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Public and Private Sector Views of Electronic Government advertising in light of the Glover report in Northern Ireland

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Abstract: The Glover Report (2008) stipulated a need for making procurement more transparent, simpler and more strategic. One of the areas considered was electronic documentation which includes the advertising element. This report followed a review of government advertising in Northern Ireland by the Office of the First Minister and Deputy First Minister (2005) which suggested a move to electronic advertising. Targets set within the Glover (2008) report identify the end of 2010 as the year all procurement from advertisement, to download and submission of documents was to be electronic with no paper only documents by 2012. This research examines Government Departments' progress in this regard. The findings are based on responses from 101 private sector organisations identified as seeking government projects through registration with "Constructionline". Findings indicate that many aspects of the Glover Report(2008) have not been fully implemented. Some Government Departments have moved towards its recommendations without meeting them. Of concern is the suggestion from the private sector that the public sector is not fully complying with their legal responsibilities by not electronically advertising contracts above the EU financial threshold in 7% of cases. The results also call into question the ease with which it is possible to identify opportunities on the current systems. The speed of publication of awarded contracts indicates that Government Departments are not only not conforming to Glover (2008) recommendations, but in some cases breach the requirements of the Public Contract Regulations (HMSO, 2006). The user friendliness of the Government portal is also questioned.

Keywords:- Government Procurement, eProcurement, Advertising, Glover Report

Biographical notes:

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Phillip Millar is the Course Director for BSc Hons Civil Engineering (Geoinfomatics) at the University of Ulster. His research interests include application of GIS within construction and civil engineering disciplines including sustainable procurement, application of close range photogrammetry and pedagogy. He has held posts in public authority, private practice and further and higher education.

Gary McMorran has worked in the Construction Industry for many years. In addition to his undergraduate degree he holds a MSc in Construction and Project Management.

1.   BACKGROUND AND INTRODUCTION

In 1988 the UK Government brought into force the Local Government Act for England and Wales (HMSO, 1988). Clause 7 stipulates the conditions for advertisements ensuring that for the first time Construction Works in the public sector had to be announced by law. Clause 4(4) stipulated that the advertisement had to be placed in at least one newspaper. Subsequently the 'Modernising Government' White Paper followed on 30th March 1999 (Stationary Office, 1999). In reforming the public sector it provided improvement on the quality of service delivery required and wholesale restructuring of how local government operated. For the first time the

term "Information Age" government was used. As a result government started to investigate the internet as a means of providing services. The Internet was to take its place alongside more innovative use of the telephone, the call centre and the paper document. At that stage it was not to replace them.

Procurement was an area that still uses advertisements in newspapers. However, as technology developed the Office of the First Minister and Deputy First Minister (2005) published a review of government advertising in Northern Ireland. Clause 3.1.6.identified the Internet as a suitable alternative to classified advertising for procurement. A phased approach was suggested that would commence with a composite stage which would result in advertisements being placed in the newspapers which pointed the reader to a website for details. This composite stage would then be phased out with web-based contract advertising taking over.

An ad-hoc approach followed this review with each Government Department producing its own means of advertising projects. This resulted in over 20 systems being available from a variety of councils and central government. The Northern Ireland e-procurement strategy working group (DETNI, 2003) suggested that a single way forward be found for e-procurement including advertising via a portal. This was to allow a single source for accessing government advertisements.

Another report followed in the publication of the Glover Report (2008). Its recommendations were based on making procurement more transparent, simpler and more strategic. Transparency was to be achieved by advertising both opportunities and contract awards. The use of electronic means to communicate information and highlight opportunities specifically for small and medium sized Enterprises (SME) through '*Flagging*' are core recommendations. Simplicity is to be achieved through standardisation of non-specific information. A more strategic approach could be attained by increasing potential for innovation and by encouraging and providing the opportunity for prime contractors to obtain subcontractors through the same single, online, free portal by which they obtained the initial information and the contract documentation (Glover, 2008). All procurement from advertisement, to download and submission of documents was to be in place by the end of 2010 with no paper only documents by 2012. Although it appeared that the strategic elements to meet such targets were in place, little research had been carried out into whether these targets could or would be met in practice. This paper seeks to investigate and fill that knowledge gap.

