

# Procurement - A High Risk Business?

**By Ruth Bayley**

Stepping into a government procurement role can sometimes seem a treacherous path. After all, it's a big responsibility to spend Government money to achieve good outcomes for taxpayers.

It's not all bad though! With the right knowledge and skills, you can change a procurement role from being highly stressful and fraught with risk to being an enjoyable challenge with great rewards.

## What Are the Risks in Procurement?

Some of the risks include:

- **Probity** problems that leave your decisions open to challenge;
- **poor planning** leading to poor tender evaluation criteria – resulting in **poor choice of providers**;
- badly structured agreements can mean **getting locked into** providers who ultimately prove unable to deliver;
- **unexpected timeframe or budget blowouts** can result from **inadequate assessment of risks**;
- failure to manage transition processes can mean that **chaos** follows a change of providers.

A major risk relates to **management of contractor performance**. Unclear outcomes, inadequate performance indicators and failure to actively manage contractor performance can be the cause of budget blowouts and very public project failures.

## Getting It Right is Cause for Celebration

There is light at the end of the tunnel for procurement people in the form of training and development. Good procurement training covers all Government policies, legislation and best practice relating to how procurement must be carried out. It's not just about the rules though. The best training will help you understand the reasons behind the rules so that, in situations where the issues are not clear-cut, you will be well placed to use your own judgement effectively to make the best possible decisions.

It is very empowering to know how and why things must be done in particular ways and making great decisions makes enjoying your job just so much easier!

For help in improving your procurement skills contact Ruth Bayley or one of her team at Bayley and Associates (02) 6282-5660.