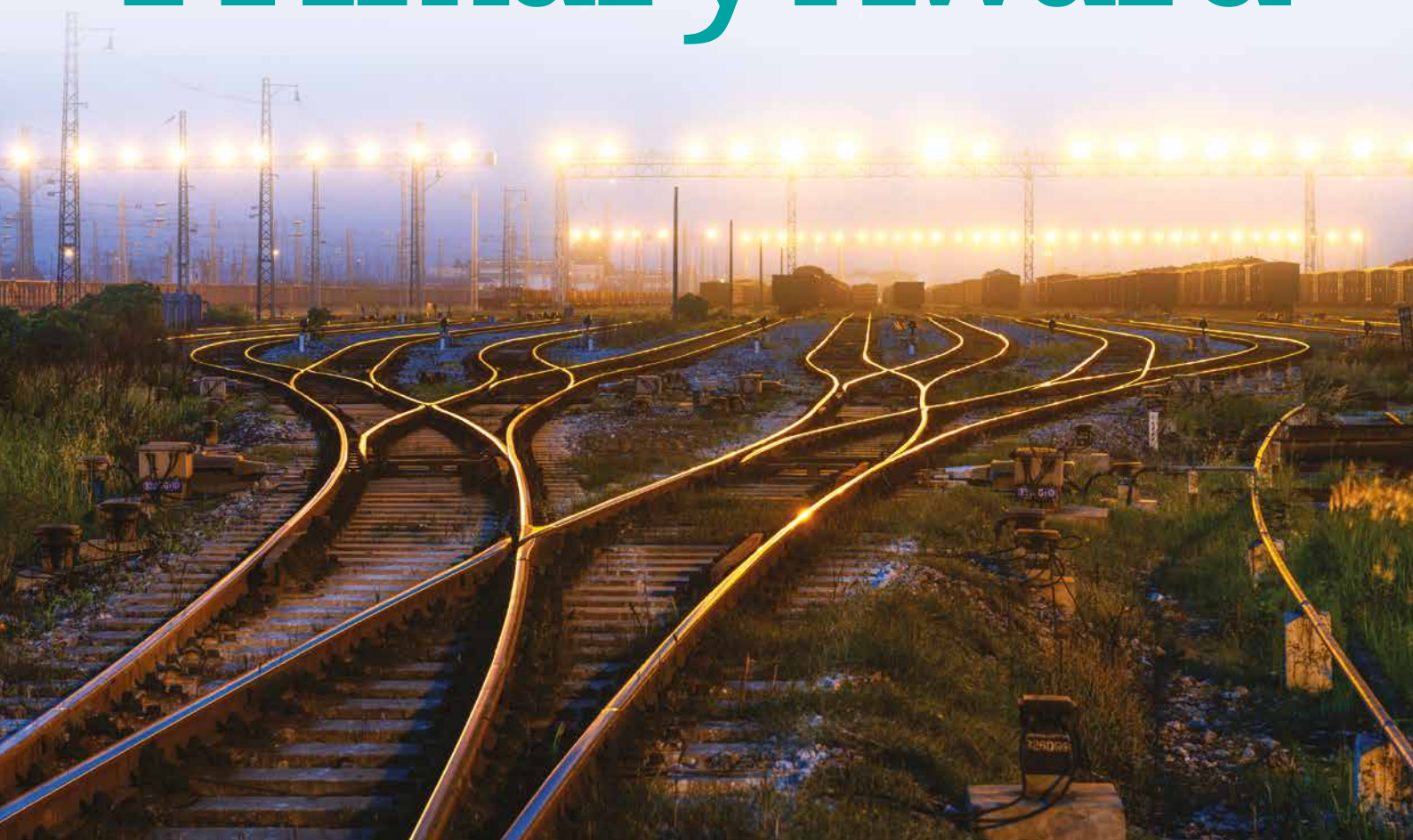




CIPS Primary Award



External
verification



Global
benchmarking



Improvement

What is the CIPS Primary Award?

The Primary Award was developed with the European Bank for Reconstruction and Development (EBRD) specifically to offer support to its clients.

The Award provides a benchmark to evaluate essential and fundamental procurement processes, enabling the EBRD to ensure that its clients have robust systems in place that comply with legal, regulatory and ethical requirements. It also provides a framework to verify and regularly audit processes to protect against and prevent fraud, corruption and bribery in the supply chain.

