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Committee on Government Procurement

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ARTICLE IX:6(b) NEGOTIATIONS STUDY OF CERTAIN TYPES OF SERVICE CONTRACTS

MANAGEMENT CONSULTING SERVICES

Addendum

The present working document contains a contribution from Switzerland.

- I. Commercial implications for Code coverage of the service
 - A. Definition of the service sector

Analyses and consultancy on management, organization and planning.

B. Current number and value of contracts awarded

Five to eight contracts each year, with a total value of Sw F 1.0 to Sw F 1.5 million (average for 1982-84).

- II. Questions regarding the procurement of this service by government entities
 - A. What are the procedures used to procure the services, including the criteria used in evaluating and closing bids?

The majority of management consulting services are procured within the administration. The Federal Organizational Agency is specialized to furnish these services and to advise entities in the event that external consultants are needed.

In the initial phase, the entity identifies needs and draws up the statement of requirements. To this end, it can seek co-operation from the Federal Organizational Agency. Invitations to tender are made according to the selective procedure, in general without prior publication of notice of a procurement project.

In evaluating bids, the following criteria are taken into consideration <u>inter alia</u>:

- quality of the bid (response to the problem concerned)
- experience of the consultant
- prior experience in like or related areas
- price.

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B. In the procurement of this service by government, are there problems in defining the origin?

No problems of defining origin have been encountered.

C. Does the procurement of these services typically involve sub-contracting?

In general there is no sub-contracting.

- D. Are there issues or ambiguities concerning the valuation of the service procurement contract, including, inter alia:
 - 1. Is the procurement of the service in some cases not the purchase of a discrete service, but rather a contract for ongoing, possibly open-ended work?

Contracts concern clearly defined tasks and specific objectives. There are no contracts of indeterminate duration.

2. Is the procurement of the service done in some cases through multi-year contracts?

In certain cases, multi-year contracts are possible.

- E. Further characteristics of government procurement of this service, such as:
 - 1. What is the range of typical values of government contracts in this area? Do the bulk of purchases typically exceed a certain value?

Contract values can range between Sw F 10,000 and Sw F 350,000.

2. What is the typical time necessary in the procurement process of this service between invitation to tender and bid deadline?

In general, one to two months.

F. Are there practices that affect foreign access to government contracts in this service area?

Contracts bearing on national security are generally reserved for Swiss undertakings.