

Science and practice enriching each other

IPPC 2008: international focus on procurement

No fewer than 270 participants from 43 countries gathered on 27-30 August in Amsterdam for the biennial International Public Procurement Conference (IPPC). Not only were they impressed by their wonderful setting but also by the informal atmosphere in which scientists and academics and people working in practical settings discussed various procurement issues. The following is an account of three inspiring days.

The third IPPC was organised by PIANOo, NEVI and The Department of Transport, Public Works and Water Management.

Conference chairman Jan Telgen gave a lively opening speech in the auditorium of the University of Amsterdam. He expressed his satisfaction with the number of participants from all continents and remarked that while half of the papers submitted were from scientists and academics, the majority of visitors (85%) were involved in procurement at the everyday level. 'The business is definitely on the move. An international convention like this one contributes to improved knowledge sharing about procurement. We are seeing the distance between theory and practice getting smaller. We are also able to work together to take trends such as sustainability to a higher level,' he said.

Clear procurement rules can restore confidence

After presentations by Wouter Stolwijk on PIANOo's area of expertise and Cees Brandsen on the various Water Management projects, Paul Buades, head of the United Nations' Procurement Division, showed in detail how the complex UN organisation manages the procurement of € 9 billion worth of goods and services annually. Procurement and tendering, whether in Darfur or in New York, must always follow the correct procedures. After several cases of fraud, the organisation created strict internal rules. The 167-page manual is compulsory for all, and although considered a 'monstrous document', it forms the basis of the procurement work. 'Procurement is an important instrument in restoring confidence in the organisation. We want to avoid risks and achieve the best results using the right procedures,' said Buades. The organisation also provides room for following good practical examples, provided they comply with internal rules. This is a good thing, according to the UN's head of procurement, because it is an asset as long as it has been tested and validated.

IPPC 2010 in Korea

Korean delegate Soo-man Chang emphasised the importance of transparency and efficiency, with e-procurement playing an important role. Korea seeks to be a leader in sustainability and environmentally friendly procurement. The country offered to host the conference in 2010. Participants later voted to hold the next conference in Seoul, to be followed by the United States two years later.

After the opening, the international group split up and headed off to the various sessions in the Felix Meritis building. Public-private partnerships, competition, business models, accountability and sustainability were some of the main themes of the 81 presentations given over three days. There were often interesting discussions with the audience. In his presentation, researcher Marco Falagrio of Italy demonstrated that the calculation model he had developed might help governments set a maximum on the number of bidders. The model shows the optimal number of bidders for a given tender. Although governments are not legally permitted to set a limit, it could prove effective and efficient to do so, said Falagrio. This resulted in an interesting discussion of the cost of tenders, including in the subsequent stage once the contracts have been signed.

Emery Prenen, a procurement consultant, began his session in a playful manner by handing out slave-free Tony Chocolonely chocolate. This immediately provoked discussion among

participants on the social aspects that may be included in procurement. He remarked that this only occasionally occurred in descriptions on the Dutch tendering agenda. He also launched a wiki – a virtual collaborative area on the Internet and a call to cooperate on sustainability in procurement: www.gogreenpublicprocurement.wetpaint.com

Helen Walker of the University of Bath School of Management in the UK told of her experience in training procurers at a local medical centre to embed sustainable procurement in the organisation. A good example involved the hospital buying its food locally, taking social needs into account, instead of obtaining it from far away. This was beneficial for the patients and good for the local economy.

These are just a few examples of the many sessions that were held. The atmosphere was mostly informal and convivial, and this was reinforced by the beautiful summer weather. Many conversations were also continued outdoors on the patio. All in all, the conference was a success and an excellent rapport developed between scientists and academics and people working in practice.

Richard Doyle, Director of the Education and Training Company at the University of New England, Australia remarked:

'I am above all a man of practice, not an academic. Acquiring knowledge of new trends in the business and networking are my main reasons for attending this conference. Practical examples are always useful. As in the UK, the Australian government has primarily organised procurement centrally. This means you can't use everything that someone else does, but it is indeed inspiring to talk about it.'

Reida Shahollari from the Public Procurement Agency in Albania had the following observation:

'Good legislation and the right people to do the work: that is the basis of good procurement. Albania is a developing country. We can serve as an example to others in our aim of greater transparency; I will be talking about this in a session. To a certain extent, we are following the example of Croatia, where there is a similar development. I am also very interested in the experiences of others in e-procurement. And of course I am enjoying visiting Amsterdam!'

Willy Turyahikayo from Kyambogo University, Uganda said:

'I am particularly interested in knowledge of sustainability and social aspects and how they can be incorporated in legislation or integrated in the procurement process. It's very good to meet so many people who are involved in practice! I will be cooperating in a project at Twente university in the near future and then returning to Uganda. I think it is important to talk about developments in our country. I will taking home what I learn here.'

Two winning papers

A jury of experts evaluated over one hundred papers submitted and awarded prizes to two. The article by Italian researchers Gian-Luigi Albano and Marco Sparro, entitled 'A Simple Model of Framework Agreements: Competition and Efficiency', offered a good mix of practice and theory, in the jury's view, focusing on the current discussion on EU directives and a phenomenon such as framework contracts. The researchers point to the risks that government can run with framework contracts, which are popular. These do not always result in the desired offer. Albano and Sparro make it clear that government organisations must indicate their priorities: the cheapest bid or the most efficient?

The best short article was by David Escobar of Chile. His article, 'Eliminating barriers for MSEs in the public procurement marketplace in Chile', is based on solid research and is written in an accessible manner, according to the jury. It deals with the problem of access by micro and small enterprises (MSEs) to government orders. Chile opted for transparent, efficient measures to assure access to the market - a useful example for others.