Public Procurement Monitoring in the Washington, DC Metro Region

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Why Care About Public Procurement?

Large sums of money involved
- Estimates of total US state/local public procurement spend run to around $700 billion annually

Relatively high risk of corruption/fraud
- Globally, it has been estimated that 20 – 25% of total public procurement spend is lost to corruption/fraud

Not just a problem in developing countries
- CityTime scandal in NY - $600 million cost to city taxpayers
- WMATA $14 million no-bid contract
- Chicago red light camera scandal - $2 million in bribes paid
What is Procurement Monitoring?

Third party observation, tracking, or oversight of the public procurement process

- “Social witness” program where a citizen representative sits on the bid evaluation committee

- “Macro” monitoring where outside groups analyze procurement award and spending patterns

- “Micro” monitoring where outside groups track individual public procurements for warning signs of corruption and/or fraud
TI – USA’s Civil Society Procurement Monitoring Tool

• Divides the procurement process up into discrete phases: planning, bidding, evaluation, implementation

• Interactive checklist of questions that track international best practices

• Allows user to identify “red flags” or warning signs of corruption and/or fraud

• When multiple procurements are monitored, allows users to diagnose strengths and weaknesses of public procurement systems
# TI – USA’s Civil Society Procurement Monitoring Tool

<table>
<thead>
<tr>
<th>Question</th>
<th>Possible Corruption Schemes</th>
<th>Response</th>
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<tbody>
<tr>
<td><strong>Short-Listing and Prequalification</strong></td>
<td></td>
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<tr>
<td>1  Are any of the short-listed or pre-qualified firms unqualified?</td>
<td>Collusion, Bribery</td>
<td>Yes</td>
</tr>
<tr>
<td>For tips, click here.</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td><strong>Pre-Bid Conference</strong></td>
<td></td>
<td>Not Applicable</td>
</tr>
<tr>
<td>3  Is the pre-bid or pre-tender conference scheduled too close to the bid</td>
<td>Short Bidding Timeframe, Collusion</td>
<td>Yes</td>
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<tr>
<td>or proposal submission deadline?</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>4  Have the Technical Specifications been changed after the pre-bid or</td>
<td>Inadequate Information, Collusion</td>
<td>Yes</td>
</tr>
<tr>
<td>pre-tender conference, without an extension of the bid or proposal</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>submission deadline?</td>
<td></td>
<td>Not Applicable</td>
</tr>
<tr>
<td>5  Did the procuring agency fail to properly address questions or issues</td>
<td>Poor Response to Requests for Clarification,</td>
<td>Yes</td>
</tr>
<tr>
<td>raised during the pre-bid or pre-tender conference?</td>
<td>Inadequate Information</td>
<td>No</td>
</tr>
<tr>
<td>For tips, click here.</td>
<td></td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

**“Yes” answers are red flags.**

**“Info. Not Available” answers may be red flags if they refer to the availability of government documents.**

**“No” answers indicate that best practices are being followed.**
Procurement Monitoring in DC, MD, and VA

- Partnership with American University’s School of International Service
- Project ran from January – April 2015
- 21 procurements monitored
  - 8 in Washington, DC
  - 6 in Prince George’s County, MD
  - 7 in Arlington, VA
- Bidding and evaluation phases monitored
What We Examined

• E-procurement websites
  • Transparency
  • Ease of use
• Procurement regulations
  • Anti-corruption provisions
  • Conflict of interest provisions
  • Sole-sourcing provisions
• FOIA procedures
Website Transparency

What information would we like to see?

• Bidding documents with technical specifications and evaluation criteria
• Key elements of all bids
• Bid evaluation documents
• Award decisions
• Complaints
• Contracts and contract modifications
• Contract delivery evaluation reports and audits

More Information Available Here
Virginia’s eVA Website Has Several Advantages

- **Centralization**
  - Used by all state agencies
  - Used by 676 local public bodies (including Arlington and Arlington PS)

- **Ease of use**
  - Searchability
  - Video tutorial

- **Transparency** (although uneven)

- **Archives** (although not complete)
Washington’s E-procurement
Could Be More Centralized

• Centralization
  • Main website run by OCP
  • But other agency specific-websites – DCPS, Gen Services, Parks & Recreation, etc.

• Ease of use
  • Not searchable
  • Does have explanatory transparency section

• Transparency
  • Does not group all documents relating to a single procurement

• Archives (although not complete)
Prince George’s E-procurement Could Be More Centralized

• **Centralization**
  - Main website run by Contract Administration and Procurement Division
  - But other agency specific-websites – PGPS, Public Library, etc.

• **Ease of use**
  - Not searchable
  - Does not have transparency section

• **Transparency**
  - Does not group all documents relating to a single procurement

• **Archives**
  - Does not make contracts available