# Federal Procurement Agency

# „Bundesbeschaffung GmbH"

## Main Tasks and Goals, Figures 2012

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International Projects

# Overview

1. Establishment of FPA
2. Organisation and Staffing
3. Areas of Business
4. FPA Process Map

# 1. Establishment of FPA

# Incorporated by Law

- Federal Procurement Agency Act 2001
- Portfolio assigned by Decree (Minister of Finance)
- Awards procedures based on Federal Procurement Act

# Establishment of FPA

■ Created as an administrative reform process

## Targets:

- Reduce taxes
- Allow Ministries to concentrate on their core businesses
- Guarantee transparency in public purchasing procedures
- Enforcement of the competition principle
- Special attention to SMEs structures

## Tasks:

- to provide CP services to federal agencies, in particular to negotiate FA and make them available to the agencies.
- to bundle requirements to obtain better prices and conditions from suppliers and
- to standardise public purchasing to reduce processing costs and legal risks

# 2. Organisation and Staffing

# Organisation and Staffing

**Ownership**

The Federal Republic of Austria  represented by the Ministry of Finance

**Advisory Board**

- Members nominated by the Minister of Finance
- *Comprises 4 persons from: Ministry of Finance (2); Ministry of Economy (1) and AGRANA (representative of private industry) (1)*

**Federal Customers Board**

- 20 Members from federal Agencies- representing their interests
- Meetings 4 times/year in the presence of the CEOs and Advisory Board Members

# Organisation and Staffing

**Decisions on strategies, business plans, budgets, investments**

|  | Owner | Advisory board | Management |
|---|---|---|---|
| **Strategy** | X | X | 5 y strategy together with AB |
| **Business plan** |  | X | X |
| **Budget** | X | X | X |
| **Investments** |  | X | X |

# Organisation and Staffing

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**Organisation of institution (departments)**

*Purchasing departments:*
- *Health and Services (8)*
- *IT and Mobility (15)*
- *Food and Furniture (9)*
- *Facility management and cleaning serv.(11)*
- *Travel management and Electricity (7)*

*Support departments:*
- *Key account management (8)*
- *Marketing (2)*
- *I&T Management (15)*
- *Legal (5)*
- *Controlling (3)*
- *Human resources and Finance (5)*
- *International Affairs (2)*
- *Innovation (3)*
- *CEOs offices (2)*

# Employees: balanced growth
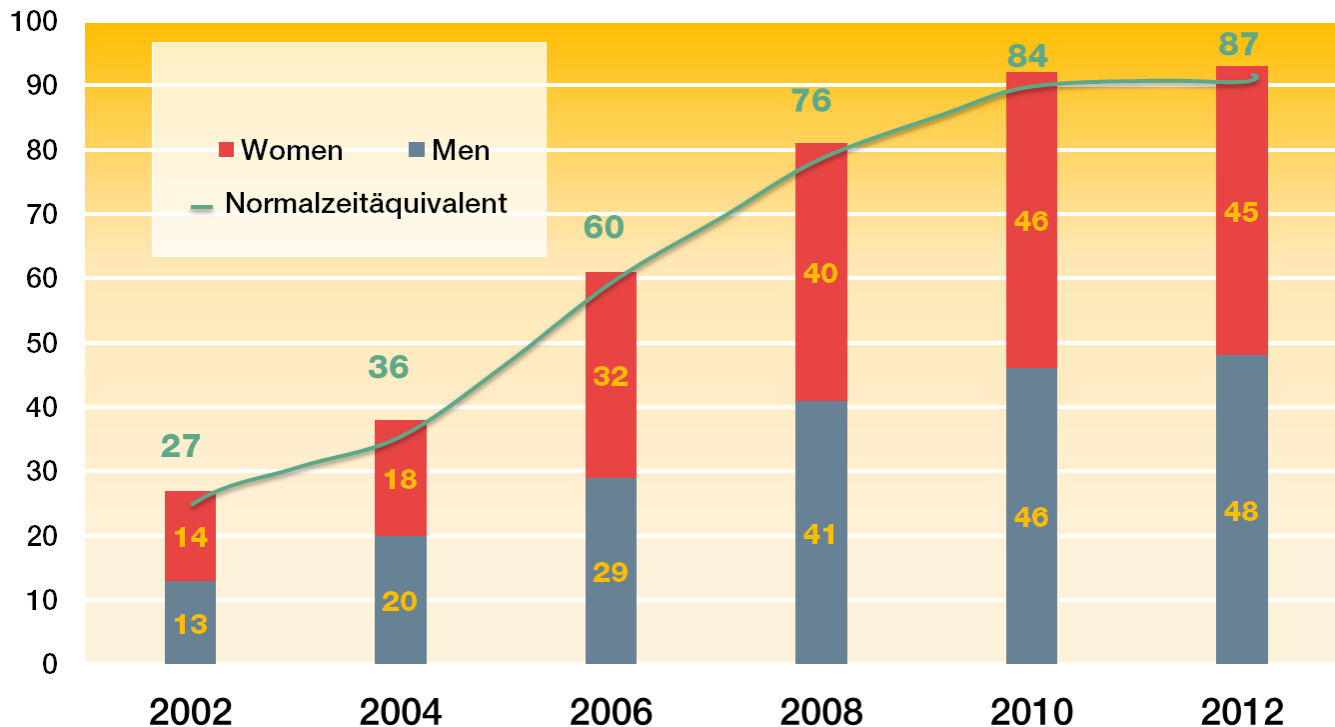


The constant growing number of customers, contracts and services is reflected in the growing number of employees. Out of 93 employees there are 87 full time equivalent. The ratio between men and women is well balanced.

