

## The Development Gateway

The Development Gateway is a not-for-profit organization based in Washington DC. Its mission is to be an enabler of development. We help improve people's lives in developing countries by building partnerships and information systems that provide access to knowledge for development.

The Development Gateway's Founding Members are Australia, China, Germany, India, Italy, Japan, Republic of Korea, Mali, Pakistan, Rwanda, and the World Bank Group.

The Development Gateway is engaged in a range of practical programs and projects in e-governance with the aim of improving public sector transparency with the following services:

**Strategy Assessment:**

Assist governments in developing a roadmap for organizational, process, and technology improvements.

**Process Improvement:**

Identify areas of improvement in the public procurement process to increase efficiency.

**Technology Solutions:**

Provide sector specific knowledge including requirement definition, analysis of solutions, and vendor evaluation.

The Development Gateway intends to assist policy makers in identifying high impact, low cost and low risk strategies towards maximizing the return on investment of their e-procurement implementations. Towards this end, the Development Gateway provides e-procurement **products** and **services** to assist countries in implementing their e-procurement programs.

## dgMarket – a Turnkey e-Procurement Solution

### Introduction

dgMarket, an e-procurement solution developed by the Development Gateway Foundation, is an electronic marketplace for government procurement information such as tender notices, contract awards, bidding documents, etc.

The main objectives of dgMarket are:

- ✓ to contribute to increased transparency and efficiency in government procurement in developing countries by providing a state-of-the-art e-procurement solution to interested government purchasing agencies;
- ✓ to set a practical model for transparent and efficient government tendering; and
- ✓ to enable suppliers from developing and industrial countries to learn about procurement opportunities elsewhere.

The benefits of implementing dgMarket are two-fold:

- ✓ It enables countries or sub-national agencies to adopt quickly a state-of-the-art e-tendering system, and accelerates the cost savings from more transparent and efficient government contracting, while saving governments or local private sector partners 80-90% of the initial costs of a state-of-the-art e-tendering system.
- ✓ It enables suppliers from participating countries to get ready access to information about business opportunities from government tendering worldwide. These benefits accrue

mostly to SMEs in participating countries. Close to one-third of global government contracting is already integrated into dgMarket.

## **dgMarket Fact Sheet:**

With dgMarket, you can:

- ✓ Access more than 30,000 tender notices
- ✓ View summaries in English, French, German, Indonesian, Italian, Japanese, Portuguese, Romanian, Russian, Spanish, and Turkish, etc.
- ✓ View tender notices for projects funded by the World Bank Group, other multilateral development banks, the European Union and national tenders from a rapidly growing number of countries.
- ✓ View all larger government tenders of EU member states and soon many other countries.
- ✓ Post procurement information for an international audience of suppliers.
- ✓ Receive free email alerts on tender opportunities that fit your business profile.

## **Features**

The features of dgMarket are similar to leading government tender information systems, such as the EU's Tenders Electronic Daily system or the US' Fedbizopps system, and include support for:

### **Publication and disclosure:**

- ✓ publication of tender notices and information on contract awards;
- ✓ electronic publication of bidding documents and/or other files such as clarifications and amendments to bidding documents;
- ✓ direct entry by purchasers; workflow associated with differentiated user roles;

### **Supplier management:**

- ✓ supplier directory management ;
- ✓ targeted e-mail alerts for suppliers; sophisticated, thesaurus-based search features;
- ✓ rapid retrieval of complex queries through extensive pre-caching;

### **Data standardization and exchange:**

- ✓ use of standard terminologies ("common procurement vocabulary")
- ✓ data exchange with other tender information systems;
- ✓ hosting of separately branded national e-tendering systems;

### **Multilingualism**

- ✓ multiple language capabilities (currently more than 15 language versions);
- ✓ automatic translation of notice summaries into all other languages;

### **Security, payments and user management**

- ✓ high level security and encryption as required;
- ✓ personalization for different groups of users;

### **Technology and licensing:**

dgMarket is implemented as a data-base driven Web service with an open-source Web layer and business logic that is available to partners under a free open-source license (LGPL). The database is Oracle 9i. The dgMarket system permits easy creation of separately branded and designed versions for a particular country or agency in a matter of weeks.

