

THE IMPLICATIONS OF A MUDDLED DEFINITION OF PUBLIC PROCUREMENT

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ABSTRACT. At all levels of government, inconsistencies exist regarding the terminology and the body of knowledge used to understand public procurement. Perspectives on what public procurement is, or should be, ranges from routine ordering to sophisticated analysis of government spending. Definitional ambiguities have hampered attempts to define the field and unify its focus. This exploratory article examines the implications of the muddled nature of public procurement that has led to debate and uncertainty about the proper role of public procurement practitioners. To address these limitations, three dimensions of all public procurement systems are identified, and a general definition is proposed for describing the field and its institutionalized practices.

INTRODUCTION

Is public procurement a profession? To a number of practitioners and academics, the question remains unanswered. There can be little doubt, however, by both practitioners and academics alike, that government is likely to be more effective if public procurement practitioners engage in their job activities based upon a common public procurement body of knowledge (PPBOK). As such, delineating

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the boundaries and institutionalized activities of public procurement is important because substantively defining what these employees do in their bureaus can substantially help government allocate public resources more effectively. Further, identifying a common term to both describe and prescribe what these individuals do, why they do it, and what additional benefits are derived from their doing their jobs professionally is necessary if they are to better articulate what value they add to governance.

This article seeks to define public procurement based upon an examination of the empirical practices of procurement practitioners and the environment within which they work. The structure of the current article is as follows. The first section offers a general definition of public procurement and explains why this definition is important for observers of this central aspect of policymaking. The second part offers a systems model of public procurement that conceptualizes three dimensions found in all procurement in the public space: the legal authority for action, the institutional and organizational environment in which practitioners operate, and the activities and actions that comprise the public procurement sphere. The third, fourth, and fifth segments of the article expand on these dimensions while the sixth section addresses materials management and surplus property. The seventh part discusses the implications and conclusions of the article.

WHAT IS PUBLIC PROCUREMENT?

The dominant professional associations for buyers who work in government organizations are the National Institute of Governmental Purchasing (NIGP), the National Contract Management Association (NCMA), and the National Association of State Procurement Officials (NASPO). Although the members of these organizations tend to do similar tasks in their respective workplaces, even these organizations charged with promoting professionalism in the buying community cannot reach a consensus as to what those common activities are within public procurement! Further, the titles of various periodicals used within the field likewise tend to reflect the diversity of terms

used for the various aspects of buying done by governmental organizations. For example, the American Bar Association issues the *Public Contract Law Journal*, NCMA prints *Contract Management*, the Department of Defense publishes *Acquisition Review Quarterly*, a popular web site used by practitioners is called “Where in Federal Contracting?”, and some international academic and legal journals use the term “public procurement” (the *Journal of Public Procurement* and the *Public Procurement Law Review*). All of these examples highlight that there is little agreement on what bounds the profession of government procurement, if it is a profession at all.

Without an agreed-upon body of knowledge, the development of education and training programs is less likely to advance the field of government procurement. According to Gargan (1993), a body of knowledge is based on a conceptual framework that is systematized around a central theme and formulated through the process of definition, classification, and analysis with reference to the discovery of general concepts, theories, laws and principles. However in public procurement, before classification schema can be used to determine standards within the field, an acceptable definition that is based on its activities and behaviors of practitioners is required. Is procurement merely buying? Is contracting synonymous with procurement? Is auditing and materials management part of the procurement regime? This article addresses these questions by outlining the common boundaries of the field, and explaining why the definition of public procurement given here is consistent with empirical practice.

The findings contained herein hint that a deeper understanding of public procurement is needed – one that explicates its scope (legal mandate), location (organizational matrix), and proper role (procurement activities) within the political system. Consistent with this, the current article is intended to address Fred Thompson’s (1993, p. 314) suggestion that students of public administration (and presumably practitioners of public procurement) look beyond “superficial institutional dissimilarities to their common structural elements.” Indeed, it is assumed that alternative institutional arrangements can be made to achieve different management and control exigencies, but that is not the focus here. Instead, the authors

are interested in identifying all three dimensions (scope, location, and proper role) of public procurement that appear to empirically reflect common practice that is widely recognized and easily understood. Thus based upon the findings that are more fully discussed below, the following definition of public procurement is offered:

Public procurement is the designated legal authority to advise, plan, obtain, deliver, and evaluate a government's expenditures on goods and services that are used to fulfill stated objectives, obligations, and activities in pursuant of desired policy outcomes.

A necessary step in identifying a proper body of knowledge for the field of public procurement is to address the conceptual ambiguity of defining the term public procurement itself, because the boundaries, scope, and domain of objectives, activities, and outcomes of public procurement should be known *ex ante*, especially in terms of the field's potential contribution to good governance. Without such an exercise, the definition of public procurement and the proper activities attributed to that field might be considered to be more properly executed by others besides those officially designated as procurement practitioners. For example, a human resource manager when thinking about the most common tasks that procurement practitioners perform on the job, might include gathering information about a purchase from various suppliers, investigating the suitability of various suppliers, making sure that the supplies are delivered, checking to insure that what was ordered was actually received, and disposing of all used supplies, yet all of these tasks may not be best handled by procurement officials.

Clearly purchasing is part of any procurement regime, and like their public sector counterparts, when private individuals or firms buy things, they may use various terms, such as purchasing or buying, to describe their actions. Realizing the ambiguity that existed within the profession, the National Association of Purchasing Managers (NAPM) in 1999 commissioned a study to address some of these concerns and as a consequence, NAPM changed its name to the Institute of Supply Management, where supply management is defined as "the

identification, acquisition, access, positioning, and management of resources the organization needs or potentially needs in the attainment of its strategic objectives” (Institute of Supply Management, undated). In addition, another center also changed its name to reflect the growing importance of supply management, from the Center for Advanced Purchasing Studies (CAPS) to the Center for Strategic Supply Research.¹

In government organizations, many different terms are used when referring to the buying of goods and services, from “public procurement” to “purchasing,” “contracting,” or “acquisition,” as well as many other variations. In fact it is ironic that although “the contract management profession relies largely on precision and proper interpretation of language” (Byrne, 1999, p.iv.), the current article will demonstrate that clarity and consistency are not the hallmarks of public procurement as it is practiced across governmental entities.

The wide variety of terms as now permeates the field makes identification of the proper scope and activities which describe the required function of public procurement problematic, because if practitioners and their superiors are to be held accountable, how is this to happen if there is no definitional rubric to guide proper behavior? It is probably that this problem is more acute in the buying field than elsewhere. For example, someone who practices economics is invariably called an economist, whether in the public or private sector, and typically knows a distinct literature to consult for discussions about specific problems or issues arising in the field. Moreover, other disciplines tend to use well-defined and consistent terminology, definitions, and work titles across both the public and private sectors. Yet clarity in what practitioners and scholars mean when they refer to “public procurement” is lacking, and this spills over into trying to figure out what one’s job is. Consider the different number of job titles that are given to those in charge of procurement at just the state level in the U.S.

Since 1947, the National Association of State Procurement Officials (NASPO) has been made up of the directors of the central purchasing offices in each of the fifty states and the District of

Columbia. Much can be gleaned from the titles that inform these positions. The website indicates that the title most often used for chief state procurement officials is some form of "Director." Used by thirty-one individuals, this class of title includes "Deputy", "Assistant", "Executive", or serving in an interim capacity. Moreover, each is a director of either a procurement department or purchasing department. An additional seven are "Administrators"; three are the "Chief Procurement Officer"; three more are a "Purchasing Agent or Officer"; two are in some form of Materials and Procurement Management; there are two "Procurement Administrators"; two more "Commissioners"; one "Assistant Secretary"; and one "Contracting Administrator."