# 3. Areas of Business

# Areas of Business



- **1. Procurement**

  about 300 000 products are ready to be bought by all government authorities

  12 product-families – IT, office equipment or cleaning services

- **2. Consulting**

  Projects on particular order by customers („PibA")

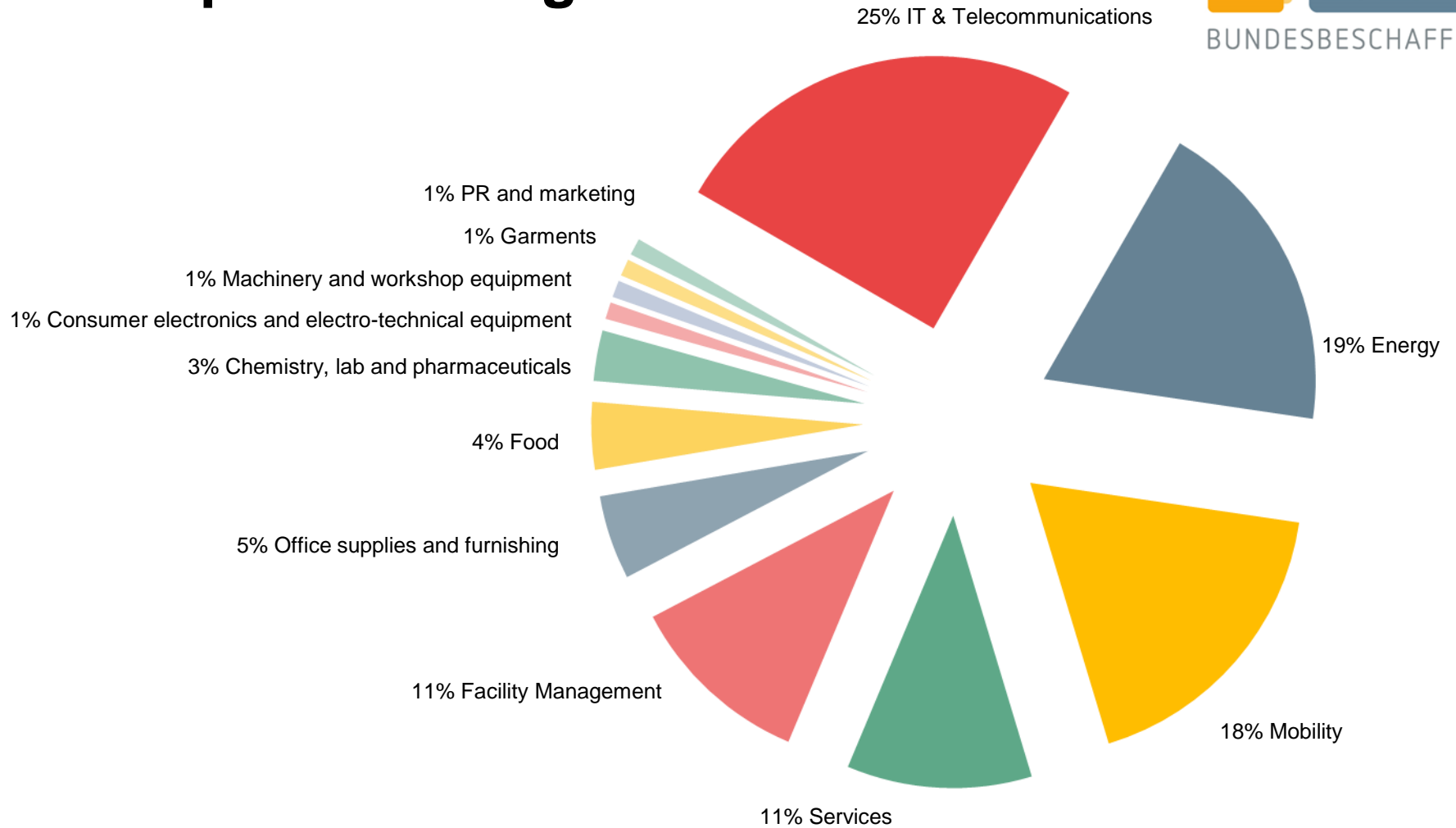  Consulting services in the fields of public procurement, procurement-organisation and in special product-ranges

