



European Union
European Regional
Development Fund



Prague 9

Integrated Action Plan



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1. Introduction

This Integrated Action Plan (IAP) for Prague 9 has been developed as part of the activities of creating a good local economy through a procurements (Procure) network.

The Procure programme is a network of 11 partners. The founding partner is Preston City Council and it is funded by URBACT III Programme which seeks to enable transnational exchange and learning between cities around a particular theme.

The Procure network seeks to connect cities and build success around the theme of procurement, which is the process used by public authorities and commercial businesses to purchase goods and services.

The network was initially established in September 2015 (see the baseline study¹) and lasts until May 2018. Procure partners have met together (both at a transnational - European level and at a local level – through local stakeholder groups²) to discuss and explore a number of topics with the core purpose of developing an IAP.

Procure partners have agreed that the aim of the project at both a transnational and local level would be upon the following themes:

- Responding to European and National level law;
- Spend analysis and developing a procurement strategy;
- Innovation in procurement: social and environmental criteria;
- Engaging and raising awareness with local businesses and SMEs;
- Monitoring impact;

The IAP for Prague 9 reflects the knowledge and learning gleaned from transnational and local levels around the above themes and sets out our plan of action for the programme. It is shaped by: the challenges we identified in the baseline study, our existing

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¹ http://urbact.eu/library?f%5B0%5D=field_network_reference_multiple%3A7450

² <http://urbact.eu/urbact-local-groups>

³ <http://ec.europa.eu/growth/single-market/public-procurement/rules-implementation/>

processes and practices around procurement, what we have learnt through the network, and what we want to do and achieve in order to move forward.

2. EU law context

From 18th April 2016, new rules have changed the way EU countries and public authorities spend a large part of the €1.9 trillion paid for public procurement every year in Europe. This date was the transposition deadline for three directives on public procurement and concessions adopted four years ago. In other words, it was the date by which EU countries must have put in place national legislation conforming to the directives.

The new rules make it easier and cheaper for small and medium-sized enterprises (SMEs) to bid for public contracts, will ensure the best value for money for public purchases and will respect the EU's principles of transparency and competition. To encourage progress towards particular public policy objectives, the new rules also allow for environmental and social considerations, as well as innovation aspects to be taken into account when awarding public contracts.

But the success of the new legislation also depends on its effective enforcement in EU countries and the readiness of the 250 000 public buyers in the EU to capitalise on the benefits of the digital revolution, cut red tape, and make procurement processes more efficient and business-friendly for the benefit of citizens.³

2.1. Current legal framework, rules, thresholds and guidelines

By 18 April 2016, EU countries had to transpose the following three directives into national law:

- Directive 2014/24/EU on public procurement
- Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors
- Directive 2014/23/EU on the award of concession contracts

These new rules simplify public procurement procedures and make them more flexible. This will benefit public purchasers and businesses, particularly SMEs.

Specifically:

- Simpler procedures for contracting authorities will open up the EU's public procurement market, prevent "buy national" policies and promote the free movement of goods and services. As a result, contracting authorities will obtain better value for money.
- The new rules, including a new electronic self-declaration for bidders (ESPD), pave the way for the digitalisation of public procurement, which will considerably increase the efficiency of the public procurement system. For instance, only the winning company needs to submit all the documentation proving that it qualifies for a contract. This will drastically reduce the volume of documents needed for selecting companies.
- Through the limiting of turnover requirements and the option of dividing tenders into lots, SMEs will gain easier access to public procurement.
- Public procurement is becoming a policy strategy instrument. Under the new rules, public procurement procedures will also help public purchasers to implement environmental policies, as well as those governing social integration and innovation.

Directives are framed by five objectives and trade-offs:

- **Simplification and flexibility** which focuses upon making the process of procurement simpler and enabling more negotiations;
- **E-procurement** which is seen as a 'game-changer' and is linked to wider EU policy agendas around digitalisation;
- **Better access** to opportunities which focuses upon small to medium sized enterprises (SMEs) and cross border procurements;
- **Strategic Procurement** which includes the development of the European Single Procurement Document (ESPD) which places greater emphasis in the procurement process upon innovation and addressing social and environmental issues;

- **Governance** which focuses on the professionalization of the process of procurement and adopting sound procedures.

2.2 EU public procurement reform: Less bureaucracy, higher efficiency, supporting social responsibility

By using their purchasing power to choose socially responsible goods, services and works, public authorities can set a positive example and encourage enterprises to make wider use of social standards in the management, production and provision of services by using the new opportunities to promote social inclusion:

1. The awarding of a contract will no longer be dependent on price alone if a company commits to helping to integrate disadvantaged persons

Contracting authorities can better take social aspects into account when awarding procurement contracts on the basis of the 'best price-quality ratio (BPQR)', i.e. they can choose the tenders that provide more social advantages. This could be, for example, a company employing the greatest number of long-term unemployed or disadvantaged persons to perform the contract or increase one participation of women in the labour market.

2. Ending social dumping by respecting social and labour laws

Under a new 'social clause', public authorities will need to ensure the respect of obligations in all public procurement procedures. These include national or EU social and labour rules, applicable collective agreements and/or international law. Tenders may be excluded if they do not comply with social or labour law obligations.

3. Reserved tendering procedures for companies that promote the integration of disadvantaged persons

Since under normal conditions of competition, 'sheltered workshops' or social enterprises whose main aim is to integrate disadvantaged people in the workplace might not be able to obtain contracts, contracting authorities can now restrict some tendering procedures for all types of social enterprises if 30 % of a company's employees are

disadvantaged.

