

Overview on Communication Strategies in the Public Procurement Context in OECD and EU Countries

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1. Background and methodology for the study¹

In this study, different communication strategies, both formal and informal, in the public procurement context are discussed and analysed.

Communication strategy is concerned with raising awareness on public procurement related topics such as interpretation of procurement regulations and laws and national policy programmes. Communication strategy typically involves the identification of means to communicate to specific target groups via appropriate networks for instance on Facebook or LinkedIn, newsletters, and online forums.

The aim of this study is to identify different national communication strategies, or the lack of them, and the communication means that are currently implemented to raise awareness and maintain an interest level on public procurement issues. For most European countries, the implementation of the new EU -directive on procurement has temporarily raised the level of public interest and increased reporting on public procurement issues. It remains to be seen whether this interest maintains after all national laws are enforced.

According to the directive on public procurement (2014/24/EU), article 83, member states are obliged to provide information and guidance on the interpretation and application of public procurement law. Furthermore, this information and guidance must be free of charge to help contracting authorities and economic operators, in particular SMEs, in correctly applying the Union public procurement rules. The communication based on these regulations form the basis for formal communication strategies.

It has been recognised that effective and active communication throughout the competitive tendering procedure, from planning to the contract term, is essential for achieving the benefits of purchasing (Motiva 2016). Thus, also communication in relation to individual purchases plays in equally, or even more, important role than communication on public procurement on a more general level.

Methodology for the study

In this study a comparative analysis is applied analysing different practices. More specifically the study relies on:

1. Compilation of already existing information and studies from open sources. A list of sources can be found at the end of this study.

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2. Current Means for Communication

In several EU countries the means for communication on public procurement have taken various forms. Centralised purchasing bodies and other governmental organisations involved in procurement send out newsletters to their customers, there are several blogs (some more formal than others) on procurement issues, there are active discussions in social media, for instance Twitter, involving practitioners and researchers from various countries and so on.

In this section, the bodies communicating on public procurement are described in their national contexts in relation to the forms of communication they are employing. Examples are provided from Finland and the UK.

2.1 Finland

The Ministry of Economic Affairs and Employment which is responsible for steering and overseeing public procurement, does neither have formal or informal structured communication methods, or means relating to public procurement. As mentioned above, per the public procurement, information and guidance on public procurement must be provided. Thus, the Ministry funds a counselling unit for public procurement to meet this requirement. The operations of the unit are described below in relation to other formal communication means.

In relation to a programme (“HANKO”) aiming to develop the governments procurement function a need for a more structured communication on public procurement was recognised (2/2016) among other development areas. The idea presented in the final report was a website containing all relevant information. This and other development ideas were transferred to a new ongoing programme called “Handi” which aims to digitalise procurement. However, a site under the Ministry of Finance’s webpages was established which includes information of the structure of the government’s procurement function, handbooks, and other supporting documentation (VM 2017). As “HANDI” -project progresses, formal communication on public procurement is expected to increase.

Formal Communication on Public Procurement

Formal communication on public procurement is currently mainly based on the operations of the Finnish Counselling Unit for Public Procurement (<http://www.hankinnat.fi/fi>). This counselling unit for public procurement was founded in 2004. The unit, employing five people, operates as a part of the Association of Finnish Local and Regional Authorities. The unit provides information on public procurement issues on their website which keeps visitors up to date on relevant news and contains material packages. The unit’s employees also blog occasionally and a few of them are active on Twitter in discussing procurement issues. The unit additionally publishes a newsletter on relevant procurement issues regularly. Previously the unit offered guidance and information to both, contracting authorities, and economic operators, but nowadays due to high demand, they only

serve contracting authorities. The unit is funded by the affiliation and the Ministry of Economic Affairs and Employment, both provide half of the needed funds. In 2014 the Ministry granted 200 000 € of allocation.

