Sierra Leone Electronic Government Procurement (e-GP) Policy Framework

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Abbreviations

1. APP: Annual Procurement Plan
2. COTS: Commercial Off The Shelf
3. e-GP: e-Government Procurement
4. GoSL: Government of Sierra Leone
5. OCDS: Open Contracting Data Standard
6. PE: Procuring Entity
7. SAAS: Software As A Service
8. IFMIS: Integrated Financial Management Information System
9. NASSIT: National Social Security and Insurance Trust

1 Preamble

The Government of Sierra Leone (GoSL) has taken the initiative to implement an e-Government Procurement (e-GP) system, under the "*Accountable Governance for Basic Service Delivery*" project. The e-GP is a key reform initiative by the GoSL, with the potential to impact all the procurement undertaken by the government. Many years of sustained effort is required to effectively implement this reform. The e-GP project implementation is conceptually divided into three phases:

a) Phase 1 – Strategic planning
b) Phase 2 – eGP software vendor selection
c) Phase 3 – Software implementation.

As of now, the Phase 1 of the project is already completed based on which the GoSL decided to implement the e-GP system in a COTS model and finalized the functional scope of the e-GP system. The Phase 1 of the project happened in 2018. Then, the government activated the phase 2 of the project in which detailed requirement gathering exercise was conducted. After that, the bidding document was finalized and published seeking participation from the IT vendors. A few bids were received in response, which were evaluated in and round July – September 2024. The phase 3 of the project, which deals with the implementation of the e-GP software, will get started immediately after the contract is signed with the selected bidder.

This document explains the policy adopted by the government for the implementation of the e-GP system. The subjects addressed under this policy are:

a) Objectives
b) Implementation model
c) Functional scope of the e-GP system
d) Governance mechanism
e) Legislative framework
f) Change management
g) Process Reengineering
h) IT Security
i) Sustainability plan

2 Project Objectives

The GoSL intends to implement a unified end-to-end e-Government Procurement system to process online the competitive bidding procurement undertaken by the government agencies in Sierra Leone. This system will be used as a shared infrastructure by both budget agencies and state-owned enterprises. Besides the government funded procurement, the system will be extended to cover the procurement funded by the International Financial Institutions.

Rich analytics generated from the e-GP system will be used as input to monitor and evaluate the public procurement activities in the country and for procurement policy development. Since the e-GP system data is transactional in nature, it will be accurate which the NPPA can use for data driven policy decision making. In e-GP, the time taken to complete a procurement cycle will be minimized. Further efficiency gains will be obtained by both government users and vendors, through reduction in the operational costs (e.g., travel and printing). Any interested party can visit the e-GP web portal to view details about the procurement undertaken by the government. Thus, e-GP enables transparency in government procurement. Since the vendors can learn about the government tenders and submit

their bids more easily in an online system, the level of competition for government procurement is expected to increase. Such an increase in competition will result in higher cost savings for the government.

3   Implementation Model

The GoSL has decided to customize and deploy an existing e-GP product (i.e., Commercial Off The Shelf), as against the bespoke implementation or Software As A Service (SAAS) implementation models. Refer below for the key advantages of choosing the product-based implementation model:

a) Commercial Off the Shelf (COTS) software is readymade and can be customized and deployed faster as compared to building the software from the design phase.
b) COTS software is generally stable as it has been tested under different conditions.
c) The initial implementation costs of COTS are lesser as compared to the bespoke software
d) COTS can be customized to suit the country requirements and integrated with the external IT systems in the country, which SAAS systems generally do not support.

4   Functional Scope of the e-GP System

The e-GP system will be designed to handle online the end-to-end procurement flow (i.e., the full procure-to-pay cycle). Refer below for the key functional modules implemented in the e-GP system:

a) Vendor registration
b) Annual Procurement Plan
c) Tendering (tender publication, online bid submission and bid evaluation)
d) Contract management
e) Integration of e-GP system with external IT systems such as the National Revenue Authority, NASSIT, Integrated Financial Management Information System (IFMIS), Corporate Affairs Commission, and banks.