4. Enhancing eco-innovation

Fresh opportunities will be opened up for public authorities to spur eco – innovation by using new award criteria in contract notices that place more emphasis on environmental considerations.

Public authorities will be able to require that bidders not only comply with environmental obligations, but also deliver goods fulfilling the requirements of environmental labels. In addition, they can ask bidders to enhance environmental factors when producing goods or to integrate environmental costs into an offer based on a life-cycle cost approach.

By using their purchasing power to choose environmentally friendly goods, services and works, Europe's public authorities can make an important contribution to sustainable consumption and production.

5. For social services, European public procurement rules apply only to contracts above €750 000

The procurement of social, cultural and health services, as well as some others such as legal, hospitality, catering and canteen services will be simplified. The new European public procurement rules will only apply to contracts above €750 000 (compared with €209 000 for other services). Apart from the obligation to treat all companies equally and provide adequate publicity for the call for tenders and awarding of contracts (in a simplified form), national rules will apply to the relevant procedures.

6. Thresholds

EU law sets minimum harmonised rules for tenders whose monetary value exceeds a certain amount and which are presumed to be of cross-border interest. The European rules ensure that the awarding of contracts of higher value for the provision of public goods and services must be fair, equitable, transparent and non-discriminatory. For tenders of a lower value however, national rules apply, which nevertheless must respect the general principles of EU law.

3. Prague 9 – City context and definition of the problem

3.1. Prague 9 facts and figures (statistics)

Prague 9 is a district in the northern part of Prague. It is one of 57 municipal districts and one of 22 administrative districts. Prague 9 covers 13, 31 km² and Prague Capital City covers 496 km². The partner city of Prague 9 is a Municipal District located within the boundaries and built-up environment of Prague Capital City. Prague 9 is one of the biggest administrative districts compared to others. Around 55 569 inhabitants (2014) live there and it consists of three main parts. The first of them is a huge block of flats, the second is a former industrial area and the third one is created by houses from the fifties

Population

Popula- tion	Net mi- gration	Total in- crease	Average age	Age 0-14	Age 15-64	Age < 65
55 569	1 369	1 588	41	8 321 (15%)	36 578 (65,8%)	10 670 (19,2%)

Nationality (year 2011)

Czech (%)	Ukrainian (%)	Slovakian (%)	Russian (%)	Other (incl. Un- listed %)	Foreigners	Gender (men/women)
61,4	2,5	2,1	0,9	33,1	9 302	47 %; 53 %

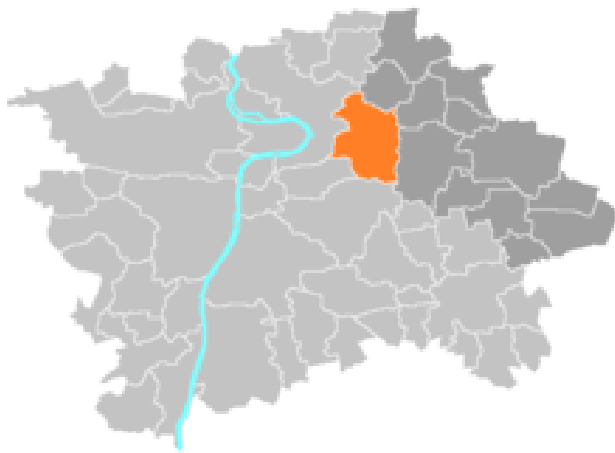
Economic profile – per capita GDP, key industry sector

Registered business units	Manu- facturi ng	Con- struct ion	Wholesale and retail trade; repair of motor vehicles	Real es- tate activities	Professional, scien- tific and technical activities
19 097	1 471	1 897	5 067	1 901	2 967

Employment levels

Unemployment rate (year 2010)	Number of job applicants (year 2010)		Number of vacancies (year 2010)
Prague 9 (%)	Prague (%)	Prague 9	Prague 9
6,7	4	1 574	165

Map of the capital city of Prague with highlighting of District Prague 9



Housing

Citizens live in different kinds of houses. The typical buildings are tower blocks. They were built during the communism era. Housing is a mixture of owned and rented property. In the last 10 years, the total number of citizens has grown by 20 %. The unemployment rate for 2016 was 4,2 %. In the past, it used to be an industrial area. Some of the buildings were reconstructed and now they are used for another purpose. There is about 20 square kilometres of brownfields area with high development potential.

The whole area is starting to be redeveloped but a lot of land and houses are privately owned. In Prague 9 there are a lot of small broadened business – mostly family of micro. There is Chamber of commerce which provides support to businesses. Prague 9 is getting bigger and creating more parking lots is also a key issue.

Data relating to the project theme

- District of Prague 9 have some collaboration with the surrounding districts and the City of Prague
- 12 departments in authority including: economy; finance; housing, education etc.
- No direct business support provided by authority.
- Similarly, with unemployment – labour offices deal with public authority and NGO's

3.2. Summary of OP relevant to this project:

In the Czech Republic, the most relevant OP is OP Prague – The Growth Pole of the Czech Republic, which finances projects from both ERDF and ESF. Other important Ops are OP Employment (ESF), OP Research, Development and Education (ESF). Since Prague is a more developed region, there are no Opus focusing based on ERDF funding only.

The other relevant OP is OP Employment – the 4th Priority Axis called Effective Public Administration. The Priority Axis has only one Investment priority called Investment into Institutional Capacity and Effectivity of Public Administration and Public Services.

