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IT procurement drives online agenda

by Richard Bray

Two events in the fall of 1999 foreshadowed several years of drama and excitement as the federal government gears up for major expenditures on electronic communication and big changes in how it will buy the necessary technology.

The first came in the October 12th throne speech when the Governor General spoke about federal ambitions for online government.

“The Government will become a model user of information technology and the Internet,” Ms. Clarkson said. “By 2004, our goal is to be known around the world as the government most connected to its citizens, with Canadians able to access all government information and services on-line at the time and place of their choosing.”

Listening to the speech, IT purchasing officers throughout the government surely glanced at their calendars and wondered how they could possibly prepare specifications, bid, negotiate, sign and administer the necessary contracts between now and 2004. And executives at vendor companies surely began sharpening their pencils for what must be three years of intense and lucrative activity.

Just a few days later, however, at an Ottawa conference, Bob Mornan of Treasury Board Secretariat said flatly, in tones that left little room for argument, that the government’s promise of an electronic future would remain just a promise, without reform of the IT procurement process. And Mornan should know. He is in charge of that reform.

“In recognition of the perceived procurement woes that were specific to IT,” Mornan said, “as measured by industry reaction and the number of trade tribunal cases, I was asked to come in on an exec interchange to figure it out and fix it.”

A 30-year veteran of IBM, he brought to his new job knowledge, experience and, above all, independence.

Within the broader context of procurement reform, IT has been deemed a special case. Several years ago, the Auditor General issued a scathing report about IT projects that went terribly

wrong, costing taxpayers hundreds of millions more than expected. In a recent example, EDS Systemhouse handed a contract worth almost \$300 million back to the Department of National Defence. From all appearances, the difficulties lie more with how IT contracts are awarded and managed than with companies' ability to complete the projects or departments' ability to manage them.

As one Ottawa insider put it, "You get 'married to the win'." In other words, the terms of the contract become more important than reality. With flexibility cut out, and no room for creativity, talented and motivated people are soon in the position of building tomorrow's networks from yesterday's technology with plans from the day before.

Some of the questions Mornan is asking cut right to the heart of procurement as it is now done. For example, why not measure the performance of purchasing personnel by the end results, rather than their ability to adhere strictly to specifications?

Mornan argues that the system has, in effect, created an inappropriate balance between due process and program delivery. In other words, counting the beans has become more important than buying the beans.

Interviewed in mid-December, Mornan hoped to distribute the results of his discovery phase by mid-January. Then, he said, "I would get on the 'rubber-chicken' circuit and present this thing all over the map and hopefully achieve consensus by the end of March – that would allow us to get into solution mode."

As far as Mornan could tell, there are no legal barriers to swift IT procurement reform. "I think there is latitude in the legislation and policy to largely effect all of the reforms that we need to," he said. "That is really good news, and it says the task here is to create the will and then the way will be there. In that sense we can do it within the existing procurement system. But it is an enormous task to create the will to say we are serious about this thing."

The throne speech and Bob Mornan's mandate to reform IT procurement have set the scene for an exciting three years.

Putting all government services online in three years is a tall order. When Mornan says there are no "paper" obstacles to a reform package, it really means that people in the system must meet the challenge and take IT procurement to the next level. The race is just beginning.

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