

BOOK REVIEW

The Procurement Revolution, by Mark A. Abramson and Roland S. Harris III (Eds.), (Lanham, MD: Rowman & Littlefield Publishers, Inc., May 2003, paperback and hardcover, ISBN: 0-7425-3272-0, 472 pages, \$27.95 paperback, \$70.00 hardcover).

The Procurement Revolution is an edited volume of previously published monographs from the IBM Endowment for the Business of Government. The book is designed to “examine the state of government procurement as we enter the 21st century.” The editors believe that the “procurement field has begun to attract a new breed of public servant – individuals eager to experiment and develop creative new ways of doing the business of government.” The chapters in the book provide numerous case study examples of innovation and experimentation in the federal, state and local governments.

The editors organize the nine chapters around three themes referred to as transformations. The first transformation is the movement from buying goods to buying services. The second transformation is the movement away from “command and control” relationships to those of partnership. The final theme is moving away from paper-based procurement to electronic buying.

Theme One: Transformation from Buying Goods to Services

Four chapters are devoted to this theme. Jacques Gansler writes in “A Vision of The Government as a World-Class Buyer: Major Procurement Issues for the Coming Decade,” that government procurement has made significant improvements in the past decade however, much work is yet to be done to meet “desired objectives of efficiency and effectiveness.” He believes that the public still lacks confidence and trust in the ability of the government procurement

process. He details a number of reforms aimed at four targets – Who does the buying, What do they buy, How do they buy, and From whom do they buy. He also lays out five challenges for government procurement and provides recommendations for meeting the challenges. The chapter provides a broad overview of the problems faced by government procurement, and seeks to catalog some of the important issues in the field.

Kathryn Denhardt's "The Procurement Partnership Model: Moving Toward a Team-Based Approach," provides a highly focused and easy reading discussion of the need for and benefits of a partnership model for procurement. She provides a brief history of the procurement process and then details the characteristics and steps for successful implementation.

In one of the most interesting chapters, Lawrence Martin makes the case for performance based contracting (PBC). He provides an overview of PBC from both the federal and local government perspectives. He also highlights ten excellent case examples of how PBC is working at the state and local levels. He summarizes these experiences as lessons learned from the field and concludes with a series of recommendations for improvements at the federal level.

The final chapter in this first section is "IT Outsourcing: A Primer for Public Managers," by Yu-Che Chen and James Perry. The authors assert that IT outsourcing is the "fastest growing segment of the overall federal IT market" and as such procurement professionals need to better understand how to execute contracts in this area. The chapter is a very basic overview of outsourcing with emphasis on the unique opportunities and challenges of IT. They emphasize the role of partnership and provide a well-documented process-oriented model for managing IT outsourcing contracts. Of particular note is the best practices sections for each of the five phases of the model.

Theme Two: Transformation to Partnerships

Although partnership is a discussion topic in each of the previous chapters, Wendell Lawther in "Contracting for the 21st Century: A Partnership Model," concentrates on a recommended relationship between the contract administrator and the contractor. Lawther provides a comprehensive discussion of the relationship based on complexity and uncertainty of the service/product; contractor discretion and risk. He

addresses each of these areas against alternate bid arrangements. He also includes a short section on public-private partnerships (PPP) as a model for implementing complex contracts and completes the chapter with a list of recommendations for improving the contracting process.

Trefor Williams continues the public-private discussion in the next chapter with a comparative look at successful PPPs around the world. He provides an excellent introduction to the different PPP models and good examples of the diversity of applications in the US, UK, Australia and Hong Kong.

Theme Three: Transformation to E-Procurement

M. Jae Moon opens this section with brief overview of e-procurement in “State Government E-Procurement in the Information Age: Issues, Practices and Trends.” The chapter is largely descriptive with examples from several states and numerous (and somewhat repetitive) maps of the US depicting the results of a nation wide survey on e-procurement practices. The final chapter by David Wyld draws on his previous monograph, “The Auction Model: How the Public Sector Can Leverage the Power of E-Commerce Through Dynamic Pricing.” In this lengthy chapter (148 pages), Wyld provides a well-documented discussion of e-government in general and the role of e-procurement in particular. However, the bulk of the chapter is devoted to the concept of dynamic commerce and specifically three types of auctions – reverse, forward and aggregate. His treatment of each of the auctions is extensive with an excellent discussion of risks, benefits and legal considerations. He concludes the chapter with appendices including examples of successful uses of the auction techniques.

The book is based on previously published monographs from a single source - the IBM Endowment series. As such, the chapter subject areas are not as interrelated as might be desired, although the editors do try to tie the chapters together in their brief “Introduction.” The writing styles, while varied by authors, are generally easy to follow and well-structured. The editors have selected some very topical and well-documented subject areas for the reader who wishes a broad based introduction to innovations in public procurement.

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