There are a lot of investment projects in Prague 9. It is one of the most active districts.

The Managing Authority of OP Employment is the Ministry of Labour and Social Affairs (MLSA). Prague 9 has no relations to this Ministry.

3.3. Public procurement law in the Czech Republic

On 22 April 2016, the President of the Czech Republic signed the new draft Public Procurement Act which was approved by Parliament. Finally, the act came into effect from 1st October 2016.

The Act transposes three new public procurement directives adopted at the EU level and will become a key code of Czech legislation regulating public investment. This change is the largest legislative change in public procurement in the last 10 years. The new legislation will bring a number of positive changes; however, it contains also a larger number of new legal concepts, and opens a number of questions which will require sufficient and timely preparation.

One of the main objectives of the Public Procurement Act is the **reduction of the administrative load** connected with public procurement, and the related cost savings. The Public Procurement Act aims to make the whole procedure more efficient and flexible. The main and logical benefit of the Public Procurement Act is the possibility to evaluate

only the bid of the selected supplier. Thus, contracting entities will no longer be obliged to consider the bids of other bidders to whom the contract will not be awarded.

Contracting entities have a wider range of options for adapting the course and conditions of the award process according to their own rules; suppliers consequently have to pay closer attention to the tender documentation. Another tool for **increasing the flexibility** of the award procedure is the introduction of a “light procedure”. Under the simpler and less formal light procedure, public contracts without a substantial cross border impact will be awarded, e.g. contracts for cultural, medical, social and also legal services.

In line with public procurement directives, the Public Procurement Act extends the reasons for which a bidder may be disqualified from the awarding procedure. These may be, for example, reasons relating to the bidder alone, such as its former professional failures or serious breaches of contracts or conflicting interests on the part of the bidder, or its attempt to influence the decision of the contracting entity or to obtain non-public information which could provide the bidder with illegitimate advantages. At the same time the winning bidder will be obliged to submit documents proving the structure of its assets, and, in the case of joint stock companies, the winning bidder must have its shares in a book-entry form.

In connection with the extension of the reasons necessary for disqualifying a bidder from the awarding procedure, please note that the Public Procurement Act will, at the same time, allow the bidders to defend themselves against disqualification by proving the reestablishment of their qualifications (so called “self-cleaning”). In this context, suitable remedies include, in particular, full compensation for damage caused by a (professional) failure, payment of due amounts, adoption of preventive measures, or active cooperation with the competent surveillance authorities.

3.4. Institutional context – roles and responsibility

The municipality of Prague 9 is part of the capital city Prague and in some parts, is subordinate to it. It is subordinate in education and partly, in state administration. For example, in territorial development and green management it is more or less independent. There are some rules which have to be followed. In financial tasks Prague 9 is partly independent, which means that Prague 9 operates with its own budget but it has to be approved by higher authority.

In different areas it is subordinate, to the government. The responsibilities and rules of city districts are given by determinate law of the capital city Prague.

3.5. Existing strategies

Prague 9 has its own strategies and long-term action plans for the area of public transport, for maintenance and development of green lands. Now it is preparing a long-term strategy in the educational system with aim of contributions to the operational programme.

In the area of public procurements don't have any previous strategy.

4. How the problem evolved before the beginning of the project

4.1. Czech law base comments

The procurement process is regulated by legislation and the rules are very strict. There are huge penalties connected to the procurement processes and every employee of the municipal district is very afraid of them. Most Czech organisations hire external experts to deal with the procurement processes and therefore it is not possible to choose the right supplier – the one with innovation potential and effective solution.

The municipal district would like to improve the processes regarding procurements in order to save money, in order to involve local suppliers and in order to improve the chances of getting a high-quality arrangement

The most problematic areas:

- New law was already approved but there is not enough experience with its implementation
- Culture at local level – specific properties and marks
- Political systems creating counter-productive challenges – for example small number of quotations leads to process being scrapped
- They have to go with lowest price and sometimes 80% below value, so uncertainty over quality
- Price dumping
- Suppliers can offer different prices for same activities to different districts (not a legal problem, but often discussed in the media)

Prague 9 hasn't prepared an action plan or similar document, so it doesn't have enough experience. Prague 9 has not produced an integrated urban strategy or action plan dedicated to policy challenge, only a Public transport strategy plan was developed in another European project.

Until now, the municipal district of Prague 9 didn't have the issue of procurement on the political agenda, because the employees of the municipal district and the political representatives didn't consider procurement as a tool for innovation. However, the local prosperity and effective management of public municipal budget is very high on the local political agenda.

There are political priorities around: redevelopment of brownfield, growing local business so these bring benefits to local people.

There are no policies or strategies in the area of procurement. The municipality hires an external financial and legal company to take care of procurement issues.

New investments are focused on elementary schools, parks and streets. Small procurements are provided with local businesses but larger with external businesses.

The Municipal district of Prague 9 has in the past implemented several international projects; however, none of them was focused on procurement.

Action Plan

Prague 9 would like to change the perception of procurement on an institutional level. Currently all employees and political representatives see procurement as something potentially very dangerous, tricky and complicated. We want to change this and see procurement as an opportunity to contribute to local development.

4.2. Practice notes from procurement law

- If procurement is below threshold it requires 5 responses – but has to take the lowest price unless other criteria are agreed
- All offers made public on contracting authority's website
- For below threshold, procurement advisors have monitoring role – there is a responsibility for training departments in effective procurement
- Procurements advertised through newsletters and other means dependent on value – and above threshold on TED and OJEU
- Below threshold preliminary notice of 30 days and then tender period of 22 days for sending of its offers
- For above threshold, preliminary notice of 50 days to enable foreign companies to engage.

