

online to
procurement efficiency



Millstream

Dedicated Portals from Millstream

We are all aware of today's key issues:

- How do we engage with our local suppliers?
- Where can we make savings?
- How do we comply with EU legislation?

myTenders Pro from Millstream, is a proven eProcurement solution for the publication and management of high and low value tender notices and facilitates:

- Reducing your advertising spend
 - publish online and save big press costs
- Simplifying your administration process
 - reduce the time spent on tender administration
- Collaboration with consortium members
 - share knowledge and aggregate buy
- Engagement with your local suppliers
 - simple site registration and clear functions
- Requests for additional documents
 - sent automatically via email to your suppliers
- Compliance with EU regulations
 - clear and concise forms in a wizard format

NORWAY Case Study

MILLSTREAM

4 Albert Street
Aberdeen
AB25 1XQ
United Kingdom

t +44 (0)1224 636999
f +44 (0)1224 636997
info@millstreamassociates.co.uk
www.millstreamassociates.co.uk

Norway together with Iceland and Liechtenstein, is a member of the European Economic Area (EEA). As an EEA member Norway participates in the Single European Market and is obliged to follow the EU regulations on public and utilities sector procurement.

In late 2004, the Norwegian government initiated a procurement process for renewal of the existing tender notification services. It contracted with Millstream to provide an online system, benefiting from the company's experience with similar services for the UK and Irish governments.

"Until July 1 2005, public notices in Norway were published in a paper-based daily gazette," explains André Hoddevik, head of the e-procurement secretariat under the Ministry of Government Administration and Reform. "These included debts and liquidations as well as public contract announcements."

Norway was one of the first European countries to use the internet for procurement, Hoddevik adds, with the gazette's publishing company advertising notices online as early as 1997. In 1999 it became one of the first eSenders to the EU Publication Office, and from 2001 it became mandatory to publish all tender notifications in the national gazette. The actual production of the national gazette had been outsourced to a private company since the 1980s, and the technology used on the early internet versions was derived from the print process.

However the government felt that it could get better value for money. A political drive towards electronic service delivery in general, and the new regulatory environment created by the EU's 2004 procurement directive, both offered the opportunity to discontinue the paper-based system and put the online contract out to tender.

Millstream was already known to the Norwegian government, as both organisations regularly attended public procurement meetings at the European Commission in Luxembourg. Running the **myTenders** e-procurement sites in the UK and Ireland gave it an advantage over its rival Telenor, Norway's largest telecoms company, which would have had to build a new system from scratch. The flexible technology, together with benefits from the scale of operations in Millstream's service delivery, constituted its main advantage over the existing operator KioNor.

The tender was issued at the end of 2004, and Millstream was awarded the five-year contract in July 2005, with the possibility of a three year extension.

The implementation faced some unusual challenges. Scheduled to go live on January 1, the existing operator closed down in mid-December, and the launch date had to be brought forward by two weeks.

It had been anticipated that visitors to the site would want to spend a little time familiarising themselves with it before starting to use it in earnest. But instead there was intense activity from the outset, as staff in government organisations and other public bodies rushed to place notices before the beginning of the Christmas holiday.

A further complication arose when the government decided to postpone implementing the new EU regulations, which were supposed to come into force in January. That meant that Millstream had to change all the forms back to the previous templates at the last minute, leaving no time to carry out proper tests.

"As a result of these last minute changes, when the service went into operation it had not reached the quality standard that either we or Millstream had hoped for. But Millstream handled these unexpected events very well," says Hoddevik.

The difficult circumstances surrounding the launch led to some negative feedback in the early stages. But there is very little of that now, Hoddevik says, and both buyers and suppliers say they like the site's ease of use.



Millstream has been running successful e-tendering portals for the UK and the Irish government for the last five years. The company's myTenders (www.myTenders.org) and eTenders (www.eTenders.gov.ie) websites provide the transparent tendering procedures required by European law. Millstream has capitalised on the success of these earlier portals as well as overcoming the language barrier to create a similar operation for Norway (www.doffin.no).

In Norway the cost of publishing public sector notices has been cut from £2.7 million to £625,000 due to myTenders.

The site publishes tenders for contracts with a value greater than the EU regulatory mandatory threshold. However it also publishes those in the band below the threshold and above £42,000, which according to Norwegian law must be published online as well.

A third, non-mandatory category has recently been introduced for contracts between £8,500 and £42,000 to try to open up some of the lower value contracts to companies, particularly in Norway.

One section of the site is dedicated for public authorities, which unlike those in the UK on the website. It is used by all central and local government authorities, as well as oil, rail and power distribution companies. Some 3000 public authorities are registered in total.

Around 11,000 suppliers are registered, and at least twice that number have logged on at one time or another to see what contracts are available, but without submitting bids.

Developing a new service in a foreign language was a challenge for Millstream, according to managing director Tim Williams.

"At an early stage we translated the **myTenders** site into Norwegian, to demonstrate that it was already a functioning entity," he says. "We then recruited Norwegians to help build the site, and once they got to grips with Norwegian procurement terms, language was no longer an issue."

No less of a concern for Millstream was working in a different regulatory environment. "Norwegian regulations are similar to the EU's, but they have their own below that. However we were able to demonstrate that we had the requisite knowledge," says Williams.

That is confirmed by Hoddevik, who is satisfied with the way Millstream coped with the complexities of unfamiliar regulations. He believes it will prepare the company for handling other similar challenges.

The switch to **myTenders** has already brought significant savings, says Hoddevik. The cost of publishing public sector notices has been slashed from £2.7 million to £625,000, and nearly half of this reduction is directly attributable to **myTenders**.

"It is clearly cost-efficient, and justifies our use of third party professional providers for these kinds of operations".