

*Open standards for ICT
procurement:
evidences from the ICT
Procurement survey*

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Agenda

□ Survey methodology

□ Survey structure

□ Survey responses

- *Demographic info*
- *ICT lock-in awareness*
- *Good practices' adoption*
- *Use of ICT standards*
- *The Guide – an appraisal*
- *Use of the CAMMS*

Building a light monitoring system

DG CONNECT, as part of the project "Best Practices for ICT procurement based on standards in order to promote efficiency and reduce lock-in" is willing to build a light and effective monitoring system to measure the use of open standards in ICT procurement, thus the take up of the open ICT procurement in Europe.

The **monitoring system** will be based on a dataset built on available data from:

- MAPPs dataset
- **Survey results**
- Best practices

The survey

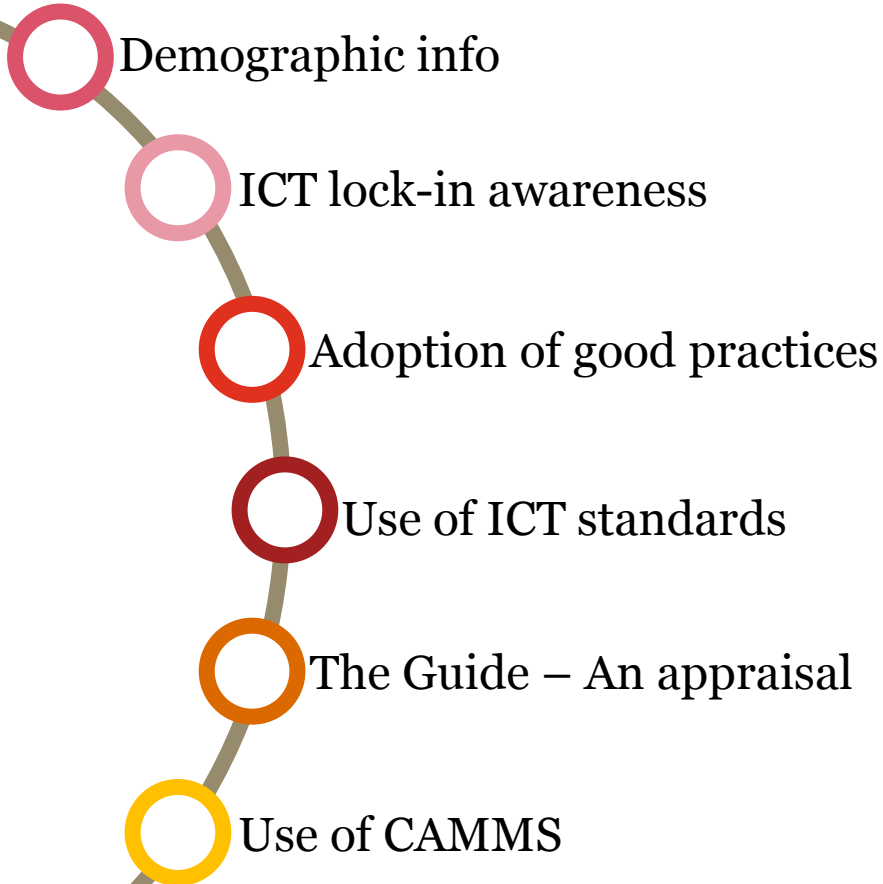
Aim: to monitor qualitative aspects related to the procurement of ICT products in Europe such as perceptions, knowledge and experiences about ICT lock-in.

- Respondents from 25 different Member States
- 117 completed questionnaires
- 109 different entities (public & private)

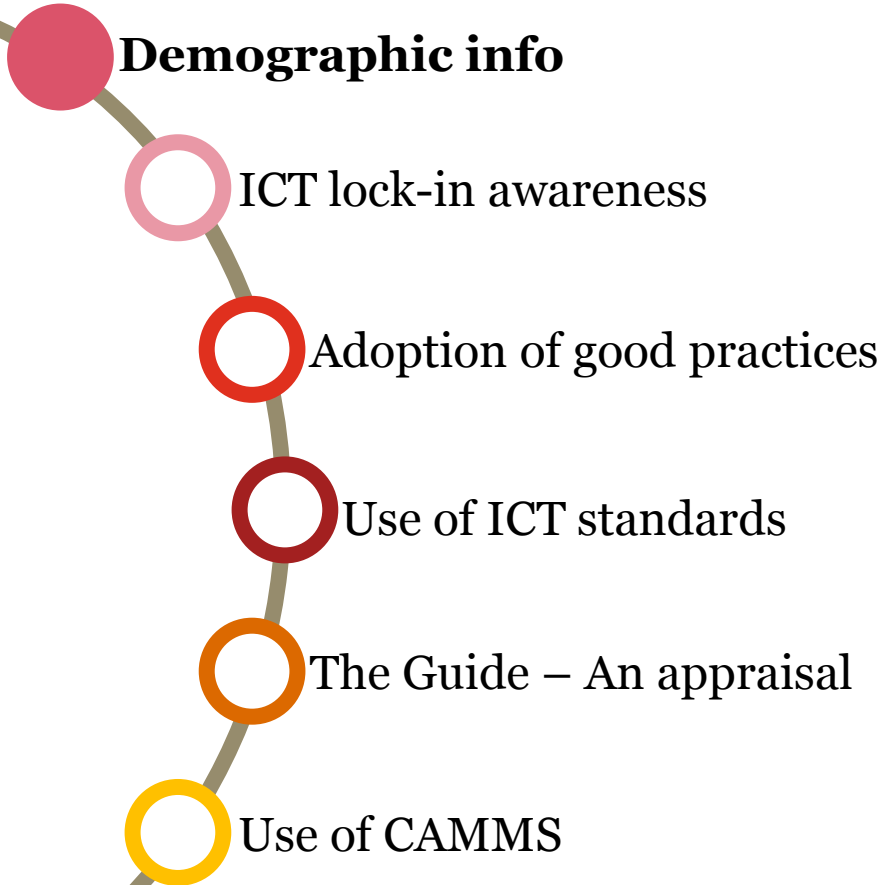


Survey structure

25 questions on 6 research areas



Survey responses

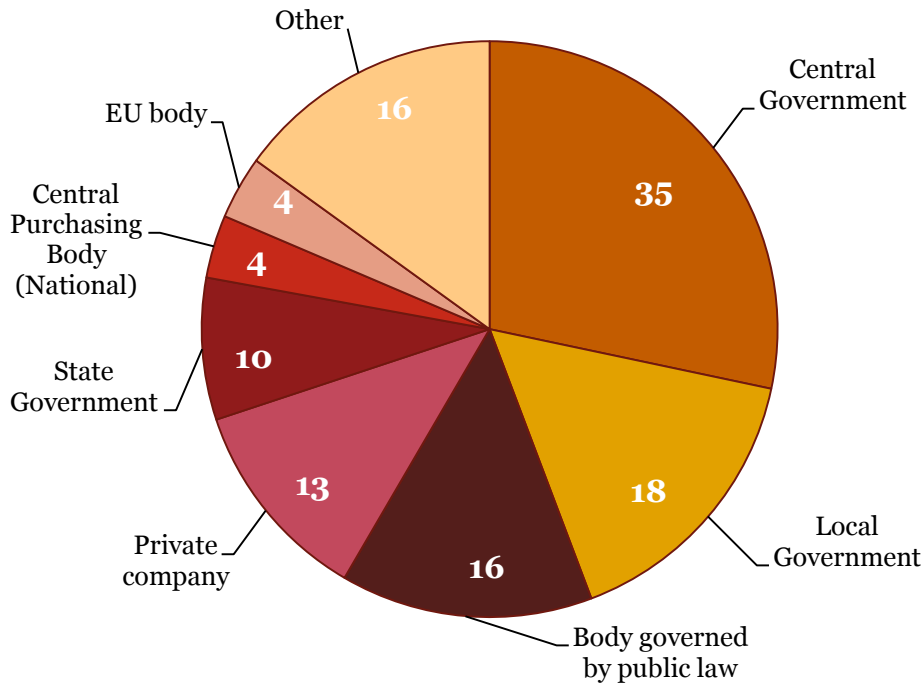


Incrementing sample's representativity

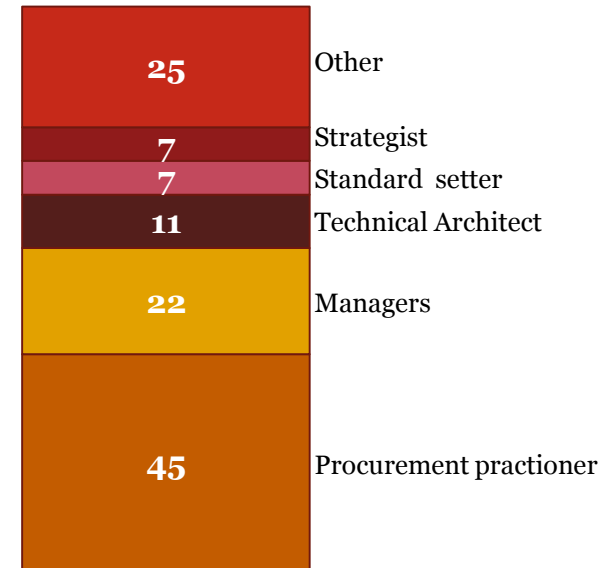
Q3 & Q4: Organization types and professional roles

Survey respondents work for a wide variety of **organizations** covering a **number of professional roles**, as defined in the Guide (www.openictprocurement.eu).