Assessment categories

We assess an organisation's procurement function across five categories, common to every business in any sector or market.

1. Leadership and organisation
2. Strategy
3. People
4. Processes and systems
5. Performance measurement and management

We will guide organisations through the process of collating evidence in each category and submitting it online. The independent CIPS awarding body will verify the evidence to determine whether the level is met to achieve the award.

The award is valid for three years. However, the organisation can choose to work towards higher award levels from CIPS.



Why choose to support the CIPS Primary Award?

External verification – it will help build the business case for financing projects.

Global benchmarking – it becomes the standard to assess and measure potential clients.

Improvement – it provides a framework to help client companies improve their procurement and supply capabilities.

The Primary Award in action

Here, we look at six organisations who have been through the CIPS Primary Award certification process, either as part of a funding body's loan agreement, or to help the organisation independently apply for funding for public sector projects.

CASE STUDY ONE:

Public Enterprise for State Roads (PESR)

PESR is responsible for the maintenance of all state roads covering the geographic area of the Republic of North Macedonia. The organisation is a public enterprise located in Skopje, the capital of the Republic of North Macedonia.

Like the previous case study, the organisation was a CIPS and EBRD initiative to ensure that appropriate procurement governance and controls were in place for effective and legally compliant purchases.

During the certification process, the organisation worked with a CIPS professional who guided them through the whole process, helped identify strengths and weaknesses, and gave tips and advice on how to improve their overall performance. As a result, the productivity and efficiency of the procurement team increased, and they were able to improve the organization of their work.

CASE STUDY TWO:

Public Company Republic of Srpska Motorways

PCRS Motorways is responsible for completing the construction of new motorways and high-speed roads in Bosnia and Herzegovina. The company employs around 150 people divided across three units: Technical, Financial and Legal. One of the main activities for legal department and the company itself is public procurement.

The CIPS Primary Award was a prerequisite of the loan agreement between the company and the EBRD. For PCRS Motorways, this presented an opportunity to identify key challenges and develop more efficient procurement processes.

The biggest challenge they faced in procurement was the efficient use of time and resources. Since undertaking the certification process, they have been able to address this challenge, as well as make significant improvements to their code of ethics, skill gap development, and compliance monitoring.

“*The CIPS Primary Award was a demanding project. Nevertheless, the process gave us the opportunity to think about what we do and whether we can do it better. It enabled us to create and adopt the Public Procurement Policy as a central reference point for all applicable laws and regulations, and professional best practice procurement. The Public Procurement Policy was signed off by our Director Mr Zoran Kitanov and was published on our intranet.***”**

*Perica Spasevski,
Head of Development for
Public Procurement*

“*After the evaluation and achieving the CIPS Primary Award certification, we have seen a number of improvements across our operations, including costs savings, professional development and risk reduction. Going forward, we expect to be more competitive, thanks to more efficient procurement processes.***”**

*Perica Spasevski,
Head of Development for
Public Procurement*

CASE STUDY THREE:

Public Company Motorways of the Federation of Bosnia and Herzegovina Ltd Mostar

PC Highways FB&H Ltd. is responsible for the construction, operation and maintenance of the country's highways. When seeking funding from the EBRD for one of its biggest infrastructure projects, a condition of the loan agreement was to achieve the CIPS Primary Award. The organisation used this as an opportunity to improve the approach and professionalism of their procurement function.

Classified as a strategic function, the organisation views procurement as a way to boost profitability, streamline processes, reduce prices and costs, and identify better sources of supply. As such, procurement strategy is an integral part of the organisation's business plan.

Working with CIPS to achieve the Primary Award, the team were able to observe all processes from different points of view, for example, commercial, operations and so on. This enabled them to identify genuine gaps in their procurement processes, specifically in risk management, contract management and code of ethics.

Having achieved certification, they have adopted a more collaborative approach with its suppliers, a factor that contributes to continual improvement of its procurement processes.

CASE STUDY FOUR:

Public Enterprise Macedonian Railways Infrastructure (PEMRI)

Responsible for all rail maintenance and operational infrastructure across the country, the organisation's procurement function is of vital importance. In 2017, the function's expenditure was 105,756,630 Macedonian Denars (approximately £1.5 million).

The organisation underwent the Primary Award certification as a result of a CIPS and EBRD initiative to ensure that appropriate procurement governance and controls were in place for effective and legally compliant purchases. The scope of the assessment covered all 'own funded' procurement subject to Macedonian Law on Public Procurement, and not project work sponsored by the EBRD or any other grant funding organisation.

