

BOOK REVIEW

Beyond the Bid: An Evaluation of State and Local Government Procurement Practices. By Sherri Greenberg, Austin, TX: University of Texas, Lyndon B. Johnson School of Public Affairs, 2004. Softcover, 199 Pages, ISBN: 0-89940-759-5, \$22.00..

A useful point-of-departure for this review is “deconstruction” of the title relative to content. Incorporating the term “evaluation” connotes a formal or even quasi-experimental approach in which the benefits and costs of various approaches to procurement are weighed with definitive answers on application in practice. *Beyond the Bid* (Hereinafter, *Beyond*) might have been better titled: *Procurement: Aiming for Best Practice* because the 30+ interviews, six case studies, literature review, and web-based research that comprise the work do not give definitive answers as to “what works” but are intended to inform the reader about the-state-of-the art in procurement and what practices contribute to its successful implementation in the state-local sector.

Beyond is a research project undertaken by graduate students at the LBJ School at the University of Texas-Austin during the 2003-04 Academic Year under the supervision of Ms. Sherri Greenberg with the support of Accenture. The work was written by 18 students at LBJ in an effort to broaden their knowledge base and to connect their academic experience with “real world” practice. The work’s major findings are presented in an executive summary buttressed with seven chapters and case studies drawn from Tallahassee, Austin, Sacramento, and the states of California, Florida, New York, and Texas.

Throughout the work, the authors remind the reader that there is no “one-best-way” of procurement. Government size, level, function, and personnel are determinants of how to best procure goods and services from private or other vendors and different circumstances dictate different practices. Nonetheless, *Beyond* focuses on critical aspects of procurement that must be factored into account in arriving at effective, if not best practice for a given government activity. Indeed, without stating it, the authors present procurement as a system of activities that must be considered simultaneously in order to be “done right.”

What are the dimensions of the procurement process that must be assessed simultaneously in order to foster effective practice? The following factors are stressed throughout the text:

- 1) *Finding the proper balance between over- and under-centralization:* A centralized procurement function fosters economies of scale in purchasing, eases enforcement of procurement rules, and makes for a more transparent process to vendors. However, a hyper-centralized function may be too slow and unresponsive to unique needs of organizational subdivisions. Effective procurement finds the happy medium between the two extremes;
- 2) *Maintenance of an ethical operating environment.* All actors (government employees, vendors, and elected officials) must be aware of the legal-ethical environment in which they operate. This requires constant training as well as clear guidelines for what constitutes legal procedure;
- 3) *Benchmarks for success and practice.* Those in charge of the procurement process need to know what “good” procurement is. Is “good” procurement based on cost? On quality? On maximizing participation of women and minorities? How long should procurement take? These are but a few of the questions that should be addressed on an ongoing basis if one is to determine the success or failure of the procurement function.
- 4) *Maintaining a transparent operation:* A frequently mentioned attribute of a “good” procurement process is transparency. All actors in the system should know what is expected of them in terms of procedures and outcome. Where there is doubt—procedures should be in place that allow for vendors to clarify

- 5) what is expected from them; government employees should understand how they must behave in contractual specification and award.
- 6) *Provisions of Appealing Decisions:* No contractual award process is perfect either in terms of transparency or outcome. Vendors should understand how they can appeal the outcome of the procurement process; appeals should be speedy and minimize aggravation so as not to diminish future vendor participation.
- 7) *Emphasizing the importance of ongoing training:* Procurement is a highly specialized profession. Like any profession it requires training and commitment to professional norms. The authors suggest participation in professional conferences and continuing education as sine quo non.
- 8) *Adoption of E-Procurement while understanding its limitations.* The internet has tremendous potential for procurement. It can broaden the bidding pool while speeding up the bidding process. It can also foster a more transparent process by virtue of the speed and ease by which information can be disseminated. On the other hand, recent experience suggests the e-procurement is not without its shortcomings. Implementation is expensive, particularly if advanced automated bidding software is adopted. Procurement personnel and vendors need training prior to implementation. E-procurement may bring out-of-jurisdiction (or even foreign) vendors, creating potential conflict with current procurement rules. The authors recommend that roll-out should be tested in one or two functions before organization-wide implementation; the upshot is that the internet and procurement is a potent match but start-up can be time-consuming and costly. Smaller cities and organizations may find that e-procurement is limited to posting of RFP's and the like..
- 9) *Relationship management with vendors must be ongoing.* Successful procurement, particularly in contracting and outsourcing, requires ongoing contact with vendors to assess results and outcomes. Successful procurement requires weeding out of low quality vendors and constant outreach to those that satisfy the cost and outcomes associated with the

benchmarks established before award of contract. Maintenance of sound relationships with vendors is not only defined in “letter-of-the-law” aspects of procurement; actors must also realize the import of partnering with vendors as a means of achieving strategic organizational goals. This requires a high degree of professionalism and strong interpersonal skills.

Keeping an eye on these eight factors simultaneously is not easy. But if taxpayers are to get “the biggest bang for the buck” in the procurement process, maximizing success on these factors is essential.

One other point that is intuitive to understand but frequently mentioned is the difference between “commoditized” purchasing (i.e., low-tech, with large number of vendors) versus technologically sophisticated acquisitions such as information technology. With the former, simple posting for vendors or ordering from catalogs may be all that is needed to serve the organization. With higher-tech acquisition, particularly in the information technology arena, more sophisticated procedures such as reverse auctions may be needed, in which vendors set the parameters of service and outcomes, along with price for provision. This requires a give-and-take relationship between the acquirer and the vendor that frequently pushes the envelope of transparency and ethics in the procurement process.

Beyond serves as a reminder that the procurement process is one that cannot be taken for granted. It is a complex undertaking that requires skill and dedication. And as the authors suggest, it undergirds the strategic aims of the organizations and jurisdictions in which it takes place. Thus it is a critically important component of governance.

Judging the ultimate value of *Beyond* for practice is difficult given my neophyte status. My sense is that it is probably not path-breaking in content. Allowing for that possibility, however, *Beyond* is comprehensible and thorough. Thus it may be most appropriate for generalists who are new to the procurement arena and in need of an overview to guide them through a potentially challenging process.

Speaking as an academic for nearly two decades, I must say that *Beyond* lends credence to the LBJ School’s reputation as one of

America's foremost public policy programs. This effort reflects well on the research and critical inquiry skills of its students who can be proud of crafting this informative volume.

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