



Wanted: more scandals

by Michael Asner

While travelling to the Arctic recently to training for the Nunavut government, I spent a lot of time on one of my favourite pastimes: scandal watching. I was mesmerized by the juicy tidbits that cropped up in every newspaper and magazine on the recent Enron debacle, reading with rapt attention the ever-widening web of complex details surrounding the activities of Arthur Anderson and other organizations whose job is to act as a kind of watchdog for the public good. An idea started to sprout.

More scandals may be an incentive to reform public procurement. Let's face it, implementing dramatic improvements in the Canadian procurement function is like trying to peel an onion without crying: an effort in frustration. There are always more important political considerations that get in the way and curtail the loosening of budgetary purse strings. I mean, really, how can your department expect to get extra dollars to pay for another part-time staff member to update that procurement policy or train new buyers, when the government suddenly decides it needs new jets?

Problems with the procurement function are not new, special, or unique to specific locations. The same concerns voiced in Iqaluit (capital of Nunavut) are echoed in Tucson, Arizona. Lack of management attention, political constraints and lack of a strong, clear vision for procurement are fundamental problems everywhere. In some jurisdictions, management does not believe that procurement is an important function and in others, it does not value the procurement's role in obtaining goods and services in compliance with stated public policy.

As a result, the same problems crop up year after year. For example:

- **Ineffective procurement policies** – Policy is not clearly stated, up-to-date and available in writing. It not known throughout both the organization and the public and is not consistently applied in all appropriate situations. And it is sometimes not even legal. The solution is simple – develop, publish and maintain a policy and procedures manual that satisfies these measures. Educate the stakeholders and the public.
- **Departmental personnel lack appropriate tools** – A lack of an easy-to-read procedures manual creates problems. Providing Model Contracts and Sample RFPs helps ensure that proper documents are used. Providing advice and assistance from a central group can ensure that a department has the skills to handle a complex procurement.
- **Insufficiently trained personnel** – In many jurisdictions, there are required courses that must be passed before a person can perform buying activities. Some jurisdictions require that procurement people be working on a professional designation and enroll in a professional association which offers training and advice to members.
- **Lack of quality control** – In some jurisdictions all major RFPs, prior to being issued, are reviewed by the central group so that deficient RFPs are identified and corrected. In other jurisdictions, all major procurements are reviewed after the contract has been signed ensuring that the competition was fair and equal. Some jurisdictions insist

that a team of specialists – often including a procurement person, a lawyer and a user representative – handle major procurements.

- **Poor reporting systems** – In some jurisdictions, there is no easy way to obtain procurement information. It's difficult to monitor total spending, to determine how many RFPs have been issued or how many contracts one firm has obtained. There is a minimum standard for information collected and reported. Typically, it includes procurements by type and by contractor. In some jurisdictions, this information is reported quarterly, in others, only annually.
- **Understaffing** – With increased work, downsizing and increased demand for information and budgetary cutbacks, there are not enough people to do the regular purchasing part of the job, let alone the additional aspects of policy monitoring, revision and control. Some organizations have obtained some relief and more efficiency through the use of web-based technology. Others raised the limits at which formal RFPs must be issued and still others provide more tools and training to staff. With scarce resources, management must establish which issues and tasks are dealt with first.

The solutions to most of these problems need not be complex, difficult, or expensive and can be found just by looking around and seeing what has done well elsewhere. And they are low-tech – often only requiring a change in attitude, a revised policy or a better manual. Even better, these solutions often don't require expensive consultants, even more expensive lawyers – and even more than lawyers, computers and their keepers. Many require only a little time, some effort and a longer-term plan focusing on best practices.

Most procurement managers cannot solve these problems by themselves. They don't have the money, time or executive support, often being too busy dealing with crises considered too mundane to warrant others' attention.

In my opinion, what procurement reform needs are bigger and better crises, not fewer. We need Scandals with a capital S! And we need them publicized, not hidden. A good scandal, involving an improper procurement process, an illegal act and a senior politician can be powerful force for organizational change. The crisis, when subjected to public scrutiny, can unify senior management and politicians in a newly found and shared resolve to solve the problem. It can free up scarce resources and elevate the significance of procurement in the organization. Imagine the impact of a daily TV dose of procurement scandal on your local government. We'd have "fair and open competition" and "transparent" practices within months, not years! ~~~

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