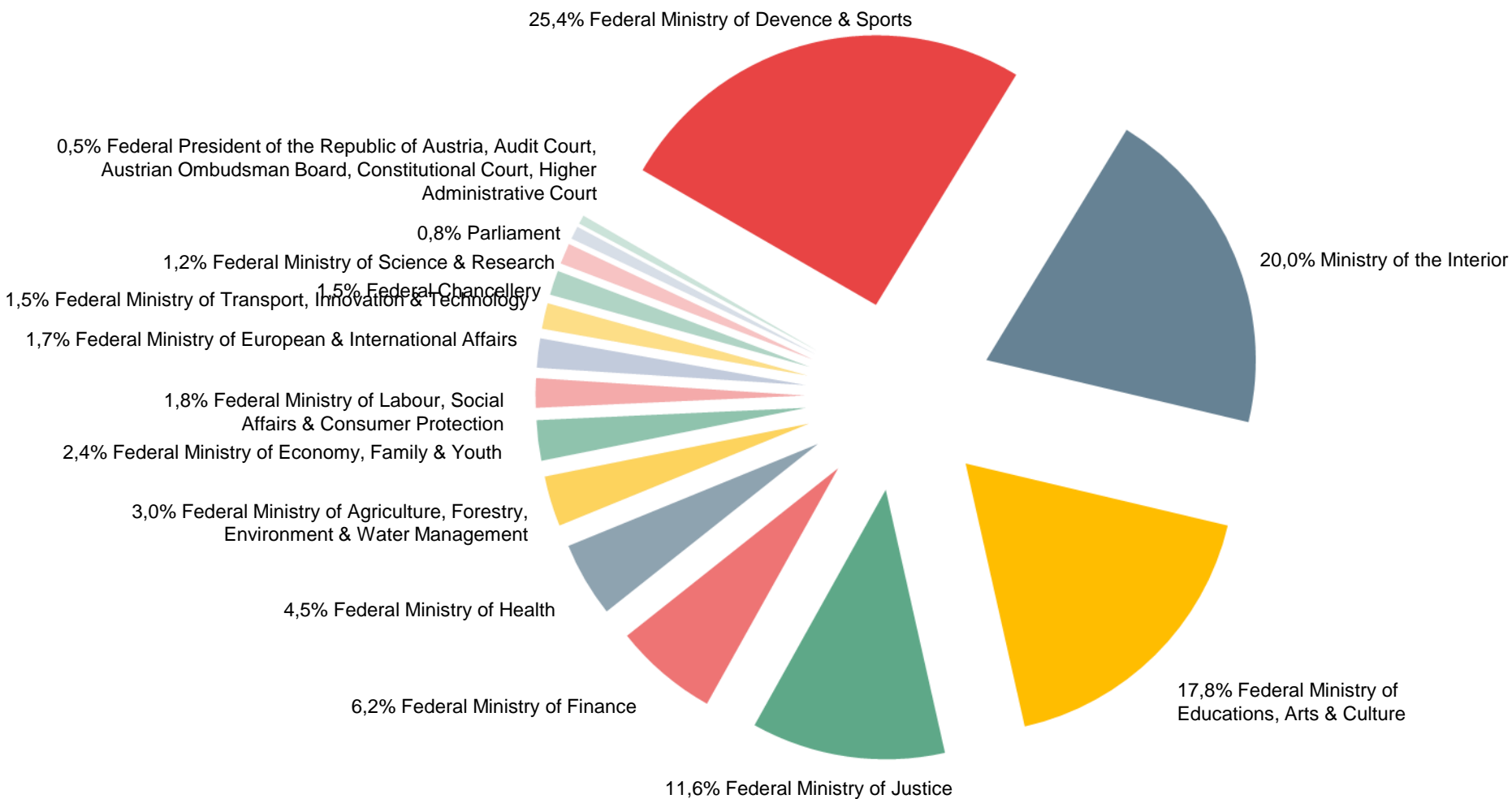

- **3. E-Procurement-Applications**

  Designing and handling of electronic ordering-platforms („e-Shop" and „e-Reisen")

# 3.1. Procurement
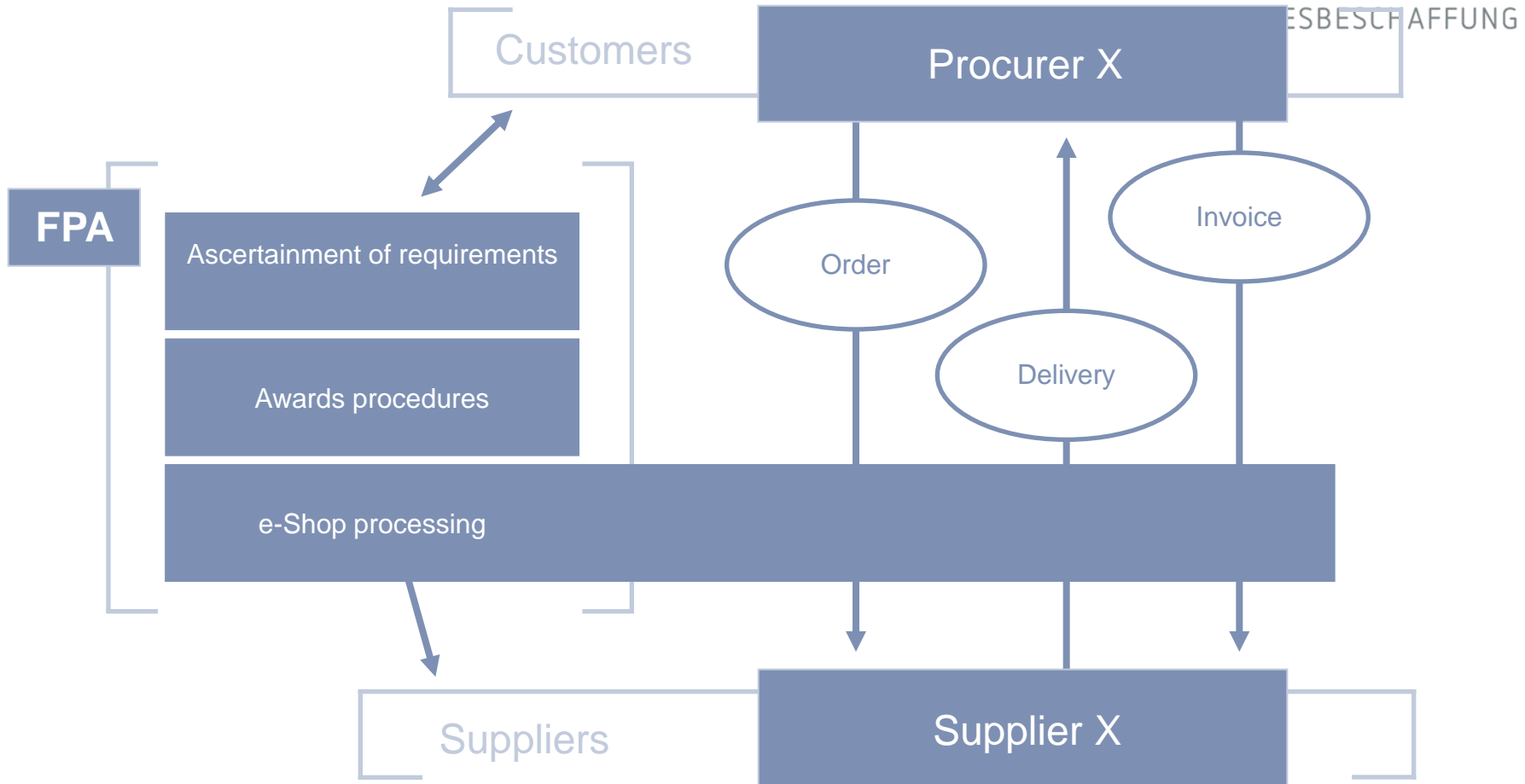
# The product range of FPA



25% IT & Telecommunications

19% Energy

18% Mobility

11% Services

11% Facility Management

5% Office supplies and furnishing

4% Food

3% Chemistry, lab and pharmaceuticals

1% Consumer electronics and electro-technical equipment

1% Machinery and workshop equipment

1% Garments

1% PR and marketing

# Shares of the departments 2012



25,4% Federal Ministry of Devence & Sports

0,5% Federal President of the Republic of Austria, Audit Court, Austrian Ombudsman Board, Constitutional Court, Higher Administrative Court