In phase 2 of the project, the functional requirements for the e-GP system were prepared by studying in detail the Public Procurement Act (2016) and its associated Regulations and based on consultations with the key stakeholders. These requirements are conceptually sub-divided into 44 system features, to be implemented in 2 phases:

a) Phase 1: 26 features
b) Phase 2: 18 features

Broadly, phase 1 covers the procurement process until the contract award (i.e., annual procurement plan, vendor registration, tendering and related external IT system integration). The Phase 1 features will be implemented within the first 12 months from the contract signing date after which the Phase 2 features will be implemented. A functional overview of the e-GP system is provided in the figure below.
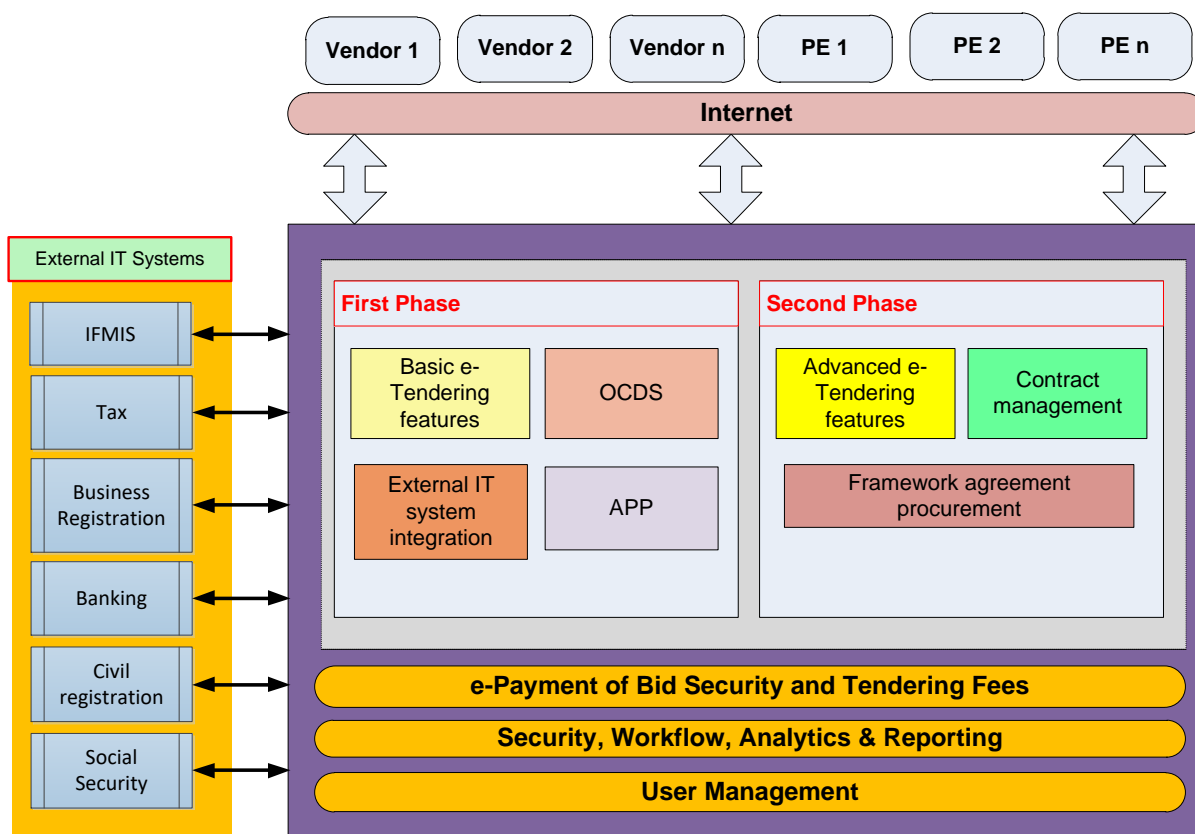
Figure 1: Functional scope of the e-GP system