5. Description focus and analysis, why it started

5.1. Definition of the problem

This aspiration comprises of three objectives (strategy and service delivery): putting the customer first; demonstrating best practice and innovation; and delivering value for money.

Procurement is delegated to local government and it is completely their responsibility, and due to the function of procurement, it becomes more important. It should be viewed as a strategic aim and to be used in stimulating growth. Strategy implies of maximizing local economy with social and environmental benefits.

What is missing has been a means of promoting these positive activities within the Council, across partners, and with businesses and social communities; and an explo-

ration of how the authority can use the experience from elsewhere to plug any gaps and further maximize the benefit, procurement spending can bring for the local and sub-regional economy, particularly through engagement with business and social sectors

What is preventing the city authority from delivering more local economic, social and environmental benefit through procurement? No experiences to use other criteria beyond price.

First of all, we gathered information about the selection procedure in order to prove an independent analysis and to discuss this topic with those who are involved in decision-making processes – representatives, officials representing the Municipality and also directors of individual units who conduct the selection procedure. Then a group of stakeholders was formed (more in chapter 11) who worked on the whole project and its major steps and aims including approval mechanisms. This little group proposed the creation of a ULG at the beginning of a project. The group further considered the following points related to the practical issues of Prague 9.

Practical notes from realization of procurement:

- Local contractors bidding but work delivered by another organisation
- Social clauses limited to disadvantage and disability – social clauses were in place not implemented properly or monitored
- Largely responsibility of the investment department, with smaller procurements responsibility of departments. Small ones are below threshold of 2M CZK for services and 6M CZK for construction. All of them have to be agreed by the Council
- If above external companies carry out the procurements in cooperation with the municipal district
- Some outsourced services do their own procurements as well. For example, maintenance of parks or schools
- No direct head of procurement

6. Objectives

Procure project has three main over reaching intended objectives:

- to provide a deeper understanding of procurement and what can and cannot be achieved
- to change procurement cultures
- to maximise the benefit procurement brings to cities in economic social and environmental terms
- further development of the knowledge and understanding within the community of stakeholders about procurement strategy

The working group has identified these objectives and added other local goals committed themselves to the creation of a strategy towards achievement, which confirmed the right legal approach and facilitate using new criteria of evaluation.

6.1 Local objectives

- To increase local spending
- to raise awareness of tender opportunities,
- to create mutual dialogues with SME's,
- To diminish corruption suspicion (at least decrease)
- To improve data gathering,
- To show public procurement in a "positive light"
- Communicate the city's position and aims to external stakeholders
- Changing culture, management and thinking, including developing cross-departmental cooperation
- Increasing local employment
- Providing a roadmap for employees

To achieve the major and minor goals of a project, certain indicators have been determined. Those indicators are described in the next chapter. ULG started that for the next period there needs to be measurable and controlled indicators for the monitoring results. That was the reason for an analytical study “Spend Analysis” which processed all selection procedures of Municipality Prague 9. A description of the study will be described in chapter 8.1.

7. Summary of main indicators

The following tables describe the main objectives, i.e. the expected impact on the overall situation in the public selection areas managed in Prague 9. In further describes the activities that are aimed at this goal and outputs, i.e. a description of the physical actions that were in implementation of the project. The ULG added further steps to the project schedule to obtain specific information and analyzes, as well as important confirmation of the planned travel by legal experts in order to guarantee the legal "correctness" of the whole process. An important step is the development of the implementation plan and the follow-up of the project after the end of the project, which is set out in the strategy and guides on how to proceed in a specified manner using approved "models" that ensure legal correctness.

Objective	Product indicator	Result indicator
<p>General (strategic) goal</p>	<ul style="list-style-type: none"> to provide a deeper understanding of procurement and what can and cannot be achieved to change procurement cultures to maximise the benefit procurement brings to cities in economic social an environmental term further developing the 	<p>Percentage of the value of the public spending of the Prague 9 Council goes through public procurement with social and environmental indicator’s assessment that increase by 5 % during 5 years)</p> <p>Base: 0</p> <p>Target: 2022 + 5 % (1% during each year)</p>

Action Plan

	<p>knowledge and understanding within the community of stakeholders about procurement strategy</p>	
Specific objective no. 1.	<p>Spend Analyses</p> <p>Base: 0 Target: 1</p>	
Specific objective no. 2.	<p>Number of strategy of social and environment indicator usage</p> <p>Base: 0 Target: 1</p>	
Specific objective no. 3.	<p>Number of procedures where non-pricing bid assessment criteria were used Base: 0</p> <p>Target: at the end of 2017 - 2 + 10% (2% during each year)</p>	
Specific objective no. 4.	<p>Number of SME owners, employees and stakeholders who improved their competences to participate in public procurement</p> <p>(number per year)</p> <p>Base: 0 Target: 20</p> <p>Number of procedures where workshops for SME and stakeholders were realized</p>	

7.1. Steps

The basis of the ULG's work has become an overview of individual steps in reference to the time schedule. ULG agreed that have to be nominated key people, who will be responsible for particular steps of the project. Several steps were conducted under the control of ULG at annual meetings. Here are the discussed conclusions and further approaches regarding the project.

