

Chapter 1
GLOBAL PUBLIC PROCUREMENT THEORIES AND PRACTICES:
AN INTRODUCTION

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INTRODUCTION

Public procurement is continuing to evolve both conceptually and organizationally. That evolution accelerated since the 1990s as governments at all levels came under increasing pressures to “do more with less.” Indeed, all governmental entities of rich and poor countries are struggling in the face of unrelenting budget constraints; government downsizing; public demand for increased transparency in public procurement; and greater concerns about efficiency, fairness and equity. Additionally, public procurement professionals have faced a constantly changing environment typified by rapidly emerging technologies, increasing product choice, environmental concerns, and the complexities of international and regional trading agreements. Further, policy makers have increasingly used public procurement as a tool to achieve socioeconomic goals (Thai, 2007, Albano, Snider & Thai, 2013).

In this environment, public procurement has become much more complex than ever before, and public procurement officials must deal with a broad range of issues. They have been walking on a tight rope in:

- Balancing the dynamic tension between (a) competing socioeconomic objectives, and (b) national economic interests;
- and global competition as required by regional and international trade agreements;
- Satisfying the requirements of fairness, equity and transparency;
- Maintaining an overarching focus on maximizing competition; and
- Utilizing new technology to enhance procurement efficiency, including e-procurement.

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Established in 2004, the International Public Procurement Conference (IPPC) has become a unique forum for exchange of knowledge and information in public procurement among international experts in this field. Through the four previous conferences, many experts from various backgrounds shared their views and experiences on critical issues of public procurement. The fertile mixture of experiences, interests and contributions that emerged in the last six conferences represents an important basis upon which to build the 7th International Public Procurement Conference (IPPC7).

Similar to previous conferences, IPPC7, held in Bali, Indonesia, August 3-5, 2016, has the following unique characteristics. It will deepen the interdisciplinary research on public procurement. Public procurement research can be accessed from various academic fields, including law, economics, public administration, business administration, and construction management, to name a few. It is the tradition of IPPC that experts from various academic backgrounds share their views, thus crossing barriers between academic fields. This tradition continued and broadened in IPPC7. In addition, IPPC7 will strengthen the link between the practitioners and scholars in finding solutions to harmonize various objectives in public procurement. Public procurement has many objectives, including transparency, competition, efficiency, value for money, socioeconomic objectives, among others. Because these objectives sometimes conflict with each other, it is necessary to harmonize these various objectives. To cope with this challenge, it is important for practitioners and scholars to cooperate with each other. Practitioners should give explanations of actual problems in their harmonizing efforts, and scholars should make every effort to address these problems with sound theory and analysis.

In this chapter, the editor provides a conceptual framework for two major themes in this book: public procurement as a policy tool and performance-based public procurement. The remaining section of this chapter provides brief summaries of sixteen chapters. As mentioned in the book preface, through a rigorous peer review process, these chapters were selected from a pool of ninety four papers that were submitted to the seventh International Public Procurement Conference that this editor co-host.

Public Procurement as a Policy Tool

In developed as well as developing countries, disregarding their economic, social, and political environment, a sound procurement system seems to have two groups of objectives: procurement and non-procurement. The procurement objectives normally include quality, timeliness, cost (more than just the price), minimizing business, financial and technical risks, maximizing competition, and maintaining integrity. Non-procurement objectives normally include economic objective (preferring domestic or local firms), environment protection or green procurement (promoting the use of recycled goods), social objectives (assisting minority and woman-owned business concerns), and international relations (global trade agreements) objectives. It is very difficult for policy makers and public procurement professionals to make an optimum decision. Public procurement officials walk on a tight rope, as they are always facing the issue of tradeoffs between these goals.

Market Environment

Market conditions have a great influence over the public procurement system's effort to maximize competition. Moreover, the market determines whether or not socio-economic objectives of procurement are accomplished, whether or not a governmental entity can fulfill its needs; the timeliness of fulfillment; and the quality and costs of purchased goods, services and capital assets. As there are different levels of economic growth among countries in the world, market conditions are very favorable in industrialized countries, while they may be unfavorable in developing countries.

