

INTERNATIONAL RESEARCH STUDY OF PUBLIC PROCUREMENT

SURVEY FINDINGS OF THE SECOND WORKSHOP
MARCH 17 – 19 2005
Geneva, Switzerland



*NHS Purchasing
and Supply Agency*



THE
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2 Executive summary

Public procurement internationally is moving, in most cases, towards a policy role, and focusing less on transactional procurement. This is enabling an alignment of procurement policy with government policy, effectively engaging procurement as a lever of social reform. The extent and quality of engagement of politicians and policy makers with strategic procurement personnel varies significantly.

There are some fundamental differences between countries in their public sector services, which impact on purchasing and supply to support these services. Variation occurs through factors such as different organisational arrangements for public services, different regulatory and legislative arrangements, different cultures and different funding arrangements. This research study aims to describe and evaluate differences and similarities between participating countries' systems. To visit various countries to understand the local public sector purchasing and supply systems would be a costly and time consuming exercise which, potentially, each nation might replicate. This network aims to bring together senior academics and practitioners from around 13 countries in focussed workshops to maximise the collection of qualitative and quantitative data and the sharing of best practice.

The first workshop of the study took place in Budapest in April 2003 where 15 cases were presented and discussed. The findings were published in an academic and an executive report. This workshop was exploratory in nature and has shown there is the opportunity and the desire to develop this research.

A questionnaire was designed to explore themes arising from the first workshop and was distributed to senior public procurement personnel in 13 countries. Responses to the public procurement questionnaire were received from 11 countries (Australia, Belgium, Canada, Germany, Hungary, Italy, Netherlands, Russia, South Africa, UK, US). 44 responses were received, the majority coming from the local / regional government sector (17), followed by education (9), health (7), other (6) and defence (5). The questionnaire was broken down into the following sub-sections and this report follows that model:

Structure & Organisation

In the majority of countries that responded the procurement structure was either national or state centralised with less than half having de-centralised/local purchasing as the dominant structure. The role of purchasing was most often selected by respondents as 'to deliver value for money and to be an integral part of government's capability to deliver its policies'.

Human Resources / People Issues

Many respondents did not know the total number of employees in their sector, but from the information that was provided an average of 0.7% of employees are involved in purchasing. Most respondents disagreed that professionals in the public sector are well paid compared to the private sector and also tend to find it difficult to attract new graduates and retain qualified, experienced staff. However there was no significant trend in the perception of purchasing as a high status profession.

Politics, government objectives and public involvement

When asked about which procurement issues are seen as increasingly important, in the context of broader government objectives, respondents were most likely to agree that transparency in public procurement is increasingly important. Respondents were least likely to agree that public procurement is closely integrated with broader government objectives beyond value for money or cost minimisation.

Policy, performance, innovation and capacity

When asked to rank principles for procurement policy and performance measures, open and effective communication and value for money were selected as being central to both, although performance measurement appears to still be dominated by short-term savings rather than long-term improvement measures.

Supply Relationship Management

The majority of participants did not see moves towards greater public private partnership, however there was a greater consensus that there is increasing private sector involvement in the delivery of public services, the exception to this being Russia. Aside from the UK and Australia there was general agreement that strategic supplier relationships were developed, as opposed to arms length relationships.

Positioning Model

Participants were asked to select their stage of procurement development on a four stage positioning model; stage 1 being the lowest, stage 4 the highest. Over 80% rated their procurement function stage 2 or 3, only one respondent rated their procurement function as at stage 1.

3 Introduction to the research

Summary

This research study aims to explore issues in public procurement internationally by bringing together senior academics and practitioners from 12 countries in focussed workshops. The questionnaire, which forms the basis of this report, was designed to explore in greater depth 5 themes, which arose from the first workshop in the series. Its findings will form the basis of the discussion at the second workshop being held in Geneva in March 2005.

3.1 Background

This report summarises the findings of the second International Research Survey of Public Procurement (IRSP2), conducted prior to the second International Study of Public Procurement to be held in Geneva, Switzerland, March 17 – 19 2005.

The survey was based on the findings from IRSP1, held in Budapest, Hungary, April 10-12 2003. Hence, to provide background, an Executive Summary of IRSP1 is given in section 3.2. Following this, the design of the questionnaire for IRSP2 and sampling issues are explained in section 3.3.

3.2 First International Research Study of Public Procurement (IRSP1) Budapest, Hungary, April 10-12, 2003

Aim and objectives of IRSP1

The aim of IRSP1 was to conduct exploratory, qualitative research to identify critical factors that appeared to impact significantly on purchasing and supply in the public sector in the context of major government reform.

The objectives were to:

- bring together a select group of the highest possible level of international academics and public sector practitioners in one forum
- share and debate structured case studies of public sector services undergoing major reform
- draw out the critical factors for each case that appeared to have significant impact on purchasing and supply
- analyse across all cases to identify similarities and differences
- derive an initial framework for public sector purchasing and supply containing the critical factors that need to be managed in major government reform programmes
- co-write joint academic papers to disseminate the findings to the rest of the academic community
- publish a report for practitioners and academics in purchasing and supply
- publish a book of international cases in public sector purchasing and supply for teaching and to inform those not attending the event.
- draw out common themes in public procurement that needed further research.

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Methodology for IRSP1

Leading international academics and very senior public procurement practitioners from 13 countries were invited to write and submit case studies. Guidance was provided on the content of the case and it had to address major government reform issues. A 2½ day workshop was held in Budapest at which the case authors presented their cases. Case authors and invited participants discussed the cases and these discussions were recorded.

The cases were published for the participants. An academic report containing analysis of the cases was prepared. The following executive report provided a summary of the findings for senior practitioners. Academic papers and an edited casebook are in preparation.

Executive summary

IRSP1 involved senior practitioners and leading academics from 13 countries who discussed and analysed cases of radical reform relating to public procurement. Considerable diversity was evident across the case studies arising from societal, demographic, technological, legal and economic differences; the challenge appeared to be how to develop national procurement policies and strategies that deal appropriately with the national contexts. However, several common observations emerged across the cases.

Internationally, a lack of adequate management information prevents a more strategic, effective and efficient approach to public procurement in most nations. Partly as a consequence of the lack of information, there is little evidence of planned development, and rather more evidence of reaction to pressures and initiatives that are in vogue. Another common international problem is the low status given to the procurement profession and the difficulties in attracting and retaining people with appropriate skills, qualifications and competencies. Whilst a move is evident in some nations towards output- and outcome-based purchasing, moves away from traditional savings and value for money measures are still problematic.

Across the globe, public procurement is moving, with some exceptions, towards a policy role and focusing less on transactional procurement. At its best, this is enabling an alignment of procurement policy with government policy, effectively engaging procurement as a lever of social reform. This move appears to be driven most rapidly in cases of aspirational strategic change, for example the removal of apartheid in South Africa. However, some rule-based states where public procurement is more legalistic find it difficult to make this shift towards strategy and policy. Some nations find it easier to have politicians and policymakers working alongside and with strategic procurement personnel, whereas in other nations they are disconnected.

Supplier qualification and registration can play a key role in ensuring societal objectives are met; suppliers may be vetoed at this stage for not conforming to ethical standards. Information is key to public procurement. Internationally many jurisdictions are struggling to make desired progress because their information systems are fragmented, so a total picture cannot be seen; also performance of suppliers compared to strategic intent of public procurement is difficult to assess without information feedback in place.

Consortia models are in vogue, with regional or cross government joining up creating a tier between national and local decision-making. Aggregating spend in this way impacts on supply markets. E-procurement, through providing information, can enable greater aggregation of spend. However, IRSP1 participants expressed concern about

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disenfranchising less advantaged individuals, organisations, regions and nations. Internationally many examples were discussed where positive discrimination is used to direct spend towards less advantaged.

From the different cases some common themes could be recognised. Four themes were drawn out to form the basis of IRSP2, and were approved by the steering committee and participants.

1) Human resources and people issues

The main concern highlighted across IRSP1 was the international shortage of highly qualified, highly educated people in government procurement

2) Politics, Government objectives and public involvement in Government

A major finding of IRSP1 was the differences and similarities between different nations in the integration of public procurement with government objectives. Increasing public involvement in Government was a strong theme. The recognition of politicians of Government procurement varied across nation states.

3) Policy, performance, innovation and capacity

Short term, savings oriented performance measures of Government procurement can be in conflict with creating, maintaining and developing innovation in key supply sectors, and in building and maintaining capacity, particularly relating to capital spend areas where Governments engage with the supply market sporadically.

4) Supply relationship management

Private sector involvement in delivery of public services is increasing. Typically these contracts are long term with devolvement of risk and investment to the private sector. However, does Government procurement know how to source and manage long-term strategic relationships?

3.3 Second International Study of Public Procurement, (IRSP2) Geneva, Switzerland, March 17-19, 2005

Aim and objectives of IRSP2

IRSP2 aims to increase international learning in public procurement systems, by conducting a comparative study. The objectives are:

- drawing on key themes identified in IRSP1, to design a survey technique and conduct a survey of procurement practices across different sectors in 13 nations, and analyse similarities and differences by nation and by sector
- to present the findings to the International Network at IRSP2 in 2005, and conduct workshops on key themes
- to refine the survey technique with input from the International Network and conduct a wider survey of procurement practices in many developed and developing countries

Methodology for IRSP2

IRSP1 delivered a framework for describing public procurement within public services which can be used across different nations, levels of analysis and type of service, and which captures current structures and practices in the context of past and prospective developments. The delivered framework particularly caters for reform of procurement and public services, and its drivers and outcomes.

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A second key outcome of IRSP1 was the formation of a community of senior practitioners and researchers who share a common interest in public procurement, and who are positioned to influence its development.

IRSP2 builds on IRSP1 and its subsequent analysis. The start for IRSP2 was a survey that was conducted prior to the workshop in Geneva and of which this report gives an account. The survey was based on the four main common themes as found in IRSP 1. The findings of the survey will be presented at the IRSP2 workshop in Geneva. The IRSP2 workshop is also used to discuss these findings per theme further amongst senior practitioners and academics in the field of public procurement. The workshop is used to create an expert panel to gather more data on the themes. The IRSP2 workshop therewith becomes at the same time part of the analysis phase and data collection phase. To collect data a wide variety of methods will be used such as for instance brainstorming sessions, audits and group mapping. All discussions will be recorded and outcomes will be captured on flip-over charts.

Survey for IRSP2

The four themes have been explored through a questionnaire (see Appendix A) designed in consultation with the IRSP1 community. The aim of the survey is to assess the current status of public procurement on an international scale. Members of IRSP1 helped to facilitate the survey data collection by sending it to senior procurement practitioners within different sectors in each nation.

On 15th October 2004, the questionnaire was posted to the IRSP1 members in 13 countries to disseminate it to leads within 4 different sectors, these being health, defence, education and local/regional government. Originally, participants were asked to return their completed forms to CRiSPS by 6th December 2004. At the beginning of December a reminder email with an electronic version of the questionnaire was sent to non-responding country contacts with a request for questionnaires to be returned by 31st December 2004. It should be noted that the US sectors and 1 sector in Canada were sent questionnaires that differed slightly in that not all questions were included.

On the 25th February the fieldwork was closed so that the analysis stage could commence and by this time a total of 44 questionnaires had been received. 5 of the questionnaires that were returned could not be categorised within one of the 4 sector groups and were therefore classified as 'other'. At least one completed questionnaire was returned by 11 of the 13 countries invited to participate in the research. Only 3 countries provided a response for all 4 sectors under investigation.

The following table details the countries that were invited to participate in the research and the sectors for which a return was submitted.

Country invited to participate in the research	Sector for which a completed questionnaire was returned by 25/02/2005					Total
	Health	Defence	Education	Local Government	Other	
Australia	2		1			3
Belgium				1		1
Canada		1		2		3
Germany	1	1	1	1		4
Hungary	2				2	4
Italy			2			2
Netherlands		1		1	1	3
Russia			1			1
South Africa	1	1	1	1	1	5
UK	2	1	1	1		5
US			2	10	1	13
Finland						0
Singapore						0
Total	8	5	9	17	5	44

Table 1: Survey response by country and sector

The data analysis stage commenced on 28th February 2005 with an analysis of the data by nation and by sector prior to IRSP2, although it should be noted that the response rate at these levels is too low to give statistically valid interpretations and that the information provided should be treated as indicative only. An aggregate response was given for those countries with a state system for that sector (e.g., Australia got responses from several states for Health and these were aggregated). It should be noted that some questionnaires differed in that not all questions were always asked (this includes all respondents in the US and 1 in Canada) and therefore, response rates for some questions will be lower than expected. In addition, the 2 Italian questionnaires were completed by academics and not senior heads of sector and therefore not all questions were answered in these cases.

Plans for the Future

Following IRSP2, the survey technique will be refined and sent out to a broader set of public procurement practitioners. The survey participants will be senior procurement practitioners from a wider range of countries, who will be targeted through membership of professional bodies.

4 Section 1: Background

Summary

Responses to the public procurement questionnaire were received from 11 countries (Australia, Belgium, Canada, Germany, Hungary, Italy, Netherlands, Russia, South Africa, UK, US). 44 responses were received, the majority coming from the local / regional government sector (17), followed by education (9), health (7), other (6) and defence (5). In terms of annual spend, most procurement organisations responding were in the \$100-\$250 million bracket. The total annual budget responses were incomplete, with no clear patterns emerging across sectors and nations. Most described the role of their organisation as purchasing or procurement with some expanding this to include strategic planning or policy making.

4.1 Responding countries

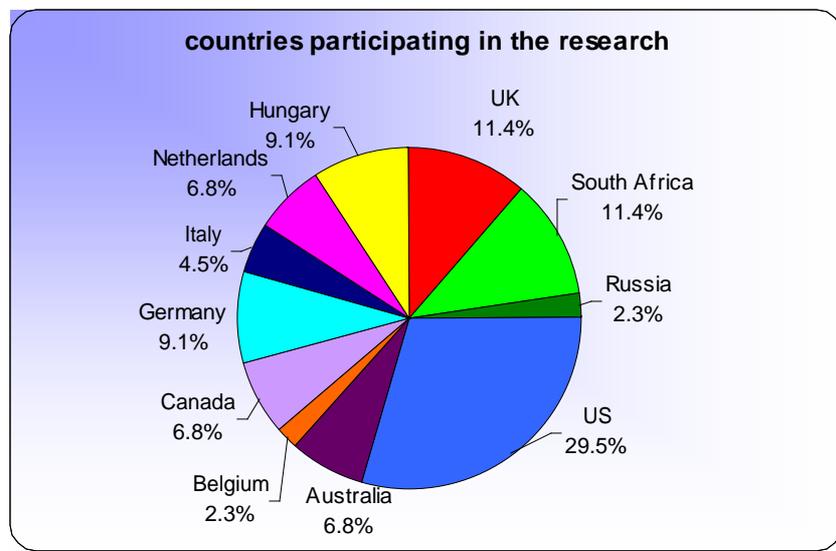


Chart 1. base: 44 valid cases

The above chart illustrates that the 44 questionnaires were returned by a total of 11 countries, with the largest response (13 questionnaires) submitted by the US followed by the UK and South Africa, which completed 5 questionnaires each. Russia and Belgium submitted only 1 questionnaire each.

4.2 Responding sectors

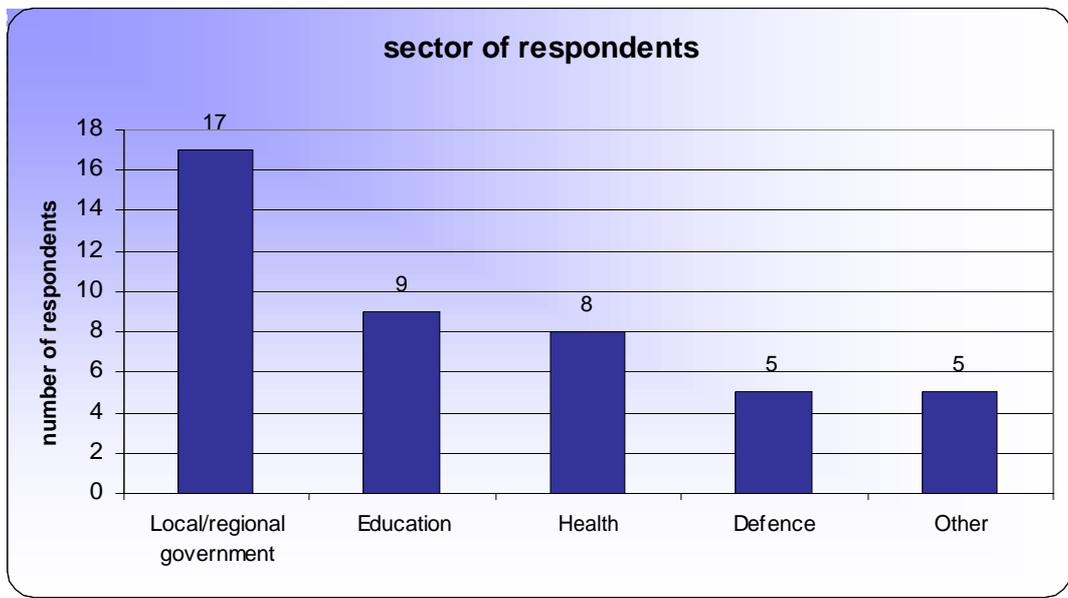


Chart 2. base: 44 valid cases

The questionnaires were sent to contacts in 13 countries to forward to the senior heads of procurement in the following sectors:

- Health
- Education
- Defence
- Local/regional government

The majority of the questionnaires (38.6%) were for local or regional government for which a total of 17 questionnaires were returned. The fewest returns were received on behalf of the defence sector, which amounted to 5 in number. Some countries returned a questionnaire that could not be categorised into one of the 4 sectors under investigation and therefore these questionnaires were classified as 'other'.

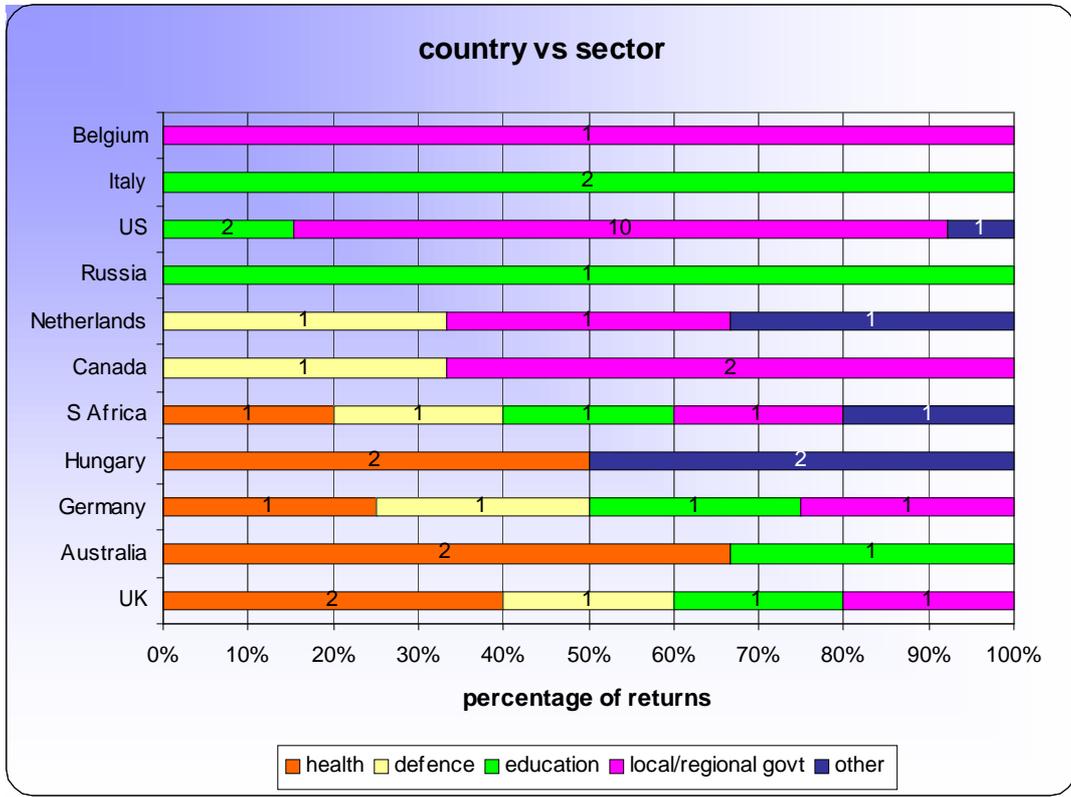


Chart 3. base: number of valid cases given on bars

From those countries that participated in the research it is clear that not all returned questionnaires for all 4 sectors. For instance, the United States returned 10 completed questionnaires for local/regional government but none for their defence or health sectors. The above chart illustrates the proportion of the total number of returns submitted by each country according to the sector classifications. Only the United Kingdom, South Africa and Germany returned questionnaires for the four sectors under investigation.

4.3 Sector spend & budgets

Nation's spend within sector (\$US)

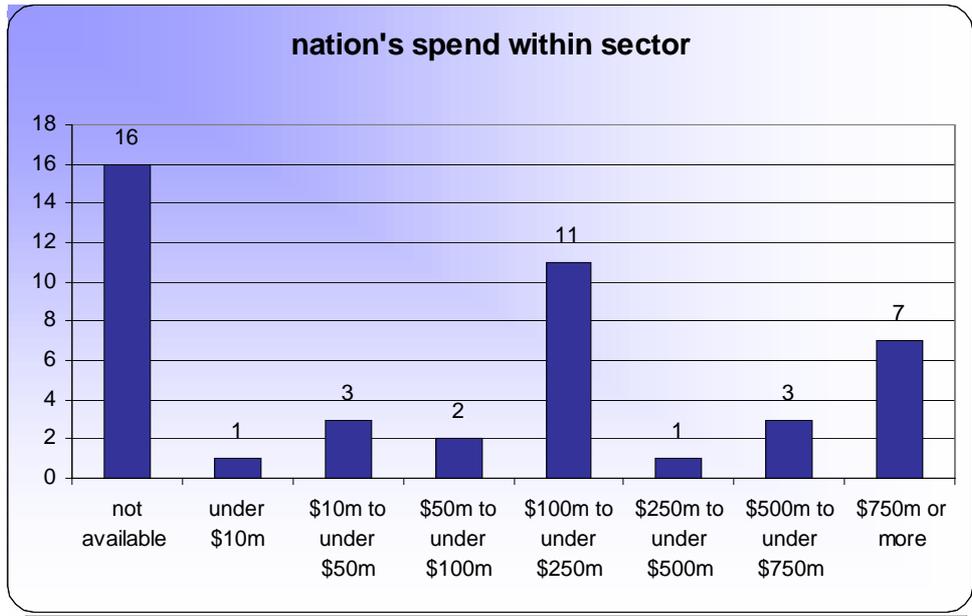


Chart 4. base: 44 valid cases

Respondents were asked to provide information regarding their nation's spend within the sector. Most respondents (16 in total) were unable to provide such information and consequently only details were available for only 28 of the respondents. Information provided was in US dollars, and it should be noted that the American definition (rather than the UK definition) was used for the purpose of this report (so that 1 billion is equal to 100 million). The above chart illustrates that across all sectors, spend is most likely to be from US\$100 million up to US\$250 million. Overall, spend seems to be normally distributed around this point if the responses in excess of US\$750 million are excluded. 7 respondents indicated that their sector's spend was in excess of US\$750 million with the highest amount being US\$100 billion. The lowest spend was US\$4.125 million.

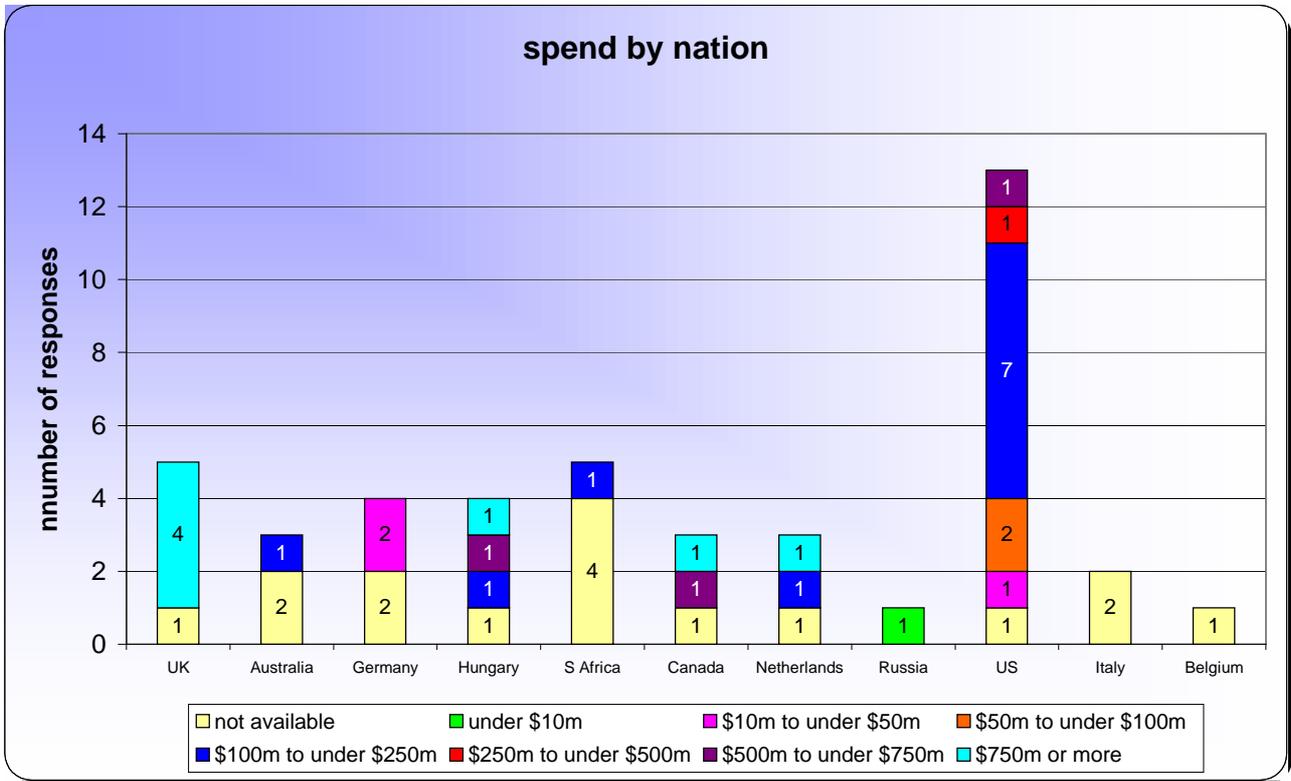


Chart 5. base: number of valid cases given on bars

An analysis of spend by nation indicates that the countries most likely to spend in excess of US\$750 million are the UK, Hungary, Canada and the Netherlands. The nation with the biggest spend at US\$100 billion was the UK and this is within the health sector. Indeed, all of the sectors within the UK that provided information indicated that their spend was in excess of US\$750 million. Russia reported the lowest spend of US\$4.125 million within its educational sector.

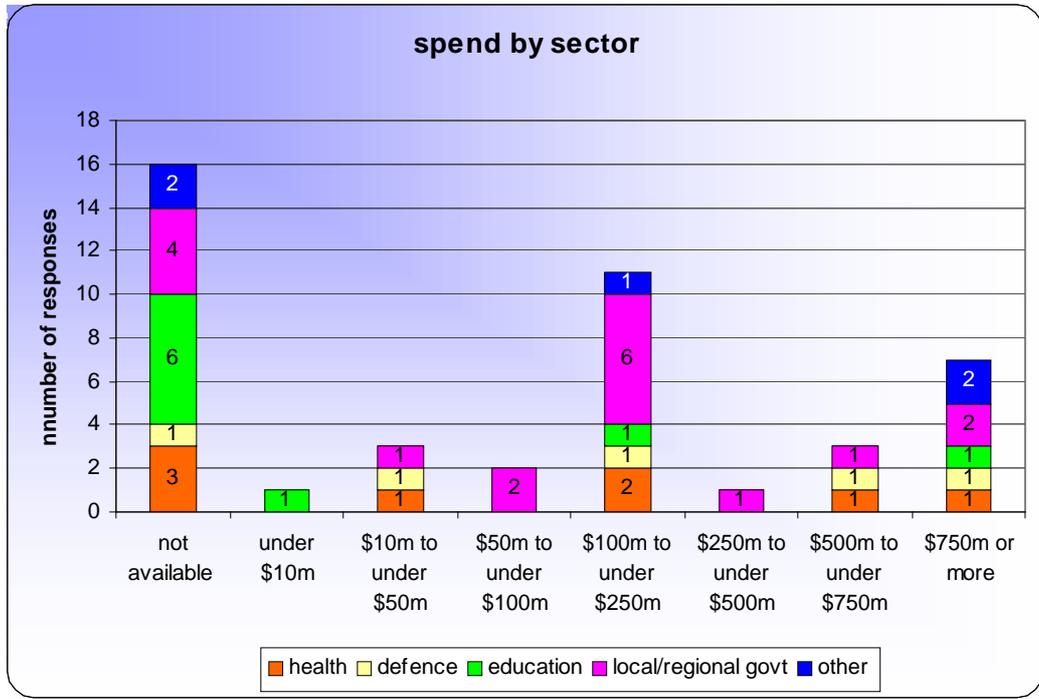


Chart 6. base: number of valid cases given on bars

Looking at spend by sector illustrates that amounts are quite varied with respondents from each sector indicating a real spread across each of the spend bands. As seen, the lowest spend is within the education sector, although there is also one respondent from this sector that indicated spend in excess of US\$750 million. None of the sectors appears to be concentrated within any particular spend band, although of those stating spend that is in excess of US\$750 million, 2 respondents are from the local or regional government sector.

Sector's total annual budget (\$US)

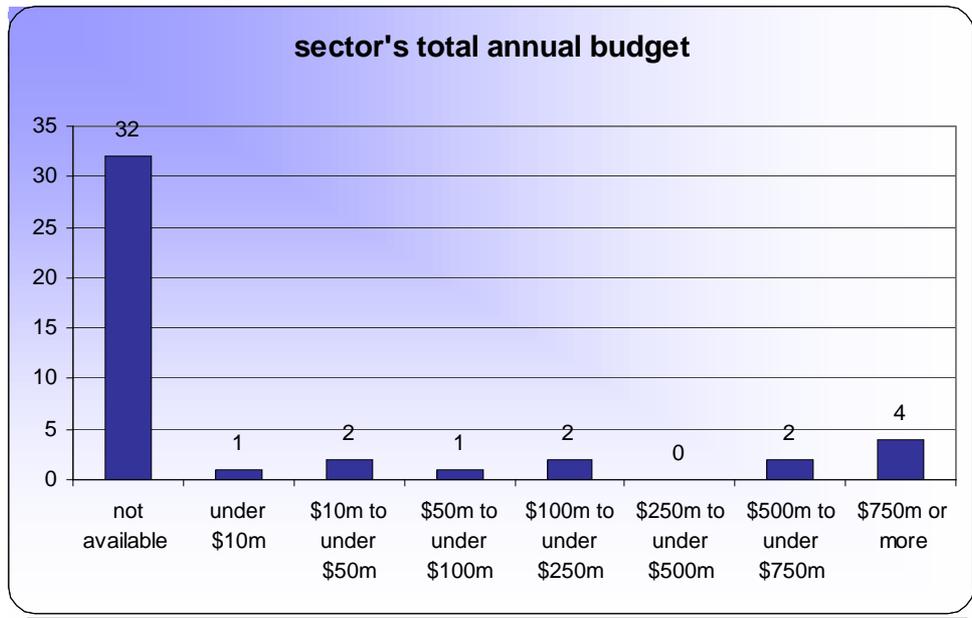


Chart 7. base: 44 valid cases

Respondents (with the exception of all those in the US and 1 in Canada that were sent different questionnaires) were asked to provide information regarding their sector's total annual budget. Only 12 respondents were able to provide information and in one case this was in local currency and was converted to US dollars at the exchange rate available on 03 February 2005. Again, it should be noted that the American definition (rather than the UK definition) was used for the purpose of this report (so that 1 billion is equal to 100 million). The above chart illustrates that total budget is varied across all sectors with no clear patterns emerging. 8 respondents indicated that their total sector budget is less than US\$750 million and 4 stated that it is in excess of this amount. The highest amount reported was US\$170 billion whilst the lowest was US\$4.125 million.

