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Delivered to: haveyoursay.procurement@finance.gov.au

Department of Finance
Australian Government

Updating the Commonwealth Procurement Rules

First of all, a lot of thanks to Department of Finance for organising this interesting consultation.

This opinion represents an opinion of an individual citizen, not any legal entity.

This opinion does not contain:

- any business secrets
- any trade secrets
- any confidential information.

This opinion is public.

Department of Finance can add the PDF file of this opinion on relevant web page.

Annex 1 holds information about disclaimers and copyright.

Best Regards,

Jukka S. Rannila
citizen of Finland
signed electronically

37

38 One previous consultation from the European Union level

39

40 European Union organised Public Consultation on the Modernisation of EU Public Procurement
41 Policy, and my answer is on the following web page.

42

43 EN: Opinion 27: Public Consultation on the Modernisation of EU Public Procurement
44 Policy

45 http://www.jukkarannila.fi/lausunnot.html#nro_27

46

47 Fog of details can be overwhelming / Hiding the real nature of procurement

48

49 In simplest form we can differentiate following factors in procurement:

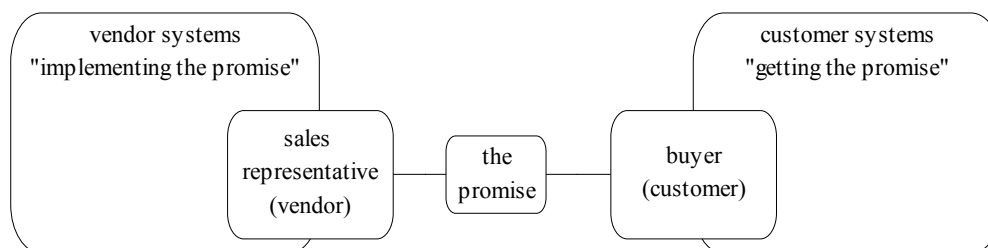
50

51 * vendors providing something

52 * customers (buyers) buying something

53 * there are promises between vendors and customers.

54



55

56

57 We can then create all kinds of detailed mechanisms for explicating the promise, e.g. quality
58 management system is one option.

59

60 But in essence, there can be heightened bad feelings when a promise is broken, and after that there
61 can be different juridical actions depending on the actual situation.

62

63 The mismatch between general knowledge and special knowledge

64

65 One big problem is the mismatch between general knowledge and special knowledge. Generally
66 speaking, explicating the needed service and/or products can be done with different level of details.

67

68 My personal experience is, that different (technical) appendixes attached to a request (for quotation)
69 are generally speaking quite general.

70

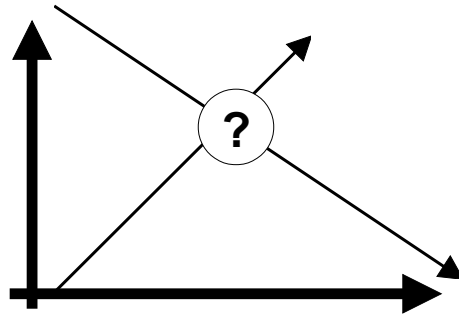
71 **Proposal: Department of Finance could assess current procurement systems, especially**
72 **the capability of creating the needed details for different (technical) appendixes.**

