

**National Plan for the Introduction of Electronic Public
Procurement over the Period 2006 - 2010**

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1. Introduction

1.1 Basic Context of Electronic Public Procurement

The National Plan ensues from the need of the Czech Republic to address systematically the issue of introduction of modern information and communication technologies in the process of public procurement and the process of public investments. It reflects the efforts of the Government of the Czech Republic to execute the largest proportion possible of public purchases "online" and to encourage contracting authorities/entities and economic operators to embrace appropriate electronic commercial practices.

Electronic public procurement will be made possible as from the date of entry of the Act No. 137/2006 Coll. on Public Contracts into effect, including related Acts¹ (hereinafter referred to as "the new Act on Public Contracts"), namely on 1 July 2006. The new Act on Public Contracts comprises a comprehensive framework of electronic procurement, which is based on EU Directives 2004/17/EC² and 2004/18/EC³ (hereinafter referred to as "the EC Procurement Directives") and implemented by Decrees⁴ in the area of electronic tools and publication. To implement electronic public procurement the European Commission issued Communication to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions no. SEC (2004) 1639 "Action Plan for Implementation of the Legal Framework in Electronic Public Procurement" (hereinafter referred to as "the EU Action Plan" or "the Communication from the European Commission"), comprising a requirement imposed on the Member States, to draw up national plans⁵ for the introduction of electronic tools in the award procedure.

The opportunity to procure electronically does not relate only to public contracts but also to concession contracts, since the Concession Act stipulates that all provisions of the new Act on Public Contracts referring to electronic public procurement shall apply for the purposes of Concession Act. The notion of electronic public procurement in

¹ Act No. 138/2006 Coll. amending certain Acts in connection with adoption of the Act on Public Contracts; Act No. 139/2006 Coll. on Concession Contracts and Concession Procedure (the Concession Act); Act No. 140/2006 Coll. amending certain Acts in connection with adoption of the Concession Act.

² Directive 2004/17/EC of the European Parliament and of the Council coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (hereinafter referred to as "Directive 2004/17/EC").

³ Directive 2004/18/EC of the European Parliament and of the Council on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (concerning construction work, deliveries and services) (hereinafter referred to as "Directive 2004/18/EC").

⁴ Decree on Electronic Means, Electronic Tools, and Electronic Acts in Public Procurement; Decree on Publication; Decree on Particulars of Attestation Procedures for Electronic Tools, Essentials of the Application for Attestation and on Fees for the Submission of Application for Attestation (Decree on Attestation for Electronic Tools).

⁵ Coordination of the implementation of national plans of EU Member States is ensured by the European Commission.

this document is construed as reference to electronic conclusion of concession contracts as well.

The Government of the Czech Republic is also aware of the significance of electronic public procurement for the development of e-commerce in the Czech Republic, since public purchases account for high percentage of transactions in the context of national economy. That is why the National Plan reflects the determination of public sector to introduce electronic tools in purchasing processes and enlarge potential use of e-business by means of electronic public procurement. Introduction of modern information and communication technologies in the public procurement process will lead to the betterment of transparency of procurement process, reduction of transaction costs and prices of subject matters of public contracts, and to other benefits described in this document. On the other hand, the electronic procurement process entails new risks that might compromise credibility of the award procedure or security risks related to the fact that the electronic tools employed in public procurement are connected to public networks. Measures targeted at elimination or mitigation of risks (e.g. technical specifications for electronic tools) will be implemented even before rendering electronic procurement systems operational.

The Government of the Czech Republic realises the fact that electronic support extended to the procurement process will have at the outset a combined character, where some steps of the procurement procedure will be conducted electronically and some in a "classical" manner, i.e. in paper form; gradual integration of electronic support in fully electronic procurement procedures and also integration of applications for electronic public procurement with in-company information systems of contracting authorities/entities⁶ (so-called ERP Systems - Enterprise Resource Planning Systems) is, however, the final objective. The Government of the Czech Republic is also aware of broader potential of computerisation than the mere process of electronic public procurement itself. Accordingly, the National Plan outlines also further objectives closely related to the electronic public procurement process, e.g. more extensive exploitation of electronic ordering systems or electronic settlement and payment systems.

1.2 National Plan Targeting and Stages

Possibility of electronic public procurement is only hinted in current Act No. 40/2004 Coll. on Public Contracts, as subsequently amended (hereinafter referred to as "Act 40/2004 Coll."), since such an opportunity to use electronic tools in the public procurement process is provided for in this Act only in part (e.g. submission of electronic tender). Comprehensive legislative framework for electronic public procurement has not, however, been established. Current legislative arrangements solve computerisation of public procurement only in partial manner and **in no case can one speak of equality of electronic and documentary procurement processes.**

⁶ It refers in particular to sectoral contracting authorities/entities. Communication between economic and accounting systems of a contracting authority/entity and an economic operator will not be subject to establishment of a fixed link (e.g. EDI) but *via* communication interfaces (most probably on the basis of XML). The reason for establishment of an interface consists in the efforts to reduce transaction costs and avoid errors incurred due to entry of duplicate data.

The arrangements of electronic public procurement contained in Act 40/2004 Coll. constitute inapplicable fragment. **Electronic public procurement does not take place**⁷ and only some partial processes (e.g. publication) can be conducted electronically.

Only the new Act on Public Contracts constitutes a comprehensive legislative framework for electronic public procurement; implementation of the legal framework is dealt with in this document. The National Plan contains description of the target state of electronic public procurement in the Czech Republic and measures to reach such a state for the period 2006 - 2010. The National Plan:

- **sets policies** in which the Government of the Czech Republic intends to introduce computerisation in the process of public procurement,
- **lays down attainable goals** for individual categories of public contracts, contracting authorities/entities and processes/activities of award procedures,
- **declares active approach** of the Government of the Czech Republic to the adoption of the most modern procedures in the field of electronic commerce, and support to contracting authorities/entities in the implementation of computerisation in the framework of organisations thereof,
- **describes in an indicative manner individual activities and sets forth measures** by means of which the target state in electronic public procurement in the Czech Republic is to be achieved,
- **defines the framework for monitoring progress** in the introduction of electronic tools through a set of indicators,
- **identifies the risks** attaching to the implementation of the National Plan that might endanger the exploitation of benefits ancillary to electronic public procurement.

The computerisation of award procedures outlined in the National Plan covers all categories of purchases provided for in the new Act on Public Contracts, i.e.:

- **above-the-threshold public contracts** - according to statistical data of the Ministry for Regional Development the financial volume of above-the threshold public contracts amounted to CZK 109 milliard in the year 2005,

⁷ Electronic purchase in public administration is currently executed only in the case of contracts valued below CZK 2 million (i.e. if public contracts are not at stake). According to Government Resolution No. 683 of 26 June 2002, on Further Procedure Towards Co-ordinated Expending Financial Means on Information and Communication Technology, since 1 September 2002 the administrators of State budget chapters are obligated to carry out all orders and purchases of information and communication technology up to CZK 2 million for the use in public administration by means of the public sector e-marketplace (GEM). According to statistics of the Ministry of Informatics in the year 2005 transactions amounting to CZK 1,335 milliard were effected *via* GEM, which constitutes 0.7 % out of financial volume of public contracts in the year 2005 amounting to about CZK 183.6 milliard Source: Information system on public procurement (Ministry for Regional Development), Ministry of Informatics.

Some contracting authorities/entities in the Czech Republic also make use of electronic tools for purchasing commodities at the value below CZK 2 million, which are outside the e-marketplace regime. Statistics on financial volume of effected purchases are not available.

- **below-the threshold public contracts** - according to statistical data of the Ministry for Regional Development the financial volume of below-the-threshold public contracts amounted to CZK 74.6 milliard in the year 2005,
- **small-scale public contracts** - according to the estimates of the Ministry for Regional Development the financial volume of small-scale public contracts amounted to CZK 219.3 milliard in the 2005.⁸

The National Plan has been compiled for the period 2006 – 2010 and the planning period, at the same time, divided into following stages:

- ◆ **period 2006 - 2007**, which overlaps with the period of effect covered by the EU Action Plan. The aim of this stage is:
 - implementation of the legislative framework of electronic public procurement into practice,
 - support to individual steps of electronic public procurement:
 - support to electronic publication of information concerning public procurement,
 - support to electronic submission of tenders/requests to participate,
 - support to electronic conclusion of contracts,
 - support to electronic signing in cross-border transactions,
- ◆ **period 2008 - 2010** – the National Plan contains outlook of prospective measures for this stage; they include activities that fundamentally increase the attractiveness of electronic public procurement (e.g. electronic invoicing) but where the conditions to deal with them are not currently set up. Individual activities entered in this stage are now solved in the framework of European initiatives (e.g. IDABC or CEN/ISSS) or in the frame of the concept of e-Government in the Czech Republic. Electronic public procurement will be linked to the outputs from European initiatives and policies elaborated as part of the Czech e-Government. The subject-matter of this stage is to support following activities:
 - support to electronic submission of orders,
 - support to electronic exchange of accounting documents,
 - support to electronic payments,

⁸ In the year 2005 GDP of the Czech Republic amounted to CZK 2,931.1 milliard. According to the estimates of the European Commission, public contracts (above-the-threshold, below-the-threshold and small-scale, including purchases effected under exclusions from the provisions of Act No. 40/2004 Coll.) constitute 15 % of GDP, i.e. CZK 439.6 milliard in the year 2005. According to statistics on public contracts from the public procurement statistical system, public contracts awarded under Act No. 40/2004 Coll. amount to CZK 183.6 milliard, small-scale public contracts are estimated at CZK 219.3 milliard, and purchases executed under exclusions from the provisions of Act No. 40/2004 Coll. have been estimated by the Ministry for Regional Development at approximately CZK 36.7 milliard (20 % of the volume of above-the-threshold and below-the-threshold public contracts). Source: web pages of the Czech Statistical Office and the Public Procurement Information System operated by the Ministry for Regional Development.