Respondents distribution per organization type



Respondents distribution per professional role

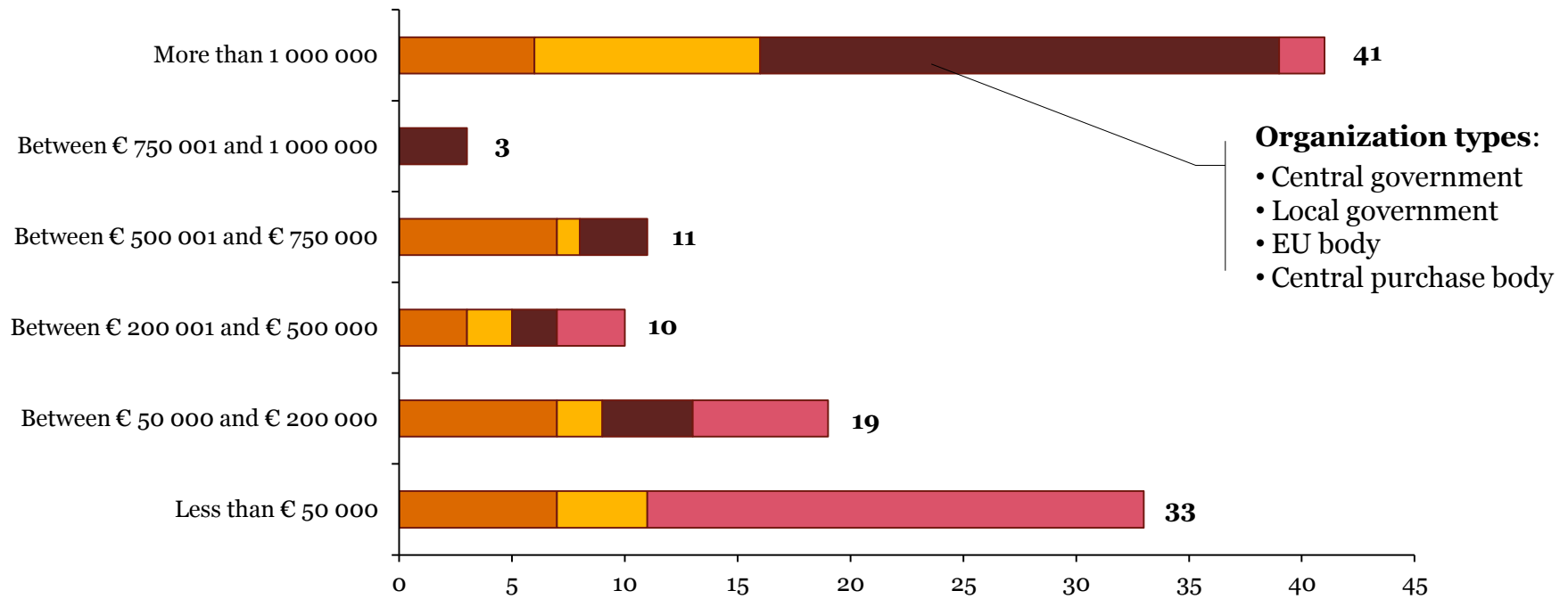


Expenditure size mirrors organization size

Q5 & Q6: Average annual expenditure for ICT products and services

Most respondents spend either less than 50K or more than a million for ICT products and services. In addition, 30% of ICT tenders is above EU threshold.

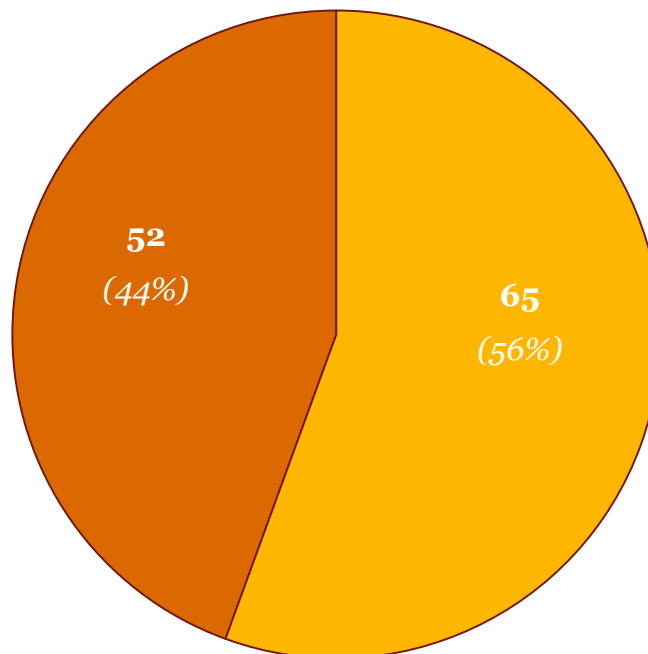
Distribution of ICT expenditure per value range



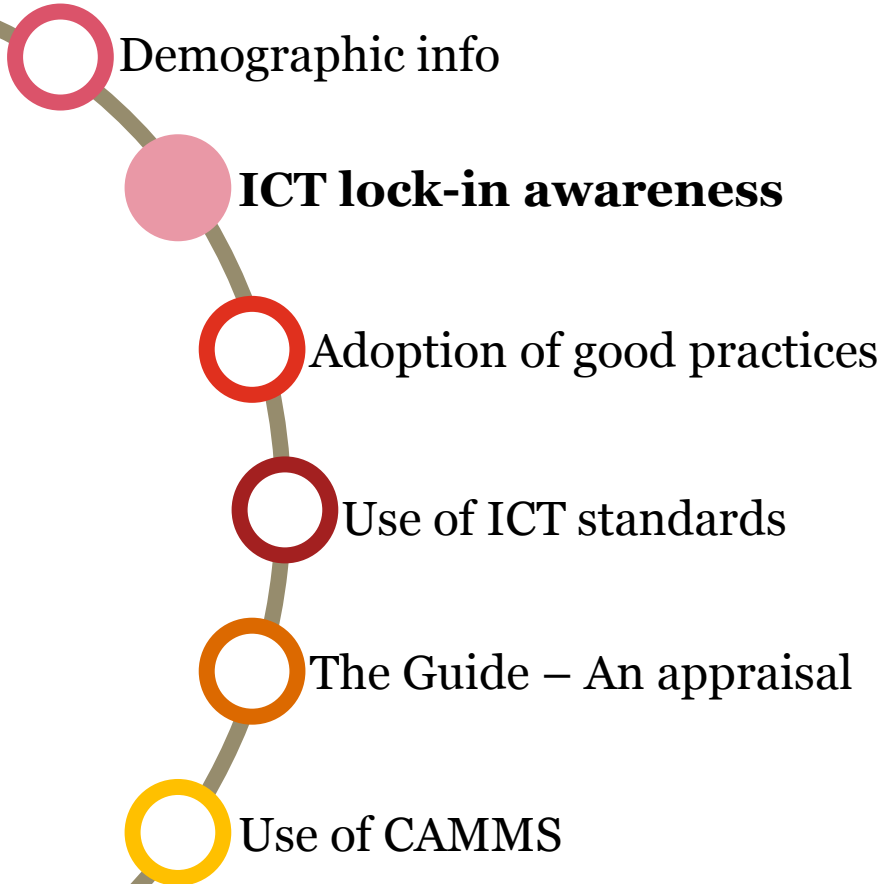
The new Directive 24/2014 isn't well-known

Q24: Are you aware of the new procurement provisions within Directive 24/2014 repealing Directive 18/2004?

The **level of awareness about the new procurement Directive is not satisfactory**: only 56% of the sample declares to know something about it, even if its provisions are going to strongly impact the way these administrations are going to carry out their procurement activities from 2018 onwards.



Survey responses

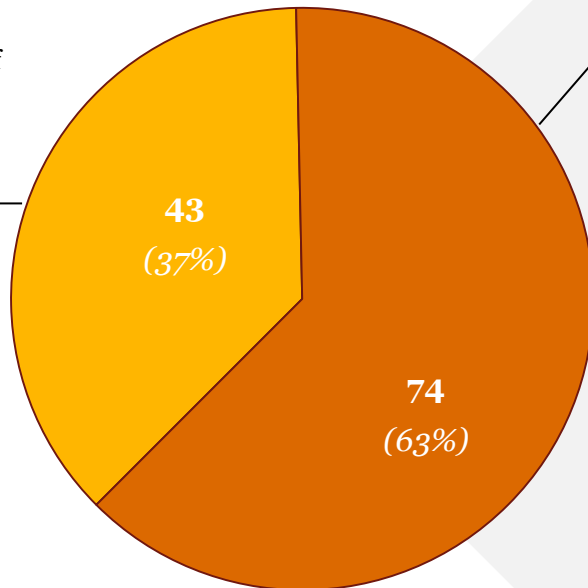


ICT lock-in is a known problem

Q7: Have you ever heard of "ICT lock-in"? If yes, please describe it

A **satisfactory level of knowledge about ICT lock-in** has been registered even if there is no clear consensus on its definition.

No, we have never heard of "ICT lock-in"



Yes.