Because of this diversity in the field, the current article assesses the implications for practitioners in both theoretical and practical terms. According to Smith and Lynch (2002), conceptual items manifest in words can be examined in at least two ways: by relying on common usage or by creating a definition for intellectual or conceptual purposes. This article considers both methods to review legal descriptions and current practices in an effort to give cohesion to understanding the field of public procurement. In so doing, the article offers a generalized definition that integrates both theory and functional practices to identify public procurement.

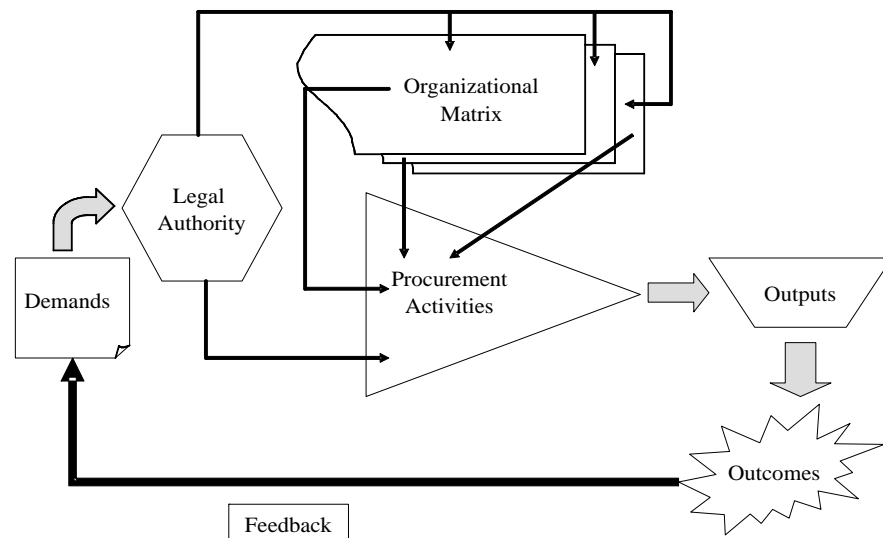
A SYSTEMS PERSPECTIVE OF PUBLIC PROCUREMENT

Conceptually thinking about what public procurement is, what its practitioners do, and why, requires a theoretical understanding of its basis in fact and in law. Although there have been previous attempts to conceptualize the entire procurement process as a system replete with feedback loops and homeostatic tolerance levels for essential variables (Waelchli, 1985), the current study attempts to dig deeper in order to distinguish the most important elements within the "black box" known as the public procurement process. Furthermore, the current research remains consistent with the view of public procurement as a "nested structure of systems within systems" (Thai, 2001, p. 40) in which the purchasing process is but one component,

and it also squares with those who insist that public procurement should be “strategic in vision and purpose, focusing not on procurement transactions, but on acquisition processes and outcomes that contribute to accomplishing the mission” (Warren & Welch, 2004, p. 5). The systems model adopted in the current article is depicted in Figure 1.

Theoretically, all public procurement systems conform with the analysis in Figure 1, because it delineates the three most important attributes that describe any public procurement system, and these three elements will be helpful in assessing and addressing the current shortcomings that exist in defining the boundaries of the field

FIGURE 1
A Systems Perspective of Public Procurement



today. The three important attributes include 1) the legal basis for practitioners' activities in discharging their responsibilities; 2) the organizational and structural boundaries of operative activities; and 3) the functional activities and intended outcomes of the practices used in the pursuit of these governmental obligations. It is argued here that all public procurement can be understood using this theoretical perspective, and throughout the current article, responses to various polls (many of which were conducted by the National Institute of Government Purchasing or NIGP) will attest to its value.²

Like most systems theory, the public procurement process begins in response to demands placed on the political system by constituents. These demands can be the result of interest groups, individual citizens, and other governments, to name but a few actors, but they all have in common the fact that they must go to the monopoly repository of legal authority, the government.³ For the purpose of the present analysis, the government here includes both the legislative and executive bodies, because they have the means (taxes) and vehicle (bureaucracy) to act upon the demands of constituents. Moreover, for the sake of simplifying the exposition, it is assumed that demands are placed in terms of desired outcomes. In other words, the demand side is interested in the end results of policy, not the means by which the policy will be created. Thus, the procurement practitioner plays a role in minimizing the gap between demands and outcomes.

The legal authority provides the basis for action of government. This authority can take the form of legislative initiative and oversight, and it can be executive actions and procedures that are adopted in the name of efficiency. In other words, the legal authority also can prescribe specific procedures in how to do things or how to set up the procurement organizational matrix. The organizational matrix connects and structures the authoritative basis for pursuing any procurement action by aligning the functional activities with the legal mandate to act.

The organizational and structural boundaries of operative activities constitute the institutional environment in which all

procurement activities must take place. For example, the three tabs comprising the organizational matrix indicate that in addition to the procurement bureau itself, there may also be a decentralized environment in which each line agency of government may have devolved prerogatives that are separate from the organization devoted to providing procurement. Moreover, the direct line leading from legal authority to procurement activities depicts the mandate for prescribed procurement decisions, i.e. the rules and regulations that prescribe behavior.

The functional procurement activities are the choices individuals make in a specific context, and they consist of the practices used in the pursuit of governmental obligations created by legal mandate. The total mix of procurement decisions creates the governmental outputs, which are the delivered bundle of demands. In other words, the outputs are the aggregated decisions and activities that in *toto*, are the attempts that are thought to produce desired effects or consequences of government policy. Since the mission is driven by legal mandates, organizational parameters, and functional activity possibilities that include the expertise of the practitioner, all procurement decisions are the result of a complex interaction of these three elements which serve to structure and institutionalize the procurement process.

Finally, there is an important yet subtle distinction between outputs and outcomes. Outcomes are the delivered bundle of demands, but these actual demands may not get fulfilled for reasons that can include inadequate funding, corruption, improper buy decisions, among other things. This means that there is typically a gap between outputs (the delivered bundle of demands) and outcomes (the actual consequences of nested governmental actions). Because of this gap, an additional gap emerges between demands (constituent desires) and consequential outcomes. Consequently, there are at least two feedback loops to constituents about the problems and prescriptions for closing these gaps: one from outputs and one from outcomes. In turn, these "problems" serve the basis for additional demands in the future.

Looking more closely at the legal basis for practitioners' activities in discharging their responsibilities, outcomes (the impact or consequences of outputs on stakeholders) are the desired objectives (demands) toward which the procurement practitioner directs her or his activities, and outputs consist of the actual products of government that are supposed to achieve the outcomes. The figure delineates the complexity inherent in any public procurement system, because it indicates how the legal authority to establish public policy outcomes may not translate into the desired outcomes of constituents (demands). Consider that in response to public demands, the government in question has three options. It can refuse to act (policy₀), it can act but do so in a manner that insures that the effort will produce an output that is different (often due to underfunding) than demands (policy-), or it can attempt to produce the outcome that is demanded by constituents (policy_★).