Even under a perfectly competitive condition like that in the United States, some supplies and services are required only by the government (particularly for weapons systems) and are available in the market. This is a captive market which is limited in scope and competition.

Also as markets become more and more globalized through regional and international trade agreements and treaties, the public procurement system has to be adjusted and become more complicated. Indeed, public procurement professionals face additional challenges including communication, currency exchange rates and payment, customs regulations, lead time, transportation, foreign government regulations, trade agreements, and

transportation. Thus, before embarking on a foreign purchasing program, public procurement professionals must carefully assess the total cost implications and compare them to domestic costs. Public procurement professionals are torn between free trade agreements and their countries' economic development/stabilization policies when they face a hard choice between selecting domestic or foreign firms.

Legal Environment

Different from public procurement regulations and rules, the legal environment refers to a broad legal framework that governs all business activities including research and development (regulations dealing with safety and health of new products), manufacturing (safety and health regulations at workplace and pollution control), finance (regulations dealing with disclosure of information), marketing (regulations dealing with deception of advertising, disclosure of product characteristics), personnel (regulations dealing with equal opportunity for women and minorities), and contracts. Indeed, most aspects of contracts—public or private—such as contract requirements, disputes, and breach of contract are governed under the same contract law. In developing and particularly transitional countries, where legal systems are not comprehensive, government contracts may need detailed provisions.

Political Environment

In a democracy many individuals, groups, and organizations in the private sector including trade associations, professional associations, and business firms or companies (commonly known as interest groups) are actively involved in all aspects of the public procurement system. Having various interests, objectives and beliefs, interest groups are involved in the public procurement system in several ways such as lobbying legislative bodies to pass or alter procurement statutes, influencing implementation of these statutes, and influencing budget authorization and appropriations processes. Normally, a government program that is eventually adopted is a compromise among different views of interest groups, policy makers and management. In this democratic environment, there are cases of a strong coalition of policy makers, bureaucrats and interest groups in their effort to get their programs adopted. This coalition has led to the concept of the iron triangle, which is very popular in the area of defense procurement.

However, the iron triangle shifts immediately after the procurement program authorization and appropriations stages move to the procurement stage. As failure or success in winning large defense contracts has a great impact on a company, defense specialized companies compete against each other for these contracts. Public procurement professionals have choices as they face various political pressures as well as sound economic decisions. For example, should they be concerned with maintaining future business competition by keeping some relatively weak companies in business or should they let these small weak firms go out of business and leave a few defense specialized firms to compete for contracts? This issue is more common in developing countries where perfect competition hardly exists. Large firms are more willing to make a small profit margin or even to take business losses by offering best bids. After small and weak firms are out of business, they will enjoy an imperfect competitive market.

Social, Economic, and other Environment Forces

While some countries impose social policies on their public procurement (such as a policy placing a fair proportion of government acquisitions with woman or minority-owned small business), most governmental entities –be it a developed or developing country or federal, state, and local governments– use their large procurement outlays for economic stabilization or development purposes by preferring national or local firms over firms from other countries or other geographic locations. Public procurement professionals may be in a favorable or unfavorable environment that has a great impact on their practices as they may face an imperfect competitive market.

In addition to social and economic environment, public procurement professionals are under other external pressures such as an environment protection movement, and foreign policy.

Environmental Protection Concern or Green Procurement. Environment protection has been present in every country – developed and developing – and environmentalists have placed a great deal of pressure on public procurement professionals. This type of pressure can be seen very frequently and in every country.

Foreign Policy. Many countries have used public procurement as a foreign policy tool to achieve specific objectives. For example, in the 1980s, the Pakistani government bought 28 F-16 fighter jets, but the

United States government withheld the contract because Pakistan was pursuing, against American wishes, the development of nuclear weapons. Public procurement professionals in poor and weak countries are frequently facing the problem of having to deal with foreign policy of other nations in their procurements.

