

# OPENING UP PUBLIC PROCUREMENT DATA FOR BETTER ECONOMIC DEVELOPMENT OUR RECOMMENDATIONS

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## AUTHORS

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The opening of public data has been an expanding movement since the end of the 2000s, particularly in France under the influence of Etalab.

Aided by a changing regulatory environment, it offers territories an opportunity to strengthen the leverage of public procurement on the economic fabric and requires a favorable ecosystem, strong political support, and a commitment to innovation in order to complete projects.

## WHATS IS OPEN DATA?

Open Data represents a movement, a philosophy of access to information, and a practice of publishing freely accessible and exploitable data. To promote their sharing, open data are digital, from public or private sources, published in a structured way according to a methodology that guarantees free access and reuse by all, without technical, legal, or financial restrictions.

### Objectives

Open Data in France meets a triple objective and concerns all types of players (citizens, companies, administrations, associations, etc.): to improve democratic functioning, not only through transparency but through dialog and openness to new points of view; to improve the effectiveness of public action; and to offer new resources for development and economic and social innovation.

The citizen (or company) expects modern institutions to be transparent and to report on public service tasks and projects funded by taxes in order to establish dialog. Similarly, the authorities are often the primary beneficiary of this policy of openness, which breaks down silos and quite often simplifies information systems, data governance, and sometimes processes themselves.

The availability of such data allows the authorities and companies to consider new data-based services: new strategies for evaluating public policies, real-time policy management, data-guided strategies, etc.

## A movement originating in the Anglo-American world, quickly developing in France

A product of civil society with movements in the United States starting in the mid-2000s, open data materialized with Barack Obama's signing of the Memorandum on Transparency and Open Government. This approach was intensified by directives forcing local authorities to strengthen transparency on public data, echoed at the local level in New York, Chicago, San Francisco, and Washington.

In 2009, in the UK, Gordon Brown, then prime minister, made a noteworthy TED Talk (Technology, Entertainment, and Design: an international series of conferences organized by the non-profit organization Sapling Foundation, created to spread «ideas that are worth spreading»: [www.ted.com](http://www.ted.com)) on the dissemination of raw data: «Raw Data Now.» In January 2010, the «Show Us a Better Way» competition was launched and was hugely successful, particularly with the creation of «Where Does My Money Go.» In 2012, nearly 37,500 datasets were available in the United Kingdom, coming from 750 data producers.

France supports a tradition of democratic transparency and sharing of information held by public authorities. In line with this tradition, an ambitious policy has been undertaken over two years, particularly in terms of open data. Today, more than 13,000 datasets are available at [data.gouv.fr](http://data.gouv.fr), and France now ranks 3rd in the world in open data. This policy is managed by the Etalab mission, under the authority of the prime minister and directed by Laure Lucchesi. This mission is part of the Dinsic (interdepartmental

directorate for digital, information systems and communication), under the responsibility of a general administrator of government data. With this in mind, the mission developed an «Etalab» license (compatible with international formats), intended to provide a framework for the free reuse of data by setting rules for intellectual property and data use. Armed with these commitments, France took over the chair of the Open Government Partnership this year.

### Type of data opened by local authorities

Local authorities are heavily involved in the open data movement with a proliferation of projects in recent years. In his book on Open Data (S. Chignard, Open Data: comprendre l'ouverture des données publiques, France: FYP éditions, March 2012), Simon Chignard establishes several types of data opened by local authorities according to multiple areas of analysis:

- / **Nine recurring themes** are identified: democratic life (including the awarding of public procurement contracts); demographics; economics; environment; art, culture, and heritage; urban planning and housing; transportation and travel; public interest facilities and services; and location and geographical information.
- / **Their dynamic (hot) or static (cold).** Hot data are updated in real time (or quasi-real time) because their content changes constantly. They prove more complex and offer more added value, for example for transportation. Cold data are static because they are updated much less frequent. The two types of data



are not contradictory, but generally complementary.

