

Chapter 6.

An action plan to develop the way forward

This chapter makes recommendations for ChileCompra to revisit the design and management of its framework agreements. By comparing the benefits obtained in various OECD countries, it suggests policy options that ChileCompra could consider to further strengthen the strategic approach to its centralised procurement function. Policy options are structured against the procurement cycle following a phased approach, this allows for immediate additional efficiencies and for more long-term transformational changes.

Considering the current use of this procurement instrument, and its success in terms of inclusiveness, the sound implementation of recommendations towards a more efficient system would require a cautious and phased approach to avoid drastic and unprepared changes.

Table 6.1. Phased recommendations to revisit framework agreements in Chile

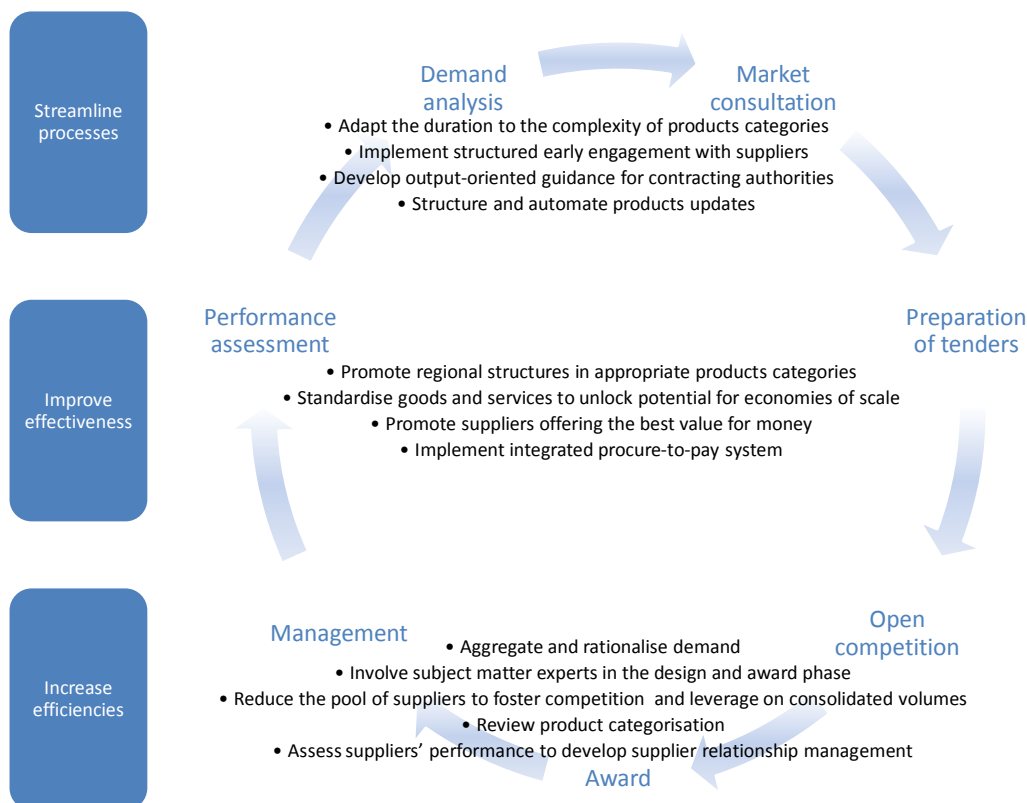
Phase of framework agreement	Recommendations	
	Short term	Long term
Preparing	<p>ChileCompra could:</p> <ul style="list-style-type: none"> • Develop regional lots, taking into consideration the heterogeneity of the market structure and the contracting authority's needs, and not necessarily the administrative division of the country. • Tailor the duration of framework agreements according to its costs and benefits. • Examine and review the demand analysis and procurement strategy on framework agreements with a low coverage of public expenditure. 	<p>ChileCompra could:</p> <ul style="list-style-type: none"> • Differentiate the instruments and their implementation and strategies, for instance, implement a dynamic purchasing system for products/ services where fulfilling technical requirements is deemed sufficient for identifying suitable suppliers. • Develop further demand analysis on the market concentration and sector-specific characteristics of all framework agreements that could be enhanced through the integration of ChileCompra with a public finance management system.
Tendering and awarding	<p>ChileCompra could:</p> <ul style="list-style-type: none"> • Engage with suppliers from the early stage by: <ul style="list-style-type: none"> – Regularly publishing procurement plans on ChileCompra's website, or on a platform for national procurement, to inform all stakeholders on upcoming opportunities, – Publishing prior information notices with sufficient information to give visibility to economic operators. – Further utilising all components of requests for information before the publication of a framework work agreement. – Institutionalising meetings with suppliers before launching of a framework agreement. • Work closely with other institutions, such as industry associations and Chambers of Commerce. • Allow for the allotment, subcontracting and grouping of small and medium-sized enterprises. • Engage with contracting authorities from the early stage. 	<p>ChileCompra could:</p> <ul style="list-style-type: none"> • Further tailor the procurement process depending on the sector and the complexity of the framework agreement. In particular, early engagement with suppliers could expedite the process. • Further develop subject matter expertise of the public procurement workforce. • Standardise categories and subcategories of goods and services. • Reduce the number of suppliers, depending on the nature of the framework agreement. • Introduce a prequalification stage with additional capability tests; include past performance of suppliers as a criterion.
Launching	<p>ChileCompra could:</p> <ul style="list-style-type: none"> • Streamline the ordering process and eliminate unnecessary levels of details when describing needs. • Provide support and guidance to contracting authorities in second-stage competition based on their procurement behaviour. • Develop and make available an efficiency checklist tailored for each framework agreement to allow contracting authorities to make informed purchasing decisions. 	<p>ChileCompra could:</p> <ul style="list-style-type: none"> • Revisit product categorisation to ensure an adequate level of competition. • Provide support to contracting authorities through a call centre and training activities, either physically or online. Cover operational aspects as well as the overarching principles of framework agreements. • Implement measures aimed at promoting suppliers who provide the best value for money. This could include disclosure of the initial assessment of suppliers, the bid rotation system, etc.

Table 6.1. Phased recommendations to revisit framework agreements in Chile
(continued)

Phase of framework agreement	Recommendations	
	Short term	Long term
Managing	<p>ChileCompra could:</p> <ul style="list-style-type: none"> • Revisit and identify appropriate technical solutions for the product modification request process for suppliers and ChileCompra. • Carry out supplier performance assessments on the electronic platform. • Ensure the consistent application of penalties across contracting authorities. • Communicate on efforts made towards a structure for the qualitative assessment of supplier performance. 	<p>ChileCompra could:</p> <ul style="list-style-type: none"> • Streamline and rationalise the product update process in ChileCompra Express. • Establish a Supplier Advisory Board dedicated to technological transformation to enhance such tools and ease product update processes. • Develop an inspection process whereby the performance of selected suppliers is thoroughly and independently assessed against specific objectives. • Implement an electronic platform covering the entire procurement cycle.

The above recommendations are focusing on three different streams of actions, all of which applicable across the entire procurement cycle. ChileCompra could invest in efforts towards the streamlining of existing processes, the improvement of their effectiveness or further increase the efficiency of the system.

Figure 6.1. Recommendations on the implementation of revised framework agreements



Source: Produced by the OECD Secretariat.



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