5   Governance Mechanism

The NPPA Board, under the guidance of the Finance department, will actively monitor and manage the implementation of the e-GP system. All key decisions taken by the Board will be operationalized after they are approved by the Finance department. As required, the Board will constitute a Working Group to provide guidance on the operational and technical aspects of the e-GP system. Refer below for the key roles and responsibilities of the NPPA Board, on all e-GP related matters:

(i)   Issue instructions from time to time, notifying new procuring entities to join the unified e-GP platform.

(ii)   Authorize key expenditure and procurement associated with the implementation of the e-GP system.

(iii)   Review and approve the IT security audit of the e-GP system.

(iv)   Recommend changes to the e-GP rules and regulations.

(v)   Review and monitor project progress at regular intervals and take remedial measures to expedite uptake of the e-GP system across all procuring entities.

(vi)   Approve the User Acceptance Testing (UAT) report and authorize the Go-live.

(vii) Provide directions on all e-GP software vendor related contract management.

(viii) Review and approve the e-GP related business process reengineering implementation.

(ix)   Resolution of disputes among the stakeholders on e-GP related matters.

(x)   Review and approve the sustainability plan for the e-GP system.

(xi)   Any other decisions associated with the implementation of the e-GP system.

6   Legislative Framework

The Public Procurement Act has the following enabling provisions for e-Procurement:

(i) Section 14 (2) (b): *(2) Without prejudice to the generality of subsection (1), it shall be the responsibility of the Authority to—(b) assess the operations of the public procurement processes and submit proposals for the improvement of the processes, including the introduction of information and communications technology, and the development of modalities for appropriate collaboration among procuring entities;*

(ii) Section 28 (2): *The Authority may authorise procuring entities to use other forms of communication, including electronic communication, for publication of invitations to bid, transmission of bidding documents, submission of bids, conclusion of contracts, and payment but any such other means of communication shall be such as can preserve a record of the content of the communication, provide an adequate level of security, and does not unduly restrict bidders' access to the procurement processes and is not inconsistent with this Act or any regulation made under it.*

Also, the GoSL has enacted an electronic transactions bill (2019), which formally recognizes the legal effect of electronic transactions including electronic signatures. The bill has the provisions for issuance of a digital signature. As and when it is available, the e-GP system will allow the suppliers and the procuring entities to digitally sign the transactions processed online in the e-GP system.

An e-GP regulation will need to be prepared, explaining the technology processes corresponding to the manual activities. This regulation will address various issues resulting from the implementation of the e-GP, such as the access control policy, data use policy, data security and privacy policy, platform sustainability policy and platform transparency policy. The enactment of such a policy will enable the government to respond in a standardized manner, to customer complaints resulting from the procurement processed online in the e-GP system.

7   Change Management

Several thousands of procuring entity users and the vendors will need to be trained, convinced and on-boarded into the e-GP system. For this, a large-scale change management effort is required. To enable the change, the GoSL is required to undertake the following key initiatives:

a) Set-up the infrastructure and the process required to provide hands-on training on the e-GP system to several thousands of procuring entity users and vendors.

b) Establish a telephonic help-desk to address the queries raised by the users about the e-GP system.

c) Create awareness and publicity among the end users of the e-GP system and the general population about the e-GP initiative undertaken by the government.

d) Establish a team of experts to professionally guide the end users in using the e-GP platform.

e) The NPPA management needs to establish contact with the senior government officials to allay any concerns they may have in adopting the e-GP system.

f) Develop the systems to proactively obtain feedback from the end users about the challenges in using the e-GP system. Then, make modifications in a timely manner to ensure the availability of a user-friendly e-GP system.

