

Buck the trend

Apply 'trust' to public sector procurement practices

ALL LEVELS OF GOVERNMENT and publicly funded institutions are increasingly aware of the positive impact of good supplier relationships in obtaining value for money from tendered contracts. Partnering, flexibility, shared risk and rewards, collaboration, trust – these are the goals of client/contractor relationships to meet the challenges of complex projects. Today however, public sector employees face an increasing array of challenges to establishing and managing effective supplier relationships – challenges that build barriers rather than trust.

In particular, this includes acceptance of offers of entertainment or hospitality that can provide valuable opportunities for networking and the exchange of information on new service trends or technological developments. As with many things, there are limits to what constitutes acceptable practice. Two weeks at a private resort with travel on the company jet for company executives is not acceptable behavior to shareholders, and would not be condoned in dealing with public sector clients – but should a lunch meeting to discuss issues or opportunities be subject to the same condemnation? This practice, which is perfectly acceptable in the private sector, presents a dilemma for public sector managers who see value in nurturing beneficial working relationships with suppliers, but face the fact that this has become totally unacceptable in public sector interactions with the supplier community.

A myriad of rules have been created for public sector employees that set out the ethical and legal standards of behaviour by which public sector employees are required to perform their duties. These focus on integrity, objectivity, trust and impartiality, and the avoidance or mitigation of any real or perceived conflict of interests.

Codes of conduct are not only present in public sector organizations. Most private sector organizations and professional groups have implemented codes of conduct that define how their employees must conduct themselves including how they interact with and work with both government and private sector clients.

Public sector procurement is highly structured through a wide range of legislation, regulations, policies, administrative practices, compliance audits, and review tribunals. These practices are meant to ensure that bias and favouritism do not influence the decisions as to which supplier wins and which supplier doesn't when it comes to the bidding and contract award process.

With all of these “directives” and “codes of conduct” in place and increasing media scrutiny, a reasonable person would believe that the chance of a public servant single-handedly influencing the award of business to family or friends is highly improbable.

Still, it seems the emerging trend is to not trust public servants to do their jobs, but to continually challenge their ability and commitment to make good decisions based on the facts before them. And of course, private sector suppliers are being treated with similar distrust. There is a cost to everyone in this.

As history shows, despite our best and most stringent efforts, there will always be the odd “bad apple in the barrel” who will, despite layer upon layer of bureaucratic process, find a way to influence a procurement process to their advantage or, as demonstrated in a recent case, simply ignore all the rules completely. But, they are a very, very small minority indeed. In the meantime, the hard working public sector personnel who do their jobs to the best of their ability and with a high degree of integrity are regarded with the same suspicion and criticism.

Participating in a social event with the private sector usually serves to enhance the working relationship and can indeed increase the probability of a successful business outcome.

Shouldn't there be a little more trust in public sector employees to perform their duties in an ethical manner that maintains and enhances public confidence?

With all the codes of conduct and policies and practices in place, do we believe that public sector employees are not capable of deliberate, respectful and responsible interaction with the private sector?

Let's cut our hard working public employees some slack and let common sense apply. ~~~



Howard Grant is a founding partner and president of PPI Consulting Limited – a management consultancy offering a full range of integrated, multi-discipline services for public sector partnering and procurement.



Retirement Notice

KAREN OWEN, DIRECTOR, in supply chain management for the province of Ontario, retired on February 29 after 36 years in public service.

In procurement for most of her career, she led numerous transformation projects that included creating strategic sourcing and contract management centres of excellence in a shared services organization, developing a leading edge Green Fleet Strategy and travel program

strategy, a government wide E-procurement strategy, and an awarding winning contract management tool, to name a few.

Now actively engaged with the Ontario Ministry of Education's Elementary School \$80M Library Book Investment project as well as leading the establishment of a strategic sourcing practice in the newly formed Ontario Education Collaborative Marketplace. ~~~