- support to long term storing and archiving electronic documents.

The National Plan will become background for drawing up individual plans of major contracting authorities/entities in the Czech Republic, where attainable objectives concerning computerisation of award procedures of relevant contracting authority/entity are going to be set out, and where the particulars of purchased commodities and their suitability for the electronic awarding is going to be taken into consideration.

2. Principal Starting Points

In the Czech Republic in the period from 1 January to 31 December 2005:

- 7,242 above-the-threshold and below-the-threshold public contracts (4,397 for public works, 1,226 for services, and 1,619 for supplies) were awarded,
- 41 % of the volume of public contracts were awarded by 10 major contracting authorities/entities in the Czech Republic,
- 0 % of public procurement was awarded electronically (only marginal parts of award procedures can be conducted electronically)
- in the year 2005 contracts, which were below the financial threshold for public contracts and which amounted to CZK 1.335 milliard⁹ (i.e., only 0.7 % of the volume of public contracts in the period in question), were awarded through e-marketplace for public administration.

It can be expected that also in the future public contracts will henceforth constitute 15 % of GDP. Financial volume of public contracts awarded will thus rise nominally every year in the context of the GDP growth. In connection with drawing the means from Structural Funds and the Cohesion Fund, a considerable proliferation of the financial volume of public contracts will occur.

2.1 Purpose of the National Plan

The fundamental purpose of the National Plan is to:

- ◆ accelerate the process of the introduction of electronic tools in the field of public procurement,
- ◆ formulate strategy of the introduction of computerisation in the process of public procurement with the following main objectives to be attained by 2010:

⁹ Source: Web pages, the Ministry of Informatics of the Czech Republic.

- contracting authorities/entities will have a capacity to award 100 % ¹⁰ of public contracts thereof, where facilitated under applicable law,
 - 50 % of above-the-threshold, below-the-threshold and small-scale public contracts, including purchases executed under exceptions from the Act on Public Contracts will be awarded electronically (this share constitutes financial volume of about CZK 219.8 milliard¹¹),
 - 25 % of contracting authorities/entities (i.e. approximately 500 contracting authorities/entities) will award contracts electronically,
- ◆ introduce standards in electronic public procurement with the aim to
 - reduce the costs (both investment and transaction),
 - allow for the participation of foreign economic operators in award procedures, i.e. to comply with the principles of the EU Internal Market,
 - raise competitiveness of Czech economic operators in the framework of the EU Internal Market by embracing electronic commercial practices,
 - make the situation for economic operators easier in doing business with more than one contracting authority/entity,
 - ◆ promote fundamental principles emanating from the Treaty establishing the European Community and from EU Procurement Directives, which are transparency, non-discrimination, equal treatment, and mutual recognition,
 - ◆ harmonise the activities of administration bodies with relevant material competence in the field of introduction of electronic tools in award procedures,
 - ◆ lead by setting an example - demonstration of benefits and correct procedures through pilot projects,
 - ◆ facilitate supplier-customer relations between contracting authorities/entities and economic operators,
 - ◆ promote auditability of expenditures on public contracts,
 - ◆ promote the use of e-commerce in the whole national economy.

¹⁰ See the Ministerial Declaration approved unanimously on 24 November 2005 at the meeting in Manchester on the occasion of the Ministerial e-Government Conference "Transforming Public Services".

¹¹ The datum relates to the estimated financial volume of public contracts in the year 2005. The target value of 50 % results from the Declaration approved unanimously by the Ministers of Member States at the conference "Transforming Public Services" held in Manchester, the United Kingdom. The Declaration relates to above-the-threshold public contracts and, for the purposes of the National Plan, the objective is applied to below-the-threshold and small-scale public contracts, including purchases executed under exclusions from the Act on Public Contracts.

2.2 *Estimated Benefits*

Financial benefits

- ◆ Reduction of unit prices of the purchased commodities by 5 %¹² on the average, which would bring, according to data for the year 2005, annual savings of expenditures on public contracts amounting to CZK 10.99 milliard¹³
- ◆ Reduction of transaction costs related to award procedures by 50 %¹⁴ on the average, which would lead, according to data for the year 2005, to annual savings of expenditures on public contracts amounting to CZK 1.46 milliard.¹⁵

Non-financial and financially incalculable benefits

- ◆ Increase of negotiating power of the contracting authorities/entities (the range of contracting authorities/entities that can take part in award procedures will be extended, since transaction costs related to participation of the contracting authority/entity in award procedures will decrease),
- ◆ Improvement of competitive environment among economic operators accompanied by simultaneous maintenance of standards of reliability and quality of supplies,
- ◆ Acceleration of communication in the framework of award procedures,
- ◆ Better understanding of trends in public investments by analysing structured statistical data on the structure of public sector expenditures,
- ◆ Improved access of small and medium enterprises to public contracts,

¹² The value is taken over from the EU Action Plan. The European Commission estimated the savings by analysing the electronic public procurement systems in EU Member States.

¹³ The savings are calculated on the assumption that the objective when 50 % of public contracts (above- and below-the-threshold public contracts and small-scale public contracts and purchases executed under exclusions from Act No. 40/2004 Coll., i.e. CZK 219.8 milliard) will have been awarded electronically, has been reached.

¹⁴ The value is taken over from the EU Action Plan. The value is in the bottom range of the margin referred to by the European Commission, which makes 50 – 80 %.

¹⁵ The Ministry for Regional Development estimates the transaction costs at 2 % of the financial volume of above- and below-the-threshold public contracts and 1 % of the financial volume of small-scale public contracts. The savings are calculated on the assumption that the objective when 50 % of public contracts are awarded electronically (i.e. 50 % of above- and below-the-threshold public contracts amounting to CZK 91.8 milliard and 50 % of small-scale contracts amounting to CZK 109.6 milliard will have been awarded electronically) has been reached. Financial savings will not be staggered equally over time. Savings from purchases made under exceptions from the Act on Public Contracts are not taken into account. Depreciation related to investment costs to introduce electronic tools, may enter into economic calculation in the first years of operating electronic tools.

- ◆ Elimination of barriers preventing foreign economic operators to take part in public contracts in the Czech Republic, and thus strengthening Internal Market principles; in the context of implementation of national plans in other EU Member States, better access for Czech economic operators to public contracts awarded in those States can be expected,
- ◆ Improvement of controllability of individual steps in award procedures (by making use of electronic records of particular acts in the system).

The above mentioned benefits will be achieved by means of a set of measures, which comprises:

- ◆ introduction of electronic tools in the public procurement process in the framework of consistent policy,
- ◆ introduction of new award procedures based on procedures well-established in the European context – the new legislation introduces a number of procedures that, if applied properly, will lead to financial savings. The contracting authorities/entities must, however, accept such procedures and begin to apply them. Electronic tools or organisational support will facilitate their faster and simpler application. New award procedures will be built on new institutes contained in the Act on Public Contracts (e.g. classification of subject-matters of public contracts and management of individual categories at the level of contracting authorities/entities, sectors or at the national level),
- ◆ establishment of a new organisational set up - organisational support to implementation and application of new legislation in practice in the field of electronic public procurement.

2.3 Essential Principles of Electronic Public Procurement in the Czech Republic

Electronic public procurement will be based on the following principles:

- ◆ decentralisation¹⁶ - electronic public procurement will not be built on a single, centrally administered platform (i.e. application). Individual contracting authorities/entities and commercial operators will retain enough space for the design of electronic tools; the same will apply at the central level, (e.g. central contracting authorities/entities) where a dominant solution might originate, to be subsequently used by central public administration authorities,
- ◆ standardisation - standards common to the system of electronic public procurement, deduced in particular from respected international standards and standards employed at the European level (see the projects IDABC and

¹⁶ Design of electronic tools cannot be restricted by law. The National Plan aims at formation of a functional framework for electronic public procurement. The option to make use of electronic procurement rests, however, upon contracting authorities/entities and superior authorities thereof. . The Government of the Czech Republic could e.g. decide on the design of an electronic tool and order its subordinated bodies to use it. Thereby a dominant system for electronic public procurement in the Czech Republic will be established.

CEN/ASSS) will be used by all operators. The objective of standardisation is to allow for interoperability of electronic tools in both national and European context, make the situation easier for economic operators in doing business with more than one contracting authorities/entities, and ensure savings of financial means related to the development of duplicate standards,

- ◆ open systems and solutions –in electronic procurement the open standards, and not the proprietary ones, will be promoted to the largest extent possible,
- ◆ electronic tools are designed by contracting authorities/entities (including central ones), as well as by external operators (both commercial and non-commercial); this approach has got two basic advantages
 - establishment of an alternative model for investments in the development of infrastructure for electronic public procurement –due to pressure on savings, public means are insufficient for rapid computerisation of award processes . Involvement of commercial operators offering electronic tools on the ASP principle¹⁷ or on the basis of purchase of a licence will lead to the fast introduction of electronic tools in award procedures,
 - keeping pace with development of technology - electronic tools are subject to technological changes. An approach where electronic tools are designed and operated by a broad range of operators will lead to the faster implementation of technological innovations more likely than the system where all and every development rests only upon public authorities,
- ◆ existence of more central contracting authorities/entities concurrently - the Act on Public Contracts allows for parallel establishment and pursuit of activities by central contracting authorities/entities. Such authorities/entities will become important users of electronic means since they usually purchase a portfolio of commodities suitable for electronic purchase, and often purchase in large quantities. Electronic tools will underpin the function of central contracting authority/entity through functions for aggregation of inquiries, process workflow, etc.

The Government of the Czech Republic endeavours to liaise and integrate electronic tools to support the process of electronic public procurement with information systems employed to assist managerial and supportive processes used by contracting authorities/entities. Superstructural systems addressing inquiry aggregation by central or major contracting authorities/entities having a number of organisational departments or branches will be also important. The aim is to avoid entering duplicate data on public contracts into more information systems and bring savings of processing costs and confine the occurrence of errors.

