

THE GOVERNMENT CONTRACTOR®

Information and Analysis on Legal Aspects of Procurement



Vol. 64, No. 34

September 14, 2022

Focus

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A Brief Introduction To Gustavo Piga's 'Transformational Procurement'

Istanbul (and before that Constantinople), often referred to as the “crossroads of the worlds” (or, at a minimum, Europe and Asia), was where, nearly 20 years ago, Dan Gordon (then, still at the Government Accountability Office, prior to the Office of Federal Procurement Policy and, later, George Washington University Law School) and I first met Gustavo Piga. At the time, Turkey was undergoing a significant public procurement reform effort, see, generally, Kadir Akin Gozel, *Reforming Public Procurement Sector in Turkey* (Chapter 4, IPPA, 2005), and we were pleased to have been included, with delegates from the leading international organizations and innumerable states, to offer insights at a massive conference hosted in a (frankly, over-the-top) lavish hotel overlooking the idyllic Bosphorus Strait. Despite Istanbul’s attractions—and, to be clear, there are many—and, while I can’t speak for Dan Gordon on this, my sense is that the most valuable and longstanding legacy of that trip for me was the opportunity to engage with and form an ongoing relationship with Gustavo.

Professionals in our field, in 2022, take for granted that public procurement policy and reform efforts benefit and borrow heavily from lessons learned, best practices, and, yes, mistakes made by other countries’ systems. Not so long ago, this type of sharing, let alone cognizance, was not only rare, but frequently dismissed. (I know, I know, readers of THE GOVERN-

MENT CONTRACTOR cannot imagine a scenario in which American Exceptionalism (the far more benevolent packaging of arrogance, close-mindedness, or, for the acronym purveyors, NIH (or “not invented here”) might lead policymakers to ignore innovations abroad, so you’ll just have to take my word for it.) We’ve come a long way.

Over the last two dozen years, my colleagues (in particular, Professor Chris Yukins) and I have traveled to more than three dozen countries, worked extensively with most of the leading international organizations, and helped cultivate a global community of public procurement academics, researchers, policymakers, and practitioners, in fields including, but not limited to, law, policy, economics, business, engineering, statistics and data analytics, and increasingly, environmental sciences. From primary nodes here in Washington, D.C. and, in the United Kingdom (primarily Nottingham, the land of Robin Hood), to South Africa and South America, the network grew to include, well, Italy (from Turin to Rome and beyond), which brings me back to Gustavo.

Just as my emeritus predecessors at GW Law, Ralph Nash and John Cibinic, created an academic degree program in Government contracts in the early 1960s, Gustavo Piga turned an ambitious vision into reality by inventing and launching a dramatically different, uniquely impactful interdisciplinary degree program at the University of Rome Tor Vergata, the International Masters of Public Procurement Management (IMPPM). See, generally, *master procurement.eu*/. Here at GW, we don’t consider the IMPPM a competitor; indeed, we have consistently supported it in various ways since its inception. As much as we respect the program’s vision and content, what we find most admirable is that the European Bank for Reconstruction and Development (and other financial institutions, such as the African De-

velopment Bank and Islamic Development Bank) have supported the program from the outset, generously underwriting, and, more broadly, investing in, future public procurement leaders from developing countries. Looking back on the program's first decade, it is difficult not to be awed by the impact of that investment around the world.

All of which brings us back to the Feature Comment that follows. In June, after Gustavo presented the findings of his (admittedly unscientific, but nonetheless informative) study at a plenary session at the University of Nottingham's global procurement conference, I persuaded him to summarize his presentation for American procurement professionals. If nothing else, we often find that longtime Government contracting professionals take some comfort in finding that, around the world, the pathologies and challenges and irritants (minor and major) that bedevil our days are not quite as unique as we previously assumed.

Not surprisingly, most states (and most experts) bemoan inadequate staffing, credentials, training, professionalization of, and respect for, procurement professionals. (Conversely, the numerical sequence "1102" means nothing outside of our borders, but I digress.) Most states struggle with the delicate balance between, on the one hand, empowering procurement professionals to exercise discretion with an eye towards generating value-based, customer-satisfying decisions for program managers and end users, and, on the other, combatting corruption and suppressing fraud to a manageable level. Moreover, as the shape and texture of U.S. federal procurement morphed over the last quarter century through the implementation and subsequent explosion of indefinite-delivery/indefinite-quantity contracts and interagency procurement vehicles, the global community followed a similar path under the umbrella (please forgive the pun) of "framework agreements," which, among other things, drove "centralization" of previously "decentralized" procurement.

