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# **Electronic Government Procurement (e-GP) System : A Tool for Public Procurement Reform in Nepal**

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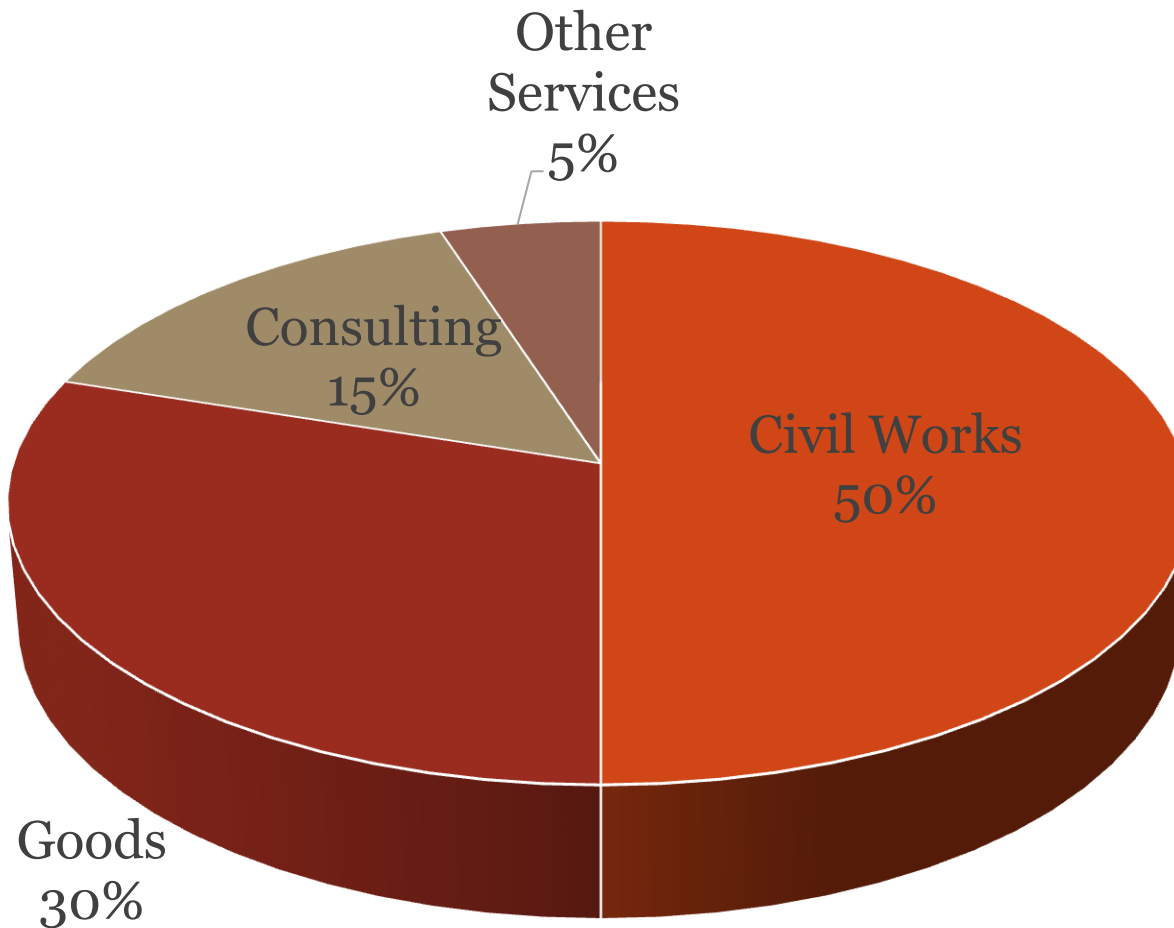
**Public Procurement Monitoring Office (PPMO)**

**Kathmandu, Nepal**

# Importance of Public Procurement in Nepal

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- Around 60 % of the annual national budget has been allocated for public procurement, out of which:



# Issues of Public Procurement in Nepal

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Efficiency, Transparency, Competition and Value for Money information are not available due to lack of consolidated database resulting:



- Quality deterioration



- Time and cost overrun



- Inadequate capital expenditure



- Poor procurement monitoring and poor contract management

# Streamlining of Public Procurement in Nepal

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## **Reform Initiatives taken to minimize the procurement issues:**

- Enactment of Public Procurement Act (PPA), 2007 and Public Procurement Rules (PPR) 2007
- Establishment of Public Procurement Monitoring Office (PPMO) and Public Procurement Review Committee (PPRC)
- Government Policy to use e-GP system
- Amendment in PPA and PPR based on uses and international practices-2017
- Development, implementation and mandatory usage of e-GP system (Phase I and Phase II)

# Legal Provisions for Electronic Procurement

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## ***Public Procurement Act, 2007***

- Public entities may use only electronic system in any or all processes of public procurement.

