The Italian national public e-procurement system and the role of PEPPOL project

Luca Mastrogregori
Head, eProcurement Strategies
Consip SpA, Italy
luca.mastrogregori@consip.it

Bruxelles
September 13, 2012
The Italian Public Administration: a complex scenario

ITALY
- Population: ca 60 mln
- PA employees: 3.700.000
- 98% enterprises are SMES
- €135 bln expenditure on G&S in 2011

CENTRAL PA
- Ministries: 21
- Central PA Authorities: >100

LOCAL PA
- Regions: 20
- Provinces: 110
- Municipalities: 8.101
- School system: Universities: 94, Schools: >10.000
- Health Sector: >300

CONTRACTING AUTHORITIES
- > 13.000 authorities
- Regional CPB: around 10

INDUSTRY
- > 4.000.000 Enterprises
- 98% are SMEs
The Italian Regional CPB’s

The Financial Act 2007 provided for the creation of the «Networked System» between the Territorial Central Purchasing bodies and the National Central Purchasing body, also based on ICT interoperability.
Status of eprocurement in Italy: role of the operators

2004 2005 2006 2007 2008
76 Mln 252 Mln 1232 Mln 1141 Mln

2009
5096 Mln 660 Mln 3220 Mln 2050 Mln 2386 Mln

Private Operators
Regions and other Public operators
Consip

+ 58%

2010 Results of the Observatory on eProcurement in PA - School of Management - Polytechnic of Milan
A lot has been done, but more has to be done both from user side and industry.

Public spending G&S: ~120 bln €

“faceable quota”: ~30%

36 bln €

Quota related only to G&S

Transaction value 2009: 4% ca. 5 bln €

2010 Results of the Observatory on eProcurement in PA - School of Management - Polytechnic of Milan
Main benefits achieved

Benefits for PA
- Optimization of price/quality ratio for goods and services
- Simplification and transparency in procurement procedures
- Autonomy in the choice of the product and the supplier (MEPA or FA)
- HR requalification
- Diffusion and sharing of methodologies and experiences
- Cooperation with economic operators and suppliers associations
- Eprocurement training desks

Benefits for Enterprises
- Broadening potential market
- Easier access to public procurement market
- Higher transparency levels and respect of existing rules
- Time and cost reduction for tender participation
- Encouragement of aggregations and consortia to participate to big tenders
- Strengthening of relationship with public administrations
- Supplier training desks

Challenges for PA
- Spending control and cutting
- Process simplification
- Innovation
- Change management
- Alignment to EU law and regulations
- Territorial development

Challenges for suppliers
- Value generation
- Globalization
- Competitiveness
- Innovation
- Red tape simplification

CONSIP NO LONGER SEEN AS A THREAT BUT AS AN OPPORTUNITY
Consip’s eProcurement system: a comprehensive set of purchasing tools

E-procurement portal - www.acquistinretepa.it

2000

eshops
- Purchases within frame contracts
  - Large volumes
  - Demand aggregation
  - Standardized goods
  - Low price volatility

2002

On line tenders
- Frame contracts or ASP
  - Large volumes
  - Demand aggregation
  - Standard /Specialized goods
  - High price volatility

2004

e-Marketplace - MEPA
- Direct order or RFQ
  - Low cost goods
  - Spot purchasing
  - Highly fragmented offer
  - ecatalogue

2010/2012

FAs and DPS
- On-line tenders in a structured and managed environment (two-stage procedures)
- Standardised procedures for commonly used goods & services with customisation

Above and Below EU Threshold

2011 results
- transaction value 2.600 mln €
- orders num. 78.000
- active buyers 11.000

2010/2012

Only Below

2011 results
- trans. value 240 mln €
- orders num. 74.000
- active buyers 5.600

Above and Below

NFCs = National Framework Contracts / FAs = Framework Agreements / DPS = Dynamic Purchasing System
The adoption of different tools is related to the market (buy and supply side) characteristics.

- Wider offering of e-Proc tools
- More business opportunities for SME’s through e-procurement
New e-Proc tools adoption calls for a strategic change in Consip’s role and capabilities.
The Italian participation in PEPPOL

Italy has a long experience in the e-Procurement field, and played a leading role in the development of the PEPPOL Project.

Seven different organizations took part in the project, covering all domains of PEPPOL:

Overall, Italy has been a “large contributor” of PEPPOL (~ 15-17% in terms of effort).
## Results of Italian Participation in PEPPOL

<table>
<thead>
<tr>
<th>Transport Infrastructure</th>
<th>Infrastructural results</th>
<th>Usage results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Authority</td>
<td>1</td>
<td>31 transactions on Transport Infrastructure</td>
</tr>
<tr>
<td>AP operational (+3 ongoing)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>PA connected</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Suppliers connected</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>eSignature</th>
<th>Infrastructural results</th>
<th>Usage results</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA Platforms with eSignature components integrated, Service Provider for eSignature verification using XKMS</td>
<td>2</td>
<td>1 French eSignature verified</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Virtual Company Dossier platform</th>
<th>Infrastructural results</th>
<th>Usage results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Provider offering VCD Services (under construction) that will offer services in line with VCD</td>
<td>1</td>
<td>1 Contracting Authority run a tender National requesting VCD</td>
</tr>
</tbody>
</table>
## Results of Italian Participation in PEPPOL

<table>
<thead>
<tr>
<th></th>
<th>Infrastructural results</th>
<th>Usage results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-award</strong></td>
<td>1 PA Platform aligned with PEPPOL Specifications</td>
<td>10 Pre-Award eCatalogue eCatalogues (1 X border) in response to tenders</td>
</tr>
<tr>
<td><strong>Post-award</strong></td>
<td>1 Platform aligned with PEPPOL Specifications</td>
<td>13 Post-Award eCatalogues sent their eCatalogues to MEPA</td>
</tr>
<tr>
<td></td>
<td>1 Supplier implementing PEPPOL Spec. in its systems</td>
<td>2 Tenders asking for PEPPOL eOrders after tender award</td>
</tr>
</tbody>
</table>

PEPPOL eCatalogue

<table>
<thead>
<tr>
<th></th>
<th>Infrastructural results</th>
<th>Usage results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>eOrdering</strong></td>
<td>1 Platform aligned with PEPPOL Specifications</td>
<td>10 Orders exchanged via PEPPOL infrastructure</td>
</tr>
<tr>
<td></td>
<td>1 Supplier implementing PEPPOL eOrders after the tender award</td>
<td>2 Tenders asking for PEPPOL Specifications.</td>
</tr>
</tbody>
</table>
Results of Italian Participation in PEPPOL

**Infrastructure results**

**eInvoicing**

- **2 PA Platforms** aligned with PEPPOL Specifications
- 7 Local Healthcare Public Companies
- 1 Large Italian multinational Company implementing eInvoicing components into its platform

**Usage results**

- 18 eInvoicing transactions

Italian eInvoicing format mapped to PEPPOL data model

A Municipality setting up a PEPPOL eInvoicing service for SMEs
Conclusions

• Peppol main benefits:
  • Creation of a national active e-procurement community
  • Definition of useful guidelines to develop national e-proc systems and svcs
  • Awareness among PA’s and Suppliers

• Numbers may seem limited, but the potential is huge

• All aspects of PEPPOL have registered some progress in Italy

• A trend has certainly started, and has to be accompanied over time

• Even more needs to be done, but the first steps have been taken in the right direction