I hope you find Gustavo's summary of his survey as interesting as I did. It never hurts to be reminded that you're not alone.



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FEATURE COMMENT: Transformational Procurement—The Past And Future Of Global And Local Public Purchasing—Views From The Expert Community On What Public Money Did And Will Still Need To Buy

Introduction—The world has changed dramatically, in many instances in ways that were difficult to forecast even only 10 years ago—climate change, wars and renewed or novel military tensions, COVID, uncertain and no more unstoppable globalization, large financial crises and their social repercussions, and technological accelerations—are just some of the most notorious components of a longer list of such new factors affecting the global and local scale.

The public sector is obviously an important actor affected by and affecting these changes, sometimes for the better and sometimes for the worse, depending on the quality of the government's reactions and decisions. Within public choice, procurement plays a key role in that it is supposed to provide for the public goods that citizens demand in times of crises, emergencies, difficulties. It is therefore only natural to ask oneself how did public procurement react to such a changing environment, and how it is likely to adapt or how it should adapt in the future.

One of the many ways to gauge this is to directly ask public procurers themselves. In this paper, I instead rely on a specific community of experts involved in teaching, researching, defending in court, and financing public procurement, i.e. a community that is just one step away from the process of purchasing but is nevertheless asked or willing to collaborate constantly with this said family of procurers. I therefore bring to the reader the responses of such a community of experts in procurement by analyzing the responses they gave to a brief survey created to shed some light on what, according to them, happened and what is likely to happen in the future decade to public buying at the global and local scale.

Below, I describe the questions that were asked, and the characteristics of those experts who were kind enough to take time off to answer them. I then discuss the results of the survey and briefly ponder some possible general schemes for interpreting them. Finally, I conclude with some overall reflections on the role of public procurement that seems to be in need of arising in research, debating and consulting from these answers.

Questions and Answers—I asked the members of a specific public procurement community to answer the following four questions:

- (a) “Looking BACK over the past 10 years, in your opinion, what has been the most significant change in the field of Public Procurement at the GLOBAL level?”;
- (b) “Looking BACK over the past 10 years, in your opinion, what has been the most significant change in the field of Public Procurement at the/your LOCAL level?”;
- (c) “Looking FORWARD what do you anticipate will be the most significant change in the field of Public Procurement at the GLOBAL level?”;
- (d) “Looking FORWARD what do you anticipate will be the most significant change in the field of Public Procurement at the/your LOCAL level?”

It should be stressed that each person compiling the survey could provide multiple answers. The period of 10 years was chosen not only so as to include the impact of some major events like the ones described in the introduction, but also so as to be able to include significant specific modifications in the public procurement context, like the one of the 2014 European Union Directive revolution and the World Trade Organization Government Procurement Agreement 2012 renegotiation, at the same time allowing for time to elapse so as to let their effective implementation and/or impact have a chance to materialize. Symmetrically, the same amount of years were chosen for future predictions and/or wishes.

The reader should be aware that two main degrees of freedom were left to the respondents on how to interpret certain questions. First of all, I left uncertainty as to how the questions (b) and (d) would be understood by the respondent as for the meaning of the word “local.” This spatial concept was left to be interpreted either as universal (a con-

cept of local detached from a specific locality) or at a personal level (the respondent’s locality). Second, when it comes to the questions (c) and (d) related to the future, while I have asked the respondent to produce a descriptive/positive personal forecast (“how procurement will be 10 years from now”), it could not be excluded that some respondents would exercise their right to emit a more prescriptive/normative answer, by mentioning what it is that should be happening for society to be better off, leaving aside the likelihood of whether such an event will or will not happen.

The request for answers was sent to a number of public procurement experts who, over the years, were in contact with me mostly thanks to the several trainings and conferences I have attended and/or organized. The number of persons that responded was 26, a good share of the people who were sent the questionnaire but a number that in itself limits the scientific value of this note, which should be taken simply as an opportunity to generate a (possibly) interesting dialogue within a community of experts and among public procurement professionals.