Other Environmental Forces. The public procurement system is also influenced by culture and technology. In a culture where giving gifts is a common public relation practice, it is difficult to make a distinction between gifts and bribes. Moreover, rapidly advanced technology has forced public procurement to (a) adopt new procurement methods, such as the use of e-signature and purchase cards; and (b) be knowledgeable in how to procure information technology.

Tradeoffs between Procurement Objectives

In an ideal world, a perfect public procurement decision should satisfy all procurement objectives. Unfortunately, public procurement officials have to walk on a tight rope (Thai, 2009) because there are also tradeoffs between cost, quality, timeliness, risk, economy, and competition. The more objectives a public procurement system has, the more constraints public procurement officials cope with. Successful public procurement is both an art and science as it requires specific analytical skills as well as good judgments. Figure 1 below shows the analytical skills and the judgment that public procurement practitioners need to have.

Burt Bayens, in Chapter 6, proves that a procurement preference given to small- and medium-sized enterprises (SMEs) through the use of small contracts (with small thresholds) results in inefficiency: the transaction costs (costs of bid preparation and tender evaluation, for example) of a normal open competition process are out of proportion. Figure 1 shows a tradeoff between a SMEs preference and efficiency: When we want to increase the participation of SMEs, we have to reduce efficiency (For a comprehensive explanation of trade-off analysis, see Kerzner, 2006, pp. 681-705).

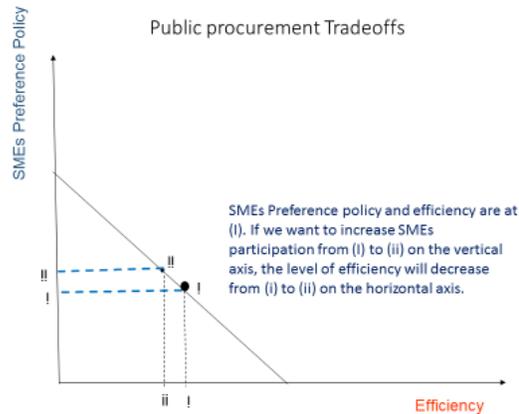


Figure 1. Graph showing possible tradeoffs between two procurement objectives.

Performance-Based Public Procurement

Performance-based public procurement has been a major concern of many government and international organizations. The most significant step in performance-based public procurement is the issuance of “Methodology for Assessing Procurement Systems (MAPS)” by the Organisation for Economic Cooperation and Development (OECD) in 2004. Interestingly enough, the U. S. General Accountability Office issued in 2005 “Framework for Assessing the Acquisition Function at Federal Agencies” (GAO, 2005). These two frameworks propose key “pillars (OECD-DAC), or “cornerstones” (GAO) (Table 1) for assessing procurement system performance.

Table 1. Performance Indicators: OECD’s Four Pillars and GAO Cornerstones

OECD-DAC’s Four Pillars (2004)	GAO’s Four Cornerstones (2005)
Legislative and regulatory framework	Policies and processes
Institutional framework and management capacity	Organizational alignment and leadership
Procurement operations and market practices	Human capital
Integrity and transparency of the public procurement system	Knowledge and information management

Although these pillars or cornerstones are not identical, all pillars or cornerstones recommended many similar indicators for procurement system assessment. Many studies on procurement indicators, and benchmarks were conducted since then. . In 2014, the European Commission issued *Action Plan on Public Procurement* in 2014 which sets out a series of initiatives aimed at helping EU countries improve the performance of both administrations and beneficiaries in applying public procurement for EU investments during the 2014-2020 programming period. The most recent studies include the World Bank's *Benchmarking Public Procurement* (2016), US Agency for International Aid's *Key Performance Indicators Strengthen Procurement in Latin America* (January 2013), Inter-American Development Bank's *Comparative Analysis of Performance Between Public Procurement Systems/ Processes in Select LAC Countries and Procurement under the IADB's Public Procurement Policies* (2016), among other studies

CONTENTS OF THE BOOK

Seventeen studies or papers (hereafter called “chapters”) were selected, via a rigorous peer review process, on the basis of scholarship. Thus, it is expected that they cover a variety of research issues. However, two major procurement issues have been the focuses of these chapters: public procurement preferences (four chapters), and performance-based public procurement (nine chapters). The remaining four chapters address other various current public procurement issues.

