

IN MY OPINION

Is it wired?

by Michael Asner

Suppliers distrust buyers – especially public sector buyers. In August, I spoke with 150 suppliers who attended my workshops on proposal writing. Each of these suppliers invested time and money to learn how to create winning proposals. Each wants insight on how to win government business.

I asked the participants two questions: What would you ask a senior purchasing official in the public sector organization you most wanted to do business with? And, if you were in charge, what change would you make in their procurement process? Well, the response was both overwhelming (almost everyone answered my questions) and disheartening.

Comments about the apparently secretive and sometimes perplexing evaluation process, the hidden agendas, bias and seemingly unethical practices of buyers during the evaluation process were predominant. RFPs were viewed as jargon-laden, unwieldy documents – often described as a product designed primarily to present the appearance of regulatory compliance. Many suppliers wanted more clarity in the language used in RFPs, more standardization and more openness about the “real” evaluation criteria.

Here is a sampling of some of their comments, questions and concerns.

“Why can’t the selection process be awarded to an unbiased industry committee with expertise in the RFP purchasing requirements? Why is the evaluation process such a secret? Why aren’t the names of the evaluators released? Why not disclose the individual scoring sheets? That way they [the evaluators] can’t really hide. Give us more information on the evaluation criteria.”

Many suppliers would like more extensive information especially about money issues.

“Why not provide cost guidelines (maximum, minimum or approximation)? Why is the concept of a “deliverables budget,” and how to prepare it, kept such a secret?”

Suppliers wanted some level of commonality across departments within a government, not just the federal government but provincial and city as well.

“Why not standardize RFPs, at least to a minimal degree, throughout each department? Unify the process of developing the RFP so that government agencies utilize/operate on the same playing field. Unify the response format and simplify the jargon. The language used in government RFPs is so verbose – they don’t have to be written by a litigator to reach the end result.”

And finally, from a supplier truly frustrated in pursuing government business, this message. “Tell the buyers: ‘Don’t ask private sector [companies] to produce bids to simply justify the mandatory bidding process. Don’t send an RFP out to bidders at the last moment and ask them to put in a bid so that the process looks fair, even though you have no intention of considering their bid.’ ”

I am now convinced that, among many suppliers, there is a strong perception of “wiring” – bending the rules to favour specific respondents and/or to exclude others. This perception of unfairness is not in the public’s best interest. It affects the quality of the bids and limits the selection pool.

Good supplier relations are a critical success factor in procurement. Some buyers know intuitively that developing good relationships with suppliers is in the best interest of their organization – others must be told. David Borland, director of the US Army’s 120-person Information Systems Selection and Acquisition Agency knows the value of good relations. Speaking to *Computerworld* magazine, he said, “We have knowledge of the market. We know the players and they know us. We never surprise anyone. It’s like we’re at a dance and everyone knows the steps.” He visits key executives at vendor companies constantly and rarely gets a formal protest over a contract.

Certainly many in the buyer community work hard to maintain a fair procurement process. However, buyers can come under a great deal of pressure and may just want to get it done and over with, resulting in a lack of sensitivity and responsiveness to questions or requests from suppliers. While it is easy to become impatient with suppliers’ comments, they cannot be dismissed.

Buyers would be well advised to review their supplier relations policies and their RFP process to see if they promote fair and open competition.

In both Canada and the US the courts have played a major role in defining the rights and responsibilities of public sector buyers. In Canada especially, it is the courts and not the lawmakers or policy makers who’ve introduced major changes.

In the US, most states have procurement statutes that set the major rules. In Montana, the state supreme court recently imposed a major new “responsibility.” All evaluation committee meetings in the State of Montana are now considered “public meetings.” Meeting notices and agendas are posted 72 hours in advance. Bidders are even allowed to make recordings of the evaluation committee meetings. Evaluation committee member names have to be released if asked for. Even visits to vendor sites are considered public meetings if a quorum of the evaluation committee is in attendance.

Imagine the impact of this ruling in your organization!

In my opinion, Canadian suppliers' voices will grow stronger, supported by our courts and tribunals. Public sector buyers should examine their own organizations and how they can improve supplier relations. Buyers should take the lead in procurement reform and in actively dealing with suppliers' concerns. The alternative will only lead to new responsibilities being imposed by our courts.

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