<ul style="list-style-type: none">• Creating of ULG group which will influence the whole project - D
<ul style="list-style-type: none">• To the ULG group were nominated people who influence form of public procurement in Municipal Prague 9 - D
<ul style="list-style-type: none">• Orientation in the topic - D
<ul style="list-style-type: none">• Planning of steps and coordinating in terms of time management - D
<ul style="list-style-type: none">• Realization od Spend Analyses - D
<ul style="list-style-type: none">• ULG meetings realized - continues
<ul style="list-style-type: none">• Social and Environmental Criteria identified - D
<ul style="list-style-type: none">• Feasibility study for using these criteria - continues
<ul style="list-style-type: none">• Improving knowledge about the tender from a point of view by social and environmental aspects - continues
<ul style="list-style-type: none">• Analysis of procurement process controlled by the city council – analysis will be executed after final evaluation of spend analysis - continues
<ul style="list-style-type: none">• 1.part of analyse is focused on area development, education, investment and greenery – in these categories areas of spend analysis are subdivided
Reflect community needs – institution and residents design services collaboratively, community has responsibility for small elements of budgets – it will be passed in the end of the project as a part of final evaluation – continues

Planned Steps:

Action Plan

Planned Steps:	Date
Proposal of final material – recommendation for procurement strategy of Prague 9 Council	
Proposal templates and methodology for Prague 9 officials	
Proposal next Spend analyses – analyse under new rules (measuring environmental and social impact)	
Final decision of ULG with recommendation for Council	
Final decision of Council	
Final document about contributions (plus and minus) from project	

8. Action No.1.

The way in which a local authority designs, commissions, procures and delivers services is crucial to meeting such objectives. Public procurement as a local authority function can have a key role in: purchasing the goods and services which customers or residents demand; shaping relationships with the local business community; creating efficiency savings; supporting economic growth and development; and addressing wider societal challenges

The following individual activities and their indicators were selected to achieve the following objectives:

ACTION NO. 1	Spend Analyses
Expected objectives	Acquiring knowledge as to what extent the public spending of the Council
	Monitoring the effectiveness of the

		results of the actions contained in the AP
Description of the action		Spend analyses
Implemented by		SPF Group
Estimated completion date		2017
Estimated cost		4 000 eur
Possible sources of financing		
Product indicator	Name of indicator	Number of public spending analyses
	Measurement unit	items
	Base value	0
	Target value	1

Within the project a study „Spend Analysis” was made which focused on the overview of public procurement. It was sorted according to the nature of the activity. This analysis will be used for further monitoring and input of public procurement, tender and economical tasks.

Praha 9 in frame of its scope, assures selection procedures in several fields. These fields are defined in the document “Spend Analysis”. With respect to the fact that Praha 9 is subordinated in its competencies to the council of the capital, it must carry out these activities one by one or it must coordinate its activities with the council of the capital.

The basic outline analysis of public expenditure is inspired from project partners materials and the summarized basic economic information from the accounts of Prague 9. Only controllable costs (no energy suppliers etc.) are used and differences by tape of contract VZMR and "regime VZ". Material expenses according to the budget structure, geographical distribution of expenditure by supplier's setting.

Action Plan

8.1 The main issues addressed:

<ul style="list-style-type: none">• How much Prague 9 spends for public procurement, including VZMR in "controllable" areas?
<ul style="list-style-type: none">• The scope and volume of generic classification according to the budget structure.
<ul style="list-style-type: none">• The definition of "local" entrepreneurs (the whole territory of the former Prague 9 and other entrepreneurs)
<ul style="list-style-type: none">• Subject-related budget spending Prague 9 according to the budget structure – processing
<ul style="list-style-type: none">• Ensuring data on awarded public contracts for a certain period of time (2015 + 2016) by the City District Prague 9, possibly by its subsidized organizations
<ul style="list-style-type: none">• procurement means an external supply, services and works even outside the regime of the Act on Public Procurement drawn from the budget of the Prague 9
<ul style="list-style-type: none">• The scope of the monitoring data is not limited to the lower limit
<ul style="list-style-type: none">• The extent provided data base: The name of the vendor, then possible to determine the settlement incl. ZIP, during the existence of the entity, legal form, size (if possible to determine), etc.
<ul style="list-style-type: none">• Financial contribution orders,
<ul style="list-style-type: none">• The kind of contract (services, works, supplies) on relevant department of Prague 9
<ul style="list-style-type: none">• a breakdown according to the budget structure
<ul style="list-style-type: none">• a regime of contract (above the threshold, below threshold, small-scale)
Process of realization was built on these steps:
<ul style="list-style-type: none">• Data Sources: Department of economy - Prague 9, publicly available data from

the Trade and Companies Register
<ul style="list-style-type: none"> • Preparation of the database, Creating and editing database of contracts, Addition of missing data using the Trade and Commercial Register, a list of addresses with ZIP code and so on.
<ul style="list-style-type: none"> • Analysis of Data: Basic data analysis (percentages, evaluation, interpretation) on VZ according to individual parameters: suppliers sorted by region, municipalities, boroughs, etc. (According to postal code), the life of the subject, size by number of employees, legal form, etc.
<ul style="list-style-type: none"> • Contract according to the financial volume (in categories), sort VZ (services, works, supplies), sector / industry, materially relevant department of City District P9
<ul style="list-style-type: none"> • mode VZ (above the threshold, below threshold, small-scale with the possibility of further broken down by internal directives CD Prague 9), the place of execution
<ul style="list-style-type: none"> • Detailed (cross) data analysis with evaluation and interpretation: Of suppliers by region, municipalities and boroughs x Sector / field, Contractors on the size of the financial volume x, Contractors on the size of x Sector / field, Financial contribution x Sector / field, Financial contribution x union borough P9, Financial contribution x mode VZ, A place of realization of financial volume x Adjusted according to information from the source data.

