

Millennium Corporation Challenge Framework Contracting Project

In 2011, the Millennium Challenge Corporation (MCC) agreed to provide funding to the Government of Indonesia (GoI) for various projects, including the Procurement Modernisation Project (PMP) that ran from 2012 to 2018; with the objective of reducing poverty through economic growth. This project was carried out through the Millennium Challenge Account Indonesia and the National Public Procurement agency (LKPP) with the intention to improve the procurement function in Indonesia through three key projects – one of which was the Framework Contracting Project. Charles Kendall Australia (CKA) was engaged to provide specialist advisory and project management services to achieve the objectives of PMP and sustain long term success.

The Challenge

- Achieve cost savings and efficiencies on procured goods and services through the sustainable implementation of framework contracting and an electronic catalogue.
- Develop an Integrity Filter program that covers all aspects of the procurement process (i.e. tendering, selection/award, purchasing and contract management) to prevent fraud of public funds.

Our Approach

- Undertake a needs assessment to determine level of procurement competency through the use of surveys, meetings and stakeholder engagement.
- Based on the needs assessment, support the development and selection of suitable basic, intermediate and advanced training courses, tailored

to the needs of the staff.

- Strategically choose PSUs and non-PSUs, through criteria which includes geographic location.
- Coordinate research to identify best methods of training and mentoring.
- Recruit qualified trainers and mentors using MCA-I approved recruitment policies and processes to effectively deliver training and mentoring.
- Identify sustainability strengthening activities to provide a way to continuously promote the value of the HRD project and build on to, and expand the network of procurement professionals.

Outcome

- Implemented a total of 65 signed framework agreements for 25 categories; combining national, provincial and local agreements while reducing internal costs by approximately USD 2.2 million (30% reduction).
- Increased procurement governance, security of supply, and standardisation of specifications and quality.
- Increased procurement and operational man-days efficiencies (from 11% to 99%) through reductions in duplication and administration workload, improved supplier relationships and improved procurement planning.
- Developed and implemented a total of 20 system based Integrity Filters to assist with the identification of fraud and waste in the procurement process.

Industry

Government

Service

Procurement

Region

Asia Pacific