Another state-run entity fulfilling a formal communication mission relating to public procurement is Motiva. Motiva is a focal point for sustainable and innovative public procurement. The organisation's procurement related role is to communicate and provide support to public procurers regarding sustainable and *CleanTech* procurements. On Motiva's website suggestions for comparison criteria are provided through a very practical toolkit and guidelines. Motiva shares success stories by publishing a quarterly newsletter (Motiva 2017). Motiva is on Twitter, but Tweets are mostly on other topics than on procurement issues.

To communicate and provide a networking opportunity for economic operators, there is a procurement network maintained by the Federation of Finnish Enterprises. The network maintains a webpage containing guidance, a procurement glossary and latest news on procurement. The network is mostly based on counselling rather than communicating. The network's procurement specialists also provide training on public procurement issues (Hankinta-asiamies 2016a).

Procurement units also aim to communicate to economic operations. This quantity and means of communication vary significantly. In general, bigger cities do not have a communication strategy on procurement, but smaller cities and municipalities, which see public procurement as mean to drive local economy, put an effort to communicate and have a dialogue with economic operators. An example of an active contracting authority in communicating to local economic operators is the City of Jyväskylä. Additionally, the City of Helsinki has an intranet for their internal communication use.

The state's centralised purchasing body, Hansel, communicates extensively to its clients (all state funded organisations) and to current and potential suppliers. Hansel maintains an extranet for both groups, publishes a newsletter to its customers and maintains a blog which is updated every week by one of Hansel's specialists (Hansel 2016).

The primary instance for appeals on public procurement is the Market Court. The Market Court publishes all rulings on procurement issues on its webpage (Market Court 2017). The published court cases are followed in contracting authorities which further publish summaries of relevant rulings.

Informal communication:

Several of the organisations communicating formally, also communicate informally. Informal communication is focused on two outlets: blogposts and other social media: Facebook, LinkedIn and Twitter.

The main difference between formal and informal communication is that formal communication comes from public organisations and informal communication from the individual level. Though individuals behind active blogs or Twitter accounts often are affiliated to the organisations formally communicating.

The most active blogs on public procurement are Hankintaturisti and Hansel's blog which both publish a new post every week. Topics are practice related and offer varying viewpoints to procurement issues. In general, the writings are not specifically targeted to contracting authorities or economic operators; they are written in a way which is approachable to everyone interested in procurement (Hankintaturisti 2017; Hansel 2017).

In addition to blogposts, newspapers publish pieces of writing which relate to public procurement occasionally. Most typically an article is about an IT or works related contract ending up costing a lot more than initially budgeted based on the tender. Lately also news concerning social and healthcare procurement is often in headlines.

2.2 The UK

Formal Communication on Public Procurement

Unlike in Finland, in the UK, the central government has not delegated the responsibility of formal communication. Given that the means of communication are less extensive. The main outlet for communication is a website, gov.uk, which provides information on practically everything that is legislated from benefits to immigration and all things in between. This website also contains a section specifically on public procurement. This section on public procurement was first published in 2014 and has been regularly updated since. The Cabinet Office and Crown Commercial Service maintain the section. The website contains information and eLearning resources for contracting authorities (Gov.uk 2017). Additionally, links to handbooks on the public procurement directives published in 2014 are provided. The handbooks communicate the changes inflicted by the directive in a concise and practical way. The handbooks are supplemented with a long list of links to handbooks that provide information and guidance on more specific themes such as amendments to contracts during their term, dynamic purchasing systems and the role of SMEs. There is also a PowerPoint presentation on the website (prepared by the Crown Commercial Services) containing information of all the relevant changes of the new directive. The presentation includes 86 slides and is publicly available to download, modify and use (Gov.uk 2017).

In the UK appeals on public procurement are relatively rare compared to other member states. The appeals are handled by the High Court which, similarly to Finnish Market Court, publishes rulings on its webpage. Depending on the value of the contract, the cases are reported on in the media and discussed in social media.

Informal communication:

Similarly, as in Finland, informal communication is focused on two outlets: blogposts and Twitter.