## ***Public Procurement Rules, 2007***

- Public Procurement Monitoring Office shall install, operate and manage the single portal electronic government procurement system.
- Public entities shall perform procurement transaction through electronic government procurement system.

# Legal Provisions for Electronic Procurement

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## ***Government Decision for Operation e-GP System***

- Government of Nepal made decision for formal operation of electronic government procurement system from 16 July 2017.

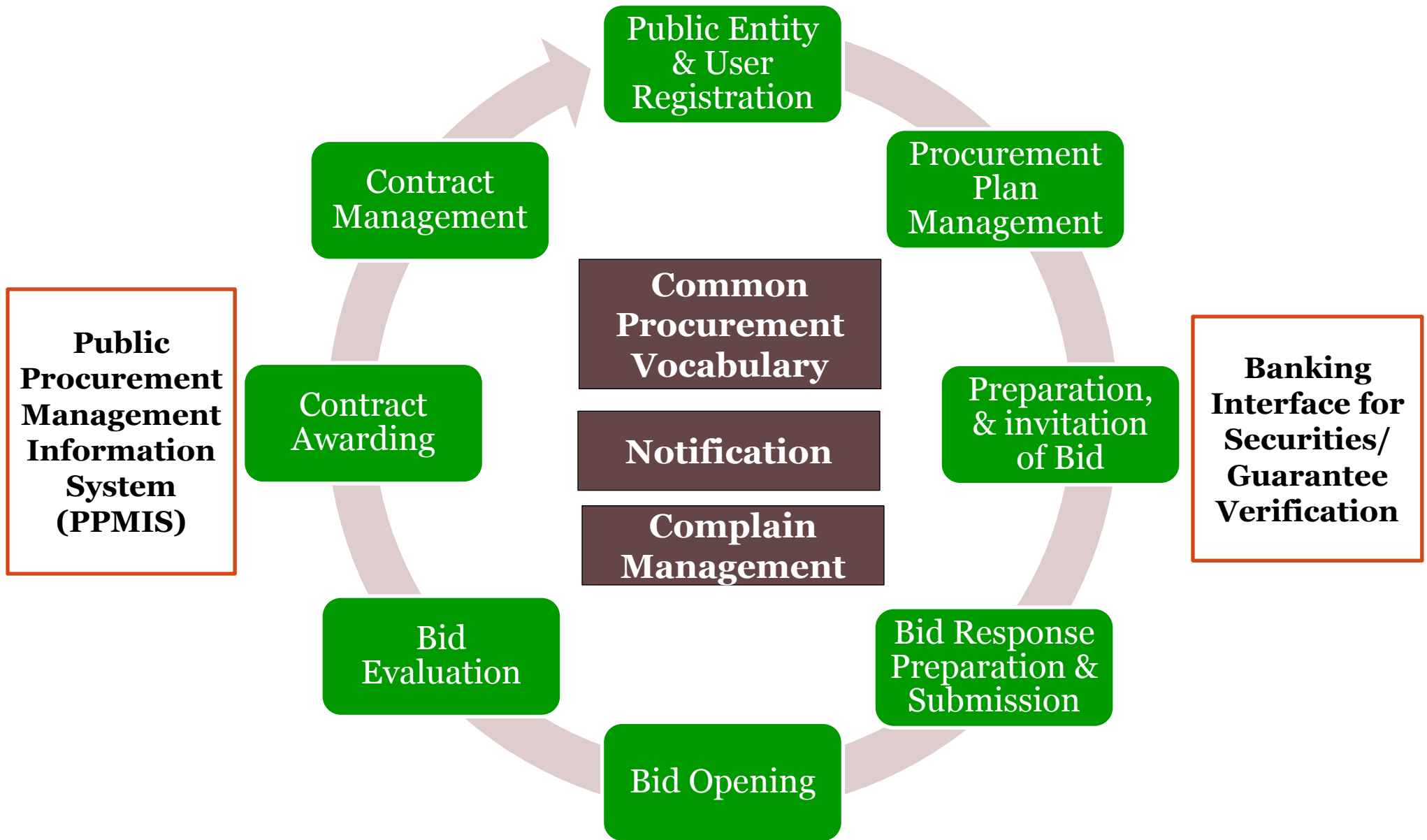
## ***E-GP Operation Directives, 2017***

- Public Procurement Monitoring Office issued e-GP operation directives.
- Mandatory usage of e-GP system only for the procurement:
  - above NPR 20,000,000 (US\$ 200,000) for works
  - above NPR 6,000,000 (US\$ 60,000) for goods
  - above NPR 2,000,000 (US\$ 20,000) for consultancy

