

The Outcomes and Roles of Public Procurement

To make public procurement as effective as it possibly can be, it's necessary to have a shared understanding of what the desired outcomes of the function are, and what role procurement should play within the larger organization. As part of our study of the public procurement workforce, we talked to nearly 50 leaders in public procurement to get their insights.

Leaders generally agree on the outcomes desired from public procurement

Aligning around the outcomes desired from public procurement is critical to identifying the role the workforce plays and skill sets required. Conversations with project shapers highlighted several outcomes desired of public procurement.

- **Effectiveness** – Did the procurement organization successfully procure the appropriate goods or services that accomplish the internal customers' immediate goals and enable its mission?
- **Efficiency** – Did the procurement organization acquire these appropriate goods and services in a timely and fiscally sound manner? "The procurement function sits in an ideal spot to be a real force for driving efficiency and improving the bottom line," said one state procurement executive.
- **Compliance with regulations** – Did the procurement organization ensure that all purchased goods and services were procured in a manner compliant with the laws, policies, and regulations governing the procurement system?
- **Promotion of socio-economic and policy goals** – Did the procurement organization leverage government's purchasing power to support social and socio- policy goals mandated by policymakers, such as spending targets for small and minority businesses or minimum standards for workplace safety or environmental impact?

While interviewees agreed that procurement organizations are responsible for delivering all of these outcomes, the outcomes can sometimes be conflicting and create tension. For instance, socioeconomic goals may impact price or effectiveness: "[Socio-economic goals] may diminish our ability to get the best cost. But if the political consensus is that we pursue these goals, then that's what happens," said one state procurement executive. The difficult balancing act required to effectively deliver on the full set of desired outcomes underscores the need for a highly effective, nimble, solutions-oriented workforce.

Leaders agree on the “desired” role of public procurement—to enable the mission and public policy goals—but also believe it is not current reality

Given the outcomes above, experts agreed on the desired broad role of the public procurement workforce—to enable the agency’s mission and support public policy goals—but also agreed that it does not fulfill it to the fullest possible extent. Public procurement has long been viewed as a primarily administrative or clerical function, but interviewees agreed that it must become more strategic to most successfully fulfill this role.

“Procurement’s role is to provide innovative solutions that enable our [internal] customers to serve our citizens,” remarked one state procurement executive. A local procurement executive concurred, arguing that procurement’s role “is to add value to the organization with every purchase.”

To enable public agencies’ missions and desired outcomes, interviewees specified how procurement can move beyond a clerical function and fulfill its role most broadly:

- Serve as a **business advisor to internal customers** by understanding an internal customer’s needs and offering advice on how the supplier market can meet them.
- Help **shape purchasing requirements** and facilitate the evaluation of trade-offs by collaborating with internal customers and suppliers.
- **Manage relationships** between internal customers and suppliers from the pre-award phase through to successful delivery of goods and services.

Most interviewees agreed that while there are some procurement organizations that have successfully undertaken this more expansive role, progress is far from consistent across governments.