

DAILY COMMERCIAL NEWS

AND CONSTRUCTION RECORD

November 17, 2010

New alliance aims to assist with public-sector procurement

VINCE VERSACE

staff writer

Public-sector stakeholders looking to optimize their procurement processes can now turn to the pooled expertise of three leading Canadian authorities on the subject.

Audit, tax and consulting professional services firm Deloitte and Touche, WeirFoulds LLP, one of Canada's most established and reputable legal firms, and Purchasing Consultants International (PCI), leading specialists in public-sector procurement, have created an alliance to help provide comprehensive solutions for the design and implementation of cost-efficient public-sector purchasing.

"We believe our new co-ordinated, interdisciplinary and cross-silo approach will lay the basis for a transformational improvement in the public procurement process," said Stephen Bauld, president and CEO of PCI. "Our combined resources allow us to look at issues that previously have not been addressed, and permit us to look at old issues in new ways."

A more integrated and efficient approach to public procurement has become increasingly important for stakeholders in the process, from the public sector to contractors. In the recent municipal election, procurement issues were front and centre in many cities and candidate debates, added Bauld.

"Government purchasing differs in many key respects from private-sector procurement," he said. "It is more litigious and the public has high expectations in relation to transparency and accountability."

The alliance aims to provide its combined resources and experience to help the public sector attract, identify and select top-quality contractors and suppliers to support government programs and service delivery.

The Residential and Civil Construction Alliance of Ontario (RCCAO) recently commissioned PCI for a price implications report. The report included a contractor survey in which 78 per cent of respondents said government contract documents, such as tenders and request for proposals, are "more likely to contain a significant number of one-sided contract terms than corresponding documents relating to private owners."

A major obstacle to better public procurement is its “many separate and inter-related processes involving competing concerns” which range from qualifying potential suppliers to conducting the tendering and bid evaluation process and contract administration, the alliance stakeholders say.

Gord Penley of Deloitte and Touche said that although a public-sector client may have a template process for buying commodities, this may not work as well for procuring professional services or construction.

“In attempting to develop absolutely solid procurement processes in today’s environment, where everyone is under the magnifying glass, processes have been developed to cover all risks and potential criticism, which also makes them quite cumbersome,” Penley said.

The integration of Deloitte, WeirFoulds and PCI can help paint the complete picture a public-sector client needs to have a healthy and effective procurement process. Their co-ordination of different perspectives allows them to deliver a detailed diagnostic review of a client’s procurement program, covering all risks presented by the litigious nature of today’s public procurement process, the requirements of effective corporate governance, and the operational constraints faced by public entities.

“What makes this strategic alliance so attractive for us is that it gives us the opportunity to integrate our recognized expertise in procurement law into a broader, more comprehensive service we can offer public-sector clients,” said Glenn Ackerley, WeirFoulds partner and chairman of the Toronto Construction Association.

“Too often, dealing with the legal issues of procurement is only one piece of the overall puzzle faced by clients who are looking to improve their processes.”

Better procurement can help all levels of government maximize and stretch infrastructure dollars, said Andy Manahan, executive director of RCCAO. The availability of an alliance such as the one forged by Deloitte, WeirFoulds and PCI for the public sector will help in that pursuit, he added.

“With so many things being so specialized now, you want to pull together the specialists you can to enhance each part of the process through a team approach,” said Manahan. “We should raise the bar on procurement and hopefully other organizations will come forward with similar skill sets and use this as a model.”