Most of the sample has already heard of the ICT lock-in which is described as a situation of dependency on a specific economic operator because of:

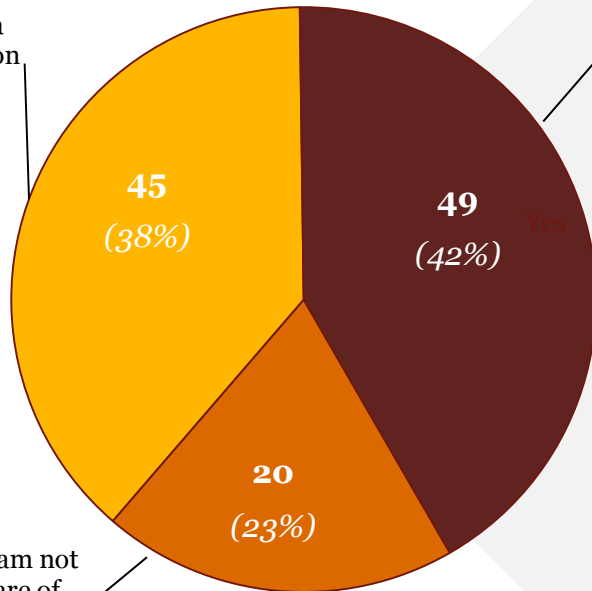
- 1 is the only one providing a certain product/ service
- 2 specific IT solutions which are not interoperable with other products
- 3 high transition costs (from existing technology to another)

Previous experiences with ICT lock-in

Q8: Have you ever found yourself in a "lock-in" situation? If yes, please describe it

42% of the sample experienced ICT "lock-in" in their organization, also providing a brief description of such situations.

No, we have never found ourselves in a lock-in situation



Yes.

47 respondents briefly described their **experiences** which can be clustered in **three categories**:

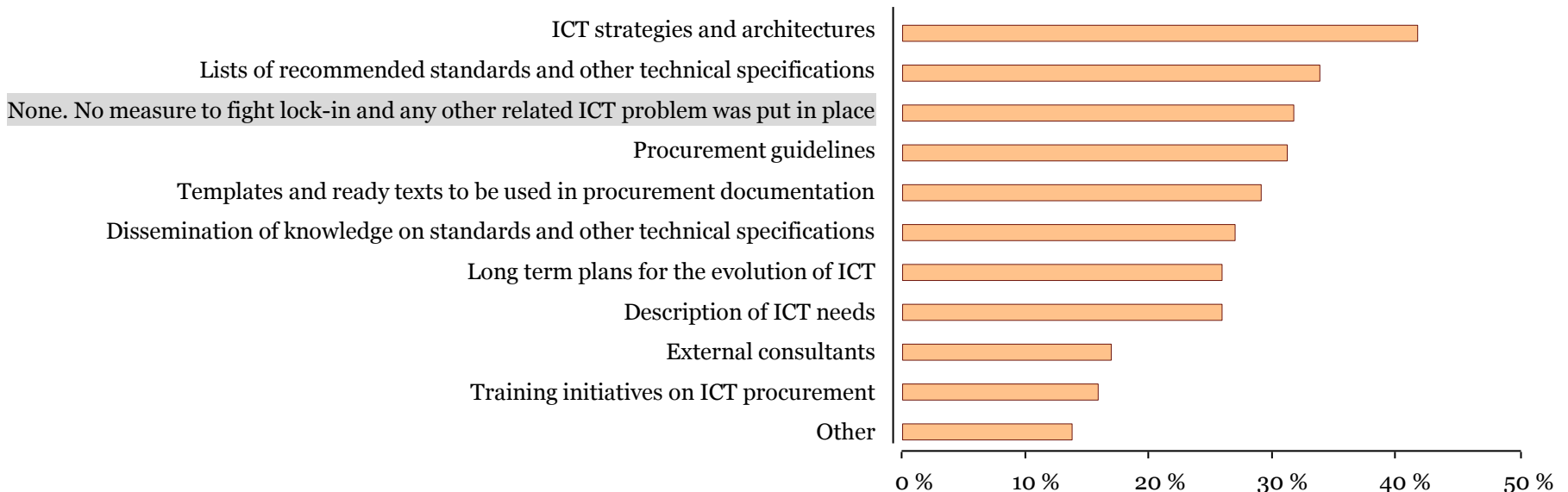
- 1 Migration of data and dialogue with other entities is too complex to bring in other providers
- 2 Compatibility and program extension issues connected with highly-tailored implemented IT solutions
- 3 High switching costs

No, and I am not even aware of what "lock-in" means

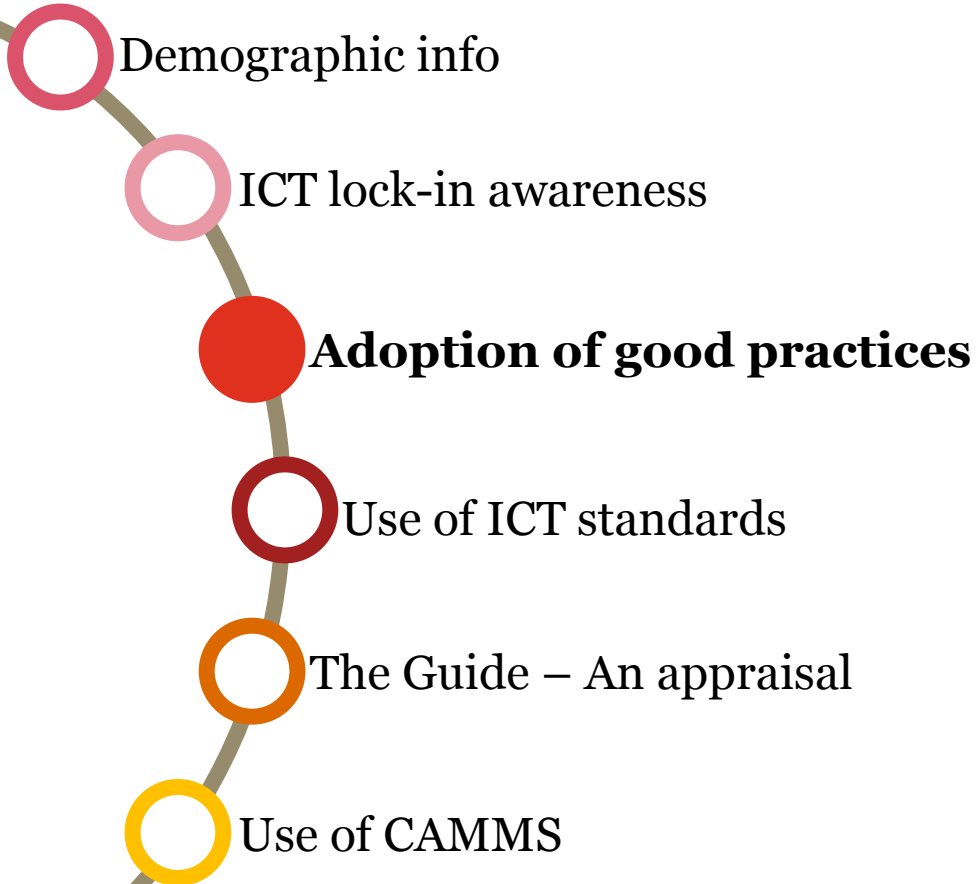
Favourite tools to fight ICT lock-in

Q9: What measure have you put in place or plan to put in place to fight lock-in and other related IT problems?

We identified "9 actions" that organizations usually put in place when approaching the lock-in issue. Most frequent are: i) to define **ICT strategies and architectures** on open source and open standards use; ii) to define lists of recommended standards and other technical specifications; iii) to define procurement guidelines.



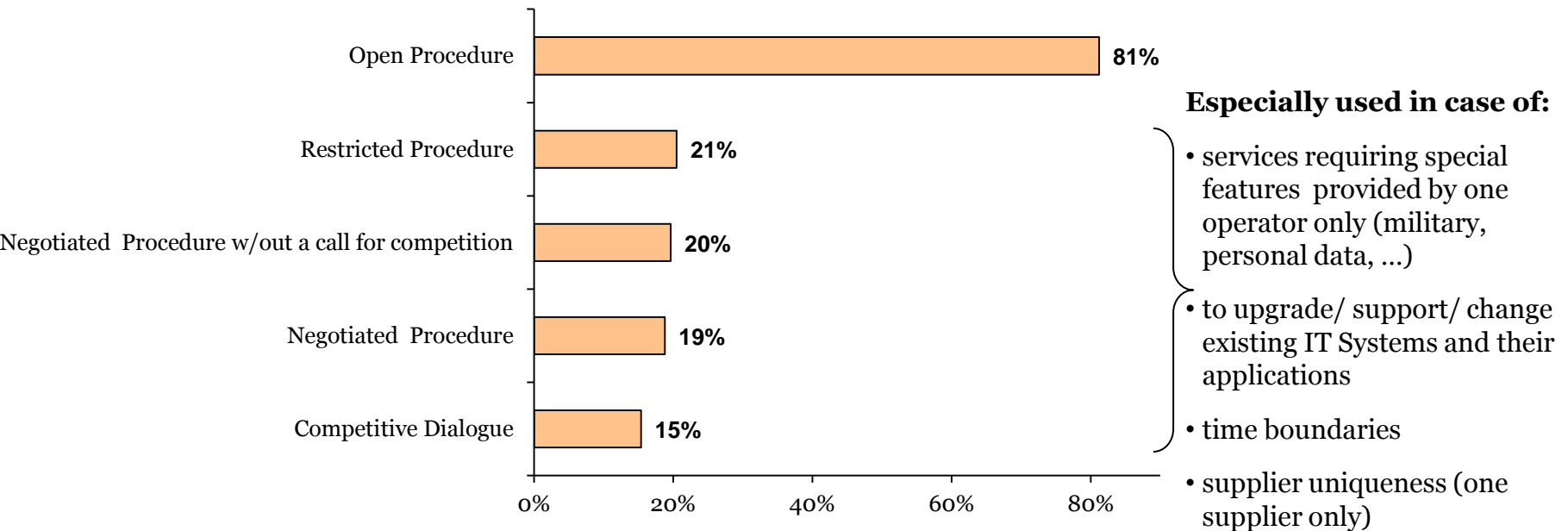
Survey responses



Widespread use of the open procedures by default

Q10: What procedures do you usually use when procuring for ICT products or services?