73

74 If there is possibility for an expert to fill in different details, the needed technical appendixes could

75 be better than nowadays.
76

GENERAL KNOWLEDGE

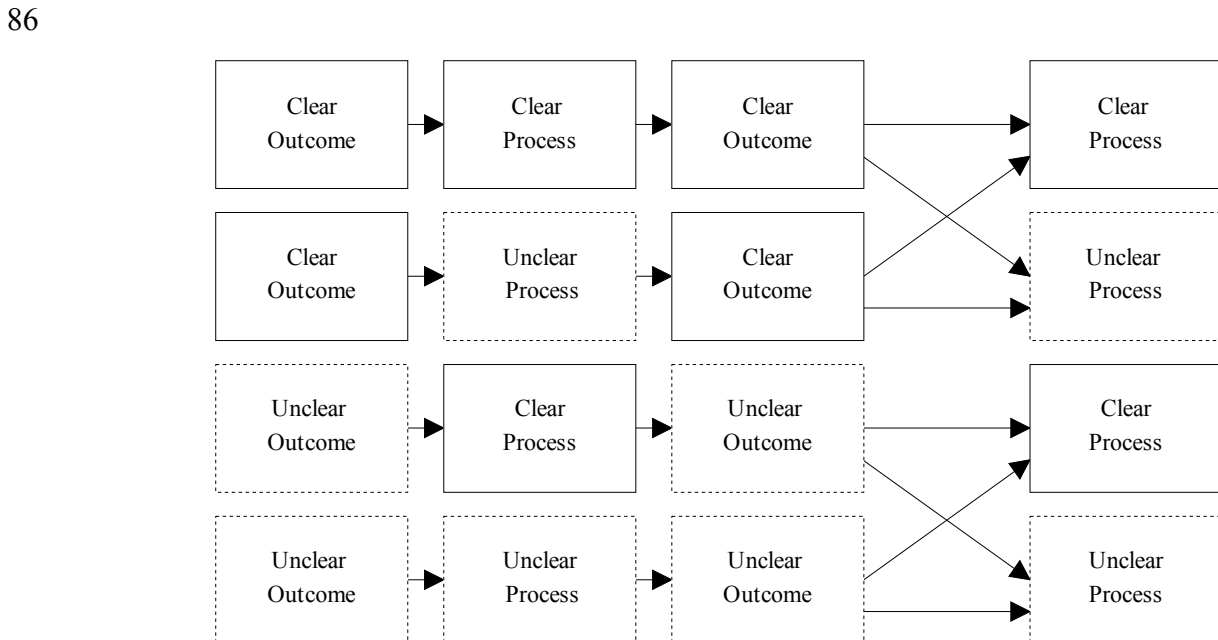


SPECIAL KNOWLEDGE

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79 The problem with special knowledge is, that in some cases it can take years of serious efforts for
80 actually mastering some knowledge area.

Proposal: Department of Finance could organise a (pilot) project for creating different ways for creating (technical) very readable appendixes for requests.

The needed clarity for outcomes and processes



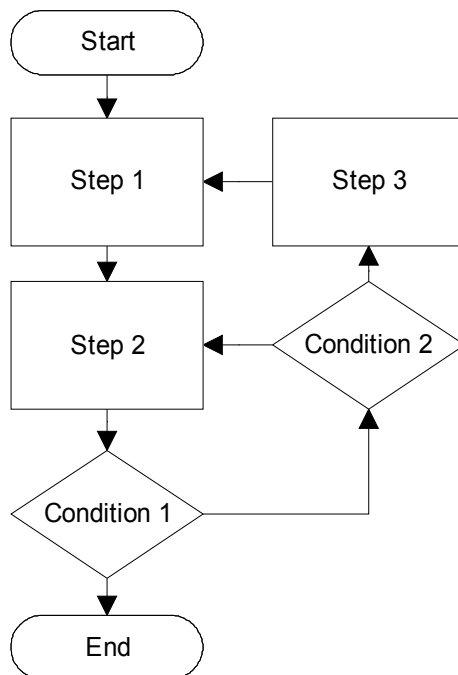
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89 One problem is the needed clarity of for outcomes and processes. It is possibly easier to organise
90 procurement based on clear outcomes and clear processes.

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Proposal: Department of Finance could assess the current procurement methods for different combinations (clear-unclear).

Proposal: There might be need for different rules of procurement for different combinations (clear-unclear).