Since policy₀ does not lead to direct procurement activities, it will be ignored here. However if government officials choose to act, they now must set up the legal mandate of either policy- or policy_★. If the government pursues policy-, then the legal mandate reflects an output that is different than that wanted by constituents. As such, Demands ≠ Output. In essence, government will be pursuing output that is differentiated from demands. As mentioned previously, there could be numerous reasons why government fails to produce that which is demanded, but for whatever reason, the output will insure that Outcomes ≠ Demands.

Now notice that policy_★ is the sincere attempt by government to meet constituent demands, and since it is assumed that government officials respond in some way to these demands, added value of procurement activities are attempts to enhance or move output closer to demands. Thus given policy_★, the greater the movement toward demands, the more effective government becomes. Moreover, when Outcomes = Demands, one can infer that the government has adopted a proper organizational matrix and the procurement official followed through with the appropriate procurement activities. However if the outputs do not lead to outcomes that achieve demands, then in terms of public procurement, it may be the result of

a procurement process that is not set up to respond accordingly, either because of an improper organizational matrix or the pursuit of inadequate procurement activities, or both.

The mixing of demands with the legal and organizational dimensions connects activities with outputs, and constitutes the policy environment. However, because they are insulated from initial phases of the policy process, practitioners are often not privy to specific demands or all of the alternatives within the set of policy priorities that are to be served by any legal mandate. Moreover, they rarely have much (if any) control over the organizational environment in which public procurement takes place. Thus the range of discretionary decisions and activities that are pursued by practitioners is minimized.

What is more, no matter the policy choices made by elected officials, the intended outcomes may be difficult to achieve, because the system is saturated with uncertainty and risk. All procurement decisions are made with risk and uncertainty whereby there are known and unknown consequences of procurement actions, and while the exact probabilities of a successful procurement are unknown to the practitioner, experience of working within the environment tends to make practitioners experts who know how to maximize those probabilities of success within the established procurement environment.

In sum, systems theory can help refine how the legal authority, organizational matrix, and procurement activities combine to produce the outputs and outcomes of the system. Consequently, this model can help overcome the fact that it appears that current practitioners themselves are muddled in how they refer to and understand public procurement. For example, consider the following distribution of practitioners' responses in Table 1. In response to an NIGP survey in December 2004, practitioners were asked the following two questions:

1. How is the public procurement function perceived today (select one)? and

2. Where do you believe the public procurement function will be in 5 years (select one)?

TABLE 1
Practitioners' Perceptions of Public Procurement

Function	Today (as of 2004)	In 5 Years (2009)
	(n=163)	
Regulatory	52%	17%
Clerical	16%	7%
Strategic	14%	53%
Advisory	7%	8%
Specialty	6%	9%
Technical	6%	7%

Notes: Figures are rounded.

Source: NIGP (2004)

A superficial interpretation of the data in the table suggests that relatively few respondents felt that the function of public procurement was and will remain advisory, clerical, a specialty, or technical in nature. Moreover, it might be thought that in 2004, practitioners believed a titanic shift was occurring within public procurement, from that of a regulatory role to adopting a more strategic purpose. However, these conclusions are unjustified by the data presented here, because the questions themselves are poorly conceptualized. By asking *how* the public procurement function is perceived and then asking *where* the function will be in five years, practitioners appear to not be aware that all three dimensions (legal authority, organizational matrix, and procurement activities) are important to more fully understanding their functional roles within government. For instance, a proper legal mandate has policy implications that would define the objective roles of procurement personnel as either regulatory or strategic, etc.

The organizational matrix specifies the location(s) where procurement decisions will be made, and this is tantamount to identifying the “where” in the question. The procurement activities are what practitioners actually do, and they could be described as being clerical by dotting the i’s and crossing the t’s; advisory where they don’t make actual procurement decisions but instead offer advice on how and what to buy; and procurement activities could be specialized or technical in nature, where practitioners might help clarify specifications or something along these lines. But in all of these descriptions, all three dimensions are at work to some degree, yet the muddled understanding of public procurement leads to the types of ambiguities that utilize inappropriate descriptions of *how* the public procurement function is perceived. Thus the procurement “function” is a muddled way of referring to several dimensions of procurement that include not only the activities and their location, but also the legal mandate and purpose for it. It is this latter dimension to which the current article turns.

The Legal Mandate Dimension

Whether they are aware of it or not, government officials often use the public procurement process and its outputs as policy tools to achieve political, social, and economic objectives through a variety of means. For example, governments may require set-asides that give local or small business preferences, or governments may design contracts to mitigate or share risk with contractors. They might specify specific labor-based construction or other input methods, or they could create design specifications or set contract terms that facilitate participation by targeted groups of suppliers. They could even provide support through subsidies or educational training for targeted groups to compete for business, all without giving these parties any favorable treatment in the actual procurement. No matter what policy tools have been chosen, public procurement has been one of the most legislated and regulated fields of government activities, and in the United States, legislation on this subject dates back to at least 1777 (Nagle, 1999). However since that time, there have been numerous laws and executive orders that affect how governments buy what they

need to fulfill their perceived obligations to their citizens. Although Table 2 lists just a few of the laws that affect federal government contracting in the United States, for more information, consult DiGiacomo and Kleckner (2003).

TABLE 2
Laws Affecting Federal Government Contracting

Public Law	Result
Purveyor of Public Affairs Act of 1795	Allowed the federal government to buy supplies and materials to perform government functions.
Civil Sundry Appropriations Act of 1861	Continued the principle of advertised purchases for the next 86 years.
Armed Services Procurement Act of 1947	Continued the sealed bid as the preferred method of procurement, placed procurement rules in one location and initiated the Armed Services Procurement Regulation (ASPR), which was the beginnings of today's rulebook, the FAR.
Federal Acquisition Streamlining Act of 1994 (FASA)	Repealed or substantially modified more than 225 statutes. Simplified the procurement process by reducing paperwork and transitioning to electronic commerce.
Federal Acquisition Reform Act of 1996 (FARA) or (Clinger-Cohen Act)	Corrected some deficiencies in FASA and made additional changes.
Services Acquisition Reform Act of 2003 (SARA)	Required federal agencies to obtain tools to optimize mission performance in response to dramatic growth in spending on service contracts with simultaneous cuts in the acquisition workforce.

Source: Adapted from DiGiacomo and Kleckner (2003).

The U.S. Federal government most often relies upon the Federal Acquisition Regulation or FAR. The FAR is an outgrowth of the Armed Services Procurement Regulation (now known as the Defense

Acquisition Regulation) that was established in 1947. The FAR is a guide that is divided into 53 parts, with each part dealing with a separate aspect of the acquisition process. A brief history is in order.

In 1984, the U.S. Government converted to a new system of regulations governing how federal agencies buy things. The former Federal Procurement Regulations and Defense Acquisition Regulation (which was known as the Armed Services Procurement Regulation until 1976), along with the National Aeronautic and Science Administration (NASA) Procurement Regulation, were combined into a new set of rules called the Federal Acquisition Regulation (FAR). It appears that there was a deliberate attempt to replace the term “procurement” with “acquisition,” in part to distinguish the new rules from the old. For example, the FAR (Section 2.101, Definitions) states that

‘Acquisition’ means the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract.

‘Procurement’ (see ‘acquisition’).

