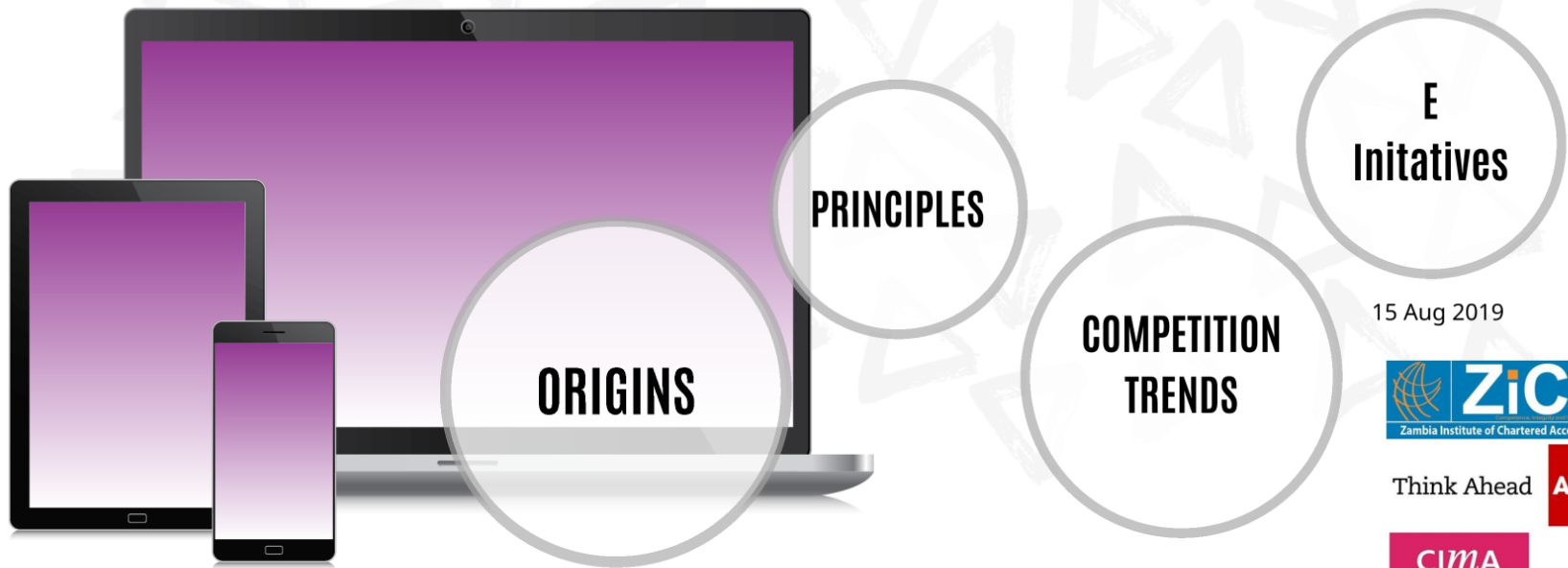
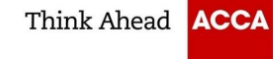