Finally, the list of final respondents embeds a series of biases that the reader should be aware of, for a better understanding of the final results and of the possible limitations of my interpretations. The 26 respondents to whom the questionnaire has been sent belonged to the following professional communities of public procurement: 14 were university professors, four were consultants, two were national regulators, three were multilateral development bank members and three were lawyers. Please note that while none of them was effectively a procurer when the questionnaire was sent, a limited number of them had been so in their previous professional life. Seventeen of them, almost two-thirds of the respondents, are citizens of the European Union. As I strongly wished in advance, respondents were people coming from different disciplines. This allowed not only to pay tribute to the interdisciplinarity of the public procurement field but also to try to interpret the dominant results as the view of a fictitious “representative procurement expert” entrusted with skills from different disciplines. In fact, 10 of them had a legal background, five an economic one, four a management one, four an engineering one and three a further different one. I did not participate in the survey.

The Results—*The Past 10 Years of Public Procurement at the Global Level: Awareness With or Without Implementation?*: Answers to what have been the most significant changes in public procurement at the world level showed a predominance of positive/optimistic views of the global evolution of public procurement. These changes ranged predominantly in the realm of sustainability—which one respondent qualified as “the social and green criteria new building blocks”—and of digitalization (seven answers each). Increased professionalization followed at a distance (three answers). Significantly, four respondents used the theme of greater “awareness” of the benefits of public procurement, a “soft” novelty that also introduces a parallel dilemma: was this awareness capable of generating change? An issue we will come back to below.

There were then some answers that raised an implicit internal debate among respondents as to whether some changes should be considered a positive or negative trend, highlighting a possible conflict of opinions and values. These mostly referred to the issue of a recent “renationalization” of public procurement (three respondents), paralleling the debate out there on globalization at large: is it good or bad that public procurement could have experienced a (possible) retreat from global standards? A similar contentious topic is embedded in the issue of (three respondents) “more global suppliers”: does this imply the positive slant of less discrimination or the negative one of excessive standardization (the WTO was mentioned in one of the answers)? It is not for me to answer this, but simply to report this grey (but fascinating!) area of debate.

Finally, for someone, the past happening in public procurement at the global scale carries with it some definitely negative traits. One researcher commented that more and more governments are resorting to buying “privacy intrusive technologies,” whether for defense or police purposes. The negative surveillance features of these purchases is a worthy issue to mention so as to raise appropriate ethical considerations (more on this in the final comments).

In a different spirit was one additional comment arguing that there were many ideas that circulated in this past decade but “no implementation.” I consider this as a “negative” comment that is in a sense the perfect complement to the positive one mentioned above of greater awareness. It is worth quoting such respondent:

The ideas on how to execute public procurement are well thought and intentions were good (directives, handbooks, guidelines, competence frameworks), but implementation is still lacking (far) behind. Very small degree of open EU markets, small degree of applying sustainability as award criteria, small degree of applying specific procedures for innovation procurement, etc.

Did we or did we not achieve impact and change in societies across the world with all the various (legal and non-legal) changes and debates that took place in this past decade?

The Past 10 Years of Public Procurement at the Local Level: Ambitions Without Resources?: Answers to what were the most significant changes at the local level also showed a predominance of positive/optimistic views of the evolution of public procurement in these past 10 years, but with a slight different focus of analysis, as it should be expected, and a greater variety of issues being mentioned. Sustainability is still central in having driven the change (four answers), with however a specific subset of issues pertaining to the local domain like “cities” and “0-km purchases.” Digitalization (three answers) and professionalization (two answers) remain relevant, while interesting new issues emerge like increased collaboration/sharing among buying entities (two answers) and partnerships for innovation (two answers).

Even in the responses to this second question, some grey areas of potential disagreement among respondents arise, especially for what regards what some respondents recognize as the case of the harmonization and convergence with central buyers (three answers), which some others in a sense deny when they argue that a politicization of local procurement took place (two answers). Still others worry about mentioning the reduced autonomy due to centralization (one answer).

As for the negative, one mention is made of the “secretive” nature of some processes of tendering. This refers to lack of transparency in strategic public purchases of municipalities while instead local citizens should be informed. Some of those surveyed, probably located in the United Kingdom, see with preoccupation the “obsession with deregulation” that Brexit led to in this country (three answers), also highlighting the different lenses with which one can understand the concept of local.

