

Statistics Finland's service procurements

This audit concerns Statistics Finland's service procurements during the period 1 January 2001 - 30 June 2002 in three categories: printing services, recording services and expert services. According to Statistics Finland's accounts, service procurements totalled FIM 40 million in 2001. Printing services cost FIM 5 million, recording services FIM 700,000 and expert services FIM 2.5 million.

The audit did not evaluate the appropriateness of procurements, but compliance with rules of procedure and due form. The main question was whether procurements complied with regulations.

The purpose of regulations concerning public procurements is to ensure that public procurements are open and non-discriminatory and to increase competition in public-sector procurements. The ultimate objective is lower costs.

The main rule in regulations concerning tendering is that all procurements should be put out to tender, with certain exceptions as specifically defined in legislation. Thus purchasers do not have discretion in this matter. Without putting procurements out to tender there is no way to determine the lowest or most economical price. Without putting procurements out to tender there is no way to ensure that suppliers are treated fairly.

Statistics Finland did not put service procurements out to tender adequately. Of the seventeen procurements which were audited, only five were put out to tender. This is less than 30 per cent.

Service procurement at Statistics Finland as a whole needs to be brought in line with legislation. Since most of the audited procurements were not put out to tender, all the documents required under the Public Procurement Act were not prepared. This includes bid opening minutes and selection decision minutes, for example. Losing bidders were not informed by mail or in some other certifiable manner. Documents concerning procurements were as a rule kept by the unit conducting the procurement rather than in records.

The documentation of the procurement process should be improved. Procurement documents should be recorded and filed so that every stage of the procurement process can be checked later on.

Regardless of value, procurements must be announced or else a sufficient number of bids must be requested in relation to the size of the procurement. Oral requests for bids should be avoided and exceptionally any oral request for a bid should be confirmed in writing. Notification procedures and related guidelines should be brought in line with legislation.

Since low value and urgency were most often cited as reasons for not putting procurements out to tender, Statistics Finland's procurement guidelines should specify a threshold and define urgency. The threshold should be included in procurement rules, taking into account the special features of different types of procurements.

Bids should also be handled in a non-discriminatory way. The procurement unit has a duty to compare bids in writing before a procurement decision is made. A previous supplier should not be given preference automatically.

In repeated service procurements, the frequency of procurements should be considered, keeping in mind tendering costs and other factors. Attention should also be paid to the special features of contracts concerning service procurements.