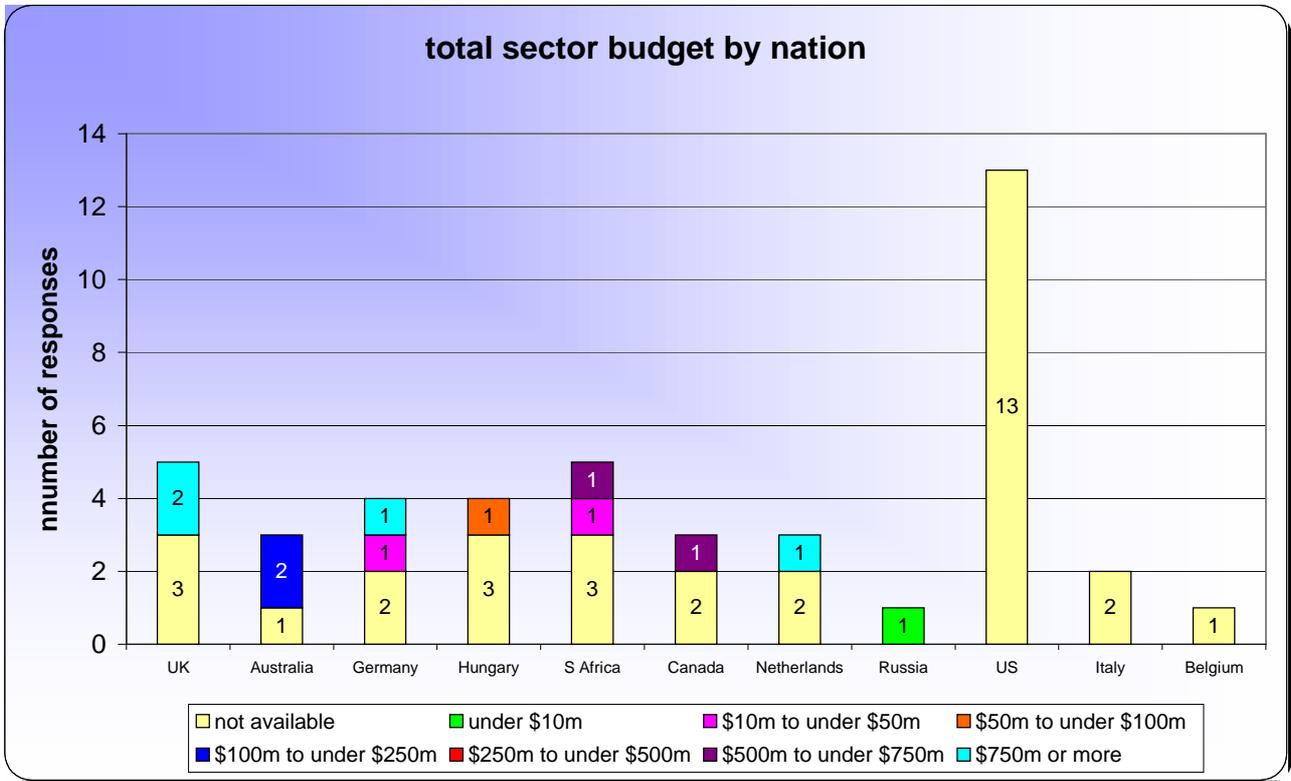


Chart 8. base: number of valid cases given on bars

An analysis of spend by nation indicates that the countries most likely to have sector budgets in excess of US\$750 million are the UK, Germany and the Netherlands. The nation with the biggest sector budget at US\$170 billion was the Netherlands and this was within the defence sector. Both of the sectors within the UK that provided information indicated that their total annual budgets were in excess of US\$750 million. Russia reported the lowest budget of US\$4.125 million within its educational sector.

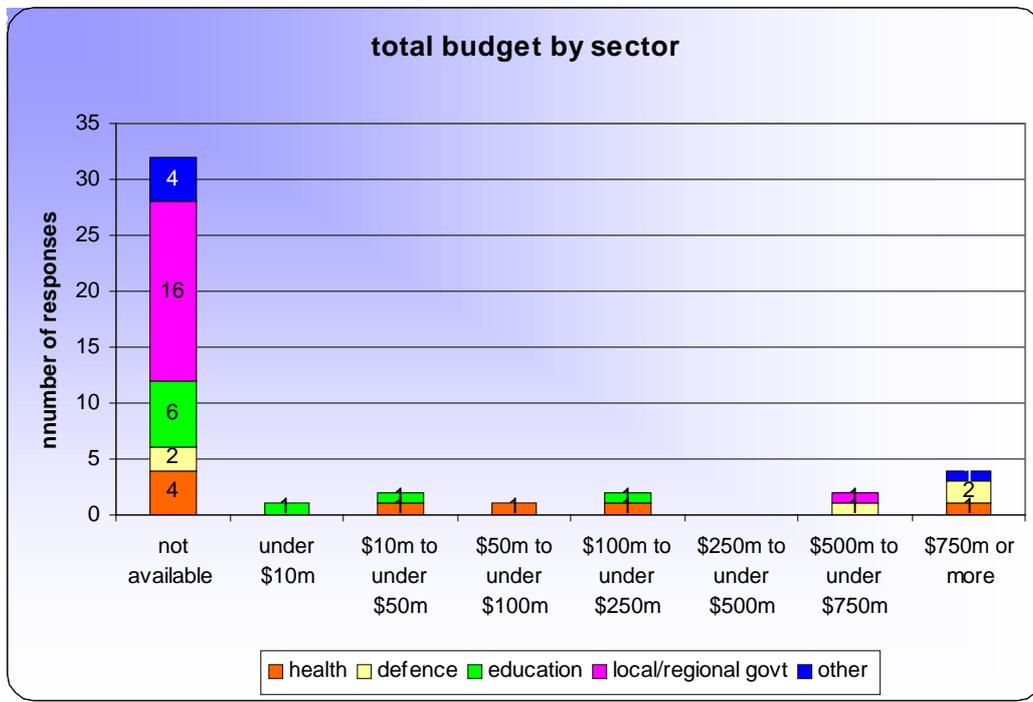


Chart 9. base: number of valid cases given on bars

Looking at total sector annual budget by type of sector illustrates that amounts are quite varied with respondents from each sector indicating a real spread across each of the monetary bands. As seen, the lowest spend is within the education sector, although there is also one respondent from this sector that stipulated a budget in excess of US\$750 million. None of the sectors' budgets appears to be concentrated within any particular financial band, although the number of respondents able to provide data may be a factor. Of those stating that the sector's total annual budget is in excess of US\$750 million, 2 respondents are from the local/regional government sector although the majority of respondents from this sector appear to have budgets within US\$100 million to US\$200 million.

4.4 Role of organisation

Respondents that participated in the research were asked to give an indication of the role of the organisation for which they worked. In the main, most described the role as being one involved in purchasing or procurement with some expanding on this to mention strategic planning or policy making. The table overleaf lists the verbatim comments received by country and sector.

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Country	Sector	Role of organisation
Australia	Health	The department of health is committed to protecting and improving the health of all South Australians by providing leadership in health reform development and policy development and planning.
Australia	Health	Provision of health and community services
Australia	Education	To achieve quality learning and well-being outcomes for children and students in children's services, pre schools and government schools.
Belgium	Local/regional government	Lokaal besturr. (Translated as local administration)
Canada	Defence	Procurement.
Canada	Local/regional government	
Canada	Local/regional government	Supplies and services.
Germany	Health	Hospital management.
Germany	Defence	Ministry.
Germany	Education	Local Government.
Germany	Local/regional government	Public service.
Hungary	Health	Education, health supply.
Hungary	Health	
Hungary	Other	Public procurement.
Hungary	Other	Oil and gas company.
Italy	Education	Teaching.
Italy	Education	University.
Netherlands	Defence	
Netherlands	Local/regional government	Pressure group / lobby.
Netherlands	Other	Coordination and stimulation.
Russia	Education	The oldest state economic academy of Russia.
South Africa	Defence	Protection of sovereignty of South Africa.
South Africa	Education	Strategic planning formulation and monitoring of national education policy.
South Africa	Local/regional government	To provide basic procurement related services driven by customer ethos at the right time, the right place and at an improved and competitive cost, by using benchmarked processes.
South Africa	Other	Supply chain policy.
South Africa	Health	To promote a caring and humane society in which all South Africans have access to affordable good quality healthcare.
UK	Health	Procurement and supplies service (in Northern Ireland).
UK	Health	Commercial responsibility for the Department and the NHS.
UK	Defence	Equipping the armed forces.
UK	Education	Education and lifelong learning in England.
UK	Local/regional government	Determining and implementing policy.
US	Education	
US	Education	Purchasing.
US	Local/regional government	Procurement.
US	Local/regional government	Purchasing.
US	Local/regional government	Purchasing.
US	Local/regional government	
US	Local/regional government	Purchasing.
US	Local/regional government	Procurement.
US	Local/regional government	Procurement.
US	Local/regional government	Procurement of contracts.
US	Local/regional government	Purchasing.
US	Local/regional government	Materials management.
US	Other	

Table 2: Role of organisation by country and sector

5 Section 2: Structure and organisation

Summary

This section investigated the structure and organisation of purchasing in the public sector. The majority of respondents said their structure was either national or state centralised with less than half having de-centralised/local purchasing as the dominant structure. Different dominant structures were found to be present across the range of countries and sectors. Both de-centralised and centralised structures were mentioned as secondary structures.

The role of purchasing most often selected by respondents was 'to deliver value for money and to be an integral part of government's capability to deliver its policies'. This was seen strongly in the responses from local government and education, however a range of responses were received across countries and sectors. Just over half of the respondents indicated that they were involved in local or national collaborative procurement. The degree of involvement differed a great deal across country and sector. International collaboration was not as prevalent as national or local collaboration (only 7 out of 44).

5.1 Dominant structure of procurement within the sector

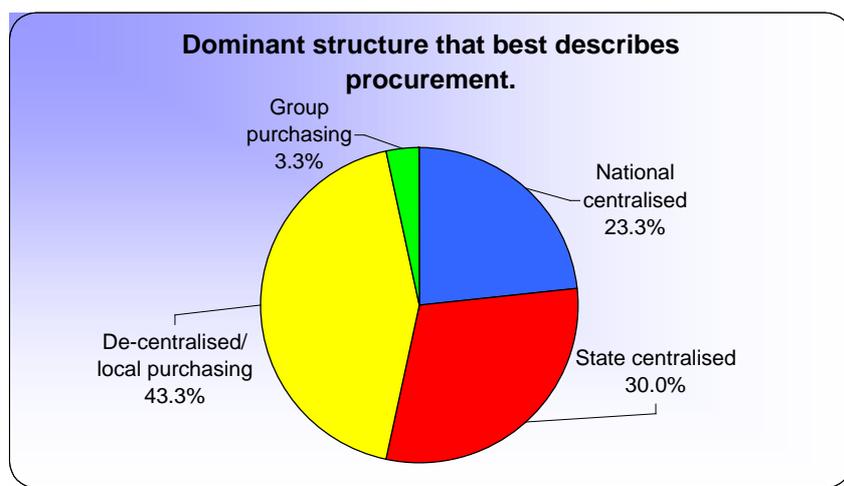


Chart 10. base: 30 valid cases

Respondents were asked to indicate which definition, from a list of 4, best described the most dominant structure for procurement within their sector. 14 of the respondents did not answer this question, which includes all respondents from the US and one from Canada who were sent different questionnaires that did not ask this question.

The graph above illustrates the answers received from the other 30 respondents. 44% (12 in number) stated that a de-centralised or local procurement structure is dominant within their sector, 30% (9 in number) indicated that a state centralised procurement structure is dominant and 23% (7 in number) stated that a national centralised procurement structure is dominant within their sector.

Only one respondent believed that a group purchasing procurement structure (eg consortia) was dominant within their sector.

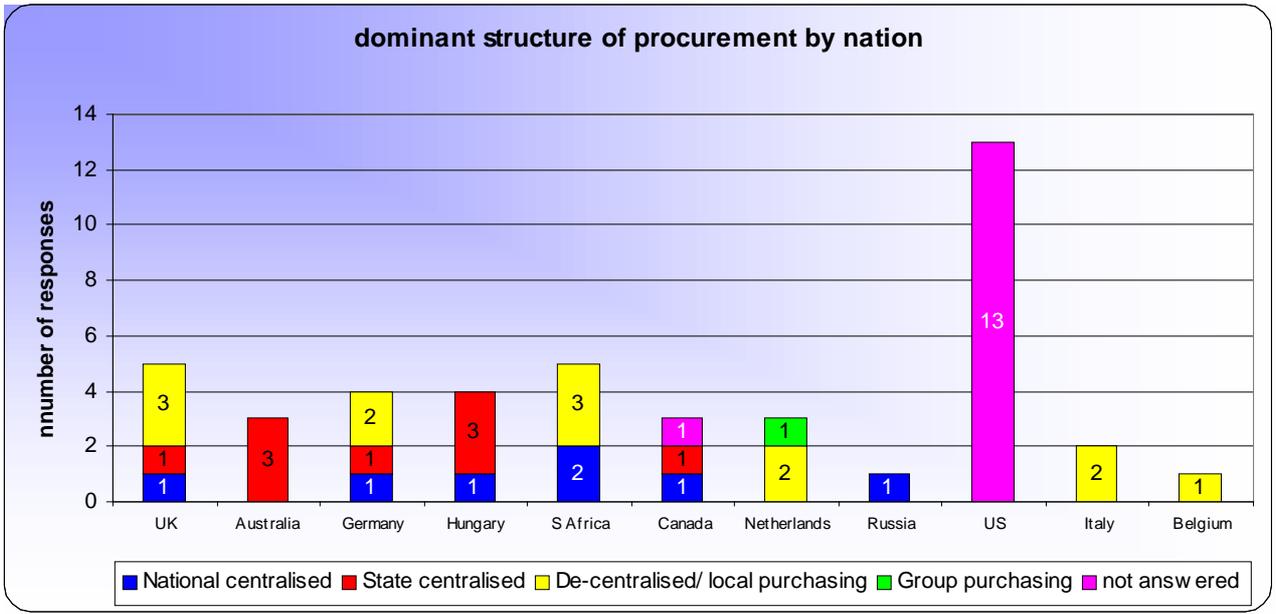


Chart 11. base: number of respondents given on bars

An analysis of the responses by nation illustrates that all of the Australian sectors have a state centralised procurement model whilst those from Italy and Belgium have dominant purchasing models that are de-centralised or local. Respondents from Hungary are more likely to have state centralised procurement as the dominant structure whilst those of the UK and (to a lesser extent) South Africa are more likely to have decentralised or local procurement structures.

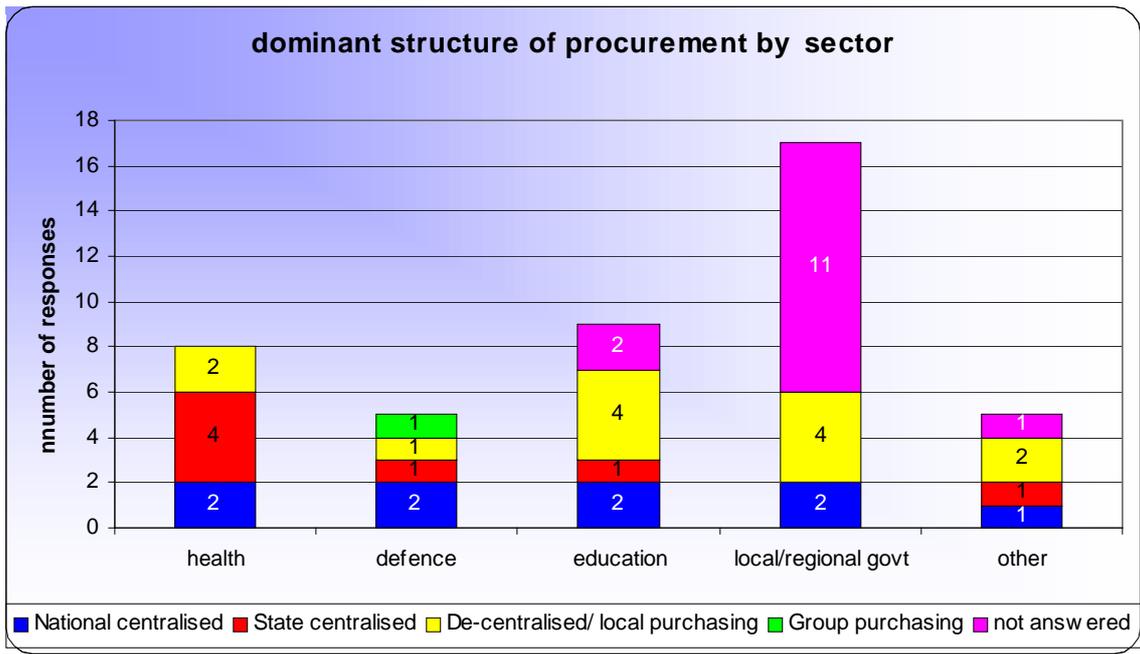


Chart 12. base: number of respondents given on bars

The above chart illustrates the dominant procurement structures by the sector type. This illustrates that the health sector is more likely to have a state centralised structure most dominant whilst the education and local or regional government sectors are slightly more likely to have de-centralised or local purchasing structures in place.

5.2 Other structures of procurement within the sector

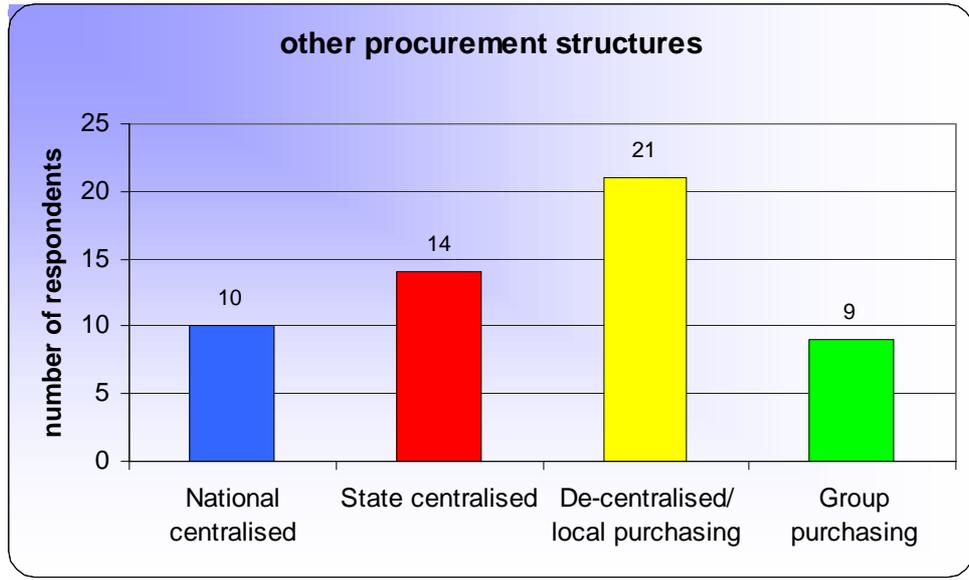


Chart 13. base: 30 valid cases (multiple response)

Respondents were asked to indicate which other procurement structures were also in place within their sector. Again, 14 of the respondents did not answer this question, which includes all respondents from the US and one from Canada who were sent different questionnaires.

The graph above illustrates the answers received from the other 30 respondents. Of the 4 types of procurement structures under investigation, it is clear that one of de-centralised or local purchasing is most likely to exist alongside the dominant structure with 21 respondents indicating this to be the case. 14 respondents stated that a state centralised structure also exists within procurement. Similar numbers (10 and 9 respectively) stated that national centralised and / or group purchasing structures also exist.

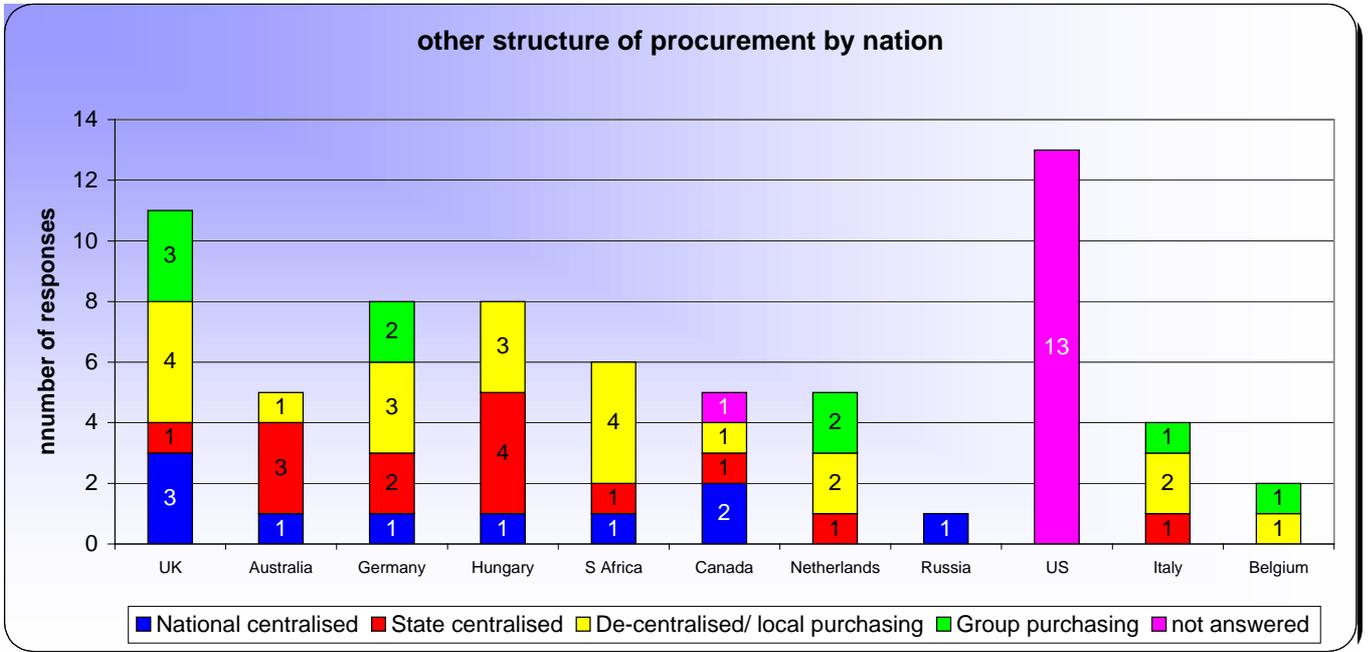


Chart 14. base: number of respondents given on bars (multiple response)

An analysis of the responses by nation illustrates that respondents are generally likely to state that all of the other types of structures exist alongside the dominant structure. This is particularly true of state centralised and de-centralised or local procurement.

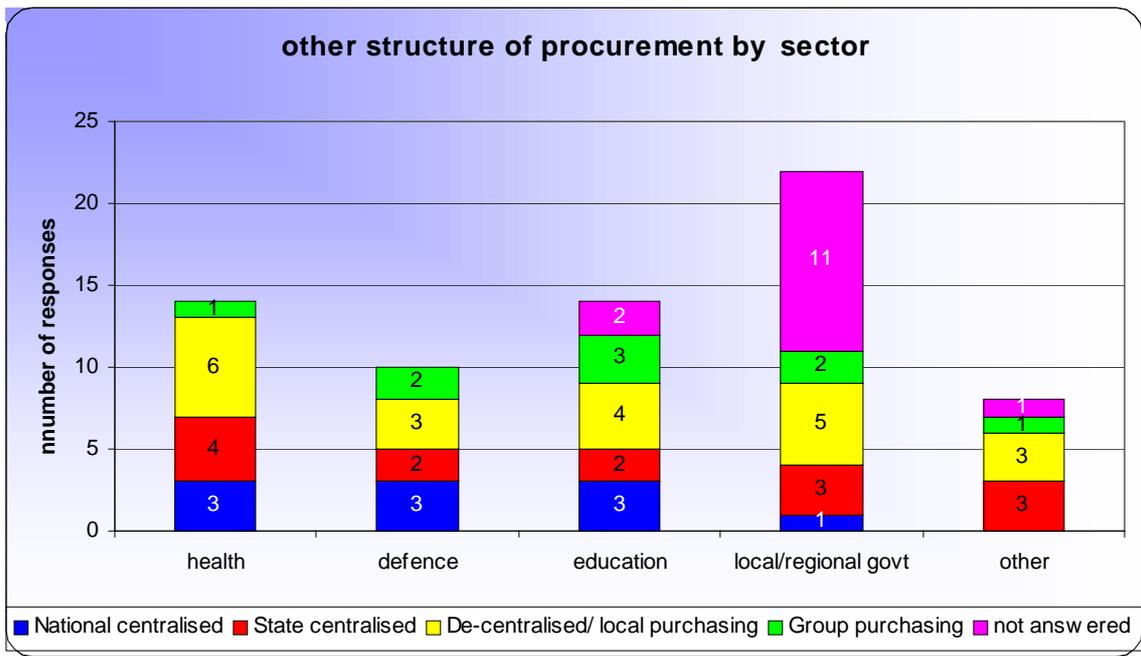


Chart 15. base: number of respondents given on bars (multiple response)

The above chart illustrates the other procurement structures in place by the sector type. This illustrates that the health, local & regional government and (to a lesser extent) education sectors are more likely to have a de-centralised or local purchasing structures in place alongside the dominant procurement structure.

5.3 The role of public procurement within the sector

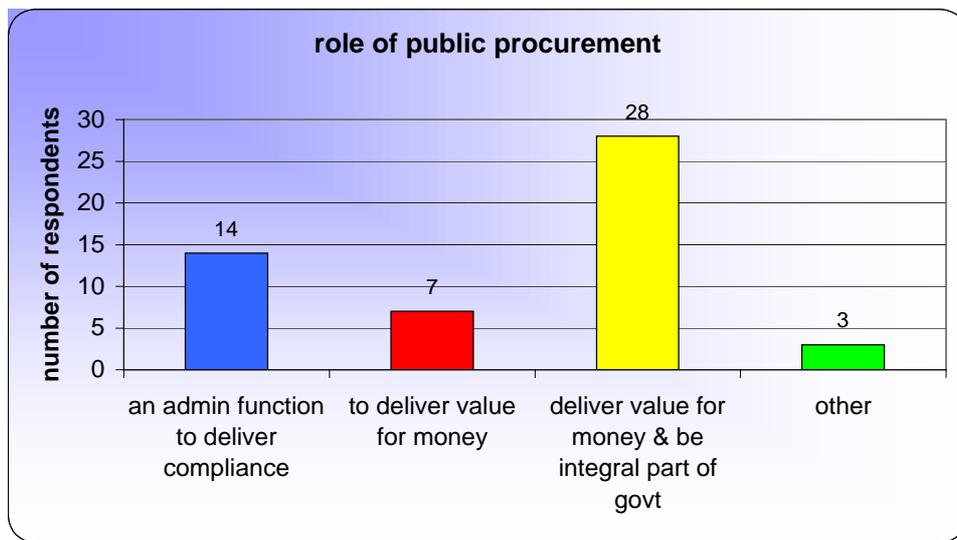


Chart 16. base: 44 valid cases (multiple response)

Respondents were asked to indicate which statement, from a list of 3, best described the role of public procurement in their sector. Many respondents chose to select more than one answer but the above chart illustrates that they were most likely to indicate that their sector’s role is to deliver value for money and be an integral part of government’s capability to deliver its policies. 28 respondents indicated this to be the case. 14 respondents (also) stated that their sector’s role in public procurement is as an administrative function, to deliver compliance with regulations. 3 respondents provided descriptions of other roles that are fulfilled by their sector and these are given in the table below.

Country	Sector	Other role in public procurement
Germany	Education	Economic procurement according to the requirements of public procurement law serves to support fulfilment of public duties.
South Africa	Local/regional government	Also to deliver on social objectives of Black Economic Empowerment, through Preferential Procurement.
South Africa	Health	To deliver value for money with special emphasis on health issues, both administratively and technically.

Table 3: Other roles in public procurement by country and sector

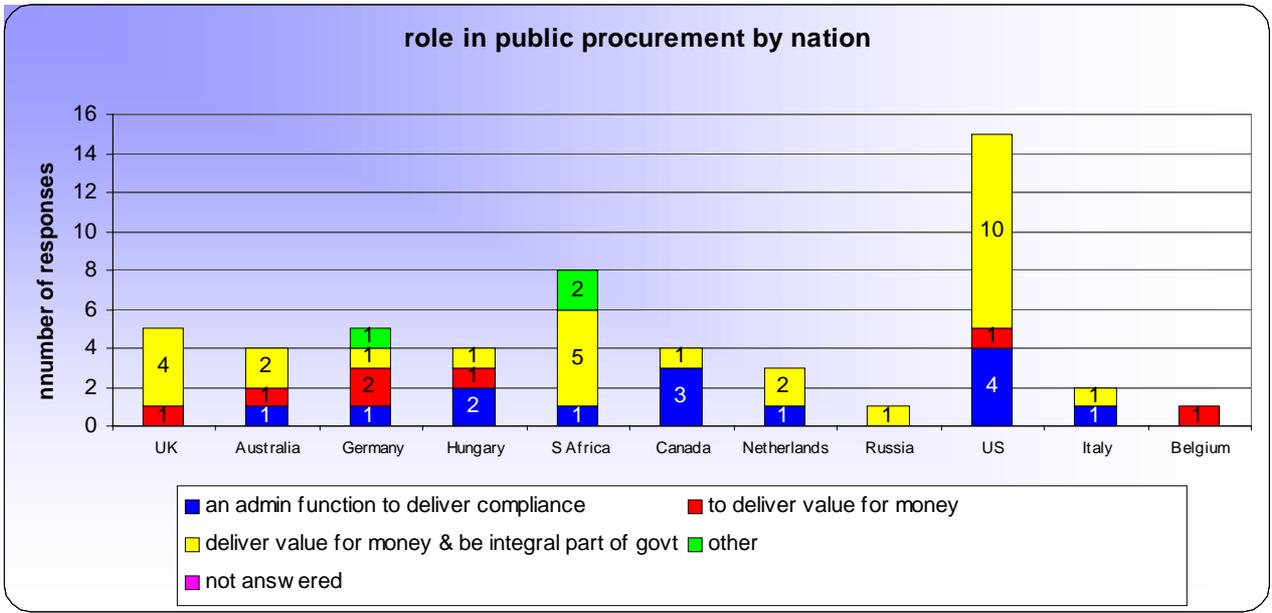


Chart 17. base: number of valid cases given on bars (multiple response)

An investigation of the responses by country shows that all of the UK responses support the definition that their sectors role in public procurement is to deliver value for money with 80% stating that it is also to be an integral part of government’s capability to deliver its policies. Canadian respondents have the highest propensity to indicate that their sector acts in an administrative role to deliver compliance with regulations. All respondents said that their sectors role was to deliver value for money with the exception of the US (2 respondents), Canada (2), Germany (1), Italy (1), Netherlands (1) and Hungary (2).

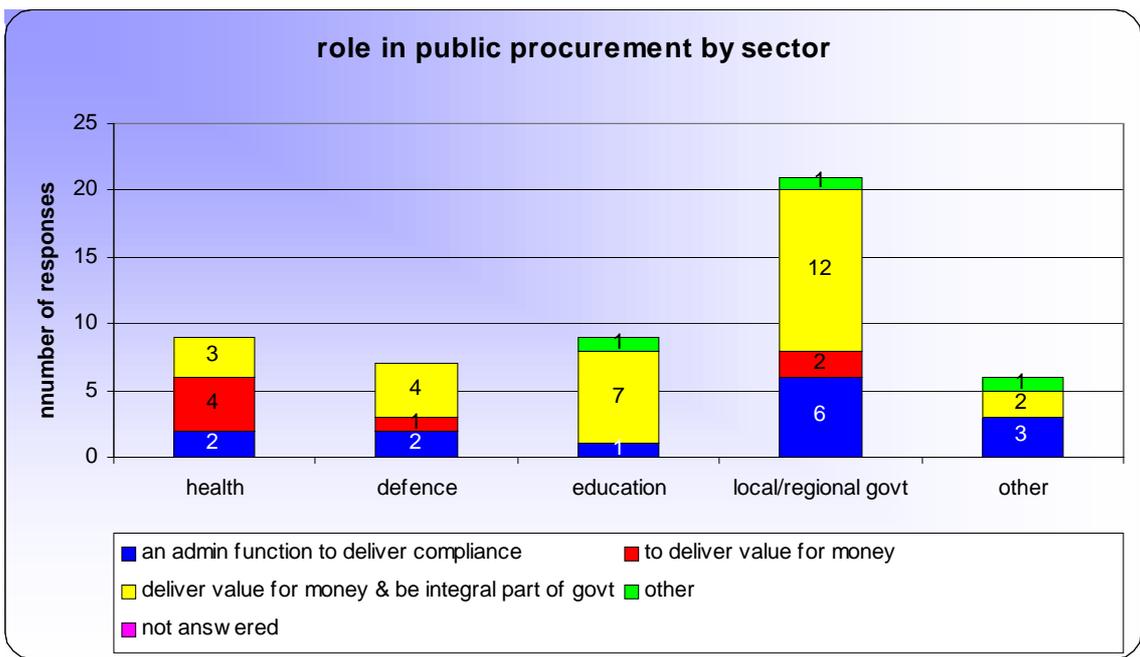


Chart 18. base: number of valid cases given on bars (multiple response)

The respondents within the health sector were more likely to state that their role in public procurement is to deliver value for money whilst those in education and local or regional government were more likely to describe it as to deliver

money and to be an integral part of government’s capability to deliver its policies. The defence sector is the only one in which all of the respondents described their role in public procurement as one that is to deliver value for money.