By no means do the above identified themes reflect scientifically the current trends of research interests. Actually, there are a good number of papers presented at the conference which focus on many critical procurement concerns, including procurement reforms, transparency concerns, e-procurement, and procurement approaches or techniques.

Part 1. Public Procurement as a Public Policy Tool

Part 1 of the book begins with Dovilė Šličiuviėnė's “Public Procurement In Lithuania: (Dis)Balance between Profitability and Environmental Protection.” Public procurement constitutes an important part of the Lithuanian economy and is a driving force for

the economic and social development. It is therefore in the interest of the contracting authorities to achieve the best value for money and generate benefits through supply chain management not only for the organization but also for the society, economy and environment. However, the lowest price criterion which is now mainly used for awarding the contract not only does not guarantee the quality of purchased products but also disregards the environmentally damaging effects. Therefore, administrators should find the balance between the profit (lowest price) and the environmental protection by developing sustainability criteria that can be used in the different stages of a procurement activity.

Finding a balance between the profit (lowest price) and the environmental protection is not easy. Deirdre Halloran proposes measurement and evaluation methods for social procurement. In her chapter, "The Social Value in Social Clauses: Methods of Measuring and Evaluation in Social Procurement," the concept of "social procurement" places social considerations at the heart of the procurement process and can be understood as the use of purchasing power to create social value. One aspect of this is the use of social clauses. These are clauses that can be included in the procurement process that allow social and environmental considerations to be included in the contract specification and can be used in the selection and award procedures. This paper examines the concept of social procurement; the use of social clauses in the UK and Ireland; the articulation, measurement, evaluation of social value; together with the forces that are driving the demand for this data. The processes for assessing such value in social procurement and social value are then categorized and analyzed. While the impetus behind social clauses is to create social value through purchasing, finding effective methods of measuring and articulating social value is a challenge for stakeholders. This paper suggests that the use of the economic regulatory model to assess the outcomes of social procurement and social clauses may not be suitable and that acknowledging the dissonance between the economic and policy objectives of procurement regulation is fundamental before an appropriate and workable mechanism to achieve those objectives can be established and developed.

Dealing with social value, public procurement policies and approaches, should not focus only on giving preferences to

environment friendly products, but also should support development and diffusion of innovative solutions. In “Promoting Public Procurement of Sustainable Innovations: Approaches for Effective Market Dialogue,” Katriina Alhola, Marja Salo, Riina Antikainen and Annukka Berg present sustainable innovations in Finland. According to the authors, public procurement is considered to be an important means of accelerating the development and diffusion of innovations. In Finland, the government has set an objective of 5% of all public spending to be targeted to innovative solutions, and special attention has been paid to the rapidly growing clean technology sector. However, public procurement of innovation is currently an unsystematic procurement method in Finland and the EU. One of the well-recognized barriers is the lack of market involvement and dialogue between procuring organizations, suppliers and other stakeholders in the pre-procurement phase. In this paper we examined the extent of market dialogue and its contribution to achieving the sustainability targets in the procurement of eco-innovations in Finland. We analyzed market dialogue in real procurement cases of sustainable innovations while also searching for other procedures for effective market dialogue in the context of public procurement of innovations. The most important contribution of market dialogue included identifying the procurer’s needs, informing the market about forthcoming needs and formulating tender specifications so that they would stimulate innovative solutions. The results indicated that regular face-to-face dialogue between procurers and suppliers could lead to better information of the procurers’ needs and help suppliers develop innovative solutions. In addition, online platforms can be seen as a prominent means for matchmaking between different stakeholders.