There are three points here worthy of discussion. First, at least at the U.S. Federal level, “acquisition” appears to be the same as “procurement.” Second, it is notable that when acquisition is defined as beginning with an agency need, a major element of the legal mandate – the appropriations process – is left out, yet this dimension also helps define agency need, especially in terms of funding which

inevitably will constrain the alternatives of what can be acquired to fulfill any procurement request. This has the effect of leaving unclear how, where, and why procurement takes place in the public space. Third, while procurement is akin to acquisition, the former term has generally fallen into disfavor at the U.S. federal level, yet the former term (procurement) still persists in several forms. For example, the office responsible for government-wide policy remains the "Office of Federal Procurement Policy," and many policy practitioners in the field hold the job title of "Procurement Analyst" (Lloyd, 2000). Now compare the legal distinction between procurement and acquisition. At the federal level, Congress in 2003 enacted legislation that defines in detail what "acquisition" means. In the past, the operative term was "procurement", which was defined in 41 U.S.C. 403(2) as follows: "The term 'procurement' includes all stages of the process of acquiring property or services, beginning with the process for determining a need for property or services and ending with contract completion and closeout."

However according to the 2003 Services Acquisition Reform Act (SARA), the term "acquisition" refers to

the process of acquiring, with appropriated funds, by contract for purchase or lease, property or services (including construction) that support the missions and goals of an executive agency, from the point at which the requirements of the executive agency are established in consultation with the chief acquisition officer of the executive agency; and includes (i) the process of acquiring property or services that are already in existence, or that must be created, developed, demonstrated, and evaluated; (ii) the description of requirements to satisfy agency needs; (iii) solicitation and selection of sources; (iv) award of contracts; (v) contract performance; (vi) contract financing; (vii) management and measurement of contract performance through final delivery and payment; and (viii) technical and management functions directly related to the process of fulfilling agency requirements by contract.

Although the SARA definition of acquisition is similar to that appearing in the FAR (sect. 2.101), by promulgating this new, more expansive definition of acquisition, Congress signaled its intent to view the purchasing process in a broader perspective, encompassing technical and management functions: in essence, making it more strategic.⁴ This expansion of the legal description and convergence of the terms procurement with acquisition appears to also be happening in Non Governmental Organizations (NGOs), states, and locales. Consider that the American Bar Association's Model Procurement Code issued in 1979, which has been adopted in whole or in part by many U.S. jurisdictions, defined public procurement as "buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction. The description also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration" (American Bar Association, 1979, p. 5).

Similar to the federal government, some states also provide a "definition" of public procurement in their statutes. For example, the *Arizona Procurement Code* (Arizona State Legislature, 2004) offers the following:

[B]uying, purchasing, renting, leasing or otherwise acquiring any materials, services, construction or construction services...[and includes]...all functions that pertain to obtaining any material, services, construction or construction services, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Notice however, that many activities and tools such as materials and supply chain management, budgeting and capital planning, and surplus property management are excluded from these descriptions. However what seems to be consistent across these "definitions" is the tendency to primarily describe the basic steps in acquiring or buying something. Hence, at least according to Arizona and the federal government, it appears that procurement is buying without the

obligations of inventory management. In contrast, however, some states associate material management with the legitimate activities of discharging one's *procurement* responsibilities. Consider that Section 20(B) of the state of Arkansas Office of State Procurement (2003, p. 7) defines procurement to include "description of requirements, selection and solicitation of sources, preparation and award of contract, *disposal of commodities*, and all phases of contract administration" (italics added by authors for emphasis).

It can be even more confusing for practitioners in local governments where explicit details of public procurement are often not provided. Consider the Procurement Code of Maricopa County, Arizona (Article 1, Section 1-101-83) which states that "'procurement' means buying, purchasing, renting, leasing or otherwise acquiring any information, materials, services or construction. Procurement also includes all functions that pertain to the obtaining of any material, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration" (Maricopa County, undated). One is left to wonder just what government activity is excluded from such a sweeping legal mandate!

Adding to the confusion is Article 8 of the same Procurement Code which covers materials management and discusses asset sales and similar activities as if they are part and parcel of the duties of the public procurement practitioner. Interestingly, practitioners who work in the office handling public procurement in Maricopa County are referred to as the "Materials Management" staff.

This lack of uniformity across state and local governments has prompted one author to advocate discarding the ABA's voluntary "Model Procurement Code" in favor of an approach that promotes consistency, perhaps through the development and adoption of a "Uniform Code of Public Procurement" in a manner similar to the adoption of the Uniform Commercial Code across the U.S. (Keyes, 2000). Keyes argues that the lack of uniform public procurement rules effectively makes the U.S. less of a common market than Europe.

Looking now at international descriptions, it is noteworthy that the Agreement on Government Procurement of the World Trade Organization (undated) does not provide an explicit definition of public procurement, yet it contains twenty-four Articles that address the buying process, primarily through contract award, to the exclusion of other related supply management functions. Although space will not permit a complete survey of other nations, an example from the Canadian Treasury Board (undated) suggests that procurement is synonymous with acquisition in that the definition is “procurement (acquisition) - the function of obtaining goods and services and carrying out construction and leasing through contractual arrangements.”

As an integral part of contemporary government at all levels, there can be little doubt that the scope of public procurement anchors the ongoing transformation of the public sector. As outlined herein, the definition of public procurement should be construed as an important policy mechanism, because the practitioner will increasingly be involved at all levels of government activity and decisions—from planning outputs to creating outcomes. However, there remains the danger that any definition of public procurement that omits consideration of the impact of laws and regulations on practitioners (or implies “throw out the rulebook”) will necessarily be incomplete (Lloyd, 1999).

Often, legal prescriptions and statutes will tell public procurement officials not only what they must do in terms of procurement activities, but how to do it organizationally. As a consequence, the legal examples cited to this point are not exhaustive “definitions” of public procurement, but instead they merely provide the legal basis for practitioners’ activities in discharging their responsibilities, and they may offer procedures for properly carrying out prescribed activities that define the scope and jurisdiction of practitioners’ actions. Moreover, since legal procedures are typically activity-based, the actions pursued by government must be done through organizations that give structure to behavior and institutionalizes accountability. Thus in many respects, the legal mandate element of public procurement identifies the scope and jurisdiction that lead to

the boundaries and authority to act, but how actions are structured remains the purview of the second dimension of public procurement.

The Organizational Matrix Dimension

Any definition of public procurement should account for organizational structure to make procurement actors accountable. Indeed, there is little better indicator of the uncertainty surrounding public procurement than attempting to identify at any given time who is in charge of the functions and activities of procurement in the public sector, and it appears that the widest variations can be found at the state and local government level in the United States. For example, in response to a national survey of local governments (n=121), McCue, Prier, and Choi (2006) found that 21.5% utilized a centralized procurement system where a purchasing office purchases all goods/services for all departments, 19% used a decentralized system where all goods/services are purchased by each department, and 59.5% operated within an organizational matrix that combined the two.

The organizational matrix is important because depending on which activity architecture is adopted, the communication and coordination of activities are structured and institutionalized based upon this matrix. At least one poll of practitioners suggests that there is a wide variation in which organization controls how the bid process for goods and services is coordinated.⁵ For example, while a slight majority (52%) of respondents said that their purchasing operation coordinated the bid process for all goods and services including construction within their agency, 17% said that they excluded construction, and an additional 23% stated that their purchasing operation does not coordinate for all goods and services because some departments handle their own bids. Further, about one in twelve (8%) said that most departments handle their own bids (Table 3). This lack of uniformity probably leads to a great deal of confusion along the procurement process stream, and it serves to reduce accountability, because there is no isolated and commonly understood activity of public procurement when responsibilities for

the procurement process are shared so widely across so many organizational jurisdictions and boundaries.

