

In-depth analysis of e-procurement in the state of Schleswig-Holstein as a best practice example

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Structure

1. E-procurement in the state of Schleswig- Holstein
2. Role of dataport as an integrated IT service provider
3. Governance of public procurement
4. Structure of the public e-procurement platform
5. Criteria for the cooperation with private sector software providers
6. Technical interfaces with private sector software providers

1. E-procurement in the state of Schleswig- Holstein

1. Overview of the German e-procurement system

Example for a state owned e-procurement platform state level



Facility Management of Schleswig-Holstein

- Central procurement agency of the Federal state of Schleswig-Holstein
- Mandatory use of GMSH's e-procurement platform for all state institutions since 2001
- Platform is provided and operated by the state
- Optional use of the platform by local authorities
- Volume of 400 m €



Schleswig-Holstein: 2.9 m inhabitants; GDP: EUR 97.2 bn in 2020 or EUR 33,400 per capita; budget of 15 bn in 2021

At the workshop in Yerevan on 09 Dec 2021 we provided the example of **GM.SH** as a state-owned e-procurement platform in the state of Schleswig-Holstein. The e-procurement platform of that state is operated by **dataport**. In the following slides we provide more detailed information on **dataport**.

*(The state of Schleswig-Holstein is chosen as a best practice example because of the legal obligation of all state agencies to use **GM.SH** and **dataport** for procurements.)*

2. Role of dataport as an integrated IT service provider



Facts on dataport:

- Integrated IT service provider for six states plus an association of local authorities
- Central IT procurement for the state of Schleswig-Holstein
- Technical provider of e-procurement platform for all tenders of the state of Schleswig-Holstein
- 4th largest public procurement agency in Germany

Some Statistics on Dataport

7 
owners

8 
offices in 6 federal
states

30% 
women in
management

4.000 
employees

900 
mio. Euro turnover

Secure IT infrastructures and services are the basis for digital sovereignty. Citizens and companies entrust sensitive data to the state and its administrative bodies on a daily basis. We protect this data.

As an IT service provider for public administration we stand for IT security without compromise. We test new technologies thoroughly and optimise them for use in public administration.

In collaboration with local authorities and regional governments (Länder) we shape digital change in society. We develop innovative IT services which will simplify administrative procedures for both public authorities and citizens.

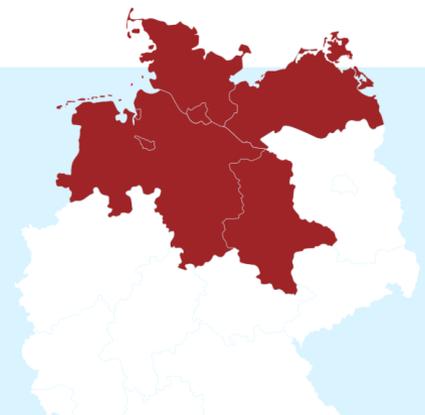
We help making digital transition a success.

„Digital sovereignty implies the state's ability to communicate and act digitally.“

Dr. Johann Bizer
CEO of Dataport

No Limits to Digital Change

We think about digital change comprehensively and cooperatively, for six Länder, one IT association of local authorities, for both regional and local administrations. This is unique. As a public-law institution we are a not-for-profit-body and concentrate on finding the best solution instead.