2.   RESEARCH METHODOLOGY.

Both the private and public sectors were investigated using on-line surveys (Limesurvey[TM]). Results were downloaded to Statistica[TM] for analysis. Each public sector department as a centre of procurement expertise (COPE) was contacted. The private sector sample was constructed from the 'Constructionline' database. This database contains companies seeking to acquire public sector contracts through electronic self-registration ruling out those solely intent on private sector clients. Registration indicates organisations already seeking work through electronic means. Therefore they have an increased chance of participating in electronic tendering (e-tendering) and have at least knowledge of electronic sourcing (e-sourcing). This ensured the sample came from a population with exposure to Government procurement and to electronic systems within the procurement process. The following categories were chosen from

the Constructionline database: Contractors, Quantity Surveyors, Architects, Civil & structural Engineers (Constructionline, 2010).

The database produced a total population of six hundred (600) organisations. A survey sample of one hundred and eighty seven (187) was required for data collection (Bartlett et al, 2001) giving a margin of error of 0.05%. One hundred and one (101) responded providing a 54% response rate which is deemed "good" by Rubin, and Babbie (2004) and is just below the 60% limit suggested by Bartlett et al (2001).

3.   FINDINGS

3.1   Findings on amount of Electronic Advertising

The Glover Report states that all contracts above £20,000 should be advertised electronically. This study investigated the status of the industry in meeting this target.
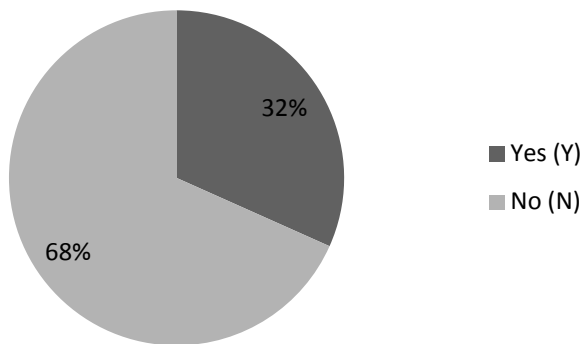

Figure 1 Aware of contracts above £20,000 not advertised electronically

Figure 1 indicates that 32% of private sector respondents are aware of contracts above £20,000 not being advertised electronically, indicating that the Glover recommendations (Glover, 2008) had not been fully implemented by 2010. The responses from the public sector show that only Roads Service and Health Estates indicated that they advertise all their contracts above £20,000 electronically.

In separate e-mail correspondence to clarify response to the questionnaire, Health and Social Care Building Services Organisation (HSC BSO) confirmed that a threshold of £30,000 is applied. This is set by the Department of Health and includes BSO and Health Estates (DHSSPS, 2010). A separate system is used for procurement between £2,000 and £30,000, where selected tenders are invited from a database of suppliers by procurement managers. Communication from the Department of Health indicates that while not complying with the exact figure they still comply with the ethos of *Simplicity* and *Transparency* which are key elements of the Glover Report.

All public sector respondents indicated that contracts which were not advertised electronically were below the EU threshold. Less than 10% of the total in this category are not advertised electronically with the exception of Education Estates which indicated that more than 90% of

their contracts were not electronically advertised. Education Estates clarify this by stating that they have delayed the implementation of e-procurement and are currently undertaking training.

Advertising above the EU thresholds is a legal requirement (HMSO, 2006) and it is therefore not surprising the public sector procurement organisations have indicated all contracts above the thresholds are compliant. While 93% of the private sector respondents agree, 7% disagreed indicating that there may be a minor level of non-compliance above the EU financial threshold.

3.2   Findings on ease of use of Government Electronic Advertising

As Figure 2 demonstrates that Fifty-two per cent (52%) of respondents indicate that they had been through the process of e-tendering three or more times it would give cause for concern that only 27% found it easy to identify opportunities from electronic advertisements, with 56% indicating it 'took some time' and 17% expressing difficulty with it (Figure 3).
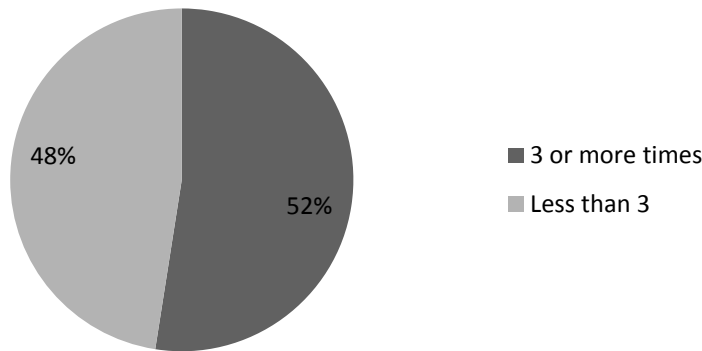