TABLE 3
Hierarchy of Purchasing Organization

To Where Purchasing Department Reports	Currently	Should^a
Finance	51%	19% (3)
Deputy Chief Executive or Administrator of the Entity	13%	20% (2)
Chief Executive or Administrator of the Entity	12%	36% (1)
Business Services	11%	12% (4)
General Services	7%	10% (5)
Other	6%	2% (6T)
Elected Board, Council or Committee	1%	2% (6T)
Number of respondents	388	387

Notes: Figures are rounded. ^a Rankings are in parentheses.

Source: National Institute of Governmental Purchasing, Inc. (2006a).

It is also the case that many hazards exist in current operations concerning to whom practitioners should report. Although the question utilized the term “purchasing” instead of procurement department, Table 3 reveals several items of interest in this analysis. It is clear that while half of purchasing departments in government currently report to finance, less than one in five practitioners (19%) believe that is where purchasing should report. Instead, the number one place (36%) to whom practitioners thought they should report is the Chief Executive or Administrator of the entity followed by or his/her Deputy (20%). In other words, 56% of respondents thought that purchasing should be reporting to management of the entity, and this represents almost three times the number of respondents who thought that they should be reporting to finance. Moreover, it appears that reporting to elected officials is and should be rare since less than two percent of respondents identified it as a place to be held accountable. However this finding tends to contradict the organizational structures found at the state level.

Although there are many ways to analyze the organizational matrix in procurement, one simple way is to identify and compare the hierarchical designations of several procurement organizations.⁶ As such, an examination of the organizational matrix was conducted of all fifty chief state procurement officials (n=50) that were listed at NASPO as of March 21, 2007. To avoid making the analysis unwieldy, the initial two layers in immediate proximity to the official were included. For example, if the official worked in the Office of Purchasing in the Division of Procurement within the Department of Administrative Services, then the Department was dropped in favor of the truncated information consisting of the Office of Purchasing in the Division of Procurement.

Looking at the immediate two layers of bureaucracy, the analysis reveals that these Chief State Procurement Officials work within a bureaucratic structure that has 41 departments; 27 divisions; 19 offices; 5 bureaus; and 6 other entities such as Acquisitions Services along with a state Building and Procurement Commission. The two most commonly-titled departments where these officials are employed are in a Department of Administration (14) or a Department of Administrative Services (9). The bureaucracies can be further deconstructed by pooling each organizational designation and then examining the result word-for-word. This produced 284 words excluding conjunctions like “of” or “and.” Table 4 reports the terms used most often in the immediate two layers of state procurement bureaucracies where the state chief procurement officials work.

Information in Table 4 reveals a few counterintuitive patterns. Given that the analysis focuses on the immediate two layers of bureaucracy where the fifty state Chief Procurement Officials work, it

TABLE 4
Most Often Used Terms in State Procurement Bureaucracy
for State Chiefs

More Than Ten	Less Than Ten	Selected Surprises
Department (41) Services (34) ^a Division (27) Purchasing (24) Administration (21) Procurement (19) Office (18) General Services (14)	Administrative Services (9) Management (9) Finance (6) Bureau (5) Budget (4) Materials (4) Procurement (4)	Contracting (2) Property (2) Accounting (1) Acquisitions (1) Logistics (1) Sourcing (1) Supply (1)

Notes: ^aIncludes all services i.e. general and administrative.

Source: Data from NASPO compiled by the authors.

is interesting to note that the term ‘purchasing’ shows up 24 times while the term ‘procurement’ occurs 19 times. Although this may be expected, it is clear that many of these bureaus appear to be located in proximity to or within organizations carrying the title reflecting some form of ‘service’, whether it be ‘General Services’, ‘Administrative Services’, or some other application of the term.

However contrary to the data previously mentioned in Table 2 which showed that half of purchasing department employees report to finance, at least for the state procurement chiefs, there appear to be relatively few proximate ties to finance. For example, there are only six instances of the term ‘finance’ within two bureaucratic layers of these chiefs, but when they do report to finance bureaus, they tend to be similar to the following example in Mississippi where the chief is located in the Office of Purchasing and Travel in the Department of Finance and Administration. Moreover, the few examples of ‘materials management’, ‘property’, ‘logistics’, or ‘supply’ suggest that these activities are mostly separate from procurement and purchasing, and possibly acquisitions. In sum, state-level public procurement offices are often located in purchasing, but appear to rarely answer to

organizations involving finance, budget, accounting, or materials and supply. Instead, procurement officials tend to be found in some division or department devoted to generalized services, all of which suggest that the management structure of practitioners in the trenches may be flawed if the organizational matrix creates reporting channels that diminish accountable activities. In addition, it is noteworthy that there is a glaring divergence from the thrust in the U.S. federal government toward “acquisition” in that only one NASPO member is bureaucratically identified in this realm. Furthermore, the fact that Table 2 shows that only seven percent of rank-and-file practitioners report to General Services while data in Table 3 indicate that twenty-three of fifty state chiefs are located in some department or division of general or administrative services, one is left questioning how easy the transition will be in making public procurement more strategic, and it is to this subject that the analysis now turns.

Strategic Public Procurement

It is appropriate to discuss strategic procurement in terms of the organizational matrix because there is little doubt that in order to be successful, there is the need for a coordinated, cross-functional, or team-based approach in carrying it out. This puts a premium on coordination and an open communication architecture. Recently, there has been increased interest in public procurement as a strategic function of government, and this interest is mirrored in private sector purchasing (Giunipero, 2000). Rather than a rule-based, single transaction perspective on the role of the public procurement practitioner, observers must now also consider “spend analysis,” “strategic sourcing,” “commodity councils,” and improved management of the supply chain to be integral aspects of the field.

Increasingly, observers have made the case that public procurement leaders should embrace a strategic approach to public procurement as a management function in collaboration with other government leaders to produce cost savings, reduced cycle time, better use of human capital, empowerment, and inventory reductions

(McCue & Gianakis, 2001; Mather & Cleveland, 2003). Success stories have been reported at the U.S. Internal Revenue Service and elsewhere when agency spending information was analyzed enterprise-wide to facilitate greater leverage in awarding agency-wide contracts (Olsen, 2004).

Internationally, Canada's Procurement Review (Lacelle, 2004) and the "Gershon Review" in the United Kingdom (Cabinet Office, 2003) have both produced policy statements advocating a similar approach that emphasizes commodity management and collective purchasing as key activities of public procurement officials. These developments and the push to make public procurement more proactive serve to provide a stark contrast to the reactive mode familiar in most unfavorable depictions of procurement practices. In the reactive view, procurement officials remain dormant until forced to act upon receipt of an acceptable, valid, funded requisition.

Perhaps for these reasons, at the state government level, the National Association of State Procurement Officials (NASPO, 1999) has called for moving from "process-based to knowledge/accountability-based procurement organizations" that promote a management role for public procurement. One reason for NASPO's view is that, with the advent of decentralized purchasing via the purchase card and on-line ordering, "the net effect is that an experienced procurement practitioner is no longer required to execute much of the process segment of procurement" (NASPO, 1999, p. 2). In other words, clerical activities that used to require human activity are being replaced by technology, and the resulting activities of procurement personnel may be more knowledge-based. In turn, this may require a different organizational matrix.