Trends in Procurement in a Global World



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15 Aug 2019



INTRO

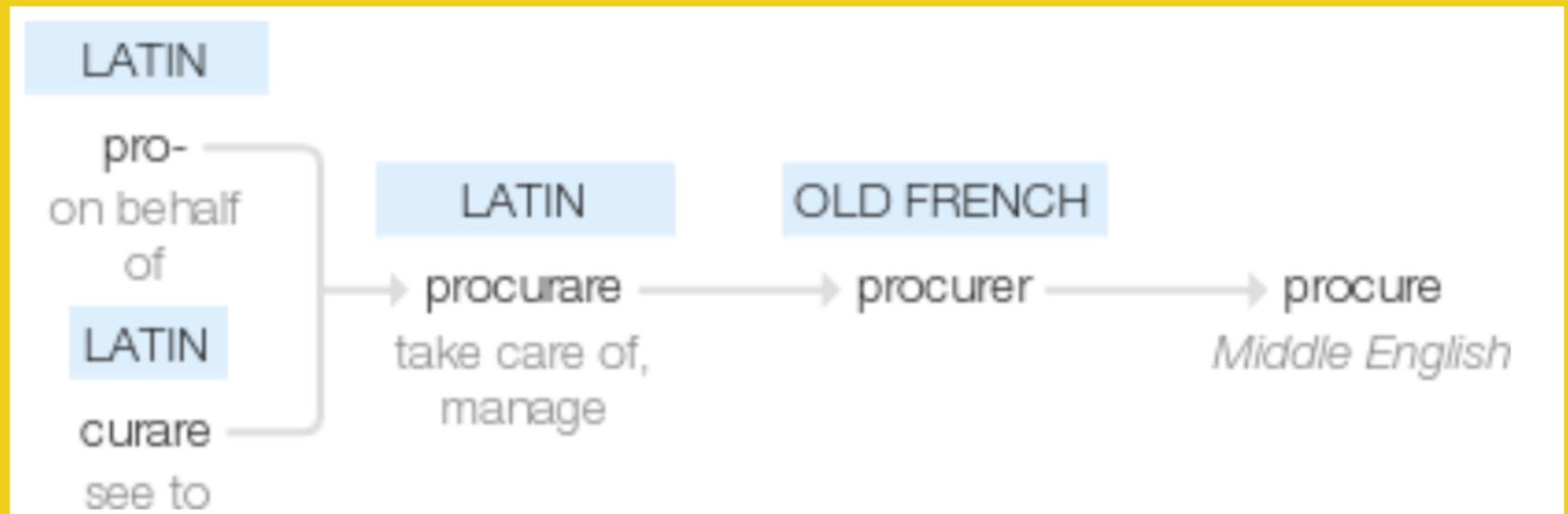
The origins of
Procurement, where
it is, where we should
be...

ORIGINS

HISTORY

VALUES

Etymology

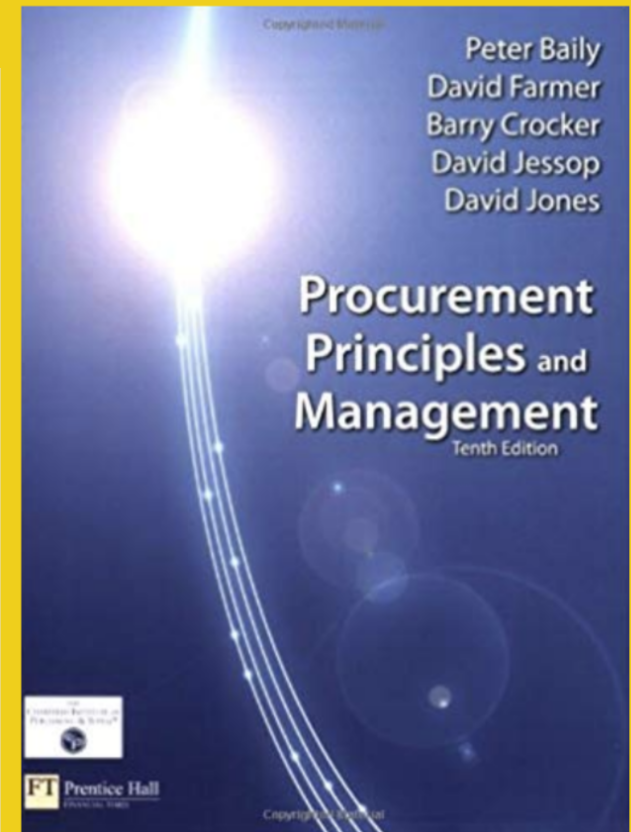
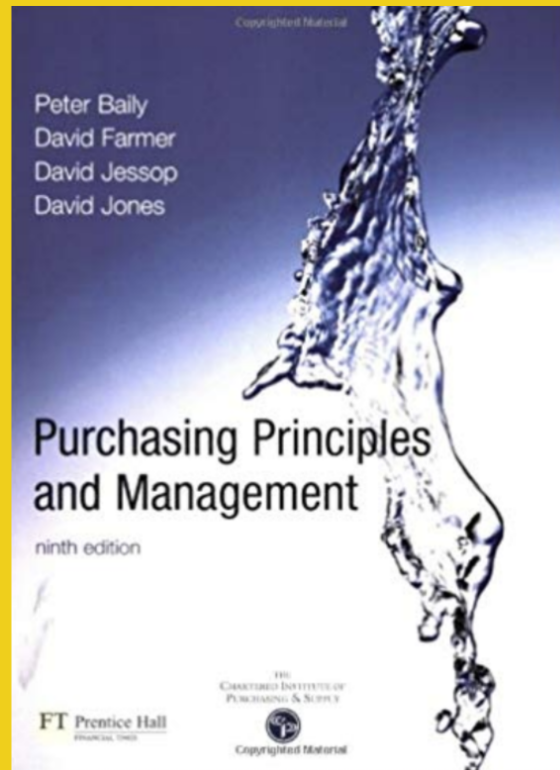