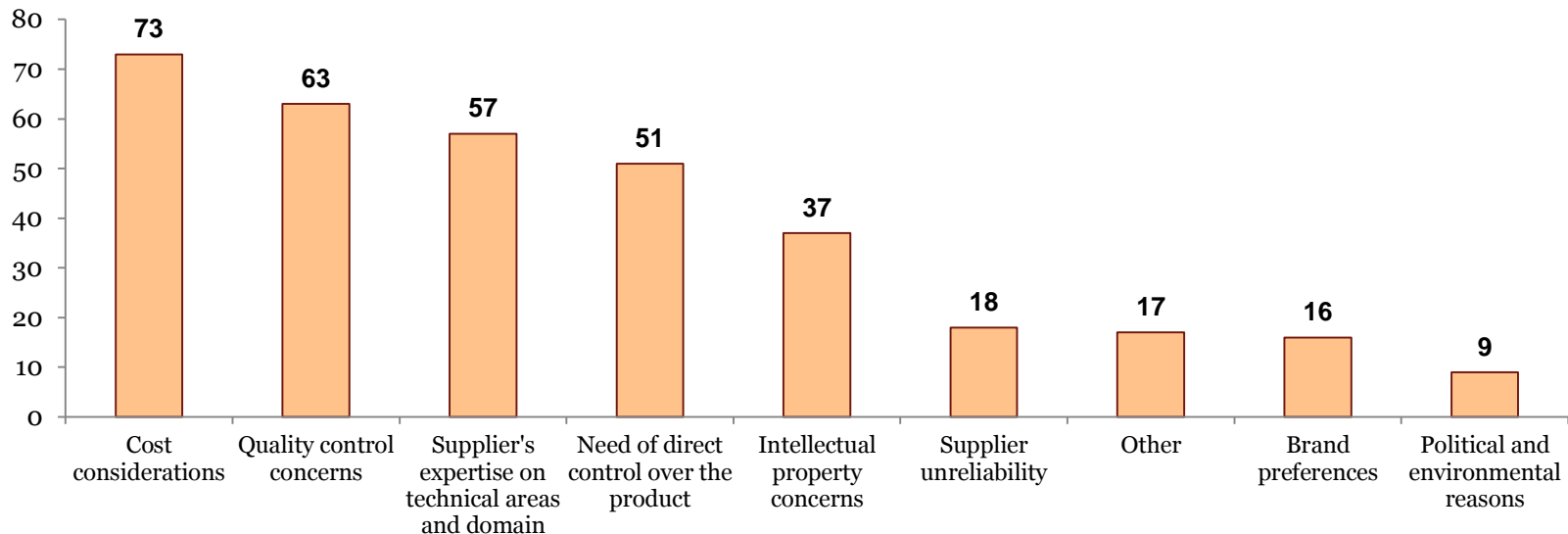
The **open procedure** is the **most used** when procuring for ICT products and services. Other types of procedures are equally preferred, also in terms of the reasons why that procedure was selected.



Cost and quality as change drivers

Q11: When you need to acquire IT systems, what influences your decision on whether to reach to the open market for a specific product/system or whether to use your own resources/in-house capacity?

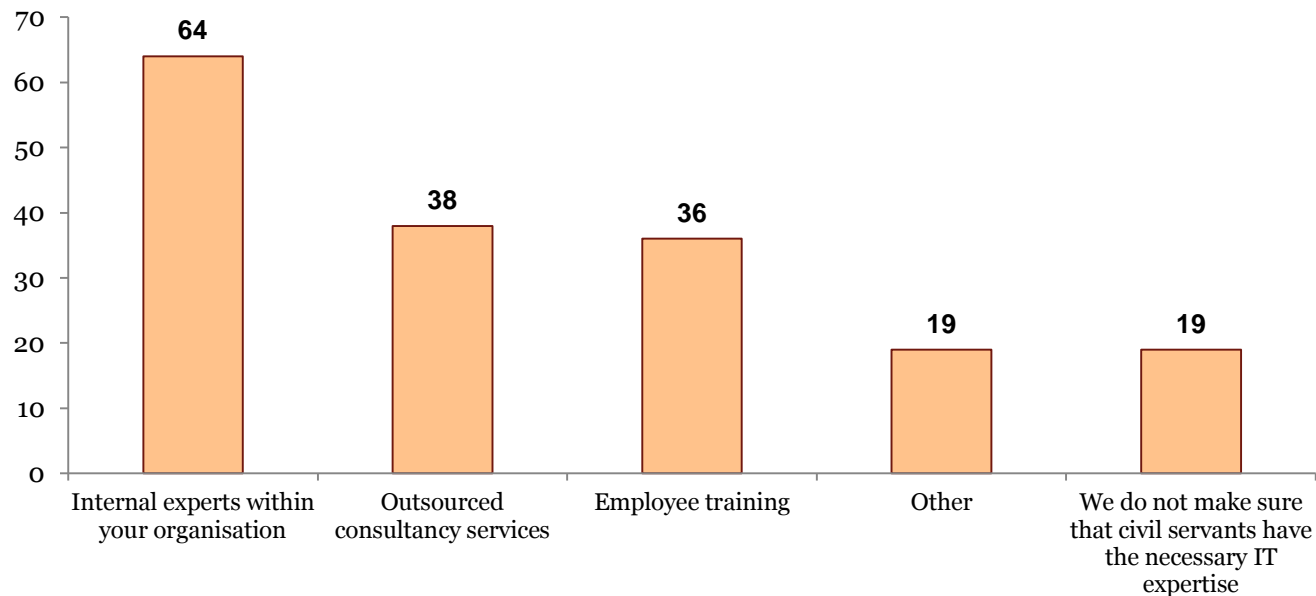
Cost considerations, quality control concerns, supplier's expertise and the need of direct control are driving factors behind "make-or-buy" decisions. By the same token, these factors should be used as the "motivational drivers" to promote the adoption of ICT standards.



Internal procurement experts felt as necessary

Q12: How do you ensure that civil servants executing the procurement procedure have the necessary IT technical and legal capacities?

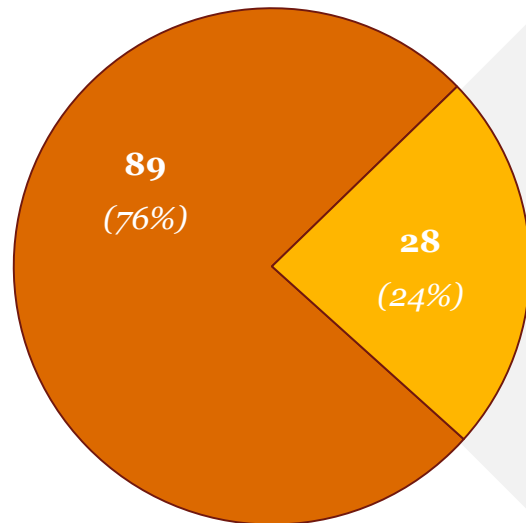
Over 60% of the sample relies on "internal experts" to secure high technical-quality of their procurement. When these are not available, external consultants together with employee trainings are felt as the solution.



Templates & standards clauses are rarely used

Q13: Has your organisation ever inserted IT-related templates and/or standards clauses in tendering documents?

A limited number of respondents has used "templates and standard clauses" in their tendering documentation. Nevertheless, those who used them see them as very effective.



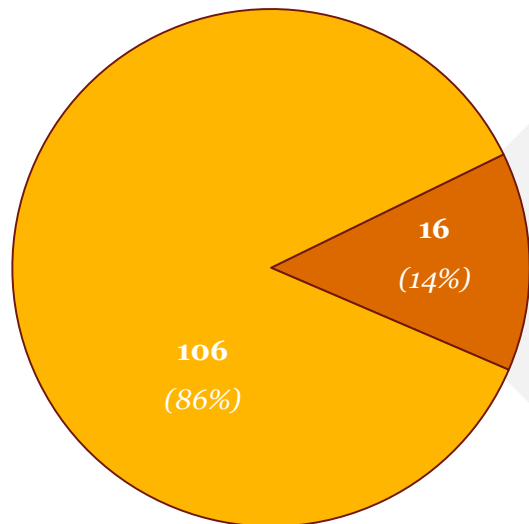
Yes

- 43% Strategists use them
- 31% Procurement practitioners use them
- 27% Technical Architects use them
- 18% Managers use them
- 13% Other roles use them
- 0% Standard Setter use them

Licence agreements are considered from the outset

Q14: Does your organisation take into consideration from the beginning of the ICT procurement process the impact of licence agreements?

In general organisations pertaining to our sample largely agree on the **importance of dealing with licence agreements** since the beginning of the procurement procedure. The small number of respondents who do not take them into account spend less than € 50K each year.



No

- 30% of the Strategists
- 30% of the Standard Setters
- 18% of the Technical Architects
- 13% of Other Roles
- 11% of the Procurement practitioners
- 9% of the Managers

Major changes ahead

Q15: When conducting procurement of IT, do you consider the future migration/exit costs, according to the "product life-cycle costing" methodology introduced by the new Public procurement directives?

Half of the sample considers migration & exit costs before awarding ICT tenders.