5.4 Involvement in collaborative procurement

Local or national collaborative procurement

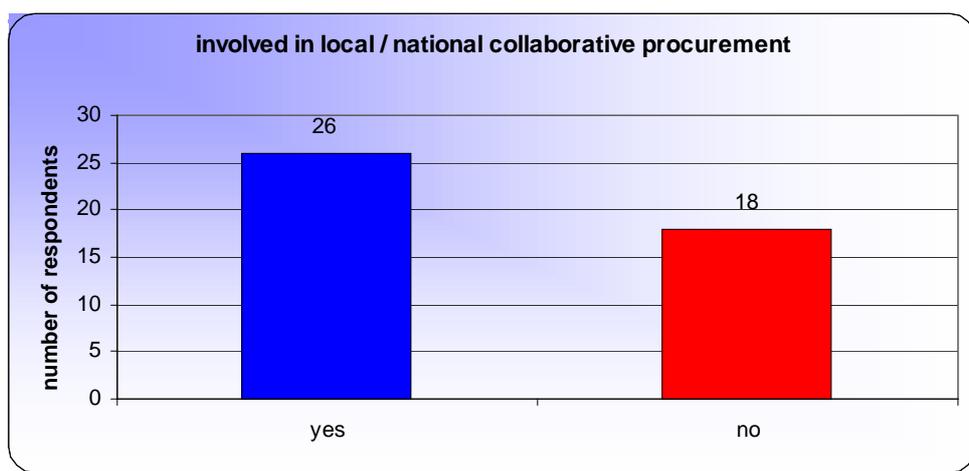


Chart 19. base: 44 valid cases

Just over half of the respondents indicated that they are involved in local or national collaborative procurement. 26 respondents indicated this to be the case whilst 18 said that they are not so involved. Those that indicated that they are involved were asked to provide details of a typical local or national collaborative procurement and their comments are listed in the following table.

Country	Sector	Details of local/national collaborative procurement
Canada	Local/regional government	Locally it is a 9-member co-op buying same bulk items. Provincially it is a piggyback arrangement for computer equipment bulk buying of food and related supplies.
Canada	Local/regional government	Regional procurement of school buses, courier services etc.
Germany	Education	Bundling of needs and biddings by central procurement offices. Concluding frame contract. Needs of respective departments are fulfilled within the frame of these basic treaties by the treaty partners.
Germany	Defence	The government initiative Bund Online 2005: Under a seven-point program the federal government wants to streamline the procurement of goods and services in federal administration.
Netherlands	Defence	Energy
Netherlands	Other	Some hardware and Software, Juridical advice, wired telephony.
South Africa	Health	Ad hoc contract for the department to the value of R500,000,000.
South Africa	Local/regional government	Arranging transversal contracts for all 11 departments within the Province of Gauteng, as well as participating in nationally arranged contracts put into place by National Treasury, National Health as well as SITA (State Information Technology Agency).
South Africa	Other	Arranging transversal contracts for departments.
UK	Education	DfES collaborates with other government departments and the OEG. Purchasing consortia operate in the schools, higher and further education sectors.
UK	Defence	Stationery; procurement with the Foreign and Commonwealth office.
UK	Health	The department created the commercial directorate to improve its purchasing

Country	Sector	Details of local/national collaborative procurement
		performance, one aim being the intention of greater collaboration across the health sector.
US	Education	Commodity food processing bid (headed group for 19 school districts). Hurricane emergency shelters; inter-local agreement (school board and co commissioners).
US	Local/regional government	County/city solicitations, county/city disaster services MOUs, use of co-operative agreements done by agencies within our state, use of national contracts-WSCA U.S communities.
US	Local/regional government	Local government purchasing council and Tampa bay cooperative.
US	Education	Members of approx 4 regional or national cooperatives and active participate for the Baltimore regional cooperative purchasing committee.
US	Local/regional government	The regional Washington Council of Governments sponsors a chief purchasing officers committee which meets monthly and coordinates collaborative procurement within the region. Individual members serve as lead contracting officers.
US	Local/regional government	Urban Area Security Initiative (UASI) purchases for homeland security.
US	Local/regional government	US committee cooperative purchasing contracts.
US	Other	US Committees and local nine agency co-op.
US	Local/regional government	Utilize contract issued at the national, regional and local levels to leverage resources. The most commonly acquired items obtained through these contracts are office supplies, computer hardware/software and maintenance services.

Table 4: Details of local / national collaborative procurement by country and sector

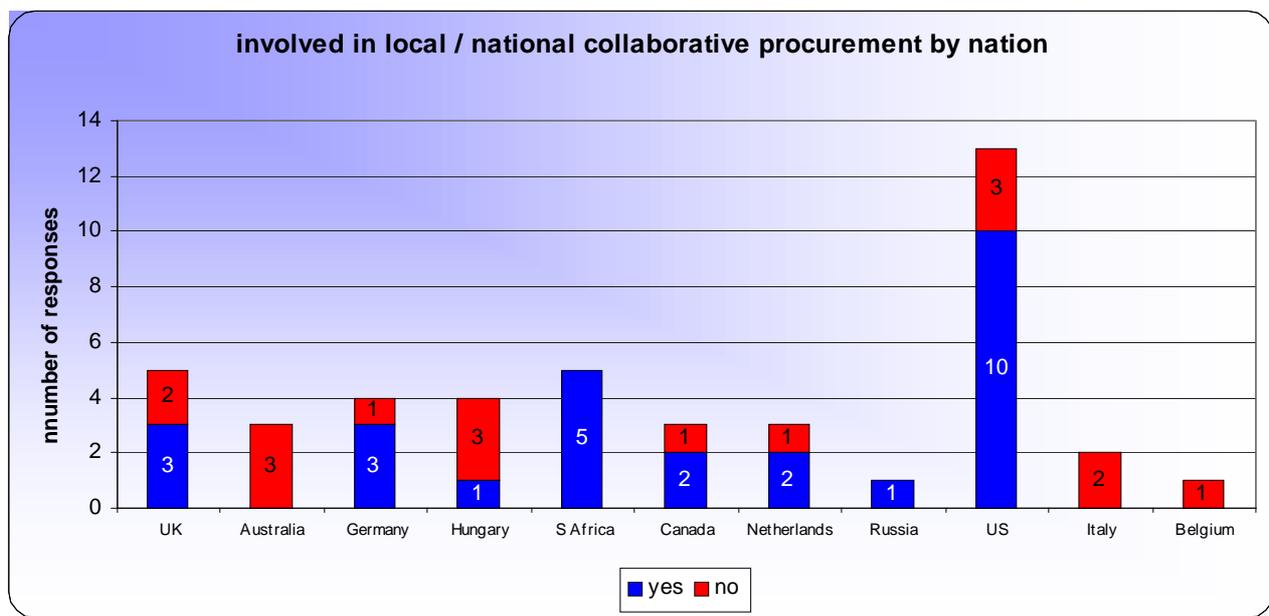


Chart 20. base: valid cases given on bars

Respondents in Australia, Italy and Belgium all stated that they are not involved in national collaborative procurement, whilst all respondents in South Africa and Russia indicated that they are so involved. The US and German respondents were much more likely to say that they are involved in local or national collaborative procurement.

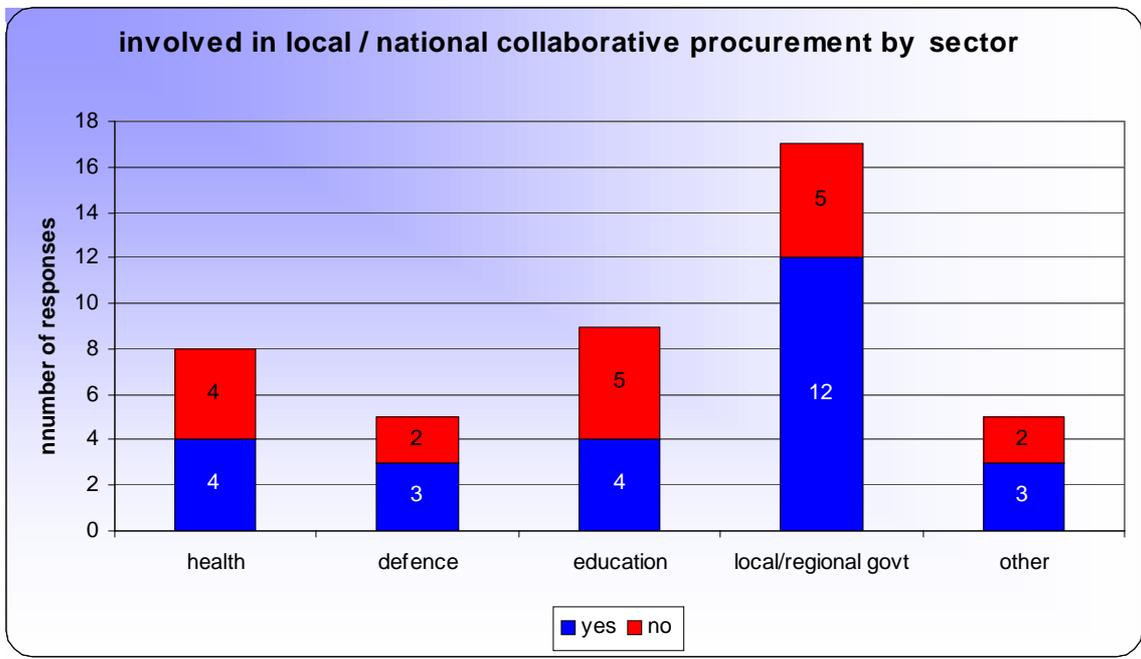


Chart 21. base: valid cases given on bars

Local and regional government sectors are significantly more likely (7 in 10 respondents) to indicate that they are involved in national collaborative procurement, whilst only up to half of the respondents in the health and education sectors indicated that this is the case.

International collaborative procurement

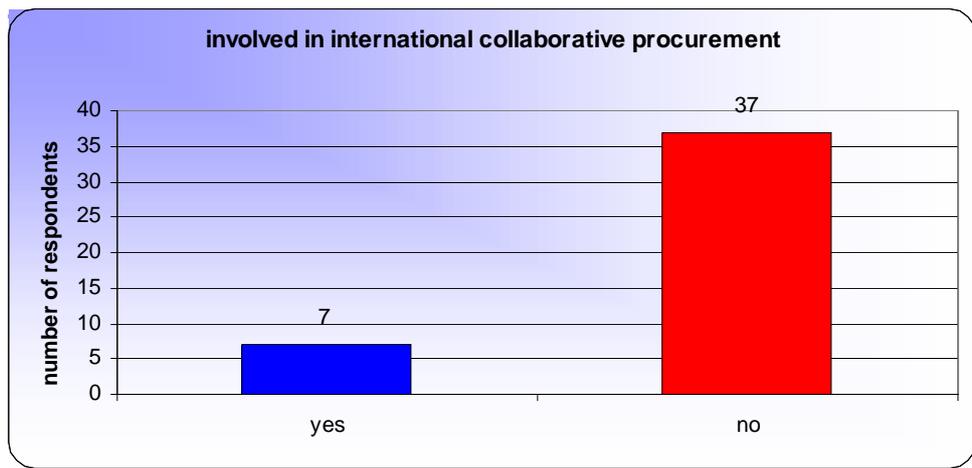


Chart 22. base: 44 valid cases

Only 7 of the respondents indicated that they are involved in international collaborative procurement whilst 37 said that they are not so involved. 5 of the respondents that are involved provided brief details of a typical international collaborative procurement and these are given in the following table.

Country	Sector	Details of international collaborative procurement
Canada	Defence	Joint buys with the US.
Germany	Defence	Eurofighter military aircraft A400M.
Netherlands	Defence	Military helicopters.
UK	Defence	Beyond visual range Air to Air missile, joint design, development and production of a long-range air-to-air missile with German, Italian, French and Spanish governments. (UK value 1 bn).
UK	Local/regional government	Through development with the European Commission.

Table 5: Details of international collaborative procurement by country and sector

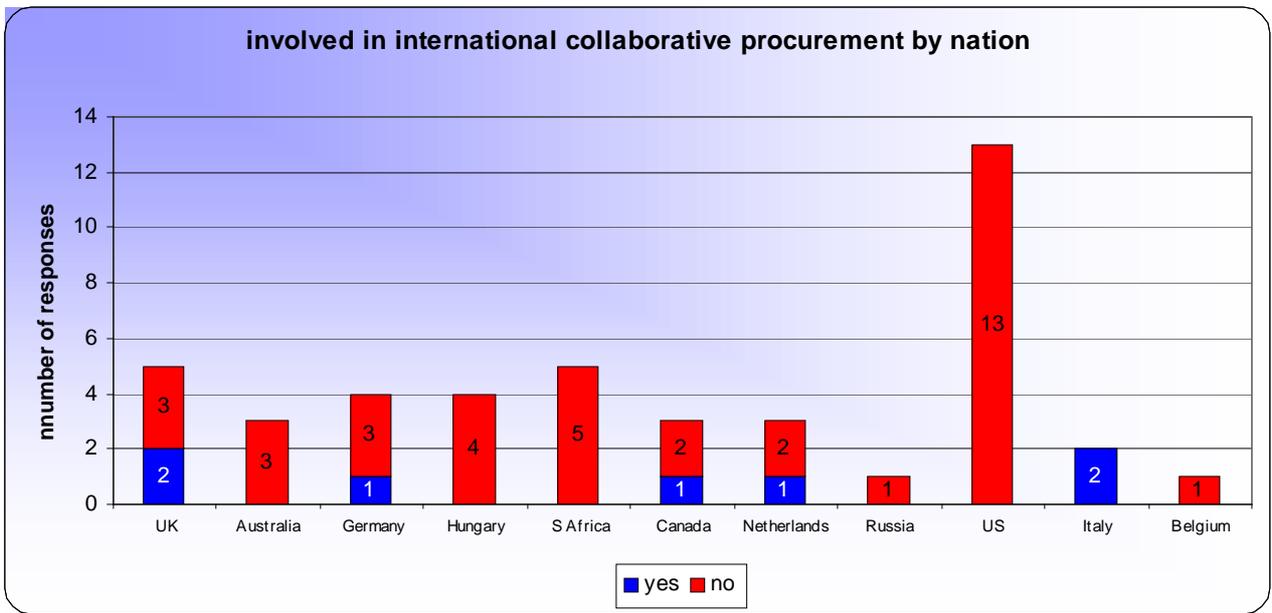


Chart 23. base: valid cases given on bars

Both of the Italian respondents indicated that they are involved in international collaborative procurement, whilst none of the respondents from Australia, Hungary, South Africa, Russia, the US or Belgium appear to be involved.

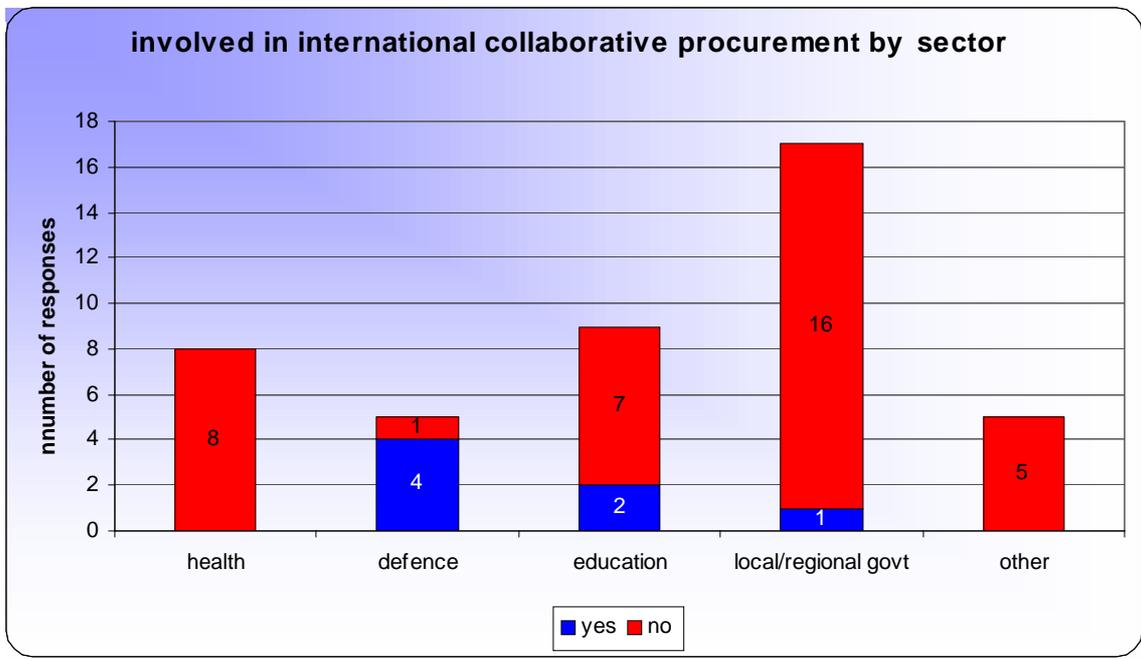


Chart 24. base: valid cases given on bars

It would seem that the defence sector has the highest propensity (80.0% of the defence respondents) to be involved in international collaborative procurement than any of the other sectors under investigation. None of the respondents from the health sector are involved in international collaborative procurement whilst only 22.2% of education and 5.9% of local or regional government respondents indicated that they are involved.

6 Section 3: Human resources / people issues

Summary

The total number of employees per country varies greatly and in some cases even the number in a sector show differences. Many respondents did not know the total number of employees in their sector, but from the information that was provided an average of 0.7% of employees are involved in purchasing. Most respondents (31 out of 44) were aware of a professional procurement body such as CIPS, NIGP, but such bodies tend to be specific to the country. Most respondents (31 out of 44) knew of a national training programme, however awareness of such programmes did vary in some countries and sectors. In most cases these programmes were said to be provided by Universities or professional bodies.

Most respondents disagreed that professionals in the public sector are well paid compared to the private sector and also tend to find it difficult to attract new graduates and retain qualified, experienced staff. However there was no significant trend in the perception of purchasing as a high status profession. Belgium, Russia and Australia seem to differ the most in their perceptions compared with the other respondents. There is not a huge discrepancy in responses between the different sectors with the education sector being the most neutral.

6.1 Number of employees

Total number of employees employed within sector

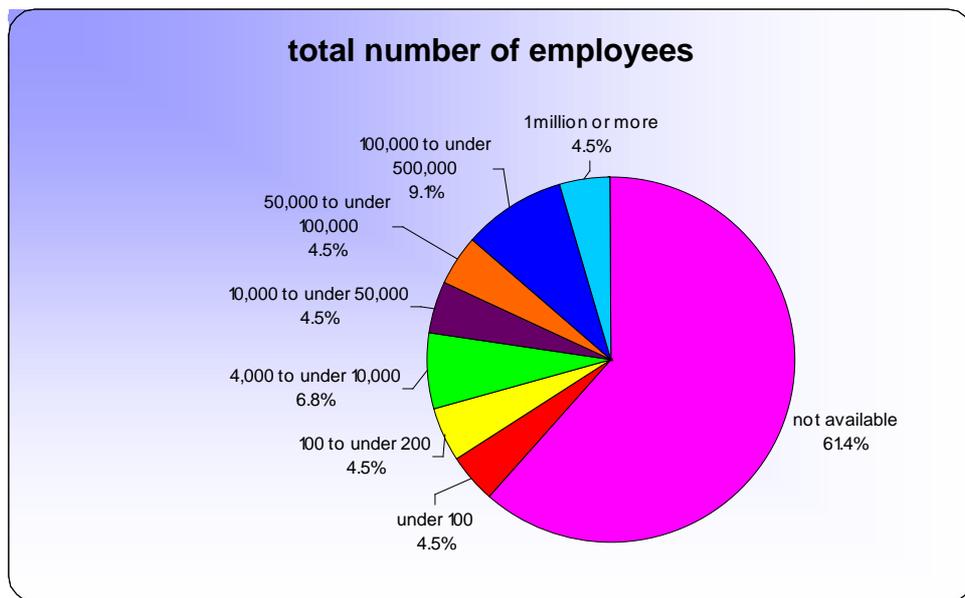


Chart 25. base: 44 valid cases

IRSP2 RESEARCH REPORT

Respondents were asked to provide details of the total number of employees employed within their sector across the nation or state. 27 of the 44 respondents either did not have the information available or did not know. From the responses that were provided, it is clear that the number of employees is far ranging from a low of 13 to a high of 1.3 million. There are 2 responses that are significantly lower than others received and it is recommended that these are verified with the respondents concerned. 7 respondents indicated that their sector employed fewer than 10,000 employees, whilst 8 stated that the total was at least 50,000.

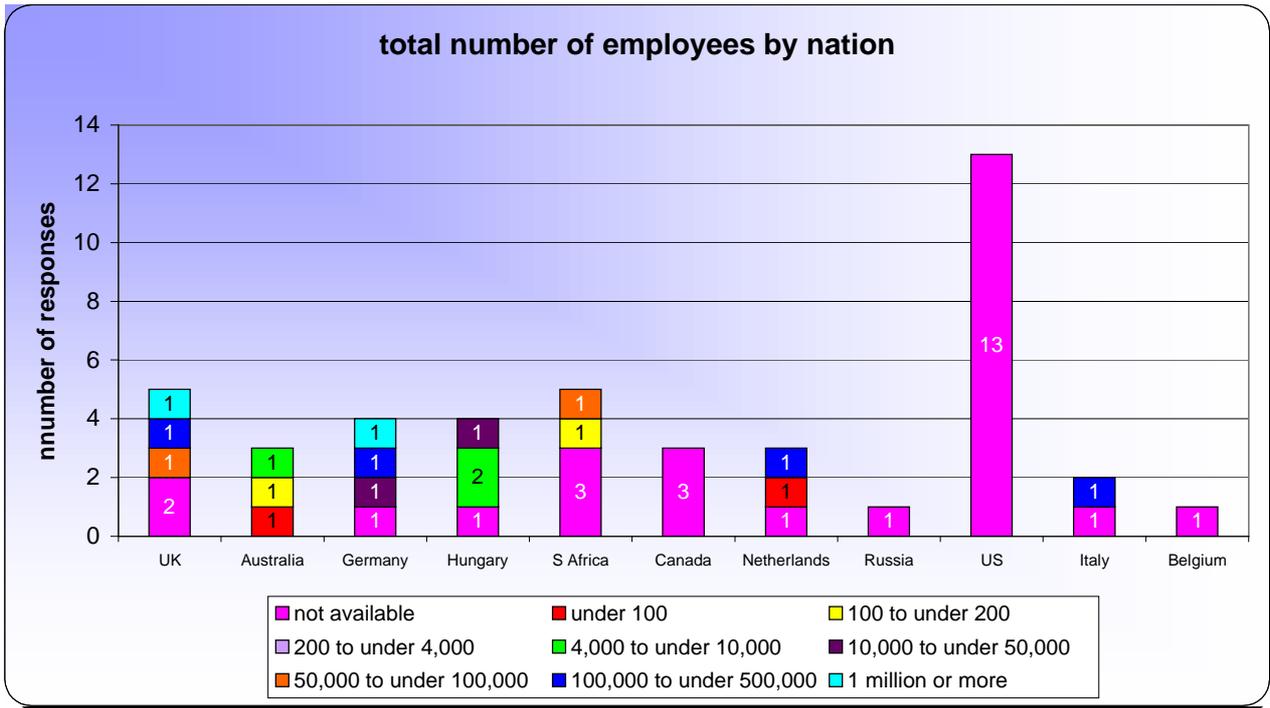


Chart 26. base: 44 valid cases

Germany and the UK were the only countries with a total number of employees in excess of 1 million within a sector. The fewest number of employees was recorded for Australia (13 employees) and the Netherlands (60 employees).

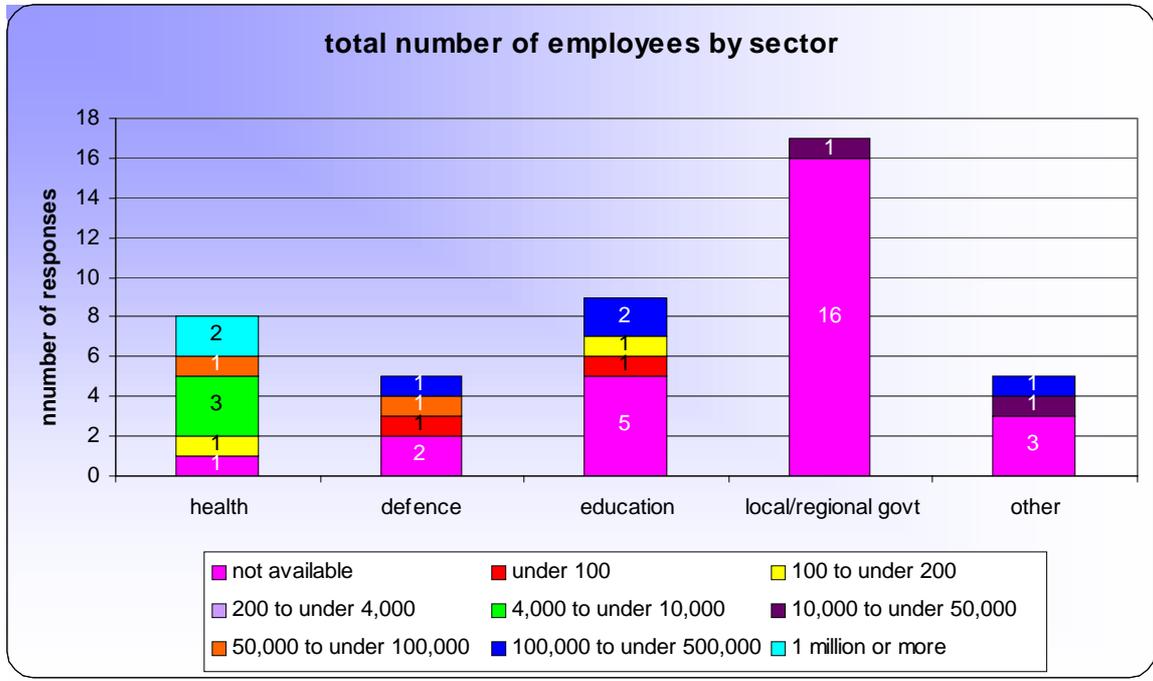


Chart 27. base: 44 valid cases

An investigation of the responses according to sector indicates that one sector from defence and education each appear to employ the fewest number (less than 100) of employees whilst 2 respondents within the health sector reported the highest number of employees. Conversely, 4 of the respondents within the health sector indicated that the number of employees is less than 10,000.

Aggregate number of employees involved in procurement within sector

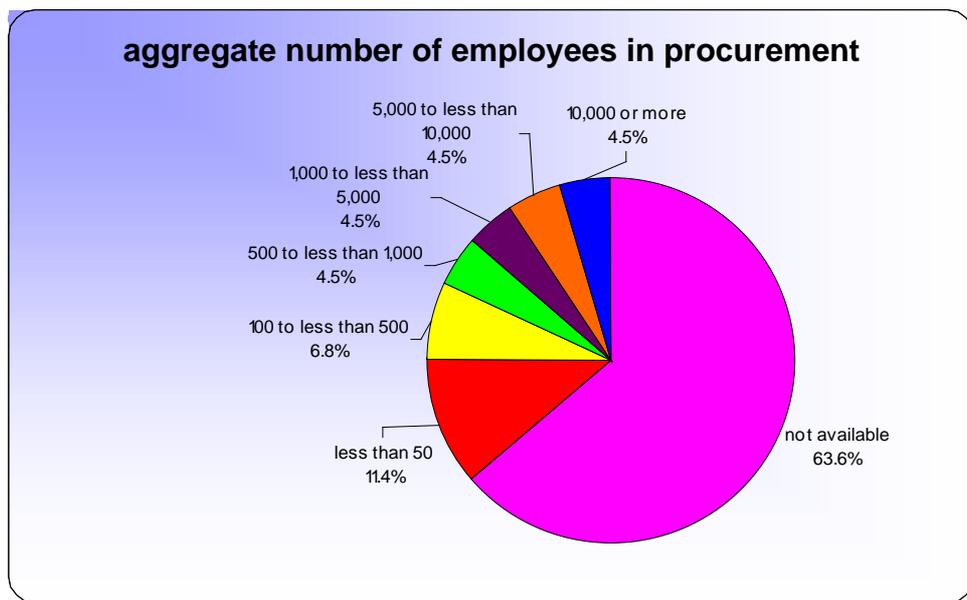


Chart 28. base: 44 valid cases

IRSP2 RESEARCH REPORT

Respondents were asked to provide details of the aggregate number of employees within their sector that are involved in procurement. 28 of the 44 respondents either did not have the information available or did not know. Half of the respondents that did provide details indicated that the sector employed fewer than 500 staff that are involved in procurement although most of these (5 out of 8 respondents) stated that the aggregate number is fewer than 50 members of staff. 2 respondents indicated that their sector employed 10,000 or more employees that are involved in procurement. The highest number of staff was recorded as 30,000 whilst the lowest was 10.

From the information that was provided on the total number of staff employed in the sector and the number involved in procurement, it would seem that on average (modal) 0.7% of employees within a sector are involved in procurement. The mean average percentage of employees employed in procurement is 2.7%. The following table provides details of the number of employees per sector and the number involved in procurement where both sets of information were provided.

Country	Sector	Total employees	Procurement	% in procurement
Australia	Health	9000	10	0.1%
Germany	Local/regional government	30000	200	0.7%
Germany	Health	1200000	30,000	2.5%
Hungary	Health	4200	16	0.4%
Hungary	Health	8500	28	0.3%
Hungary	Other	12000	130	1.1%
Italy	Education	100000	5000	5.0%
Netherlands	Other	150000	500	0.3%
South Africa	Education	105	22	21.0%
South Africa	Defence	75000	500	0.7%
UK	Health	75000	140	0.2%
UK	Health	1300000	10,000	0.8%

Table 6: Total number of employees & aggregate number involved in procurement by country and sector

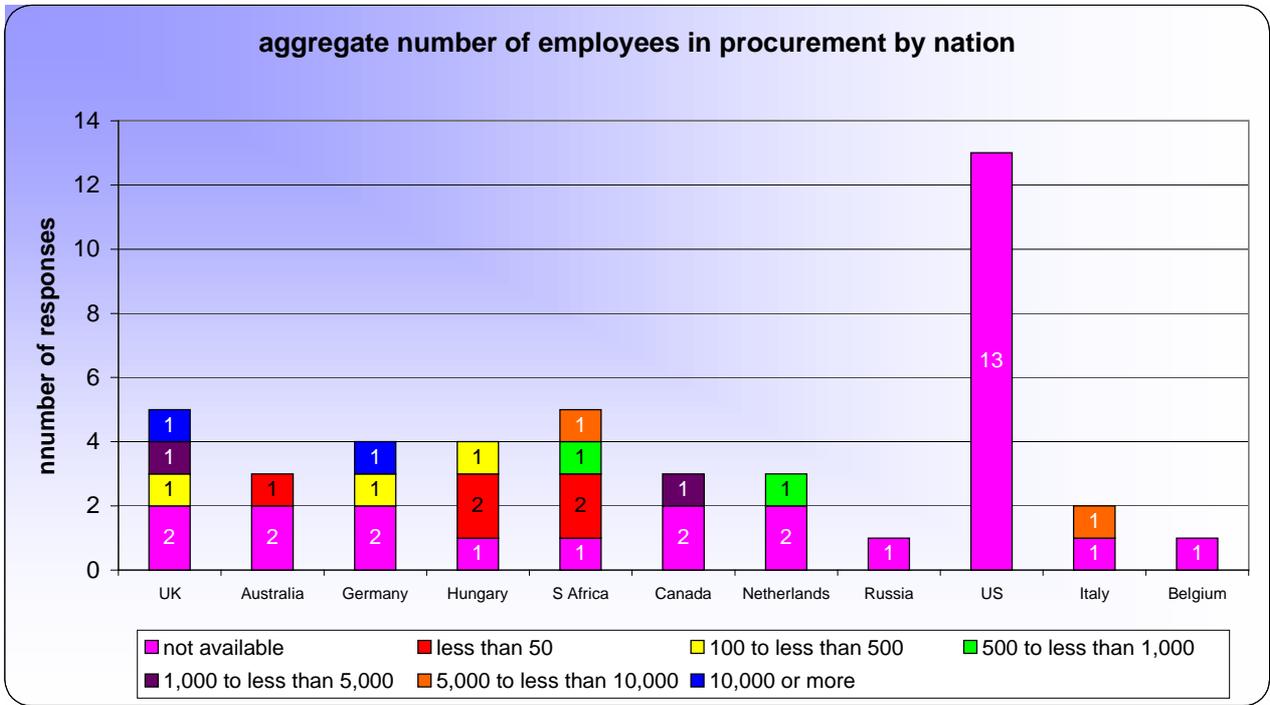


Chart 29. base: 44 valid cases

Germany and the UK were the only countries with a total number of employees in excess of 1 million within a sector and therefore, as anticipated these two countries reported the highest number of employees involved in procurement.