The Web layer and business logic of dgMarket is implemented in Java (J2EE) with a Model-View-Controller (MVC) architecture and relies on J2EE standards and open-source components, including Web and application servers (Tomcat, JBoss), Web application framework (Struts, Tiles), object-to-relational mapping (Hibernate), development tools (Ant, Eclipse), etc.

### **The open source advantage:**

dgMarket is available to partners under a free open source license. This means that the dgMarket source code is available for modification and customization. Partners implementing dgMarket have access to a growing network of end users and developers whose ideas can be incorporated into their own versions of dgMarket for free. This assurance that the software could be maintained independent of the supplier, the elimination of worries about per-user licenses and forced upgrades, and the stability and quality of the software, all make the open source option an attractive one for dgMarket partners.

## **National implementation**

The experience of large scale e-government projects, particularly e-procurement projects have shown that an incremental/piloting approach with feasible objectives and quick, scalable outcomes; along with the participatory involvement of all stakeholders, lead to designs that meet real user needs.

Fortunately, e-procurement systems lend themselves to a **phased implementation**. They can start small, evolve gradually, and accrue early benefits. A long term strategy for e-procurement implementation should recognize that a large part of benefits can be achieved with modest investments, and limited legal and regulatory changes.

The largest benefits accrue from introducing or improving **competitive and open tendering procedures**, through better disclosure, publicity and transparency through a "first-stage" e-tendering system, such as dgMarket. This can reduce government procurement costs substantially. Automating all steps in government procurement (e.g., electronic bid submission, post-award contract management, etc.) is far more complex, and savings are smaller.

### **Low-cost, customized solutions**

Purchasing agencies have different objectives and requirements. Recognizing this, dgMarket offers three solutions:

#### **Solution I: Government agencies publish notices and contract awards on dgMarket**

By signing on as a dgMarket partner, Governments agencies can jump start their e-tendering process almost immediately, with no investment and at virtually no risk. The partnership allows government agencies to publish tenders and contract awards through the dgMarket.com website, and to tap into a global supplier base of companies and consultants.

This preliminary level of engagement is intended to help governments and policy makers to 'test waters' and familiarize themselves with the system before moving on to further stages of the implementation process.

Examples of Stage I dgMarket partners include the China State Environmental Protection Administration, Dominican Ministry of Education, Indonesian Ministry of Finance, Tanzania Central Tender Board, etc.

### **Implementation steps**

1. Registration on the dgMarket.com website to become a partner.
2. Assignment of roles and user permissions, enabling agencies to enter tender notices directly via a Web interface.
3. dgMarket works with the country implementation team to create local language version of dgMarket (dgMarket currently supports 15 languages).

There is no charge associated with the implementation and partners can start using the dgMarket system to post notices almost immediately. Translations, if needed, are done by the national partner.

### **Solution II: dgMarket hosting services**

Governments, individual agencies, or private partners can make use of dgMarket's easy customization and configuration features to create a separately branded and designed procurement Website that can be incorporated seamlessly into an existing Website, such as a government or ministry portal, but are hosted on dgMarket servers. Examples of locally branded hosted installations include Turkey's [www.dunyahale.com](http://www.dunyahale.com), and the World Bank procurement website <http://procurement.worldbank.org>.

### **Implementation timelines, effort and compensation:**

The dgMarket team working in cooperation with the procurement agency. It takes between one to three weeks to create a separately branded website.

### **Set up charge:**

This includes Software Setup and Configuration, Design Customization, Training and Technical Support. The fixed set up and configuration charge of US\$ 5,000 covers all costs, if an already existing design (e.g., government portal) can be used. Additional customization, training and technical support will be billed separately.