How far has Procurement come?

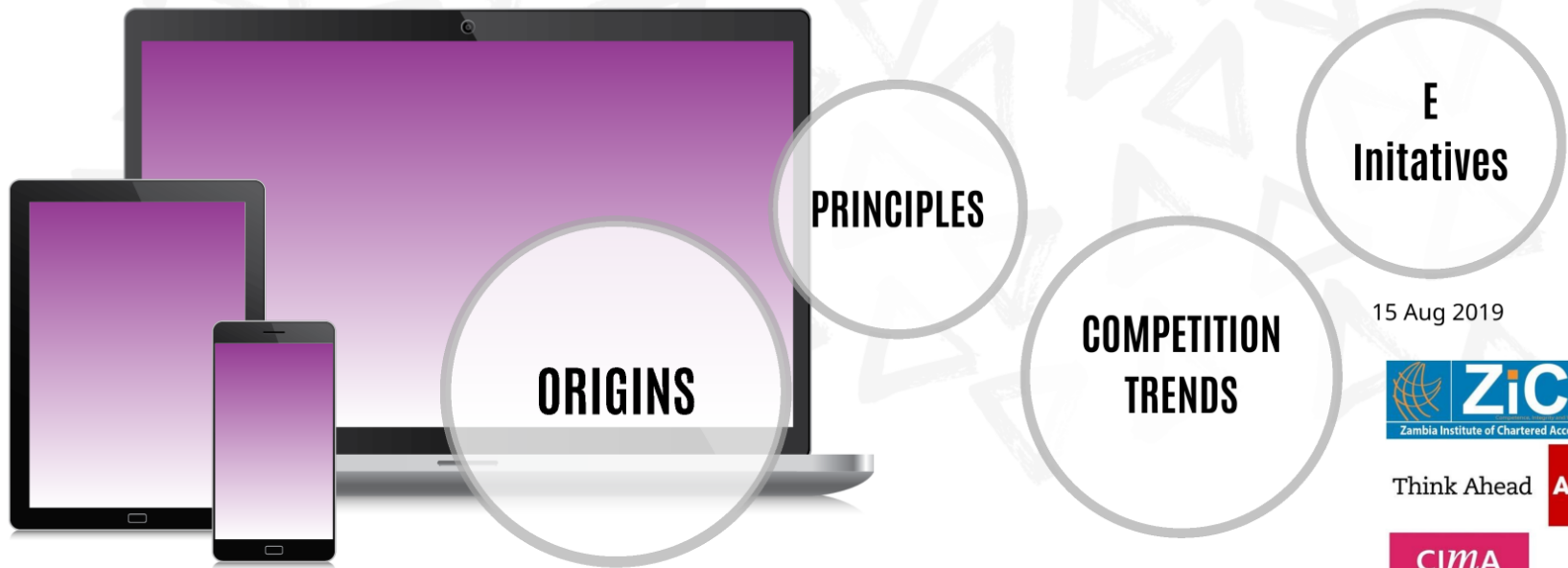
- '*Procurare*' (Latin), '*Procurer*' French
- Entered English in late 13th century: *to take care of, to take possession of, to acquire*
- By mid to late 14th century: *to obtain, to recruit, to take pains to get, to obtain women for sexual gratification*
- Present use - in or about the 1950s, in the military - with the simple meaning: *to purchase*