3. Governance of public procurement

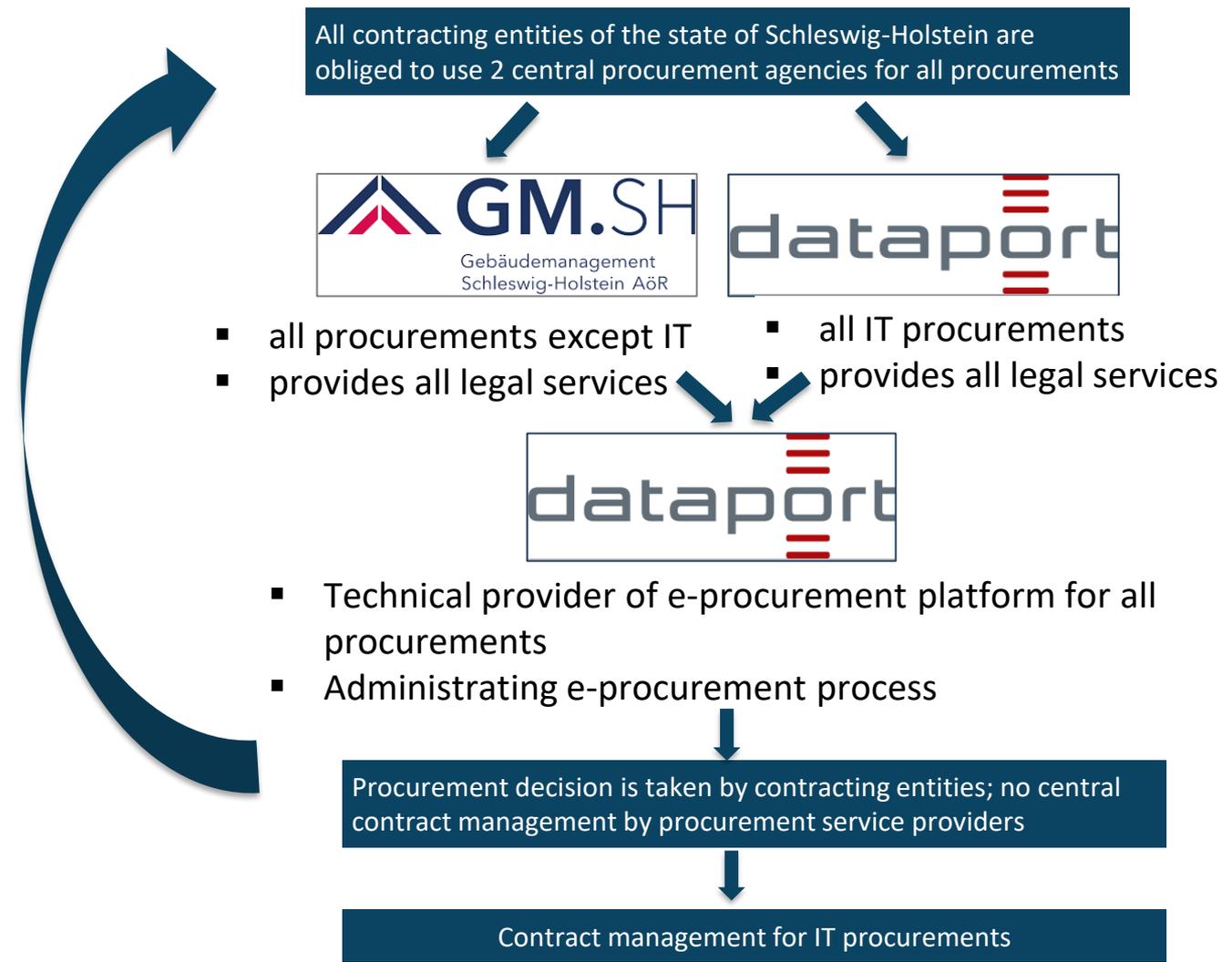
- The current structure of dataport evolved historically; it started as an integrated IT service provider; as such it was appointed as technical service provider for e-procurements (administrator) in the state of Schleswig-Holstein; later it became the central procurement agency for all IT procurements.



- According to European law the contracting authority is legally responsible and liable for the procurement process and must take the final procurement decision itself; this responsibility cannot be delegated and privatised.
- The function of procurement agencies lies in managing the procurement process, guaranteeing the adherence to all legal and technical standards and preparing the procurement decision for the contracting authority.
- For IT procurements, dataport is in charge of the subsequent contract management.

3. Governance of public procurement

- Structure of public procurement in Schleswig-Holstein



4. Structure of the public e-procurement platform

- Dataport maintains and administrates the e-procurement **platform** as a public entity on their **own servers**. *(This is due to the original function as intergrated IT service provider.)*
- The **software system** for e-procurements is provided and administrated by a private sector company, **Healey Hudson**.
- Advantage: dataport is in control of the hardware technology and of data security (servers are located in Germany); less dependance on an international private sector provider, more individual customisation possible.