/ **Degree of data complexity:** complexity can be linked to the nature of the format, linked to the content that requires skills to exploit them, and/or linked to how they are made available, like with APIs (Application Programming Interfaces) and a standard set of classes, methods, or functions serving as a façade through which a software application offers services to other software. It is offered by a software library or a Web service, most often accompanied by a description that specifies how consumer programs can use the features of the supplier program (Application Programming Interface). However, simple data «prove easy to understand and do not require any dedicated visualization tool or prior

knowledge about the subject.»

/ **Their spatial and/or temporal component:** most open data have a spatial dimension, i.e., they relate to a territory. The added value of data is based on the exactness of this territorial mark at the scale of an administrative or economic territory (with the INSEE indication) or more detailed (longitude and latitude). For the temporal component, the same issues of fineness of granularity based on time indication exist, particularly for hot data.

## Chronology of open data in France and abroad

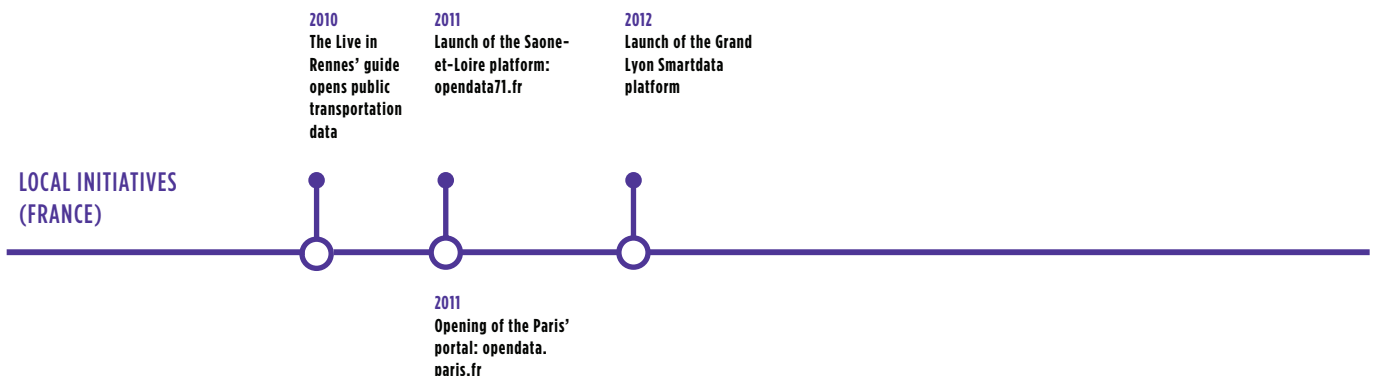
### ABROAD / INTERNATIONAL



### FRENCH STATE



### LOCAL INITIATIVES (FRANCE)





## THE ISSUES OF OPEN DATA IN PUBLIC PROCUREMENT

The regulatory environment supports the development of Open Data in public procurement. Order no. 2015- 899 of July 23, 2015, relating to public procurement contracts (JCP A 2015, 2290, 2291, 2292, 2293; Contrats-Marchés publ. 2015, file 1 to 12) sets new rules for the use and dissemination of data with a framework for action allowing procurement officials to innovate in their purchasing practices and companies to promote their skills and expertise. Procurement officials must therefore make procurement data public in an open, reusable format with the exception of information covered by industrial and commercial secrecy or distorting competition.

It is in this spirit that the decree on public procurement contracts under development will specify the essential public procurement data that public administrations must publish.

In addition, in a deteriorated national and local economic environment, open public procurement data can be an important lever for economic development.

The potential of public procurement for the economic development of territories and order books of companies is estimated at 15% of French GDP, or more than €200 billion per year. According to France Marchés, in 2013, this amount consisted of 38.5% construction and public works contracts, 17.7% advisory and study contracts, and 11.3% other services (France Marchés, Economic Report, Oct. 2013).

### Three major challenges

The first challenge is to reinforce the economic intelligence of territories, and their knowledge of the potential of public procurement contracts. According to the October 2015 Senate report (Senate report, Passer de la défiance à la confiance : pour une commande publique plus favorable aux PME, Oct. 2015: JCPA 2015, act. 883), this «statistical black hole» in public procurement prevents companies from building real implementation strategies. The available data are either incomplete and unreliable or not updated. The OEAP (French economic observatory of public procurement) finds that the data are still deficient (only €70 billion is known out of €400 billion according to the senate report), collected most recently for contracts carried out in 2013, which complicates the task of decision-makers.