VALUES

- Clerical
- Tactical
- Strategic

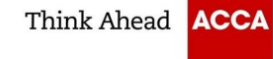


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PRINCIPLES

- Ethics
- Transparency
- Accountability
- Competition
- Fairness
- Equality
- 3Es
- VFM

EQUALITY

ETHICS

VFM

EQUALITY

- No Equality in Procurement
- Equality and Competition cannot both exist
- Equal Treatment is the Principle

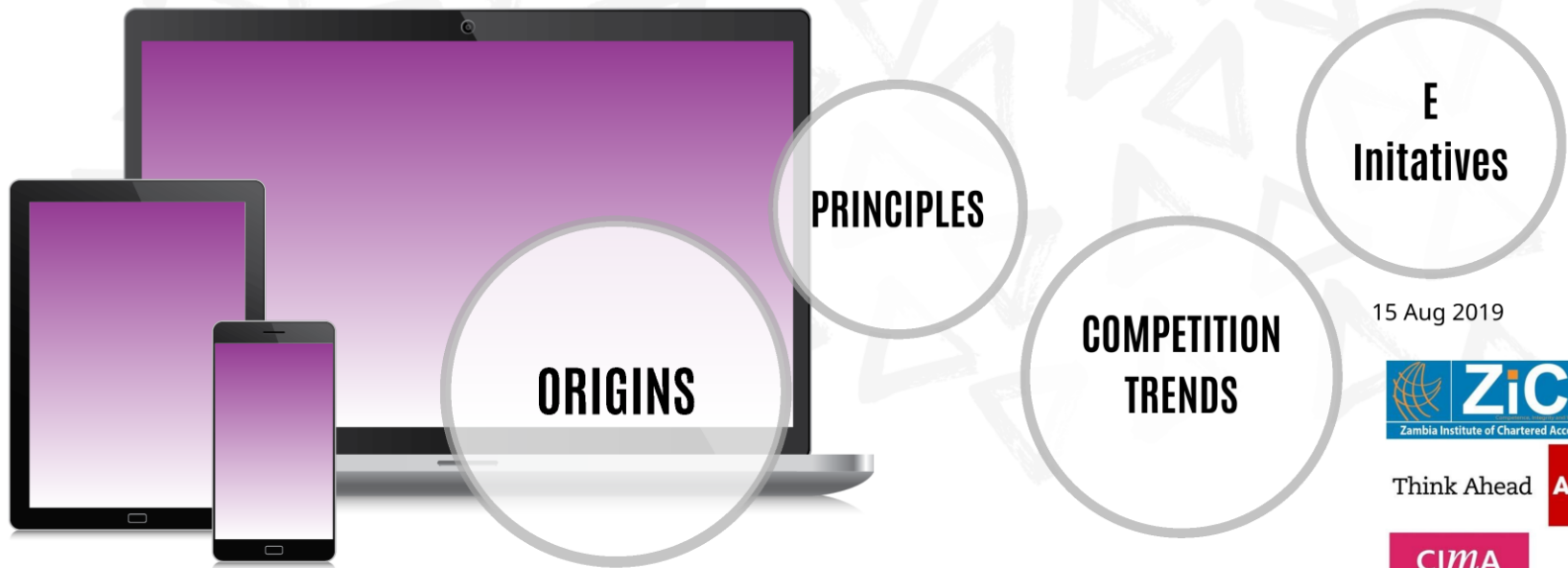
ETHICS, Transparency

- Transparency (like Ethics) has 3 levels:
 - Self | Internal | External
- Transparency only makes sense in a world of confidentiality
- Compliance is not ethics. It is forced ethics
- Good ethics is based on self
- By working on ourselves, we get better Ethics