### **Usage charge:**

The cost of operating the national dgMarket service can be recovered either from suppliers through subscription fees or, if the government wishes to make national tender information available for free to suppliers, from service fees.

In the former case, the subscription price for suppliers will be \$250 per year for access to national notices and \$500 per year for the combined national and global service. Downloading of full bidding documents will be charged at \$10-50 per set. dgMarket offers on-line credit card billing, other payment forms would have to be managed by the local partner. The fee for national tender *notices* could be waived, if governments commit to publish all bidding documents on dgMarket.

Alternatively, governments could make tender notices *and* bidding documents freely available to suppliers and will be charged by volume of notices and bidding documents uploaded, at the rate of

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\$10 per notice and \$100 per set of bidding documents. A minimum charge for hosting, maintenance, and telephone technical support would also apply.

### **Solution III: Local installations of dgMarket.**

These installations of dgMarket are hosted and operated by the national partner. The installation can be fully customized to local conditions, and the purchasing agency has complete control over the software (the software is open source) with full freedom to modify the code and integrate dgMarkets with other solutions (for example: on-line bid submissions and clarifications modules, payment processing systems and other existing back office systems). A database license is also necessary for this solution (Oracle 9i).

In this configuration, partners have obligations towards data exchange (of notice/contract information from regional installation to dgMarket.com), releasing any modifications to the source code to the public domain (dgMarket application software is open-source and licensed under the LGPL-Lesser General Public License).

### **Implementation timelines, effort and compensation:**

The dgMarket technical team provides consulting services towards installation, customization and integration of dgMarket into the local environment. The effort requires onsite and offsite installation and configuration effort by the dgMarket team. The dgMarket software is available free of charge. The other charges involved are:

#### **Project planning stage:**

The dgMarket team will:

- ✓ Perform a detailed requirement analysis, gap analysis and provide functional specifications and project implementation plans.
- ✓ Identify local partners for implementation (local partners could be government agencies or private sector companies).
- ✓ Carry out technical and end user training sessions for local partners.

Actual time for the project planning stage will vary by country and the extent of customization involved. Overall project length is expected to be between 6 and 12 weeks. The project planning The team shall comprise technical consultants from dgMarket, local partners and the officials from the purchasing agency. The compensation for the Project Planning Stage is a negotiated fixed price and is expected to be between \$50,000-100,000.

**Set up Charge:** Towards on site installation, customization, setting up data exchange procedures, and technical end user support during the set up. There is a fixed charge of \$50,000 for set-up. Additional implementation effort towards design modification and customization would be billed separately.

**Maintenance and Support:** dgMarket provides free upgrades and fixes to the dgMarket base platform only. Support to customized local installations of dgMarket will be billed separately.

## **Development Gateway e-procurement consulting services:**

The Development Gateway in collaboration with country purchasing agencies carries out assessment and feasibility studies of the country's e-procurement program. This feasibility study is open and equitable and undertaken in consultations key stakeholders in the government. The tasks in this study involve-

- ✓ Prioritizing potential e-procurement benefits according to national priority, developmental impact, and potential impact on government effectiveness;
- ✓ Analysis of the processes, workflow and human resource implications of the program including a preliminary analysis of costs and benefits;
- ✓ Providing preliminary specifications for an e-procurement implementation model
- ✓ If necessary, developing Requests for Proposals to purchase goods and/or contracts for services needed by government entities to implement the e-procurement solution; Assist in the identification of international and local consultants/consulting firms; Potential Long-term sources of Funding for the program and identifying possible partners in the private sector
- ✓ Prepare a performance evaluation plan for the implementation phase.

Feasibility study activities are expected to be between 2 to 6 months.

### **Deliverables of the feasibility study:**

- ✓ Country Needs Assessment Report (NAR);
- ✓ Project Appraisal Document (PAD), which includes Concept Note, Request for Implementation (RFI) in the form of an RFP for implementation grant, and TOR(s) for procurement of goods and services.