As mentioned early in the chapter, public procurement preferences are given to environment protection, minority- and woman-owned enterprises and small and medium-sized enterprises. In “Analyzing Local and SME Participation in Public Procurement: Evidence from Seven Finnish Municipalities,” Timo Kivistö and Veli Matti Virolainen address another type of procurement preferences, small and medium-sized enterprises. According to the author, employment and local business participation are important values for municipalities. Government policies raise the issue of small and medium-sized enterprise (SME) participation in public procurement. Existing research uses normal procurement notices, which fail to

consider the procurement of under threshold values and the procurement falling outside directives. In this chapter, the data used is based on invoice data covering all procurement transactions. The analysis shows that public organizations make up a large share of the procurement volume, and the SME share of procurement is equal to the share of SMEs in Gross National Product. Local content is greatly affected by the location of social and healthcare providers and the distance from and size difference with a larger municipality. The greatest employment effects are in social and healthcare and construction. We make classification, calculations and analyze the data with Gioia method. The local and total employment and tax revenue are calculated from the procurement volume.

In “Small Public Procurement Contracts: A Comparison of the French, Dutch and Belgian Legal Treatments,” Bert Baeyens compares the actual (new) rules on small contracts in France, the Netherlands and Belgium, and analyzes the legal position of small contracts in EU law. According to the author, it is believed that publicity of public procurement contracts (publishing notices in official journals) and lowering all kinds of so called "barriers" will ensure a larger participation to public procurement tendering, especially for SME"s (EU (2014), p. p. 80, 81). This belief is for example used as justification for the limitations put forward in the EU directive 2014/24 concerning certain minimal requirements regarding for example technical capacity and economic and financial standing. However, the author proves that in small contracts, it is almost impossible for a tenderer to win back incompressible costs.

Government plays an important role in supporting research and development and helping businesses innovate. However, its effect on government departments and the way they organize themselves to undertake public procurement of innovation (PPol) has not been widely explored. Using a case study of the UK Small Business Research Initiative, “Jillian Yeow, John Rigby, and Yanchao Li. in “The Effect of a Government Target for the Procurement of Innovation: The Case of The UK’s Small Business Research Initiative,” examine the different ways in which departments organize themselves to undertake PPol, and in particular the effect of a target set on departments’ innovation procurement activities. They identify challenges departments encounter when faced with such requirements and the effects they might bring about, and highlight

the need for clear understanding of the logic and benefits of the program, dedicated resources and clear lines of responsibility. We suggest that targets, when used effectively, can increase SBRI activity and hence spur PPOl within government organizations.

Part II. Performance-based public procurement

The Public Procurement and Disposal of Public Assets Authority (PPDA) were established in Uganda in 2003 to promote public interest by regulating and monitoring public procurement processes of Procuring and Disposing Entities (PDEs). As part of routine compliance monitoring, the Public Procurement and Disposal of Assets Authority (PPDA) has been conducting annual procurement audits since 2005. In 2012, PPDA conducted 329 audits in 221 procuring and disposing entities. Findings of these audits coupled with a stream of research continue to reveal poor supplier performance evidenced in terms of deviations from the contractual obligations e.g. cost, delivery time, deliveries not conforming to specifications and poor quality of products, services and works. Worse still, suppliers continue to think less of end users and shirk their contractual obligations. In “Contractual Governance Mechanisms, Dynamic Capabilities, Transactional Specific Relationships and Supplier Performance in Uganda,” Desire Kansime, Joseph M. Ntayi and Arthur Ahimbisibwe employ a cross sectional research design using a sample size of 120 Central Government Procuring and Disposing Entities (PDEs) in Kampala and 240 service providers (suppliers). Results reveal that Transaction Specific Relationship and dynamic capabilities were significant predictors of supplier performance explaining 14.9% of the variance. However, contractual governance mechanisms was not a significant predictor of supplier performance.

In “Explaining the Policy-Practice Gap in U.S. Federal Contracting: Institutional Isopraxism and Performance-Based Acquisition,” Bryan F. Mansfield and Keith F. Snider state that scholars and oversight bodies have noted the existence of a gap between policy and practice in government operations. This paper explores reasons why procurement policies sometimes do not produce their intended effects. Performance-based acquisition in the US Navy provides a venue for this investigation. Analysis of a sample of contracts confirms that the gap exists and suggests some causes. Institutional

theory is used as a conceptual grounding for isopraxism, which aids in understanding the gap in terms of the responses of policy-making entities and implementing agencies to their external organizational influences. It also illuminates policy alternatives which can help narrow the policy-practice gap.