The second issue is accessibility to public procurement contracts for companies. Also, 71% of them wish to develop their offering with the public sector, and 80% of them, who are already working with this sector, want to continue their commercial investment. Easier accessibility for start-ups, very small companies, SMEs, and intermediate-size companies to public procurement is also an issue of development of the territories for maintaining and sustaining activity and jobs. Public procurement is often perceived as an obstacle course, which results in an under-representation of SMEs in the amount of contracts awarded (one-fourth of the overall amount of public procurement contracts, while they represent more than one-third of the revenue of French companies).

Lastly, the opening of data and their reuse must allow procurement officials to refine their procurement strategies and improve

the performance of procurement policies. Thanks to the analysis of the data of all public players of the territory, public procurement officials can particularly identify opportunities for pooling, assess the impact of social and environmental clauses, or even put in place sourcing policies; contract givers can equip themselves with real management instruments to act on the local entrepreneurial ecosystem.

This modernization of practices also benefits companies, which have a tool for prospecting, competitive analysis, and evaluation in just a few clicks of the potential offered by the various territories as well as the players in economic development who produce analyses to develop the potential of the territories and attract new companies.

This whole dynamic contributes to more responsible and efficient public procurement, and fair access for companies to public procurement contacts.



## A closer look at 4 major initiatives abroad and in France on Open Data in public procurement

1

### MONTREAL'S «VUE SUR LES CONTRATS» PORTAL, A USER-FRIENDLY DATA VIEWING TOOL

This easy-to-use tool allows amounts to be viewed by business sector, contract giver, and year. The primary objective of the tool is transparency, and it provides a good level of information on the nature and services of the contract. Its user-friendly design provides a graphical analysis of sectoral trends in the city's public procurement. The data come from two types of sources: the decision-making record management tool used by the city's elected officials and financial systems.

2

### THE PORTAL DATA.GOV.UK IN THE UNITED KINGDOM: A TOOL GIVING ACCESS TO DATA ON CONTRACTS EXCEEDING £10K ENTERED INTO BY THE STATE AND ITS AGENCIES

In 2010, the United Kingdom put in place two portals with an archive of contracts entered into before February 2015 and a database of recent contracts or calls for bids in beta version. They offer similar features and provide access to a database to view amounts by business sector, contract giver, year, and type of services (M Carmes, Les portails « Marchés Publics » et repères sur les interfaces, Sept. 2015).

3

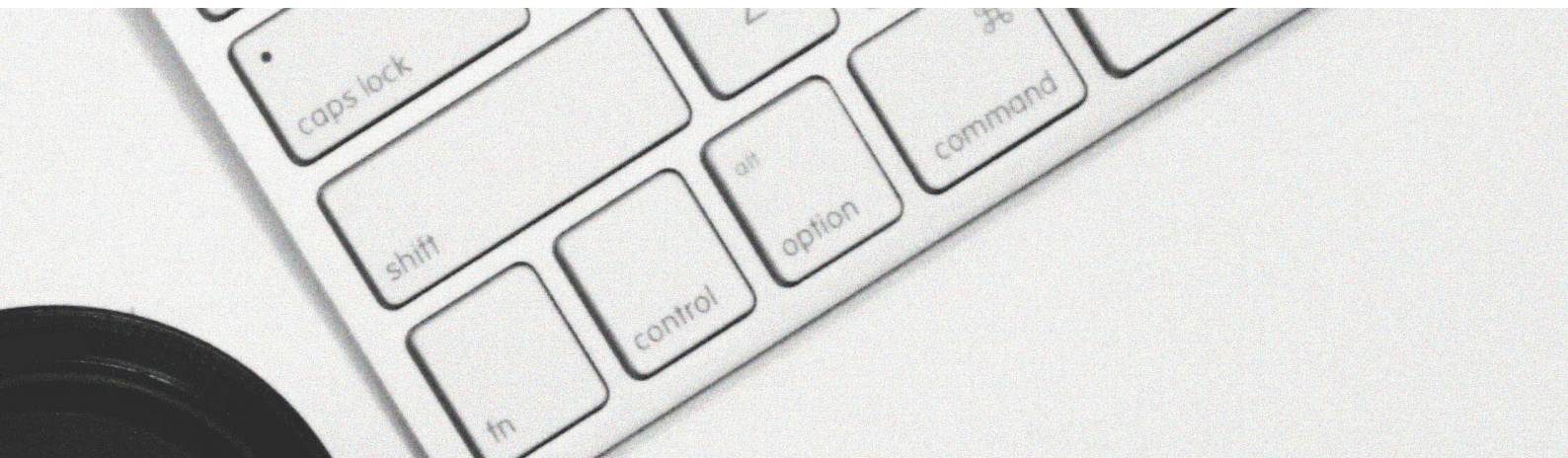
### NEW YORK CITY'S ONLINE RECORD PORTAL: A PORTAL GROUPING TOGETHER 1,300 DATASETS, INCLUDING PUBLIC PROCUREMENT CONTRACTS.

