

Chapter 32

Managing Collaboration in E-Procurement

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ABSTRACT

While e-procurement provides efficiency and cost-savings, are governments that are utilizing these systems really getting what they want, particularly when procuring services? While e-procurement provides governments methods to communicate better with service providers and have access to more service providers, do the systems allow for collaboration? As there is a significant amount of research the issues related to procurement in the U.S., this chapter will use it as an example to demonstrate the need to collaborate and not just communicate. For years there has been discussion on the issues and reforms to the U.S. federal procurement process. One of the major issues is communications and collaboration. Goodrich provided in his Federal Times article “6 simple fixes for the federal procurement process.” Five of the six areas involve communications and collaboration: poorly conceived documentation; contracting offices and program offices working as a team rather than independent; lengthy procurement decisions; government understands what they bought; and talk with industry. This chapter provides the background of the procurement process, current trends and recent approaches. It explores how the Alpha contracting method could be applied to Contracts by Negotiations / Full and Open procurements. Finally, it provides a Collaborative Government Model which takes a holistic and strategic approach to collaboration. There is a need to approach this collaboration in a strategic manner as it includes facets such as hierarchy, networking, and inter-personal interactions that are not linear in nature.

INTRODUCTION

Regardless of which country you are in, a significant amount of the governments' budgets are procurement-based for goods and services. As a large cost-driver, realizing efficiency and cost-savings has become a priority and as a result, federal and local governments all over the world are moving to E-procurement

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systems. (Cabras, 2010, p. 1134). Cabras (2010) states that “E-procurement is seen as a powerful means of achieving efficiency and ‘has an indirect effect on cash savings by providing the access to good deals.” (p. 1134). Takach (2008) describes E-procurement as “the process by which governments save costs and increase ease of use by uploading paper-based forms onto a website, so the public can download them.” (p. 16). Most systems also include the ability for the supplier to create an account to track opportunities. (Takach, 2008, p.16). The result is “easier and cheaper bidding” as there are more participants responding to the bid requests creating greater competition. (Takach, 2008, p.16).

Purchasing of commodities is straight-forward as the government is able to clearly define their requirements. Services are not as easy to procure as governments may not be able to clearly define what it is that they require. Simply communicating the requirement out to suppliers may not be enough. Merriam-Webster (n.d.). defines communicate as “to give information about (something) to someone” or “to get someone to understand your thoughts or feelings.” Which is what the E-procurement system is doing successfully with the purchasing of goods. The definition for collaborate is “to work with another person or group in order to achieve or so something” (Merriam-Webster, n.d.). Unfortunately, most E-procurement systems are one-way systems where information is communicated from the government to the supplier and supplier back to government. When procuring services, governments need to collaborate more than communicate. There are some systems that have “social media” type systems arrangements where there is more “real-time” collaboration but collaboration also has its own “issues.” what is the implication here.

Today’s public managers engage in collaborations in order to address complex problems and/or to carry out the mission of their organization in a more effective manner. This imperative compels such public officials to venture beyond their traditional hierarchical operating arrangement and work with other, like-minded individuals as it concerns a particular governmental service domain (Frederickson, 1999; Agranoff, 2004; Goldsmith & Eggers, 2004; Meeks et al, 2006; Campbell, 2012; Shakya, 2015). Importantly, these other individuals are not under each other’s control as they work together in a shared-power environment with the aim of mitigating a problem or delivering a complex service.

But what transpires when these individuals engage in a collaboration? Do we find that the hierarchical structure drives the nature of the collaborative operating environment or does the network that binds the “like-minded” participants provide the core direction in terms of eventual actions and outcomes? In turn, insights in terms of these important queries can be explored as it relates to the complex operating environment associated with the government procurement function. Implicitly, the manner in which collaboration emerges within the E-procurement function calls for a consideration upon those facets inherent in a more strategic, holistic management framework in which complexity is the norm.

For years there has been discussion on the issues and reforms to the federal procurement process. In 2003, Congress passed the Service Acquisition Reform Act which created the Acquisition Advisory Panel which was tasked in reviewing the laws, regulations and government-wide policies on and to make recommendations to the Administrator of the Office of Federal Procurement Policy (“OFPP”) (Report of the Acquisition Advisory Panel to the Office of Federal Procurement Policy and the United States Congress, 2007, p. ix.). This report was originally to be submitted at the end of 2003 but was extended until the end of 2006 (Report of the Acquisition Advisory Panel to the Office of Federal Procurement Policy and the United States Congress, 2007, p. ix.). As Goodrich (2015) states that because of this report, “...much has been done to address the ‘mechanics of procurement,’ but little has been done to address the human aspect of procurement, either on the government or the contractor sides.”

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