¹⁷ ASP (Application Service Provider): a contracting authority/entity uses electronic tools designed and operated by a third party in the form of purchase of a service. The provider of application is responsible for the operation and the contracting authority/entity reimburses a lump-sum for the use of application (e.g. by a percentage of the transaction volume).

2.4 Primary Legislative Aspects and Relation to Strategic Documents

2.4.1 Legislation in the Area of Public Contracts in Preparation

The legislative framework for electronic public procurement is contained in EU Procurement Directives. All provisions of Procurement Directives concerning the introduction of electronic tools in the public procurement process have been transposed into national legal arrangements in the Czech Republic in the form of the new **Act on Public Contracts**. In the field of computerisation, the new Act is going to be implemented by following legal regulations:

- ◆ Decree on Electronic Means, Electronic Tools and Electronic Acts in Public Procurement,
- ◆ Decree on Publication,
- ◆ Decree on Particulars of Attestation Procedure for Electronic Tools, essentials of the Application for Attestation and on Fees for the Submission of Application for Attestation (the Attestation Procedure for Electronic Tools Decree).

The new Act on Public Contracts and related Decrees constitute a legislative framework for application of electronic tools in a standard process of public procurement. The new Act puts on an equal footing electronic and documentary public procurement and contains delimitation of electronic tools and means, as well as the conditions for the use thereof in award procedures, the obligation to obtain an attestation from the Ministry of Informatics prior to using electronic tools in award procedures included, and lays down new institutes of electronic procurement (dynamic purchasing systems and electronic auctions).

The Concession Act stipulates that all and every provision of the Act on Public Contracts relating to electronic public procurement shall also apply for the purposes of this Act. The Decree implementing the Concession Act allows for electronic transmission of data for publication (provisions of the Act on Public Contracts shall also apply to the procedure of publication of information on concession contracts).

Current legislation in the field of public contracts will be completely substituted by the new Act on Public Contracts and the Concession Act.

2.4.2 Related Legislation

The related legislative environment in the area of public procurement is constituted by a number of legal rules that concur in public procurement procedures in supporting manner or define the legal institutes employed in award procedures. Both general rules of law, as Civil Code and Commercial Code, and special/specific legal rules as Act on Electronic Signature belong thereto.

Act No. 40/1964 Coll., Civil Code, as subsequently amended, provides for general elements of legal acts. With regard to electronic public procurement, it is essential that Civil Code allows for considerable discretion to negotiating parties as to the form of legal acts. It makes possible to maintain a written form of a legal act even while using electronic means. The Act on Public Contracts is of special character as to this

arrangement and imposes on the form of a legal act additional requirements, related to the use of electronic signatures.

Act No. 227/2000 Coll. on Electronic Signature and on Amendments to Certain Other Acts, as subsequently amended, provides for rights and obligations of the signing and marking person in using electronic signature and electronic marks, as well as those of providers of certification services in providing certification services. It is a framework legal rule, which is applied anytime the Act on Public Contracts requires that electronic signature be used. It applies both to the role of a signing person who creates the electronic signature, as well as to the role of an authenticating person who accepts the legal act bearing an electronic signature. In public procurement, contracting authority/entity as well as economic operator perform both roles.

Act No. 365/2000 Coll. on Information Systems in Public Administration, as subsequently amended, lays down rights and obligations related to creation, use, operation and development of information systems in public administration. The regime of information systems in public administration includes the information system on public contracts administered by the Ministry for Regional Development; the system, *inter alia*, ensures publication of information on public contracts. Electronic tools will not fall within the scope of regime of public administration information system since the Act on Public Contracts does not classify electronic tools as part of such a regime.

The Act on Electronic Signature does not provide for the manner of processing documents bearing electronic signatures. The issue is marginally dealt with in **Act No. 499/2004 Coll. on Archiving and Filing Service**, as subsequently amended, which in the provision on storage of electronic documents refers to **Decree No. 496/2004 Coll. on Electronic Filing Offices**. As public procurement is outside the scope thereof, participants in the public procurement process are entitled to act upon such legal rules only in certain cases by analogy.

The legislation framework constituted by legal regulations related to public procurement covers all necessary aspects save for archiving and storage of electronic documents.

In addition to the above mentioned legislative acts, Government Resolution No. 683 of 26 June 2002 remains in effect and lays down that as from 1 September 2002, administrators of State budget chapters are obligated to execute all orders and purchases of information and communication technology up to CZK 2 million to be used in State administration, at the electronic marketplace on the web address set up to this effect by the Office for Public Information Systems (nowadays the Ministry of Informatics).

2.4.3 Relation to Relevant Strategic Documents and Other Significant Initiatives of the Czech Republic

The issues related to electronic public procurement are mentioned in the context of documents dealing with the information and communications policies of the Czech Republic and the development of e-commerce, namely:

State information and communications policies (eCzechia 2006) - approved by Government Resolution No. 265 of 24 March 2004.

This is a strategic document of the Government of the Czech Republic in the field of development of information society; it is mostly based on the EU Action Plan eEurope 2005, which is a constituent element of the Lisbon Strategy in the area of information society. The document lays down four priorities:

- ◆ available and secure communications services
- ◆ information literacy
- ◆ modern public on-line services including electronic public procurement,
- ◆ dynamic environment for electronic business.

Topical tasks of the Government of the Czech Republic in the field of information and communications policies focus on build-up of electronic public administration services, progress in liberalisation of the electronic communications sector, support to broadband Internet access, progress in legislative make-up of information society, increasing information literacy of citizens, and assistance to the development of electronic business. The Government of the Czech Republic considers electronic public procurement as a suitable means to make all purchases in the framework of public administration cheaper, more effective and more transparent.

White Book on e-Commerce – endorsed by the Government of the Czech Republic under Government Resolution No. 474 of 19 May 2003

It is a key Government document in the area of promotion of e-commerce; the document presents a vision of the development of e-commerce in the Czech Republic and the manners how to promote it. The objective of the document is to describe the methods to be used to remove identifiable legislative barriers to the development of e-commerce and specify procedures to be used to ensure its smooth and secure functioning.

According to the White Book, the basic prerequisites for functioning of e-commerce remain to:

- ◆ recognize necessary validity and legality to legal acts undertaken in electronic form, to contractual acts in particular,
- ◆ lay down legally relevant possibility of electronic communication (by means that enable remote access) and handling electronic documents (dispatching, delivering, archiving) not only in the private-law sector but also on the boundary between private-law and public-law sectors (e.g. public contracts),
- ◆ set forth minimum guarantees for handling electronic documents necessary to ensure their security and secure transmission,
- ◆ set up functional legal framework that provides for e-commerce environment in a comprehensive manner, puts "traditional" commerce on an equal footing with electronic commerce and allows for their interoperability,

- ◆ regulate provision of information society services and setting up adequate public control mechanisms.

3. Objectives and Priority Areas of National Plan

The new Act on Public Contracts provides for a procedure (i.e. process) that the contracting authority/entity has to comply with prior to concluding a contract on a public contract with a selected economic operator. This arrangement constitutes the main axis of the Act, which allows for carrying out individual activities in award procedures through electronic means and tools.

The objective of the National Plan is to facilitate and accelerate the introduction of electronic tools in the process of electronic public procurement by implementation of measures described in Chapters 3 and 4, and to support, by means of information and communications technologies, all activities included in the process of public procurement. Technical specifications for electronic tools to support all relevant activities will be drawn up (see Chapter 3.1). Moreover, measures facilitating and accelerating implementation of electronic support are also to be carried out in the context of selected activities.¹⁸ Such measures are indicated at individual activities in chart No. 1.

Chart 1 delineates the process of public procurement regardless of whether it is conducted in paper or electronic form. Different colours indicate activities provided for by the provisions of the Act on Public Contracts (white colour) and other activities that – though not being provided for in the Act – constitute, however, an integral part of the process of public investments (green colour). Communication between contracting authority/entity and economic operator as e.g. the notice of exclusion, the notice on the selection of best tender, etc. is not depicted in the chart.

¹⁸ Absence of procedures specifying how to use electronic tools in practice, i.e. how to apply legislative requirements often impedes the introduction of electronic tools into practice.

Activities in public procurement process

Measures to support partial steps

General measures to promote introduction of electronic tools

Activities Outside the Scope of the Act	A Public contract preparation		<ul style="list-style-type: none"> ◆ Draw up technical specification for electronic tools ◆ Draw up Formal Guidelines for Evaluation for Purposes of Attestation 	
	↓			
	B Notice/invitation preparation		<ul style="list-style-type: none"> ◆ ◆ Draw up Formal Guidelines for the Use of Electronic Signature in Cross-Border Transactions 	
Activities Provided for by the Act on Public Contracts	↓			
	C Publication of Notice/Dispatch of Invitation	of of Accord Preference to Electronic Publication	<ul style="list-style-type: none"> ◆ Prepare Analysis of Legal Environment for Long-Term Storage and Archiving of Electronic Documents 	
	β			
	D Supply of Contract Documentation		<ul style="list-style-type: none"> ◆ Prepare Analysis of Technological and Technical Options of Long-Term Storage and Archiving of Electronic Documents 	
	β			
	E Tenders/Requests to Participate	to Allow for Involvement of Emerging Electronic Tools in Process of Publication	<ul style="list-style-type: none"> ◆ Propose Further Steps to Ensure Legal Validity of Documents Stored and Archived for Protracted Period of Time 	
	↓		Draw up Formal Guidelines for Combined Tenders	<ul style="list-style-type: none"> ◆ Suggest Legislative Alterations and Draw up Related Formal Guidelines for Implementation of Long-Term Storage and Archiving of Documents
	F Appointment of Commission to Open Envelopes	Indicate Minimum Essentials for Content of Electronic Catalogues		
	β		Allow for Issuance of Electronic	<ul style="list-style-type: none"> ◆ Establish National Electronic Archives
	G Opening of Envelopes with Tenders	Extracts from Registers		<ul style="list-style-type: none"> ◆ Prepare Analysis of Options for Aggregation of Inquiries of Contracting Authorities/Entities
	β		Arrange for Participation of the CR in	
	H Appointment of Evaluation Commission	the Working Group for Electronic Extracts from Registers		<ul style="list-style-type: none"> ◆ Identify Commodities Suitable for Electronic Purchasing
	β			<ul style="list-style-type: none"> ◆ Have in Place Demonstrators for Model Use of Framework Contracts
	I Assessment and Evaluation of Tenders			
	β			<ul style="list-style-type: none"> ◆ Design Pilot Projects with Central Contracting Authorities/Entities
J Selection of Economic Operator				
↓			<ul style="list-style-type: none"> ◆ Ensure Presentation of the National Plan within PPN and Gain 	