New York City followed on from the Open Data policy set in motion at the federal level and recently opened up its public data. Since 2013, the municipality has put in place a portal containing 1,300 datasets from 60 city agencies. The online table tool allows the main information on contracts (year, amounts, contractor, etc.)

4

### THE MY BREIZH OPEN DATA – MARCHÉS PUBLICS PORTAL CREATED BY THE BRITTANY REGION IN 2015: A REGIONAL OBSERVATORY FOR PUBLIC PROCUREMENT

The portal, still in the prototype stage, contains data on public procurement contracts entered into by the Brittany region in 2013, 2014, and 2015. It allows data to be viewed in map and graphic formats, published according to a pivot format, providing information particularly on contract givers, companies, their size, revenue, geographical origin, and business sector.



## IMPEDIMENTS AND CONDITIONS FOR SUCCESS FOR OPENING UP PUBLIC PROCUREMENT DATA: OUR RECOMMENDATIONS

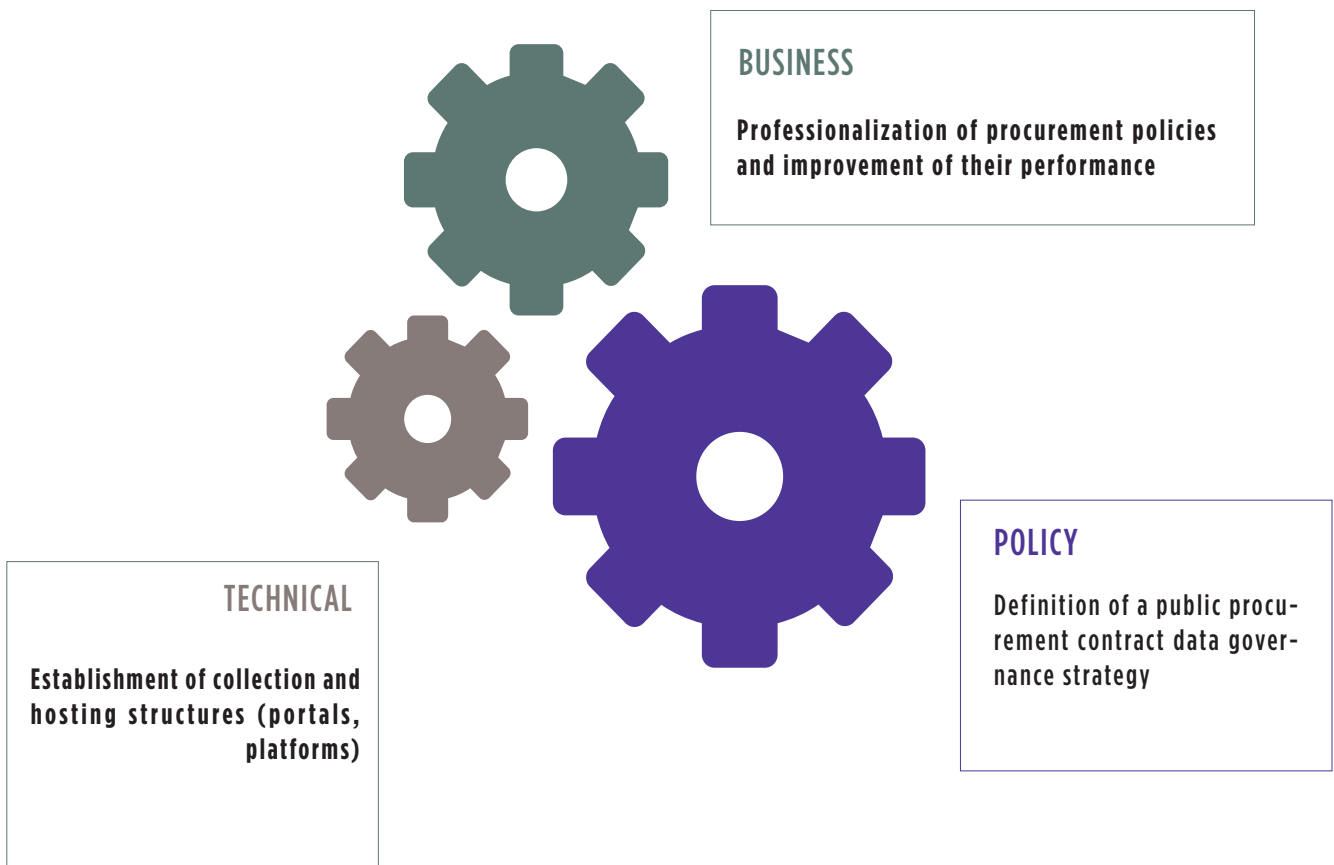
Despite local initiatives and promising foreign examples, the opportunity represented by opening up public procurement data is still in its infancy. In order to take full advantage of the economic fabric, the initiatives for opening up public procurement data must still meet certain essential prerequisites and overcome impediments that have been identified.