In “A Price Review Framework for Maintenance, Repair and Operations Procurement Contracts in the Public Sector,” Lian Kiang Tan and Shao Hung Goh investigate the procurement of maintenance, repair and operations (MRO) parts in public sector organizations. A case study is described for a public organization in Singapore, which had outsourced the procurement of MRO parts but was faced with questions related to the extent to which past price escalations were well-justified. The procurement performance for several part-families for one vehicle type was assessed on a 5-point scale. Findings suggest that better outcomes can be derived from public sector MRO procurement contracts by incorporating systematic price reviews with suppliers. An enhanced MRO price review framework with two pricing methods (fixed-price with periodic realignment and cost-plus) is presented. Such a framework can serve as a deterrent to the principal-agent problem and allows for a comparison of MRO procurement performance over time and between public sector organizations, where there has generally been a lack of attention on expenditures on such supplies.

The quality of local environment in which public officials operate can affect their incentives to behave efficiently. In the specific sector of public procurement, recent empirical studies find that the characteristics of local environment, as captured by different dimensions (such as, social capital, corruption), affect significantly the efficiency in the execution of public works, even after controlling for many other factors. Moving from this evidence, in “Institutional and Social Quality of Local Environment and Efficiency in Public Works Execution,” Calogero Guccio, Domenico Lisi, and Ilde Rizzo develop a theoretical model where a debauched local environment reduces unambiguously the efficiency of the execution of public works, because purchasing officers have less incentives to pursue mandated tasks from the contracting authority. Therefore, our model establishes a rationale and clear interpretation of the empirical evidence found in the literature on public works. In the final part of the paper we discuss the policy implications coming from our model.

In “Strengthening the Effectiveness of Exclusion Mechanism in Public Procurement: A Comparative Legal Study between Indonesia and the Netherlands,” Richo Andi Wibowo analyses whether the exclusion of corrupted economic operators has been implemented effectively in Indonesia and the Netherlands. The strategy to enhance the implementations in both countries is also elaborated upon. To do so, the author will firstly distinguish between the terms direct exclusion and referred exclusion. The latter refers to exclusion based on a blacklisting system. Furthermore, the existing critiques and responses to the exclusion mechanisms will be discussed. Conclusions are drawn which suggest that Indonesia acknowledges both direct and referred exclusions, whilst the Netherlands only recognises direct exclusion. The direct exclusion has been implemented effectively only in the Netherlands, due to the fact the administration is supplied by information from the administration’s intelligence unit; something that Indonesia may consider adopting. Besides, the Netherlands may consider the concept implemented in Indonesia regarding the referred exclusion. Establishing the blacklist system may give certain advantages to the Netherlands.

Part 3. Other Public Procurement Issues

The Transatlantic Trade and Investment Partnership (TTIP) negotiations between the European Union (EU) and the United States (US) have been ongoing since 2013, including a chapter on public procurement. The EU has strong offensive interests in the liberalization of the US procurement market. However, procurement does not seem to interest the US as much, which is constrained by its strong tradition of “Buy American,” as well as its federal, decentralized organizational structure. According to Eleanor Aspey and Nicolette Butler, in “Public Procurement in TTIP: An Opportunity to Set Global Standards,” will compare the likely approach of both negotiating parties to procurement in TTIP with existing procurement commitments between the EU and the US (e.g. in the World Trade Organization (WTO) Government Procurement Agreement (GPA). It will suggest that what should be sought is a true “GPA plus” agreement which could be mutually beneficial for both negotiating parties and will make specific proposals about the content of the TTIP procurement chapter in order to ensure that the agreement is pioneering, such that it may become a model for future procurement negotiations (whether bilateral or multilateral).