	K	Conclusion of Contract with the Winning Economic Operator	Draw up Formal Guidance for Electronic Conclusion of Contracts	Experience from Implementation of National Plans in the Other EU Member States
		β		
	L	Publication of Results		
		β		
Activities Outside the Scope of the Act	M	Supply of the Object of Public Contract	Liaise Procedures in the CR with	
		β	Outputs from European Standardisation Projects	
	N	Payment for the Object of Public Contract	Liaise Procedures in the CR with	
			Outputs from European Standardisation Projects	
			Draw up Formal Guidelines for Electronic Invoicing	

3.1. Indispensable Prerequisites for Initiating Electronic Public Procurement

3.1.1 Technical Specifications of Electronic Tools

The availability of technical specifications of electronic tools and setting-up environment conducive to their communication is the indispensable assumption for the design of electronic tools. Technical specifications specify legislative requirements in the form of clearly defined, testable requirements.

Technical specifications are important for several reasons, as they

- ◆ prevent uncontrolled and uncoordinated introduction of electronic public procurement,
- ◆ reinforce legal certainty of electronic tools users,
- ◆ define a standard against which conformity of electronic tools used in the process of electronic public procurement with applicable legal requirements can be controlled,
- ◆ define a clear rule how to design electronic tools and constitute a basis for designers of electronic tools.

Stable legislation and recognition of current development in the field of introduction of electronic tools in the Czech Republic (including close collaboration with hitherto interested entities in this area) are basic assumptions for the rapid and effective drawing up of technical specifications for electronic tools.

Technical specifications will have to take account of at least four fairly strictly separated elements:

- ◆ pinpoint the object of technical specifications of an electronic tool, which will cover electronic acts defined by the Act on Public Contracts from the processing point of view,
- ◆ delimit technical, organisational or, where appropriate, personnel requirements on the environment in which the electronic tools will be used; technical specifications must define the environment clearly, accurately and unequivocally,
- ◆ define requirements on processes ongoing inside electronic tools; leave largest possible discretion to administrators of those information systems for the choice of technical solution,
- ◆ define requirements on user interfaces facilitating direct interaction between external users and electronic tools.

Over and above the aforementioned technical specifications intended primarily for economic operators and designers, it will be vital to draw up formal guidance for evaluation. The objective thereof is to the evaluation metrics and evaluation procedures, so that the evaluation of conformity of tools can be conducted in a standard, objective and repetitive manner (see the attestation procedures in Chapter 3.1.2).

Technical specifications of electronic tools will liaise with outputs from standardisation projects under the aegis of the European Commission, in particular with the output from the IDABC project "Functional Requirements for Conducting Electronic Public eProcurement under the EU Framework", and take account of EU policy towards electronic public procurement.

Measures to be carried out:

- ◆ *Draw up technical specifications for electronic tools based in particular on the output of the IDABC project "Functional Requirements for Conducting Electronic Public eProcurement under the EU Framework". The estimated date of completion of technical specifications is by the date of entry of the new Act on Public Contracts into effect (to be ensured by the Ministry of Informatics in collaboration with the Ministry for Regional Development)*
- ◆ *Communicate the purpose and manner of the use of technical specifications to contracting authorities and the other participants in electronic public procurement process (to be ensured by the Ministry for Regional Development)*

3.1.2 Control Arrangements for Attestation of Conformity of Electronic Tools Functioning with Legislative Requirements

To build up confidence in electronic public procurement it will be necessary to implement sufficient arrangements for attestation of conformity of electronic tools with legislative requirements. As ensues from the new Act on Public Contracts, the control mechanisms will have a form of:

- ◆ **ex-ante controls** (checking in advance) - the new Act on Public Contracts lays down the obligation of attestation of electronic tools, i.e. electronic tools may be used in award procedures only following the attestation thereof by the Ministry of Informatics. Particulars of attestation procedures will be set forth by Decree to the Act on Public Contracts to be issued by the Ministry of Informatics,
- ◆ **ex-post controls** (subsequent checking) - the Office for Protection of Competition (hereinafter referred to as "the OPC") was entrusted with supervision over public procurement; the OPC carries out checks in particular cases of the award of public contracts and in the framework of those cases it examines compliance with legislative requirements related to electronic tools, where the electronic tools were employed in the award procedures.

To reinforce legal certainty of participants in award procedures it is necessary that the State administration bodies responsible for ex-ante or ex-post control publish procedures and rules under which the checks are going to be conducted. Technical specifications of electronic tools (see previous Chapter) and the formal guidelines for evaluation for the purposes of attestation are at issue in particular.

In addition to the control mechanisms referred to above, electronic public procurement will be also influenced by the exercise of control carried out by the **Supreme Audit Office**. The text of Decree on electronic means, electronic tools and electronic acts employed in public procurement is also meaningful for the pursuit of control.

Measures to be carried out:

- ◆ *Draw up formal guidelines for evaluation for the purposes of attestation of electronic tools by the date of entry of the new Act on Public Contracts into effect (to be ensured the Ministry of Informatics in collaboration with the Ministry for Regional Development)*
- ◆ *Until 2010, i.e. during the first two stages of the National Plan, accord a preference to applicants for attestation of electronic tools by reduction of attestation fees by reason of support to electronic public procurement. In the Decree on particulars of attestation procedures for electronic tools, essentials of the application for attestation and on fees for the submission of application for attestation (Attestation Procedures for Electronic Tools Decree), the fee for the submission of the application for attestation will not exceed CZK 50,000, relative to the amount of CZK 100,000 allowed for under the Act on Public Contracts (to be ensured the Ministry of Informatics)*
- ◆ *Draw up formal guidelines for control of electronic tools, in conformity with which the Office for Protection of Competition is going to pursue oversight activities thereof in the field of electronic tools (to be ensured by the Ministry for Regional Development in collaboration with the Office for Protection of Competition and the Ministry of Informatics)*

3.2 Support to Individual Steps in Electronic Public Procurement Process

3.2.1 Priorities for the Period 2006 - 2007

I. Electronic support to publication of information on public contracts

A gradual changeover to fully electronic transmission of background materials (i.e. forms) to publish information on public contracts, design contests and concessions, both at national and EU levels (publication in the Official Journal of the European Union) is in the interest of the Czech Republic. This manner is not only less expensive from the point of view of public sector¹⁹ but, moreover, offers higher comfort to the contracting authority/entity (e.g. enables on-line control of regularity of filled-in data), reduced technological time limits for publication and possible reduction of time limits in award procedures.

¹⁹ Contracting authorities/entities pay the system operator a fee for publication of information in the information system. The price for processing paper background materials will be by at least 40 % higher than that charged for processing electronic data.

At the date of elaboration of the National Plan, the following percentage shares of background materials have been transmitted electronically:

- ◆ **central address** (i.e. the national publication site): 26.4 %²⁰ of forms (4,469 pcs) have been transmitted electronically, 73.6 % (12,459 pcs) in paper form,
- ◆ **the Official Journal of the EU** (i.e. European publication site): 82.2 %²¹ of forms (1,180 pcs) have been transmitted electronically *via* OJS eSender, 17.8 % (255 pcs) by e-mail in the PDF format,²² which is considered to be paper form.

Objective set by the year 2007:

- ◆ Changeover to a predominantly electronic manner of forwarding information on public contracts for publication at the national level (paper forms will be only exceptional)²³.
- ◆ Changeover to a fully electronic manner of forwarding information on public contracts for publication in the Official Journal of the EU. Publication of information on public contracts in the Official Journal of the EU is provided for by Commission Regulation and changeover to a fully electronic way of publication is contingent on issuance of a new Regulation, which will introduce a sole obligation to transmit background materials for publication in electronic form.
- ◆ Retention of the so-called central publication model (i.e. inter-linking of national and EU publication sites) even following the adoption of the new Regulation of the Commission.

Measures to be carried out:

- ◆ *In collaboration with the operator of publication subsystem of the information system on public contracts accord a preference to electronic support, e.g. in the form of lower publication fees, quality validation services, possibility of administration of electronic forms (in particular of those in preparation) (to be ensured by the Ministry for Regional Development)*
- ◆ *Allow for involvement of emerging electronic tools in the process of publication by means of a communication interface (to be ensured by the Ministry for Regional Development)*

²⁰ The figure for the period January 2005 – October 2005.

²¹ The figure for 3rd quarter 2005. Source: The Office for Official Publications of the EU (OPOCE).

²² This format is used since the Official Journal of the EU has no forms for cancellation and modification of public contracts. The information cannot be forwarded *via* the OJS eSender application. Forms for cancellation and modification of public contracts are in preparation at the EU level and will be component part of the Regulation of the Commission.

²³ Changeover to a system where information for publication will be transmitted exclusively in electronic form will be conducted in the period 2008 - 2010.

II. Electronic support to submission of tenders/requests to participate in award procedures

Demonstration of qualifications in relation to the submission of tenders/requests to participate in award procedures remains contentious since electronic extracts from ordinary registers (Companies Register, Licensed Trades Register, Penal Register, R State Debtors Register²⁴) have not been available so far. One of the intentions of the European Commission (see Chapter 4.2.) is the compilation of a list of the most frequently used extracts from particular registers and the delivery thereof in electronic form in the framework of individual Member States.