It was the first company on the territory of the Republic of North Macedonia to obtain the CIPS Primary Award certificate and, with it, international recognition.

“JP Autoceste FBiH d.o.o. Mostar has improved the process of public procurement, evident from the fact that the number of unsuccessful procurements and related complaints has been negligible. This is largely thanks to the contribution of the CIPS service and certification.”

*Orhan Pašalić,
Secretary of the JPAC*

“The certification process gave staff the opportunity to step back from the day-to-day and to think about our roots, achievements, challenges and future. The resulting work not only greatly strengthened our own knowledge of procurement but also provided us with an understanding of what other procurement teams do in different sectors in different countries.”

*Vlatko Kitanowski,
Head of the Sector of Public
Procurement and Sales*



CASE STUDY FIVE:

Belgrade Waterworks and Sewerage

BW&C is a public utility company based in Belgrade, employing around 2,500 people. The company's main activity is to collect and purify raw water and to distribute drinking water to the city's residents. It is also responsible for collecting and disposing urban wastewater, and managing sewerage operations.

Every year, the company's activities depend on the procurement of materials, the servicing of equipment, and the execution of works. Which is why the role of procurement in the organisation is considered of great importance.

While working towards the CIPS Primary Award certification, the team considered all aspects of BW&C's procurement process – and identified the potential risks that arise. As a result, they were able to find and put in place adequate mechanisms to eliminate or minimise these risks.

CASE STUDY SIX:

Romanian Water Companies

With help from the European Bank for Reconstruction and Development (EBRD), Compania de Apa Oradea is one of twelve Romanian water companies undergoing a programme of procurement transformation – and the first Romanian firm to achieve the CIPS Primary Award.

The company supplies water and sewerage services to around 200,000 people living in and around the city of Oradea, in the west of the country. Thanks to the programme, it has improved the procurement function in a number of ways, such as developing the strategic capabilities of its procurement staff, improving efficiencies, and encouraging transparency and accountability across its operations.

The accreditation journey has also played a significant role in supporting the water companies to make cost savings, leading to an enhanced credibility with both internal and external stakeholders. Having already achieved immediate and substantial benefits, each of the companies have said they intend to progress to the next level of Certification (Standard Award), to achieve true procurement excellence.

“The main advantage of CIPS certification is that it provides independent evidence that our organisation implements a robust procurement system that complies with legal and ethical requirements. This has helped us to build a business case for financial projects.”

*Svetlana Mijajlovic,
Executive Director for Legal
Affairs and Procurement Affairs*

“One of the major improvements we underwent was implementing an intranet. As a consequence, communication and information security has improved substantially.”

*Cristian Jianu,
General Manager, Apavil*

What's next?

CIPS is the world's largest professional body dedicated to procurement and supply, enabling businesses to improve their performance and develop their people to globally-recognised standards.

For more information about the **CIPS Primary Award**, or to talk more about the certification process and its requirements, please get in touch.

Liz Wade

Procurement Excellence Programme Lead

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About CIPS, the Chartered Institute of Procurement & Supply

The professional body

CIPS, a not-for-profit organisation that exists for the public good, is the voice of the profession, promoting and developing high standards of skill, ability and integrity among procurement and supply chain professionals.

Quality guaranteed

Our qualifications are recognised by OFQUAL in England and regulators in various countries, demonstrating that they meet specific quality standards.

The Global Standard

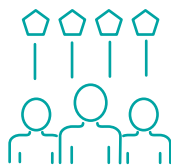
CIPS Global Standard in Procurement and Supply, which is freely available, sets the benchmark for what good looks like in the profession.

A commercial organisation

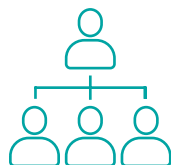
CIPS helps governments, development agencies, and businesses around the world to excel in procurement and supply, supporting them to improve and deliver results and raise standards.

A global community

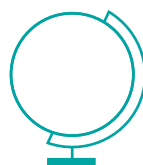
We are the world's largest professional body dedicated to procurement and supply with a global community of over 200,000 professionals in over 150 countries, and offices in Africa, Asia, Australia, the Middle East, Europe and the USA.



Global Standard
FREELY AVAILABLE



Global network
OF OVER 200,000...



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