In “Asymmetric Information: A Case Study in Potential Public Procurement Pitfalls,” Sirilaksana Khoman addresses the issue of information asymmetry, which typically occurs where one party to a transaction has more or better information than another party. This creates an imbalance of power, resulting in inefficiency, and is one of the major causes of market failure. When this concept is applied to public procurement, it is clear that opportunities for corruption are created by asymmetric information. This paper presents a case of public procurement in Thailand, namely the procurement of public buses by the Bangkok Metropolitan Transport Authority. Asymmetric information abounds, between the procuring agency, the would-be suppliers, and the anti-corruption agency and watchdog groups that include civil society. Integrity pacts have recently been advocated in the procurement process, but newly-acquired experience shows that this provision is not a stand-alone tool, and pro-active involvement by law enforcement agencies is still needed. No allegation of corruption is implied, but careful scrutiny of procurement documents suggests that conditions, selection criteria, product specifications, and other details can be used to favor certain suppliers with impunity, to the detriment of society at large. The case shows that collaboration between watchdog agencies and professionals can reduce information gaps and make anti-corruption action more effective.

The pressure to deliver more for less has steered public managers’ focus towards risk mitigation, especially in relation to delivering health services which is one of the most significant items of public expenditure. In “Identifying and Mitigating the Risks of Outsourcing a Public Health Service Function,” Suvituulia Taponen identifies the most significant risks related to outsourcing a public health service function and the means to mitigate these risks during the competitive tendering process. This is a single case study looking at outsourcing primary care in Finland. A combination of data from a survey and semi-structured interviews is analysed. Analytical hierarchy process is used to evaluate the risks of outsourcing options. The most significant risks are political, service quality and market risk. mitigate these risks: i) the procurement unit should engage with market, ii) risk management focus should primarily be on service quality risk, and, ii) service specification and contract terms should be created through an open dialogue with the tenders in negotiated procedure.

Government procurement usually contributes a large deal to a country's economy and is therefore of great importance. With South Africa's political transformation in 1994, the construction industry was used as the model for public sector procurement reform. The industry regulates all infrastructure and currently constitutes 4% of the country's gross domestic product (GDP) with the private sector as its biggest client. The legal regulation of construction procurement in South Africa is therefore significant. Currently the South African construction procurement system is regulated by section 217 of the Constitution which requires a procurement system to be fair, equitable, transparent, competitive and cost-effective. Further to that, the Construction Industry Development Board Act and its subordinate legislation also feature prominently. In "Best Practice in South African Construction Procurement Law," Allison Anthony seeks to determine how qualification criteria for construction contractors are legally regulated in South Africa, whether it complies with the requirements of section 217 of the Constitution and what the current challenges and recommendations for further development are.

Since the late 1990s, public procurement has become been an area of research interest. One of the research issues is its professional status: Is public procurement a profession? This research question is a foundation for studying public procurement knowledge, skills, and practices. In "The What, Who, and How of Public Procurement: Job Tasks Performed and Managed by Professionals," Joshua M. Steinfeld examines task specialization in public procurement to serve as a basis for identifying the job tasks completed by the field's professionals. Sensitivity analysis is utilized to determine the job tasks public procurement practitioners actually perform and manage, along with the job descriptions of practitioners who complete these tasks, as a starting point for examining how practitioners approach completion of their work. The findings suggest there are specific job tasks in public procurement that warrant further examination based on the implications for professionalism in public procurement.

CONCLUSIONS

Thai (2007) noted the extent of commonality in public procurement knowledge and practices across developed and developing countries around the world, despite significant variations in their procurement systems. This is evident in sixteen chapters in this book. Despite variations among public procurement systems, there has been effort in improving public procurement performance. In addition, public procurement has been used as a policy tools to achieve social and economic objectives.

NOTES

1. Trade-off analysis is more complicated and more difficult in the pre-contracting stage than in the contracting stage. Indeed, in the pre-contracting stage, procurement officials have to consider all core principles and intermediate objectives. During the contracting stage, the procurement officials are concerned with three main objectives: time, cost and performance as many procurement objectives such as competition, fair, equal treatment, etc. have been achieved in the pre-contracting stage.

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