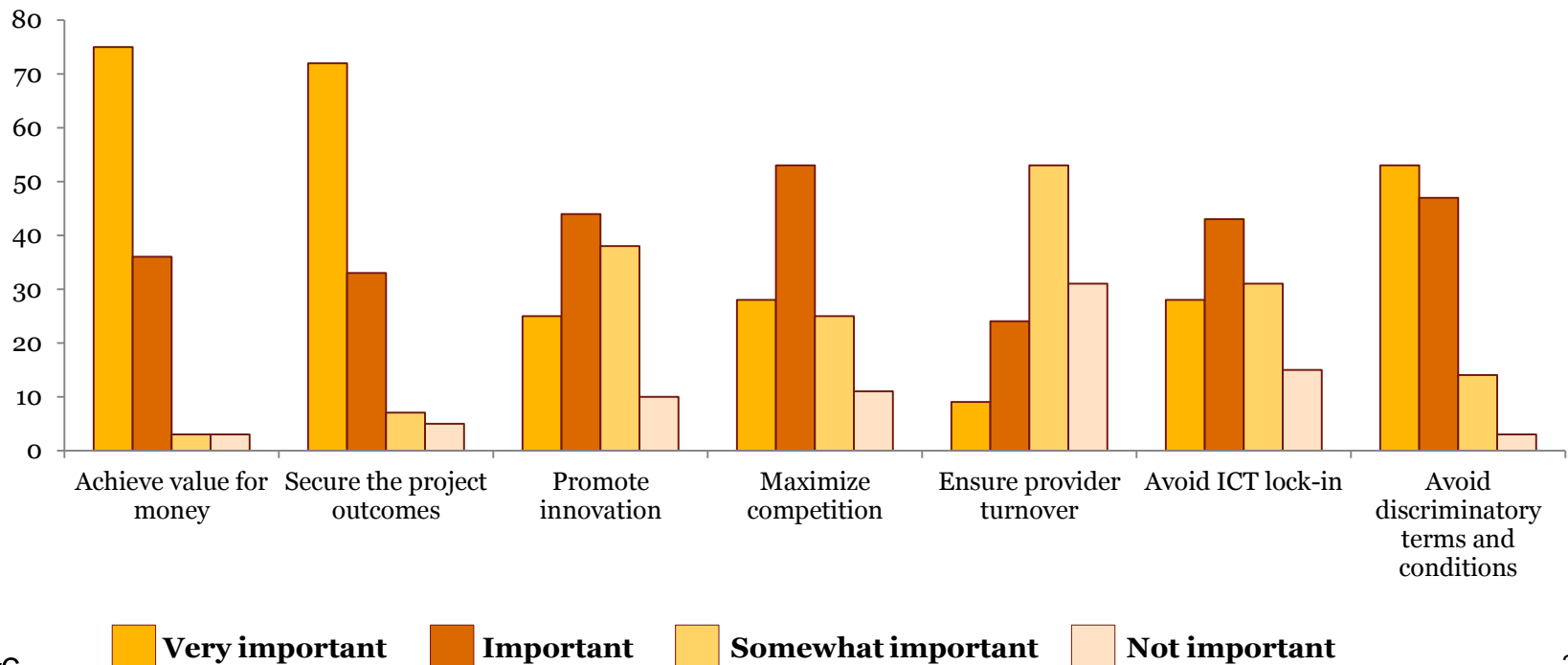
This percentage will surely improve over the coming years with the transposition of Directive 24/2014 in Member States.

Of those who do not take exist & migration costs into account the worst performers are the "Procurement Practitioners", the "Standard Setters", and "Managers".

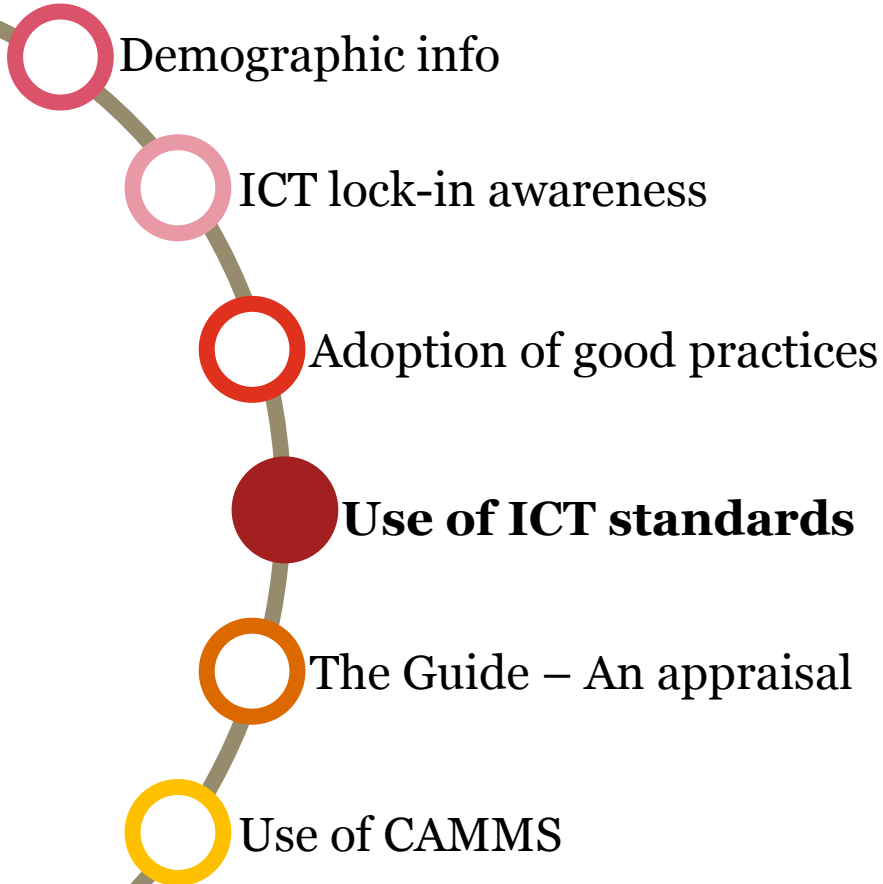
Value for money as the end goal for ICT procurers

Q16: When planning an ICT purchase, how important are these goals to your organization?

When purchasing ICT, the **avoidance of lock-in is not** seen as an **important goal**. "Value for money" and the "assurance of the project outcomes" are top priorities, even if they imply a future lock-in situation. What is more, "**ensuring provider turnover**" is seen as **non-important**.



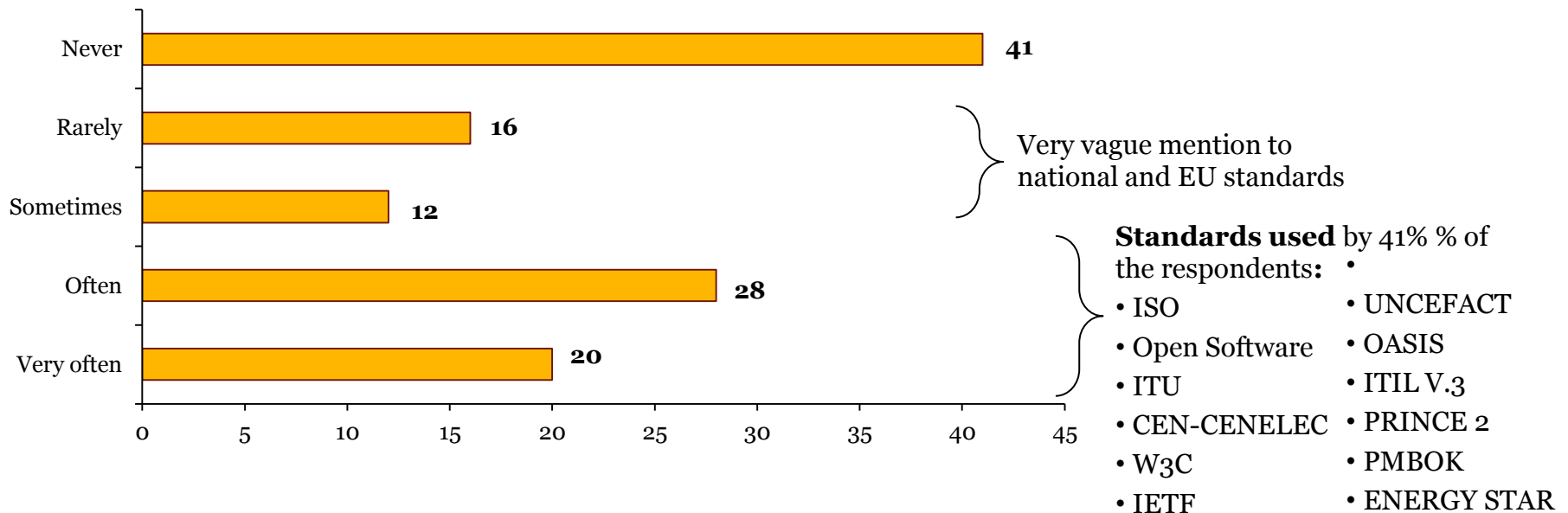
Survey responses



Those who know lock-in are prone to use standards

Q17: How often do you refer to "ICT procurement standards" when writing down a tender notice for the purchase of ICT goods and services? If yes, to which standards do you usually refer to?

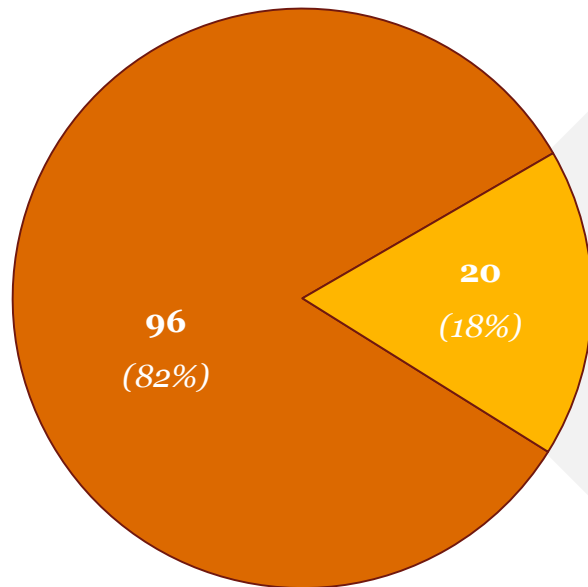
35% of the sample **has never mentioned** "ICT standards" in their tendering documentation, **15%** **has rarely used them** and **10%** **used them sometimes**. Quite the reverse, **41%** of the sample has used them **oftentimes**, also because of previous experiences with lock-in.