Part of the procurement process could be handled with computer



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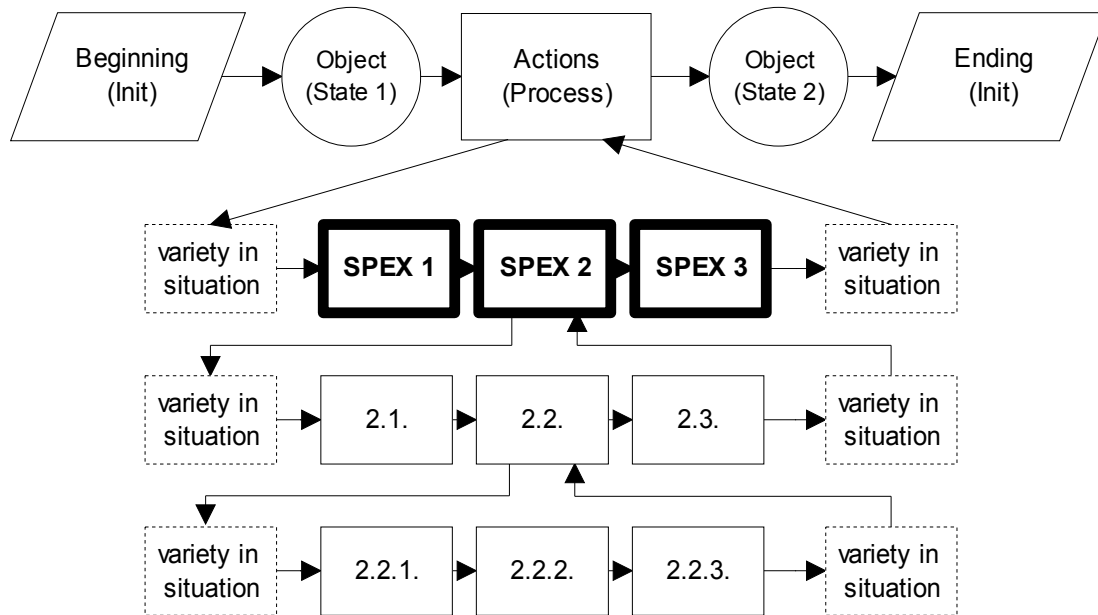
It is quite clear, that computers can handle quite well some processes.
It is quite clear, that computers can not handle well all processes.

Proposal: Department of Finance could assess with different stakeholders the current computer-based mechanisms in procurement processes.

Like indicated earlier, computers can not handle all processes. Therefore, there could be some efforts to explicate some points in the process (SPEX) in very detailed way.

Proposal: Department of Finance could standardise some parts of the procurement processes.

Proposal: Some parts of the procurement processes could be done with computers.

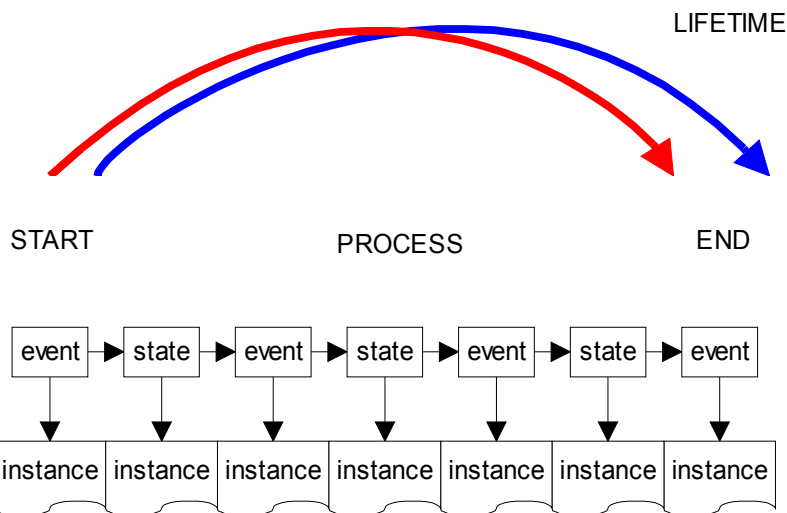


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118 Like the figure above indicates, there is always some gap with the real situation and with
119 computerised part of processes. Therefore, only needed parts of the procurement processes should
120 be computerised.