0,8% Parliament

1,2% Federal Ministry of Science & Research

1,5% Federal Chancellery

1,5% Federal Ministry of Transport, Innovation & Technology

1,7% Federal Ministry of European & International Affairs

1,8% Federal Ministry of Labour, Social Affairs & Consumer Protection

2,4% Federal Ministry of Economy, Family & Youth

3,0% Federal Ministry of Agriculture, Forestry, Environment & Water Management

4,5% Federal Ministry of Health

6,2% Federal Ministry of Finance

11,6% Federal Ministry of Justice

17,8% Federal Ministry of Educations, Arts & Culture

20,0% Ministry of the Interior

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# FPA: Procurement Service Provider
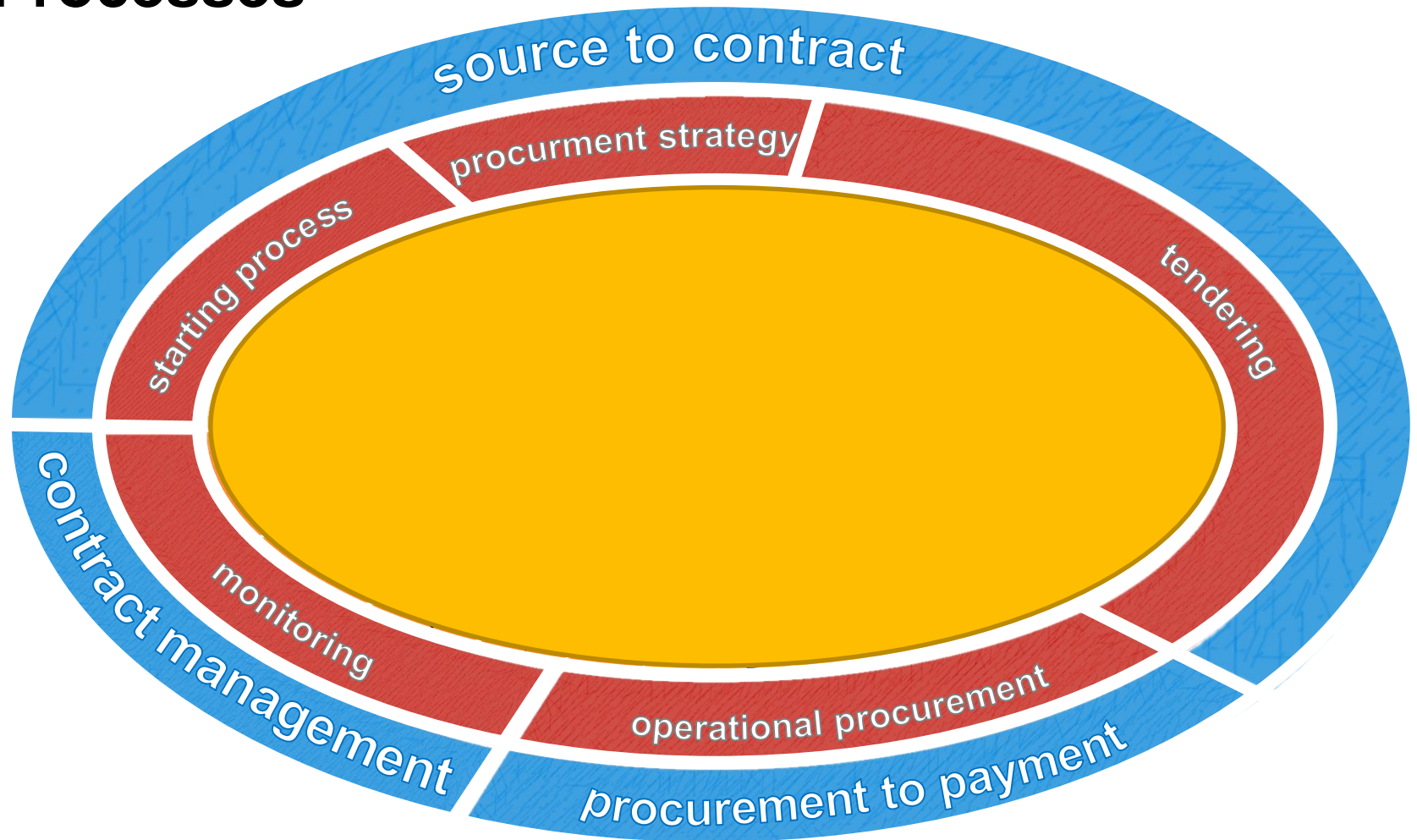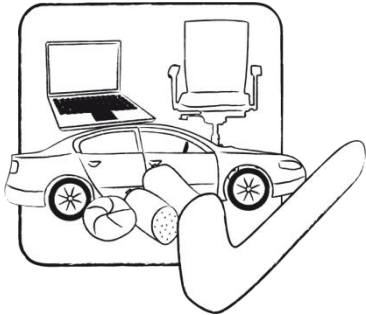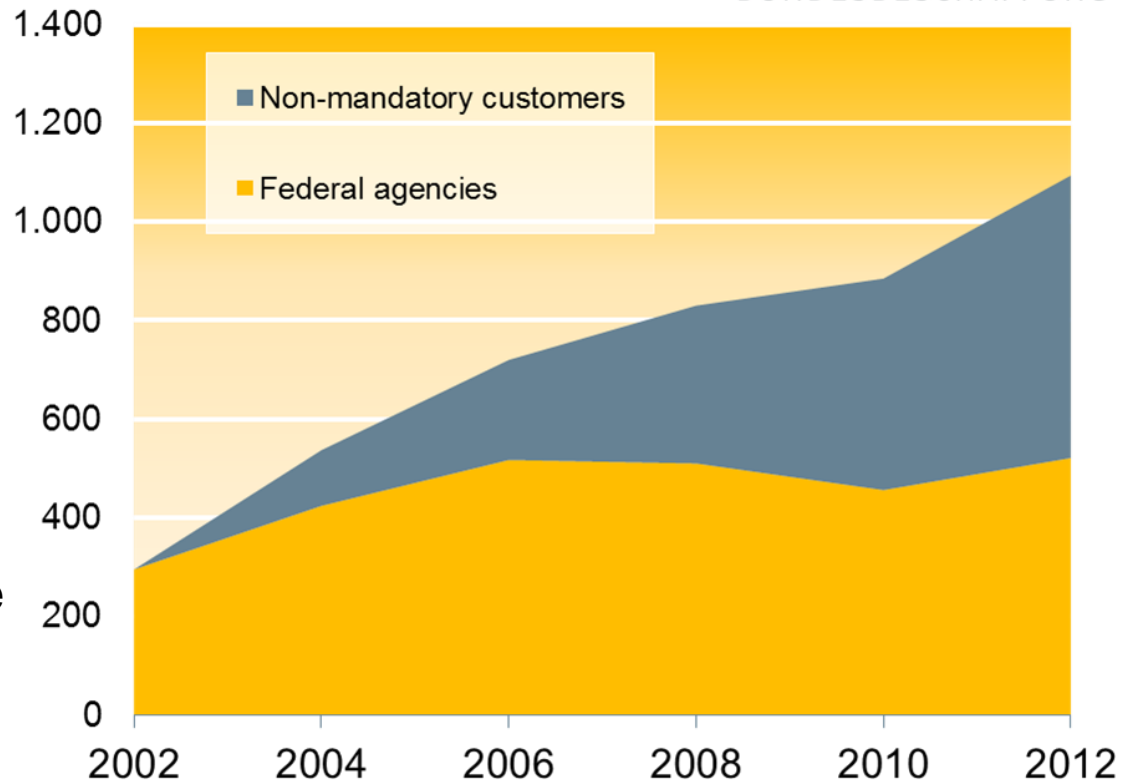
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**Customers**

