



THE COMFORT ZONE OF BUREAUCRACY: GOVERNANCE IN THE PUBLIC PROCUREMENT PROCESS

A ZONA DE CONFORTO DA BUROCRACIA: GOVERNANÇA NO PROCESSO DE COMPRAS PÚBLICAS

LA ZONA DE CONFORT BUROCRACIA: GOBERNANZA EN EL PROCESO DE CONTRATACIÓN PÚBLICA

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ABSTRACT

Dilemma: After assuming as the Procurement Manager of the East University of Brazil (ULB), the public manager Roberto, together with students of Public Management, has the dilemma to improve the processes of his area, trying to get a better governance to public procurement.

Educational objective: The case allows to develop competences to the interpretation of the general concepts of bureaucracy, public procurement, public governance and risk management in public sector.

Contextualization: The trajectory of Roberto with the students is mediated by professor Franco, in the context of Roberto's role as assistant professor in the Organization, Systems and Methods class and as student of the Public Management Graduation course of ULB. The preconceptions and challenges are presented from an inside view of the public sector.

Main theme: The focus is the discussion about processes management, governance and risk management, guiding the reflections to the necessary and challenging actions in terms of their implementations in the public sector context.

Audience: It is better suited to MBA or third year undergraduate students, considering classes such as Public Procurement Management and Public Governance. It is necessary that the student has previous knowledge and completed classes involving Introduction to Management and Public Management, Organization, Systems and Methods and Human Resources Management in the context of public sector.

Originality/value: The real situation presented works with public procurement singularities, and allows to understand the subjacent theoretical concepts, to try to apply in practice. So what does process management and public procurement involve? What are the core concepts of governance and risk management? How to deploy?

Keywords: Bureaucracy. Governance. Public Procurement. Risk Management.

RESUMO

Dilema: Após assumir o cargo de Gestor de Compras na Universidade do Leste do Brasil (ULB), o gestor público Roberto, juntamente com estudantes do curso de Gestão Pública, se depara com o dilema de melhorar os processos do setor, tentando contribuir para uma governança mais adequada para as compras públicas.

Objetivo educacional: O caso permite desenvolver competências para interpretação dos conceitos gerais de burocracia, compras públicas, governança pública e gestão de riscos no setor público.

Contextualização: A trajetória de Roberto com os estudantes ocorre intermediada pelo professor Franco, enquanto estagiário docente da disciplina Organização, Sistemas e Métodos e estudante do curso de Mestrado em Gestão Pública na ULB. As concepções e desafios são apresentados sob o olhar de dentro do setor público.

Tema principal: O enfoque está na discussão sobre gestão de processos, governança e gestão de riscos, orientando a reflexão sobre as ações gerais necessárias e desafiadoras em termos de implementação no contexto da gestão pública.

Público: Recomenda-se a aplicação em nível de graduação do quarto semestre em diante ou pós-graduação *lato sensu*, nas disciplinas de Gestão de Licitações e Contratos e Governança Pública. É necessário que o discente tenha conhecimento e formação em disciplinas de Fundamentos de Administração e Gestão Pública, Organização, Sistemas e Métodos e Gestão de Pessoas no Setor Público.

Originalidade/valor: A situação real apresentada trabalha nuances inerentes às compras públicas, bem como permite compreender os conceitos teóricos subjacentes, para tentar implantá-los na prática. O que envolve a gestão de processos e compras públicas? Quais os conceitos centrais de governança e gestão de riscos? Como implantar?

Palavras-Chave: Burocracia. Governança. Compras Públicas. Gestão de Riscos.

RESUMEN

Dilema: Después de asumir el cargo de Gerente de Compras en la Universidad do Leste do Brasil (ULB), el gerente público Roberto, junto con estudiantes de la carrera de Gestión Pública, se enfrenta al dilema de mejorar los procesos del sector, tratando de contribuir a una mayor gobernanza adecuada para la contratación pública.

Objetivo educativo: El caso permite el desarrollo de competencias para interpretar los conceptos generales de burocracia, contratación pública, gobernanza pública y gestión de riesgos en el sector público.

Contextualización: la trayectoria de Roberto con los estudiantes ocurre mediada por el profesor Franco, como docente pasante de la disciplina Organización, Sistemas y Métodos y estudiante de la Maestría en Gestión Pública de la ULB. Se presentan ideas preconcebidas y desafíos desde dentro del sector público.

Tema principal: El enfoque está en la discusión de la gestión de procesos, la gobernanza y la gestión de riesgos, orientando la reflexión sobre las acciones generales necesarias y desafiantes en términos de implementación en el contexto de la gestión pública.

Público: Se recomienda postular a nivel licenciatura a partir del cuarto semestre o posgrado lato sensu, en las disciplinas de Gestión de Licitaciones y Contratos y Gobernanza Pública. Es necesario que el alumno tenga conocimientos y formación en materias de Fundamentos de la Dirección y Administración Pública, Organización, Sistemas y Métodos y Dirección de Personas en el Sector Público.

Originalidad/valor: La situación real presentada trabaja con los matices propios de las compras públicas, así como permite comprender los conceptos teóricos que subyacen, para tratar de implementarlos en la práctica. ¿Qué implica la gestión de procesos y la contratación pública? ¿Cuáles son los conceptos centrales de la gobernanza y la gestión de riesgos? ¿Cómo implementar?

Palabras clave: Burocracia. Gobernanza. Compras Públicas. Gestión de Riesgos.