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Lifetime, process and documents



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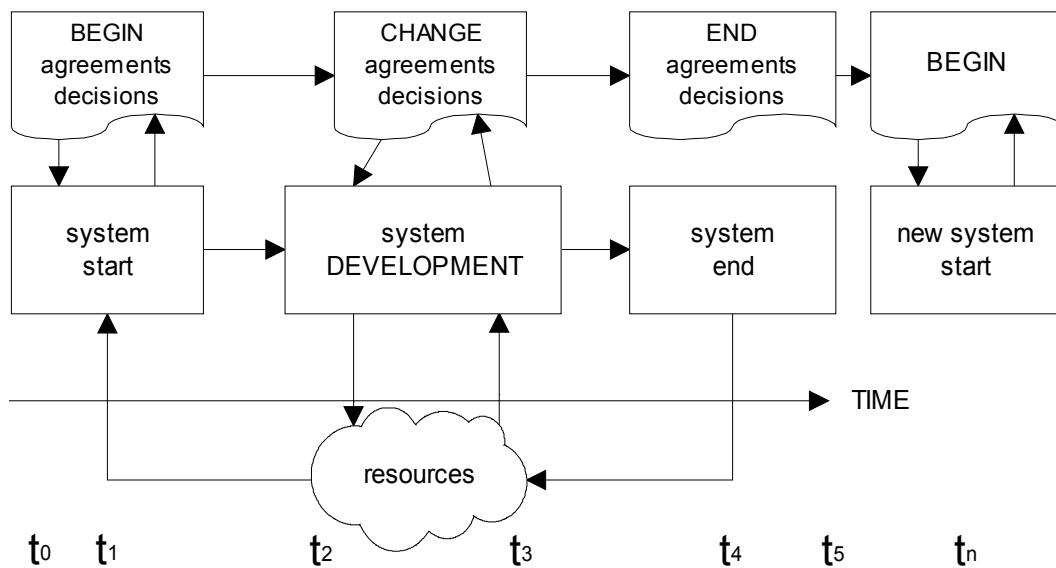
126 Generally speaking a computerised system is about events and states, and there can be different
127 documents for events and states. Actually in reality there is some lifetime for an agreement, and
128 during that lifetime there is some processes.

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Proposal: Department of Finance could assess the needed documents for these three features of an agreement: process, documents and lifetime.

Generally speaking, there will be numerous decisions to be made during a lifetime of an agreement.

Could the procurement system help with agreements and decisions?



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Personally I have wondered the quality of procurement systems. Should there be some possibilities for handling the whole procurement process with a simple procurement system?

Proposal: Department of Finance could assess the need for providing a procurement system, which could handle the whole procurement process during a lifetime of some agreement(s).

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My impression is, that procurement systems handles just some early parts of the procurement processes during a lifetime of an agreement.

The difference between agreement, ownership and membership

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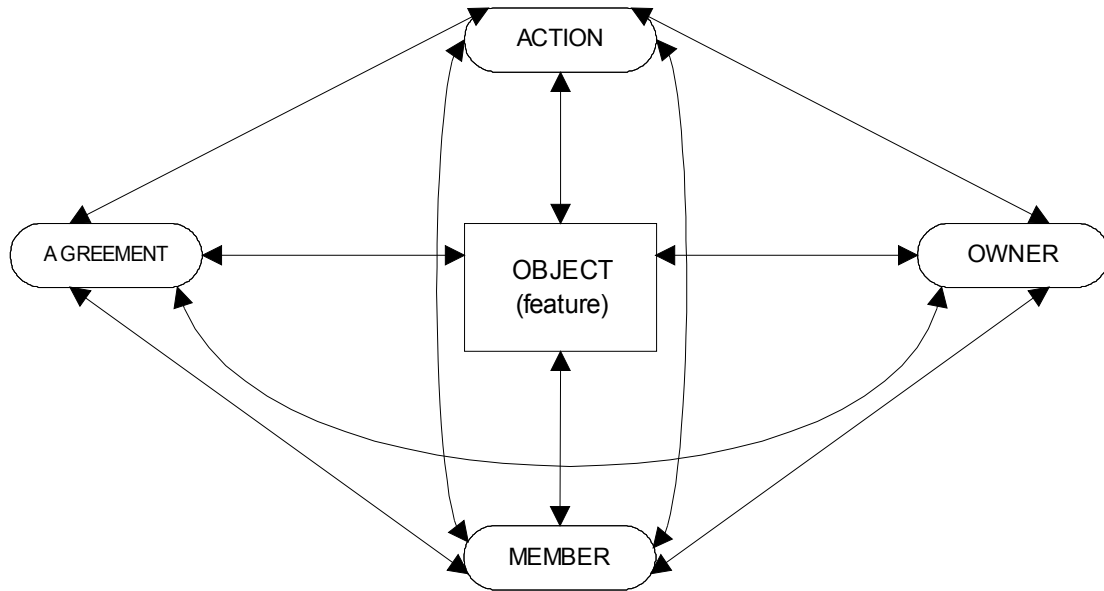
One aspect is, that there is a complex web of agreement, ownership and membership in all procurement situations. In some cases there can be serious problems with agreement, ownership and membership.