Both under current and new legislation an electronic extract from the list of approved economic operators or a certificate from the systems of certified economic operators in electronic form may be employed to demonstrate satisfaction of qualifications by evidence in electronic form in the framework of award procedures. For the development of electronic public procurement it is, however, desirable to reckon with rendering extracts in the form of electronic officially authenticated extracts, namely both to citizens, entrepreneurs and public law bodies as part of the process of modernisation and inter-linking of particular registers.

An amendment to the Act on Information Systems of Public Administration Act²⁵ will allow for delivery of electronic extracts. The amendment will also allow for delivery of public documents from selected central registries through branches of the postal licence holder, notary, Registrar's Office, or Chamber of Commerce. The number of places, where extracts from registries necessary for demonstration of qualifications are available for economic operators will increase. It would be useful if the registers accessible at the above mentioned places include the Companies Register and the Licensed Trades Register.

The new Act on Public Contracts makes for a economic operator possible to submit to the contracting authority/entity data necessary for the evaluation of a tender in the form of an electronic catalogue. Electronic catalogues will bring significant processing savings related to drawing up and evaluation of tenders on the part of both economic operators and contracting authorities/entities. The Act does not lay down any requirements concerning content, and no standards for electronic catalogues are in place either. This might constitute certain obstacles for more massive use of electronic catalogues and raise the costs incurred by economic operators that do business with more contracting authorities/entities. The development of framework standards for electronic catalogues is one of standardisation projects running under the aegis of the European Commission (see Chapter 4.2).

In respect of tenders submitted by economic operators, it is also necessary to calculate with the fact that a combination of electronic and paper forms or the manner of delivery will occur. Such a combination of both forms could bring about difficulties in

²⁴ See Government Resolution No. 1478 of 16 November 2005 on further progress in preparation of the State Debtors Register.

²⁵ The amendment was published in the Collection of Laws under No. 81/2006 Coll., and relevant provisions providing for the delivery of extracts from registers shall enter into effect on 1 January 2007.

interpretation of individual provisions of the new Act on Public Contracts, and formal guidance extended to contracting authorities/entities and economic operators will be vital.

Objective set by the year 2007:

- ◆ introduce delivery of paper and electronic extracts at branch offices of the postal licence holder, through notaries, Registrar's Offices or Chamber of Commerce on the basis of an electronic application filed with following registers: Companies Register, Licensed Trades Register, Penal Register, and State Debtors Register.

Measures to be carried out:

- ◆ *Draw up formal guidance for combined (i.e. in part documentary and in part electronic) tenders/requests to participate in the award procedures from the point of view of contracting authority/entity and economic operator (to be ensured by the Ministry for Regional Development)*
- ◆ *Draw up electronic guidance for electronic catalogues, including the minimum requirements imposed on content (to be ensured by the Ministry for Regional Development)*
- ◆ *Present an electronic extract from the list of approved economic operators and an electronic certificate from the systems of certified economic operators as an option for electronic demonstration of qualifications or, if appropriate, part thereof (to be ensured by the Ministry for Regional Development)*
- ◆ *Arrange for participation of the Czech Republic in working groups dealing with devising a set of basic certificates most frequently used in award procedures (Companies Register, Licensed Trades Register, Penal Register, and State Debtors Register) (to be ensured by the Ministry for Regional Development)*

III. Electronic Conclusion of Contracts

The option to conclude contracts by means of electronic tools is allowed for by Civil Code. Under Civil Code, a contract may be concluded even without contractual parties being present physically. The application of legislative provisions into practice is, however, contentious, i.e. the issue how to make use of modern technology and still comply with all mandatory requirements. Thus, to amplify the practice of electronic conclusion of contracts in the field of public contracts it is necessary to provide contracting authorities/entities with formal guidance how to conclude electronic contracts.

Measures to be carried out:

- ◆ *In order to remove existing psychological barriers to taking electronic acts, to draw up formal guidance for electronic conclusion of contracts and communicate it to contracting authorities/entities and economic operators (to be ensured by the Ministry of Informatics in collaboration with the Ministry for Regional Development)*

IV. Electronic Signature, Including Electronic Signature in Cross-Border Transactions

For the application of the Act on Electronic Signature it is crucial to determine, whether the case the Act on Electronic Signature is applied to, falls under public-law or private-law regulation. In the latter instance, (i.e. in the area covered by public authorities) it is necessary to satisfy the obligation to make use of qualified certificates rendered by accredited providers of certification services and the Administrative Proceedings Act prefers in this respect communication *via* electronic filing offices.

In the case of private-law regulation the use of qualified certificates issued by qualified providers of certification services is sufficient²⁶ and the application of provisions of the Decree on Electronic Filing Offices is not needed.

The new Act on Public Contracts bears **public-law features** (administrative proceedings in connection with the list of certified economic operators and the system of certified economic operators, supervision over the Act on Public Contracts, attestation procedures) but also a **private-law features** (the other provisions of the Act on Public Contracts). In respect of electronic acts between contracting authority/entity and economic operator the whole of their relations is governed by private-law regulation.

In connection with electronic award procedures, the issue of recognition of electronic signatures used by foreign economic operators invokes concerns on the part of contracting authorities/entities. Owing to the private-law nature of public procurement the electronic signing in cross-border transactions is, however, resolved from the legislative point of view and concerns of contracting authorities/entities stem mostly from poor awareness of international aspects of the electronic signature. When using electronic tools in cross-border transactions, certain difficulties may be caused by the fact that credible information, whether a qualified certificate within the meaning of applicable law is genuinely involved, cannot be obtained. Another complication flows from the fact that the data in certificates and in relevant certification policies that the two parties to the communication are to be governed by, are as a rule only in national languages and a number of EU Member States have set additional requirements on the electronic signature used, on the certificate or provider of certification services (in certain States even on the application used to create the signature), which are not generally known.

Legal arrangements of electronic signature in cross-border transactions are contained first of all in Act No. 227/2000 Coll., specifically in the provision of § 16 of the Act. The provision is based on the requirement of Directive 1999/93/EC of the European Parliament and the Council, laying down that qualified certificates issued under legal regulations complying with the above Directive be recognized as qualified in all EU Member States. The Act on Electronic Signature meets this requirement in all respects. In practice it then means that electronic signature based on a qualified certificate

²⁶ At the date of elaboration of the National Plan are qualified certificates in the Czech Republic issued only by accredited providers of certification services.

issued under laws of another Member State enjoys, from the point of view of the requirement on electronic signature, the same effect as the one based on a qualified certificate issued under the Czech Act on Electronic Signature. Whereas drafting or conclusion of commercial contracts or taking any other legal acts in award procedures is provided for by private-law rules and do not constitute acts in the area of public authorities, the Czech legal order does not impose any other requirements on electronic signature and it is thus possible to use for the same acts foreign qualified certificates or, if appropriate, advanced electronic signatures based on such certificates without further ado.

The Ministry of Informatics and the commercial entities dealing with the provision of certification services have already identified a barrier to the wider use of electronic signature in cross-border transactions in the form of poor awareness and have drawn up a number of formal guidelines and instructions on various aspects of the use of electronic signature.²⁷ Dissemination and publicity of such documents can, however, be considered as insufficient, just as the absence of support to the use of electronic signature in cross-border transactions. Relevant documents elaborated in the framework of the IDABC project can already be employed.²⁸

Measures to be carried out:

- ◆ *Draw up formal guidance for the use of electronic signature in cross-border transactions in liaison to individual Member States (to be ensured by the Ministry of Informatics in collaboration with the Ministry for Regional Development)*
- ◆ *Information campaign to promote increased awareness of electronic signature and its international aspects in public procurement (to be ensured by the Ministry for Regional Development in collaboration with the Ministry of Informatics)*

3.2.2 Priorities for the period 2008 - 2010

I. Electronic ordering

Ordering systems enable the contracting authority/entity to submit electronically binding order of commodities, which are the object of a public contract in conformity with the concluded contract. The aim is to grant access from electronic databases of economic operators (e.g. price lists, catalogues of goods, etc.) to economic and accounting systems of contracting authorities/entities. Ordering systems bring about time and financial savings by means of automated generation and processing of orders in the systems of both the contracting authority/entity and the economic operator. Ordering systems will find significant application in public contracts awarded on the basis of framework contracts.

Objective set by the year 2010:

²⁷ <http://www.micr.cz/epodpis/default.htm>.

²⁸ Interoperable Delivery of European eGovernment Services to Public Administrations, Businesses and Citizens, <http://europa.eu.int/idabc/eprocurement>.

- ◆ 20 % of orders from contracts on public contracts will be transmitted electronically

Measures to be carried out:

- ◆ *Draw up technical specifications for ordering systems in liaison to outputs from European standardisation projects (to be ensured by the Ministry of Informatics in collaboration with the Ministry for Regional Development)*
- ◆ *Upon termination of the European standardisation projects, suggest to the Government of the Czech Republic a procedure for the use of electronic ordering systems in the area of electronic public procurement in the Czech Republic (to be ensured by the Ministry for Regional Development).*

II. Electronic exchange of accounting documents

Electronic settlement is a process of exchange of accounting documents between contracting authority/entity and economic operator in electronic form. It is the intention of the Government of the Czech Republic to transmit and process electronically predominant majority of accounting documents related to the delivery of the object of a public contract.

The Act No. 235/2004 Coll. on Value Added Tax, as subsequently amended, and the Act No. 563/1991 Coll. on Accounting, as subsequently amended, constitute major legal framework for the use of electronic accounting documents. Invoice or electronic invoice is an accounting and, at the same time, a tax-related evidence most frequently used in the context of public procurement. An amendment to the Act on Value Added Tax²⁹ clarified the situation concerning the essentials of electronic invoices and thus improved the attitude of entrepreneurs to electronic invoicing. The aim of the amendment was to remove impediments concerning ambiguous interpretation of provisions of the Act on Value Added Tax, which provide for essentials of electronic invoices.