Interestingly, one answerer pointed out that “more knowledge and more professionalisation do not translate into different and better paid jobs.” The surveyed person goes on saying that at the local level,

the political level of ambition is constantly rising (and in shorter cycles in terms of time) while the readiness to invest in more procurement specific resources remains unchanged. This has many consequences. One of them is e.g. that the number of rules is constantly rising (old rules are not checked if they are obsolete). This requires more public procurement regulation knowledge. But (!), jobs in public procurement are still paid the same and still focus on traditional competences and skill sets. Hence, more knowledge and more professionalisation do not translate into different and better paid jobs. As a consequence the attractiveness of working as a public procurement officer is declining.

One should point out a similarity with the dominant theme in the global changes of the past decade in the previous section. There we spoke of a contradiction between awareness vs. implementation while here, at the local level, it is possibly more a contradiction between the level of ambition vs. the necessary need of resources.

Did we or did we not achieve impact and change in the local public procurement or has little changed because of an excessive degree of fiscal frugality that has halted precious investments in capacity building meant to reduce waste and increase effectiveness?

The Future 10 Years of Public Procurement at the Global Level: Sustainability vs. Uncertainty: What do the 26 respondents now anticipate will happen in the next 10 years to public procurement at the global level? Generally, what emerges from the answers received is a desire, or a belief, that the previous mentioned “awareness” needs to or will become at last large-scale “implementation.”

Indeed, at the global level, an acceleration of the implementation of sustainable practices is either expected or recommended, in line with a more general societal and political view of the future inevitability of sustainable practices and, hopefully, outcomes. Ten answers refer to concepts like promotion, integration, practice, monitoring, mitigation, and the politics of sustainability. The

number of respondents who chose digitalization also remains high (seven answers), with a specific reference to “machine learning” as one specific future dimension.

Competences (three answers) will/should be more accepted as an inevitable tool of change and improvement, possibly coupled with greater autonomy. A further stepback of global procurement is mentioned by two respondents, also due to the increased role that global geopolitics is expected to play in this sense.

A stark and interesting reference is made to the consequences of a future of greater uncertainty. While this may not necessarily fall in the realm of negative outcomes, it points at a challenging task ahead for better public procurement. Reference is made to issues like urgency, complexity, joint purchases, politics, and more defense. As one said, “unfortunately, a lot of changes depend on the global political situation. High uncertainty is one of the factors that should be taken into account in designing public procurement rules and procedures at least in the next five years.”

How will the inevitable drive for sustainable outcomes interact with the greater level of uncertainty we are apparently destined to? Will these two factors be substitutes (see the energy debate in the EU following the invasion of Ukraine) or will they be complementary (see how the COVID debate has pushed toward prevention and planning ahead in public procurement)? And if and when they are to be substitutes, how should we debate and face the trade-offs embedded in this relevant realm of public choice?

The Future 10 Years of Public Procurement at the Local Level: Accountability vs. Incompetence: As in the previous global discussion, sustainability, with reference to local suppliers, short supply chains, districts of innovation, is a dominant feature for the next decade of public procurement at the local level. Several answers refer to it under many dimensions.

Interestingly enough, professionalization receives (four answers) more forecasts or recommendations at the local level than at the global level, as if to hint to a greater need in the former. Centralization of data and an anticorruption stance (four answers) hint at a worry that local procedures are more at risk of capture, confirmed by the fact that decentralization is recommended for future sustainability but traded off with a greater worry that

incumbent (local) politicians may distort allocations from the optimal one.

It is equally interesting to read that this anti-corruption worry arises forcefully only in this final part of the questionnaire. It is as if, once the lamented (discussion of past procurement at local level) lack of resources at the local level of procurement were to be solved, one would be requiring a greater attention to accountability issues so as to make resources compatible with lack of waste.

Innovation, a feature strictly related to the future, does not always come out as a positive outcome for society. One respondent hinted at the risk, for the future, of the public purchase of technologies containing biases resulting in discrimination (whether at the sourcing phase with algorithm-based or human-free purchasing techniques or even when directly purchasing technologies that have such discrimination embedded in them).

