



Good Practice in Procurement

“We know why projects fail, we know how to prevent their failure – so why do they still fail?” Martin Cobb, Treasury Board of Canada Secretariat.

EURIM has distilled the reports and guidance on procurement produced by the Office of Government Commerce, the National Audit Office, the Audit Commission, Intellect (the Technology Trade Association), the British Computer Society into 4 pages, including links to the sources. www.eurim.org.uk/activities/pubproc/0904-Good_Practice_in_Procurement.pdf.

The key points are:

1. Agree clear business outcomes before you start

Procurement should not start until those at the top have set clear, achievable, objectives - including what “success” means and how it will be measured. It is lack of clarity and consistency with regard to objectives, not size or complexity, that makes public sector projects riskier than those in private sector.

2. Be realistic and candid about risk, especially politically related risk, at all stages

The cost of public service contracts reflects the risk of changing political objectives and priorities in the face of external pressures. The transfer of unmanageable risk increases cost. Risk is best managed by those in a position to take timely and effective action.

3. Avoid inventing new wheels: reduce risk by recycling and adapting where possible

Most public sector projects can be delivered using technologies that have been tried and tested elsewhere. The bigger challenge is the need for changed ways of working on the part of those using the new systems. Management and staff need to be motivated to welcome change that enables them to deliver tangible benefits, rather than for its own sake.

4. Do not over-emphasise price: lowest cost is rarely best value or service

Pressing suppliers too far on price is counter-productive. They will ultimately have no choice but to cut quality by, for example, using cheaper, less experienced staff. Best value also requires looking at the solution proposed, relationship, delivery approach and behaviour.

5. Focus on rewarding achievements, not on penalising failure

Incentives need to be thought through: time to answer calls, for example, should not become more important than providing a satisfactory answer. Shared programmes to develop skills in relationship management and disputes avoidance can help cement co-operation.

6. Regularly monitor performance and continued relevance of outcomes

It is good practice to agree a Joint Statement of Intent between senior executives in the customer and supplier organisations, in parallel with awarding the contract. This should then be communicated to all involved as the basis for ongoing review of delivery, including whether the outcomes are still relevant and achievable.

7. Do not skimp on testing, including of security, resilience and people processes

Additional testing cannot make up for deficiencies in specifications but it is essential that projects under time or cost pressure do not economise on planned acceptance testing, particularly with regard to periods of use under working conditions by typical operations staff before going live.