Spend analyses is attachment of Action Plan.

Problems which are caused by incorrect tenders are written in the next chapter. Possibilities of solution are mention below in the text including the procedure.

Action Plan

9. Action No.2

ACTION NO. 2		Strategy of social and environmental indicators usage
Expected objectives		Increase of effective participation of non-pricing elements in public procurement Increase of the significance of public procurement as an element to support public policies and pro-development activities
Description of the action		Study - manual
Implemented by		Prague 9 Council, private law office
Estimated completion date		2018 and subsequent years
Estimated cost		4 000 euro
Possible sources of financing		
Product indicator	Name of indicator	Number of strategy

10. Action No. 3, 4

ACTION NO. 3		Strategy of social and environmental indicators usage
Expected objectives		Number of procedures where non-pricing bid assessment criteria were used
Description of the action		Prague 9 has arranged two procedures where part - pricing criteria were used
Implemented by		Prague 9 Council according template and documents prepared according Czech rules

Estimated completion date		2018 and subsequent years
Estimated cost		1 000 euro
Possible sources of financing		
Product indicator	Name of indicator	Number of procurements where non-pricing bid assessment criteria were used

ACTION NO. 4	Strengthening of participants/stakeholder's competences to participate in public procurements through the organization of training and consultancy
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Expected objectives		increase of an effective participation of local SME and stakeholders in public procurement
Description of the action		Part of ULG meeting were used as course and workshop in the public procurement law
Implemented by		Council Prague 9
Estimated completion date		2016-2018
Estimated cost		1 000 euro
Possible sources of financing		
Product indicator	Name of indicator	Number of workshops for stakeholders were realized Number of SME owners, employees and stakeholders who improved their competences to participate in public procurement

		<p>In this area, we organise six seminars for ULG group, where basal information about the new law are presented and use cases from practice were practised. Seminar is focused on social criteria, practising definition of contractual conditions, new entry to contract register with possible exclusion of submitter</p> <p>Improving knowledge about the tender from the point of view of social and environmental aspects - continues</p>
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11. Consult on your draft aim and objectives with your ULG

Prague 9 has established its local group. First according to conditions, that was established by the project and also according to group efficiency in terms of increase of quality of contractual procedure. That is why directors of allowance organisations were nominated as members of this group. They are used to work with matters of contractual procedures and they can use their new experiences in practice. However, for complexity and broader discussion also owners of small and middle companies are included in this group. Meetings are organised so that in the first part of the workshop there is a presentation on earlier agreed topic and, the second part is devoted to discussion on practical examples. The theoretical part is guaranteed by professional juridical company with experience with agreed topic. We assume members of the group cover all the groups which take part in the selection procedure.

- Mr. Zdeněk Davidek, the Vice Mayor, Director of Investment is possible legal support.
- Schools (primary and elementary)
- Organizations controlled by City council,
- Social services centres

We have involved our partners from the chamber of commerce and other department staff members who deal with small value procurements to our ULG.

Prague 9 has set up a new platform, which will work on the evaluation and selection procedures in Prague 9. The platform will deal further with this agenda and will report to the Council of Municipality Prague 9, methodical instructions to further negotiations.

Until now the municipal district has mostly communicated with the general public, but not about public procurement issues.

ULG will be informed about transnational activities by the coordinator and project partners, then ULG will be involved in other activities. **A new** communication platform consists of newsletters, ULG members conferences, public activities, local (District 9) Every meeting with ULG contains further information about the development of the project. We can monitor the progress of preparing the IAP and we can gain information about financial aspects of the project.

The structure of spend analyse was discussed and the next step in developing the project was planned. The results of every meeting are discussed in relation/ connection to planning activity (see below). ULG will prepare a final strategy and draft of its implementation with further evaluation, summary and monitoring.

Prague 9 has set up a new platform which will continue to evolve and will continue in evaluation and selection procedures in Prague 9. This platform will deal with this issue and will provide methodological guidelines for further negotiations to Prague 9 Council. Then it will provide monitoring and control and evaluation of the data obtained in other periods.

11.1. Spend analyses – conclusion of discussion with ULG

ULG has discussed Spend Analysis and identified the following points:

- a) determining the main aspects of SA, what data is appropriate and useful to obtain
- b) the definition of expenditure which are eligible for monitoring
- c) processing the assignment of an SA for an external office

- d) submit elaboration for the Economic Department
- e) checking the entered data
- f) comments to practice
- g) evaluation and introduction of ULG and city hall management
- h) schedule of further use, repeating after 1 year, longer processing of data

11.2. Other ULG meetings

Every ULG meeting is focuses on specific legal aspects of the selection process and is carried out by experts. The second part is focused on dealing with practical cases in groups.

Social and environmental criteria were discussed again and the possibility of their implementation to procurement process under Czech law conditions was discussed at the meeting which was held on 22th June 2017

- c) process the assignment of an SA for an external office
- d) submit elaboration for the Economic Department
- e) checking the entered data

These items are discussed at every ULG workshop. It is really important to discuss these items for understanding the main issue of this project.

Main points of discussion:

- There is an ambiguity in law, e.g. what does 'grave misconduct' really mean;
- Overcoming the uncertainty and a focus on innovative partnerships is important
- Preparing stakeholders for and using the ESPD as this currently is not in force;
- Making the administration easier for renderers is important;
- The lack of guidelines/best practices to follow is creating uncertainty;
- Confidence of suppliers to be innovative is lacking;
- Creating a shared vision on public procurement is important.

