

Pro-Cure-Ment Malta™

- Unlocking Your Entrepreneurial Potential

- A Business Plan 2020-2022

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Introduction

The past decade has seen an increased focus on the importance of public procurement across all Europe. In fact, at a European level, the field of public procurement is recognised as dynamic, complex, and economically important, representing 16 per cent of the Gross Domestic Product across all the member states.

In synchronisation with this increased focus, the Maltese Public Administration has been working on a reform in public procurement processes, a reform that is still in full swing, with the Department of Contracts—which forms part of the Ministry for Finance and Employment—gradually shifting from an operational mode to a more comprehensive regulatory one.

Having been part of the development of public procurement in Malta for the past 15 years, following this master's degree research was extremely beneficial, a move that helps one to think outside the box, to think from a business perspective, to expand academic knowledge on knowledge-based entrepreneurship, innovation,



strategy, marketing, creativity, finance, people and project management, and market research, amongst other skills. Expanding my perspective as a government employee to incorporate a business point of view was a major driver towards covering such aspects academically and also hands-on through my research, which in essence are the basis of proper procurement.

Market Research

My market research follows an intensive fact-finding mission by the Organisation for Economic Co-operation and Development (OECD) in which I had played an active role on behalf of the Department of Contracts. The mission was carried out in Malta in 2018. This is one of the few, if not the only, published studies which directly analyses public procurement in Malta, delving into detail on the workforce and the actual processes.

My research amplified the hypothesis that training and professionalisation in the area is indeed required. My hypothesis focuses not only on the need,



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but mostly how much the government’s “clients” actually wanted to partake in continuous development in public procurement.

At the time, OECD found that there are some 170 contracting authorities across all ministries within the public administration whose main function is public procurement (OECD, 2019). Furthermore, there are around 430 officers in total deployed in public procurement in Malta as at October 2018 (OECD, 2019, p. 33). This translates to a mere 0.3 per cent of the public administration workforce. However, this relatively small portion of the workforce has to cater for the procurement requirements of over 40,000 officers

On the other hand, registered users as economic operators on the electronic Public Procurement System (ePPS), the national platform for electronic tendering, topped the 7,000 mark.¹ This figure represents sole traders, companies, joint ventures, and consortia, and also include multiple users within the same enterprise. The increase in both local and foreign economic operators is quite optimistic in terms of people in the private sector’s involvement in tendering in Maltese calls for offers.

The need for training in the area is very clear. Such focus will help unlock the entrepreneurial potential of government employees through specific procedures such as the Competitive Dialogue and Innovation Partnership and the need to exploit the private sector’s ideas through them. The EU Commission has emphasised the importance of professionalisation through its Commission Recommendation (EU) 2017/1805 of 3 October 2017 on the professionalisation of public procurement—thereby building an architecture for the professionalisation of public procurement (European Commission, 2017).

1 Source: I.T. Unit, Department of Contracts, Malta, May 2019.

Expectedly, there is still scepticism on how entrepreneurship and public procurement can complement each other, the latter facing the heavy stigma of being characterised by bureaucratic processes that create barriers, particularly to small and medium enterprises (SMEs). It is hoped that through following up the research carried out, the professionalisation of public procurement is achieved in the coming years.

Main Highlights of Research

The main goal of the research was to explore if there is a business opportunity for the Government of Malta in relation to training and consultancy in this niche area. The research also sought to collate the financial basis and requirements to set up a government-owned private limited liability company focusing solely on training and consultancy in public procurement.

The brand created for the purpose of this thesis, named Pro-Cure-Ment Malta™, portrayed a vision seeking to stimulate innovation and entrepreneurship through the professionalisation of public procurement in Malta. The brand tagline encapsulated the aim to unlock entrepreneurial potential and provide its prospective participants with a professional cure through mentoring in public procurement.

A complete three-year business plan, including relative cashflows for the years 2020-2022, was presented through the form of an elevator pitch to a panel of experts. The business proposal was accepted and, hence, one can safely state that not only the market is ripe for this business opportunity but, most importantly, it amplified the need for the government

to invest in its public buyers and economic operators' training and continuous development in public procurement.

Research Methodology

Two research methodologies were utilised to collect primary data, namely surveys and in-depth face-to-face interviews with key government stakeholders in the area.

Quantitative Sampling

The gathering of quantitative data was performed by disseminating two different surveys: one amongst public procurers (defined as the internal market) and the other amongst economic operators (defined as the external market). The surveys aimed at establishing a general profile of the sample and the prospective sizes of both markets. Additionally, the questions were designed to gather participants' knowledge and rating of the existing training opportunities whilst also collecting general opinions, interests, and preferences on proposed initiatives. A stratified random sampling method of research was utilised.

After obtaining necessary permissions, both surveys were sent via a manual notification on the electronic tendering platform. The platform provided the ideal dissemination channel in order to optimise the reach of all individuals involved in public procurement in Malta and registered on the electronic Public Procurement System (ePPS) since 2011. Participation in the survey was anonymous and on a voluntary basis.



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At the time of the dissemination of surveys, the sample size combined was that of around 17,600 registered accounts on the ePPS between entities, individual users, and contracting authority users. Of these, 7,020 were registered economic operators, including joint ventures, consortia, companies, and sole traders. The rest were government entities and officials. The total quoted of 17,600 also included dormant users and deactivated accounts.²

The response was overwhelming, with 430 surveys being answered by contracting authorities and economic operators.

281 respondents were from governmental contracting authorities. Considering that, as already mentioned, there were around 430 officers at the time working solely in public procurement across the public administration, the response was very encouraging as one can deem that this was a representative sample of 65 per cent.