There are alternatives to that structure

- Other contracting authorities use shared cloud servers or dedicated cloud servers together with private sector software service providers.
- As a matter of principle and market design: German contracting authorities are free to choose their procurement agency and service provider
- Example: KfW working with a completely private sector solution for hardware and software

5. Criteria for the cooperation with private sector software providers

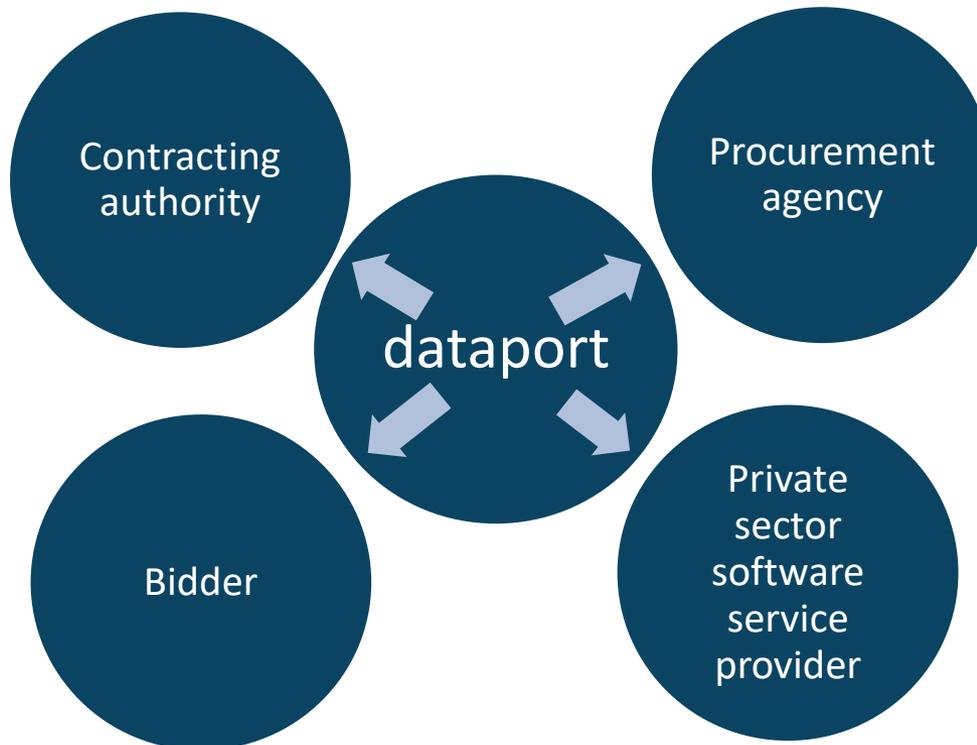
Dataport right now conducts a market survey for changing the software provider on behalf of one of their clients. Criteria for this are:

- Flexibility of tool and surface for procurement agencies and bidders
- Use of client services or web based solutions
- Integration of custom made systems used by the administration (e.g. SAP)
- Digital documentation of the e-procurement process as basis for the final procurement decision of the contracting agency
- Adaptability of the tool for more complex procurement processes like large negotiated procurements
- Communication with bidders
- Applicability of the tool for staff of the procurement agency
- Platform must be configured in a way that all procedural decisions must lie with the procurement agency and not with the tool

6. Technical interfaces with private sector software providers

- One critical aspect in this market survey is the interface of the tool with accounting and billing systems of the contracting authority, for example an integrated solution for SAP.

Major interfaces for dataport as e-procurement platform provider:



About the German Economic Team



Financed by the Federal Ministry for Economic Affairs and Climate Action, the German Economic Team (GET) advises the governments of Moldova, Georgia, Ukraine, Belarus, Kosovo, Armenia and Uzbekistan on economic policy matters. Berlin Economics has been commissioned with the implementation of the consultancy.

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