ULG group has decided that it is necessary to obtain a specific interpretation of the legal form for the use of social and environmental criteria, as some experts fear that management would be considered as a non-discriminatory one. For this reason, the ULG instructed the Expert Management on this topic to draw up sample forms to be used for these tenders.

A fourth meeting was held on 7th September. Outputs from Candelaria meeting was introduced and past and future steps in the Project were summarised. ULG agreed with planned steps and confirmed the making of Spend analyses II. (2017) and with arranging methodical documents by a law agency. The second part of the meeting was interested in preparing the Prague meeting.

The pre-last meeting was held on November 14th, 2017 and there was a discussion on de-tailed assignment of legal analysis of environmental and social criteria and options usage in practice.

The last meeting was held on February 1st, 2018. This meeting evaluated the draft of an integrated action plan, comments on it, discuss the draft manual for officials and proposes further steps, starting with preparation of the Strategy, assessing the course of the training and evaluating the tenders held so far using the environmental criteria.

1. - Purchase of computers in primary schools - 20% of the weight for energy consumption was set here, this value proved to be too small to have an effect.
2. - the annex of the kindergarten, here defined as a benchmark with 20% of the weight of the treatment of the blind, here it was evaluated that the criterion is of significant value if the cost of the building is very similar to several applicants. Attachment is an evaluation of the selection procedure.
3. The final ULG meeting will take place after the end of the project – around April 2018. To assess whether the project objectives have been met and how the monitoring and evaluation of procurement procedures in Prague 9 will continue, responsibilities and human and financial resources to be spent in the coming years.

12. Learning from transnational meetings

International meetings are very beneficial for all members of team because we can learn from samples of good practices. We can get valuable inspiration and can therefore plan future steps. We can implement experiences of other partners to our own conception.

A lot of experience with connotation with European law was invited when Matthew Jackson presented the findings from the baseline study around national procurement law. This focused on discussing who already had the new EU Procurement Directives transposed and some of the commonalities and differences around national level law around procurement. It was clear that for some countries that cost remained the overarching principle for public procurement; whereas for others supplementary legislation had been adopted at the national level to account for innovation, social and environmental considerations.

The partners then discussed two questions in groups: ‘How has national level law around procurement changed in your countries since the last transnational partner meeting?’ and ‘What are the three key challenges that you/your local stakeholders have in your cities with national level law around procurement?’ The key themes from the conversation around change since the baseline study were: For countries where the law is not yet fully enacted, not much has changed on a practical level to date (Czech Republic);

With regard to challenges around national level law around procurement, the following emerged from the discussions:

- There is a need for training at the local and regional level to respond;
- There is still potential for corruption;
- There is a lack of harmonisation around procurement policy across European and at national and local levels;
- Raising supplier awareness through greater engagement with SMEs is important;
- Building the capacity of SMEs to bid for procurement opportunities is key;

- There is a big challenge around the use of appropriate non-price criteria such as environmental and social criteria;
- Access to information (e.g. IT systems) is important;
- Introducing innovative processes with local suppliers and labels is challenging;
- Internal capacity in procurement functions could cause issues;
- There is an ambiguity in law, e.g. what does 'grave misconduct' really mean;
- Overcoming the uncertainty and a focus on innovative partnerships is important
- Preparing stakeholders for and using the ESPD as this currently is not in force;
- Making the administration easier for renderers is important;
- The lack of guidelines/best practices to follow is creating uncertainty;
- Confidence of suppliers to be innovative is lacking;
- Creating a shared vision on public procurement is important.

Thanks to experiences from transnational meetings we had to chance to expand our knowledge of public procurement, social criteria and environmental criteria. Transnational meetings helped us to improve our knowledge in this topic. Thanks to these meetings we came up with new ways of using and awarding public procurement. It is obvious that our colleagues from Manchester and Netherlands are more distant than Czech Republic. In the Czech Republic the price is the most important criteria. Another criterion is suppressed for concern about the non-transparent selection process. Unfortunately, in the Czech Republic general opinion is still that cheaper is better. The experience we have gained at meetings helped us to apply it into practice at ULG meetings. It will take a little longer to extend the other criteria in practice and to change the public's point of view. Last meeting in Albacete and Candelaria presented the practical use of environmental and social criteria. Probably environmental criteria will be used in practise – new procurement, computers to kindergarten. Social criteria seem to be much more problematic. With some problems encountering the use of social indicators, so far, all legal studies have shown that this viewpoint can be seen as discriminatory from the point of view of the tax authorities. Legal experts have not yet agreed on the safe use of these criteria, even with regard to the complicated definition of individual social groups.

The following is embedded in the good practices of transnational cooperation. IAP includes a set of indicators and monitoring framework to follow up on progress with these indicators. A final version of the Action plan will be prepared by the coordinator and City

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Council, and then it will be discussed and confirmed by ULG. We found inspiration in the solutions of our partners and we have definitely learnt something new. We have used many of their approaches and solutions in our practice.