A priority: investing in dissemination activities

Q18: Are you aware of any public body (throughout the EU) which successfully avoided "ICT lock-in" situations by using standards? If yes, please describe it.

The analysis of the questionnaires reveals that **over 80%** of the respondents is **not informed** about initiatives successfully carried out at EU level to avoid ICT lock-in.



Yes

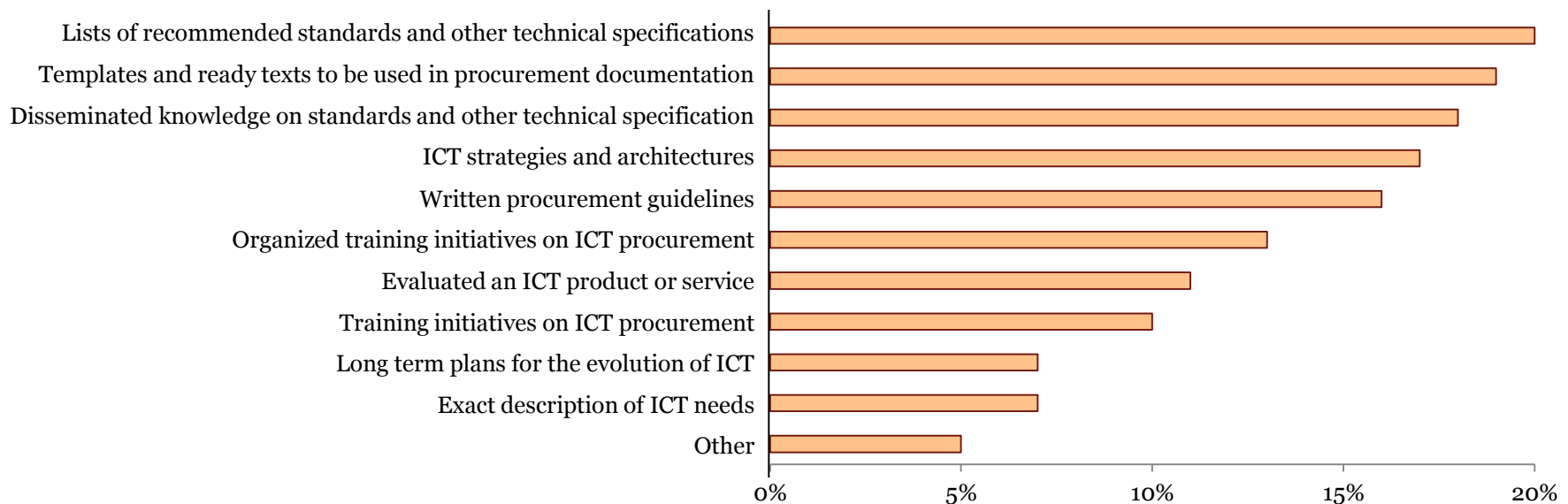
Among relevant initiatives, the following are worth mentioning:

- ✓ Cabinet Office in GB, UK
- ✓ Netherland (forumstandaardisatie)
- ✓ Standard "Sharing and Re-using" clauses for contracts: Contractual Clauses for Service Procurement
- ✓ MITA approach to Open Standards
- ✓ The Latvian Information and Communications Technology Association – LIKTA
- ✓ Germany's SAGA Committee

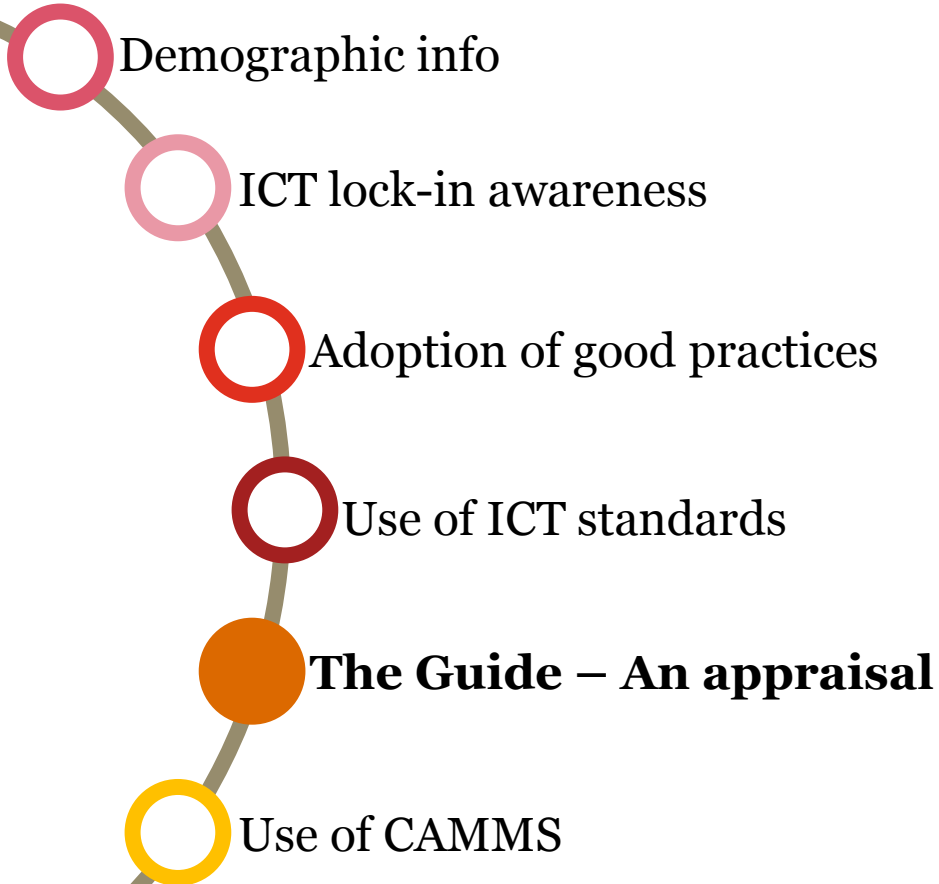
A pool of interesting measures to be investigated

Q19: Do you know any interesting initiative meant to provide useful indications or support to facilitate the use of ICT procurement standards?

40 % of the survey sample suggested important initiatives to be further investigated. This to assess whether or not they can contribute to the EC fight against lock-in.



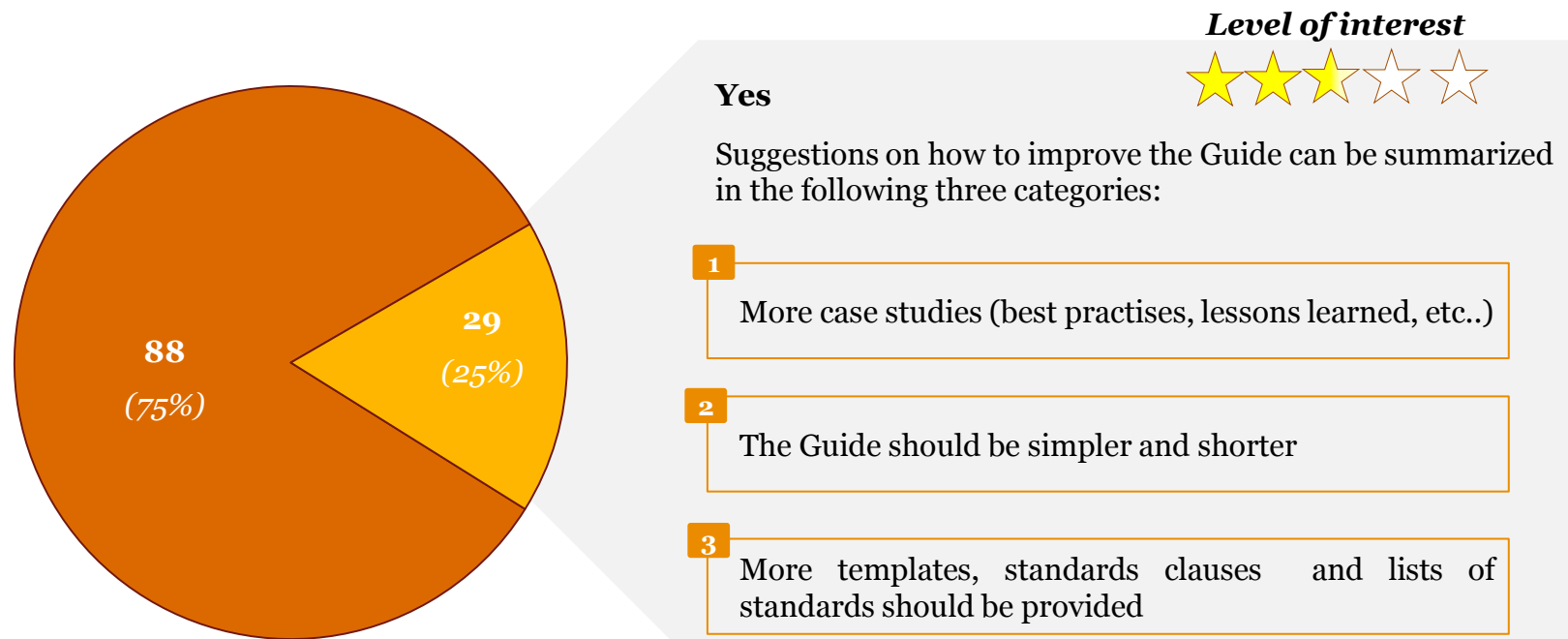
Survey responses



Make the Guide simpler providing more examples

Q20, Q21 e Q22: Have you ever heard of the "Guide for the procurement of standards-based ICT" issued by the EC? If you read it, please indicate your level of interest about it and suggest ways to improve it?