Figure 2 Number of times Private Sector Respondents had used Public Sector Electronic Tendering Process
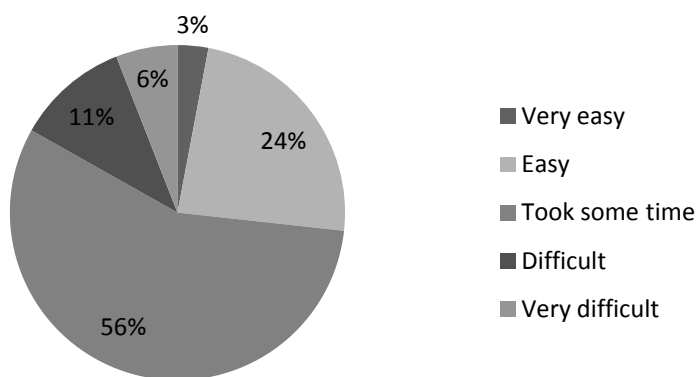

Figure 3Ease of identifying opportunities on Government electronic advertisement systems

Time saving is one of the main benefits of e-procurement, with time dependent drivers being ranked 4th and 6th overall by Eadie et al (2010). There is little point in having shorter tendering times and savings through administrative costs (another key driver, Eadie et al (2010)) if the opportunities for tendering through electronic advertising cannot be identified easily.

3.3 Findings on Government Advertising of Award of Contracts

The next element of government advertising investigated in the study related to publication and feedback on award of Government contracts. Feedback to the suppliers is an important part of the overall communication network. Glover (2008) saw increased communication and feedback to the suppliers as a key constituent of transparency and recommended that all contract awards should be published online within 48 days. This matches the requirements in the Public Contracts Regulations 2006 that also stipulates the 48 day maximum limit for contracts above the European Financial Threshold (HMSO, 2006). The private sector was asked whether they considered that the public sector was complying with this requirement.
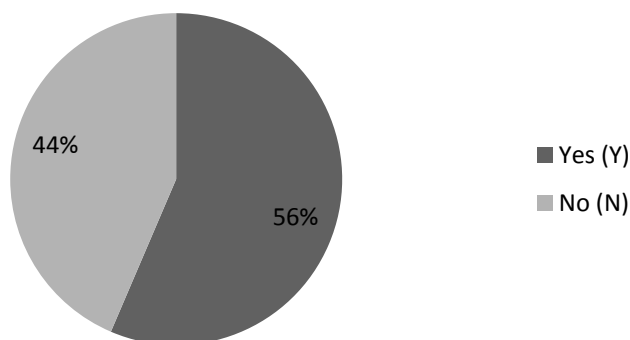
Figure 4 Are Contact Awards published within 48days? Private Sector Response

Forty-four per cent (44%) of private sector respondents believe that contract awards are not published electronically within the 48 day timeframe. The public sector confirmed their opinion with 50% of respondents (below the EU threshold) and 16% (above the EU Threshold) indicating that not all contracts are published online within the 48 day limit proving that the recommendations of the Glover Report (2008) have not been implemented yet.

All but one public service body indicated that less than 10% of contract awards above the EU threshold missed the 48 days for being published online. However that authority suggested that more than 50% of its notifications were beyond the 48 day limit. Not only is this not conforming to Glover (2008) recommendations, but it is breaching the requirements of the Public Contract Regulations (HMSO, 2006). It is worth remembering the answers given in this research are the views of individuals employed within the procurement bodies and not necessarily the official findings of audit reports. However, it is worrying that even though there are recommendations and regulations that most sections within the public sector are not compliant with EU legislation.

Another key element to a good overall communication network relating to electronic advertising and tendering is the availability of information to allow the private sector to educate themselves on the fundamentals of e-procurement and to have a point of reference for further advice. Education Estates were the only public sector procurement organisation to indicate that they did not provide links within their website to advice and information regarding e-procurement due to the non-implementation of e-procurement. All the other public sector respondents indicated the supply of information and advice is available. It is therefore remarkable that 57% of private sector respondents indicated they would not know where to find information on e-tendering. This

confirms similar findings by Holmes et al (2009) when SMEs were unaware of a link for feedback to procurement managers through a portal.