Any and all drawn up electronic invoices must bear electronic signature of the drawer, where the addressee is expected to keep accounts electronically. The invoice must be signed by electronic signature based on a qualified certificate or denoted with an electronic mark based on a qualified system certificate, which, however, do not have to be issued by accredited provider. That means that also electronic signatures based on foreign qualified certificates will satisfy the provisions of the Czech Act and, thanks to the possibility to use a system certificate, entrepreneurs are entitled to draw up electronic invoices in an automated way. Just as in the case of cross-border transactions, detailed knowledge of such options on the part of entrepreneurs is, however, missing. Lack of knowledge or awareness constitutes major obstacle to future development of electronic invoicing.

Objective set by the year 2010:

²⁹ The amendment was implemented by Act No 377/2005 Coll. on Financial Conglomerates.

- ◆ 75 % of invoices for the objects of public contracts will be transmitted electronically.

Measures to be carried out:

- ◆ *Draw up technical specifications of electronic invoicing in liaison to outputs from European standardisation projects (to be ensured by the Ministry of Informatics in collaboration with the Ministry for Regional Development)*
- ◆ *Draw up formal guidelines for the use of electronic invoices, which will subsequently be communicated to contracting authorities/entities and economic operators in order to remove psychological barriers to electronic settlement of invoices (to be ensured by the Ministry of Finance in collaboration with the Ministry of Informatics)*

III. Electronic payments

Electronic payments are used for the transfer of money on the basis of obligations arising from supplier-customer relations under concluded contracts on public contracts. To that effect, the National Plan intends to liaise electronic payments with electronic settlement with the aim to simplify, accelerate, and reduce the incidence of errors in the process of invoicing and payments.

The Ministry of Finance is working on a comprehensive project called the Integrated System of State Treasury that involves State debt management, integration of budgetary systems and a centralised accounting system. From the perspective of electronic public procurement, the System of State Treasury is placed at the end of the process of public procurement and serves to the financing thereof. From this point of view, the System of State Treasury should allow for expenditures related to public contracts to be monitored and controlled centrally.

Objective set by the year 2010:

- ◆ Liaise electronic payments with the process of electronic settlement in the framework of information systems of contracting authorities/entities

IV. Long-Term Storing and Archiving Electronic Documents

Long-term storing and archiving electronic documents (e.g. evidence that the means used to conclude the contract electronically were valid at the time of the conclusion of a contract) that would secure legibility and legal validity of documents over protracted periods of time pose a problem in all electronic acts undertaken in the framework of award procedures by means of electronic tools.

Verification of electronic signature validity is another issue closely related to the legal validity of electronic documents stored for protracted period of time. Legal validity of an electronic signature does not terminate together with that of the related certificate. The issue consists in subsequent demonstrability of electronic signature validity at the time of its generation. Legal validity of electronic signature is bound to the moment of generation thereof not to the moment of its verification. A record proving that the electronic signature was valid at the time of its generation will have to be available in respect of all electronic documents stored and archived for protracted periods of time.

One of solutions may consist in the establishment of the institute of electronic notary.³⁰ Under such an approach, notaries would be entitled to verify the electronic signature or, if appropriate, the validity of electronic signatures on documents. The record made would be considered a public official document; when necessary, the record of verification of the validity could be used as conclusive proof of its validity, namely even any time in the future, since the Chamber of Notaries is obligated to store all the records for indefinite period of time. This approach would considerably contribute to build up confidence and to applicability of electronic signature in the Czech Republic and thus to the development of electronic public procurement.

Currently there exist only legal rules providing for the issue of storage of electronic documents in an isolated and non-uniform manner. They include primarily Act No. 499/2004 Coll. on Archiving and Filing Service and related Decree No. 646/2004 Coll. on Particulars of the Performance of Filing Service and Act No. 227/2000 Coll. on Electronic Signature and related Decree No. 496/2004 Coll. on Electronic Filing Offices. These rules of law, however, do not resolve the entire life cycle of electronic document stored for protracted periods of time; as a result, the issue of treatment of long-term electronic signature or of migration of data formats remain wholly unresolved.

The legal rules referred to above deal with handling electronic documents in the framework of public administration (it means for the exercise of State authority). There is no legal regulation that would deal with long-term storing/archiving electronic documents in the area of private law, under which the issue of public procurement belongs to. It is already perceived as a problem primarily in situations where binding legal acts in public procurement may be undertaken electronically (invoicing, conclusion of contracts, etc.). All acts related to award procedures (or following activities as invoicing) are continuously supervised by a supervisory body (or other State authorities), however, there are no principles governing storage of such documents approved by the State. This brings about uncertainty affecting both contracting authorities/entities and economic operators and therefore majority of contracting authorities/entities take adverse position towards electronic tools, despite being aware of the advantages of electronic documents.

The Government of the Czech Republic adopted Government Resolution No. 11 of 7 January 2004 on long-term storage of and access to documents in digital form, which was to be a basis for drafting principles to resolve electronic archiving and establish National Digital Archives.

Measures to be carried out:

- ◆ *Draw up analysis of the legal environment for long-term storage and archiving of electronic documents (to be ensured by the Ministry of the Interior)*

³⁰ This institute has been introduced e.g. in Austria, a country that amended in 2003 its Notarial Rules, whereby the Chamber of Notaries is obligated to verify electronic signature or validity of electronic signature and make records thereof. Austria considers such records to be public official documents and the Chamber of Notaries is obligated to store them for indefinite period of time.

- ◆ *Draw up analysis of technological and technical options for long-term storage and archiving of electronic documents (to be ensured by the Ministry of the Interior)*
- ◆ *Propose further steps to secure legal validity of electronic documents stored and archived for protracted periods of time - e.g. analysis of suitability of the electronic notary institute or of other solutions (to be ensured by the Ministry of the Interior in collaboration with the Ministry of Justice)*
- ◆ *Establish National Digital Archives (to be ensured by the Ministry of the Interior)*

These measures are not going to be carried out in a short span of time since the projects are mutually closely interrelated.

3.3 Support to Activities Leading to Savings from Electronic Procurement

Savings from the introduction of electronic tools in the process of public procurement can be raised by:

- ◆ aggregating inquiries of more contracting authorities/entities and consequently by increasing their purchasing power - electronic tools make cumulation of inquiries of more entities (or organisational branches of an entity) substantially easier and feasible,
- ◆ more extensive use of framework contracts, i.e. by reduction of non-recurring purchases of commodities purchased regularly. In respect of framework agreements it is also necessary to establish a quality assurance system (i.e. specifically assurance of completeness and quality of supplies and fulfilment of commercial terms and conditions from framework agreements), especially framework agreements concluded by central contracting authorities/entities that form a basis for purchases effected by individual contracting authorities/entities,
- ◆ deployment of electronic tools in respect of the largest possible range of commodities suited for electronic procurement is,
- ◆ implementation of electronic commercial practices by central contracting authorities/entities – liasing steps of the Government of the Czech Republic and contracting authorities/entities aimed at establishment of one or more central contracting authorities/entities, with steps to introduce electronic tools in award procedures. Central contracting authorities/entities will become major contracting authorities/entities, considering the number, and financial volume of public contracts awarded; moreover, they purchase commodities suitable for electronic purchases. Basic assumption for centralisation of public contracts is identification of commodities and types thereof suited for centralisation and subsequent electronic purchasing (see previous point).

Measures to be carried out:

- ◆ *Draw up an analysis of opportunities for aggregation of inquiries at the levels of the Czech Republic, sectors, and of major contracting authorities/entities, taking into account the institute of central contracting authority/entity – undertake enquiries to map opportunities for aggregation (to be ensured by the Ministry for Regional Development in collaboration with the Administration of State Material Reserves)*
- ◆ *Identify commodities suitable for electronic purchase and provide targeted assistance to contracting authorities/entities in changeover to electronic public procurement of these commodities - classification of commodities and assignment of suitable e-commerce procedures thereto (to be ensured by the Ministry for Regional Development)*
- ◆ *Have in place demonstrators for model use of framework contracts and make them available to contracting authorities/entities. Draw up formal guidelines for the evaluation of quality and completeness of performance of public contracts awarded on the basis of framework contracts, framework contracts concluded by central contracting authorities included (to be ensured by the Ministry for Regional Development in collaboration with the Administration of State Material Reserves)*
- ◆ *Design a pilot project with a central contracting authority/entity, focusing on electronic purchase of commodities from the portfolio of a central contracting authority/entity. Drawing up of formal guidelines for standardisation and aggregation of inquiries for selected commodities, as well as a proposal of an information system for aggregation of inquiries of contracting authorities/entities will be constituent elements of the pilot project (to be ensured by the Ministry for Regional Development in collaboration with the Administration of State Material Reserves)*

4. Relation to EU Standardisation and Guidance Activities

4.1 Sharing Experience and Well Established Procedures with EU Bodies and Member States

In the National Plan, the Government of the Czech Government expresses its interest in active participation of experts in public procurement from competent authorities of the Czech Republic in the activities of the PUBLIC PROCUREMENT NETWORK (PPN)³¹, the essential purpose of which is to enhance application of procurement procedures laid down in the EC legal framework, namely by sharing and exchanging experience and by benchmarking. PPN also contributes to the solution of issues linked with the procurement process having cross-border elements.

³¹ PUBLIC PROCUREMENT NETWORK (PPN) is an international network of experts and individual authorities dealing with public contracts in the EU Member States, the EEA States and Switzerland.

Measures to be carried out:

- ◆ *Ensure presentation of the National Plan in the framework of PPN (to be ensured by the Ministry for Regional Development)*
- ◆ *Gain experience from individual Member States in respect of areas to be implemented on the basis of the National Plan (to be ensured by the Ministry for Regional Development)*

4.2 Involvement of the Czech Republic in EU Initiatives

The following overview sets out major initiatives covered by the European Commission and closely related to computerisation of public procurement. In respect of individual initiatives, bodies managing them or projects under which such initiatives are underway, are listed. Participation in these activities is important for the Czech Republic in view of information on particular activities, but also for the purposes of pursuit of the priorities of the Czech Republic. Participation in individual initiatives is currently ensured by competent authorities, but is not sufficiently coordinated.