**Procurer X**

**FPA**

Ascertainment of requirements

Awards procedures

e-Shop processing

Order

Invoice

Delivery

**Suppliers**

**Supplier X**

# FPA Purchasing Phases and sub-Processes



legend:
phases, sub-processes

# Advantages for all public authorities

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■ Participation at a huge procurement market (volume 1,1 Billion Euro)

Optimal conditions (17,8% savings)

24/7 availability of goods and services

No own tendering procedures ■

Reduction of process-costs

No risk allocation

Standardized, periodic processes

# *Target group strategy*

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***Mandatory customers:***
*Federal State Institutions*

***Non- mandatory customers:***
*spin-off companies,
Universities, Counties, Cities
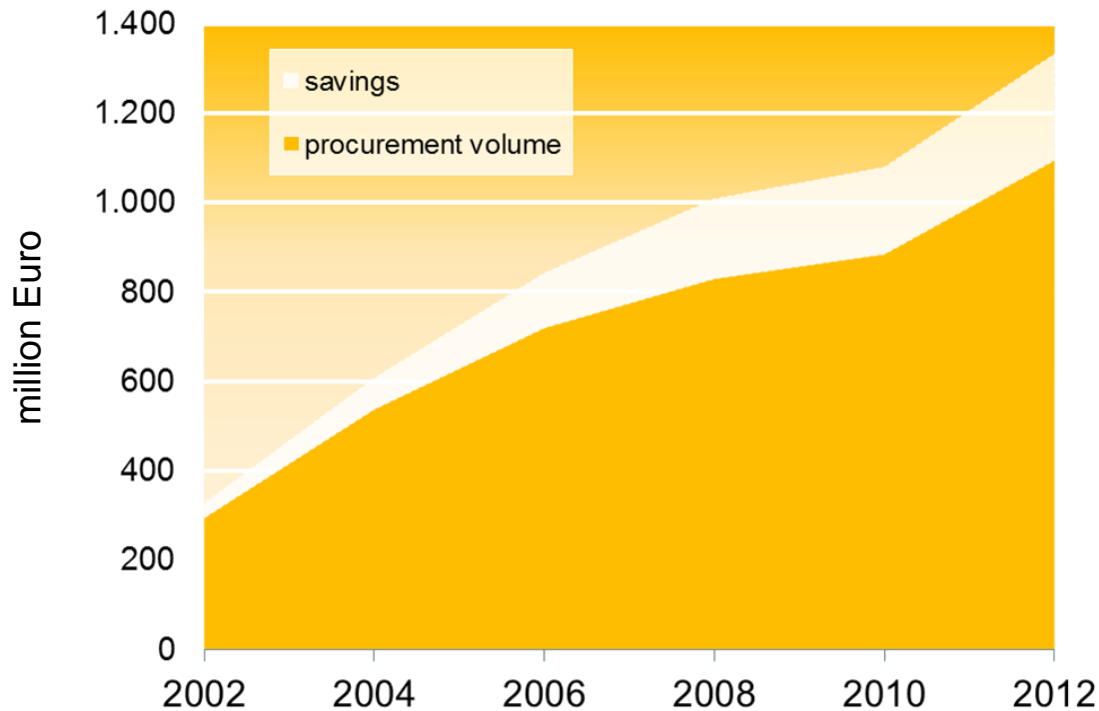and Municipalities and Health
Institutions*

In total **1443** organizations are
using the services of the FPA

Share of non-mandatory
customers: **52%**

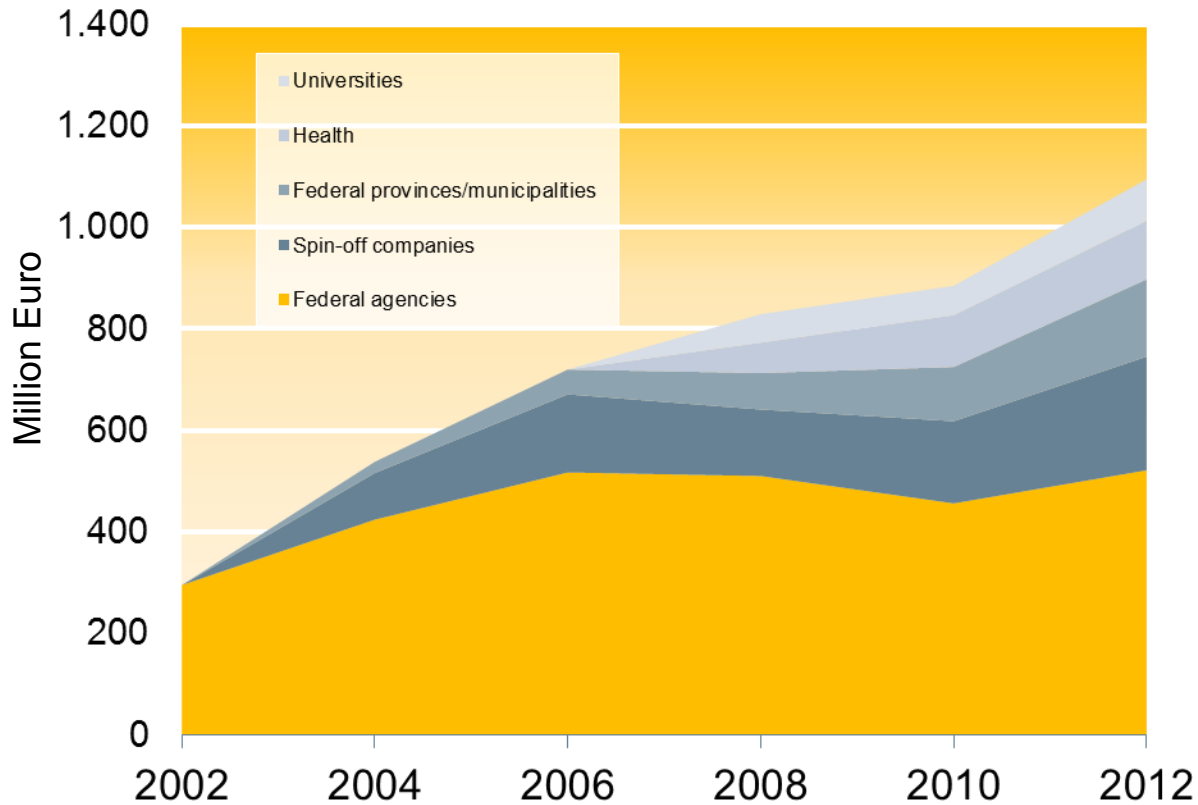Share of (mandatory) federal
customers: **48%**



