Features of a Procurement Professionalization System

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THE WORLD BANK
Procurement, Integrity, Management and Openness

12th edition of ECA PIO yearly procurement forum

24 participating countries

50 government officials

10 international organizations

Two objectives
What is meant by Professionalization?

An occupation that transforms itself into a true profession

**Key Elements:**

- Acceptable qualifications
- Minimum standards
- Code of conduct
- A professional body/association overseeing the members of the profession

Professionalization creates a demarcation between qualified and unqualified staff. Examples of professions: lawyers, doctors, engineers, etc.
What is professionalization of Public Procurement?

Professionalization of Public Procurement implies a switch:

From a clerical function → To a key government function with highly skilled staff
What issues to consider for a Procurement Professionalization System?

1. How will professionalization be regulated and in which way?
2. Who will provide trainings/professionalization?
3. What professionalization method will be used?
4. Who will be trained?
5. What to teach?
6. What the professionalization will cost?
7. What benefits will be achieved?
How will professionalization be regulated?

- Required by law?
- Centralized or decentralized?
- One time effort or periodic?
- Precisely defined or general?
Who will provide training?

- National professional associations
- Professional bodies
- Government bodies/agencies
- Universities
- International Organizations
Who will provide training and what method should be used?

- Accreditation/Certifications
- University degrees (LLM/MBA)
- Trainings/Workshops/Retreats
- On-the-job training
- IT Tools
Who is eligible for professionalization?

- Contracting Officers
- Support staff
- Government Personnel (Rulemaking personnel)
- Attorney/Judges
- Procurement monitoring personnel – Auditors
- Private sector (bidders)
What to teach? (1) – The Basics

I. Procurement legal compliance

- Procurement procedures
- Procurement institutional framework
- Procurement principles
- Ethics in procurement
- Contract management
What to teach? (II) – Advanced Topics

II. Procurement technical knowledge

- Value for Money/Life-cycle cost
- Specific methods of procurement
- Green Procurement
- Procurement planning
- Technical specifications and standard bidding documents
- E-Procurement and IT
What are the costs of professionalization and how to address them?

One of the biggest challenges in Professionalization caused by unavailability of funds

Costs savings after professionalization of the procurement function outweighs the initial investment
The benefits of Professionalization and the Risks of low professionalization

Benefits of Professionalization
- Better professional capacity/skills and better responsibilities allocation
- Harmonized standards for all procurement staff and procurement actors
- More efficient procurement procedures
- Incentives for civil servants/procurement staff (career advancement, raises)

Risks of Low Professionalization
- Increased fraud and corruption
- Increased administrative burden and bureaucracy
- Inefficient public procurement procedures
- Time consuming
- Cost ineffectiveness
Example of a good practice 1 – the United States – Federal Level

- One regulatory agency
- Centralized training bodies
- Two types of acquisition staff trained
- Different methods used
- Cost Management

- Office of Federal procurement Policy
- Federal Acquisition Institute (Civilian)
- Defense Acquisition University (Defense)
- Contracting officers
- Contracting officer’s representatives
- Certifications requirements (experience, education) are different following the type of staff
  - Three levels of certification for Contracting officers
  - Three levels of certification for Contracting officer’s representatives
- Continuous training requirements to maintain certification
- Face-to-face lectures and use of online classes
- Each agency must allocate a percentage of contract spending to a training fund
Example of a good practice 2 – New Zealand

Before the 2008 procurement reform

- Only a few people qualified
- Procurement training unavailable locally, causing cost ineffectiveness
- Difficult visa requirements for skilled foreign staff

Since the 2008 procurement reform

- Creation of the Procurement Functional Leadership
- Providing funding to enable agencies to undergo a thorough review of their procurement capability and develop a roadmap for improvement
- Development of a Procurement Competency Framework and Training Needs Analysis
- Easing the way for skilled and qualified migrants through the visa application process
- Establishing a professional procurement education framework that offers subsidized support
- Increasing access to high quality training
Example of a good practice 2 – New Zealand

Examples of trainings and initiatives provided

- Creation of the New Zealand Procurement Academy
- CIPS training
- Online procurement training
- Procurement Graduate Program
- Procurement Breakfast sessions

Results: more than NZ$ 353 million in cost savings
Example of a good practice 3 – South Korea

One main body of training

- The Public Procurement Training Institute (within the Public Procurement Service)

Multi-beneficiaries

- PPS employees
- Employees of other central, local and public entities
- Private sector

Methods

- Residential courses (two to three days)
- Regional training for KONEPS
- PPS Contracting Official Certification Program

Subject Matter of the Trainings

- 7 main subjects taught to procurement officials from public entities

Cost Management

- Residential courses are subjected to fees
Let’s professionalize!