Additional Context	Source
2	M001	Market Opportunity	Percent of contracts awarded to top 10 suppliers with largest contracted totals	- Supplier ID - Award information on winning supplier	awards/suppliers/identifier contracts/id contracts/awardID	A higher percent of contracts awarded to the top suppliers may indicate weaker market opportunity. Analyzing the concentration of overall contacted value gives insight into how inclusive and competitive the overall marketplace is	TI Ukraine
3	M002	Market Opportunity	Mean percent of bids which are disqualified	-Bid information -Disqualification information	tender/id bidders/disqualifiedBidders (Bid Extension)	A higher mean percent of bidders disqualified from participation may indicate that a buyer may subject bidders to unjustified disqualification. This can reduce confidence in a buyer and, as a result, reduce the number of bidders wishing to bid for future tenders with this buyer	OCP S&L
4	M003	Market Opportunity	Mean number of tenders per supplier	-Tender information -Supplier information	tender/id awards/suppliers/identifier/id	The higher the mean number of tenderers who compete for a buyer's contracts, the more competitive the overall procurement system may be	OCP S&L
5	M004	Market Opportunity	Percent of tenders with at least three participants deemed qualified	-Tenderers information	tender/id tender/numberOfTenderers OR tender/tenderers/identifier/id bids/validBids (Bid Extension)	A higher percent of tenders with three or more bidders may signal a highly competitive tenders, which may be related to effective preparation of a buyer and could ensure a better market price	OCP S&L
6	M005	Market Opportunity	Mean number of bidders by item type	-Tenderers information -Item information	tender/id tender/tenderers/identifier/id tender/items/id	The higher the mean number of unique bidders who provide a certain item, the more competitive the overall procurement system may be	OCP Internal
7	M006	Market Opportunity	Mean number of bidders per tender	-Tender ID -Bidders information	tender/id tender/numberOfTenderers OR tender/tenderers/id	A higher mean number of bidders per tender may indicate limited sole-sourcing and that tenders fairer competition. It may indicate increased competition and trust in the contracting system	OCP S&L
8	M007	Market Opportunity	Median number of bidders per tender	-Tender ID -Bidders information	tender/id tender/numberOfTenderers OR tender/tenderers/id	A higher median number of bidders per tender may indicate limited sole-sourcing and that tenders fairer competition. It may indicate increased competition and trust in the contracting system	OCP S&L
9	M008	Market Opportunity	Mean number of unique suppliers per buyer	-Procuring Entity -Supplier ID	awards/id tender/id tender/procuringEntity/identifier/id awards/suppliers/identifier/id	A higher mean number of unique suppliers can indicate greater market fairness. Rotating suppliers and a larger number of suppliers per entity may be measures of system openness and competition	TI Ukraine
10	M009	Market Opportunity	Number of new suppliers registered in the system	-Suppliers Information	awards/id awards/suppliers/identifier/id	A higher number of new (first-time) suppliers may indicate greater system openness and potential for competition. New suppliers may also indicate increased trust in the contracting system	OCP S&L
11	M010	Market Opportunity	Number of new bidders in a system	-Bidders Information	tender/id tender/tenderers/id tender/tenderPeriod/endDate	A higher number of new (first-time) bidders may indicate greater system openness and potential for competition. New bidders may also indicate increased trust in the contracting system	OCP Internal
12	M011	Market Opportunity	Percent of growth of new suppliers in a system	-Suppliers Information	awards/id awards/suppliers/identifier/id	A higher number of new (first-time) suppliers may indicate greater system openness and potential for competition. New suppliers may also indicate increased trust in the contracting system	Development Gateway

https://docs.google.com/spreadsheets/d/1j-Y0ktZiOyhZzi-2GSabBCnzx6fF5lv8h1KYwi_Q9GM/edit#gid=612001000
https://docs.google.com/document/d/1HeEXYWXQNCqN_6OBS1lluCUR4lyELVXVqMfb1trXoD8/edit#

Value for money use case

Value for money refers to the **effective, efficient and economic use of resources in public procurement across the different stages of the process.** This means value for money might not be achieved considering only the price, but also assessing other non-price attributes such as **quality** of the items purchased and the **efficiency** of the process.

In public procurement, for instance, value for money can be achieved when a contract is implemented competently (in a **quality manner** and in accordance with specifications) in a **timely manner** (achieving specified milestones by the specified dates) for a **competitive price** (at or below estimate).

Who?

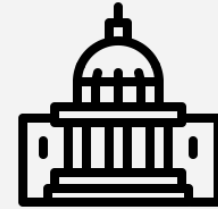
Private sector

→ analyze trends in prices and supplier performance, including terms of quality and duration, in order to identify better opportunities



Government

→ Use data to see if value for money can be achieved or improved. -



Civil society

→ Monitor government spending



Questions and indicators

Example questions:

- How many contracts had overruns? Does this happen frequently or for specific products?
- How many contracts are completed in time?
- At what price are we buying certain products?
- Are there significant price differences for specific products?
- What is the total percentage of savings?