8   Process Reengineering

The implementation of an e-GP platform provides a fantastic opportunity to reengineer processes. Refer below for key process re-engineering opportunities:

   a) Electronic bank guarantee submission
   b) Adoption of unified codification system to classify the procurement
   c) Integration of e-GP with the budget and IFMIS system to ensure budget compliance.
   d) Unified vendor registration.

A separate report on process re-engineering possibilities is prepared. Refer to this report for further details.

9   IT Security

Since e-GP is a transactional system that will be used to process procurement worth hundreds of millions of dollars, it must comply with highest IT security standards. There are many global IT security standards such as:

   a) ISO 27001
   b) Top 10 Open Web Application Security Project
   c) Penetration Testing Execution Standard
   d) Payment Card Industry Data Security Standard
   e) NIST SP 800 – 115 – Information security testing and assessment.

The best practices defined in these standards will need to be consolidated for preparation of an IT security audit guideline. In addition, there are certain e-GP specific security requirements, such as the use of signing and encryption techniques for saving and restoration of the price bids. This guideline thus prepared will be set as a benchmark against which the e-GP system will be verified.

With the implementation of the e-GP system, manual bid submission will be discontinued. In which case, the bid submitted online in the e-GP system will be the original copy of the bid. Since there is not a manual copy of the bid, care needs to be taken to securely save and maintain the data about tender documents and the bids received online and all the associated audit logs. Such a verification should ideally be done by a third-party security audit agency. Besides checking the internal functioning of the e-GP application software, the auditor will need to verify the server-side infrastructure configurations and possibly attempt to hack into the e-GP system using the external penetration testing techniques.

The 3rd party security audit agency selected by the GoSL needs to audit the e-GP system in coordination with the selected e-GP software implementation agency.

10 Transparency with OCDS

Enhanced transparency is a key underlying objective for implementing the e-GP system in GoSL. In the recent years, many countries such as the United Kingdom and Canada have reported the government procurement data in the Open Contracting Data Standard (OCDS) format. The GoSL also intends to make available its procurement data in OCDS format, for all the procurement processed online using the e-GP system. Such a reporting will be fully automated.

11 Performance Monitoring

The implementation of the e-GP system is expected to improve the performance of the public procurement system, which can be measured as follows:

a) Reduction in the average number of visits made by the vendors to the government office
b) Improved perception among the vendors about
   a. Effectiveness of tender advertisements
   b. Ease of accessing tender documents
   c. Ease of bid submission
   d. Effort required to obtain refund of bid security
c) Reduction in the time taken to refund bid security
d) Increase in the average number of bidders which participated in a tender
e) Reduction in the time taken to complete a tendering process
f) Improved ability of the government to obtain accurate spend analytics on the government procurement expenditure (e.g.)
   a. Number of tenders
   b. Number of bids received
   c. Number of cancelled tenders.

Before launch of the e-GP system, the GoSL intends to conduct a baseline study to objectively record information about the status quo. A couple of years after launch of the e-GP system, the same study will be repeated. The results of the repeated study will be compared with that of the baseline study to evaluate the impact the e-GP system has had in improving the public procurement system.

12 Sustainability Plan

The funding required for implementing the e-GP system will be provided under the Accountable Governance for Basic Service Delivery until July 2027. Though the key e-GP system functionality will get implemented by then, it will need to be maintained and further developed. To address this requirement, it is advisable to establish a continuous source of funding to sustain the e-GP system. A few possible revenue sources for sustaining the e-GP system are:

a) Annual vendor registration fee, to be paid by the business using the e-GP system to participate in tenders advertised online.
b) Bid submission fee, to be paid by all the vendors for submitting their bids online in the e-GP system.
c) Contract management fee, to be paid by the selected bidder, as a percentage of the contract value. This fee is paid for using the e-GP software for online bill submission and payment processing.

Besides the financial sustainability, the GoSL needs to acquire the technical expertise required to manage the day-to-day operations of the e-GP system such as routine system administration activities, user management and fix simple bugs in the software. It would be ideal, if the government could develop the expertise to implement add-on features in the existing e-GP system using in-house expertise.