A company that predicts the probability of a person lying on a form based on a lot of variables such as mouse movements, speed of typing, accelerometer (if the person is using a mobile device). The main clients are (today) insurance companies, but should the local/federal government start to pay attention, this will become a dangerous prediction tool.

The reference to this ethical issue, which could also arise at the global level, seems to find a possible solution with the fight for better competences for local procurers through capacity building activities and investment.

Finally it should be stressed that one respondent argued forcefully for more local level public action: “my hope is that the movement for much more conscious public action at the local level will open up more innovation procurement for sustainability in the broadest sense.” Not a prediction or a forecast, but a normative hope for what looks like a necessary and non-avoidable greater involvement of society at large (consumers, citizens, firms) in the local procurement processes.

Professionalization and accountability are strategic complements: the more an organization invests in one, the higher the returns of the other. A more professional force in public procurement makes accountability become the norm rather than the exception with greater likelihood; a more accountable procurer can see the personal advantages of professionalization become more rapidly recog-

nized within the organization. So how we make local politicians ignite this reinforcing virtuous circle will become key to reap the advantages of both for the benefit of society at large.

Final Comments—While so far I have as much as I could refrained from giving a personal view of my colleagues’ answers, let me tackle what I have learned by putting together so many and only apparently disparate and varied reflections on the past and future of public procurement at the local and global level. In doing this, I like to think that, as the procurement process is a fundamentally interdisciplinary process, the interviewed community—that I was lucky and privileged enough to mobilize—could be thought of as a “representative agent” of public procurement, which acts by listening to the various disciplinary angles and tries to represent them optimally while trading off the various different concerns.

The table below sums up the previous section by allocating in each cell my view of the main evidence arising from the respondents of this small but competent community of experts of public procurement. Under the “Global” and “Local” columns in the chart below, the plain text shows the “positive aspects,” italics shows the troubling ones and bold text shows the ones posing dilemmas to our representative agent.

	Global	Local
Back	Awareness National-Privacy <i>Implementation</i>	Collaboration Politics-Secretive <i>Resources</i>
Forward	Implementation Geopolitics-Data <i>Uncertainty</i>	Accountability Decentralization <i>Bias</i>

One last thought is in order. In the light of these results related to the past and future of public procurement, where does this leave us in terms of anticipating/wishing for what are going to be the most significant changes in the field of *studying* rather than practicing Public Procurement? Several ideas could come to mind, I am sure, but let me share here my own view. Given that the future that seems to be waiting for us is—more than before—permeated by an uncertain context centered around more data, more urgent needs, more role for geopolitics, more crises than we expected 10 years ago, shouldn’t we have to dedicate ourselves, more than before, not so

much to studying processes, allocations and execution of public procurement but to an issue that we seem often willing to skip as procurement analysts, the one of *what* are we to buy?

If we do that, the answers obtained seem to hint that hopefully sustainable objects and services will become the norm in the public purchasing realm and that we will judge something bought according to its attached sustainability. We will also buy more data-related technologies: and here we will be called to judge these objects purchased not only according to their usefulness but also according to their ethical potential, whether in terms of excessive/unwarranted incorporated surveillance or bias and discrimination. Finally, we are going possibly to be called to determine as to whether defense-related procurement carries with it as requirements not only the ones of efficiency or effectiveness but also the ones of its dangerous potential for destruction at the global and local level, just like for anything that is not green nor socially sustainable.

This ethical component of the many challenges public procurement will have to face in the 21st century brings about a final question which relates

to the fact that the public procurement analysts community, already so interdisciplinary, should possibly need to go one step further and become more open to political philosophers and political scientists in its analysis of the public procurement domain. So, following political philosopher Michael Sandel and paraphrasing the title of one of his most successful books, we who study endlessly the concept of value for money in procurement, shouldn't we start asking ... what it is that money, in public procurement, can't buy?



This Feature Comment was written for THE GOVERNMENT CONTRACTOR by Prof. Gustavo Piga, University of Rome Tor Vergata, Department of Economics and Finance, gustavo.piga@uniroma2.it. I am grateful to participants and organizers of the Global Revolution XI Conference at the University of Nottingham for insightful comments and encouragements. I thank Simone Borra, Annalisa Castelli, Steve Schooner and Christopher Yukins for their advice. My warmest thanks go to the 26 respondents of the survey that allowed for this short note to materialize.