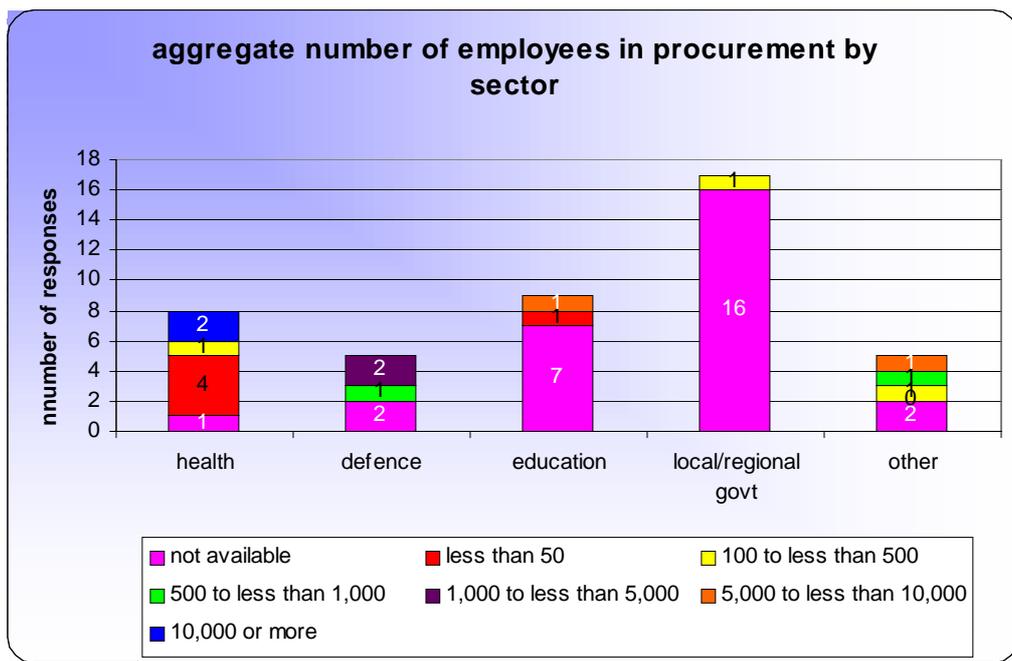


Chart 30. base: 44 valid cases

An investigation of the responses according to sector indicates that the health sector is the only one in which respondents claimed that at least 10,000 staff are employed that are involved in procurement.

6.2 Professional procurement bodies

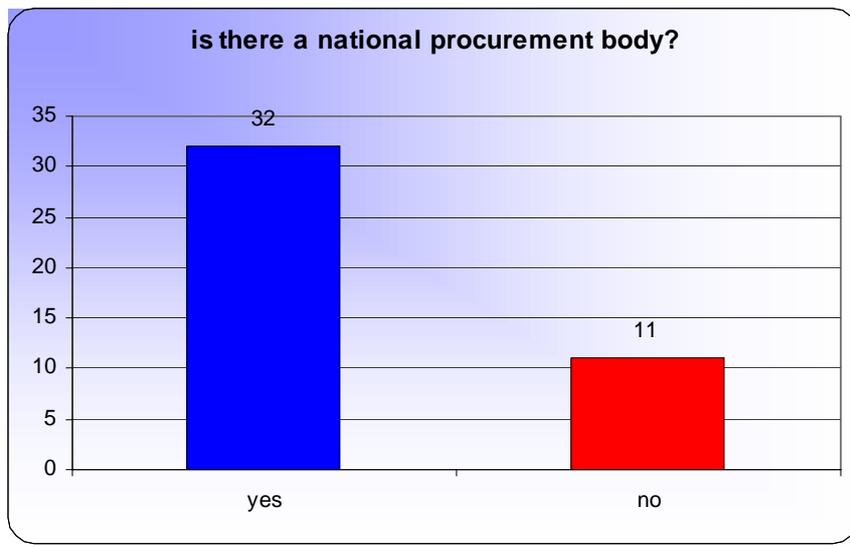


Chart 31. base: 43 valid cases

When asked if there is a national professional procurement body such as CIPS, NIGP, AIPMM, PMAC, SIMM or SIPMM, 11 respondents indicated that there are not. 31 of the 32 respondents that indicated that such bodies do exist provided further information and it is clear from the responses received that the body is specific to the country of origin. The following table details the responses received.

Country	Sector	Professional procurement body
Australia	Health	AIPMM
Australia	Health	CIPS
Canada	Local/regional government	NIGP
Canada	Local/regional government	NIGP, PMAC
Canada	Defence	PMAC and NIGP
Germany	Defence	Federal office of defence technology and procurement
Hungary	Other	Foundation for public procurement culture.
Hungary	Health	Hugarian SLPS
Italy	Education	Consip
Italy	Education	Consip
Netherlands	Other	NEVI, Publiek and PIA
Russia	Education	Ministry Of Transport, National Logistics Authority, Coordinating Board Of Logistics, Club Of Logistics.
South Africa	Local/regional government	IPSA
South Africa	Health	IPSA
South Africa	Other	IPSA
UK	Health	CIPS
UK	Health	CIPS
UK	Defence	CIPS
UK	Education	CIPS
UK	Local/regional government	CIPS
US	Local/regional government	NIGP

Country	Sector	Professional procurement body
US	Local/regional government	NIGP
US	Local/regional government	NIGP, CIPS, PMAC, ISM
US	Local/regional government	NIGP, ISM
US	Other	NIGP, ISM, NPI
US	Education	NIGP, NAPM
US	Local/regional government	NPI
US	Education	NIGP

Table 7: Details of professional procurement bodies by country and sector

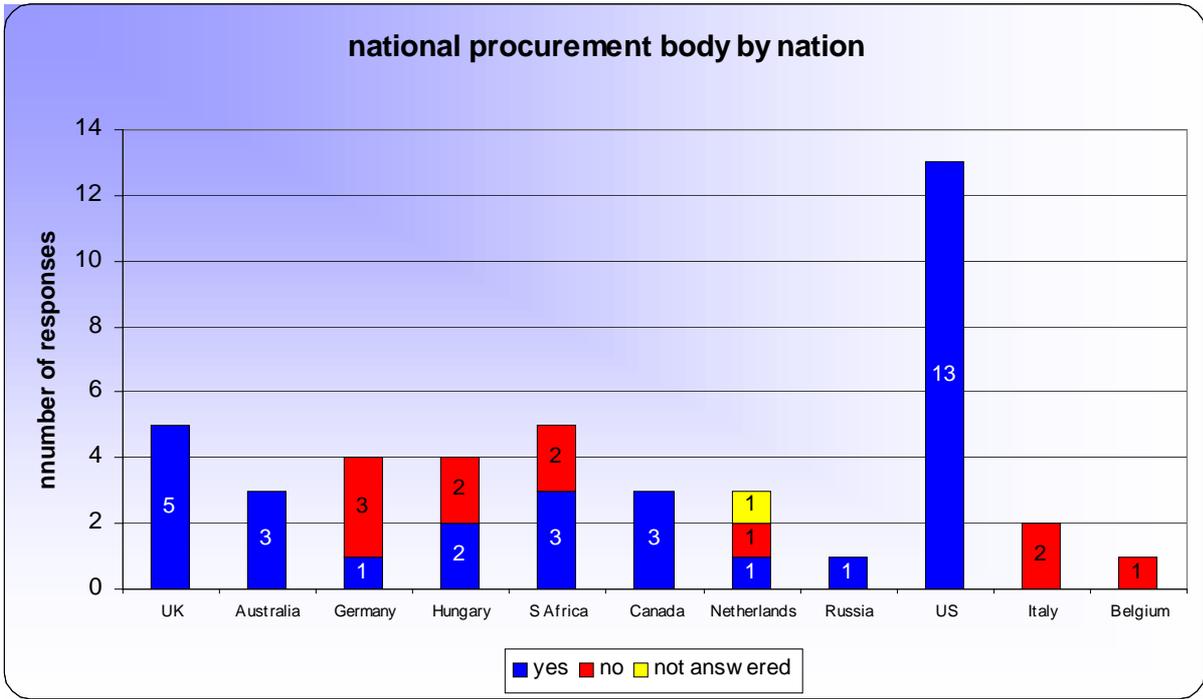


Chart 32. base: number of valid cases given on bars

An analysis by nation shows that all respondents from the UK, Australia, Canada and the US indicated that there is a national professional procurement body. It would seem that there is no such body in Italy or Belgium although this may be due to the very low number of respondents for these countries

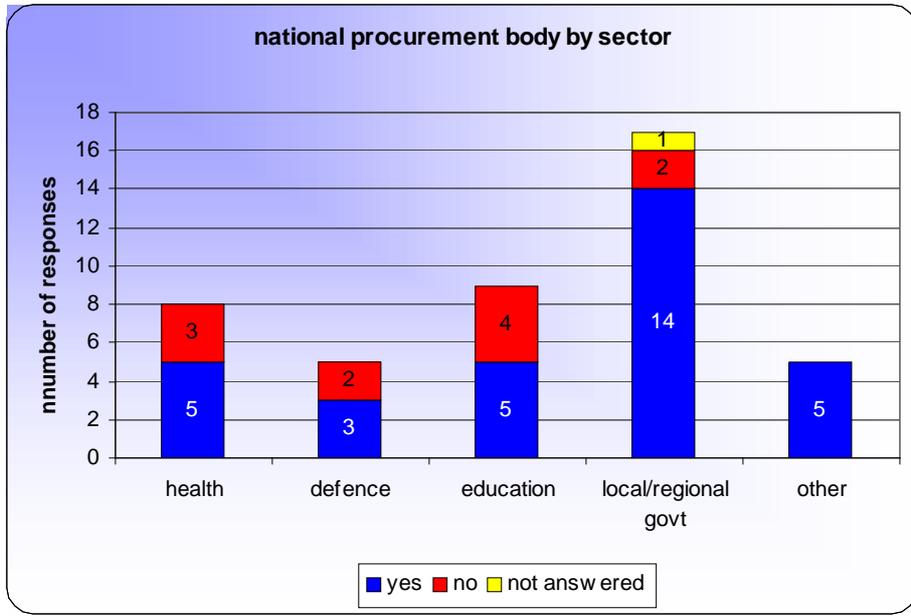


Chart 33. base: number of valid cases given on bars

With the exception of the 'other' category, not all respondents within the sectors appear to have access to a national professional procurement body. The propensity for a such a professional body appears to be greatest amongst the local or regional government respondents but this is likely to be due to the high number of respondents in this sector that are located in the US which does have a professional procurement body/ies .

6.3 National training programme for procurement professionals

Existence of national training programme



Chart 34. base: 44 valid cases

39 of the respondents indicated that there is a national structured education and training programme for procurement professionals whilst 5 stated that there is no such national programme.

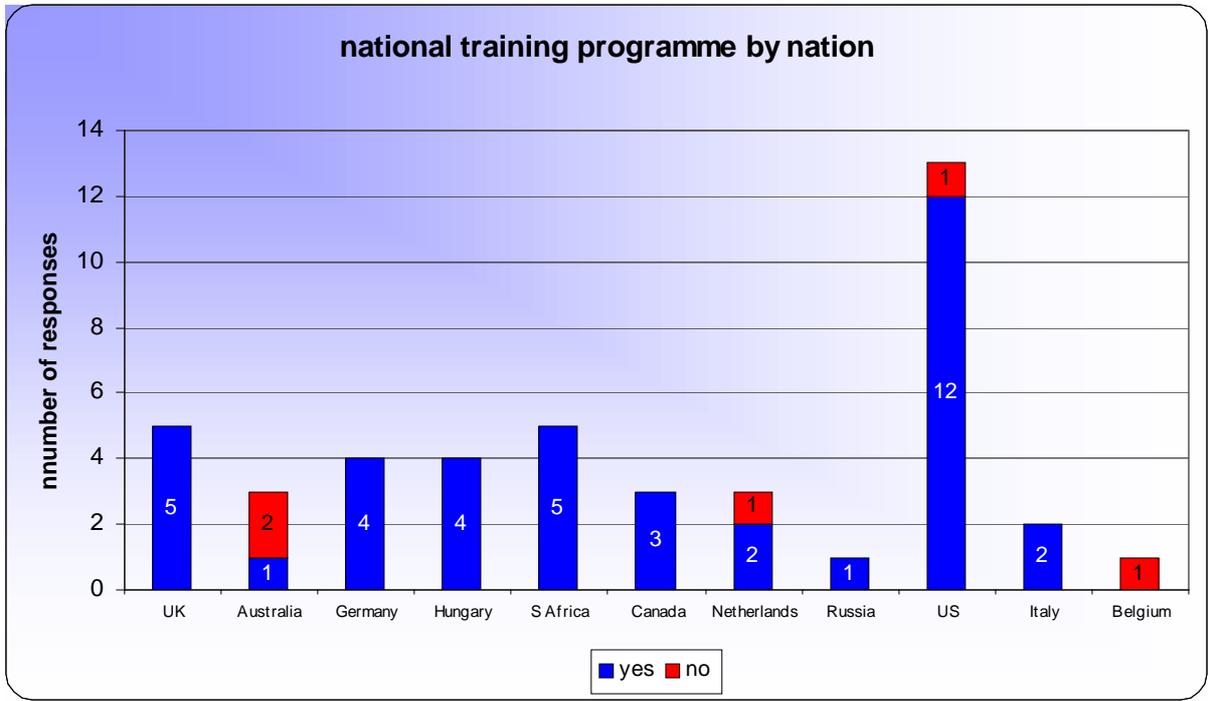


Chart 35. base: 44 valid cases

With the exception of Australia, Netherlands, Belgium and the US, all of the respondents in each country indicated that there is a national structured education and training programme for procurement professionals.

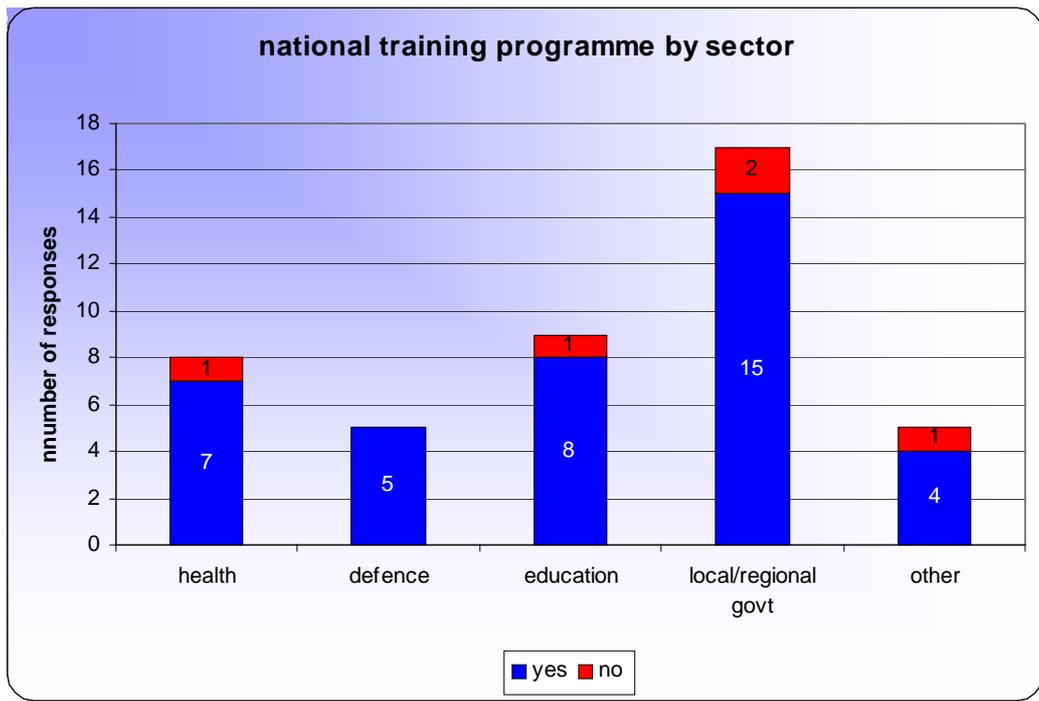


Chart 36. base: number of valid cases given on bars

All of the respondents within the defence sector indicated that there is a national structured education and training programme for procurement professionals.

Provider of national training programme

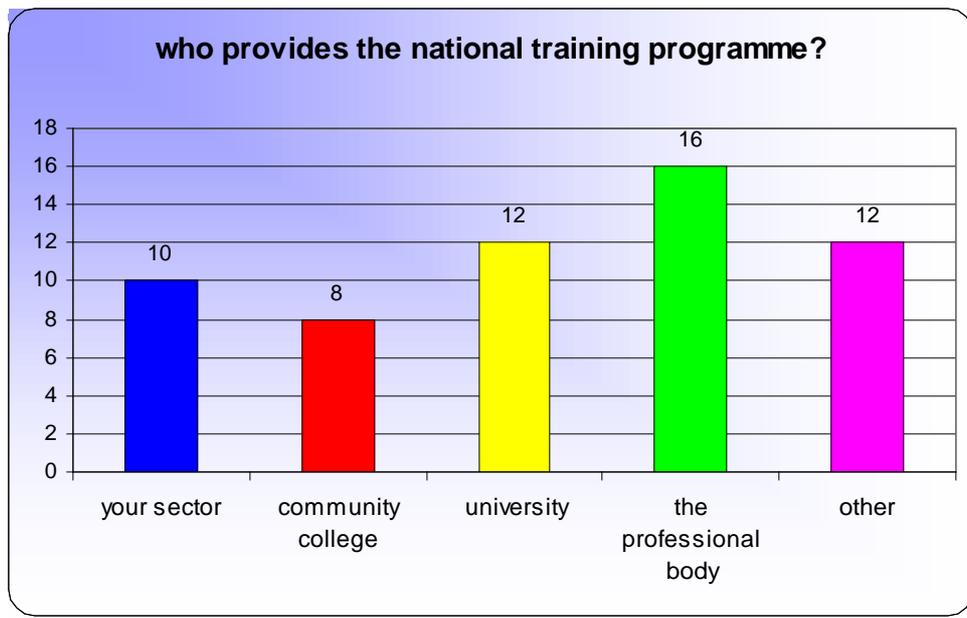


Chart 37. base: 39 valid cases (multiple response)

Where a national structured education and training programme is available for procurement professionals, it would seem that this is most likely to be provided by the professional body (16 respondents) and/or universities (12 respondents). Community colleges appear to be least likely to provide such national training.

11 of the 12 respondents that indicated that provision was also made by other sources gave further details, which are provided in the table below. It should be noted that the respondents that described the University of South Africa as an 'other' source had also checked the box for university.

Country	Sector	Other source of training
Canada	Defence	Public service.
Germany	Education	City level training by municipal employees.
Germany	Local/regional government	Private sector provider.
Hungary	Other	Small education firms.
Italy	Education	University of South Africa.
South Africa	Education	National Treasury.
South Africa	Other	University of South Africa.
South Africa	Local/regional government	University of South Africa and various others.
South Africa	Health	University of South Africa, Technikon SA.
US	Local/regional government	DPPA, Delaware Public Purchasing Association.
US	Local/regional government	NIGP.

Table 8: Details of other sources of training by country and sector

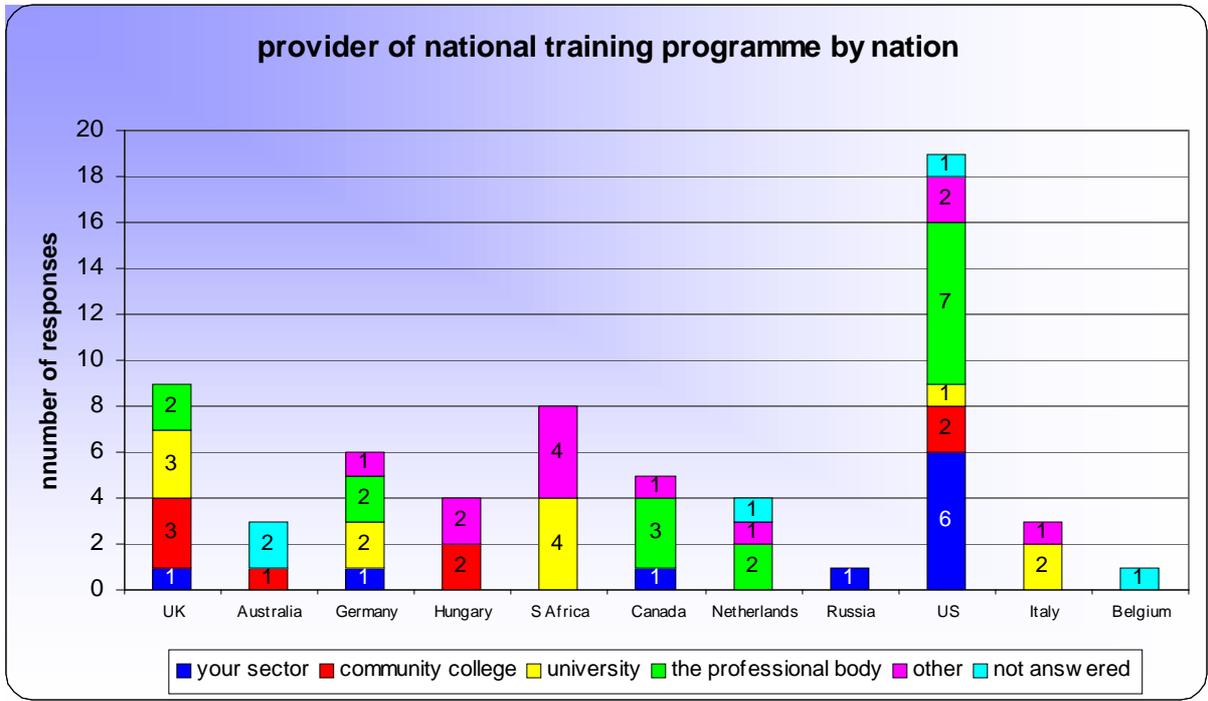


Chart 38. base: number of valid cases given on bars

An analysis of responses according to the respondent's nation indicates no clear trends emerging: provision of a training programme appears to be quite diverse across each country. The UK appears to be more likely to have procurement training programmes delivered by the educational sector as does South Africa, whilst provision in the US appears to be more likely from the professional procurement body or the respondent's sector.

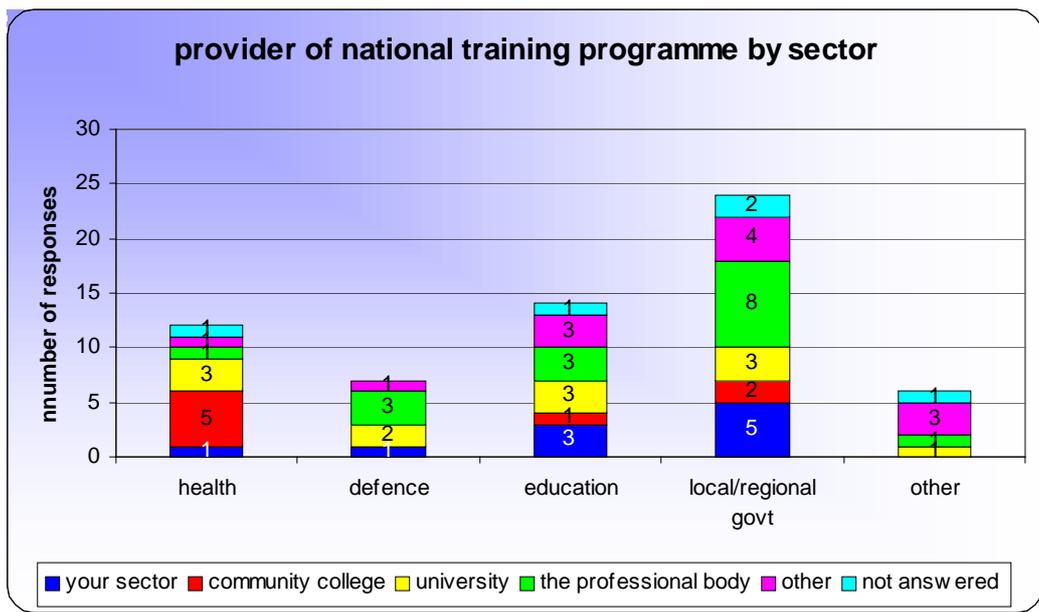


Chart 39. base: number of valid cases given on bars

The health sector respondents indicated that national training for procurement professionals is most likely to be provided by the education sector, particularly from community colleges. Similarly, 7 of the 9 education sector respondents indicated that the education sector is the provider of such training.

6.4 Perceptions of procurement issues

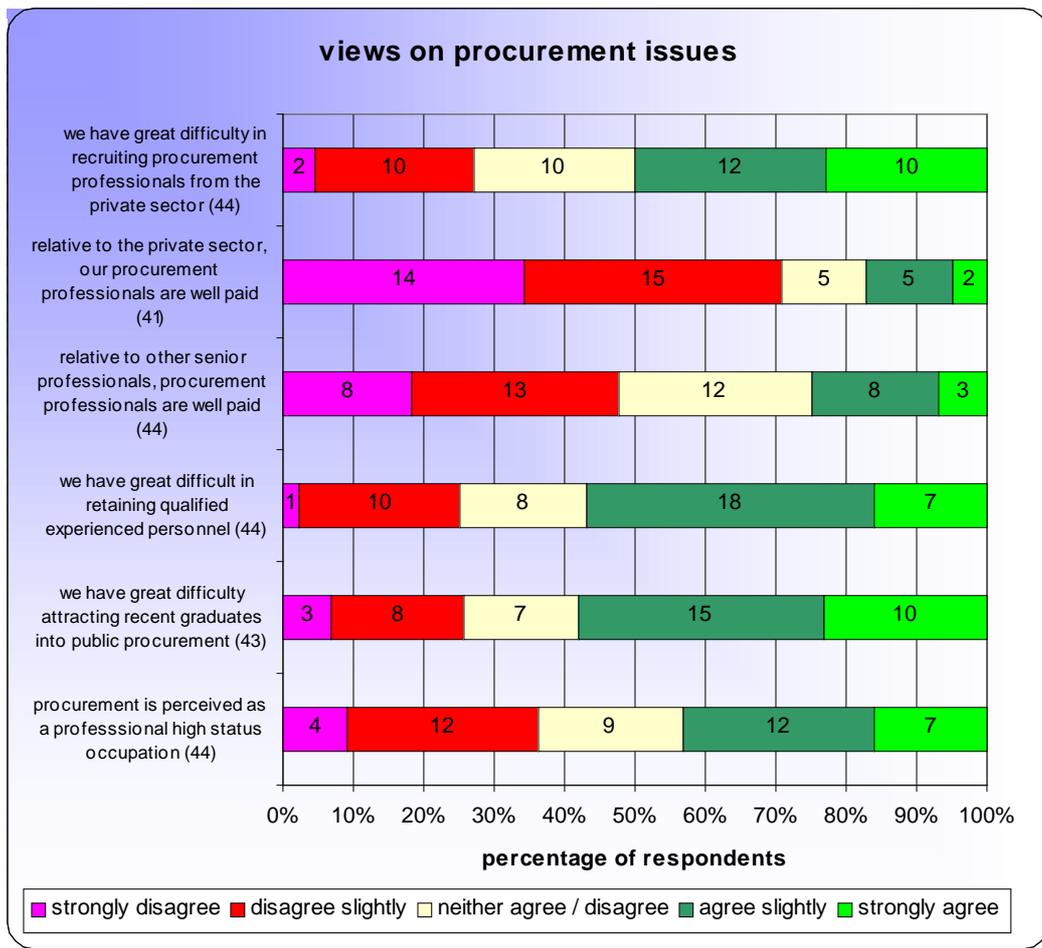


Chart 40. base: number of valid cases given on bars and in brackets after label

Respondents to the research were asked to consider 6 statements regarding various procurement issues and to indicate the extent to which they agreed or disagreed with each. It is clear from the answers given that respondents are most likely to disagree with the statement that relative to the private sector, procurement professionals are well paid. 7 in 10 of the respondents that answered this particular question disagreed and more than 3 in 10 disagreed strongly. This is similar to the responses for the statement regarding procurement professionals being well paid relative to other senior professionals within the sector, although just under half of the respondents disagreed to any extent.

Respondents were most likely to agree with the statements that they have great difficulty attracting recent graduates into public recruitment and in retaining qualified, experienced personnel. Overall, nearly 6 in 10 respondents agreed with each of these statements although slightly more strongly agreed with the former statement regarding graduates.

The following chart illustrates the mean scores given for each statement.

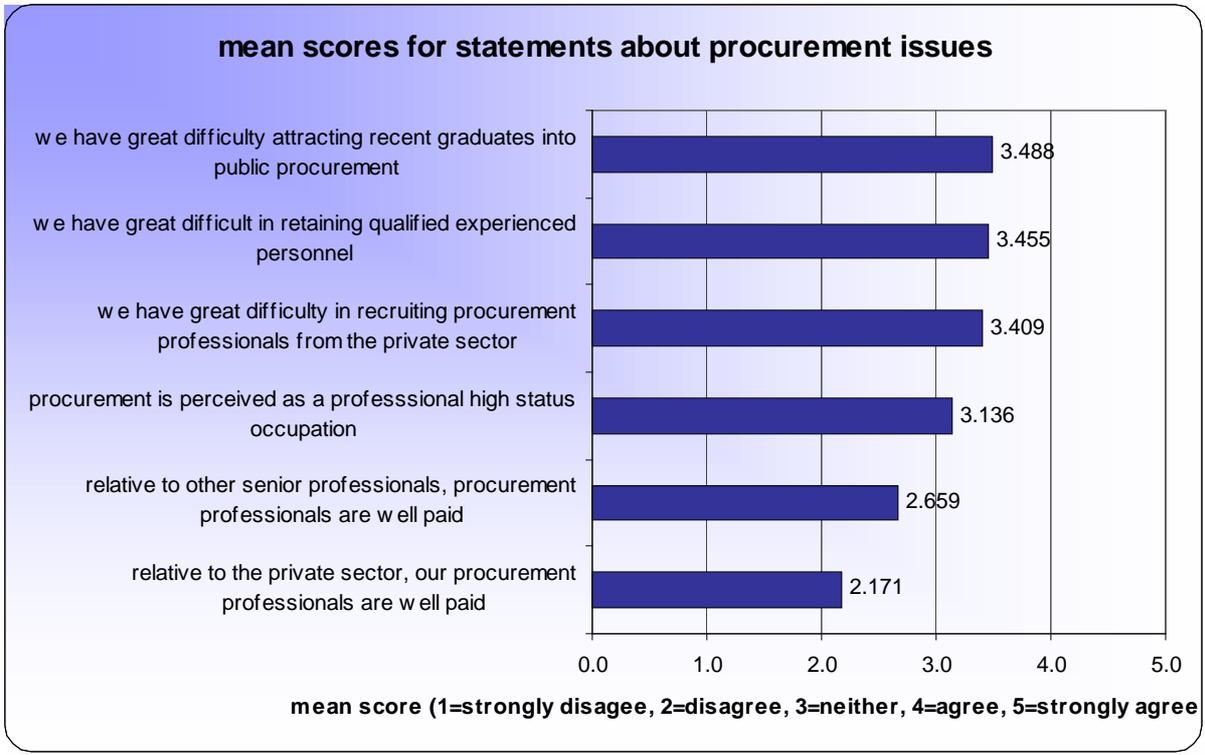


Chart 41

It is clear from the above chart that respondents are most likely to disagree with the statement that procurement professionals are well paid relative to the private sector followed by the statement that they are well paid relative to other senior professionals within the sector. The statement regarding procurement being perceived as a professional, high status occupation was most likely to produce a neutral response from the average respondent.

On average, respondents were inclined to be between neutral and in agreement with the statements that they have great difficulty in recruiting procurement professionals from the private sector, retaining qualified, experienced personnel and attracting graduates into public procurement.

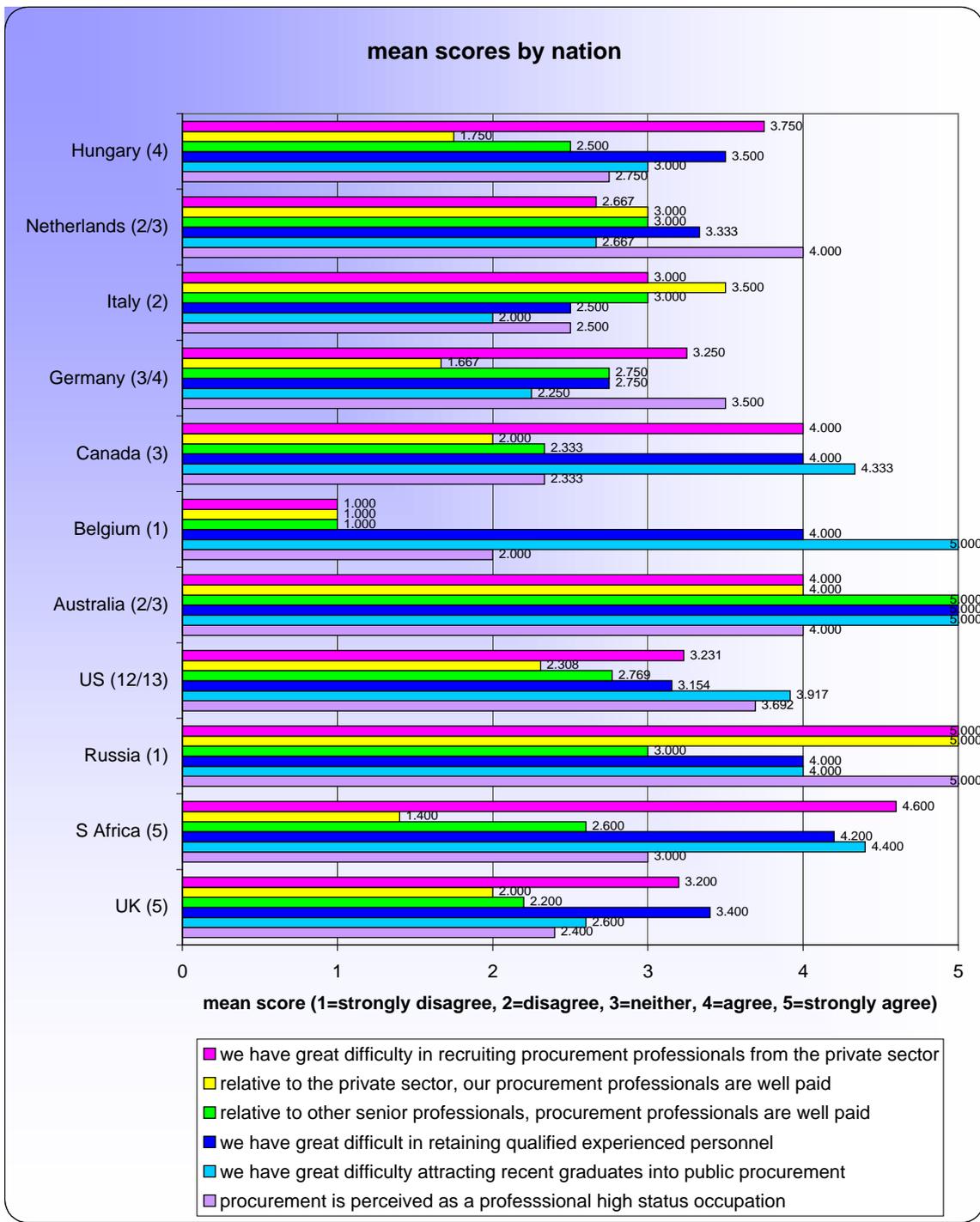


Chart 42. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each country that participated in the research. The most significant finding is that the average response from Australia is different to other countries in general with respect to 3 of the statements. For the statement that procurement professionals are well paid relative to other senior professionals, Australia was in agreement whilst others tended to be neutral (or disagree). With respect to having great difficulty in attracting recent graduates into public procurement both Belgium and Australia agreed with this statement whilst the other average responses tended to be more neutral. Similarly, Russia, Australia

and Italy tended to agree with the statement that procurement professionals are well paid relative to the procurement sector.