- Non-mandatory customers
- Federal agencies

# Increasing sales, increasing savings

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Savings 2012:
237 Million Euro

Procurement volume 2012:
1,1 Billion Euro

# Increasing sales, increasing savings



Universities: 7,5%

Health: 10,5%

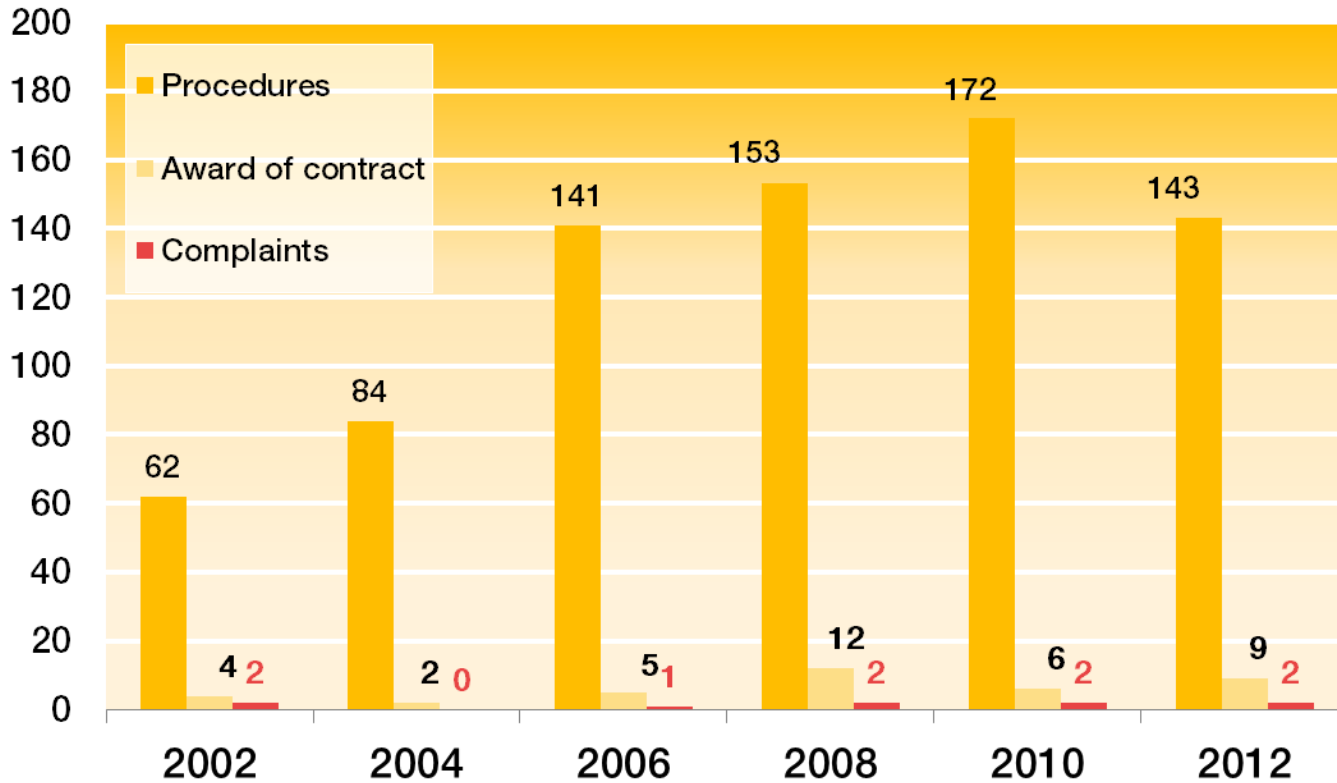Provinces/municipalities: 13,9%

Spin-off companies: 20,5%

# How are the operations financed?

- *Federal State purchases: by the Ministry of Finance through a yearly budget*

*All other:*

- **suppliers pay e-charge**
- **non-mandatory customers pay an administrative charge**