Depending on the level of government, organizational transitions could include issues across governments (like state and local), across agencies at each level of government, within agencies or individual governments (at the bureau level), or within bureaus (chief, clerk, etc.). However recent successful initiatives such as the Western States Contracting Alliance have shown how even across jurisdictions, public procurement practitioners who take a broader view of their role

in service delivery can shape the management of contracted items for the better (Bartle & Korosec, 2003). So what is the status of this movement toward strategic procurement?

One answer can be found in the results of an NIGP poll conducted in October 2004 which asked the question (n=108), "Does your purchasing department currently have a strategic plan?" Results show that 51% responded that they had a plan, but over one-third of these practitioners thought it had "little or no value." Moreover, when respondents were asked (n=109), "In order for the procurement function to be more 'strategic' does this mean that...", 14% thought that solicitations need to be strategic, 14% thought that the purchasing department needs to be elevated to the executive team, and an additional 55% thought that both of these needed to be done in order for procurement to be more strategic. The fact that the "Purchasing Department needs to be elevated" and given that 49% of respondents do not currently have a strategic plan suggests that many practitioners believe that a new organizational matrix is required to move to strategic procurement.⁷

If this requires a large organizational shift in order to improve interagency and intra-agency coordination, issues may arise concerning accountability for required activities of procurement personnel. Moreover, integrating numerous layers of bureaucracy can make it difficult to determine who has ultimate authority over procurement spend, practitioners, and projects. It is obvious that since any organizational realignments will profoundly affect the location and the execution of public procurement activities, it is imperative for policy-makers to address the uncertainty and risks inherent in an atmosphere of shifting priorities.

The Procurement Activities Dimension

The National Institute of Government Purchasing (NIGP) and the National Contracts Management Association (NCMA), as well as the U.S. Federal Acquisition Institute (FAI), all refer to a body of knowledge that their members should possess. It is argued here that the contents of that body of knowledge must take into account both

the empirical and theoretical scope of procurement activities. This is but one reason a proper definition is needed, because lacking consistent terminology brings into question just what government buyers should be doing, the focus of the current section.

As mentioned previously, rules that regulate procurement activities are often embedded in statutes and laws. Indeed, one of the most common observations of public procurement in general is that it tends to be rule-bound. Some rules establish decision-making guidelines (such as awarding to the lowest responsive, responsible bidder), while others are process rules (such as how much advance notice is needed when publicizing upcoming contracts). Rules can be either written or understood, and they can be the result of a combination of legal mandates, the specific organizational matrix that is used to procure goods and services, and the history of functional activities that often take the form of unwritten norms like “this is how we do things around here.” This has caused some to question whether a process so structured cannot succeed except by accident (Waelchli, 1985). Indeed as Kelman (2002, p. 7) notes, when asked what they do and why, there has been a tendency for public procurement officials to say “the rule made me do it.”

Reflecting this is the fact that the Federal Acquisition Regulation is approximately 1,900 pages in length, and each federal agency has its own supplementary regulations. If the rules are to be meaningful, they must be followed, but in doing so, dysfunctions often occur when so many rules exist, because it may not be clear which rule shall override another rule when there is a conflict between the two. For these reasons, it has been said that the distinguishing feature of the modern era of public procurement is that it is awash in “a sea of paperwork” (Nagle, 1999, p. 481), and this trend is mirrored in state and local government procurement. It can also be seen internationally with the expansion in the rule-based details of the Agreement on Government Procurement of the World Trade Organization.

Although many rules may be justified for helping to achieve socioeconomic and other policy goals (see previous discussion herein and Schooner [2001] for a defense of bid protests), rules often exist

to prevent abuse or fulfill some other purpose (Kelman, 2002). Because of these and other concerns, it has been stated that the challenge is for the public procurement practitioner to serve a dual role of “being both regulator and customer-oriented business broker” (Federal Acquisition Institute, 2003b, p. 11). But the theoretical model adopted here suggests that the position of the FAI may not go far enough in that it does not account for the three dimensions that are so crucial in properly identifying public procurement, because rules and laws help define the objectives *and* activities of procurement practitioners. For these reasons, the third component important in helping to define public procurement involves examining what public procurement practitioners actually do on a daily basis. However there seems to be a disconnect between on what activities most practitioners spend the bulk of their time and effort and where the major organizations concerned with public procurement suggest that effort should be directed.

According to McCue and Gianakis (2001) who examined state and local government practitioner’s formalized procurement activities, the action items that ranked highest included identifying sources, determining procurement methods, and evaluating offers. The next grouping in order of priority was procurement implementation, to include follow-up on orders, developing effective relationships with contractors, and various contract administration-related tasks. The survey indicated that the least intensive part of a public procurement official’s job in practice involved developing forecasts of market conditions, planning purchasing strategies, developing needs analysis for warehousing, insurance, or logistics, and conducting performance evaluations. Thus it appears that public procurement officials spend most of their time on the following major tasks: handling procurement requests, soliciting and evaluating bids and proposals, performing supplier analysis, negotiating, as well as focusing on contract award and administration. Since these activities suggest that most practitioners are acquisition specialists rather than material supply experts, their efforts are focused more on determining needs and fulfilling those needs than on regulating inventory. Again, this is consistent with the systems approach outlined here because it

reflects a bifurcation of duties. Both procurement and acquisition appear to be more oriented toward planning, identifying, and meeting future needs, while inventory and materials management appears to be more oriented toward describing the present state of affairs.

However comparison of these “important” activities with some of those that are advocated by organizations committed to improving the field (like the National Institute of Governmental Purchasing) reveals a lack of nexus with these activities. As noted by McCue, Buffington, and Howell (2007), the NIGP’s *Dictionary of Purchasing Terms* has defined procurement in terms of these noted activities but also adds “the combined functions of purchasing, inventory control, traffic and transportation, receiving, receiving inspection, storekeeping, and salvage and disposal operations” to its definition. Moreover, the NIGP pushes these latter activities in its certification of Certified Professional Public Buyer (CPPB), because it makes eligible for this certification those employees who are “warehouse personnel including storekeepers, stocking personnel, and property accountability personnel” as well as “contract oversight personnel such as engineers” to be included in the definition of “purchasing buyer function” (Universal Public Purchasing Certification Council, 2004, p. 9). However it is interesting that, according to the civil service job series 1102, these purchasers are not considered “contracting personnel” in federal agencies, yet these same employees might be considered part of the acquisition workforce, especially in contracting-related functions as defined by the Federal Acquisition Institute (2002).

In addition to the reasons already noted along the legal and organizational dimensions, the lack of agreement on proper functional activities has created great difficulty in defining public procurement in terms of roles and assigned activities, and the management of the workforce that would fall into the category of procurement employees. This can be seen more clearly in Table 5 which compiles the identified functions of a very small national sample of purchasing and procurement departments in randomly selected cities and counties.

