

## Do you see value in a code of ethics for public procurement?

This is a departure from the norm, but I had some thoughts on the Question that I wanted to share with you. The easy answer is “it couldn’t hurt,” but then we need to think about “value.” The questions asked are at least as important as the answers received. We may need to ask some of the tougher questions related to a public procurement code of ethics.

To paraphrase Cicero, the sign of a well-conceived law is that it can be enforced. Any code of standards or ethics must entail the ability to reasonably ensure practitioners follow it. Can it be policed or is it merely a set of benign, if laudable, statements of principle? Would we have a tribunal oversee adherence? Is a code professional window dressing that raises the credibility of the profession? If so, that isn’t a bad thing.

I’m also concerned with how meaningful a code of ethics could be. What if tenets of the code conflicted with other views of what is right? Is it conceivable that politicians could draft a law contradicting a procurement code of ethics – say, for instance, local supplier preference ratings? We’ve heard the case being made that, in the best of all worlds – read, the ones that codes of ethics portray – laws like Aboriginal procurement preference or even trade agreements like NAFTA, WTO and AIT go against the principle of fair, open competition and selection. If that happens, what takes precedence, the code or the law? – David Newman

You said

**Janice Cochrane, deputy minister of Public Works and Government Services Canada (PWGSC)**, says, “[PWGSC] is the government’s banker. We handle the bulk of government procurement, we manage the government’s telecommunications and information management infrastructure, and we offer a full suite of real property services to federal departments and agencies. The public has entrusted us with the stewardship of public resources and to act in the public interest. Ethical behavior is vitally important to building and maintaining that trust. The very nature of our work demands that we be leaders in setting the bar for ethical standards. With increased expectations for ethical behavior, comes pressure for even higher standards.”

Cochrane believes that a code of ethics for public procurement is, quite simply, good corporate governance. “By laying out the values of the organization, lining up our policies and procedures with these values, training our employees, and addressing ethical concerns, a framework to guide ethical decision making is established. Furthermore, expectations of behaviour are consistently conveyed to all stakeholders, including the supplier community, so that they may guide the standards of professional conduct with respect to public procurement.”

She notes that in government, the focus on ethics has also been driven by changes in government operations, “creating the need to find a balance between such public values as prudence and probity, and the requirement for government to adopt more of a client focus with greater emphasis on speedy delivery, innovation and risk taking. It is

critical, therefore, that PWGSC continue to weigh these disparate objectives in a transparent, ethically responsible manner, and that we be seen to be doing so.”

**John Reid, president of the Canadian Advanced Technology Alliance**, says, “Standards, an ethics policy and common principles are really quite important for any business and for any individual within an organization. A code establishes the rules, values and guiding principles that help people say yes or no when confronted with more specific questions and indicates how to conduct business affairs. A standard provides clarity and transparency, guidelines and values and it is expedient that we have these discussions now. In the wake of Enron, standards provide a benefit to the investor, to the procurer of products as well as to individuals in the private and public sector.”

Reid also points out that the e-market in government is a significant growth market and opportunity for high-tech enterprises. “We need much more demanding standards in that market, and not something to which you can merely give lip service. It has to be embraced by large and small providers. Codes of conduct, by their very nature, are more general and value guided. They don’t deal with minutiae. For example, an association may have a guiding principle that dictates that it cannot take a position that would support the competitive position of one member over another. If such a principle is in place and articulated, you don’t have to explain to an individual member why you can’t act in that way. A code of ethics is also part of a larger discussion on corporate governance. Principles that are established and published provide a benchmark for performance and a mandate to conduct business.”

You said

### The next question

**Should suppliers receive help to get ready for e-procurement? If so, from who?**

Reply to:

David Newman, Contributing Editor

Summit: Canada’s magazine on public sector purchasing

180 Elgin Street, Suite 800

Ottawa ON K2P 2K3

[info@summitconnects.com](mailto:info@summitconnects.com)

Fax: (613) 688-0767

All published respondents will receive a free subscription.

[www.summitconnects.com](http://www.summitconnects.com)