3.4 Findings on User friendliness of the Government Portal

Making all aspects of e-procurement as easy as possible is important to maximise participation. Simplicity is important (Glover, 2008). Being able to navigate, follow the next steps in the process and understanding the terminology used in a website are vital to the continued participation of the users through their success of achieving results. Participation will increase if the system is user friendly and results can be achieved by successfully bidding for contracts. This study investigated the user friendliness of the Government's on-line portal which is purported to be the main link to all Government electronic advertising and tendering websites in Northern Ireland.

Table 1 Rank for User Friendliness of the e-Sourcing NI system

Rank	Count	Percentage
Very User Friendly	1	1%
User Friendly	13	13%
Average	53	52%
User Unfriendly	24	24%
Very User Unfriendly	10	10%

Table 1 shows that when asked about the user friendliness of the Government portal 52% of respondents indicated it was average. Much more importantly the results show that only 14% found it was user friendly or very user friendly while 34% indicated it was not user friendly. The first recommendation of the Glover Report (Glover, 2008) states that any online portal should be "*easy to use*". The results of this study indicate that this is not the case, indicating further that its recommendations are not being fully implemented. Supplier feedback and studies of other UK regions online portals should be sought and assessed to increase the user friendliness of the Government portal.

The problem with the ease of use also reflects on the results an examination of the flagging system identified as a major recommendation by the Glover Report (2008) and used in the NI e-sourcing portal. The public sector response was 100% positive in support of the flagging system, having undertaken to adopt it as a result of the Glover Report (2008).

Table 2 Extent Flagging assists in opportunity identification

To what extent does 'flagging' of SME contracts help identify opportunities for your firm?		
Answer	Count	Percentage
Never	10	11%
Very seldom	24	25%
Occasionally	54	57%
Frequently	6	6%
Always	1	1%

However, Table 2 indicates that the private sector does not share the public sector's appreciation of the flagging system currently used on the e-sourcing platform. Only 7% of SMEs (companies

with 250 employees or more were not included in the results) indicated that flagging helped to identify opportunities 'Frequently' or 'Always'. Fifty-seven per cent (57%) did indicate receiving occasional help from the flagging system suggesting that it is partly fulfilling its purpose. The initiative may need upgrading or altering to better access and target prospective SMEs. Further research should be carried out with private sector input in order to achieve improvements.

4.   CONCLUSIONS

It can be seen from the findings that many aspects of the Glover Report (2008) have not been fully implemented. Some Departments have moved towards its recommendations without meeting them via implementing a £30,000 limit for electronic advertisements. However, it is suggested that the £20,000 limit suggested by the Glover report (2008) be adhered to by all the departments in order to keep a standard limit and avoid confusion. Some departments are closer to meeting the requirements than others with education lagging behind. Of concern is the suggestion from the private sector that the public sector is not complying with their legal responsibilities by not electronically advertising contracts above the EU financial threshold in 7% of cases. The public sector should ensure that this is urgently remedied.

The results also call into question the ease with which it is possible to identify opportunities. Only 27% found it easy to identify opportunities from electronic advertisements using current systems, with 56% indicating it 'took some time' and 17% expressing difficulty with it. Further research should be carried out into how to improve access and search facilities to identify potential work as the current flagging system appears subject to approval.

Findings in relation to the speed of publication of awarded contracts indicate that Government bodies are not only not conforming to Glover (2008) recommendations, but in some cases are breaching the requirements of the Public Contract Regulations (HMSO, 2006).It is worrying that this research has identified that even though there are recommendations and regulations in place that most sections within the public sector are not in full compliance.

The user friendliness of the Government portal is also questioned by the findings with 52% of respondents indicating it was average. Much more importantly the results show that only 14% found it was user friendly or very user friendly while 34% indicated it was not user friendly. The first recommendation of the Glover Report (Glover, 2008) states that the online portal should be "*easy to use*". Related to this was the finding that only 7% of SME s achieved consistent assistance from the process of 'Flagging'. However, as 57% achieved some assistance from this system it shows that it is partially fulfilling its requirements. Again further research should be carried out to determine in what ways it could be improved.

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