The most frequently updating blog is called “Spendmatters” (spendmatters.com) which aims to provide insight into Spend Management – procurement, supply chain management, purchase to pay and related areas. The website is run by two procurement consultants who also frequently invite guest writings. The covered topics vary as a diverse approach to exploring topics. Spendmatters also maintains an active Twitter account which to date has published more than 10 000 tweets. The account has approximately 5500 followers (Spend Matters 2017).

Other higher profile blogs are: i) Tenders Direct, ii) Telles.eu, and, iii) How to Crack a Nut. Tenders direct is a tender notification service for companies in the UK and Europe. Their blog is designed to bring news and comment on developments in the field of public procurement. Practical and short writings are published approximately a couple times a month (Tenders Direct 2017). The website of Pedro Telles, Telles.eu, includes a blog on public procurement issues, presentations on the matter and a podcast on public procurement. The blog is updated frequently and several podcasts are published every month. The podcast has already reached the audience of approximately 3000 – 4000 regular listeners (Telles.Eu 2017). Similarly, to Telles.eu, the blog of “How to Crack a Nut” is written by an academic expert on public procurement. The blog is about EU law, with a focus on free movement, public procurement, and competition law issues (How to Crack a Nut 2017).

In this section, a few examples of informal communication on public procurement were provided. Already based on this analysis it can be concluded that there is a significant amount of informal communication originating from the UK on public procurement issues.

2.3 Discussion Groups in Social Media

On Facebook, there is an active group called “Public Procurement Specialists in Europe.” The group brings together approximately 450 members from various countries and procurement positions. From all the members, quite a few are active in discussions. The topics vary from relying to a network of colleagues for advice to promoting relevant blogtexts.

Similarly, on LinkedIn there are several groups for procurement professionals. However most of the international groups are not specific to public procurement, as they welcome professionals from both public and the private sector. This highlights the important notion of sharing best practices across sectors of the procurement phases that are not regulated by the public procurement directive.

On LinkedIn, there is a forum for Finnish public procurement professionals. There are 775 members which is a good portion of all professionals of a small country such as Finland. There are discussion openings by several different individuals approximately once a week.

3. Evaluation of the Current Practices and the identification of best practices

This study concludes by discussing the formal and informal communication means presented above.

The examples of formal communication from both countries, Finland and the UK, are quite similar. In Finland, the communication platforms are diverse and there is a significant amount of both formal and informal communication. Formal communication is characterised by the multitude of platforms which at times results in confusion and contradicting messages. Thus, in addition to a procurement strategy, there should be a national communication strategy in place as well. This need has also been recognised by the Finnish government in the context of HANKO project discussed previously. A communication strategy is likely to unify the message of instructions and therefore would increase the impact of communication. A similar lack of a national strategy seems to be the case in the UK as well. However, improvements at the moment are less relevant due to the possibility of Brexit.

In both countries, there is a lot of informal communication on public procurement. Unlike multiple sources and platforms of formal communication, a high amount of informal communication would not necessarily lead to confusion among contractors or suppliers. On the contrary, informal analysis of procurement issues is likely to increase understanding of public procurement and its importance for driving a financially sustainable public sector.

As mentioned in the introductory section of this study, the updated procurement directive 2014/24/EU includes regulations on providing information, i.e. communication on public procurement guiding both contracting authorities and economic operators. Guidance has not been discussed in this study, but it is worth acknowledging that there is a close link between formal communication and the demand for guidance. Better availability of constructive public procurement information will reduce the demand for individual guidance's.

Finland and other member states are already meeting many of the requirements set out in the EU public procurement directive for providing guidance and information. However, a more structured communication strategy could provide benefits beyond meeting the letter of law. A practical example of a best practice is the UK's website containing information on public procurement. The website includes a PowerPoint presentation with all the relevant information on the new EU public procurement directive. The presentation is accessible for everyone to modify and is recognised as an example of a best practice in delivering a uniform message.

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