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**Interim Committee on Government Procurement**

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QUESTIONNAIRE ON INFORMATION TECHNOLOGY  
IN GOVERNMENT PROCUREMENT

Response by Finland

The attached communication contains the replies from the delegation of Finland to the questionnaire on Information Technology in Government Procurement contained in document GPA/IC/W/4/Rev.1, dated 16 September 1994.

## INFORMATION TECHNOLOGY IN GOVERNMENT PROCUREMENT

### Replies received from Finland

1. Could delegations give a brief description of any steps taken or planned to introduce information technology (electronic commerce) into public procurement? If so, does this cover contracts which are covered under the Agreement presently in force, or under the newly-signed Agreement? At all levels of government? In the event that delegations are not considering introducing information technology into public procurement, could they explain the reasons?

2. What function(s) would information technology serve in such systems and who will be the users?

#### **Answer to questions 1 & 2:**

Information Technology (IT) is in use in several areas of public procurement in Finland. Because of the wide area of applications it is hard to give an overall picture without describing tasks separately. That is why the following division was made.

#### **Use of EDI in public procurement**

Several organizations in the public sector use EDI. About three years ago, a project was established by the Ministry of Traffic and Telecommunication for facilitating and activating the use of EDI in procurement processes.

During the first phase of the project a survey was carried out about the EDI facilities in public sector organizations, the level of EDI infrastructure in Finland, the quality of VAN services, the legal restrictions and other constraints, etc. The survey found that the basic infrastructure is not a problem. In some cases, EDI is already being used but not in procurement processes. It was also noted that there are no major legal restrictions hindering the use of IT in public procurement.

Some pilot projects were also established for testing the use of EDI and for collecting information. Nowadays several public sector organizations use EDI in procurement processes (e.g. municipalities, governmental organizations and companies owned by the government). There are business partners in the public sector as well as among the private sector organizations. The EDI messages used are general messages (INVOICE, ORDERS, QUOTES, etc.) because it was found that there are no big differences in customer-supplier relationships between the public and private sectors.

In many cases, a special EDI contract is made to enable data exchange in EDI format. These contracts are generally based on the European Model EDI Agreement.

Users of these kinds of systems are public organizations as customers and public and private organizations as suppliers.

#### **Use of databases**

There are currently four databases/services in Finland where an organization can get information about public calls for tenders. The basic information in the databases comes from the ECHO/TED database but the services offered by the companies which run the databases vary.

Three service providers are interested in calls for tenders above the threshold value but three of the providers also collect and distribute information about the Finnish calls for tenders below the threshold value. Some service providers also sell a so-called profile service where an interested organization can define the sectors (e.g. healthcare, information technology, etc.) or countries of interest. One database contains also information from the UN/IAPSO database.

One service provider has also established an electronic marketplace where private and public organizations can buy and sell goods.

Users of the databases are mostly private sector organizations acting as suppliers. Public sector organizations mostly provide information about the calls for tenders. All the services and databases can be reached by electronic means.

### **Points of interest in the future**

Certain areas of the use of IT in public procurement seem to interest Finnish public and private organizations. These areas and the tasks planned are as follows:

- Two organizations have expressed their interest in acting as national data entry points in the pilot phase of the SIMAP project.
- Finland participates actively in the work of UN/ECE WP.4/MD12 which develops EDI messages for public procurement processes. The main interest is in data exchange between public sector organizations in Finland and the Commission.
- A database for EDIFACT messages and directories will be established for facilitating the implementation and use of EDIFACT. Message definitions and directories will be available in DIRDEF and ASCII format. The service will also include information about EDI support services like contracts, data transmission services, UN/ECE recommendations, etc. This activity will serve both private and public sector organizations.

### **3. Could delegations describe the technical aspects of the systems in use or planned? In particular as regards infrastructure/hardware-software and its options/standards?**

Most of the solutions are based on the standards developed by ISO or CEN. In the EDI world, everything is based on the EDIFACT standard (ISO 9735) and on the information published by UN/ECE WP.4. The communication between database solutions and users is mostly based on X.25 and X.400 or VT sessions via the public networks. In some cases also Internet based solutions are used. No special terminal software is needed. There is also a solution for sending calls for tenders to the Finnish Official Journal electronically. This solution is based on electronic form but in future the data exchange may happen by means of EDI (EDIFACT).

### **4. Could delegations describe any limitations affecting access to information available in a system? How wide is potential access to interested suppliers? What are the access possibilities for suppliers of other signatory countries? What possible obstacles to access might arise for suppliers in other signatory countries?**

No special limitations exist affecting access to information available because of the solutions based on international data communication standards. That is why Finland is reluctant to adopt any new terminal software which may limit the number of users. Finland strongly supports the use of EDI (EDIFACT).

5. Has any thought been given to the question of interaction between electronic tendering and the obligations concerning publication and time-limits imposed by the Agreement?

The use of information technologies is strongly supported. At the moment the main problem seems to be legislation which does not allow the electronic communication between local authorities and the European Commission. It is quite ridiculous to collect information electronically and to forward the same information to the TED database by sending faxes.

6. For those delegations who use a database which lists government procurement opportunities:

- (i) What is the name of this database?
- (ii) How long has the database been operational and how many suppliers use the database?
- (iii) Is a fee charged to suppliers using this system? If so, how much, and what is included in the fee?
- (iv) Can suppliers obtain tender documentation electronically? If so, how?
- (v) How is information on the database organized?
- (vi) Does the database offer any other features?
- (vii) What is the approximate number of procurement opportunities listed on the database annually?
- (viii) Is the system managed by the government or a private company?

Most of the information required is included in the replies to questions 1 to 5. Some additional information is given below:

- Databases have been operational for less than a year, but this autumn seems to be the real kick-off time of the services.
- The use of databases is based on minute charging or on an annual fee. Special services (like profile services) offered by the providers are usually charged separately. Minute fees vary from ECUs 0.6 to ECU 1 per minute and the annual fee charged by one service provider is about ECUs 1,000.
- The systems are managed by four organizations: one of them is the Official Journal of Finland which also delivers information to the TED database. Others are KT-Datcenter which is the third largest EDP service company in Finland owned by municipal administration, Information Technology Development Center which is a non-profit association operating in the IT area and EEA Marketplace-named organization which is closely linked to the University of Oulu and financed by public organizations.
- At the moment there are a few hundred database users but the number is expected to grow rapidly because, until the last couple of months, the services mentioned were not operating effectively.