There could be many explanations for such a wide array of activities pursued by these purchasing and procurement departments, and they might include budgetary constraints, local conditions, or the lack of a critical mass to justify separate

TABLE 5
Functional Activities of Local Purchasing and Procurement Departments

Location	Name of Department	Functions
City of Palm Beach County, Florida	Purchasing Department	includes the "Stores/Warehouse" manager and a storekeeper for "Couriers & Mailroom" and a "Procurement & Inventory Systems Manager"
City of Baltimore, Maryland	Bureau of Purchases	includes a Surplus Property and Supply Management Division as well as a Printing and Repographic Services Division
City of Fort Lauderdale, Florida	Procurement and Materials Management Division	combines the materials management function with public procurement
City of Philadelphia, Pennsylvania	Department of Procurement	includes printing and publication services for all city offices in addition to selling salvageable city property
City of Oakland, California	Purchasing Division	provides inventory control, storage and handling of materials; liquidates surplus property; operates a shipping and receiving function; tracks receipt, handling and disposal of hazardous wastes; and operates a delivery system for small parcels, interdepartmental mail, firehouse and police supplies, and library book exchange"

TABLE 5 (Continued)

Location	Name of Department	Functions
Prince George's County, Maryland	Contract Administration and Procurement Division	includes central receiving, warehousing, and delivery; asset management; inventory control; and surplus property disposal
Allegheny County, Pennsylvania	Division of Purchasing and Supplies	includes an accounts payable staff and an inventory control function

Source: Compiled by the authors from the following websites: www.co.palm-beach.fl.us/pur/staff.htm, www.ci.baltimore.md.us/government/finance/purchasesgoal.html#org; www.phila.gov/phils/Docs/Inventor/Textonly/agencies/A089.htm; www.oaklandnet.com/government/b_and_f1/purchasing/purchasing.html; www.goprincegeorgescounty.com/Government/Agencyindex/CentralServices/capd.asp?h=40&s=20&n=20; www.county.allegheny.pa.us/purchasing/org.asp; www.cobbcounty.org/purchasing/index.htm; www.ci.fort-lauderdale.fl.us/purchasing.

organizations that might attend to such a variety of needs. But these combinations of activities within public procurement offices are virtually unknown in federal agencies, because procurement offices at this level are generally limited to the typical acquisition activities of soliciting, negotiating, awarding, and administering contracts.

What is more, there is similar confusion at the state level as well. While some states have central procurement offices that engage strictly in purchasing activities alone, other states have procurement offices that undertake post-acquisition activities. For example, the Division of Purchasing for the state of Delaware includes both surplus property and food distribution among its assignments. In Idaho, the Division of Purchasing consists of purchasing services, copy center services, postal center services, record retention information and services, and the Federal Surplus Property program. Likewise, the state of Michigan's Acquisition Services Staff includes a logistics

division handling inventories, storekeeping, and surplus property. Clearly these latter three examples show the extent to which purchasing and acquisition are being conflated into an amorphous glob of activities that also probably includes the procurement process, but surely postal services and the like do not remotely qualify as procurement-related functions. In sum, it appears that across a large range of government jurisdictions, public procurement (at least as measured by their organizationally assigned activities) tends to include numerous operations that are more related to a materials management function than strictly a procurement function.⁸

Perhaps working conditions and acquisition requirements are such that seemingly disparate activities can be accomplished by the same person in smaller public procurement organizations, but this is left to others to decide. What is clear is that the difficulties in defining public procurement are surely partly the result of a lack of coordinated agreement on what constitutes proper procurement functional activities, and this can easily be seen in the realm of materials management and surplus property.

Materials Management and Surplus Property

Most of the differences in functional responsibilities appear to concern what has come to be known as the “before and after” problem. As noted by McCue, Buffington and Howell (2007), activities that occur before actual purchasing takes place (such as defining needs), as well as those occurring after the act of purchase is completed (like inventory control), can arguably be included in the definition of public procurement, especially if procurement is viewed as a subset of material management. However, this creates problems, because if a public purchase is the actual voluntary exchange of monetary or other valuable consideration for a service or commodity, the property rights are transferred to the government, but this does not necessitate that the control of the service or commodity should rest with the procurement official. This is where inventory and materials management comes in. It is easy to see how a specific purchase can broadly fall under acquisition and under procurement, because these latter concepts are processes that include numerous

actions devoted to acquiring goods or services. Indeed, the NCMA lexicon specifically identifies “acquisition” and “procurement” as processes (Byrne, 1999). But it is easy to see how the term “purchasing” is a mere action rather than a broader process such as that described in the NIGP’s Dictionary of Purchasing Terms where the term procurement subsumes purchasing, inventory control, and other activities under its heading.

What is more, inventory control and similar activities may be important to an acquisition or procurement strategy, but only in terms of the information of what is in stock and what is needed by a specific time. If this is correct, public procurement could easily be subsumed under materials management, and warehousing and surplus property sales could also be excluded from the definition of public procurement because it is more materials management.⁹ Consider that although data on these activities might indicate needs to buy, there is little beyond the use of that information for procurement or acquisition that is demanded of the activities of procurement. For example, the role of information concerning the three “after” actions of knowing inventory levels, current warehousing capacities, and surplus property sales can help identify several elements of how best to acquire what is needed, but it is difficult to see how actually doing these activities helps in closing the gap between outputs and desired outcomes. For example, it makes sense that knowing inventory flows and warehousing capacity can lead to better decisions about when to buy, and knowing the market and the cost of delivering desired versus needed specifications can lead to better decisions about when to excise property – in fact, this information can help to define what is surplus or obsolete property and what is still useful. In other words, if it is a similar item being unloaded, why, and with what was it replaced? This information can be valuable in helping identify needs, but it hardly requires that procurement practitioners do the actual activities associated with these “after” actions.

Moreover, the argument laid out here suggests that the procurement process should be regarded the same as the acquisition process. As a consequence, state and local governments receive additional credit toward the Achievement of Excellence in

Procurement award given by the National Purchasing Institute (2004) if they conduct internet auctions of surplus property or when they maintain the inventory/warehouse system. However, these activities may not be consistent with appropriate procurement activities. This is probably why NASPO (1999) has adopted the “before” functions but not the “after” functions, stating that public procurement’s role should be “embracing the entire procurement process from the initial identification of need through termination of a contract.” In a similar vein, U.S. federal government personnel involved in acquisition do not engage in these “after” functions, as noted in the statutory “definitions” previously detailed.

A final reason why these activities may be better handled by someone other than procurement officials is that on its face, the case made here is strengthened by the fact that although surplus property sales are often conducted pursuant to a solicitation and bidding process, the process goes in the opposite direction of public procurement i.e. toward selling, not buying. Indeed, a recent May 2005 NIGP (2005) poll (n=210) suggests that many practitioners may feel the same way. When asked to identify the definition of supply management that is most relevant *to you as a public procurement official* (italics added by authors for emphasis), only 20% felt that managing supplies in stockroom and warehouses was appropriate. However, 29% thought that managing the purchase, receipt, and disposal of supplies was appropriate, while another 27% felt that managing the supply chain from production to delivery of supplies was relevant. An additional 17% thought that managing supplier relationships for the provision of goods or services helped to define supply management. Moreover, while 65% of respondents thought that supply management is fairly or extremely important to public procurement objectives, fewer than one-third felt that public sector associations should consider incorporating 'supply management' into their name and/or tagline.

What becomes apparent is that the scope of public procurement is often based on the level of government and its size, yet in terms of operational duties, there seems to be a core set of activities or functions common to all public procurement. Although it is true that

the smaller the scope, the more activities performed by one person fulfilling mandated functions beyond procurement, there are at least six procurement activities that are commonly pursued in governments:

1. Technical and supplier research;
2. Contacting suppliers;
3. Quality references and background review;
4. Negotiation over numerous criteria such as price, specifications, delivery schedules, etc.;
5. Fulfillment of order which includes supplier preparation, shipment, receiving, and payment; and
6. Evaluation.