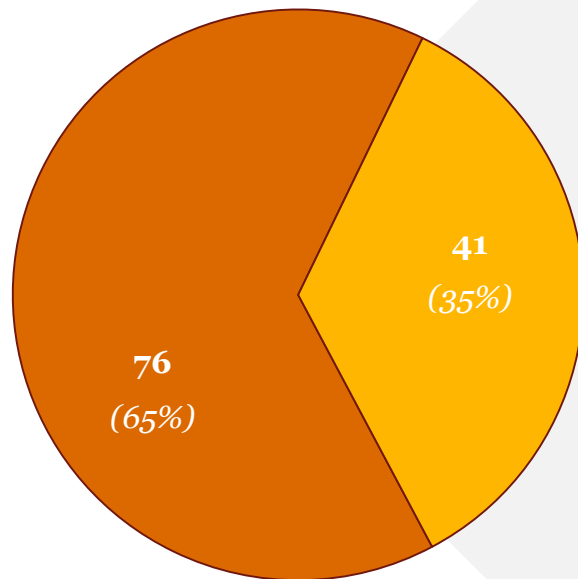
A fourth of the sample read the Guide, found it somewhat interesting and provided some suggestions to improve it.



Those who made the effort

Q23: Has your organization developed any guideline or recommendation for the procurement of ICT goods and services? If yes, could you briefly describe what they are all about? Are they currently available?

Most of the survey sample has not developed any guideline or recommendation to procure ICT but those who did, developed a comprehensive variety of tools.

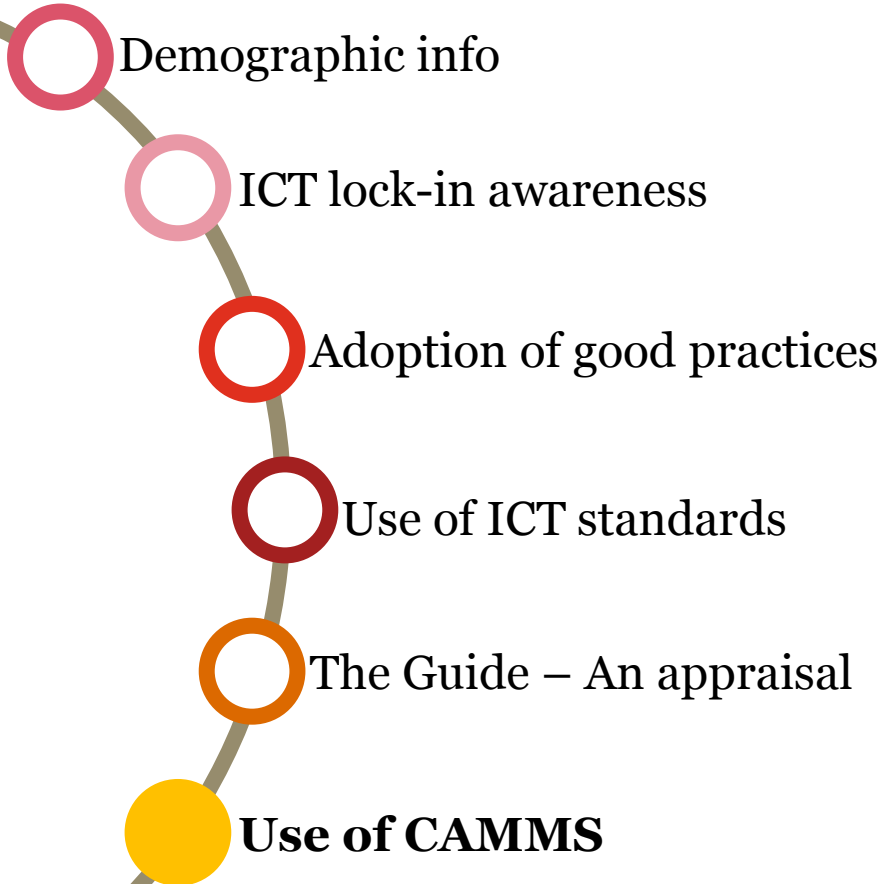


Yes.

These guidelines are described as:

- 1 Internal guidelines
- 2 Technical specification guidelines
- 3 Standardized documents/term/condition guidelines