VALUE FOR MONEY

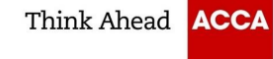
- 3Es: Economy, Efficiency, Effectiveness
- Value for Money (VFM)
- VFM deals with Cost, not Price
- VFM deals with Quality and Conformance, not Excellence
- VFM + Quality: **the item, the cost** and **the use** and **the usefulness** are synced.

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COMPETITION Trends

New trends, tried and tested.

The
Problems

New
Trends

Reverse
Auctions

Frameworks

Problems with Competition

- Insufficient reach in the advertisement process
- Length of sourcing time
- Inadequacy of bidding/tendering documents
- Failure of bidders to understand tender documents
- Capacity issues
- Overstatement/understatement of qualification criteria/specifications
- Lack of market (technical/financial) ability/capacity
- Barriers to entry
- Absence of Transparency
- Corruption, Fraud, Collusion, etc.

New Trends

- Ubiquitous Invitations
- Use of Procurement Conferences
 - Pre-Procurement Conferences
 - Pre-Bid Conferences
- Increased Q&A activity
- Reverse Auctions

Reverse Auctions

- Traditional buyer and seller roles reversed (for auctions)
- Instead of buyers competing to buy goods as in traditional auctions, the sellers (Suppliers) compete to sell goods and equipment
- RAs work on a software platform (often called an e-auction platform) and could be handled separately or as part of an eGP.
- E-Market rental or subscription possible, e.g, (<http://www.e-reversebid.com/>)
- Most significant advantage of RAs: speed! An entire procurement process for goods can be effectively and efficiently handled in a day
- Can work for any value

Frameworks

The Framework has 2 instruments

- A main agreement with broad details, and
- A call-off agreement with specific details

BPO

BPA

IDIQ

BPO

Blanket Purchase Order

- Usually used for Goods procurement
- Closed system
- Awardee may be 1 or more suppliers
- Uses a call-off
- Has a clear term or timeframe
- Based on the outcome of a competitive procurement
- Specifications are clearly spelt out and detailed
- Quantities unknown
- May have ballpark, minimum or maximum quantities