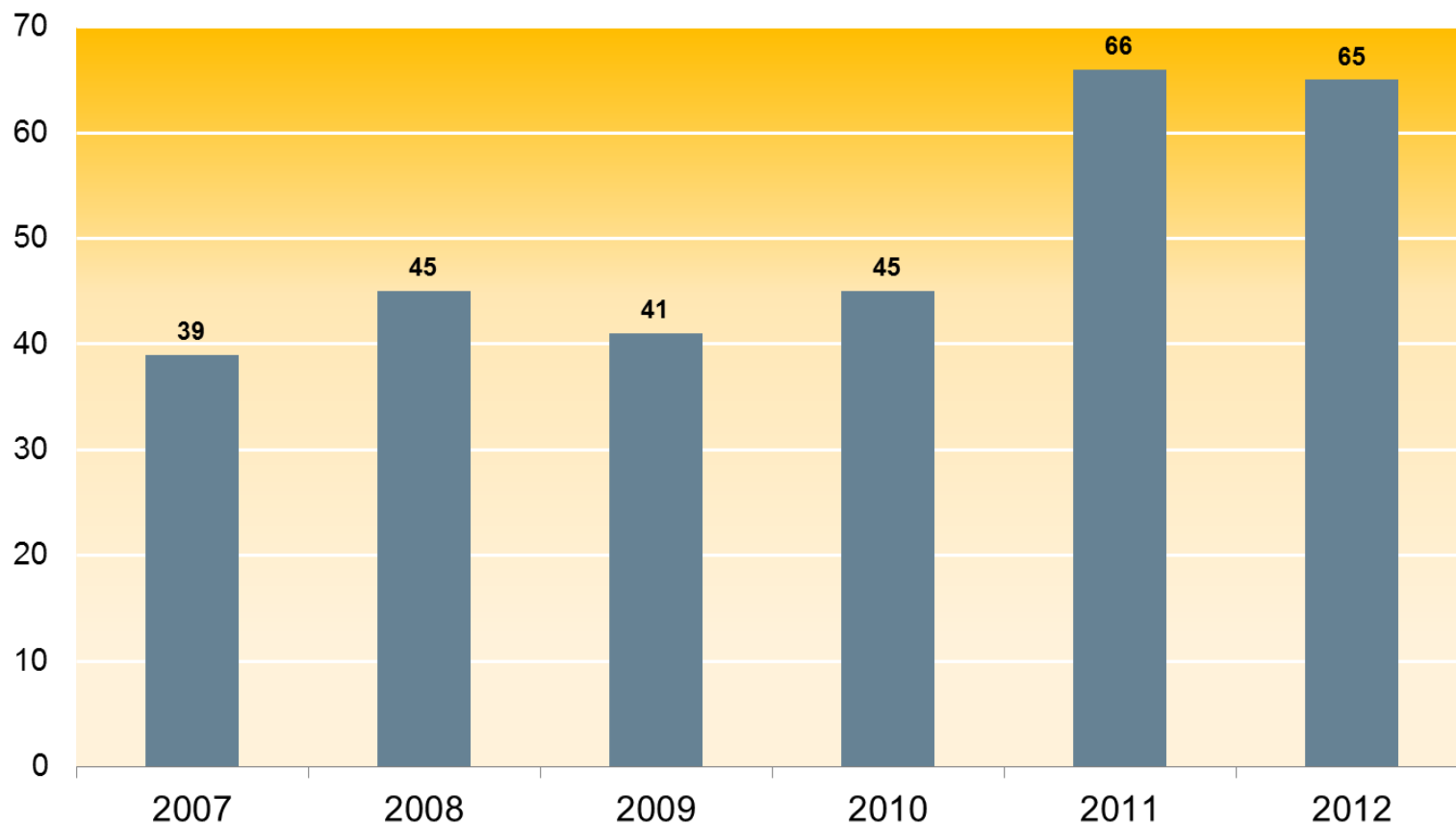# Legal certainty : 1463 to 14

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Since its incorporation, the FPA has concluded 1463 award procedures. Only 69 cases were appealed – with only 14 of these complaints being successful for the plaintiff.

# 3.2. Consulting

# Increase of Projects in Particular Order

# Sharing good practice



■ FPA-Forum

The Public Procurement Agency offers about 60 events per year sharing its knowledge in seminars, presentations of framework contracts, info days and expert dialogues.

International-Projects ■

The FPA shares its knowledge through EU Twinning and Technical Assistance Projects. There is an intensive exchange of experience with similar institutions in Europe within the Central Purchasing Bodies Network.
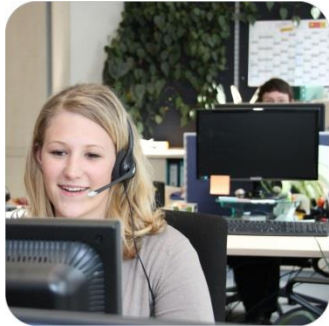


■ Peppol and e-Sens

Its unique experience made FPA a leading partner in the „Pan-European Public Procurement Online" project.

# **Procurers Handbook**

- Strategic project of FPA

- First complete and detailed description of the procurement process in over 300 pages

- First handbook for public purchasing (in the EU)

- One comprehensive document for all procurers

- Basis for further optimisation of processes and also training of new employees

# Support to the customers



- **Customer Care**

Our Customer Care is the service center for FPA customers.

Monday-Thursday, 7:30 a.m. - 5:30 p.m.
Friday 7:30 a.m. - 3:30 p.m.

 +43 1 245 70-0 | office@bbg.gv.at



- **Procurement Service Centre**

The legal staff of FPA provides a central service centre for all public entities, who plan a tendering procedure.
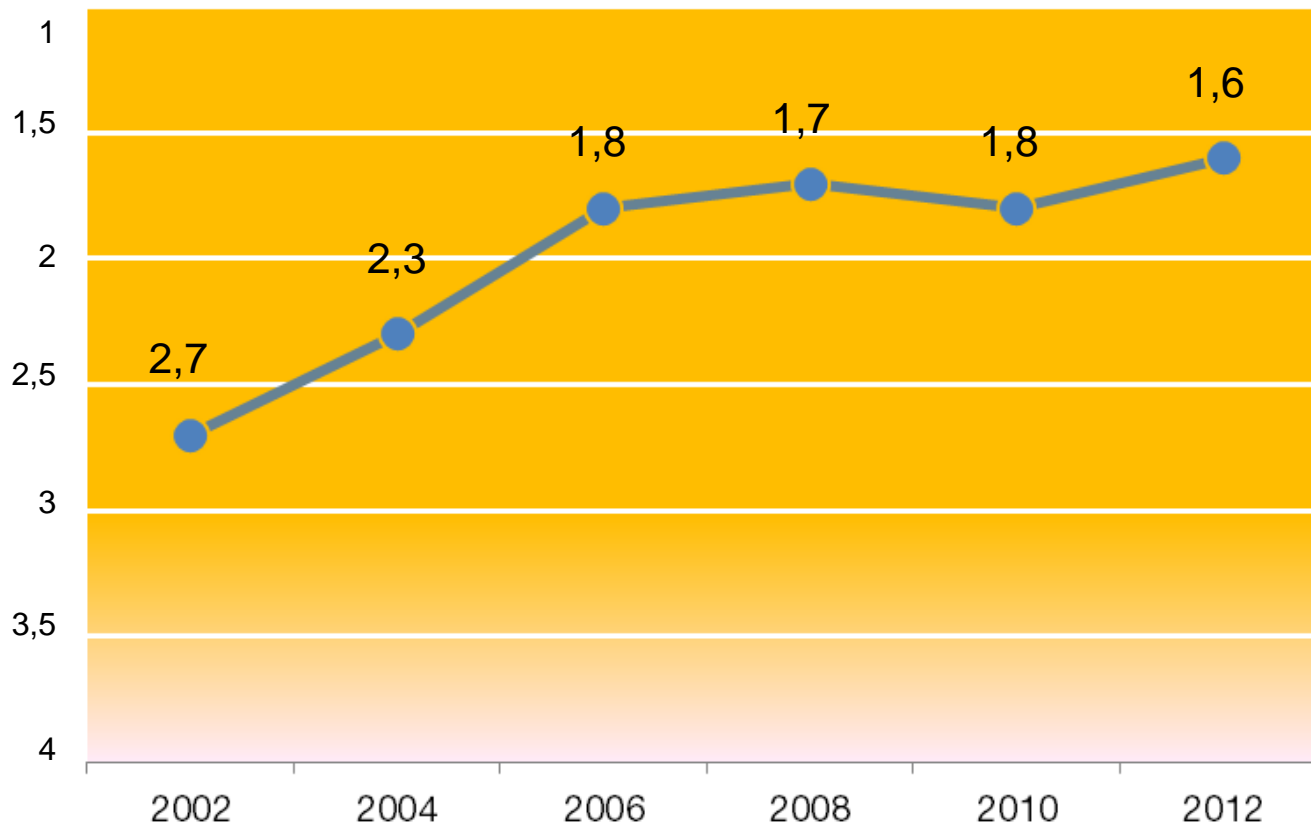
Monday-Thursday, 9:00 a.m. - 3:30 p.m.
Friday 9:00 a.m. - 1:30 p.m.