The respondent from Belgium disagreed with the statement that they have great difficulty in recruiting procurement professionals from the private sector whilst other responses tended to be in agreement.

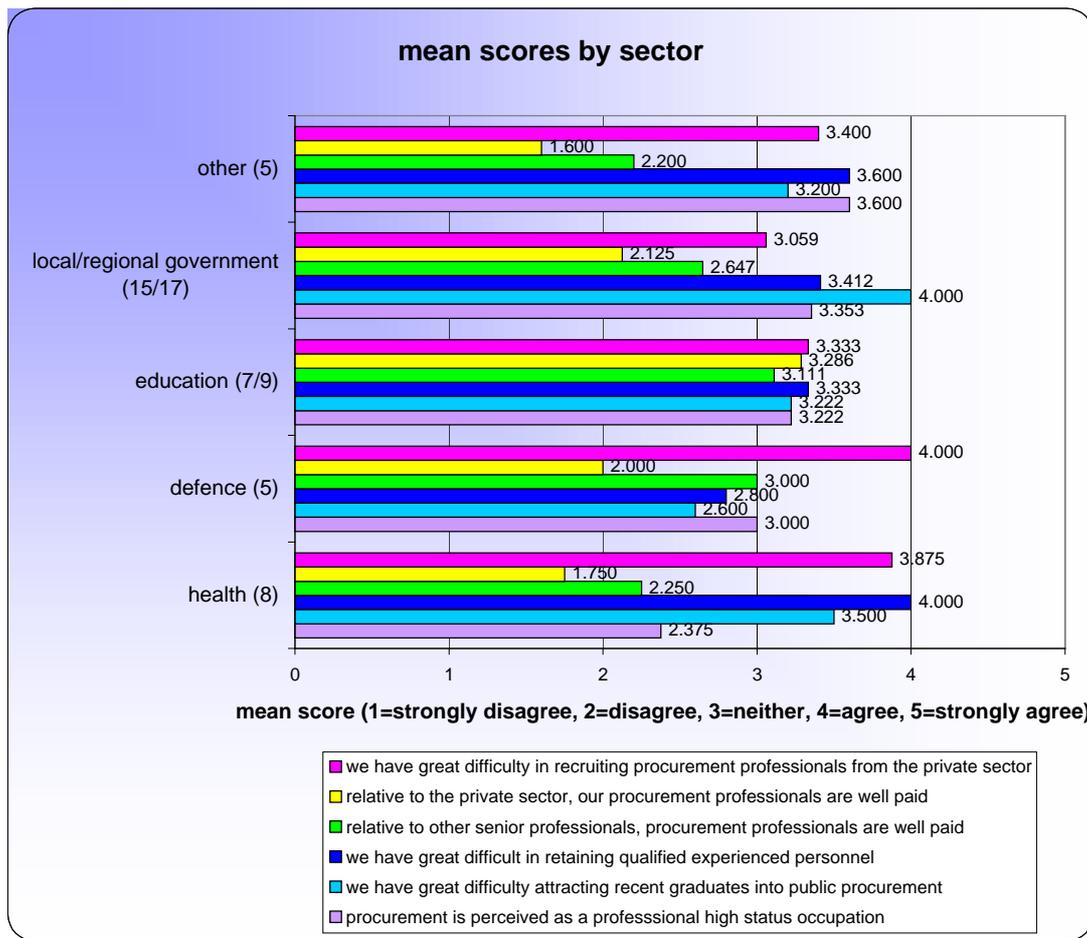


Chart 43. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each sector under investigation. The average response from respondents in the education sector is one between neutral and agreement with respect to the statement that procurement professionals are well paid relative to the private sector whilst other respondents tend to be in disagreement.

The average response from the defence respondents is more negative (disagree) than the other respondents with respect to the statements that they have difficulty in retaining qualified experienced staff and that they have great difficulty attracting recent graduates into public procurement.

The health sector is more likely than the other sectors to disagree with the statement that procurement is perceived as a professional, high-status occupation.

7 Section 4: Government objectives and public involvement

Summary

This section of the questionnaire investigated which procurement issues are seen as increasingly important, in the context of broader government objectives. Respondents were asked to rate how they perceived public procurement issues. Respondents were most likely to agree that transparency in public procurement is increasingly important. On average, respondents were very much in agreement that sustainability and ethical issues in public procurement are becoming increasingly important. Respondents were least likely to agree that public procurement is closely integrated with broader government objectives beyond value for money or cost minimisation. A similar response was observed for the statement regarding politicians in the sector seeing public procurement as increasingly important.

Looking across nations, most nations seem to have strongest agreement that transparency and ethical issues are increasingly important. Looking across sectors, respondents from the health sector have a tendency to be less positive (in agreement) that public procurement is recognised as a lever for reform and is closely integrated with broader government objectives beyond value for money. Respondents from the defence strongly agree that transparency is increasingly important.

7.1 Perceptions of public procurement issues

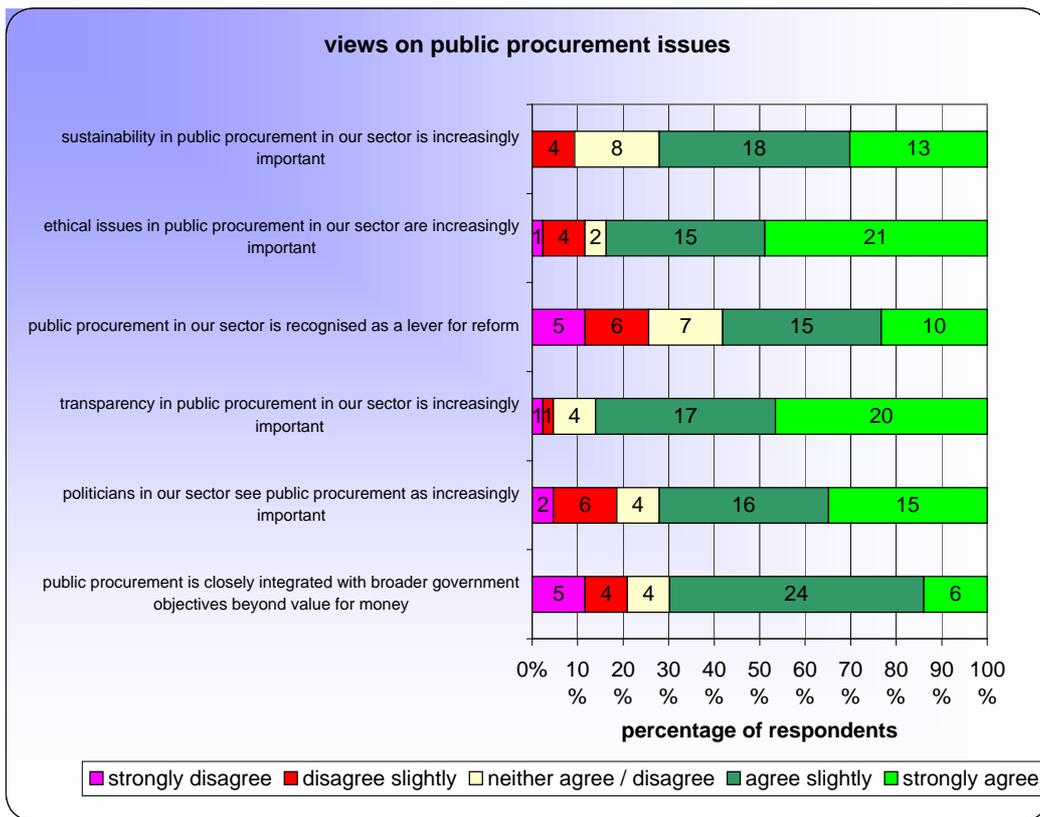


Chart 44. base: 43 valid cases each statement (numbers given on bars)

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Respondents to the research were asked to consider 6 statements regarding various public procurement issues and to indicate the extent to which they agreed or disagreed with each. Overall, around 2 in 10 tended to disagree with each statement. It is clear from the answers given that respondents are most likely to agree with the statement that transparency in public procurement within the sector is becoming increasingly important. More than 8 in 10 respondents agreed with this statement and nearly half strongly agreed. A similar result was observed for the statement that ethical issues are becoming increasingly important in public procurement within the sector.

Respondents were most likely to disagree with the statement that public procurement within the sector is recognised as a lever for reform with a quarter indicating that this is not the case. Just over 1 in 10 respondents strongly disagreed with this statement.

The following chart illustrates the mean scores given for each statement.

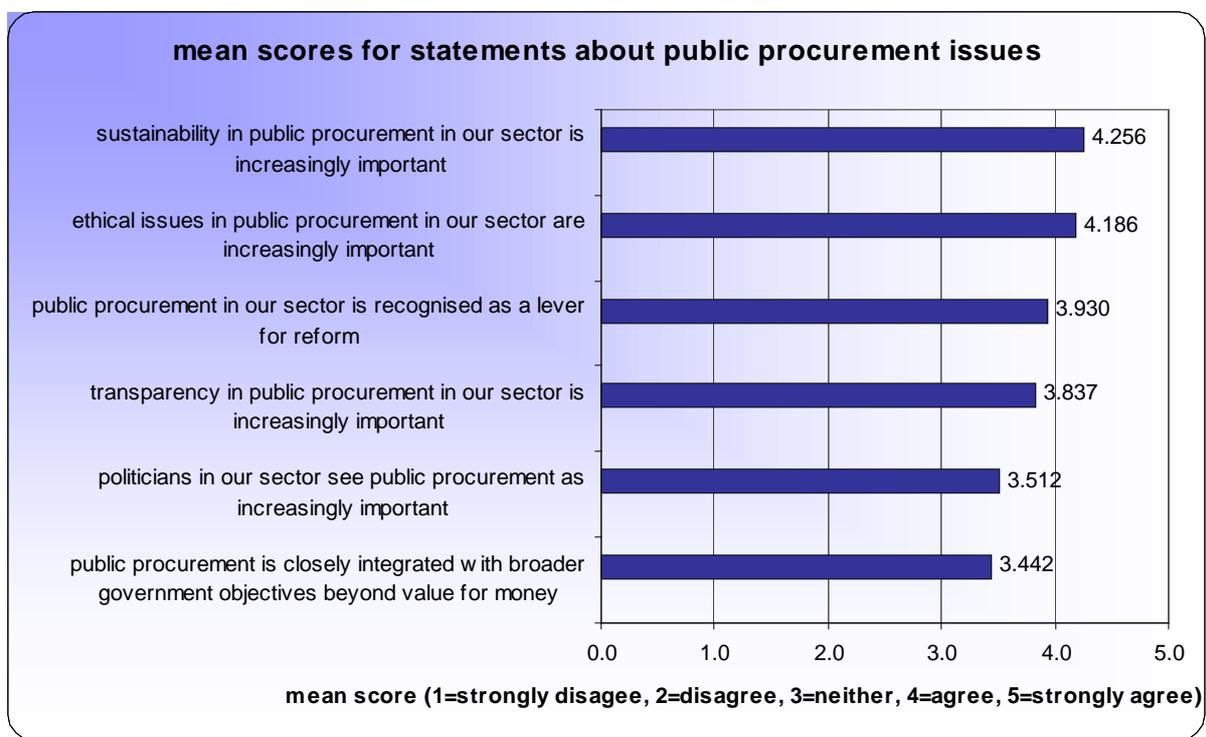


Chart 45

It is clear from the above chart that respondents are least likely to agree with the statement that public procurement is closely integrated with broader government objectives beyond value-for-money or cost minimisation, although it is recognised that on average respondents are neutral to being in agreement with the statement. A similar observation was observed for the statement regarding politicians within the sector seeing public procurement as increasingly important.

On average, respondents were very much in agreement with the statement that sustainability in public procurement within the sector is becoming increasingly important. This is followed closely by the statement that ethical issues are becoming increasingly important.

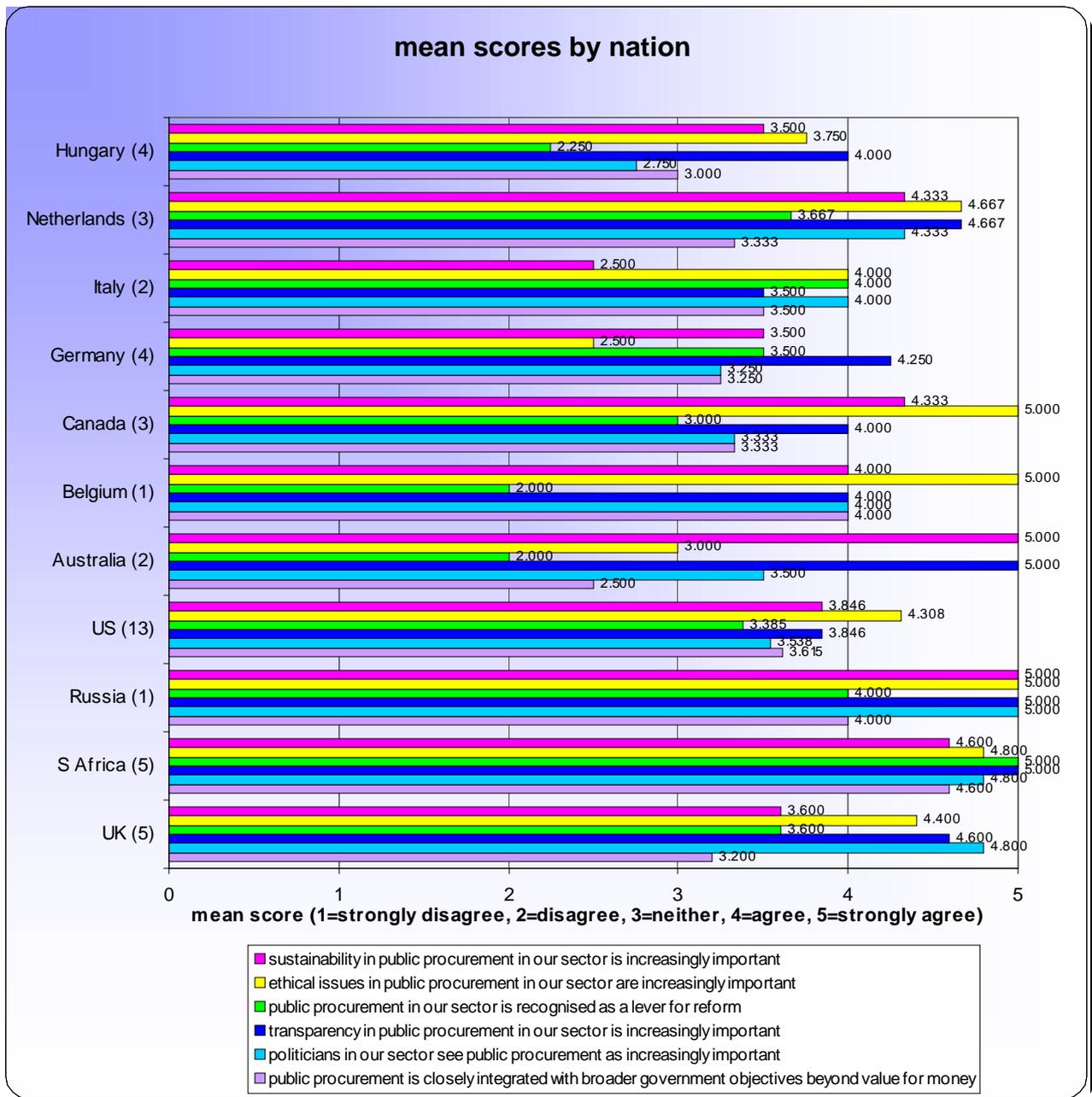


Chart 46. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each country that participated in the research. Although still a neutral response, Australia tends to be less positive (disagree) than the other nations regarding the statement that ethical issues in public procurement are increasingly important in the sector. Similarly, the average response from Australia is to disagree that public procurement is closely integrated with broader government objectives beyond value for money, whilst other nations tended to agree with this statement.

The respondents from Hungary tended to agree less strongly than others regarding the statements that politicians in the sector see public procurement as increasingly important and that public procurement in the sector is recognised as a lever for reform. The Italian respondents were less in agreement with the statement that sustainability in public procurement is increasingly important.

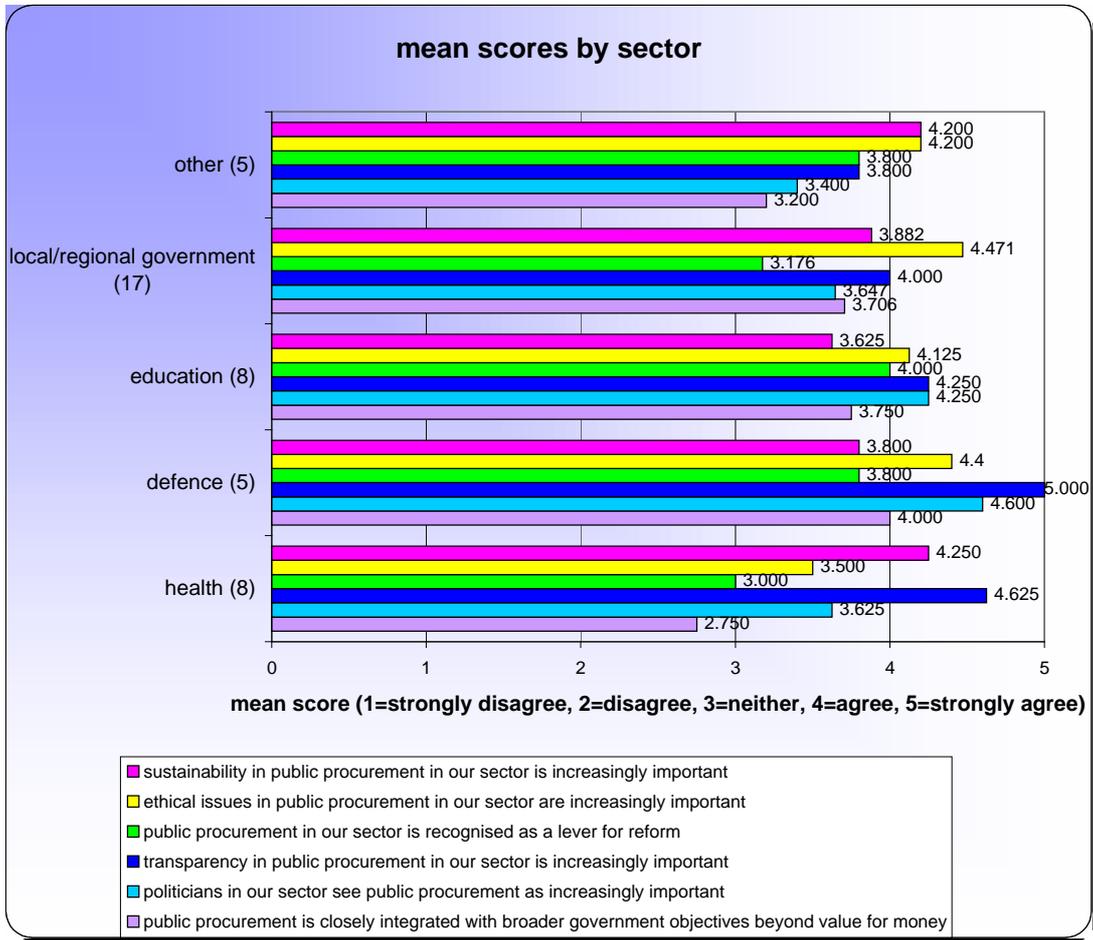


Chart 47. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each sector under investigation. The most significant indicators appear to be that respondents from the health sector have a tendency to be less positive (less in agreement) regarding the statements that public procurement in the sector is recognised as a lever for reform and that public procurement is closely integrated with broader government objectives beyond value for money.

8 Section 5: Policy, performance, innovation and capacity

Summary

Open and effective communication and value for money were found to be central to procurement policy and performance measures, although performance measurement is still dominated by short-term savings rather than long-term improvement measures. Procurement processes are not perceived as inhibitors to the integration of procurement technologies. Aiding innovation and technological development in key supplier markets drew mixed responses, except from the education sector that disagreed strongly with the statement that they provided insufficient support.

8.1 Procurement policy

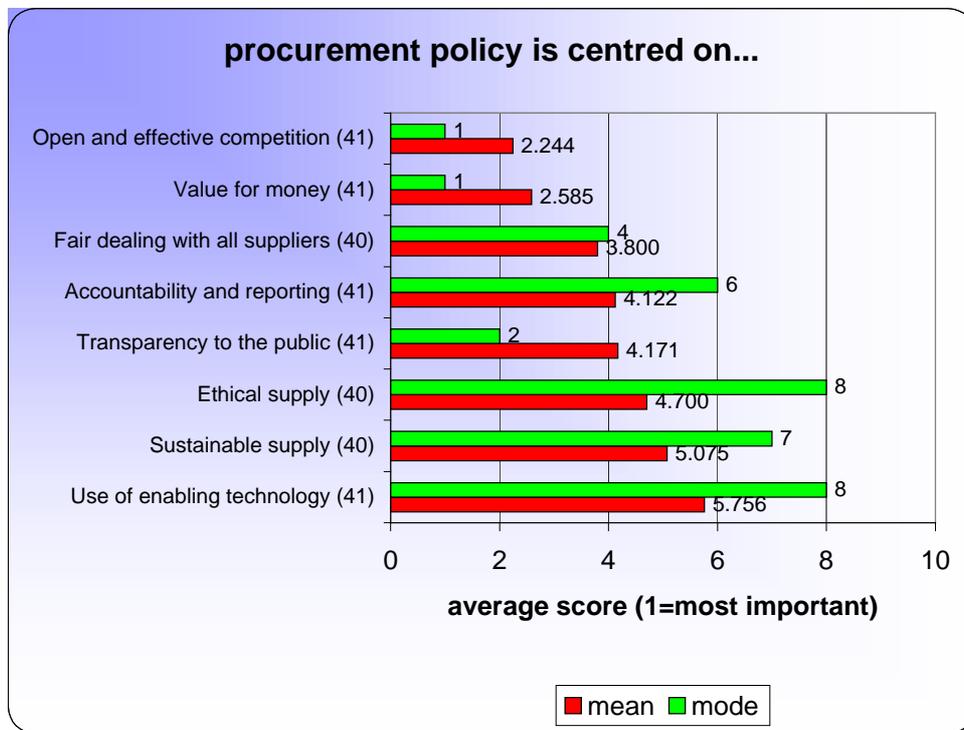


Chart 48. base: number of valid cases given in brackets after label

Respondents to the research were asked to consider various principles and indicate on which their procurement policy is most centred. An analysis of the mean average scores illustrates that respondents were most likely to state that their procurement policy is centred on open and effective competition followed by value for money. They were least likely to state that it is centred on use of enabling technology or sustainable supply. When the modal responses are examined, the same results are observed, however, the principle of ethical supply was considered to be least important with that of use of enabling technology.

Appendix B provides the responses given by nation and sector.

8.2 Procurement performance measures

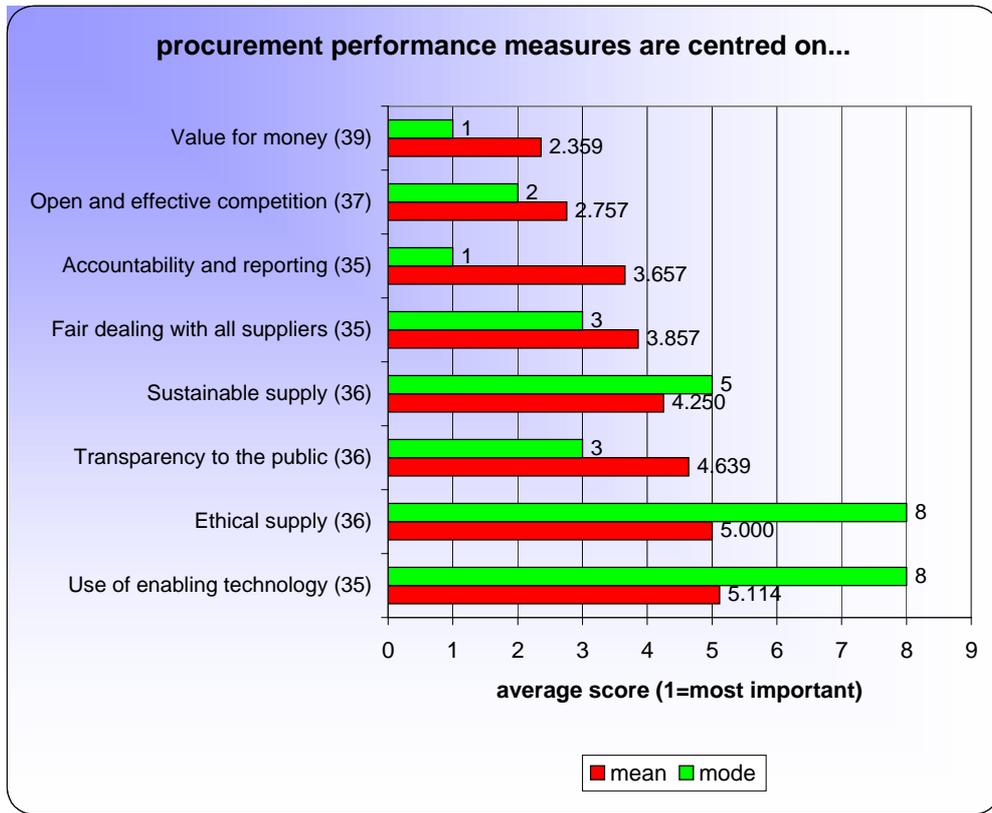


Chart 49. base: number of valid cases given in brackets after label

Respondents to the research were asked to consider various principles and indicate on which their procurement performance measures are most centred. An analysis of the mean average scores illustrates that respondents were most likely to state that their procurement performance measures are centred on value for money followed by open and effective competition. They were least likely to state that it is centred on use of enabling technology or ethical supply. When the modal responses are examined, the same results are observed, except the principle of accountability and reporting is seen as being most important with that of value for money.

Appendix C provides the responses given by nation and sector.

8.3 Perceptions of policy & performance issues

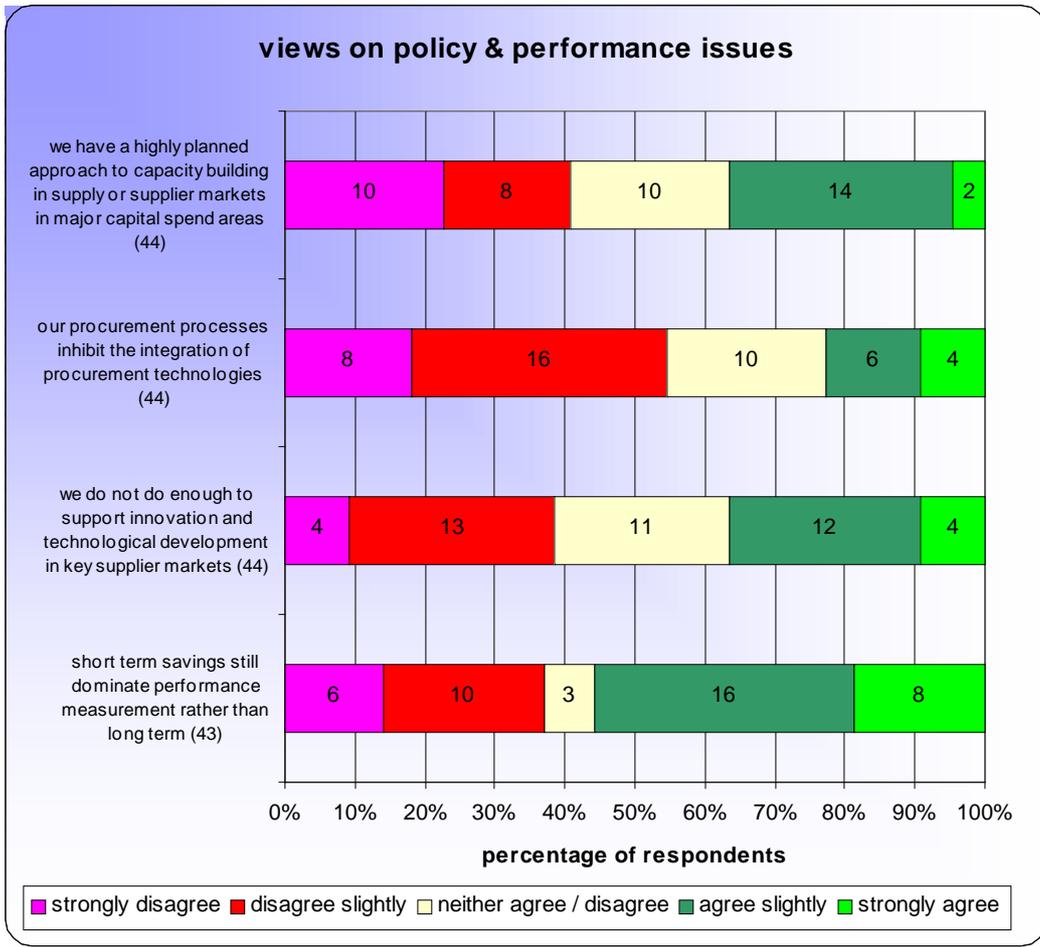


Chart 50. base: number of valid cases given in brackets after label

Respondents to the research were asked to consider 4 statements regarding various policy and performance issues and to indicate the extent to which they agreed or disagreed with each. Overall, around 4 in 10 tended to disagree with each statement. It is clear from the answers given that respondents are most likely to agree with the statement that short-term savings still dominate performance measurement rather than long-term improvement measures. More than half of the respondents agreed and nearly 2 in 10 strongly agreed with this statement.

Respondents were most likely to disagree with the statement that their procurement processes inhibit the integration of procurement technologies or technologies generally into the public service within the sector. More than half disagreed with this statement.

The following chart illustrates the mean scores given for each statement.

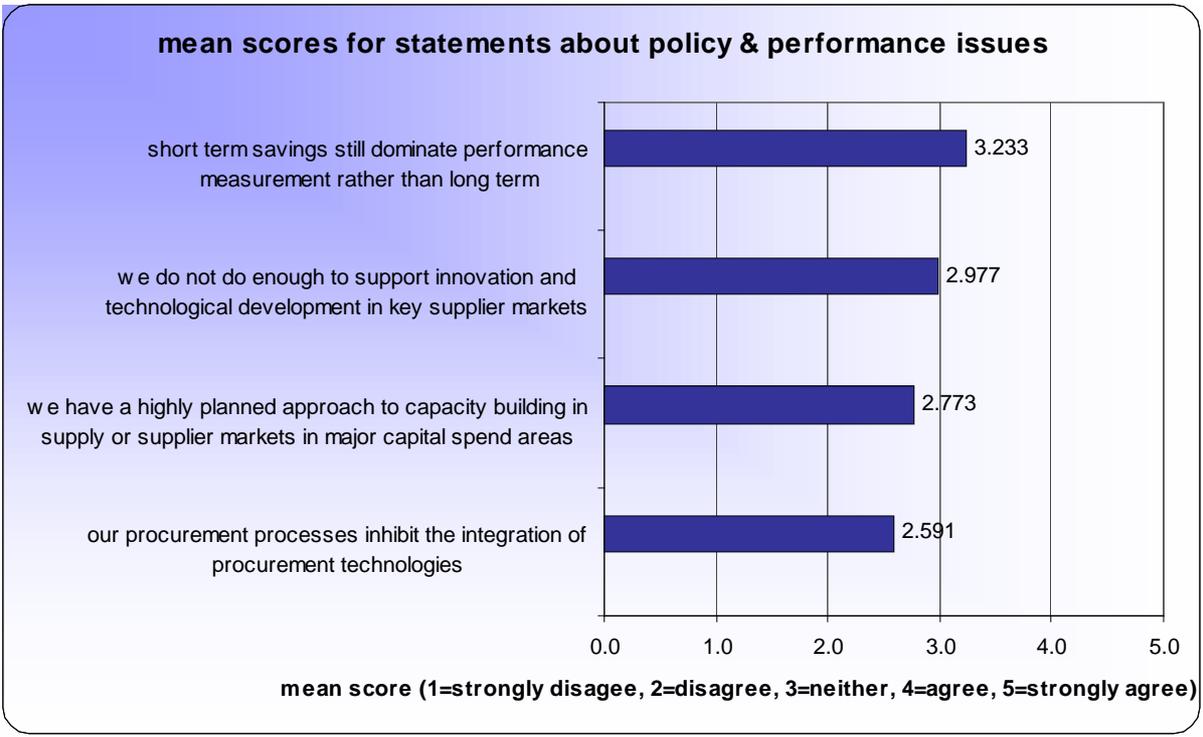


Chart 51

It is clear from the above chart that respondents were on average likely to be neutral to being in agreement with the statement that short-term savings still dominate performance measurement rather than long-term improvement measures. For the other 3 statements the average response appears to be one of disagreement to neutral, however the statement that the sector’s procurement processes inhibit the integration of procurement technologies or technologies generally into the public service was most likely to be disagreed with on average.