BPA

No-Cost Blanket Purchase Agreements/ Mini Competitions

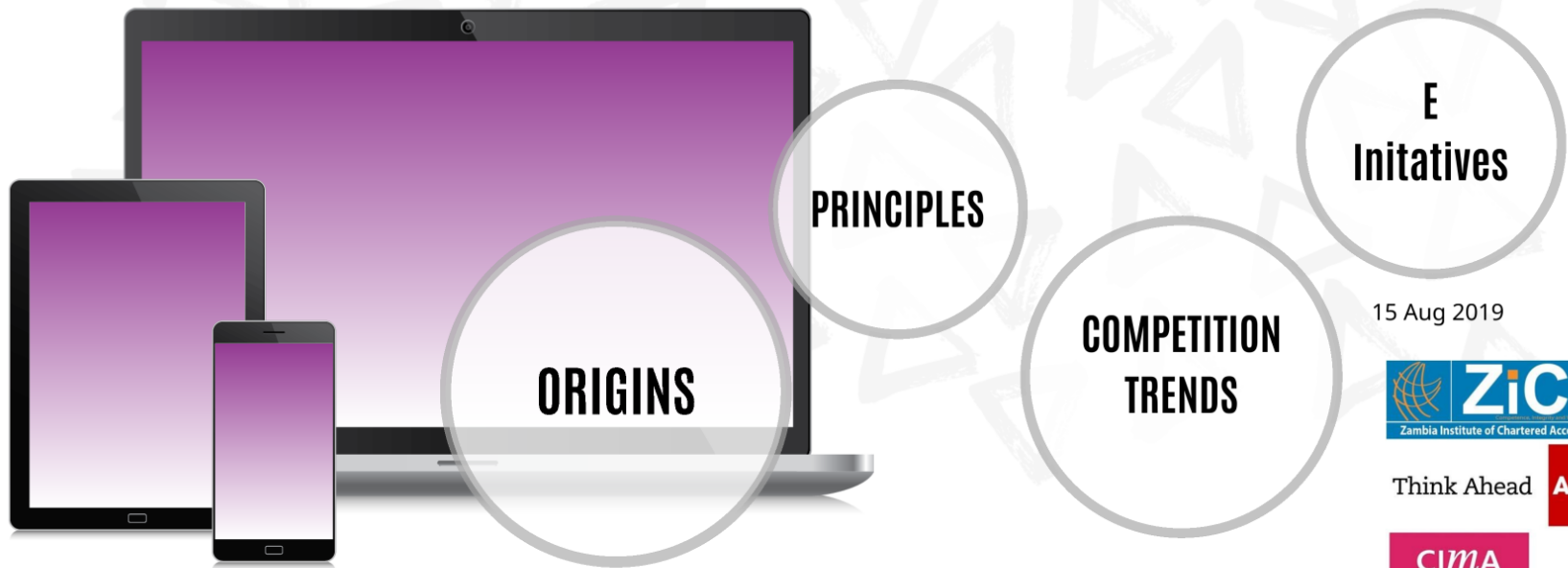
- Used for services, consulting and non-consulting
- Usually multiple awardees
- Competition is based on technical merits and experience (sometimes even convenience)
- Price (mostly) unknown
- Quantity unknown
- Uses a call-off
- Price evaluation takes place before call-off
- Uses a quote request
- Has a clear term or timeframe

IDIQ

Indefinite Delivery Indefinite Quantity

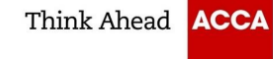
- May/not have clear term or timeframe
- Some open, some closed systems
- Arrangement where the number of deliveries and/or the quantity are **unknown** or **indefinite**
- Can be used mostly for Goods and Services, but also for Works
- For consulting services, could be used for individual or firms
- May have ballpark, minimum or maximum quantities

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E-Initiatives

You don't need to buy a Procurement MIS or ERP to use technology initiatives in your procurement...

