INTERNATIONAL RESEARCH STUDY OF PUBLIC PROCUREMENT – 2ND PHASE

PROJECT SPONSORS:
Chartered Institute of Purchasing and Supply
Office of Government Commerce
National Institute of Government Purchasing
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PROJECT OVERVIEW
This workshop was the second phase of the International Research Study of Public Procurement (IRSPP). The first workshop of the study (IRSPP1) took place in Budapest in April 2003, where 15 cases of public procurement practice were presented and discussed. The findings were published in an academic and an executive report. We have agreement from a publisher to publish an edited book of the cases.

Through a mixture of plenary presentations and group discussions, the workshop focussed on five themes drawn from the questionnaire responses:

♦ The policy role of public procurement (policy and government objectives)
♦ The professionalisation of supply (human resources and people issues)
♦ Using procurement to promote innovation
♦ National approaches to managing key suppliers (Supplier Relationship Management)
♦ How does procurement move towards the ideal, and what is it?

The aim of the second workshop of the International Research Study of Public Procurement (IRSPP2) was to build on the foundations of IRSPP1 through providing an interactive workshop exploring themes arising from the first study.

OBJECTIVES:
♦ To perform an initial survey prior to the workshop
♦ To use the analysis of the initial survey to inform and guide the design of the workshop
♦ To explore four specific sectors of public procurement in the workshop – health, defence, education and local government
♦ To explore themes arising from IRSPP1 in the workshop
♦ To draw out during the workshop critical research questions that need examining
♦ To use the findings of the workshop to inform the design of a comprehensive, rigorous international survey to contribute to answering the research questions
♦ To use the findings of the initial survey, the workshop and the international survey to provide papers for future International Public Procurement conferences
To use the findings of the workshop and the international survey to inform the design of IRSPP3 2007

METHOD
Five themes which emerged from the first study, IRSPP1 were used as the basis for this study. A questionnaire was designed to explore these themes and was distributed to very senior public procurement practitioners from 11 countries in four sectors (defence, education, health and local government). A 2 ½ day workshop was held in Geneva for senior academic and practitioner delegates from the 11 countries at which the findings from the questionnaire were presented. During the workshop delegates worked in facilitated sessions to explore the five themes from the survey in greater depth.

Each theme was explored within one of the workshop sessions led by a member of the research team. Each session started with a summary of the questionnaire findings on the relevant topic, participants were then split into groups to discuss the findings. Each session was designed using a different data collection technique to facilitate the group discussions.

CONCLUSIONS
There was a consensus that the status of public procurement needs to be raised. The strategic contribution to be made by public procurement needs to be explored and expanded. Issues such as Sustainable Procurement are rising on government agendas but best value and efficiency still dominate. Public procurement must be involved in the setting of government objectives and not simply respond to them: procurement needs to be pro-active.

When exploring the status of public procurement two key issues were identified; a strong professional body and appropriate qualifications. A number of positive and negative influences on the professionalisation of purchasing and supply were also identified. These could be broadly categorised as people, organisational and wider contextual issues.

These issues appear to be consistent across nations and sectors.

Public sector procurement, by virtue of its size and scale has the potential to make a significant impact on innovation. In exploring the barriers to innovation in the public sector three strong themes emerged: risk aversion, a lack of skills and limited resources. Solutions to these barriers proposed included retraining, pilot projects and consortia arrangements.

The management of relationships with key suppliers can be of critical importance to the public sector as the management of these relationships can have significant impacts on the delivery of public services. Nations tended to focus on either communication and trust issues within these relationships or on the mechanics of making and running the relationship. Avoiding market dependency on one key supplier was common to all the participants.

All the countries involved in the study are undergoing some form of public sector reform, the nature and the stage of these varies by country. However, some common themes emerged; the most common area of reform was in structure and organisation followed by politics and government objectives. Other themes to emerge included change management and data/information management.

FURTHER READING