

# Cross-sectional audit of status and development of contract management and procurement controlling Federal Office for Buildings and Logistics

## Key facts

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In this report, the Swiss Federal Audit Office (SFAO) audited the implementation of its recommendations in the areas of federal procurement and controlling.<sup>1</sup> At the same time and for the attention of the Finance Delegation (FinDel), the status and development of FinDel's recommendations were examined. They cover very similar and related topics and are included in the 2017 FinDel activity report of 13 March 2018.

### **Procurement: Strategy and harmonised processes in preparation**

In its first recommendation, FinDel calls on the Federal Council (FC) to adopt an overarching "federal procurement strategy" "at the latest by the time the totally revised Federal Act on Public Procurement (PPA) comes into force". The Federal Procurement Conference (FPC) is responsible for its implementation. The totally revised PPA is currently being discussed by Parliament and it is uncertain when this will be completed.

In its second recommendation, FinDel calls on the FC to transform the existing procurement processes within the Federal Administration into standard processes applicable nationwide. In future, the entire procurement process is to be covered by a mandatory procurement management system. The FC agrees with this recommendation and has instructed the Federal Office for Buildings and Logistics (FOBL) to implement it. The award management module of the "Teamwork Solution VM" software, which is licensed throughout the Confederation, represents the pioneer of a standardised, systemically mapped procurement process. The award management has already been tested in a pilot project and, at the time of the audit, was used only by the Federal Department of Economic Affairs, Education and Research (EAER). Despite expressions of interest from other departments, the FOBL has not rolled out award management further since the 2015 pilot project. With regard to the SUPERB23<sup>2</sup> programme, there are concerns about the economic viability of further implementation of award management. As part of the SUPERB23 programme, under the direction of the FOBL, the possibility of replacing the federal contract management IT application is being investigated in 2019. The further implementation of the award management module will depend on these results.

The SFAO recommends making a systemic approach to award management accessible across the entire Federal Administration in future solutions.

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<sup>1</sup> The following audits are concerned: 15610 (General Secretariat of the Federal Department of Finance), 14373 and 15318 (Federal Office for Buildings and Logistics) and 14374 (Federal Roads Office).

<sup>2</sup> For further information: [https://www.isb.admin.ch/isb/de/home/themen/programme\\_projekte/projekt-superb23.html](https://www.isb.admin.ch/isb/de/home/themen/programme_projekte/projekt-superb23.html)

### **Procurement controlling: A central master data management system is in preparation**

In its third recommendation, FinDel calls on the FC to start preparations for a joint master data management system for the Federal Administration. The FC agrees with this recommendation. The General Secretariat of the Federal Department of Finance (GS-FDF) is responsible for its implementation. With the FC's "Strategy for the expansion of the Confederation's joint master data management system" proposal, the FDF is complying with FinDel's recommendation. The FC's proposal was considered and approved in December 2018.

In its fourth recommendation, FinDel calls on the FC to prepare, approve and publish the annual report on procurement controlling (reporting set) from 2018 onwards in a form appropriate to the level of financial supervision. The FC partially agrees with this recommendation. The 2018 reporting set (for 2017) was restructured and will be published as of 2019 (for 2018). The FC declined to approve the reporting.

In its fifth recommendation, FinDel calls on the FC to ensure that the three major central procurement agencies of the Confederation publish a joint annual report in future. The FC agrees with this recommendation. Publication will begin in 2019.

### **Contract management: Current project incorporates important changes**

The Ordinance on the Organisation of Federal Public Procurement (OPPO) contains requirements which have not yet been covered, or only partially, by the administrative units. The FOBL therefore implemented the requirements within the framework of the OPPO compliance project, which ran from September 2016 to March 2019, and introduced new mandatory input fields in the federal contract management IT application. As of 1 January 2019, it was mandatory for the administrative units to complete these input fields. One of these new mandatory fields asks the question "Has the right to price review and inspection been included in the contract?". It is not mandatory to complete this field with "Yes" if the conditions regarding the right to price review and inspection are met (services exceeding or equal to CHF 1 million that were awarded without competition). The SFAO recommends that this be required as a "must" under the relevant conditions.

### **Status of implementation of SFAO's recommendations**

The SFAO examined the implementation and status of twenty of its recommendations<sup>3</sup>, four of which are Prio-A. Three of these were assessed as implemented or completed. One of these recommendations is only partially implemented because the delegation of procurement powers was newly regulated with the revision of the OPPO, but the SFAO lacked the important evidence and controls required by the ordinance at the time of the audit. According to the FOBL, a corresponding report by the FPC is currently being drafted.

**Original text in German**

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<sup>3</sup> More detailed information on all the recommendations is given in Annex 1.