

Centralized G.P System & Procurement Agency
the Korean Model

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1. Authorities Responsible for Public Procurement

- Ministry of Strategy & Finance (MOSF) - Central Government Procurement
- Ministry of Public Administration & Security (MOPAS) - Local Government Procurement
- Public Procurement Service (PPS) – Executive agency under MOSF

2. Regulatory Framework

- Act on Procurement to which the State is a Party
- Act on Procurement to which a Local Government is a Party
- Act on the Management of Government-invested Institutions
- Public Procurement Act

3. Liberalization of Korean G.P. Market

- Joined WTO GPA in 1994
- Signed FTAs with Chile, Singapore, U.S, EU, EFTA and others

4. Public Procurement Service (PPS) of the Republic of Korea

- Buys goods & services
- Government property Management
- Operation of KONEPS
- Construction work / Stockpiling raw materials

5. Volume of Korean Government Procurement Market

- Combination of Centralized and Decentralized Procurement
- US\$ 100 billion (10% of GDP)
 - Centralized: US\$ 33 billion
 - Decentralized: US\$ 67 billion

6. G.P. Process overview

- Purchase Request (PR)
- Public disclosure of PR details
- Review of Requirements
- Determining Procurement Method
- Tender Notice
- Preparation of estimated Value
- Bid evaluation and awarding
- Notification of contract
- Contract delivery
- Inspection
- Payment by PPS
- Reimbursement by Supplier
- Contract closure