Example: Reducing prices of medicines in Chile



CHILE: DATA-ENABLED MONITORING IMPROVES COMPETITION AND PUBLIC SERVICES SUCH AS MORE AFFORDABLE MEDICINES

Increased competition



31% of the medicines increased the number of tenderers

Over 56% of the medicines having at least two suppliers

Cheaper medicines



60% of medicines purchased at up to 80% cheaper

7% reduction in average price of medicines compared to the previous period

Government cost savings



Total savings were 6.6 billion Chilean Pesos (approx US\$9 million), about 3% of total spend

Open data



Only 46% of CENABAST procedures were open in 2018. 62% of CENABAST procedures are now open

New participants are entering the market

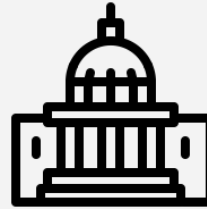


17 of the 60 suppliers awarded contracts hadn't been awarded contracts in the previous period

Public integrity use case

In public procurement this use case relates to **identifying, preventing and combating corruption, fraud, and other types of illicit behaviour.**

Proactively calculating **red flag indicators** and applying risk detection methods, using open procurement data, allow to potentially detect corruption and fraud before it happens and deter illicit behaviour.



Who?

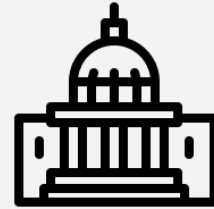
Government

→ Ensure there are no gaps allowing for illicit and corrupt practices.



Civil society

→ Monitor government spending



Red flags

Suspicious behaviour indicators (irregularities) in procurement, that can occur at all points along the entire chain of public procurement—from planning to implementation.



Key indicators and data fields

We mapped red flags to OCDS

RED FLAGS for integrity:
Giving the **green light** to
open data solutions

Our guidance includes a list **73 red flags**, and **OCDS mapping** for each red flag, the **calculation method**, the **rationale** behind the indicator and **references to academic and empirical evidence** about the indicator.

Market opportunity use case

Generating market opportunities in public procurement means **giving suppliers fair and equal access** to procurement opportunities in order **to improve competition**, allow for **more vendor diversity** and **enable innovation**. This use case relates to using open contracting data, from the different stages of the process **to understand and describe the procurement market, analyze competition, and evaluate supplier performance.**

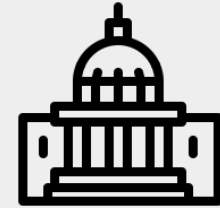
Who?

Private sector → To understand the potential pipeline of procurement opportunities and identify the most competitive markets



Government

- Understand trends in past purchases, evaluate competition
- Understand their supplier base in order to design and implement strategies to increase vendor diversity



Questions and indicators

Indicators to describe
the procurement
market

Indicators to measure
competition

Indicators to track
supplier performance

Example questions:

- How many contracting procedures were open by period? For which categories and for what amount?
- How many competitive procedures received a single bid?
- What agencies or item categories are more competitive?
- How many bidders participated in the bidding process?
- What is the success rate of the bidders? Are they SMEs?
- Are specific markets concentrated?

Example: Competition in Colombia

GOAL: In its 2019 action plan, the agency put improving competition as a key target, an indicator widely accepted by economists as being correlated with lower levels of corruption.

OPEN DATA: Colombia publishes all of its procurement information in the Open Contracting Data Standard. **They publish information about the number of bids received.**

Improving competition in Colombia

1

The procurement agency developed a program for routinely calculating and tracking competition, **ranking institutions**

2

Training programs and incentives for procuring agencies to improve their performance

3

Published **guidance** for public procurement professionals on how to create competitive tenders

4

Released monthly **reports** on their progress to the public

Example: Competition in Colombia

Open Contracting in Colombia

CHANGE IN COMPETITION 2018-2019



More bidders

3.6 average bidders per tender, up from 3.2



More tenderers

7443 unique tenderers, up from 6571



Fewer 1-bid tenders

33.3% single-bid tenders, down from 36.8%

Efficiency use case

Internal efficiency refers to **ensuring that the financial, time, and human resource investments in a procurement process ultimately result in high quality service delivery and value for money**. It helps governments to drive best procurement practices and systems while reducing the resources needed, such as money or personnels' time.

Key questions and indicators

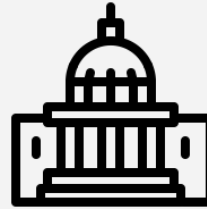
Example questions:

- What is the duration of the different stages of the process?
- Are there delays? Short bidding periods?
- How many bid opportunities or contracts were cancelled?
- Are contracts delivered according to schedule?
- Are suppliers paid on time?