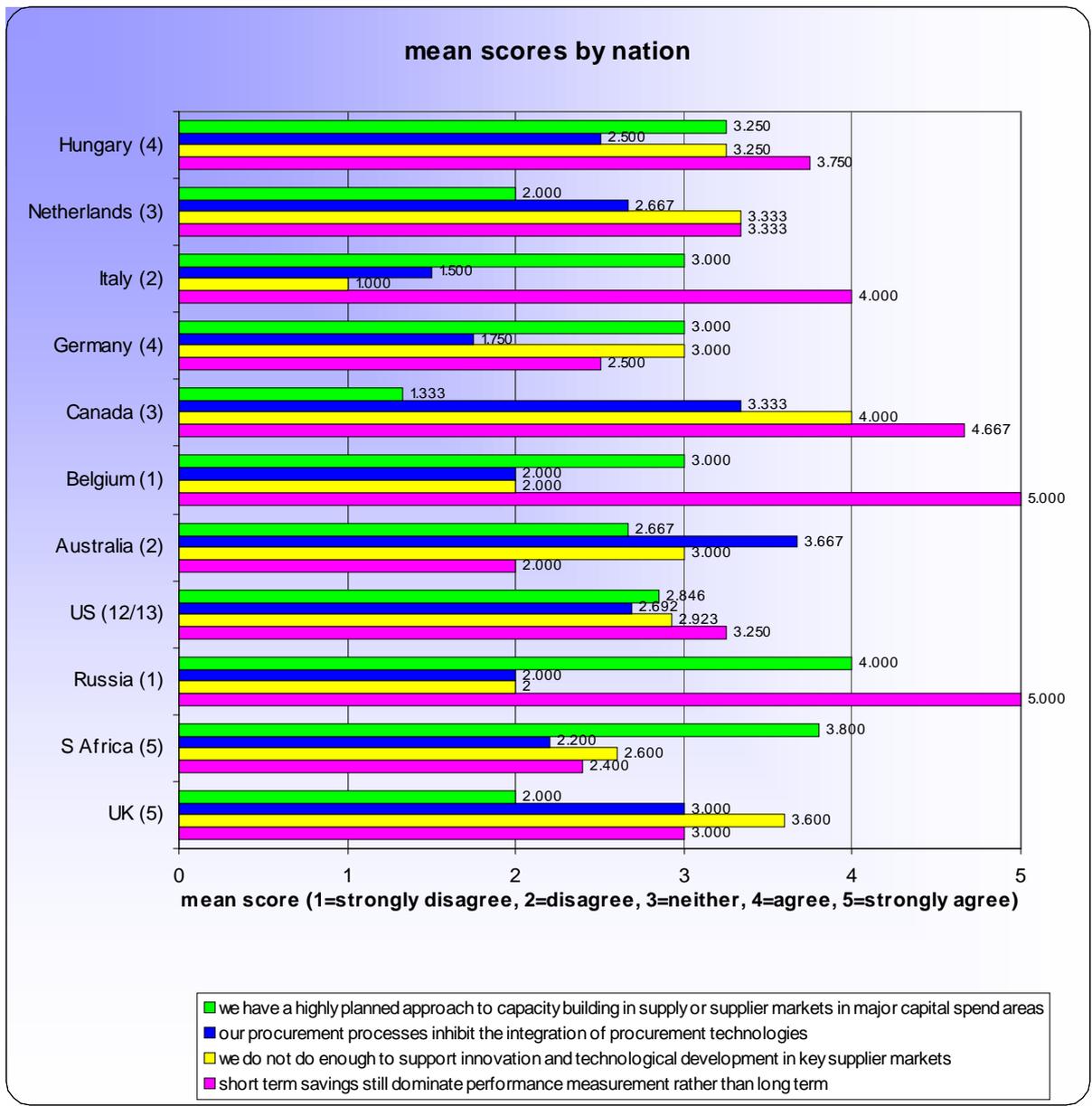


Chart 52. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each country that participated in the research. Respondents from Australia appear to be more in agreement with the statement that procurement processes inhibit the integration of procurement technologies than the other nations. Conversely, Australia is more negative (disagree) regarding the statement that short-term savings still dominate performance measurement rather than long-term.

The average response from Russia and South Africa tends to agree more strongly than others with the statement that they have a highly planned approach to capacity building in supply or supplier markets in major capital spend areas.

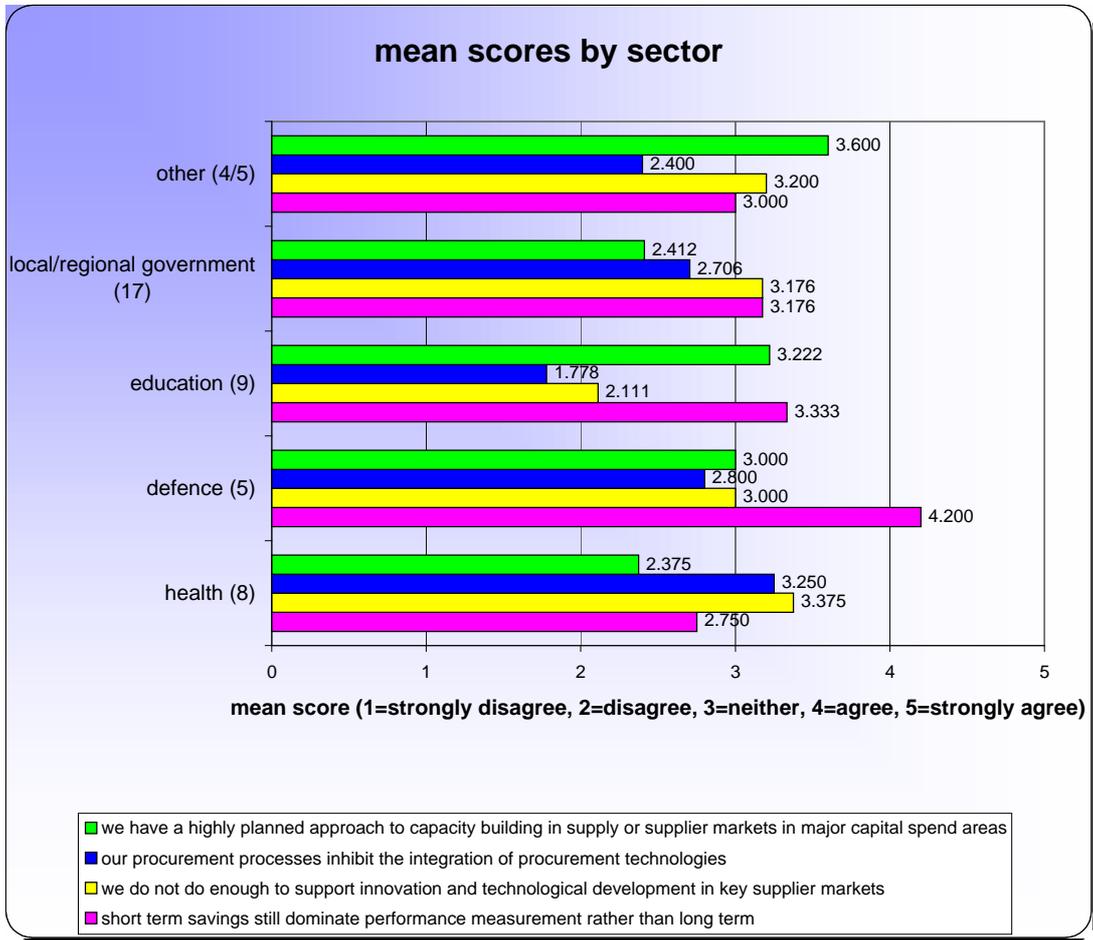


Chart 53. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each sector under investigation. Respondents from the education sector tend to disagree more with the statement that they do not do enough to support innovation and technology development in key supplier markets. Those from the defence sector are much more likely to agree that short-term savings still dominate performance measurement rather than long-term improvement measures.

9 Section 6: Supply relationship management

Summary

Participants were asked a variety of questions focused on the theme of supply relationship management. The majority of participants did not see moves towards greater public private partnership, however there was more consensus that there is increasing private sector involvement in the delivery of public services (but not in Russia). The UK had the longest PPP agreements (15 years), with the majority citing 5 years, however this analysis consolidates sectors, for example defence indicated 5-10 years as a norm. No respondents strongly disagreed with the statement that PPP agreements are appropriate and effective (but Canada and Australia were lukewarm). Participants did not agree that stringent supplier qualification acts as a barrier to new entrants (although the defence sector agreed more than other sectors). Finally aside from the UK and Australia there was general agreement that strategic supplier relationships were developed, as contrasted to arms length relationships.

9.1 Perception of supply relationship management issues

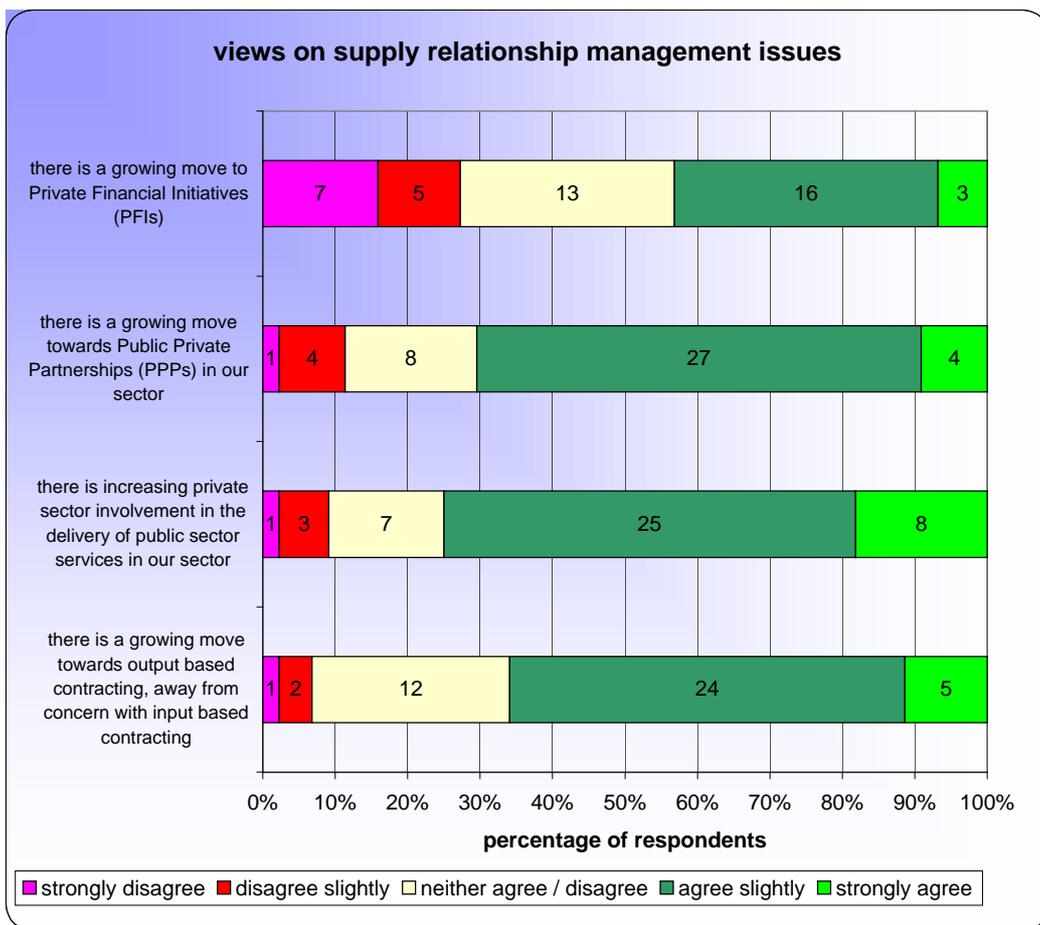


Chart 54. base: 44 valid cases

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Respondents to the research were asked to consider 4 statements regarding various supply relationship management issues and to indicate the extent to which they agreed or disagreed with each. Overall, around 1 in 10 tended to disagree with each statement with the exception of the statement regarding there being a growing move to Private Finance Initiative (PFIs) for which nearly 3 in 10 respondents disagreed.

Respondents were most likely to agree with the statement that there is increasing private sector involvement in the delivery of public service within the sector. More than 7 in 10 agreed with the statement to some extent and a quarter of these strongly agreed. However, respondents were least likely to disagree with the statement that there is a growing move towards output-based contracting, away from concern with input-based contracting. Only 3 of the 44 respondents disagreed to some extent and only 1 of these disagreed strongly.

The following chart illustrates the mean scores given for each statement.

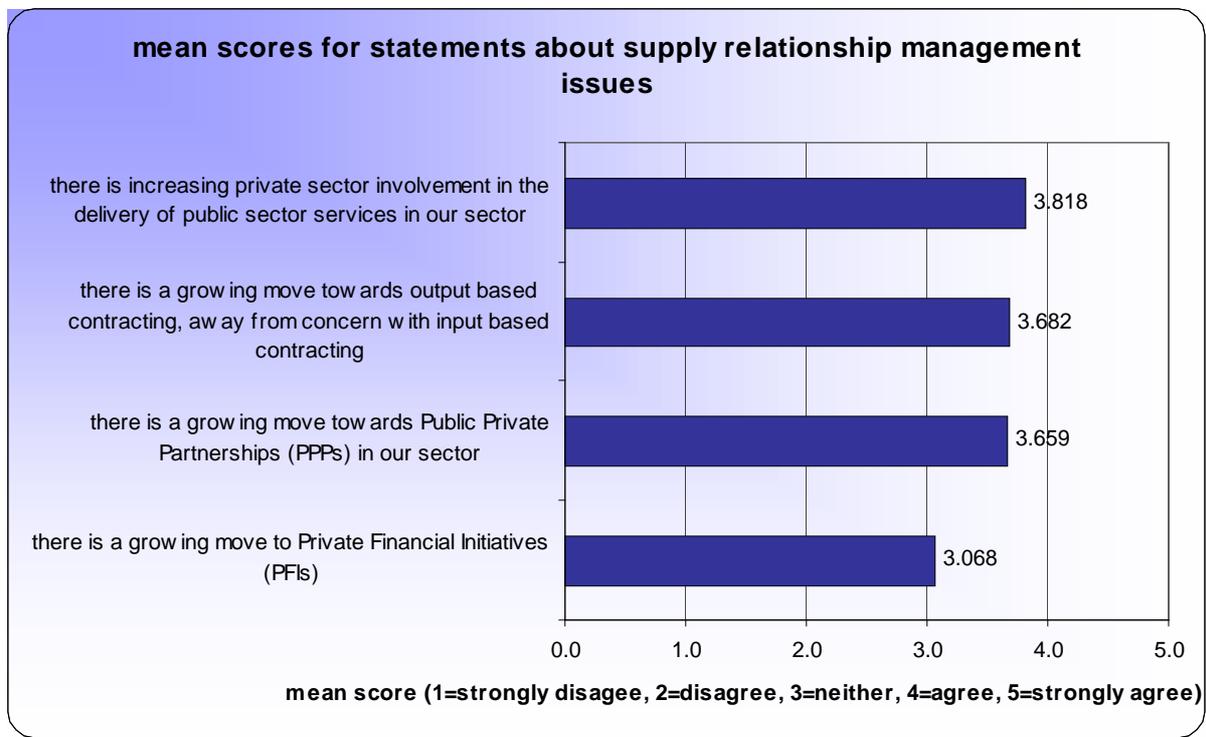


Chart 55

It is clear from the above chart that respondents were on average likely to be neutral to being in agreement with the statement that there is a growing move to Private Finance Initiatives (PFIs). For the other 3 statements the average response appears to be one of near agreement, particularly with respect to the statement that there is increasing private sector involvement in the delivery of public services in the sector.

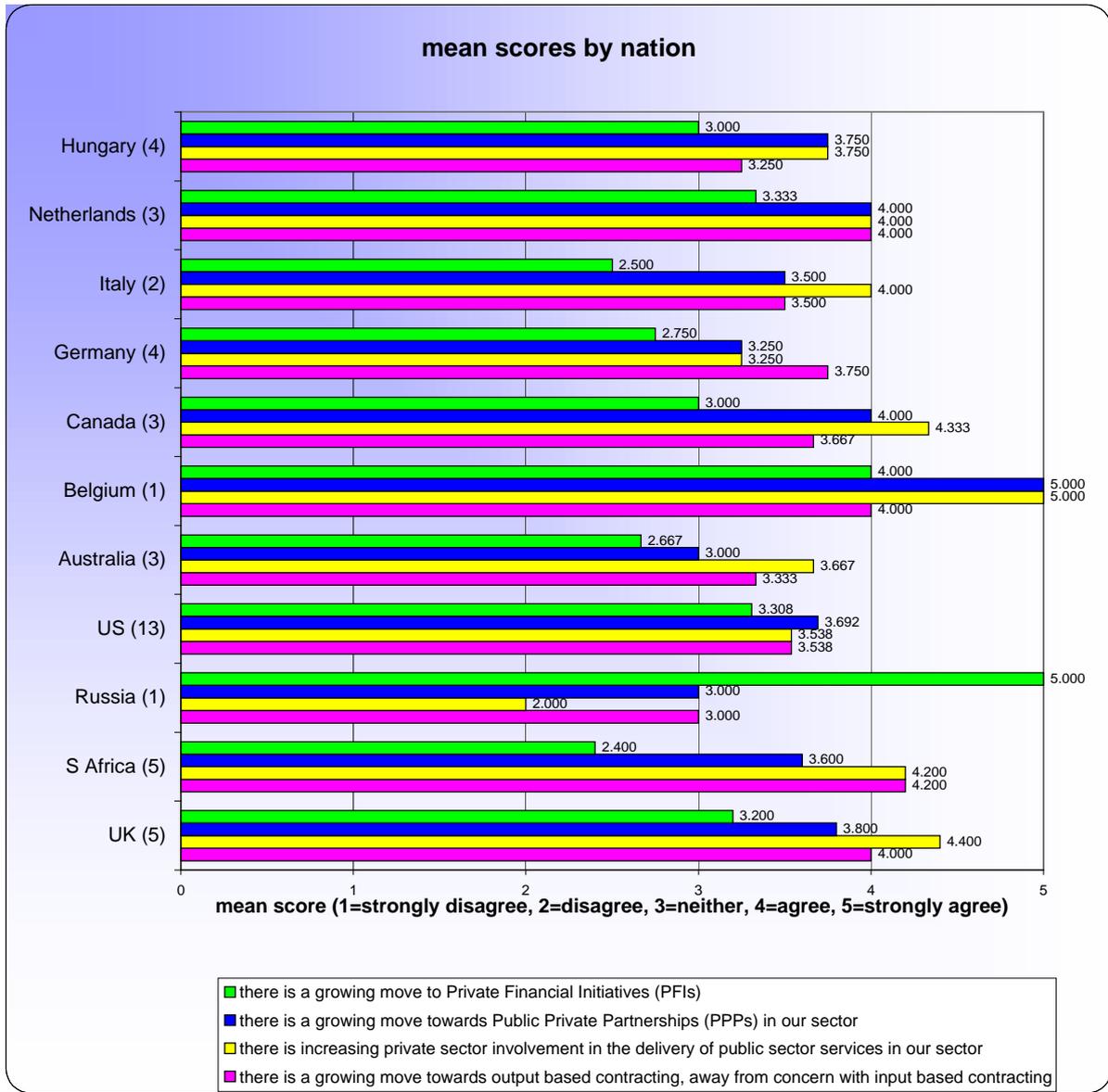


Chart 56. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each country that participated in the research. Although only 1 respondent, the perception from Russia is much more positive than the average response from other nations towards the statement that there is a growing move to Private Financial Initiatives (PFIs). Conversely, this respondent was much more negative (disagree) regarding the statement that there is increasing private sector involvement in the delivery of public sector services within the sector.

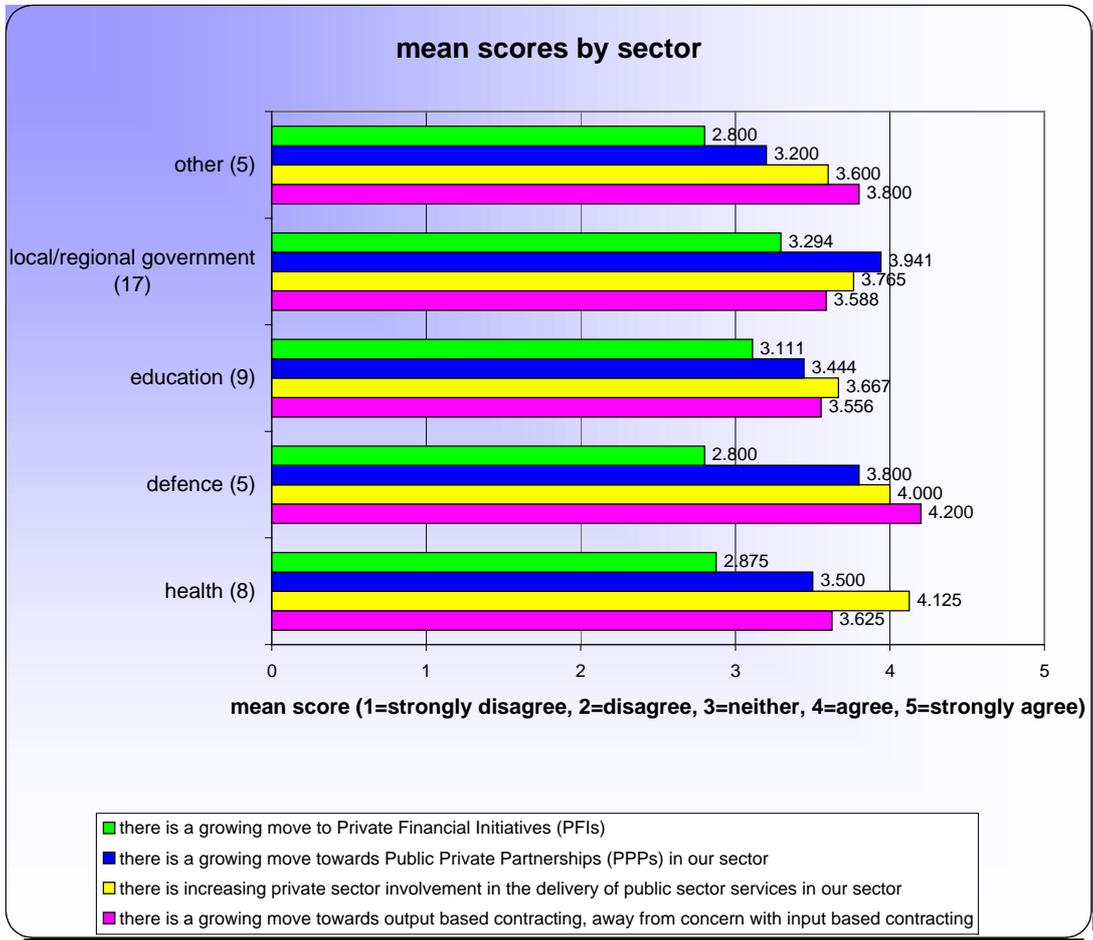


Chart 57. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each sector under investigation. There appears to be no key trends regarding the responses at this level.

9.2 Public Private Partnerships (PPPs) and Private Finance Initiatives (PFIs)

Typical length of term

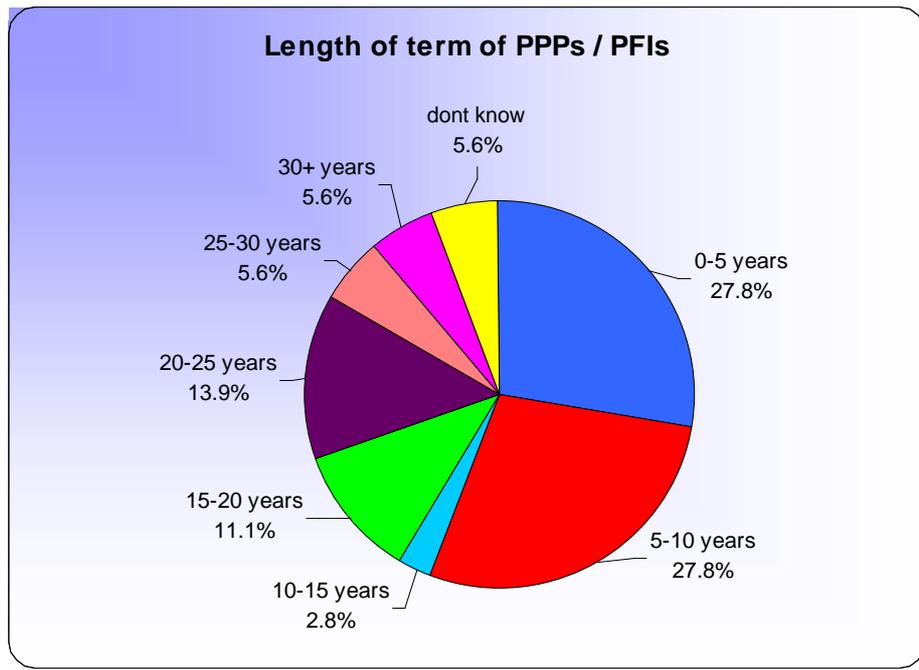


Chart 58. base: 36 valid cases

Respondents to the research were asked what is a typical length of term of Public Private Partnerships (PPPs) and Private Finance Initiatives (PFIs) are within their sector. 8 respondents did not answer this question and a further 2 did not know. Overall, it would seem that the length of term is likely to be no longer than 10 years with more than half of the respondents (20 in number) indicating this to be the case, half stating that a typical term is within 5 years.

9 respondents stated that a typical term is at least 20 years' duration, with 2 respondents stating the term to be 25 to 30 years and more than 30 years.

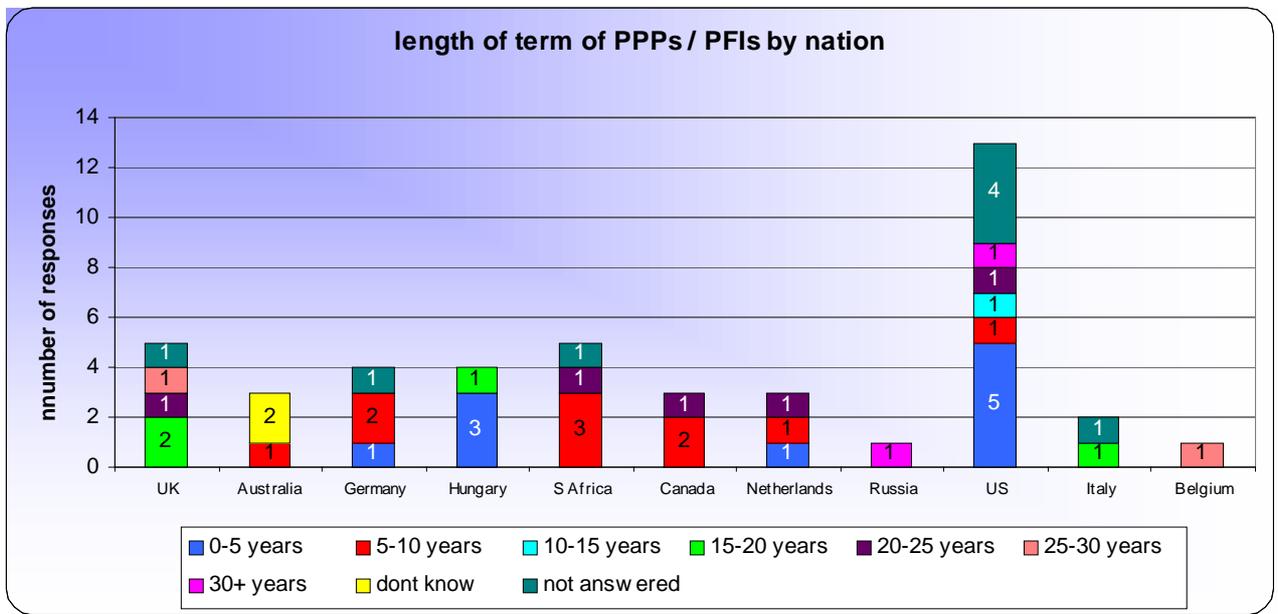


Chart 59. base: number of valid cases given on bars

An investigation of the length of term for PPPs / PFIs indicates that the UK respondents are aware of contracts that are at least 15 years in duration tend whilst those in the US seem to be for less than 15 years, with the majority stating that contracts are of up to 5 years duration. Respondents in South Africa appear to be aware of PPP and PFI contracts that are mostly between 5 and 10 years, whilst those in Hungary indicated that such contracts are usually of up to 5 years duration.

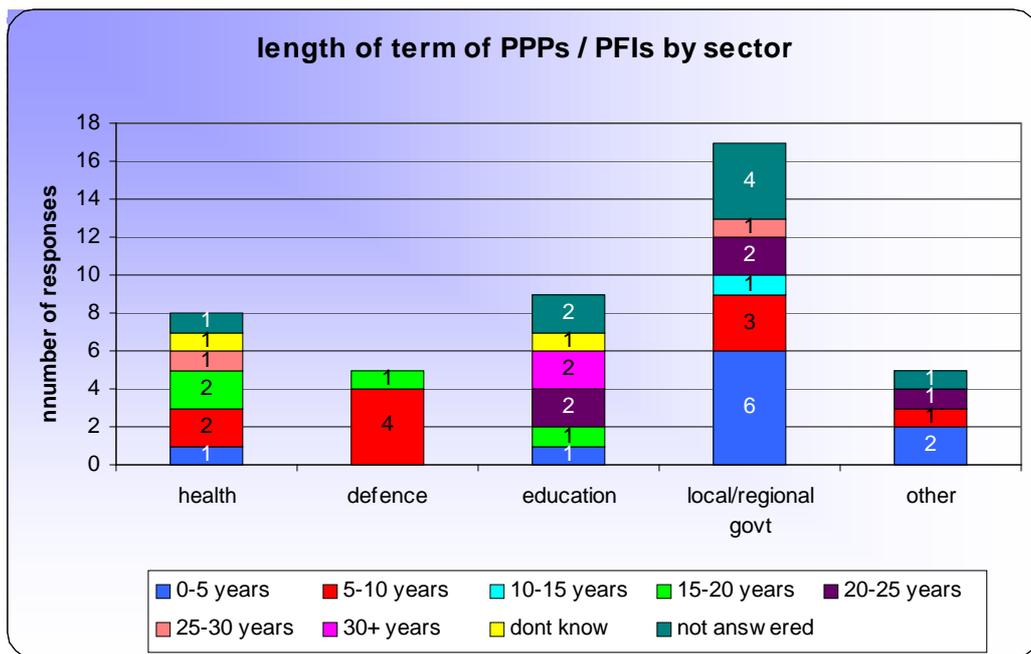


Chart 60. base: number of valid cases given on bars

According to the respondents within the health sector, it would seem that their contracts are most likely to have a duration that is less than 20 years, whilst those in defence indicated that contracts are significantly more likely to be of 5 to 10 years term. PPP and PFI contracts awarded within the education sector appear to be biased towards longer terms,

with the majority being of 20 years duration or more. Respondents within the US gave quite diverse responses but it would seem that most contracts are likely to be no more than 10 years in length of term.