DOCS

**E-
Meetings**

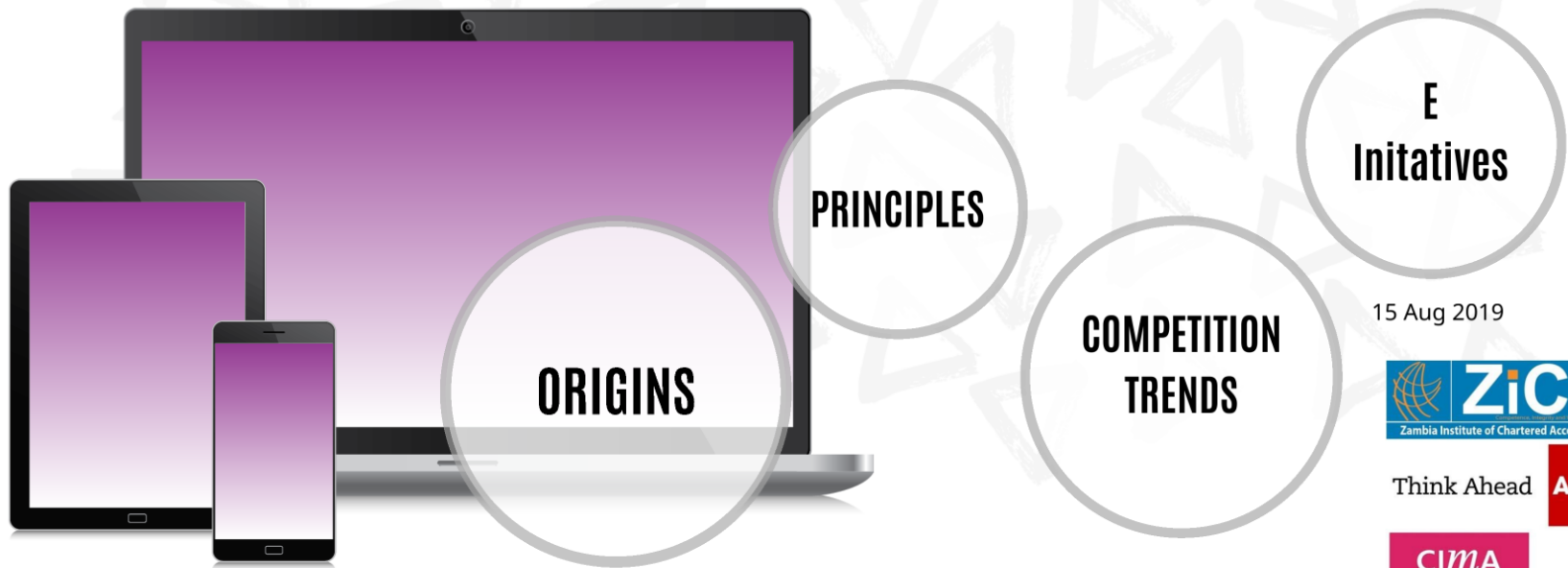
Documentation

- Provision of bidding documents to bidders
- Printing (of bidding documents)
- Sale of Bidding Documents
- Electronic records retention (in tandem with hard-copy filing)
- Signing of contracts online using Adobe Acrobat pdf

Electronic meetings & Webinars

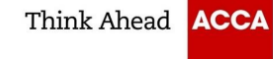
- Meetings
- Webinars
- Electronic submission of bids
- Pre-Bid Conferences (webinar)
- Negotiations (meeting)
- Electronic bid opening

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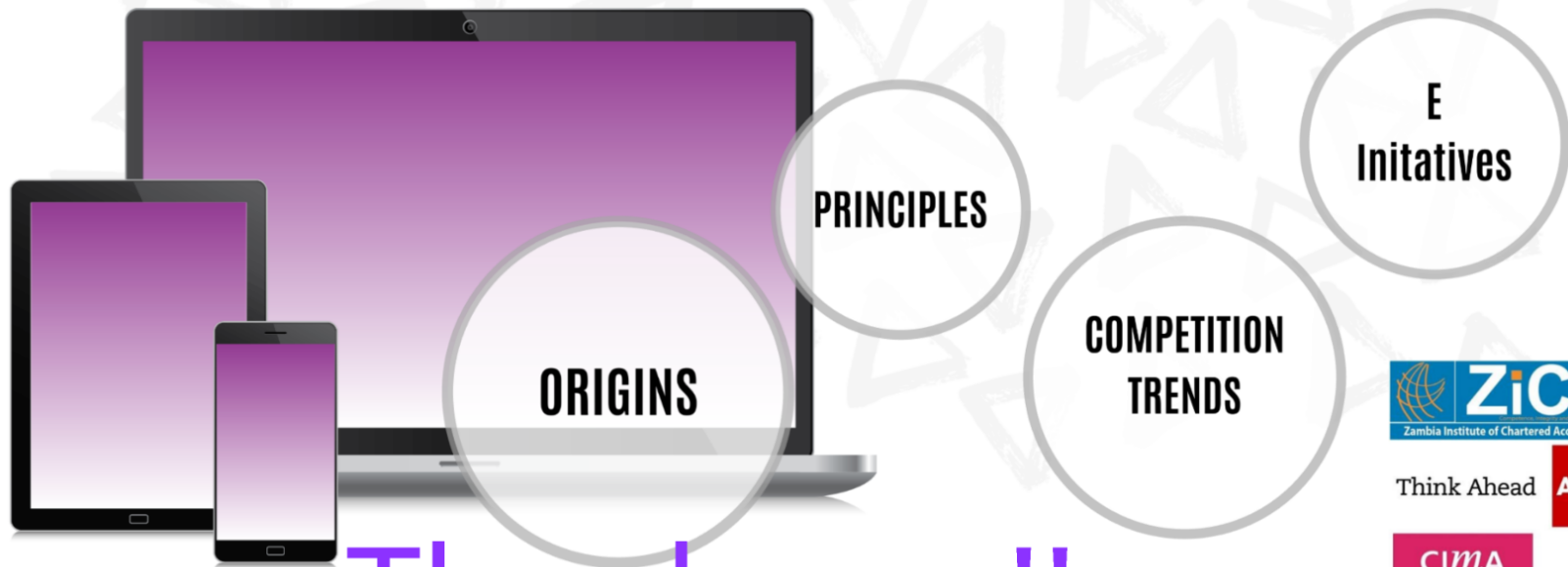


