Main Procurement Challenges, Lessons Learnt & Supplier Survey Results

Kristjan Piirsalu
Head of Procurement,
RB RAIL AS
Procurement Challenges & Lessons

01 Planning

- Continuous improvement
- Must be sufficient
- Need to meet set deadlines
- Balance required not to over-plan
  - Lean vs Agile approach
  - Pre-set templates vs tailor-made document sets
  - Appropriate processes in place
- Strengthen common procurement standard deployment with all implementing bodies

02 Moving to the e-tendering system

- 2017 – Latvian government launches e-tendering system
  - Previously paper based process
- Learning Curve for all - learning the system whilst guiding Suppliers through the various stages
- Better approach
  - Less paper, submission process easier to administer
  - Fairness on submission time
  - Tender Opening simple & transparent – information available online
- NOTE: do not leave anything to the last minute – take sufficient time to submit

03 New Procurement Organisation

- Learning curve for Suppliers
- Communication & Clarity
  - Example: RB Rail met 30 Suppliers prior to launching the DTD procurement exercise
  - Example: Professional management of Q&A
- Requirements & expectations must be clear and understandable
- Checklist for Suppliers – make sure all requested docs are submitted
Procurement Challenges & Lessons

**Improving Market Research**
- *Example*: Procurement exercises without liability capping raise questions
- Ongoing challenge ensuring the most optimum procurement approach
  - Different suppliers & markets
  - Different countries

**High quality procurement**
- Developing and maintaining a high quality procurement practice
  - Average 4-5 proposals per procurement exercise
  - Out of 28 procurement exercises launched in 2017
    - only 2 appeals

**Developing Organisation**
- Developing roles
- Changing responsibilities
- Increasing workload
- Ensuring adherence to legal requirements
- Growing the team
Supplier Survey Results

Total 62 respondents
Area of business

Supply of Materials: 27%
Design: 24%
Construction: 16%
Commercial & Legal Services: 13%
Other: 20%

Size of organisation

LARGE: (250 or more employees) 52%
MEDIUM: (50 to 249 employees) 16%
MICRO and SMALL: (1 to 49 employees) 32%

Participated in RB Rail AS procurement

Yes: 68%
No: 32%
### Overall quality of RB Rail tendering process

<table>
<thead>
<tr>
<th>Quality Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High</td>
<td>9.7%</td>
</tr>
<tr>
<td>High</td>
<td>56.5%</td>
</tr>
<tr>
<td>Average</td>
<td>30.6%</td>
</tr>
<tr>
<td>Below Average</td>
<td>1.6%</td>
</tr>
<tr>
<td>Poor</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Total: 66.2%
Finding information regarding upcoming RB Rail AS procurement exercises

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>68%</td>
<td><a href="http://www.railbaltica.org">www.railbaltica.org</a></td>
</tr>
<tr>
<td>12%</td>
<td>Government e-tendering site</td>
</tr>
<tr>
<td>10%</td>
<td>Rail Baltica Procurement Newsletter</td>
</tr>
<tr>
<td>5%</td>
<td>Tender Electronic Daily (TED)</td>
</tr>
<tr>
<td>5%</td>
<td>Rail Baltica social media accounts</td>
</tr>
</tbody>
</table>
Accessibility of Information & Clarity Regarding Approach

Do you have clarity regarding how to express your interest in any of the upcoming procurement exercises?  

- Yes: 90%  
- No: 10%

Is all the necessary information easily accessible on the website www.railbaltica.org?  

- Yes: 90%  
- No: 10%
Service quality of tender process administration

- Very Good: 25%
- Good: 40%
- Partly Sufficient: 5%
- Sufficient / Average: 20%
- Insufficient: 10%

Rail Baltica
Service quality of technical questions & responses

- Very Good: 20%
- Good: 45%
- Sufficient / Average: 25%
- Partly Sufficient: 5%
- Insufficient: 5%
Quality of procurement documentation

... requirements of procurement & for documentation to be submitted
- Very Good: 35%
- Good: 30%
- Sufficient / Average: 15%
- Partly Sufficient: 15%
- Insufficient: 5%

...technical specifications
- Very Good: 45%
- Good: 20%
- Sufficient / Average: 25%
- Partly Sufficient: 5%
- Insufficient: 5%

...tender results summary and reasoning
- Very Good: 60%
- Good: 20%
- Sufficient / Average: 10%
- Partly Sufficient: 10%
- Insufficient: 0%

...Contract Terms & Conditions
- Very Good: 45%
- Good: 25%
- Sufficient / Average: 20%
- Partly Sufficient: 5%
- Insufficient: 5%
Was there sufficient time allowed for compiling and submitting your application/proposal?

- Reasonable (application & proposal): 60%
- Reasonable for application only: 20%
- Reasonable for proposal only: 5%
- Not sufficient: 15%

Were you able to meet the procurement requirements?

- Yes (application stage only): 15%
- Yes (application & proposal): 15%
- No: 70%
Would you participate in RB Rail procurement exercises in the future?

65% YES
25% Mostly YES
5% Mostly NO
5% NO
10% MAYBE

Were you treated fairly and equally throughout the procurement process?
Please tell us why you have not participated in the RB Rail AS procurement exercises?

There have not been any suitable opportunities

67%

We have not found the information regarding procurement exercises in sufficient time

17%
RB Rail AS is a multi-national joint venture of the Republics of Estonia, Latvia and Lithuania, which has been established to implement Rail Baltica

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Contact us

LinkedIn: @RailBaltica
Facebook: RailBalticaGlobalProject
Email: Info@railbaltica.org
Website: railbaltica.org
Address: K. Valdemara iela 8, 4th floor, Riga, Latvia
Phone: +371 66 967 171
LinkedIn: linkedin.com/company/rb-rail