Example in practice: [Analyzing payment inefficiencies in Paraguay](#)

Service delivery use case

Monitoring **how public contracting delivers value to citizens** in terms of quality of goods, works, and services provided. Analyze in detail the **implementation stage of the contracts**, to verify whether the goods, works and services procured are being delivered in a timely manner, with good quality and at the agreed price.



Key questions and indicators

Example questions:

- Are contracts delivered according to schedule?
- How much has been paid for specific contracts?
- What is the progress of specific projects?
- Are the contracts being delivered according to the technical specifications?
- Were there any amendments to the contract?

Example: Makueni county

Makueni: the small county leading action on open procurement in Kenya

461

Number of public procurement processes

\$407k

Savings in road construction

3.6%

Increased supplier diversification (% of supplier with the highest contract)

3.8

Average number of bidders for open procedures

Example: Makueni county

1

OCDS portal: Makueni committed to **adopting** the open contracting model to eradicate corruption in the use of public funds by implementing a sustainable approach for effective public procurement through open data and public disclosure of tenders and public contracts.

2

Partnerships with open data experts, Development Gateway

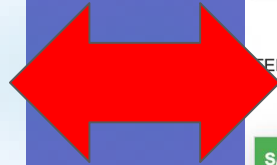
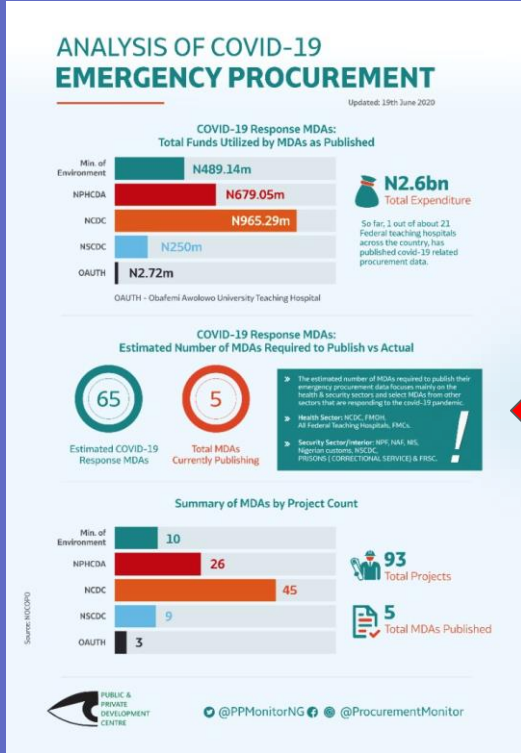
3

Engaging with local civil society groups to support monitoring

4

Commitment to disclose information on company ownership to identify corruption and exposing beneficial ownership.

Nigeria: Citizen Feedback & Project Monitoring



NIGERIA OPEN CONTRACTING PORTAL (NOCOPO)

COVID-19 EMERGENCY PROCUREMENT

FEDERAL MINISTRY OF ENVIRONMENT

FEDERAL MINISTRY OF ENVIRONMENT HEADQUARTERS

S/N	PROJECT TITLE	CONTRACTOR	CONTRACT SUM	SOURCE OF FUNDING	COMPLETION PERIODS	PROJECT STATUS	ITEM(S)
1	Supply of Chlorines Based Chemicals and Outdoor Application (Lagos Centre)	MESSRS MASFAS INTERNATIONAL LTD	98,000,000.00	EHORECON 2020	30 days		CHLORINE AND DISINFECTION (1 one) ,
2	Supply of Chlorine Based Chemicals and outdoor Application (Edo Centre)	MESSRS KAPLAN CONSULTS LTD	24,050,000.00	EHORECON 2020	30 days	Completed	

...leading to government working with civil society

Nigeria project monitoring

In Ebonyi, Multi-million Naira Teachers' Quarters Projects Abandoned, Non-existent

by Olanrewaju Oyedeji — December 23, 2021 in Education, Governance
8 min read



After Dataphyte's Investigation, BPP Explains itself as Ebonyi Government Restarts Work on Abandoned School Project

by Olanrewaju Oyedeji — January 11, 2022
in Development, Education, Governance 2 min read





Conclusion: Data is useful when it's used

The examples shared show that data can be used by policy makers and stakeholders to inform necessary reforms and achieve improved outcomes.

Data is one piece of the puzzle. OCP supports partners to design reforms **holistically** so that data publication and use are part of a larger theory of change.

Questions?

OPEN
CONTRACTING
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English OCP Post- event Survey

[www.surveymonkey.com/r/ocp
-post-event](https://www.surveymonkey.com/r/ocp-post-event)

Scan the QR code below to access the survey on your device.





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