13. Framework for delivery

Framework from the next period:

Completion of the Strategy	March 2018
Completion of expert recommendation	January 2018
Processing of a tender for the purchase of computers for a nursery school	December 2017
Completing the definition of social criteria and their possible use for the selection procedure - template	January 2018
Implementation of the selection procedure	February 2018
Processing of ULG comments and other project participants	February, March 2018
Conclusions for the implementation of the RD in Prague 9	March 2018
Council Resolution	March 2018
Establishment of the intention to continue to develop	April 2018
Spend Analyses with specification of the data processing instructions 2. part	March 2018
Evaluation of the project and conclusions of the ULG meetings	April 2018

Proposal of results framework for strategy preparing:

the need to improve the quality of the process,
no existing strategy,
acquiring knowledge and identifying the problem,
acquiring partners and planning individual tasks and leading processes,
determining the measured results in the middle of the process,
finishing the analysis,
developing the strategy

14. Risk Analysis

14.1. Risk and their assessment

“...the potential of gaining or losing something of value.”

With this definition, it quickly strikes that a risk can pay off in two different ways: you can either gain magnanimously from it or go plunging down in loss. But, we normally perceive risk in the most negative connotation at all times and always plan to mitigate this negative risk that we anticipate. What happens when the risk you take pays off? A complete understanding of the risk your project is subjected to, will even make you plan for sudden success that would need a lot of controlling and management.

Risk could be **defined also as an unintentional interaction with uncertainty**. In the case of projects and project management, risk is that factor which is a potential threat to the successful completion of the project, on schedule. A risk can occur during any stage in the project life cycle and can adversely affect the entire functioning of the project, leading it to deviate from the proposed plan.

These adverse effects can be a constant or momentary threat to the time, budget, resources, or even quality conferred upon the project. A project is always in a state of risk and project risk management contributes in identifying and taking actions against these risks at the right time, in the right manner. Controlling and managing the levels of risks

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and uncertainty are what a project risk management plan will look out for, and we will cover these aspects in the following sections³.”

Project risk management plans are these thought-of mappings that can identify, anticipate, and employ solutions in case the project runs into issues/problems. A good project risk management plan can face unexpected problems that arise, as the planner has taken into consideration all the possible scenarios that can go wrong while executing the project. Firefighting isn't always the best way and can cause detrimental damage to further phases within the project.

An excellent project risk management plan can decrease the level of problems affecting the project by around 80 % – 90 %, which is a good range to be in. The 20 % – 10% can always be the marginal risk percentage that is unaccounted for.

Risk register:

Risk categories	Impact on the project	Likelihood	Responsible person	Reporting stricture	Mitigation strategies
Lack of awareness amongst local business base of opportunities/lack of municipality knowledge of local business base	High	moderate	Team leader	½ a year	preventative
Bureaucratic and rigid national level law	High	high	??	½ a year	contingency
Suspicion of corruption in procurement/risk aversion	moderate	moderate	Team leader	½ a year	preventative
Inflexible criteria beyond price in procurement decisions	High	low	Team leader	½ a year	preventative
Budget constraints and austerity	moderate	low	Team leader	½ a year	preventative

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³ <https://uk.practicallaw.thomsonreuters.com/>

14.1. Project Risk Management Plan and its development

After having a quick go into risk and its management, it comes up as essential for any project on the line to include a plan to manage the risks anticipated for that project. All projects have a percentage of risk hovering them and it always falls in need to have a project risk management plan at hand.

A project risk management plan is basically a step-by-step instructional document, identifying and anticipating scenarios that can put the project at risk and find ways and means of solutionizing the risk. The project risk management plan summarizes the project risk management approach that has been adopted by the project manager and the team, and this project risk management plan is usually part of the project business plan, which is created at the start of the project.

The project risk management plan at all times would contain the following attributes and elements:

- **Process** – to identify, analyse, evaluate, and mitigate risks throughout the project life cycle. All these processes were identified by project team and discussed with ULG
- **Budget** – lack of financial resources. Not so important at Council level
- **Risk Register** – **The frequency of reviewing the risk register was confirmed, it will be done one time per half a year**
- **Roles and Responsibilities** – **who is in-charge of which scenario. Project team and leader of project will be responsible**
- **Reporting Structure** – will be provided as part of monitoring the outputs of the project
- **Risk Categories** – was provided by members of the team and ULG partners/stakeholders

Team members and leaders of the project are able to completely identify all risks, they can adopt the method of first defining categories that these risks can fall into, for example, project risks, corporate risks, business risks, budget risks, system risks, people risks, business objective risks, and much more.⁴

According to the project plan brainstorming session with the project team members, stakeholders and law experts will gain proper identification of the risks. The SMEs will be executives from an outside perspective looking on the project.

Project team members put each risk into the risk register on the scale of low, moderate, and high likely occurrence rate and low, moderate, and high seriousness of impact rate.

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⁴ <https://www.educba.com/project-risk-management-plan/>

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They can create a matrix to chart out these evaluations so as to gain a wholesome idea about the risks and their influence on the project.

This grading and rating on matrices can be later used to prioritize the different types of risks and enable the project manager to put measures in place within the project risk management plan.

The risks that are at the highest priority will be attended to first by the project manager and their mitigation plans and will be realized before planned actions and especially after project's finish, when the outputs of project will be implemented. The risks with a lower priority will be taken care of later but cannot be ignored or neglected.

14.2. Monitoring and Reviewing Risks

While the project proceeds as per the project plan, alongside runs the project risk management plan, taking care of all the risks that the project might encounter on its way to completion. Since all the proceeds of the project risk management plan will be documented in the risk register, it's important to review this document at regular intervals.

Project risk management is an iterative process and should be seamlessly woven into the management of your entire project. It should be closely integrated to the issue management framework because unresolved issues can slowly succeed to become potential risks.