# Stakeholders of e-GP System



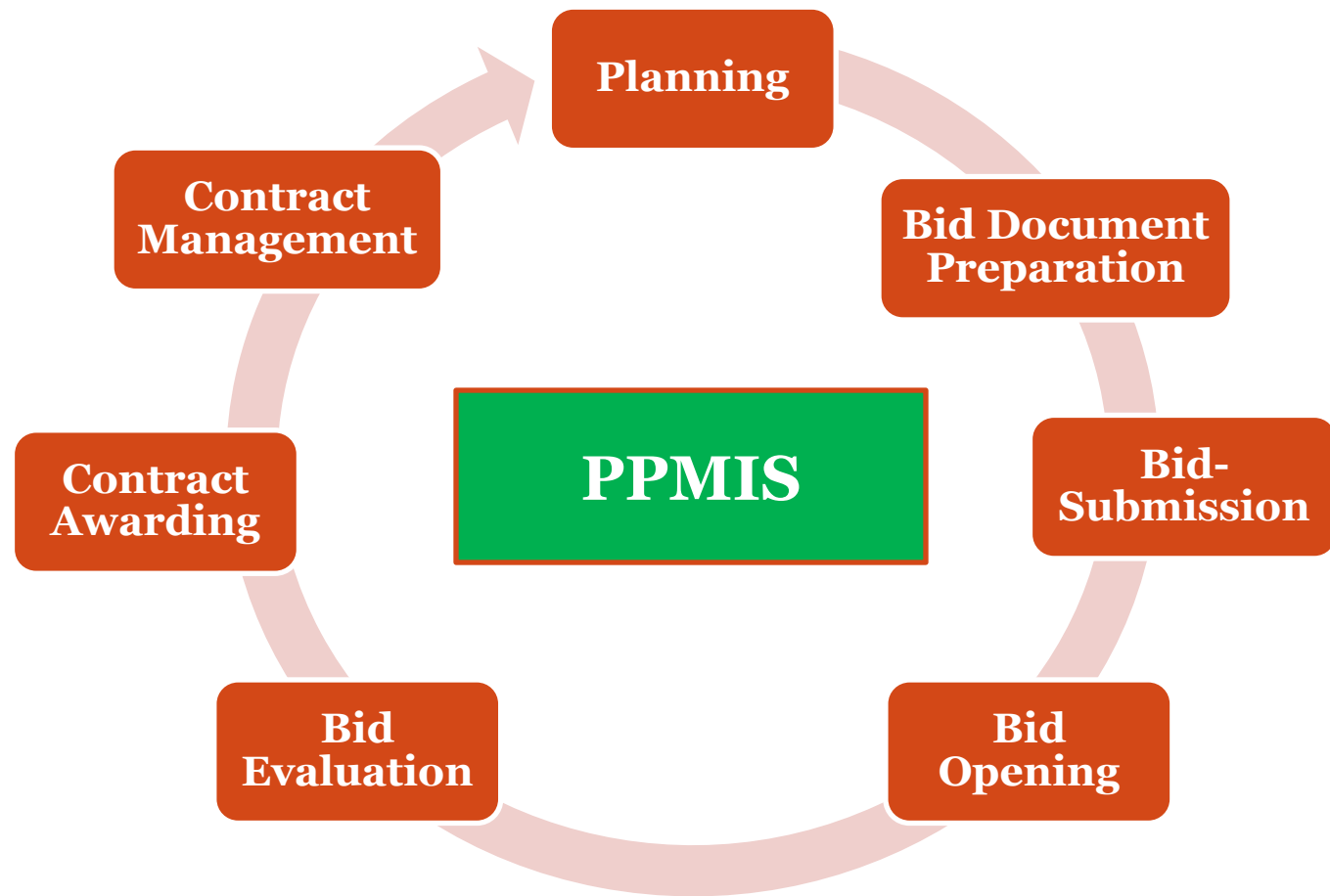
# Functional Coverage of e-GP System





# Public Procurement Monitoring Information System (PPMIS)

- KPI reports
- M&E reports
- Reports for oversight agencies



# Statistics of e-GP System

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## Phase-I

**2500+ Users Trained**

**789 Public Entities  
Registered**

**4747 Bidders Registered**

**24402 Bids Processed**

**127 Bids running**

## Phase-II

**4000+ Users Trained**

**765 Public Entities  
Registered**

**3116 Bidders Registered**

**2003 Bids Processed**

**539 Bids running**

# Benefits achieved so far

Minimized **collusion** and **intimidation** and **improved** transparency

Reduced **turn around time** of procurement cycle & improved **process efficiency**

**Easy access** to national and international bidders in public procurement opportunities

Procurement information (PPMIS) – easy **monitoring & analysis** and effective **decision making**

Improved **regulatory compliance**

**Consolidated database** of bidders' to identify **bid capacity, current contract commitment, past experiences**

# Challenges of e-GP System Implementation

**Awareness and capacity building of large number of stakeholders- Bidders, Public Entities, Banks and citizen**

**Usage of the system for all phases of public procurement**

**Getting data automatically from other systems for bid evaluation**

**Continuous upgrading of infrastructure and application as per international best practices**

**Incorporating State/Local governments in new federal structure**

**Deputation of in-house and outsourced technical staffs and their retention**

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**Thank You**

