

Procurement contracts for the government's information systems and the framework for the promotion of the computerization of the administration

Report Summary

Since the ministries and agencies have improved their information systems by investing a considerable amount in order to ensure comprehensive administration, to promote simplification and efficiency in the administration of their affairs, and to meet the needs of the public, the Board examined the contracts of the ministries and agencies concerning the procurement of information systems. The audit findings were as follows:

The proportion of contracts based on the competitive bidding system was lower than that for contracts based on the discretionary contract system in each ministry and agency, and their initial involvement in the preparation of specifications, the administration of progress after the contract, and the clarification of rights and obligations concerning the development and modification of software were not adequate.

Moreover, the Board analyzed the organizational framework for the promotion of computerization in each ministry or agency, based on the following categories:

- the type in which a single division in charge of information systems is in charge of part of the computerization (single division type),
- the type in which a number of divisions in charge of information systems are in charge of computerization within their respective jurisdictions (partial control type),
- the type in which a single division in charge of information systems is in charge of all computerization (centralization type).

The Board found that it was important to improve the frameworks by centralizing information on procurement contracts with the division in charge of information systems.

The ministries and agencies in charge of procurement for information systems are required to increase the independent involvement as outsourcing agencies, to improve the competitiveness and transparency of procurement contracts, to maintain a distance in relations with the contractors even after the contracts have been concluded, to properly administer the government's rights concerning software, and to enter into more efficient and effective contracts.

Furthermore, they are required to continue to improve the administrative structure, to promote the systematic procurement of information systems, and

to undertake adequate measures and activities with regard to procurement,
for the steady implementation of the computerization of the administration.