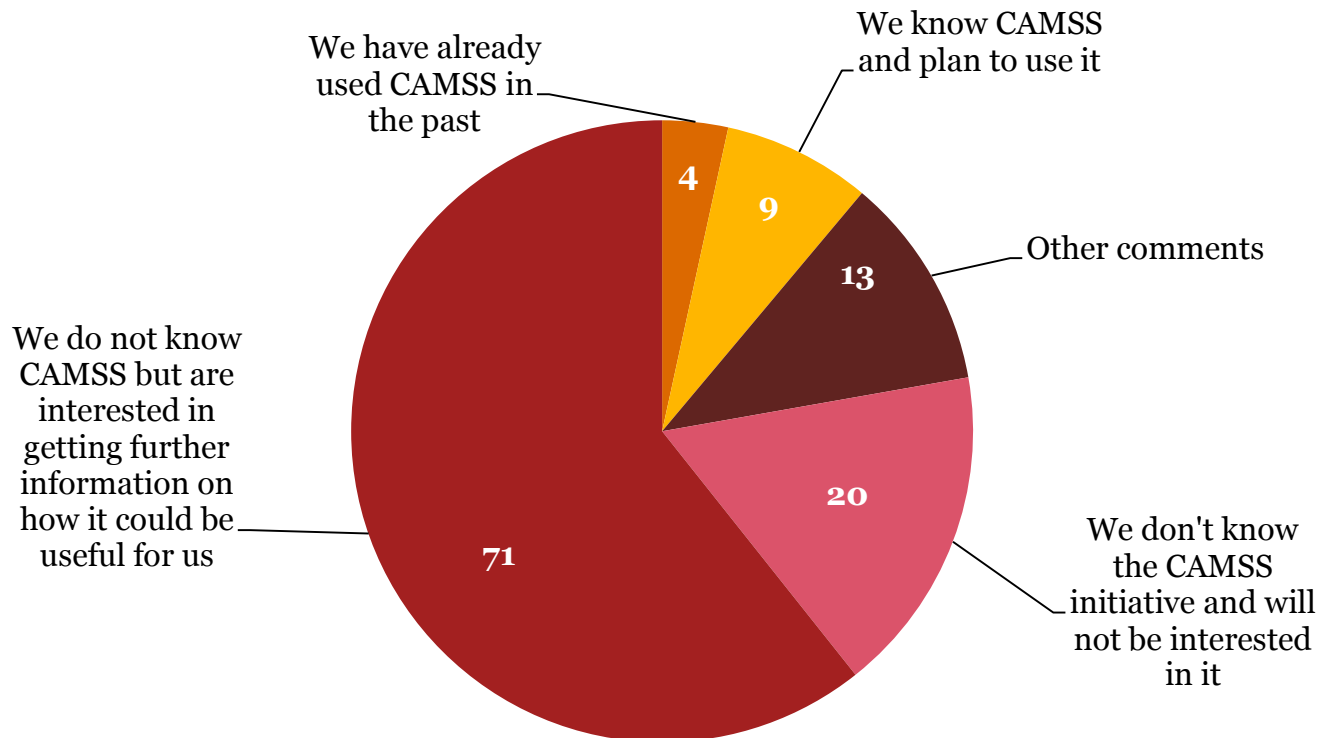
Survey responses



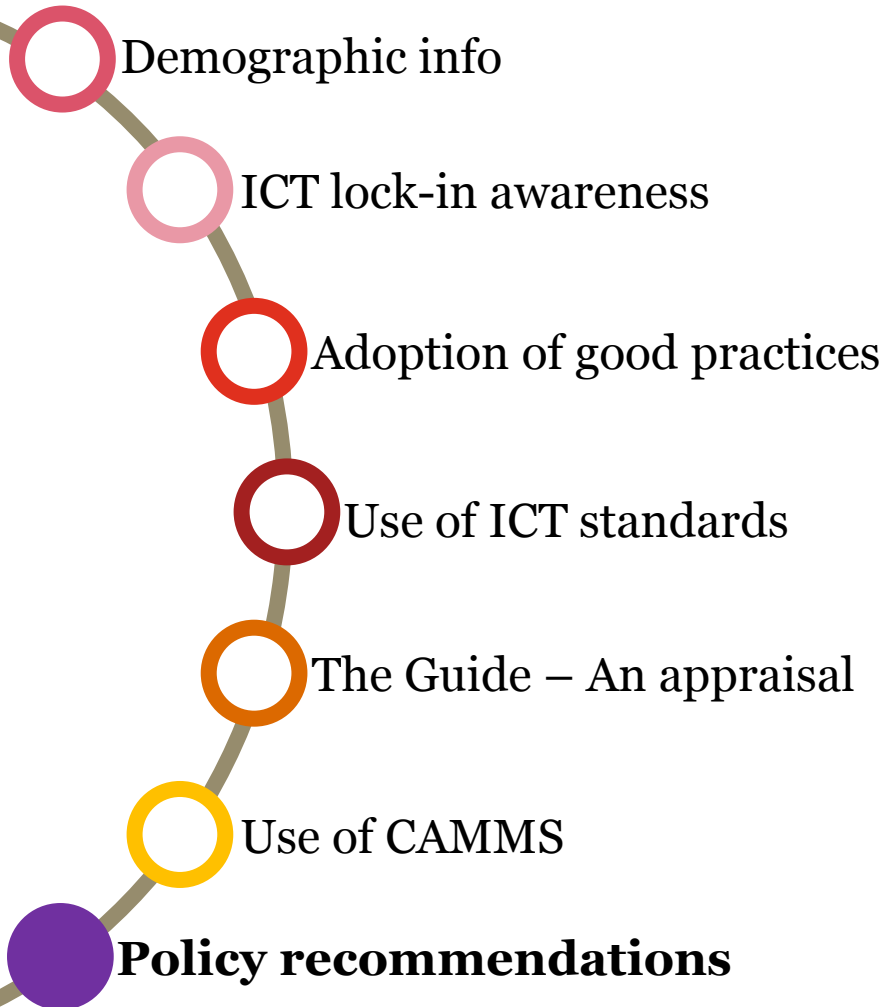
What about CAMSS? Is not known

Q25: CAMSS, an action of the European Commission's Interoperability Solutions for European Public Administrations - ISA programme, aims to support and coordinate the collaboration between Member States in defining a "Common Assessment Method for Standards and Specifications"

Almost 80% of the sample does not know about CAMSS even if most of them shows interest in getting further information.



Conclusions



Policy recommendations – From the Survey (1/2)

- Improve the current version of the guide "Guide for the procurement of standards-based ICT":
 - ✓ Including a number of practical case studies (e.g. for the definition of "ICT strategies and architectures")
 - ✓ Including ready-texts and lists of standards
 - ✓ Simplifying the language, making it motivating (pushing on Cost, Quality and Direct Control considerations as motivating factors for the use of ICT standards)
 - ✓ Develop ad-hoc sections describing in-detail how to overcome ICT lock-in in the following situations i) data migration; ii) software incompatibility; iii) tailored IT solutions; etc. These are the situations that most frequently push Public Administrations to go on with their old technology provider.

Policy recommendations – *From the Survey (2/2)*

- Translate the Guide in the various languages of the European Union to facilitate the adoption of ICT standards by National Procurers who do not know the English language but daily procure consistent amounts of ICT.
- Invest in dissemination activities to further promote the Guide and its use by European Public Administrations.
- Further promote CAMMS, yet not known.

Policy recommendations – From TED/ MAPPS analysis (1/2)

- Improve data quality of TED database to make it a powerful tool for monitoring the openness of the ICT procurement market.
 - ✓ Institution of Data Management rules
 - ✓ Institution of automatic data validation checks
 - ✓ Make random sample checks
- Focus monitoring efforts on product categories (CPV) 48000000, 72000000, 30200000, 30230000, 30210000, where 95% of the breaches to the Public Procurement Directive take place

Policy recommendations – *From TED/ MAPPS analysis (2/2)*

- Create data algorithms to automatically screen *contra-legem* use of brand names within Tender Awards automatically sending notifications to relevant national authorities
- Monitor over time the number of competing bidders for ICT tenders in Europe. Indeed, we realized that almost a fourth of all procurements for ICT products and services have only one bidder. This means that a series of actions aimed at increasing the overall competition for ICT products and services are necessary.

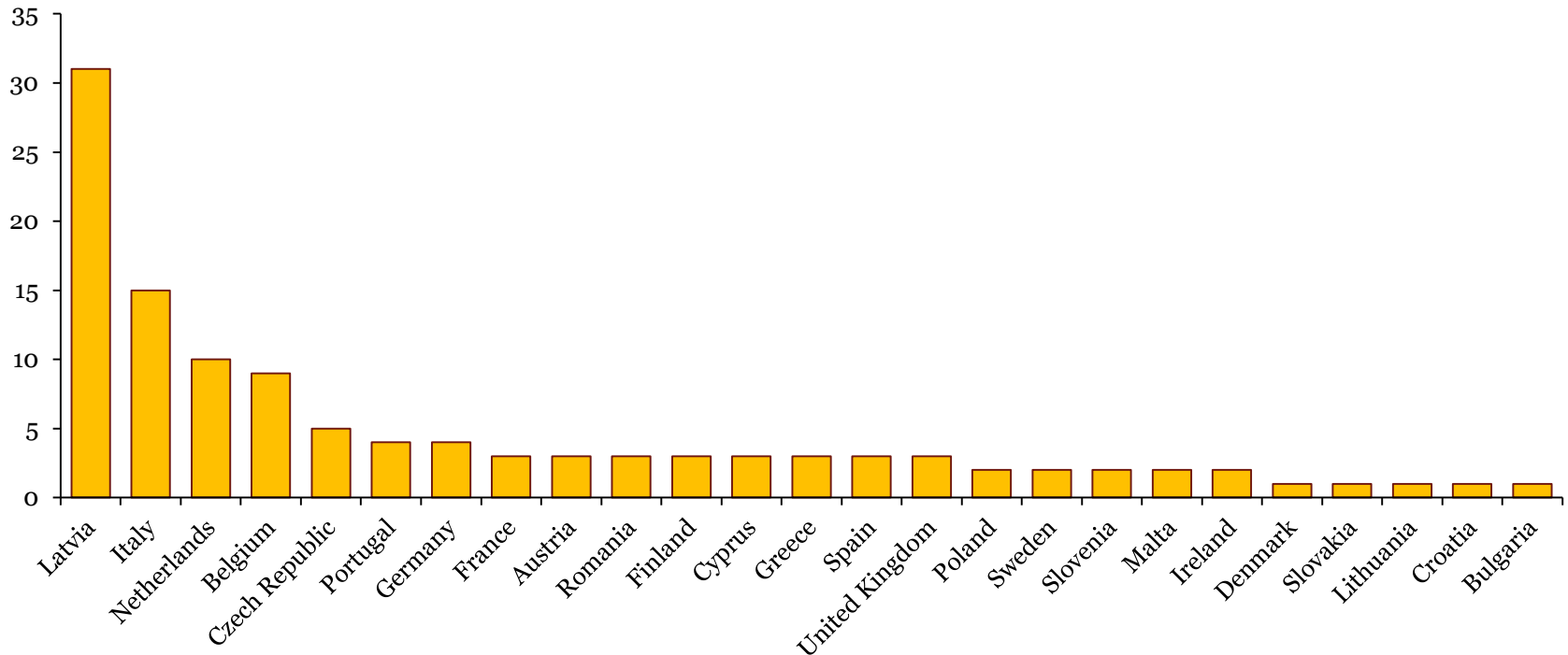
Back-Up *SLIDES*

Geographical representativity of the sample

Q1 & Q2: Contact information and location

Survey respondents (117) came from **25 different Member States** and **109 different entities** (public and private).

Country distribution of respondents



Demographic info

- **The level of representativity is adequate: 25 EU countries, at least 7 different types of organizations covering 6 professional roles.**
- **Some respondents provided inconsistent answers.** As an example the same respondent declared:
 - *<<my yearly expenditure is below 50K>>;*
 - *<< a good part (22%) of my expenditure is above EU threshold (which is more than 50K) >>.*
- Almost 40% of the respondents declared to be "procurement practitioners", who surely are the most interested in the Guide's content.

ICT lock-in awareness

- Across the survey sample, **ICT lock-in** is a **well known** situation whose recognized **causes** can be **categorized in three main clusters**:
 - Migration of data and dialogue with other entities is too complex to bring in other providers;
 - Compatibility and program extension issues connected with highly-tailored implemented IT solutions;
 - High switching costs.
- A **high variety of countermeasures** to tackle ICT lock-in has emerged. Among the "9 actions", the most used is "to define ICT strategies and architectures on open source and open standards".

Is it also the most effective?

Adoption of good practices

- **Over 80%** of the sample prefers the **open procedure** when procuring ICT.
- The "**use of templates and standards clauses**" is **limited** while the habit of "**dealing with licence agreements before contract award**" is common.
- "Strategists" appear to be:
 - the **best performers** in adopting "**templates and standards clauses**";
 - the **worst performers** when "**dealing with licence agreements before contract award**".
- To conclude, the **avoidance of lock-in is not** seen as an **important goal** and, what is more, there is not the intention to "**ensure provider turnover**".

Use of ICT standards

- Those who experienced lock-in do not appear to be more prone to use standards.
- When asked whether they knew any useful initiative at the European level to reduce ICT lock-in, they provided a wide-variety of answers. Some of these are:
 - *Cabinet Office in GB, UK*
 - *Netherland (forumstandaardisatie)*
 - *Standard "Sharing and Re-using" clauses for contracts: Contractual Clauses for Service Procurement*
 - *MITA approach to Open Standards*
 - *The Latvian Information and Communications Technology Association – LIKTA*
 - *Germany's SAGA Committee*
 - *Kammarkollegiet*

The Guide – An appraisal

- In the coming years, a bigger effort to disseminate the Guide should be planned. This because only a quarter of the sample read it.
- In general, respondents found it somewhat interesting highlighting three main ways to further improve it:
 - More case studies (best practises, lessons learned, etc..)
 - The Guide should be simpler and shorter
 - More templates, standards clauses and lists of standards should be provided
- Central administrations are, as expected, the actors who care the most about ICT lock-in. Indeed, they scored the highest percentage guidelines and recommendations development.