It should be remembered that the call for a broader focus for procurement in recent years began with Kraljic (1983) who examined private sector purchasing and saw significant opportunities for expanding the influence and results that could be attained by the procurement function by considering its role in the supply chain. In the time since Kraljic's article appeared, the concept of supply chain management has gained currency and is now a well-publicized function of procurement. Although some scholars such as Mather and Cleveland (2003) have called for a similar approach to be adopted by government agencies, this would not go very far in resolving the issue at hand, namely the muddled understanding of public procurement. Supply chain management is merely a tool to obtain efficiencies through better management of the relationships among suppliers and buyers. As such, it is but one procurement activity that can be used by public procurement practitioners to help pursue efficient government.

IMPLICATIONS AND CONCLUSION

The differences found in the public procurement field regarding terminology and practices have some key implications. These range from the practical effect of the legal authority mandating prescribed activities, to determining training needs, building skill sets sufficient

to accommodate changing organizational needs, and ultimately to building a commonly agreed upon body of knowledge. The body of knowledge and organizational matrix should institutionalize processes that can lead to accountability, efficiency, and effectiveness because if public procurement is being performed by people other than public procurement officials, the chain of command is diluted and the public policy process will be adversely affected. Indeed there are numerous examples across U.S. federal agencies of the muddled chain of command for assigning procurement tasks, from assigning it to the Procurement Executive's office at the U.S. Department of State to the Chief Financial Officer at the Department of Housing and Urban Development.

However, the triadic conception of public procurement developed here is beneficial because it helps to address concerns of all stakeholders, but especially those practitioners staffing the front lines of public procurement. Consider that a recent July NIGP (2006b) poll (n=162) shows that in the experience of practitioner-respondents, the top three values that underlie public procurement are integrity, accountability, and fairness, in that order. Moreover, choosing from a list of twelve options, the top goals of public procurement were found to be best value, along with open and effective competition (both tied at 77%), and process integrity which rounded out the top three position with 53% support. Interestingly, effectiveness (22%) and efficiency (34%) were not in the top three, while public policy goals like vendor diversity (7%), sustainability (2%), and economic development (3%) trailed badly in importance.¹⁰

It is noteworthy that the definition offered here i.e. the designated legal authority to advise, plan, obtain, deliver, and evaluate a government's expenditures on goods and services that are used to fulfill stated objectives, obligations, and activities in pursuant of desired policy outcomes, appears to be an acceptable umbrella that subsumes numerous activities engaged in by practitioners. Indeed, one practitioner who was kind enough to offer feedback on this definition hinted that there should be some consideration given to time-consuming activities such as management of a public bidding process that results in legally binding contracts for goods, services,

consultants and construction. However, a careful reading of the definition already takes this action into account, just as the definition of acquisition in the FAR discussed earlier in these pages involves “contracting” on a scale that accounts for all activities. Indeed, nothing can be bought in the public sector without at least an implied contract, so the FAR definition of acquisition is appropriate.

Given the discussion, it is argued that the general definition of public procurement offered here can benefit stakeholders by focusing the capacity of practitioners toward a greater understanding of what they can do to help improve government outcomes. For example, practitioners should understand that the adopted organizational matrix will probably be based upon concerns that are either designed to help make the procurement process transparent to those *external* of the procurement process which might increase political accountability, or to those *internal* to the procurement process by enhancing management controls and operational efficiency. Both of these are legitimate concerns, and they should be addressed within a rational process.

In conclusion, this article has enumerated at least three dimensions that are crucial to an appropriate understanding of public procurement. The first concerns the authority for action, and this involves a determination of what is wanted and why. The second dimension is determining the right organizational matrix to deliver what is wanted and needed. The third dimension pertains to deciding what exactly is to be done, and what specific actions are to be taken. Despite the many differences in terminology and scope uncovered here, these three common elements were extracted from job profiles, procurement department missions, and from legal mandates and organizational matrices that when understood and used correctly, can clearly define the purpose and role of the procurement practitioner. The goal has been to stimulate discussion on this subject by pointing out key features of any system of public procurement, especially as it concerns its nature, role, and scope.

Essential questions about the proper role of public procurement practitioners, the scope of their activities, and the institutional maze

in which they are to conduct those activities are worthy of debate, and the tripartite model offered here helps to focus that discussion by delineating whether one's conception of public procurement is a product of aspiration or practical application.¹¹ It is clear that the lexicon of public procurement is varied, and there are multiple approaches to describing the work that public procurement officials perform. Nonetheless, it appears there are specific and similar core activities that are undertaken across jurisdictions, and that the numerous differences tend to make it difficult to define public procurement. To what extent adopted procedures help fulfill desired government outcomes that are legally sanctioned, and how decisions are impacted by the organizational matrix are empirical questions in need of further research.

Although there may be little prospect for obtaining universal agreement on what public procurement is, within the U.S. Federal, state, and local governments, or across nations, deliberating the definitional issues raised here is a necessary step in carving out a role in the study of, and the professionalization of public procurement. This will continue to be a challenge for public procurement if practitioners wish it to become a serious discipline that is known for producing meaningful results for government.

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NOTES

1. Consider the definition of procurement offered in Wikipedia: "Procurement is the acquisition of goods or services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of the governments, corporations, or individuals generally via, but not limited to a contract." In other words, procurement here

consists not only of acquisition, but other value-added activities that go beyond the authoritative activities of purchasing.

2. Although impressionistic and not technically scientific polls, NIGP publishes results of monthly surveys at its website (<http://www.nigp.org>). It is upon these polls that much of the data relies.
3. While the current model leaves sovereignty exogenous, it also leaves aside other theoretical questions of sovereignty. For a good discussion of the endogenous locus of sovereignty, see Prier (2003, chapters 1-3).
4. Excluded are grants and cooperative agreements. These are governed by a separate statute (31 U.S.C. 6303) that distinguishes a “procurement contract” by the fact that it involves acquiring something for the direct benefit or use of the U.S. government, rather than simply providing funding to stimulate a public purpose. While grant procedures may often comply with the 2nd and 3rd dimensions identified, they typically flow from a different legal mandate.
5. From NIGP, “Public Procurement Responsibility and Reporting,” July 2004 (n=135).
6. Although the potential exists that despite the names of the organizations in which they work, practitioners may report to somebody external to the bureau.
7. Unfortunately, the survey did not explore the relationship between strategic procurement (74% of the respondents indicated that procurement should be strategic), and the fact that only 14% of the respondents indicated that the purchasing department should be elevated to the executive team. These responses suggest the potential that procurement practitioners may have a vested interest in becoming more strategic yet simultaneously appear to lack a full understanding of what constitutes strategic procurement.

8. The examples discussed here can be accessed at the following websites: <http://www.azspo.az.gov>; www.state.de.us/purchase/html/contact_our_employees.htm; www.adm.idaho.gov/purchasing; www.michigan.gov/doingbusiness/0,1607,7-146-23718-00.html.
9. However contrary to the position taken here, Acquisition Solutions (1997) defines acquisition as encompassing the following components: source selection; procurement processes; requirements and technology; program management; mission, business and information resource management planning; and contract management.
10. It is noteworthy that the organizational matrix under which respondents work may influence their views on goals, where middle and lower level staff tend to focus on tactical goals and senior staff focus more on strategic goals (see for example McCue and Gianakis [2001]).
11. The authors have avoided the age-old debate concerning bureaucratic inefficiencies (see Fiorina, 1977; Fiorina & Noll, 1978), because the focus here is on examining the relevant dimensions (one being the organizational matrix) that can help define public procurement, not on what the organizational matrix should be.

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