 +43 1 245 70-440 | vergabekompetenzcenter@bbg.gv.at

# Best marks for the service provider

Customer satisfaction is of paramount importantce for the FPA. Once a year, the FPA conducts a comprehensive customer satisfaction survey.
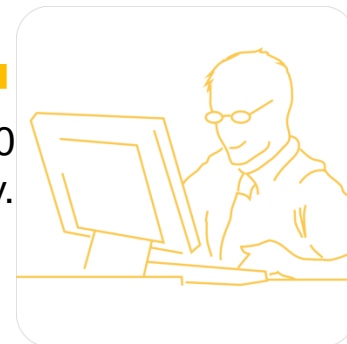
# 3.3. e- Procurement Applications

# Electronic ordering-platforms

e-Shop ■

The e-Shop is the central order-platform of the FPA. About 300 000 products can be ordered electronically.
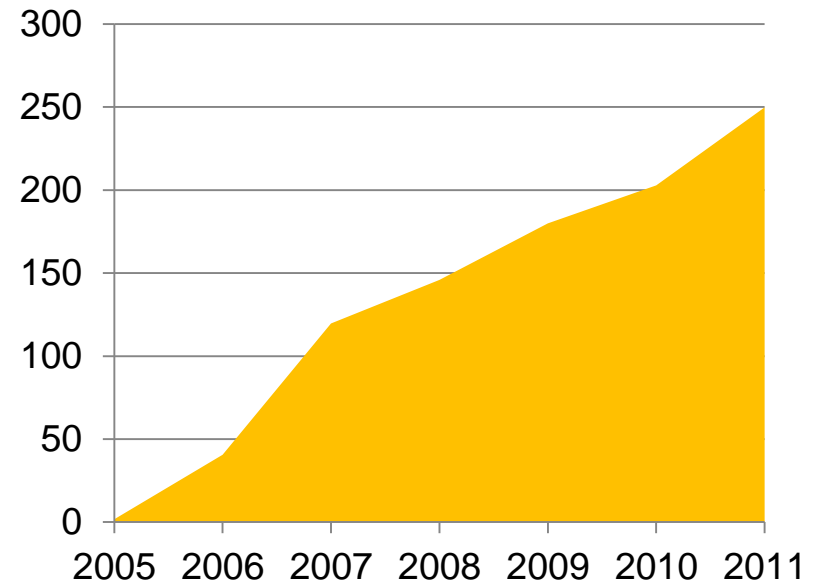
■ e-Reisen

The online-booking tool „e-Reisen" makes it possible, to book business trips electronically. Flights, Hotels and rental cars can be compared and booked online.

# e-Shop as part of e-Procurement

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Tender

Procurement

- Tendering
- Catalogue management
- Order management
- Delivery management
- Invoicing
- Payment
- Reporting
- Supplier assessment
- Level of utilization
- Supplier management
- Enquiry/ bundling of needs
- Announce-ment

The e-shop is a Web-based electronic procurement platform for processing orders from a catalogue and free-text orders.

Analysis

# e-Shop: Some key figures

- > 275 m. € annual turnover (2012)
- > 80.000 orders annually (2012)
- >12.500 users
- >5.000 registered organisations
- 12 product families
- ~ 700 catalogues
- ~ 300.000 products
- 250 suppliers, 230 distributers

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e-Shop: Einkauf.online

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*e-Shop: Increasing sales (in million €)*

# e-Shop: Essential points

- Only **one standard e-Shop application** for the federal administration

- Stand-alone purchasing system using web-technology to overcome the heterogeneous IT-infrastructure of the federal administration

**Meets the requirements to:**

- simplify and speed up internal processes

- improve the quality of business process documentation

- improve the services of the FPA

- establish a reporting and evaluation module for the fulfillment of a procurement controlling

# Effects

- Cost savings and reducing process time

- Better and up-to-date information for customers about the variety of products

- Information is transparent at any time in the purchasing process

- Process stability and security for the user (catalogues within the system are valid and conform to the contract)

- Authorized users can easily see the status of the purchasing process

# Further applications

1. FPA Portal [www.portal.bbg.gv.at](www.portal.bbg.gv.at)
2. FPA e-invoicing service
3. FPA Forum- chat and document sharing solution for Members of the Advisory Board, Customer Board and Coordinators.
4. CRM (Customer Relationship Management)
5. Controlling System with 2 functions: 1. gathering of information on call-offs from the suppliers; 2. management of data on procedures (contracts, volumes, savings, etc.)
6. Platform for electronic publishing of tender documents (www.lieferanzeiger.at)

# The FPA Process Map

# Process Map of the FPA

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## I. Management Proceses

Strategic Planning

Operative Planning

Leadership & Communication

## II. Core Process (Procurement Market)

Pre Contract

Post Contract

**MARKETING & DISTRIBUTION**

Customer Acquisition

Identification of Market Potentials

Marketing

**PROCUREMENT**

Tender Preparation

Implementation

Contract Management

## III. Support Processes

Human resources(incl. payroll accounting)

Finance and Accounting

Procurement Controlling

Legal

Application Management

Operation Management

Internal procurement (incl. Facility Management)

Quality Management

# Our Secret of Success



We know our **customers**

We know the **market**

Purchase

We master **public procurement law**

**Thank you for your attention!**

**For more information or additional questions:**

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