- ◆ **CEN/ISSS**³² (Centre Européen de Normalisation/Working Group of Information Society Standardisation Systems)
 - standardisation of invoicing tools (in relation to detailed guidelines concerning implementation of Directive 2001/115/EC on electronic invoicing)
 - development of framework standards for electronic catalogues
 - **analysis of shortcomings** targeted at the needs of interoperability of electronic tools in electronic public procurement
 - the initiatives **eBES** (e-Business Board for European Standardisation) and **eBIF** (e-Business Interoperability Forum) - e-invoicing, e-interoperability at the IT-content level, e-cataloguing, e-network for administrative nomenclature (for State administration)
- ◆ **Project IDABC**³³ (Interoperable Delivery of European eGovernment Services to Public Administrations, Businesses and Citizens)
 - **development of XML schema** for eProcurement including electronic invoicing and ordering
 - **Bridge/Gateway CA** - electronic signature and its international recognition

³² CEN/ISSS was founded in 1961 by the national standards bodies in the EEC and EFTA countries. CEN/ISSS issues technical standards, which are voluntary of their nature (i.e. no mandatory standards are thus involved) to promote free trade, safety of workers and consumers, interoperability of networks, environmental protection, exploitation of research and development programmes, and public procurement.

³³ On 21 April 2004 the European Parliament and the Council formally adopted Decision 2004/387/EC establishing a new program IDABC, based on the preceding program IDA; its objective is to identify, support and promote, starting as from the year 2005, development of interoperable pan-European services of electronic public administration.

- **Functional Requirements** for Conducting Electronic Public eProcurement under the EU Framework
- ◆ **DG MARKT of the European Commission** - deals with issues from the legislative point of view and organisation of electronic procurement and closely co-operates with IDABC
- Delimitation of a set of extracts often used in procurement procedures, whose delivery in electronic form will be secured by individual Member States

Measures to be carried out:

- ◆ *Improve co-operation between individual public authorities in sharing data from participation in European initiatives and in pursuit of common agenda (to be co-ordinated by the Ministry for Regional Development in co-operation with competent public authorities)*
- ◆ *Elaborate strategy of the Czech Republic in the field of electronic public procurement formulated in the National Plan in the form of specific measures the Czech Republic is going to pursue within European initiatives (to be co-ordinated by the Ministry for Regional Development in co-operation with competent public authorities)*

5. Implementation of National Plan

5.1 Organisational Arrangements to Carry Out National Plan

Competent central government authorities are responsible for implementation of the National Plan. The competent public authorities bear responsibility for carrying out those measures in the National Plan where they are indicated as guarantors or, if appropriate, they are in charge of rendering cooperation to guarantors of particular measures, when they are denoted as collaborating entity. The summary of all related measures is referred to in Chapter 6.

For the purpose of coordination of activities of all public authorities involved, the Ministry for Regional Development will set up a Steering Group composed of representatives of competent authorities, which will monitor the execution of all partial measures, detect delays or, where appropriate, emerging problems, and propose appropriate remedial measures. Representatives of the Association of Self-Governing Regions and of the Union of Town and Municipalities of the Czech Republic will be invited to attend meetings of the Steering Group for peculiarities of territorial self-administration bodies to be taken sufficient account of. The Ministry for Regional Development will initiate negotiations of the Steering Group, either every three months, or as needed. In the context of negotiations of the Steering Group, the Ministry for Regional Development will conduct consultations with trade associations as well as the Chamber of Commerce and the Agrarian Chamber of the Czech Republic. In respect of standardisation activities, the Steering Group will initiate the establishment of working groups for particular material ambits.

5.2 Individual Plans for Introduction of Electronic Public Procurement by Major Contracting Authorities/Entities

The objectives and aims of the National Plan must be reflected up to the level of individual contracting authorities/entities. The objective of the Government of the Czech Republic is to induce largest percentage possible of contracting authorities/entities in the Czech Republic to embrace electronic commercial practices. The Government of the Czech Republic supports the development of individual plans for the introduction of electronic public procurement by individual contracting authorities/entities. The suggestion to draw up individual plans ensues, among others, from the EU Action Plan.

To this end the Ministry for Regional Development will compile a list of major contracting authorities/entities in the Czech Republic where the financial volume of public contracts awarded thereby exceeded CZK 100 million in 2005. The aim is that 80 % of major contracting authorities/entities have individual plans drawn up by the end of the year 2007, it means to have in place strategies for the implementation of computerisation for their organisations. The Ministry for Regional Development will address individual contracting authorities/entities and render cooperation to them (e.g. in the form of training). Assistance in respect of strategies for electronic public procurement will be rendered by the Ministry for Regional Development to territorial self-administration authorities upon request, too.

5.3 Awareness and Training

Awareness on the part of participants in procurement procedures as well as that of professional and general public in the Czech Republic of the benefits flowing from electronic public procurement is insufficient. Therefore it is needed to disseminate necessary knowledge and experience by promoting information actions targeted at both contracting authorities/entities and economic operators with the use of conferences, seminars, publications, the Internet and the like.

The introduction of electronic public procurement is linked with organisational changes, changes in behaviour and management of organisations on the part of both contracting authorities/entities and economic operators and their willingness to embrace them. To this effect, the measures in the field of awareness and training must be therefore spelled out.

For this purpose, the Ministry for Regional Development will incorporate training in the field of electronic public procurement in the system of training concerning public contracts conducted by the Ministry for Regional Development. The issue of computerisation of public procurement is already now part of seminars on the new Act on Public Contracts and the Act on Concessions. The Ministry for Regional Development currently prepares training of lecturers and e-learning activities devoted to the above mentioned Acts and other seminars. The Ministry will further hold or, if appropriate, promote information actions focused on the introduction of electronic public procurement and consultancy for contracting authorities/entities and economic contractors in the area of introduction of electronic public procurement in practice.

Following the adoption of the National Plan the Ministry for Regional Development, in collaboration with the other partners, will produce a separate training module in respect of electronic public procurement.

Alignment and regular updating of information sources on public contracts will be an important step to assure awareness. The Ministry for Regional Development will render "Public Procurement Portal" operational to align data from the information system on public contracts and web pages of the Ministry for Regional Development and will provide links to other relevant information sources. The Public Procurement Portal will be accessible from the Public Administration Portal. In the framework of the Portal are grouped together mainly information on public contracts legislation including explanations, procedures used in electronic public procurement, information on public administration e-marketplaces, counselling services, a discussion forum devoted to the issue of public contracts in the form of queries, answers, and exchange of views, e-learning concerning the new Act on Public Contracts, and others.

5.4 Monitoring Progress in Introduction of Electronic Tools

An adequate system for gaining information on legislative, technical and other aspects related to electronic public procurement, as well as information received from individual contracting authorities/entities concerning the embrace of e-business practices must be established to monitor the progress in computerisation of public procurement.

Barriers to the implementation of the National Plan, which will occur, will be also identified just as the corrective measures will be suggested.

Key responsibility for monitoring progress in the introduction of electronic tools rests upon the Ministry for Regional Development that will collect and analyse data from the information system on public contracts, from specific enquiries conducted with contracting authorities/entities, as well as information received from the relevant public authorities with material competence. The Ministry for Regional Development will submit to the Government the annual report on the progress of works, which will be published following its examination by the Government.

5.5 Risks Attaching to Implementation of National Plan

- ◆ Failure to carry out legislative changes enumerated in this document (e.g. the legislative make-up of long-term storing and archiving electronic documents)
- ◆ Failure of the Government of the Czech Republic to put pressure on contracting authorities/entities to embrace electronic commercial practices
- ◆ Failure to resolve certain issues related to electronic public procurement even in long-term horizon (e.g. long-term storing and archiving electronic documents)
- ◆ Rejection by contracting authorities/entities to embrace electronic commercial practices as a consequence of psychological barriers

- ◆ Application of electronic support by contracting authorities/entities only to partial activities in the framework of award procedures, without attempting to computerise the whole of procurement process
- ◆ Inefficient expending financial means on the build up of infrastructure for electronic public procurement
- ◆ Sluggish implementation of measures enumerated in the National Plan
- ◆ Failure to co-ordinate the activities of competent public authorities
- ◆ Exclusion of economic operators offering quality services but refusing to embrace electronic commercial practices
- ◆ In the case of insufficient implementation of the National Plan the Czech Republic will face criticism from the European Commission in respect of existing barriers to functioning of the EU Internal Market in awarding public contracts; the obligation undertaken on 24 November 2005 at the Ministerial Meeting in Manchester, UK will not be met, and the Czech Republic will lag behind the other EU Member States in development of e-commerce.

As part of the National Plan implementation a system of risks management will be established, comprising identification of risks, their assessment in view of the likelihood of the risk and impact thereof, proposal of measures to mitigate or eliminate risks, and monitoring of success in carrying out adopted measures.

5.6 Financing of National Plan Implementation

The National Plan aims at establishing a functioning framework for electronic public procurement. Financing of the implementation covers only the establishment of such a framework. Most measures or tasks concern drawing up formal guidelines, technical specifications, analyses of information actions and the like, which have already been in progress. It is therefore supposed that the implementation of the National Plan does not carry along in substance any additional claims on the State budget. All measures or tasks should be financed from the budgets of relevant public authorities with material competence or, where appropriate, on the basis of concessions (PPP projects), and with use of financial means from EU funds. Measure I.5 constitutes the only exception; the establishment of National Electronic Archives is essential for the public administration in its entirety and the funding thereof will be dealt with separately in a relevant document submitted to the Government for deliberations. In the light of envisaged savings attributable to the implementation of electronic public procurement the impact on public budgets will be positive.