The response by economic operators was positive as well, with 149 responses. Due to the anonymity of the surveys, it was not possible to identify whether the responses all stem from individual economic operators.

The good response highlights the importance for the government to invest in the professionalisation of public procurement and also the yearning by its clients to expand their knowledge and opportunities.

Qualitative Interviews

In addition to the surveys, in-depth interviews with three selected key players in public procurement within the Maltese Public Administration were carried out. These were required to discuss in greater detail the public procurers survey outcomes and obtain an additional qualitative insight. The importance of having focused professional training and consultancy in the area provided by the government was expressed by all three interviewees. The need for continuous professional development and constant policy updates via networking was also frequently mentioned.

² Source: I.T. Unit, Department of Contracts, Malta, May 2019.



Results

Overall, the primary research yielded a positive response by the markets explored.

The surveys' data points were structured in a sequential thought pattern and divided into six aspects for analysis:

1. Demographics – specific to the respondents' procurement experience and qualifications
2. Ratings on the current opportunities, the level of training, and of professionalism in public procurement
3. Frequency and preferences on training deliveries in structure
4. Actual training content and expected outcomes
5. Marketing method preferences
6. Open-ended qualitative response

A very interesting result in this research regarded the preferred method of training, with the response reflecting a more conservative method of learning. Both markets indicated a major preference for face-to-face learning experiences. The external market was more open to distance learning and thus to blended learning methods.

Specific interest was also registered by most participants in more in-depth training on regulations and the legal aspect of procurement, the pre-contract phase, and the implementation/post-contracts.

The open-ended responses in the surveys, together with the in-depth interviews, provided for an additional qualitative response by the participants aiming to establish a general knowledge on what is actually understood by "professionalisation". The definition of professionalisation was captured by a





specific reply which stated that,

“ ... professionalisation of public procurement is the training and career management of public procurement practitioners and to provide tools to make the procurement process more efficient, transparent and fair”.

Essentially, this is one of the tangible drivers of attraction for both markets. On the other hand, an economic operator summed up in one sentence the gist of the aim of the research by stating that training

“ ... is a platform of knowledge with the potential of growth for the individual—regardless if you are working in private or public sector—employed or self-employed”.

The preferences and replies analysed enabled the creation of a proposed tailor-made training programme based on the EU Competency Framework. The training benefits span different levels for public procurers and economic operators alike, regardless of whether the participants embark on the training programme on an individual basis or are sponsored by their respective organisation. Moreover, the proposed consultancy services packages focusing on the organisation level aim to contribute for added value at a horizontal level.

The research also indicated that targeting an organisation through a skills profiling exercise will enable to identify its weaknesses and emphasise the sectors where training is essential.

Recommendations

Whichever route the government embarks upon, whether a business-oriented approach or not, training



The government should also invest in creating tailor-made training packages

and consultancy services in public procurement need to be channelled and based on two main pillars identified in the EU Competency Framework at an EU level.

Very broadly, the pillars must be defined as “procurement-specific” and “professional”, and further sub-divided into six clusters covering a total of thirty competency measures. The clusters defined as “procurement-specific” should comprise pre-publication, post-award, and horizontal, while self, people, and Performance measures comprise the “professional” clusters. All of these metrics should be expanded into four proficiency levels at a gradation of 1, 2, 3, and 4, and assessment of competency, skills, and knowledge level can be assessed.

The government should also invest in creating tailor-made training packages for public procurers and the same framework should be tailor-made to cater for the private sector.

The delivery of the courses themselves should have an innovative approach both in terms of logistics and be available through a blended learning mechanism. So far, this method of training has never been utilised locally for public procurement training initiatives. The approach towards the logistic arrangements of the courses should also aim to allow the participants to explore the core of government entities such as the Esplora Interactive Science Centre, Wasteserv,

Enemalta, and the LifeSciences Park amongst others. This collaboration to utilise the training facilities within such entities will provide an added element of understanding of how government entities work as well as their internal procurement processes, sharing of best practices, positive experiences, and even respective concerns.

The research also spearheaded the development of a Quality Label in Public Procurement in line with the training modules or consultancy services embarked upon. This could be an opportunity for the government to further standardise and upscale professionalisation in the area.

All information and services offered related to the courses, including timetable of events of upcoming activities, resources, customer care facilities, and the application and payment of courses should be available through the creation of a website portal. The portal should also cater for the registering of interest in consultancy services in relation to public procurement.

All intellectual property rights arising from the branding, training course structure and material, and any ancillary reports/services should remain the sole property of the Government of Malta. This also entails that all necessary registrations with respect to trademarks of the product/services are to be sought.



Conclusion

This research gave me the extensive knowledge required to take part in 2020 in a pilot project establishing a Recognition for Prior Learning (RPL) in Public Procurement on behalf of the Department of Contracts, in collaboration with the Institute for Public Service (IPS). The project, launched through IPS Circular 6/2020, utilised the European Competency Framework as its basis, the same utilised for my thesis training packages.

This ongoing project gives us the opportunity to enable officers in public procurement to have their experience validated and the skills gaps identified supplemented through training. This may in turn enhance career progression.

This thesis has highlighted the need for further continuous development in the area of public procurement. Those officers seeking to make progress in their career in this niche are those who are most likely to have utilised my survey, with 32 questions in total, to voice what they actually feel is missing in our training programmes. The

feedback obtained from economic operators is also of value to me. Besides obviously fulfilling the requirements of my master's degree thesis, both contracting authorities and economic operators' opinions, comments, and interest in the government's initiatives encourage us all—in collaboration with the Institute for Public Service (IPS) - to pursue public procurement development through various training programmes. Our efforts are channelled towards improving the current ones, organising ad hoc tailor-made courses and creating new ones.



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