9.3 Perception of other supply relationship management issues

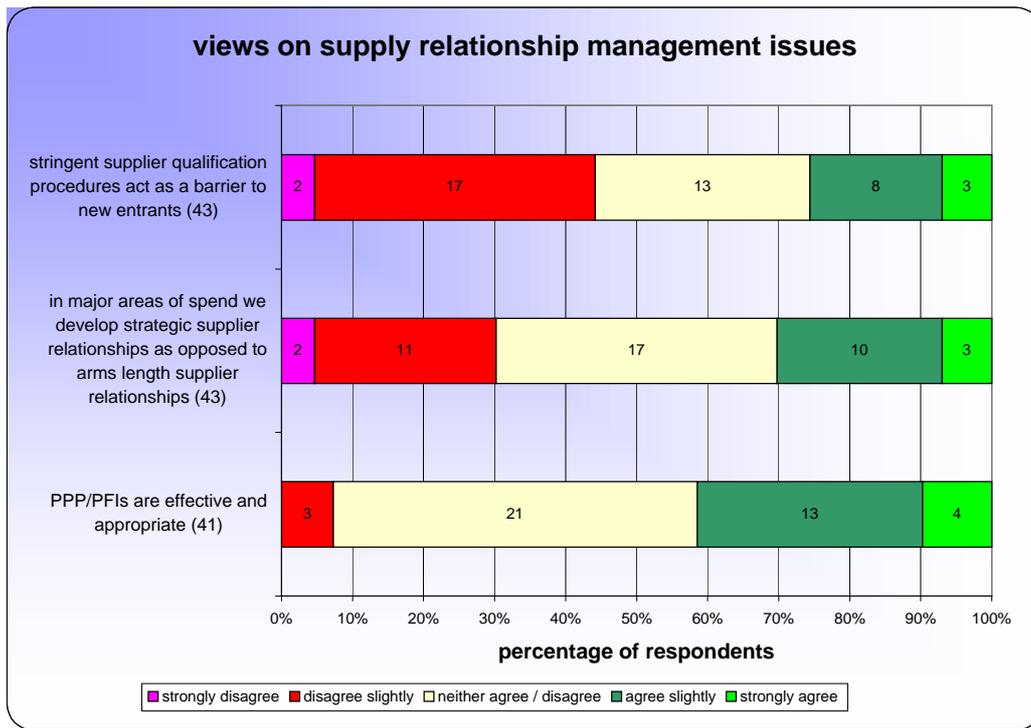


Chart 61. base: number of valid cases given in brackets after label

Respondents to the research were asked to consider 3 statements regarding various supply relationship management issues and to indicate the extent to which they agreed or disagreed with each. Overall, it would seem that respondents were most likely to agree with the statement that PPPs and PFIs are effective and appropriate. Indeed, none of the respondents disagreed strongly with this statement.

4 in 10 respondents agreed to some extent with this statement with 1 in 10 agreeing strongly. 3 in 10 respondents disagreed with the statement that in major areas of spend, the sector develops strategic supplier relationships as opposed to arms-length supplier relationships, whilst more than 4 in 10 disagreed that stringent supplier qualification procedures act as a barrier to new entrants.

The following chart illustrates the mean scores given for each statement.

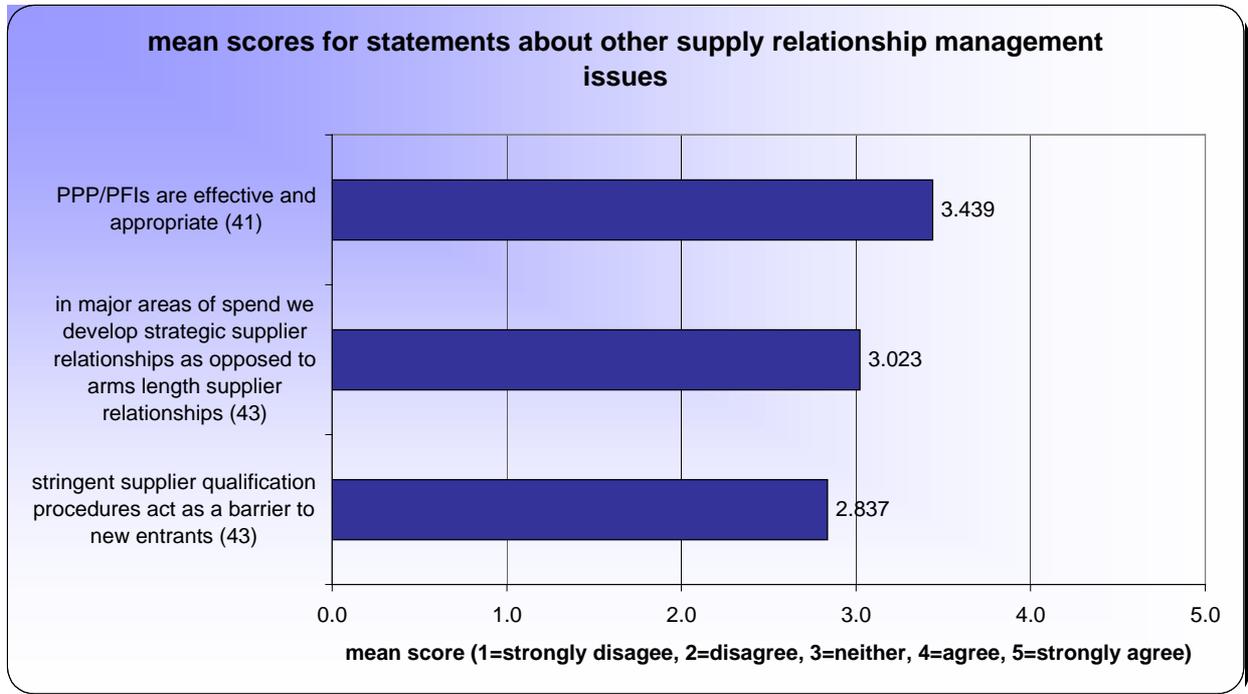


Chart 62

It is clear from the above chart that respondents were on average likely to be neutral to being in agreement with all 3 statements. The statement that stringent supplier qualification procedures act as a barrier to new entrants was most likely of the 3 to receive a neutral response, whilst the statement that PPPs or PFIs are effective and appropriate was significantly more likely to be viewed more positively (in agreement).

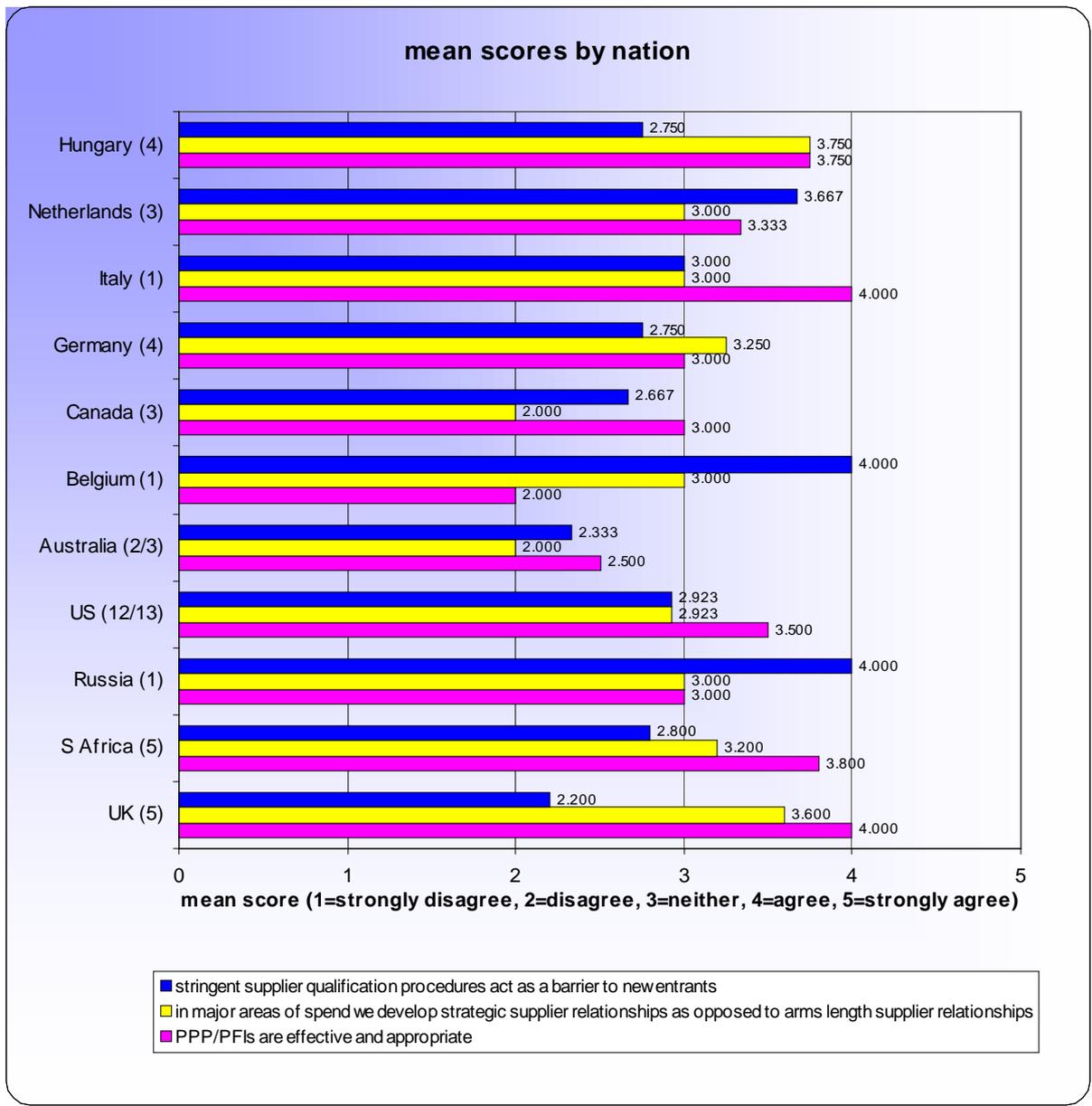


Chart 63. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each country that participated in the research. The average response from Canada and Australia appears to be more negative (disagree) than other nations with respect to the statement that they develop strategic supplier relationships as opposed to arms length supplier relationships in major areas of spending. Respondents from Belgium and Australia tended to be less in agreement that PPPs and PFIs are effective and appropriate.

The average respondent from Australia and in particular, the UK seem to be less in agreement than those from the other nations regarding the statement that stringent supplier qualification procedures act as a barrier to new entrants.

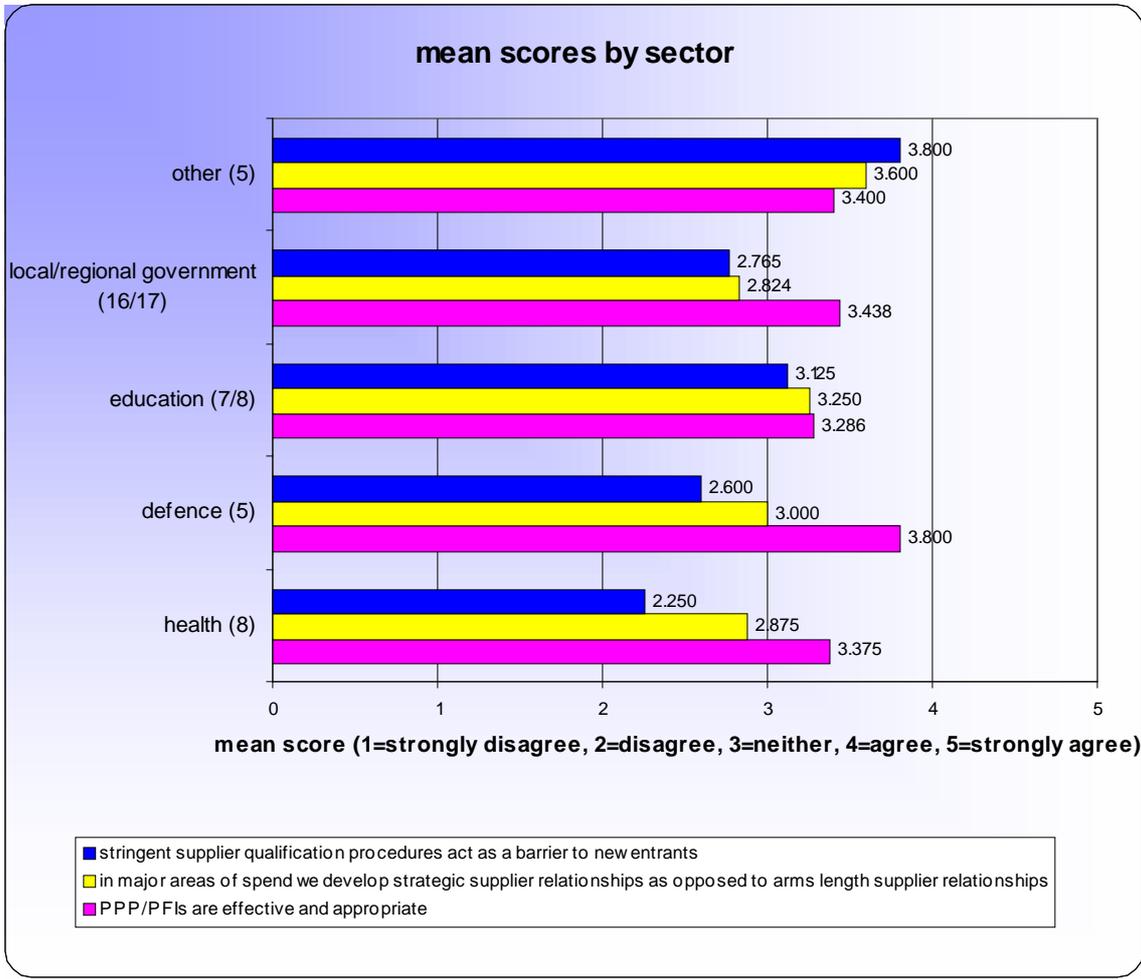


Chart 64. base: given in brackets after label

The above chart illustrates the mean scores for each statement given by respondents within each sector under investigation. The average response from the health sector is slightly more in disagreement than that of other sectors with respect to the statement that stringent supplier qualification procedures act as a barrier to new entrants. The defence average response to the statement that PPPs or PFIs are effective and appropriate is slightly more positive (agree) than that of other sectors.

10 Section 7: Positioning model

Summary

Participants were asked a variety of questions on a four stage positioning model; stage 1 being the lowest standard of procurement, stage 4 the highest. Over 80% rated their procurement function stage 2 or 3, only one respondent rated their procurement function as at stage 1. The US showed the highest variation in participants' self-ranking (ranging from stage 1 to stage 4). All the participants from Hungary rated their sector at stage 3. No defence sector respondent rated their sector stage 4.

10.1 The 'Four Stage Model'

The respondents were provided with a description of the stages of the Four Stage Model as shown in the table below.

	 Ability to implemen	 Ability to be appropriate	 Ability to drive strategy	
Stage	Stage 1 Making relationship internally neutral	Stage 2 Making relationship externally neutral	Stage 3 Making relationship internally supportive	Stage 4 Making relationship externally supportive

Table 9: The 'Four Stage model'

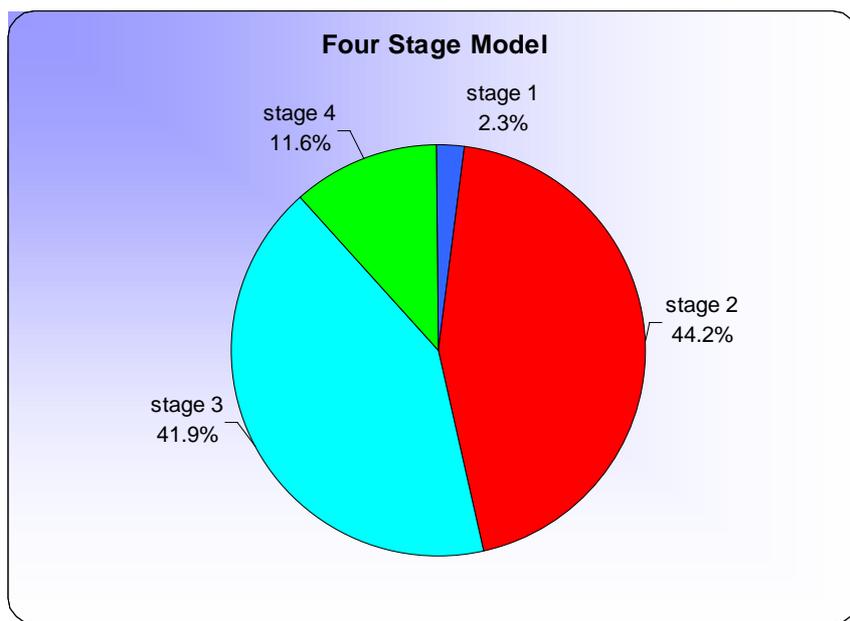


Chart 65. base: 43 valid cases

Respondents to the research were asked to consider the 'Four Stage Model' and to select the description that best described their current stage of procurement within the sector. The above chart illustrates that more than 4 in 10 respondents believe that their sector is at stage 2 whilst a similar number indicated that they were at stage 3. 1 in 10

respondents indicated that their sector is at stage 4 of the Model. Only 1 respondent indicated that the sector was at stage 1 and 1 respondent did not answer this question.

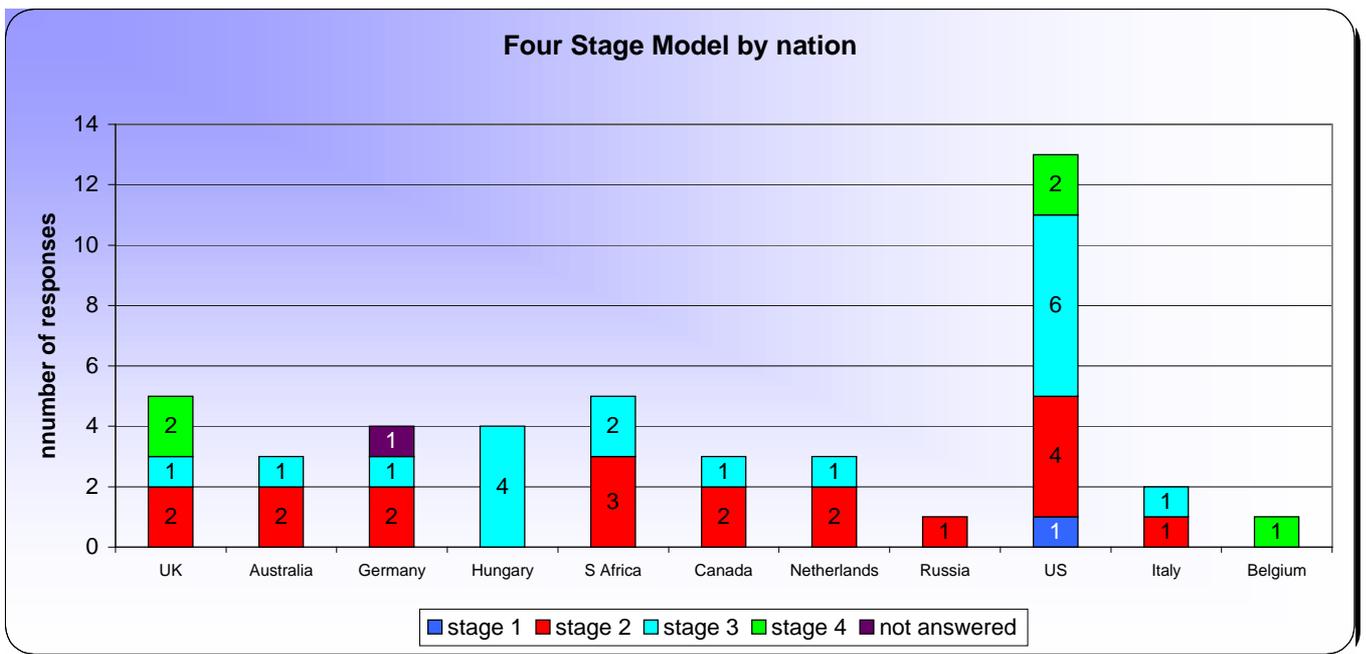


chart 66. base: number of valid cases given on bars

All of the respondents from Hungary indicated that their sector was at stage 3 of the Model whilst up to 2 respondents indicated that their sector was at stage 4 in the UK, the US and Belgium. 1 respondent from the US indicated that the sector was at stage 1 although 8 of the other 12 US respondents appear to be at stage 3 or stage 4.

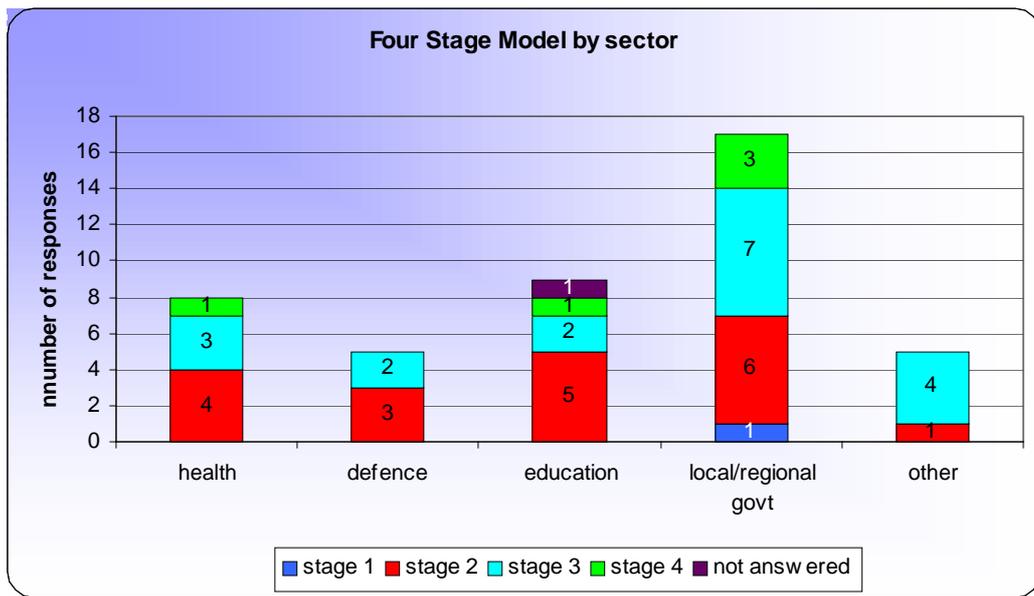


Chart 67. base: number of valid cases given on bars

At least 1 respondent from the health, education and local or regional government sectors indicated that they are at stage 4 of the model. Respondents within the education sector appear to be more likely to be at stage 2.

11 Section 8: Comments

Summary

In presenting their “worst case” respondents highlighted a broad range of concerns, often drawing attention to issues such as bureaucracy, lack of skilled procurement professionals, legislation, procurement procedures and unclear objectives. “Best case” examples were more generic, the implementation of e-procurement technologies, meeting legislation, procurement reforms and centralisation featuring strongly. Other issues that were perceived as important but overlooked included ethics, reconciling differing objectives and requirements and comparing different types of procurement systems.

11.1 ‘Worst case’

Respondents were asked to consider what is the single biggest problem in procurement within their sector. The following comments were received.

Country	Sector	Comments on worst case
Australia	Education	For DECS the biggest single problem is the lack of quality data to enable better strategic procurement decisions.
Australia	Health	No clear and/or universally supported strategic vision articulated. Without this overarching goal for the sector to strive for, the sector cannot reach its goals and objectives; or establish/measure appropriate performance measures.
Australia	Health	Relationships between users and suppliers.
Belgium	Local/regional government	
Canada	Defence	Multiple conflicting objectives.
Canada	Local/regional government	Internal perception: Procurement is not perceived as strategic, and considered to be a Clerical/administrative function.
Canada	Local/regional government	Not enough qualified public procurement professionals to fill vacancies.
Germany	Local/regional government	Procurement activities take a long time due to formal standards and legal protection of bidders.
Germany	Education	Financial shortage of local budgets.
Germany	Defence	The armed forces of the Bundeswehr are developing from an army of defence from the times of the cold war into an operational army. Changed armed forces require amongst other things a modified armaments organization, new soft skills (personnel training), changed infrastructure and modification of operations. Realizing this the Bundeswehr is making use of different possibilities of influencing processes of change which in NATO is called transformation. Transformation is a highly dynamic process often influenced by external developments. Under the constraint of consolidation of expenditures/ reducing budget deficits this dynamic could bring a: loss of planning reliability for international alliances, the Bundeswehr and trade and industry.
Germany	Health	Hospitals internal Reservations towards external purchasing organisations.

Country	Sector	Comments on worst case
Hungary	Other	
Hungary	Health	Lack of strategic imitative both at the state and local government level. Unsystematical (improperly planned) execution of pp procedures.
Hungary	Health	Legal background is extremely complicated/complex, bureaucratic and loaded with administrative overhead. Meeting requirements laid out in the rules consumes a lot of our energy. Negotiation is not allowed in procurement of goods, making the procurement of special goods extremely hard.
Hungary	Other	Bidders are not adequately prepared to submit a bid according to the PP act (neither formally or regarding content). This may compromise the whole procurement process (from the point of view of the issuer). In one particular case there was not a single valid bid, even though our preparation was impeccable (and required a lot of time, of course). Consequently it is important for the bidders to be prepared as well and should ensure competencies that enable them to follow PP regulations.
Italy	Education	Transparency and competition.
Italy	Education	
Netherlands	Defence	Bureaucracy.
Netherlands	Local/regional government	Political importance of public procurement.
Netherlands	Other	Still too much uncoordinated decentralised purchasing.
Russia	Education	Weak participation of the ministry of Education in the financing of state institutes of Higher education.
South Africa	Local/regional government	<p>Demand-side factors Leakages in the Procure-to-Pay process – customers bypassing Procurement, rather using Sundry Payments instead; Insufficient demand planning by customers of repetitive needs; Inadequate specifications of goods and services making Quality Management difficult; Insufficient consumption and spend data per pre-classified commodities</p> <p>Supply-side factors Changes in the legislative framework – mandating implementation of integrated SCM* Capacity constraint in terms of SCM skills – process and systems related; Low percentage of items on contract – in Gauteng Province only 30% of reoccurring spend is now covered by term agreements (use to be 18%); Inadequate and non-integrated systems make management of information difficult.</p> <p>* Also refer to PART IV Question 1. The largest macro environmental impact comes from substantial changes in the legislative framework governing the Procurement playing field within the South African Public Sector. National Treasury started advocating an integrated supply chain management approach in November 2002. Approved by Cabinet in September 2003, the Policy Strategy to Guide Uniformity in Procurement Reform Processes in Government is intended to guide the uniform implementation of Government’s procurement reform initiatives and the issuing of Regulations in terms of Section 76 (4c) of the Public Finance Management Act (PFMA), in respect of the Framework for SCM.</p> <p>The Regulatory Framework for SCM, which took effect on 2003-12-05, serves as a formal requirement to accounting officers / authorities to ensure the implementation of the SCM process as an integral part of their financial systems. According to National Treasury’s Policy Strategy accounting officers / authorities must establish SCM units within the offices of CFOs and adopt the appropriate practices and procedures as contemplated in the Regulations in terms of Section 76 (4c) of PFMA.</p> <p>The Regulations also empowers the National Treasury to issue practice notes that address relevant SCM topics with a view to ensuring uniform minimum norms and standards within government. Provincial Treasuries are</p>

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Country	Sector	Comments on worst case
		empowered by the Regulations to issue further practice notes in a cascading fashion to guide the more detailed implementation of SCM functions with provinces. These practice notes may however not jeopardize national objectives.
South Africa	Education	People not recognising procurement as a profession.
South Africa	Health	Lack of knowledge ~ insufficient training of SCM managers. Lack of consistency on regulations issued by CMO (Contract management office) No clear prescripts exist on which policies to adhere to. No communication (sufficient) between CMO and department. IT related matters Since the transfer of procurement to SITA, the department is forced to enter into much more expensive bids as the SITA tender takes longer to finalize.
South Africa	Other	Measuring the actual cost of procurement. Conflicting policies. Supplier's capacity. Supporting systems.
South Africa	Defence	Capacity within procurement environment within department. Knowledgeable buyers. Trust in procurement system.
UK	Health	Continued involvement of inappropriate health staff in procurement and procurement decision-making. Monopolistic/dominant suppliers-buyer relationships preventing the open play of competition.
UK	Education	Within DfES we operate in a relatively immature market in a number of areas, for some of our strategic requirements, there are few bidders. This can affect the strength of the competition and impact on the achievement of value for money.
UK	Local/regional government	Barriers when councils work collaboratively across each others boundaries, this presents political difficulties and procurement difficulties within districts.
UK	Defence	Ensuring that we can provide the business with people equipped with the right skills to deliver improved commercial capability. Reconciling the needs of our customers with the overall funding constraints, and the needs of the industry. This manifests itself by a need to understand the relative loading levels for industry and how and when each of the linked elements should take investment decisions. The length of time taken on PPP/PFI procurements, which are usually high value and complex, has often been exacerbated by reviews of the requirement before the contract has been placed.
UK	Health	Encouraging compliant and collaborative procurement is a difficult task, which the commercial directorate is addressing.
US	Local/regional government	We need funding to have an enterprise wide system that will capture all bid information. Including awards to contractors and subcontractors, change order requests, monitor vendor/contract performance, eProcurement, solicitations tied into purchasing and financial systems and end to end system that can handle P.O's with electronic distribution to suppliers and electronic payment to suppliers.
US	Local/regional government	Adopting rules and procedures that effectively delegate purchasing authority to using departments and agencies, while maintaining oversight without adopting a repressive 'checking' bureaucracy.
US	Education	Unavailability of qualified staff – buyers in the market.
US	Local/regional government	Lack of technology.
US	Local/regional government	Recruitment and retention of qualified people and obtaining funding for technology.
US	Local/regional government	Lack of professional human resources.

Country	Sector	Comments on worst case
US	Local/regional government	Utilization of small business enterprise without cumbersome red tape.
US	Local/regional government	Lack of respect from certain departments for the level of responsibility, integrity and professionalism, we have a real life profession. My office is nationally accredited, my staff are fully certified, we have many years of experience, we are highly qualified and are all women. I believe gender is still an issue, at least in the country where I work.
US	Local/regional government	Lack of effective contract administration practices.
US	Local/regional government	Many items of importance.
US	Local/regional government	
US	Education	Trying to keep up with high growth of student population as well as building new schools and still provide quality service to balance school district without increasing purchasing and department staff.
US	Other	Being more than a 'bid issuer' and 'contract awarder'.

Table 10: Details of 'worst cases' by country and sector

11.2 'Best case'

Respondents were asked to consider what has been their best, most recent achievement in improving procurement in the sector within the last 2 years. The following table lists the verbatim comments received.

Country	Sector	Comments on best case
Australia	Education	The best most recent achievement in improving procurement within the DECS is the attainment of Higher Procurement Accreditation from the State Supply Board.
Australia	Health	Proposing and receiving executive support for the need for procurement reform and articulating a vision of procurement for the sector.
Australia	Health	Increasing the need to co-ordinate procurement activities across the department.
Belgium	Local/regional government	
Canada	Defence	The bundling of service support contracts.
Canada	Local/regional government	Implementation of an eProcurement solution that will be the foundation for future development and will free-up resources from routine functions.
Canada	Local/regional government	Providing internal training and available external training so that almost all buying staff have a public procurement designation.
Germany	Local/regional government	Fortification of the central procurement structures.
Germany	Education	Local governance: The reform of public administration and decentralization of responsibilities for resources. City of Munich: Bundling of needs over departmental borders and decentralization of procurement concerning department-specific needs.
Germany	Defence	In order to be able to master the tasks lying ahead of the German State's armaments organization, considerations to develop a concept for the further development of the armaments organization had started about five years ago under the responsibility of the Director General of armaments. This concept includes amongst other things a modern procurement procedure for the central procurement of defence material, the so-called 'Customer Product Management', abbreviated CPM. The CPM does away with unnecessary red tape and establishes the conditions that allow the persons in charge (i.e. project managers) to work without impediments.

Country	Sector	Comments on best case
		<p>The CPM was entered into force in an improved version on Mai 24, 2004.</p> <p>The objective of this most recent version of CPM was to eliminate any misunderstanding or contradiction that might have still existed and to rephrase several passages of the text more clearly, if necessary by supplementary remarks. The improved version is highly accepted by the users.</p>
Germany	Health	Centralised data bank for procurement. eProcurement system.
Hungary	Other	<p>Public procurement became more efficient by the spreading application of electronic support tools during the whole procedure including the handling of the contract as well as post-contract care.</p> <p>Electronic support may lead to more efficient and cheaper public procurement procedures. This observation is supported by the growing number of institutions how join the centralized PP solutions.</p>
Hungary	Health	After joining the European Union changes in the PP Act made it possible to acquire high technical quality products in case the value of the procurement exceeds EU limits because the best producers do get invitation and usually do enter bids.
Hungary	Health	To ensure continuous support of patients.
Hungary	Other	Our sector has been under the PP Act since May 1 st 2004 and there is not enough experience to share just yet.
Italy	Education	Centralization.
Italy	Education	
Netherlands	Defence	eProcurement on a limited scale.
Netherlands	Local/regional government	Political importance of public procurement, beginning of political importance. Right now is the time to achieve political goals.
Netherlands	Other	<p>The decision to start a program to procure on a centrally steered basis nine product ranges, Energy, communication, cars, transportation management, office supplies, IT hardware and services, printed materials, housing and postal services.</p> <p>For the complete central government with which we are expected to save \$200 million.</p>
Russia	Education	<p>It has been realised, the transfer to the bimodal system of education, Bachelor and Masters degrees.</p> <p>The use of the education credit system in the institutes of higher education in the Russian Federation.</p>
South Africa	Local/regional government	<p>The Gauteng Shared Service Centre (GSSC) was established in November 2002 as the Common Service Provider of SCM services for the Province. GPG's Procurement Reforms has already been built on the concept of integrated SCM. In fact GPG took it one step further and made its end goal being world class, as the new Procurement processes were based on the World Class Supply Chain Management model.</p> <p>GPG has completed the first and second stages of Procurement Reforms, as envisaged by National Treasury. At present GPG is engaged in the final phase, being Mastery. After the initial structural changes, such as dissolving the Tender Board and migrating to GSSC, this phase requires true transformation from mere Provisioning to actual Strategic Sourcing.</p> <p>Realising efficiencies and harnessing the economies of scale, implied that GSSC Procurement should expedite the implementation of term agreements for goods and services being purchased on a re-occurring basis, as was implemented during October 2004's Procurement Repositioning. Such term agreements require the implementation and usage of common item descriptions. The development of this content in the form of a catalogue was slowly picking up pace – up until end of March 2004 13,500 items have been catalogued. It will take time to produce the desired result of being able to only buy off catalogue and not allowing any "free text" (uncodified item) purchases.</p>
South Africa	Education	High-level compliance to legislation (PFMA, PAPFA ETC).