### Building the ecosystem and decompartmentalizing the players

The virtuous circle of local dynamics around production, exploitation, and enrichment of data must lead to the creation of value by and for companies, using data made available by the public authorities (V. Colin, H. Verdier, L'Age de la multitude, *Entreprendre et gouverner après la révolution numérique* : Armand Colin, 2012). Open data requires networking and a common understanding amongst the players involved of a collective interest in developing effective economic intelligence instruments for the countries. This ecosystem will consist of elected officials, administrative departments, public procurement officials, players in economic development, companies, and civil society, without the players speaking the same language.

### The need for strong policy support

Political backing and support for these initiatives plays a crucial role in coping with the reluctance of players, in order to open up public procurement data for the countries' economic development . In order to set this spirit in motion and identify with these objectives, elected officials, local government departments, public procurement officials, and players in economic development must demonstrate a genuine desire to increase the transparency of public procurement and develop innovative, open tools for managing procurement policies. This requires awareness-raising actions and support for the modernization; and sometimes, the sorting of financial information systems. It is this political support and adequate communication that determines the success of projects because of the departments, particularly in a staff context, cuts in







local authorities, and need a full commitment from decision-makers..

### A desire for innovation and modernization

These initiatives also require an ongoing innovation effort to meet the everyday needs of users and the issues of companies by developing easy-to-use, user-friendly tools offering powerful, varied features. The evolution of the players' practices must be monitored carefully by platform developers, who are increasingly incorporating agile working methods to meet the needs of the users. In order for the players to benefit from the advantages of Open Data, the imperative of transparency of a concrete objective of use and accessibility for the greatest number must be supported in order to facilitate the reuse of data rather than the mere publication of raw data.

### Developing data reliability

Reliability and availability represent a second prerequisite necessary for the success of this type of initiative. A common format of technical standards for data publication is