Costs related to the emergence of particular applications and purchase of technological infrastructure for electronic public procurement are not subject-matter of the National Plan since the level of costs depends on decisions taken by individual contracting authorities/entities. Where a contracting authority/entity makes e.g. use only of commercial electronic tools (e.g. e-marketplaces), no investment costs will incur. Where a contracting authority/entity takes a decision to design its own electronic tools, it will have to take recourse to a separate investment plan of its own.

6. List of Measures and Tasks for Development of Electronic Public Procurement in the Czech Republic by 2010

Measure/Task Designation	Responsible Authority	Time Limit
A. Measures related to technical specifications for electronic tools		
1. Draw up technical specifications for electronic tools, based primarily on output from the IDABC project „Functional Requirements for Conducting Electronic Public eProcurement under the EU Framework“	Ministry of Informatics in collaboration with Ministry for Regional Development	Prior to the date of entry of Act No. 137/2006 Coll. on Public Contracts into effect, i.e. by 30 June 2006
2. Communicate the purpose and manner how to use technical specifications to contracting authorities/entities and other participants in the electronic procurement process	Ministry for Regional Development	Prior to the date of entry of Act No. 137/2006 Coll. on Public Contracts into effect, i.e. by 30 June 2006
B. Measures related to control arrangements for attestation of conformity of electronic tools functionality with legislative requirements		
1. Draw up formal guidelines for evaluation for the purposes of attestation of electronic tools	Ministry of Informatics in collaboration with Ministry for Regional Development	Prior to the date of entry of Act No. 137/2006 Coll. on Public Contracts, i.e. by 30 June 2006
2. Accord a preference to applicants for electronic tools attestation by reducing the attestation procedure fees to promote electronic public procurement, namely in the course of effect of the National Plan. Under Decree on particulars of electronic tools attestation procedure, essentials of applications for attestation and on the fee for submission of application for attestation (Attestation Procedure for Electronic Tools Decree), the fee for the submission of application for attestation will amount to not more than CZK 50,000 (in comparison with the amount of CZK 100,000 allowed for under the Act on Public Contracts)	Ministry of Informatics	From the date entry of Act No. 137/2006 Coll. on Public Contracts into effect, i.e. from 30 June 2006 to 31 December 2010
3. Draw up formal guidelines for control procedure for electronic tools, under which the Office for Protection of Competition will pursue its supervisory activities in the field of electronic tools	Ministry for Regional Development in collaboration with Office for Protection of Competition and Ministry of Informatics	Prior to the date of entry of Act No. 137/2006 Coll. on Public Contracts into effect, i.e. by 30 June 2006
C. Measures related to electronic support to publication of information on public contracts		
1. In collaboration with the operator of publication subsystem of public procurement information system accord a preference to electronic support, e.g. by reduced publication fees, quality validation services, optional administration of electronic forms (in particular of those in preparation)	Ministry for Regional Development	Prior to the date of entry of Act on Public Contracts No. 137/2006 Coll. into effect, i.e. by 30 June 2006
2. Allow for the involvement of emerging	Ministry for Regional	Prior to the date of entry

electronic tools in the process of publication through a communication interface	Development	of Act No. 137/2006 Coll. on Public Contracts into effect, i.e. by 30 June 2006
D. Measures related to electronic support to submission of tenders/requests to participate		
1. Draw up formal guidelines for combined (in part documentary and in part electronic) tenders/requests to participate for both contracting authorities/entities and economic operators	Ministry for Regional Development	By 30 September 2006
2. Draw up formal guidelines for electronic catalogues - minimum essentials concerning catalogue content	Ministry for Regional Development	By 31 December 2006
3. Present electronic extract from the list of approved economic operators and certificate in electronic form from the system of certified economic operators as optional demonstration of qualifications or part thereof	Ministry for Regional Development	By 30 June 2006
4. Arrange for participation of the Czech Republic in European working groups dealing with preparation of a set of basic certificates most frequently used in the procurement procedures (i.e. Companies Register, Licensed Trades Register, Penal Register, and State Debtors Register)	Ministry for Regional Development	By 31 December 2006
E. Measures related to electronic conclusion of contracts		
1. Draw up formal guidelines for electronic conclusion of contracts and communicate them to contracting authorities/entities and economic operators in order to remove psychological barriers to taking legal acts electronically	Ministry of Informatics in collaboration with Ministry for Regional Development	By 31 December 2006
F. Measures related to electronic signature in cross-border transactions		
1. Draw up formal guidelines for the use of electronic signatures in cross-border transactions in liaison individual EU Member States	Ministry of Informatics in collaboration with Ministry for Regional Development	By 31 December 2006
2. Information campaign to promote increased awareness of electronic signature and its international aspects in connection with public procurement	Ministry for Regional Development in collaboration with Ministry of Informatics	By 31 December 2006
G. Measures related to electronic ordering		
1. Draw up technical specifications for ordering systems in liaison to outputs from European standardisation projects	Ministry of Informatics in collaboration with Ministry for Regional Development	By 31 December 2010
2. Upon termination of European standardisation projects suggest to the Czech Government a procedure for the use of electronic ordering systems in the area of electronic public procurement in the Czech Republic	Ministry of Informatics	At the date of official outputs from European standardisation projects
H. Measures related to electronic exchange of accounting documents		

1. Draw up technical specifications for electronic invoicing in liaison to outputs from European standardisation projects	Ministry of Informatics in collaboration with Ministry for Regional Development	By 31 December 2010
2. Draw up methodology for using electronic invoices to be subsequently communicated to contracting authorities/entities and economic operators to remove psychological barriers to electronic settlement operations	Ministry of Finance in collaboration with Ministry of Informatics	By 30 June 2006
I. Measures related to long-term storing and archiving electronic documents		
1. Draw up an analysis of legal environment with regard to long-term storing and archiving electronic documents	Ministry of Interior	By 30 June 2008
2. Draw up an analysis of technological and technical options for long-term storing and archiving electronic documents	Ministry of Interior	By 30 June 2008
3. Suggest further steps to ensure legal validity of electronic documents stored and archived for protracted period of time (e.g. analysis of suitability of the electronic notary institute or other solutions)	Ministry of Interior in collaboration with Ministry of Justice	By 30 June 2008
4. Propose legislative changes and prepare the appropriate formal guidelines for long-term storing and archiving electronic documents	Ministry of Interior	By 30 June 2008
5. Establish National Digital Archives	Ministry of Interior	By 31 December 2010
J. Measures related to support to processes leading to savings from electronic procurement		
1. Draw up an analysis of opportunities for aggregation of inquiries at the levels of the Czech Republic, of individual public authorities, and of major contracting authorities/entities, taking into account the institute of central contracting authority/entity – conduct enquiries to map out opportunities for aggregation	Ministry for Regional Development in collaboration with Administration of State Material Reserves	By 31 December 2006
2. Delimit commodities suitable for electronic purchase and extend targeted support to contracting authorities/entities in changeover to electronic public procurement of such commodities – classification of commodities and assignment of appropriate e-business procedures thereto	Ministry for Regional Development	By 31 December 2006
3. Have in place train demonstrators for model use of framework contracts and make them available to contracting authorities. Draw up guidance for evaluation of quality and completeness of public contracts awarded on the basis of framework contracts, including framework contracts concluded by central contracting authorities/entities	Ministry for Regional Development in collaboration with Administration of State Material Reserves	By 30 June 2007

4. Design a pilot project with a central contracting authority/entity, focused on electronic purchase of commodities in the portfolio of the contracting authority/entity. The pilot project will include formal guidelines for standardisation and aggregation of inquiries for selected commodities and a draft information system developed for aggregation of inquiries made by contracting authorities/entities	Ministry for Regional Development in collaboration with Administration of State Material Reserves	By 30 June 2007
K. Measure related to sharing experience and well-established procedures with EU bodies and EU Member States		
1. Arrange for the National Plan to be presented in the framework of PPN (Public Procurement Network)	Ministry for Regional Development	By 30 June 2006
2. Gain experience in areas to be implemented pursuant to the National Plan from individual EU Member States	Ministry for Regional Development	Continuously
L. Measures related to involvement of the Czech Republic in EU initiatives		
1. Improve co-operation in sharing data obtained from participation in European initiatives and in promoting common agenda	Ministry for Regional Development together with relevant public authorities having material competence	By 30 June 2006
2. Elaborate strategy of the Czech Republic in the field of computerisation of public procurement as formulated in the National Plan into concrete measures to be promoted by the Czech Republic in European initiatives	Ministry for Regional Development together with relevant public authorities having material competence	By 30 June 2006
M. Tasks related to implementation of National Plan		
1. Set up a Steering Group to implement the National Plan, composed of representatives of all relevant public authorities with material competence	Ministry for Regional Development	Prior to the date of entry of Act No. 137/2006 on Public Contracts in effect, i.e. by 30 June 2006
2. Compile a list of major contracting authorities/entities in the Czech Republic, the financial volume of public contracts awarded thereby exceeded CZK 100 million in 2005. Provide such contracting authorities/entities with guidance assistance in drawing up individual plans for the introduction of electronic public procurement	Ministry for Regional Development	By 31 December 2006
3. Incorporate training in the field electronic public procurement in the system of public procurement held by Ministry for Regional Development	Ministry for Regional Development	Prior to the date of entry of Act No. 137/2006 on Public Contracts into effect, i.e. by 30 June 2006
4. Design a separate training module for electronic public procurement	Ministry for Regional Development in collaboration with Ministry of Informatics	By 31 October 2006

	and Ministry of Interior	
5. Render Public Procurement Portal operational	Ministry for Regional Development	By 31 December 2006
6. By means of promotion of information campaigns focused on the introduction of electronic public procurement and consultancy services to support contracting authorities/entities and economic operators in the field of introduction of electronic public procurement in practice	Ministry for Regional Development	Continuously
7. Set up an adequate system for gaining information on legislative, technical and other aspects of electronic public procurement and information on embracing e-commerce practices from individual contracting authorities/entities	Ministry for Regional Development	By 30 June 2006