



DUTCH PUBLIC
PROCUREMENT
EXPERTISE CENTRE

Public Procurement in the Netherlands

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The playing field

- Public Procurement volume:
 - Government: € 57 billion
 - OESO: € 120 billion
 - Difference: health care and social security services
- Main buying: very decentralized
 - Central government: roads, defense, consultancy
 - Municipalities: social care
 - Provinces: public transport
 - Water boards: facilities to clean water

Department of Economic Affairs

- Responsible for public procurement law
- The law was promised “to solve all problems” in dealing with construction fraud in the early 2000’s
- No interference whatsoever with execution of procurement
- Heavily lobbied by some interest groups (e.g. SME’s)

PIANOO

Literally: Professionalizing Procurement in the Public Sector

- Support organisation (temporary)
- For all government layers (central, local, independents)
- Housed by department of Economic Affairs

Activities:

- Information: Pianodesk, market meetings, publications, PIANOO day (800 people)
- Expertise: opinions, training, guidance, publications
- Electronic tendering: Tendered
- To be extended with some activities in the new law:
 - Guidance documents, complaints

Some general observations (1)

Legalistic approach to procurement:

- NL is bound by EU rules on public procurement
- So are all EU countries
- But nowhere do lawyers dominate the debate as in NL

“If we are not playing well, we blame it on the rules”

Some general observations (2)

Educational backlog:

- No formal education for public procurement professional
- Only formal education for (private) procurement professional is evening study
- Most public organisations only recently (last 10 years) appointed somebody with procurement job title
- At a rather low level
- Usually concerned with facilitary purchases (pens, paper) only: rest is considered to be contracting (not procurement), done by others

Some general observations (3)

Old way of working:

- Always deal with the same (small) set of suppliers
 - You know they are good
 - So you only invite them to bid
- If there is a problem 'we can work it out'
- Only if there is a big problem we will not work with them any more (and they know they will not be invited any more)
 - So you can trust them

This way of working is not formally legal in EU rules,
but in most other cases it is still abundant.