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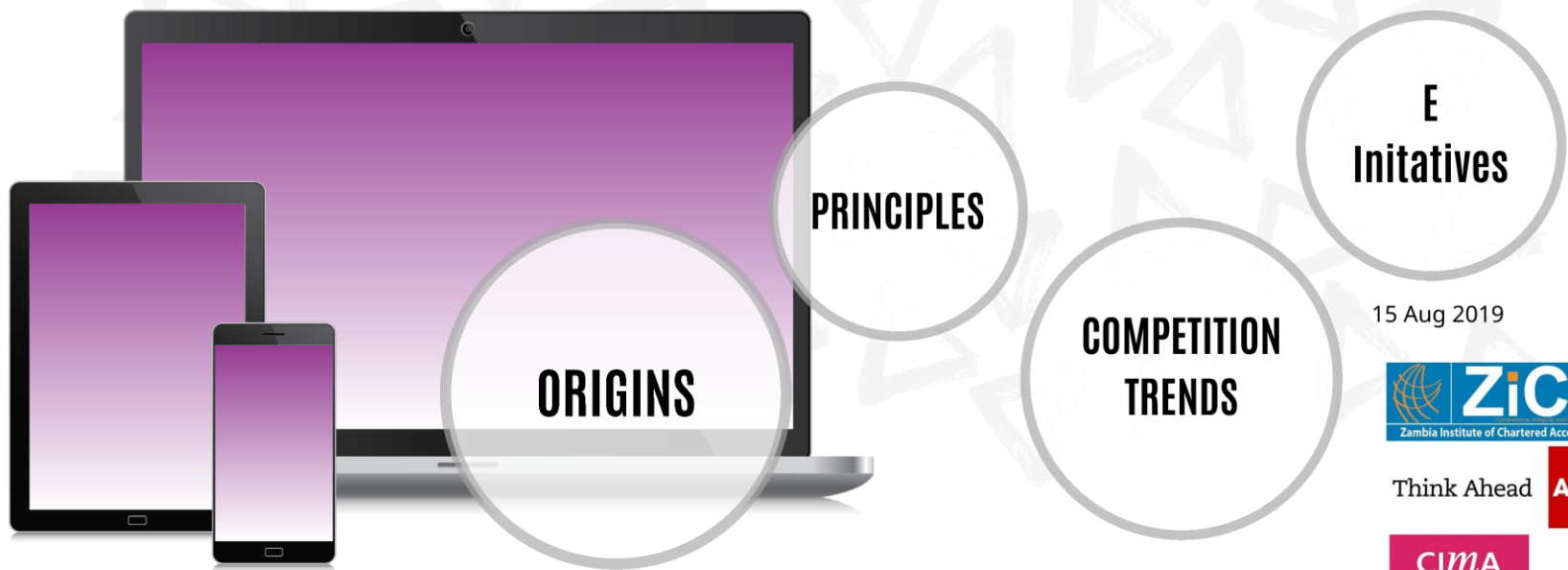
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Thank you!!



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