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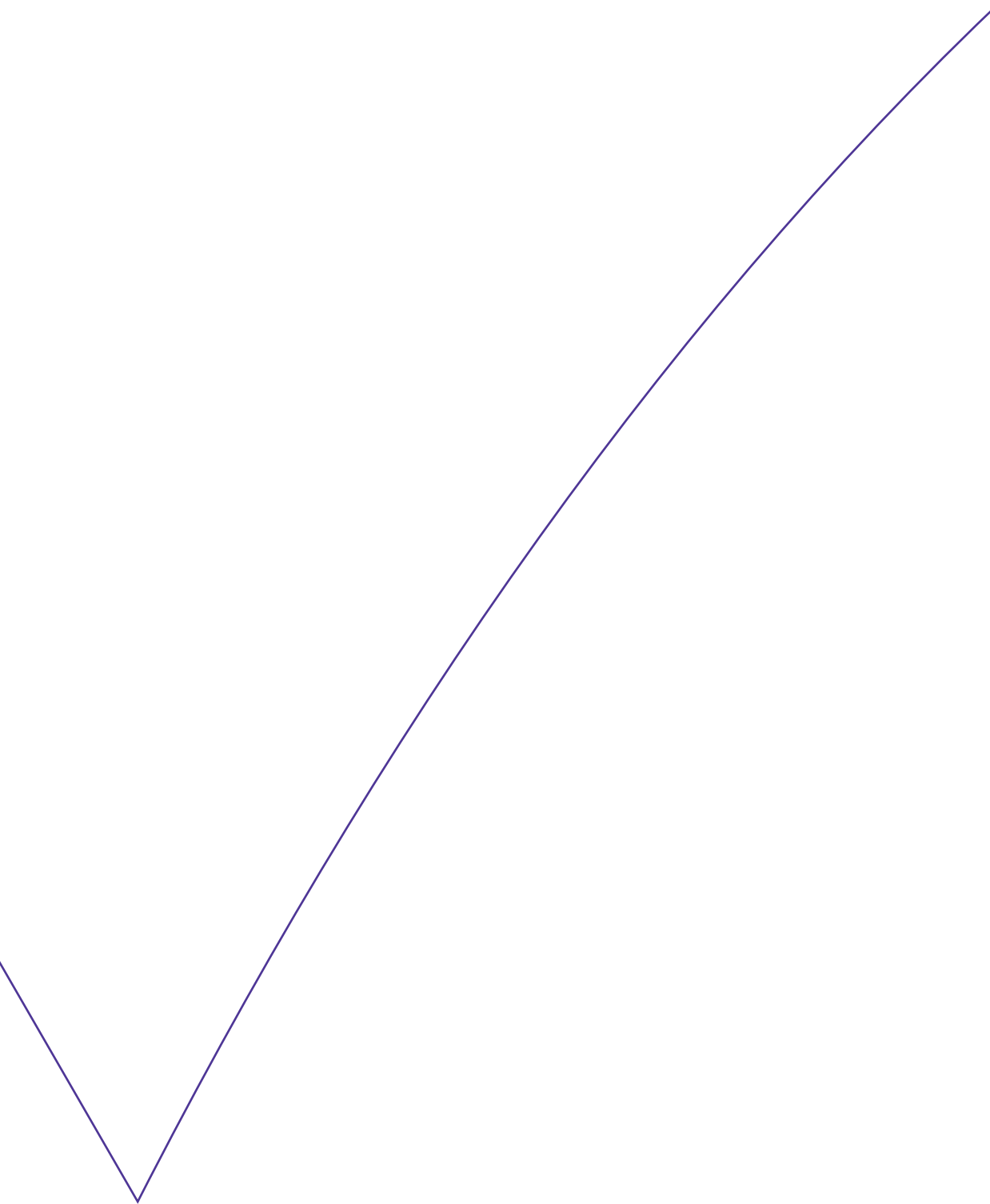
therefore necessary to ensure their accuracy and facilitate their transmission, storage, and reuse from online platforms. This requirement favors the creation of powerful, capable data publication portals to continuously self-feed from APIs incorporating ever more datasets.

The recent initiatives show that the fears about the technical difficulties related to publishing data can be overcome. The formats used are generally easily reusable, such as CSV. The supply of data by the information system departments of public

authorities is therefore facilitated. As such, the role of publishers is crucial in providing support, particularly for local authorities, in order to help them extract their data from financial management software.

## CONCLUSION

The Open Data train is rolling, to the benefit of all of society's players. We must move on from the experimentation stage to the industrialization of data and associated uses. Territories that take this step quickly represent competitive advantages for endogenous and exogenous economic development.



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