Proposal: Department of Finance could assess agreement, ownership and membership problems in different standardised agreement (texts)

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One good example is the difference of ownership, membership and/or membership related to

160 computer-based systems. All three options can be used in computer-based systems.
161



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164 **Proposal: Department of Finance could ascertain the needed balanced ways for**
165 **ownership, membership and/or membership in some standard contracts (texts).**
166

167 **Different figures for contract types**

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169 In the previous consultations I have advocated creating of different figures, which give to
170 consumers a way of assessing different products.

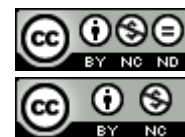
171
172 The next figure is based on one attempt of having a simple message, which can be used with
173 different marketing operations.



175
176
177 Another example is provided with the following figures.

178 Attribution-NonCommercial-NoDerivatives 4.0 International

179 Attribution-NonCommercial 4.0 International





180 Attribution-NonCommercial-ShareAlike 4.0 International

181

182 These licences (Creative Commons, CC) can be chosen ¹ with simple selections, and there are
183 different levels for explicating the licences:

184

185 * figures

186 * simplified easy-to-read pages

187 * finally the long legal text.

188

189 In previous opinions I have advocated creating simplified figures and the three-level explanations
190 related to the application area of figures.

191

192 In previous opinions I have advocated constructing easy-to-read legal texts – may in levels.

193

194 **Proposal: Department of Finance could select different figures for some contract types**
195 **based on legal measures.**

196

197 **Proposal: There could be simplified selectors for creating a request (for proposal).**

198

199 **Proposal: Actual (legal) texts can be written (e.g.) in three levels: a figure, easy-to-read**
200 **explanation and explicit legal text.**

201

202

203 **Good luck!!!**

204

205 This opinion is quite limited. Hopefully there are constructive ideas presented in other opinions.

206 This remains to be seen.

1 <http://creativecommons.org/choose/>, page for selecting a Creative Commons licence

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215 future changes in this fast-developing area. Any actions made based on this opinion is solely responsibility of respective
216 actor making those actions.

217

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220 they are only intended to trigger thinking. Any law proposal based on these opinions are sole responsibility of that legal
221 entity making law proposals.

222

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224 moderate-left. They are only opinions of an individual whose overall thinking might or might not contain elements of
225 different sources. These opinions do not reflect past, current or future political situation in the Finnish, European or
226 worldwide politics.

227

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229

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240 not contain bad, odd and broken English, and can contain awkward linguistic solutions.

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248 The English explanation is on the following web page:

249 <http://creativecommons.org/licenses/by-nc-nd/4.0/legalcode>

250

251

252



2 Based on the Finnish three-party system there is a phenomenon called extreme-centre in Finland. The 2011 parliamentary elections in Finland challenge the three-party system, since three "old" parties were not traditionally as the three largest parties. The is now a "new" party as the third largest party. We all must remain being interested about this new development in Finland.