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Country	Sector	Comments on best case
South Africa	Health	Ensuring that the department procure the goods and services in accordance with the specified SCM regulations by rendering continuous support and advice to all levels.
South Africa	Other	Implementing an integrated supply chain management model in government. Applying strategic sourcing. Structured the commodity groups.
South Africa	Defence	Promulgation of single policy, process and procedural instruction within department. Empowerment of procurement officials. Assuming control over own procurement.
UK	Health	Operational: Major programme of eProcurement using bar coding and scanning of products at hospitals removing the need to involve clinical staff in ordering and requisitioning. Strategic: Shaping a new procurement policy for the NI health service and seeing this issued in 2003.
UK	Education	
UK	Local/regional government	Developing and implementing the national procurement strategy at local government and establishing nine regional groups.
UK	Defence	In terms of people- the MOD commercial Function Business Graduate Scheme. Opening a debate with industry into how best to assess the optimum duration of a contractual relationship. In this context, the linkages of planned output/outcome to maturity demonstration should allow industry to remain incentivised during a clearly defined stage.
UK	Health	
US	Local/regional government	The introduction of DemandStar to handle the distribution of bids and RFP's on the internet and electronic supplier registration and MWBE tracking electronically. I also introduced legislation at the state level, which allows the City of Tampa to piggyback on existing bids that have been competitively awarded at local, state, and federal levels anywhere in the US. I also re-organised the purchasing department into 4 divisions: Goods and services. Purchasing systems. Administration. Inventory management and contractual Services Management (A new service for contracts management and administration for the city)
US	Local/regional government	Developing training and certification requirements for using department and agency personnel who serve as Purchasing Agents Technical Representatives for administration of City contracts.
US	Education	Developing a balanced, informative, competitive environment that encourages open participation and success. Participation in our procurement is broader with new entrants winning from time to time. It has an overall positive affect on quality of work and price.
US	Local/regional government	Establishing strong relationships with our customers.
US	Local/regional government	Implementation of web based procurement system.
US	Local/regional government	Continued exploitation of technology available to s.
US	Local/regional government	A completely revised and rewritten policy manual in 2003. Also accreditation through NIGP in 2003.
US	Local/regional government	
US	Local/regional government	Implementation and Utilization of purchasing card programme.
US	Local/regional government	
US	Local/regional government	We merged with Minnesota Multistate Purchasing Alliance to procure drugs, (pharmaceutical supplies) resulting in high savings.
US	Education	Being creative and innovative for constructing new schools. Selection process of construction managers, NIGP 2004 Innovative award.

Country	Sector	Comments on best case
US	Other	Continued reduction in the number of contract and bids.

Table 11: Details of 'best cases' by country and sector

11.3 Any other issues

Respondents were asked to make any other issues or to write about an issue that may have been overlooked that is important to them. The following table lists the verbatim comments received.

Country	Sector	Other issues
Australia	Education	
Australia	Health	The one issue not directly addressed in the questionnaire (which may only be relevant in the state of South Australia) is the role/impact that the whole-of-government procurement policy has on the procurement practices within the health sector.
Australia	Health	
Belgium	Local/regional government	
Canada	Defence	We are in the midst of transforming procurement to seek a more strategic approach. It is difficult to discern the strategic versus tactical elements of this survey. We are looking forward to gaining new experiences from this transformation.
Canada	Local/regional government	There is a growing complexity in public sector procurement as evidenced by: Complex service procurements. Increased legal requirements and scrutiny. Increase interaction between jurisdictions at national, regional and international levels.
Canada	Local/regional government	I find that the buying staff are very competent from a procurement process standpoint however I see a need for the buying staff to also be more technically qualified e.g. I may have to ask for new hires to have their CPPB designation along with a C.E.T designation.
Germany	Local/regional government	
Germany	Education	Procurement structure of The City of Munich cannot necessarily be compared to those of other German cities or public agencies.
Germany	Defence	On Mai 21 st 2003, the German Federal Minister of defence issued new Defence Policy Guidelines' for the Bundeswher. The policy clearly sets out the new course of the Bundeswher to the most likely nature of missions, namely conflict prevention, crisis management and the fight against international terrorism As a consequence, the Bundeswher will be characterized by six principle features: A consistent orientation to a capability profile. Operational specifications to take part in peacekeeping missions (v. NATO response Force (NRF), forces employed under the concept of the European Headline Goal, VN arrangements). Purpose specific structures and equipment by dividing all armed services into three categories. (35,000 response forces for high intensity network centric peacemaking operations, 70,000 stabilisation forces for medium and low intensity peacekeeping operations, 137,500 support forces to support missions and routine operations). A new stationing concept following economic and military considerations only. Purpose deigned, efficient and modern equipment for the armed forces, suited to match future mission requirements and to advance on the way towards network centric operation capabilities. Adjustments of universal conscription to the changed spectrum of tasks as

Country	Sector	Other issues
		outlined in the Defence Policy Guidelines.
Germany	Health	
Hungary	Other	<p>PP in its current form is over administrated and is unable to fulfil its role. Some of the directives may not be effective due to the over regulated, over bureaucratic approach.</p> <p>The new PP Act prevents the realization of efficient PP and makes the EU directives even more-mainly because the above-mentioned regulation makes PP more expensive.</p> <p>One item I should mention is procurements whose value does not exceed the national limit, yet the procedure is o complicated that the involvement of special experts is often required, not to mention the expenses of necessary human resources.</p> <p>The structure of the act is complicated sometimes even incomprehensible. Public procurement should become professional in Hungary; a new PP culture needs to be established. This requires an educational reform including the state recognition of a PP education at university level, or at least through postgraduate degrees or second diplomas.</p> <p>At educational institutes offering economic degrees PP should be put on the academic curricula as elective.</p>
Hungary	Health	
Hungary	Health	
Hungary	Other	<p>The 17/18 EU directives should be implemented to full extent (the Hungarian PP Act should incorporate the above EU directives without compromise).</p> <p>Applying PP rules lengthened the hole process considerably (compared to pre EU practices). Procurement in the energy sector is hard to plan in advance, consequently there are requests arising during the year requiring immediate solutions, (say starting a new service for example) including high value purchases. The current Hungarian PP Act is unable to provide adequate choices to handle such situations.</p>
Italy	Education	
Italy	Education	
Netherlands	Defence	
Netherlands	Local/regional government	
Netherlands	Other	<p>Two items have played a major role in recent developments in public procurement:</p> <p>1) A major fraud case in the building sector. This has lead to a parliamentary inquiry; the strongest action out parliament can take. Measures suggested by the parliament are a strong reform of both the building sector and the procurement policies the governments and the decision to make a <u>completely new procurement act</u>.</p>
Russia	Education	<p>It is very important to increase the role of state in the financing of state institutes of higher education in the Russian Federation, with the purpose of the education level increase in population.</p>
South Africa	Local/regional government	<p>Changes in the Legislative Framework</p> <p>The largest macro environmental impact comes from substantial changes in the legislative framework governing the Procurement playing field within the South African Public Sector. National Treasury started advocating an integrated supply chain management approach in November 2002. Approved by Cabinet in September 2003, the Policy Strategy to Guide Uniformity in Procurement Reform Processes in Government is intended to guide the uniform implementation of Government's procurement reform initiatives and the issuing of Regulations in terms of Section 76 (4c) of the Public Finance Management Act (PFMA), in respect of the Framework for SCM.</p> <p>The Regulatory Framework for SCM, which took effect on 2003-12-05, serves as a formal requirement to accounting officers / authorities to ensure the implementation of the SCM process as an integral part of their financial</p>

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Country	Sector	Other issues
		<p>systems. According to National Treasury's Policy Strategy accounting officers / authorities must establish SCM units within the offices of CFOs and adopt the appropriate practices and procedures as contemplated in the Regulations in terms of Section 76 (4c) of PFMA.</p> <p>The Regulations also empowers the National Treasury to issue practice notes that address relevant SCM topics with a view to ensuring uniform minimum norms and standards within government. Provincial Treasuries are empowered by the Regulations to issue further practice notes in a cascading fashion to guide the more detailed implementation of SCM functions with provinces. These practice notes may however not jeopardize national objectives.</p>
South Africa	Education	There should be an investigation on the type of procurement systems applied by various institutions/departments. An extension of this would be how do departments integrate financial procurement and asset management, principles and practices.
South Africa	Health	<p>The progress of the implementation of the new SCM, which is having an impact on procurement, is slow and thus affecting the readiness of officials for the new act.</p> <p>The principles of PPPFA are still not fully addressing the HCI imbalances.</p> <p>The department has to settle for higher prices rather than good supplier performances in order to satisfy the PPPFA requirements.</p>
South Africa	Other	
South Africa	Defence	
UK	Health	Health procurement is broadly centralised within the NI health sector and procurement services are largely provided for by CSA and RSS.
UK	Education	
UK	Local/regional government	
UK	Defence	<p>It maybe worth trying to gain a better insight into how strategic procurement goals within a context of constrained funding, along with overall contraction of the industrial base, maybe reconciled.</p> <p>This could allow a wider share and steal approach to learning from experience across government.</p>
UK	Health	
US	Local/regional government	
US	Local/regional government	
US	Education	
US	Local/regional government	
US	Local/regional government	
US	Local/regional government	<p>Our procurement department deals with both City and County procurement requirements. There are different objectives, policies and types of procurement utilized.</p> <p>There is not professional pay for professional work.</p>
US	Local/regional government	I believe ethics need to be addressed more often and at all levels of management. The idea that it's not illegal to be unethical is absurd and we need to have moral as well as legal accountability.
US	Local/regional government	
US	Local/regional government	
US	Local/regional government	
US	Education	

Country	Sector	Other issues
US	Other	Paying attractive salaries. Retention. Reducing number of Po's.

Table 12: Details of other issues by country and sector

11.4 About the questionnaire

Respondents were asked to comment on any difficulties experienced when completing the questionnaire or regarding its design. The following table lists the verbatim comments received.

Country	Sector	Comments
Australia	Education	The main difficulty in completing this questionnaire is that it bases the questions on various jurisdictional levels - i.e. National, State, Sector. Accordingly a number of questions could not be answered.
Australia	Health	
Australia	Health	Only difficulty encountered was obtaining information at a national level. Basically it isn't available and/or very difficult to collect. Perhaps it should have been asked for at jurisdictional level, but then again, it does demonstrate an issue that there is no national focus.
Belgium	Local/regional government	
Canada	Defence	Some questions looked for subjective responses on the objectives of procurement policy.
Canada	Local/regional government	
Canada	Local/regional government	
Germany	Local/regional government	
Germany	Education	Yes, questions were not sufficiently specific to local governance and to the legal requirements of public procurement.
Germany	Defence	
Germany	Health	
Hungary	Other	
Hungary	Health	Questions were difficult to interpret in the context of state based government agency.
Hungary	Health	
Hungary	Other	Didn't understand the meaning of all the questions.
Italy	Education	
Italy	Education	
Netherlands	Defence	
Netherlands	Local/regional government	
Netherlands	Other	Not having adequate information.
Russia	Education	I think the questionnaire has been formed correctly and can give the opportunity to understand problems in connection with the main theme of the conference.
South Africa	Defence	Department of defence acquires via the 2 following channels: <ul style="list-style-type: none"> Acquiring defence material and services via external procurement agency (Armscor). Acquiring commercial goods and services via own capacity or national treasury. Questionnaire was completed without any regard for acquiring of defence material via external procurement agency. (Armscor).
South Africa	Local/regional government	The definition of spend was not clear. We used the following definitions for example (which may differ from other participants' definitions): GPG does not spend its total budget on acquiring goods and services. GSSC

Country	Sector	Comments
		<p>analysed the BAS spend data to determine the Province's so-called negotiable spend on goods and services, which excludes items such as salaries and wages, medical aid, pensions, housing loans, allowances, bursaries, administration fees, donations, transfer payments and membership fees. The Province's negotiable spend consists of the widest range of economic activity within GPG over which Procurement should have an influence, both directly and indirectly:</p> <p>Non-discretionary spend include utilities, (electricity, water, telephones) and purchases from single source suppliers, such as blood transfusion and pathology services, where Procurement has no direct influence on the choice of supplier. Such items should be acquired from its single source and paid via the sundry payment route. When acquiring goods and services via the sundries route, such transactions bypass the normal purchasing route.</p> <p>The balance of negotiable spend on goods and services are discretionary spend, where Procurement should influence the choice of supplier. Such items should generally be sourced via the normal procurement process, as this not only ensure transparency on usage of public funds, but should also ensure cost effectiveness based on market related prices. This type of spend should be utilised to actively increase the level of the Province's Preferential Procurement to Black Economic Empowerment (BEE) SMMEs.</p>
South Africa	Education	<p>Our interpretation of this questionnaire is that it relates to our directorate in relation to the department. It was also difficult to identify 'one single biggest' problem as problems are integrated.</p> <p>Furthermore the National Education department functions separately from the provincial offices/departments.</p>
South Africa	Health	<p>Very broad based. It is imperative to realise that the procurement practices in each department is different, even though the same regulations are applicable. In other words NdOH is striving to ensure that the health issues are addressed first in all procurement requirement.</p> <p>It is not always easy to select the highest bidder (in points) as the quality and consistent supply is scarifying the quality of health matter.</p>
South Africa	Other	
South Africa	Defence	
UK	Health	<p>Difficult to be sure how devolved administrators are viewed, (i.e. Northern Ireland, Wales, Scotland). Are they National or State, I have assumed National.</p>
UK	Education	<p>The questionnaire is fine, however the education sector is so large, diverse and comes under the responsibility of so many organisations that it is very difficult to give an accurate overall picture.</p>
UK	Local/regional government	
UK	Defence	
UK	Health	
US	Local/regional government	
US	Local/regional government	<p>Is the use of technology a 'principle' or a tool of management?</p> <p>This would be a better survey if it used interactive web based technology, such as the NIGP pulse polls and customer satisfaction surveys. The word document format is very cumbersome. This would also be a better survey if you introduced acronyms, abbreviations, new or technical/academic constructs prior to the question, rather than after the question or at the end of the survey.</p>
US	Education	
US	Local/regional government	
US	Local/regional government	
US	Local/regional	

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Country	Sector	Comments
	government	
US	Local/regional government	
US	Local/regional government	Opinions or level of accuracy may differ depending on who within our department answers this questionnaire.
US	Local/regional government	I wasn't sure if you wanted my personal opinion or what I thought the opinions of the county were as a whole. Thank you for the opportunity to respond.
US	Local/regional government	
US	Local/regional government	Questions 5.1 and 5.2 were unanswerable many items are of equal importance. Question 6.5, too new to define a typical term of agreement.
US	Education	
US	Other	

Table 13: comments on questionnaire by country and sector

A: The questionnaire



University of Twente
Initiative for Purchasing
Studies

International Research Study of Public Procurement

IRSP2 PUBLIC PROCUREMENT QUESTIONNAIRE

Please complete this questionnaire and return via e-mail or fax by Friday *** 2004**

This questionnaire is part of the IRSP2 project. The research aims to enable an informed, participative discussion by international government procurement leaders on the current and desired state of public procurement within different sectors and within different nation states.

Throughout the questionnaire there are a variety of questions requiring different responses including multiple choice, a tick of yes or no, written or numerical data, rank ordering, and Likert scales from strongly disagree to strongly agree. We have endeavoured to make the response required clear for each question.

A report from the survey will be produced, and the findings will be presented at an interactive workshop at IRSP2 in Geneva, 2005.

To aid completion, there is a glossary of terms at the back of the questionnaire.

Please send completed questionnaire to:

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Part I

Section 1: Background

1.1	Name	<input style="width: 100%; height: 20px;" type="text"/>
1.2	Job Title	<input style="width: 100%; height: 20px;" type="text"/>
1.3	Name of organisation	<input style="width: 100%; height: 20px;" type="text"/>
1.4	Country	<input style="width: 100%; height: 20px;" type="text"/>
1.5	Sector (choose from Health, Defence, Education, Local / regional government)	<input style="width: 100%; height: 20px;" type="text"/>
1.6	Role of organisation	<input style="width: 100%; height: 20px;" type="text"/>
1.7	Nation's spend in this sector (in US Dollars)	<input style="width: 150px; height: 20px;" type="text"/>
1.8	Sector's total annual budget (in US Dollars)?	<input style="width: 150px; height: 20px;" type="text"/>

Section 2: Structure and organisation

2.1 Tick one dominant structure that best describes procurement within your sector

a) National centralised	<input style="width: 40px; height: 20px;" type="checkbox"/>
b) State centralised	<input style="width: 40px; height: 20px;" type="checkbox"/>
c) De-centralised/local purchasing	<input style="width: 40px; height: 20px;" type="checkbox"/>
d) Group purchasing e.g. consortia.	<input style="width: 40px; height: 20px;" type="checkbox"/>

2.2 Tick any structures that are present within your sector

e) National centralised	<input style="width: 40px; height: 20px;" type="checkbox"/>
f) State centralised	<input style="width: 40px; height: 20px;" type="checkbox"/>
g) De-centralised/local purchasing	<input style="width: 40px; height: 20px;" type="checkbox"/>
h) Group purchasing e.g. consortia.	<input style="width: 40px; height: 20px;" type="checkbox"/>

2.3 Which of the following best describes the role of public procurement in your sector? (Please tick).

a) As an administrative function, to deliver compliance with regulations	<input style="width: 40px; height: 20px;" type="checkbox"/>
b) To deliver value for money	<input style="width: 40px; height: 20px;" type="checkbox"/>
c) To deliver value for money and be an integral part of government's capability to deliver its policies.	<input style="width: 40px; height: 20px;" type="checkbox"/>

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d) Other (please specify)

2.4 We are involved in local (or national) collaborative procurement

a) Yes

b) No

c) If yes, please provide details of a typical local or national collaborative procurement

Arranging transversal contracts for departments.

2.5 We are involved in international collaborative procurement.

a) Yes

b) No

c) If yes, please provide details of a typical international collaborative procurement

Section 3 Human Resources/people issues

3.1 Total number of employees employed within your sector across the nation/state/?

3.2 Nationally, what is the aggregate number of employees involved in procurement within your sector?

3.3 Is there a national professional procurement body? (e.g. CIPS, NIGP, AIPMM, PMAC, SIMM/SIPMM, etc)

a) Yes

b) No

c) If yes, please give the name

3.4 Is there a national structured education and training programme for procurement professionals

a) Yes

b) No

c) Don't Know

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3.5 If yes, is the education and training programme provided by

- a) your sector
- b) the education sector: community college
- c) the education sector: university
- d) the professional body
- e) other (please specify)

3.6 Procurement is perceived in the sector as a professional, high status occupation

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

3.7 We have great difficulty in attracting recent graduates into public procurement

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

3.8 We have great difficulty in retaining qualified, experienced personnel.

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

3.9 Relative to other senior professionals in our sector, procurement professionals are well paid

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

3.10 Relative to the private sector, our procurement professionals are well paid

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

3.11 We have great difficulty in recruiting procurement professionals from the private sector.

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

Section 4: Politics, Government Objectives and Public Involvement

4.1 Public procurement is closely integrated with broader government objectives beyond value for money or cost minimisation

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

4.2 Politicians in our sector see public procurement as increasingly important

Strongly disagree	Disagree slightly	Neither agree/ disagree	Agree slightly	Strongly agree

4.3 Transparency in public procurement in our sector is increasingly important

Strongly disagree	Disagree slightly	Neither agree/ disagree	Agree slightly	Strongly agree

4.4 Public procurement in our sector is recognised as a lever for reform.

Strongly disagree	Disagree slightly	Neither agree/ disagree	Agree slightly	Strongly agree

4.5 Ethical issues in public procurement in our sector are increasingly important

Strongly disagree	Disagree slightly	Neither agree/ disagree	Agree slightly	Strongly agree

4.6 Sustainability in public procurement in our sector is increasingly important

Strongly disagree	Disagree slightly	Neither agree/ disagree	Agree slightly	Strongly agree

Section 5: Policy, Performance, Innovation and Capacity

5.1 Our procurement **policy** is centred on the following principles (please rank from 1-8, 1 being the most important)

Principle	Please rank
Value for money	
Open and effective competition	
Ethical supply	
Accountability and reporting	
Fair dealing with all suppliers	
Sustainable supply	
Transparency to the public	
Use of enabling technology	

Others (please add):	
----------------------	--

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5.2 Our procurement performance measures are centred on the following principles (please rank from 1-8, 1 being the most important)

Principle	Please rank
Value for money	
Open and effective competition	
Ethical supply	
Accountability and reporting	
Fair dealing with all suppliers	
Sustainable supply	
Transparency to the public	
Use of enabling technology	

Others (please add):	

5.3 Short-term savings still dominate performance measurement rather than long-term improvement measures

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

5.4 We do not do enough to support innovation and technological development in key supplier markets.

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

5.5 Our procurement processes inhibit the integration of procurement technologies or technologies generally into the public service in our sector.

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

5.6 In our sector, we have a highly planned approach to capacity building in supply or supplier markets in major capital spend areas.

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

Section 6: Supply Relationship Management

6.1 There is a growing move towards output-based contracting, away from concern with input-based contracting.

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

6.2 There is increasing private sector involvement in the delivery of public services in our sector.

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

6.3 There is a growing move towards Public Private Partnerships (PPPs) in our sector

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

6.4 There is a growing move to Private Finance Initiatives (PFIs)

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

6.5 What is a typical length of term of Public Private Partnerships (PPPs) and Private Finance Initiatives (PFIs) in your sector?

- a) 0 – 5 years
- b) 5 – 10 years
- c) 10 – 15 years
- d) 15 – 20 years
- e) 20 – 25 years
- f) 25 – 30 years
- g) 30 + years

6.5 PPP/PFIs are effective and appropriate

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

6.6 In major areas of spend in our sector, we develop strategic supplier relationships as opposed to arms-length supplier relationships

Strongly disagree	Disagree slightly	Neither agree/disagree	Agree slightly	Strongly agree

6.7 Stringent supplier qualification procedures act as a barrier to new entrants.

Strongly disagree	Disagree slightly	Neither agree/ disagree	Agree slightly	Strongly agree

Part II

Positioning Model

Having reviewed the “Four Stage Model” shown below, please choose the description that best describes the current stage of procurement within your sector (please tick only the most appropriate box):

- a) Stage1: Making relationships internally neutral.
- b) Stage 2: Making relationships externally neutral.
- c) Stage3: Making relationships internally supportive.
- d) Stage 4: Making relationships externally supportive.

Four Stage Model of the relationship between a public procurement agency and a supplier

Stage	Stage 1 Making relationship internally neutral	Stage 2 Making relationship externally neutral	Stage 3 Making relationship internally supportive	Stage 4 Making relationship externally supportive
Summary of the relationship		Adopt best practice Public agency has reasonable insight into the nature of the relationship	Link strategy with procurement Public sector and supplier have committed to a shared strategy with jointly agreed deliverables	World class relationship Both parties understand each other's requirements Any power struggles successfully overcome Implicit and explicit benefits arising from relationship
Characteristics of the relationship	<ul style="list-style-type: none"> Supplier places inadequate, indiscriminate bids and has no business model for the public sector Both parties are dissatisfied with the relationship Power struggles exist with negative outcomes Public agency lacks full information regarding the nature and extent of the relationship Meetings between the agency and senior managers from the supplier are infrequent or non-existent The relationship is not innovative There is no interactive learning in the relationship The relationship is unprofessional There is little or no evidence of project management The supplier regards the agency as a "low priority" customer Few or no framework agreements exist The relationship lacks financial stability 	<ul style="list-style-type: none"> Supplier bids satisfactorily but does not consider its strengths or weaknesses. A basic business model exists for the public sector Both parties view the relationship as "satisfactory" Outside parties voice concern over the relationship (e.g. media, NGOs) Evidence of power struggles can be "toned down" Supplier does not form well in performance measurement Some innovation Evidence of some project management Some financial stability exists Variable deals across the sector Some framework agreements, tendency to buy off-contract Supplier tends to favour private sector when the market is buoyant 	<ul style="list-style-type: none"> Supplier has an understanding of its strengths and weaknesses and bids accordingly. It has developed business models for dealing with the public sector Relationship is innovative but not "leading edge" Both party has a good insight of the nature and extent of the relationship Interactive learning is encouraged and supported Power struggles are addressed strategically and proactively Framework agreements exist and employed Joint approaches developed to guarantee financial stability Strategies in place to ensure commitment to relationship by both parties 	<ul style="list-style-type: none"> Presented as exemplary relationship Innovative, leading edge Interactive learning supported through advanced tools and techniques Two-way transparency Transfer of personnel between parties Joint investment and financial stability Ethical and fair relationship Customary sharing of risks and benefits Supplier places relationship above any others

Part III

“Worst” and “Best Case”

1. What is currently the single biggest problem in procurement in your sector?

2. What has been your best, most recent achievement in improving procurement in your sector (in the last 2 years) ?

Part IV

Any other issues

Please use the space below to make any comments, or write about an issue that we may have overlooked that is important to you. You may wish to add anything pertinent that may help increase our understanding of your situation.

About this questionnaire

Please use the space below to tell us of any difficulties you encountered whilst completing the questionnaire, or any comments you would like to make about its design.

Glossary of terms

AIPMM	Australian Institute of Purchasing and Materials Management
CIPS	Chartered Institute of Purchasing and Supply, with its headquarters in the U.K.
PMAC	Purchasing Management Association of Canada
Capacity building	Building up the ability of suppliers or markets to respond to demand increases
Collaborative procurement	Forming a confederation or consortia, with the aim of maximising purchasing power and keeping costs down
E-procurement	<p>e-procurement is the use of web-enabled software systems to enable the purchasing of goods and services on-line. De Boer et al (2002) identify six forms of e-procurement:</p> <ul style="list-style-type: none">• <i>e-ordering / e-MRO</i> – The process of requisition through to delivery of maintenance, repair and operating supplies (non-product related goods), including the procure to pay processes.• <i>web-based ERP</i> – The process of requisition through to delivery of product related goods through enterprise resource planning software.• <i>e-sourcing</i> – The use of Internet technology to identify suppliers for a specific category of purchasing requirements.• <i>e-tendering</i> – Performing the tender process, from requests for information to analysis and comparison of responses from suppliers, using electronic means.• <i>e-reverse auctioning/ e-auctioning</i> – The use of the Internet to facilitate either traditional or reverse auctions. The reverse auction enables purchasers to seek real-time offers from a number of suppliers.• <i>e-informing</i> – The collection and distribution of purchasing information both to and from internal and external parties using Internet technology.
Input-based contracting	The specification focuses on the resources that are needed to undertake the contract
Output-based contracting	The specification focuses on defining the required results
NIGP	National Institute of Government Procurement, with its headquarters in the U.S.A
PPP	Public Private Partnerships involve introducing private capital and expertise into the provision of public infrastructure. PFIs are a form of PPPs
PFI	Private Finance Initiatives involve the private sector in the financing and building of public infrastructure such as hospitals and in the delivery of public services
SME	Small to Medium Sized Enterprise (typically employs less than 250 people)

Thank you for completing this questionnaire

Please return to:

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Appendix B: Ranking of principles in which procurement policy is centred

Country	Sector	Value for money	Open and effective competition	Ethical supply	Accountability and reporting	Fair dealing with all suppliers	Sustainable supply	Transparency to the public	Use of enabling technology
Australia	Education	1	2	3	4	5	6	7	8
Australia	Health	1	2	6	7	5	4	3	8
Australia	Health	4	2	1	6	3	5	7	8
Belgium	Local/regional government	1	2	5	8	3	6	7	4
Canada	Defence								
Canada	Local/regional government	5	1	6	4	3	8	2	7
Canada	Local/regional government	4	1	7	6	3	5	2	8
Germany	Local/regional government	2	1	6	5	7	4	3	8
Germany	Education	2	1	3	1	1	2	2	2
Germany	Defence	1	1	8	3	1	1	3	1
Germany	Health	1	4	6	5	4	3	7	2
Hungary	Other	4	3	2	6	5	7	1	8
Hungary	Health	1	4	8	6	7	5	3	2
Hungary	Health	7	2	4	5	3	6	1	8
Hungary	Other	4	3	2	5	6	7	1	8
Italy	Education	2	1		4			3	5
Italy	Education	4	5	8	1	6	7	2	3
Netherlands	Defence	4	2	7	1	3	8	6	5
Netherlands	Local/regional government								
Netherlands	Other	1	8	7	2	6	3	5	4
Russia	Education	5	4	8	6	3	1	2	4
South Africa	Local/regional government	3	1	2	7	4	5	8	6
South Africa	Education	4	5	6	1	3	7	2	8
South Africa	Health	1	1	1	1	1	3	3	3
South Africa	Other	1	1	1	1	1	2	3	2
South Africa	Defence	1	2	3	1	2	3	2	4
UK	Health	1	3	8	2	4	5	6	7
UK	Education	1	2	8	3	5	7	6	4
UK	Local/regional government	3	2	6	7	4	5	8	1
UK	Defence	1	2	7	5	3	4	6	8
UK	Health	1	3	8	6	4	2	7	5
US	Local/regional government	1	1	1	1	1	1	1	1
US	Local/regional government	2	1	3	5	4	7	6	8
US	Education	1	2	6	4	5	3	8	7
US	Local/regional government	5	1	3	6	4	7	2	8
US	Local/regional government	5	1	2	6	4	8	3	7

IRSP2 RESEARCH REPORT

Country	Sector	Value for money	Open and effective competition	Ethical supply	Accountability and reporting	Fair dealing with all suppliers	Sustainable supply	Transparency to the public	Use of enabling technology
US	Local/regional government	5	4	3	6	2	7	1	8
US	Local/regional government	1	3	2	4	5	6	7	8
US	Local/regional government	3	1	5	6	2	8	4	7
US	Local/regional government	2	1	4	3	5	6	7	8
US	Local/regional government								
US	Local/regional government	1	2	3	4	5	6	7	8
US	Education	1	3	4	2	6	7	5	8
US	Other	8	1	5	3	4	6	2	7

Appendix C: Ranking of principles in which performance measurement is centred

Country	Sector	Value for money	Open and effective competition	Ethical supply	Accountability and reporting	Fair dealing with all suppliers	Sustainable supply	Transparency to the public	Use of enabling technology
Australia	Education	1	2	3	4	5	5	6	7
Australia	Health	1	4	6	3	7	2	5	8
Australia	Health	1							
Belgium	Local/regional government	1	2	5	8	3	7	4	6
Canada	Defence								
Canada	Local/regional government	4	2	6	5	3	8	1	7
Canada	Local/regional government	4	1	7	2	5	6	3	8
Germany	Local/regional government								
Germany	Education	2	1	3	1	1	2	2	2
Germany	Defence	1	1	8	1	1	1	3	1
Germany	Health	1	2		4				3
Hungary	Other	2	1	5	8	7	4	3	6
Hungary	Health	1	4	8	5	6	2	7	3
Hungary	Health	4	2	3	5	6	1	7	8
Hungary	Other	1	2	5	4	3	7	6	8
Italy	Education	1	1					1	
Italy	Education	5	6	8	1	2	7	3	4
Netherlands	Defence	4	2	7	1	3	8	6	5
Netherlands	Local/regional government								
Netherlands	Other	11	4	5	2	7	6	8	3
Russia	Education	5	4	8	6	3	1	2	7
South Africa	Local/regional government	1	2	7	3	4	5	6	8
South Africa	Education	2	3	7	1	4	8	5	6
South Africa	Health	1	1	1	1	1	3	3	3
South Africa	Other	1	1	1	1	1	2	3	2
South Africa	Defence	2	3	4	1	3	4	3	1
UK	Health	1		3			2		
UK	Education								
UK	Local/regional government	1	6	8	7	2	5	4	3
UK	Defence	1	3	7	4	5	3	8	6
UK	Health	1	3	8	6	4	2	7	5
US	Local/regional government	1	1	1	1	1	1	1	1
US	Local/regional government	3	2	6	4	7	5	8	1
US	Education	2	3	1	6	4	5	8	7

IRSP2 RESEARCH REPORT

Country	Sector	Value for money	Open and effective competition	Ethical supply	Accountability and reporting	Fair dealing with all suppliers	Sustainable supply	Transparency to the public	Use of enabling technology
US	Local/regional government	1	7	3		8	4	6	5
US	Local/regional government	2	6	8	3	6	7	4	1
US	Local/regional government	5	4	3	6	2	7	1	8
US	Local/regional government	1	3	2	4	5	6	7	8
US	Local/regional government	3	1	7	4	2	5	8	6
US	Local/regional government	2	1	4	5	3	6	8	7
US	Local/regional government								
US	Local/regional government	1	2	3	4	2	1	1	
US	Education	2	3	5	2	7	4	6	8
US	Other	8	6	4	5	2	1	3	7

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