INTRODUCTION

Since starting the graduation course in Public Management in 2016, at the age of 18, at Universidade do Leste do Brasil (ULB), in the city of Borborema, Severino has been aware of the peculiarities of this public institution. Basically, he was struck by the length of time it was taking for buildings to be completed, replacement of consumables, and maintenance of equipment, such as air conditioners, desks, lights, and computers. He could not understand how ULB, which receives one of the largest budgets of Estado do Leste (Eastern State), could have so many unfinished buildings and could not properly manage its procurement process, even for items that were essential for its operation. He asked himself: why does this happen? Who is responsible?

On the other side of the table, Roberto, 30 years of age, a civil servant since 2010, who has held the position of Procurement Manager in the Procurement and Assets Sector (PAS) of ULB since January 2016, was also dissatisfied with the situation. Since becoming manager of the sector, he had been trying to implement improvements, but without much managerial knowledge, given his background in Law. He needed to find solutions to the situation he was facing, as much of the criticism that ULB receives falls on the procurement process, which is his responsibility and that of his small, but valuable work team, as he likes to refer to them.

Aware of his position of great responsibility and that of his sector, and conscious that his technical training in Law made him, on the one hand, very competent in legal aspects, but on the other, like a "fish out of water" from the administration point of view, Roberto sought to expand his training. An opportunity to do so came up with the creation of the Master's course in Public Management (MGP) at the Center for Public Studies (CEP) of ULB. After managing to get through the first selection process, in July 2016, Roberto proceeded to study governance and risk management in the public sector. He also gained experience as a teaching intern in the discipline of Organization, Systems and Methods (OSM) in the Public Management undergraduate course at the CEP in the first half of 2017. Through this experience, he acquired the knowledge to rethink rules, procedures, and articulation of the SLP at ULB.

Severino and Roberto shared the view that there was already a villain for the problem of lengthy delays in the public procurement process: excessive bureaucracy. In the hallways, in informal conversations, and sharing memes on social media, bureaucracy had a face, a color and an address. However, Severino was not satisfied with that. In fact, something he learned in the first semester of graduation was that this term no longer represented the connotation for which it was created. Furthermore, he was aware of the need to distinguish between common sense and academic and managerial knowledge. Therefore, for him, it was not acceptable that everything should be reduced to a mere simplification, based on a word that represented much more than what was shared by word of mouth or in a sensationalist way by the press. Roberto, who had already gained good practical and academic experience at ULB, knew that pointing out bureaucracy as the culprit of the problems was a half-truth, since much of what was referred to with this term was due to the excessive formalism of the institution.

Both Roberto and Severino know that bureaucracy is necessary, as it exists to avoid clientelism; if they were at ULB, it was because they had gone through a formal and impersonal selection process in order to be selected for the positions of student (in the case of Severino) and civil servant (in the case of Roberto). They were not there because of favoritism, as they liked to say. However, both believed that improving the operations of ULB would involve a rethinking of its processes, updating them to bring in more contemporary management techniques. In the general scope of public procurement, which affects the entire organization, this includes a series of challenges comprising not only the elements of bureaucracy itself, but also governance, risks, transparency and rethinking the process at ULB. It leads to some questions: How to modernize the procurement process? What academic concepts to use, and how to apply them in the Procurement and Assets Sector and at ULB? Theory is one thing, but practice is quite another. Where should they begin?

CROSSED PATHS

On April 1, 2017, while waiting in a long line at the university canteen, Severino was talking about "bureaucratic issues at ULB" with Paulo, his good friend from the Public Management course. This would, in fact, mark the start of discussions for a work in the OSM discipline. The course teacher, Franco Perito, divided the class into teams, and they were asked to choose a department or purchasing sector of a public organization, and identify problems related to its processes. In the dialogue, however, Severino became concerned about Paulo's preconceptions as to what results they might find. After all, he believed that academic work was an opportunity not only to apply theoretical knowledge in practice, but also, perhaps, to find an internship in the sector that would allow them to conduct the study.

– Severino, you really are a very innocent, man. It's obvious that this work is going nowhere. I'd rather take the test myself and get rid of it right away. What I want most is to graduate, try to earn money and not remember the classes with the air conditioning broken at two o'clock in the afternoon.

– How come, Paulo? This work is different from anything we've done so far on the course. For Professor Franco, it's easier to apply a test, correct it, hand out notes and give a final score. You yourself have often complained that the course is not practical enough. But when the opportunity comes, that's all you can say?

– Come on, Severino. Do you really think this will change anything? You'll see, we'll knock on the doors of these public offices and the people there won't even look at us. They don't want a bunch of students going there and telling them they're doing everything wrong.

– Nonsense. Who put that idea in your head? Was it in the WhatsApp group chat? Seriously, we're here to learn and not pay attention to all that rubbish that circulates there.

– Dude, seriously, you're absolutely right. That's why I only pair up with you for these projects. And there's no point saying anything, that we only work well together because I'm also not shy when it comes to presenting the work in front of the class. But, in this case, you will see that this is all just a front

– Come on! Stop that! You're just on my team because, despite everything, you're a great guy, and because you give me a ride each day! (laughter)

– Let's make a bet then. If we get something out of this work, I'll buy you lunch, an expensive one so you won't even remember that sausage with beans that we're going to eat now.

–It's a deal! But hurry up, the line has started moving and we didn't even notice, I can already hear the people murmuring behind us.

Two days after the conversation, Severino, Paulo and the other team members went to the Department of Public Services (DPS) of the Borborema city hall, which responsible, among other things, for the procurement processes. They took with them the trust and a request signed by the teacher to ask for authorization to carry out the work. On being received by the local manager, they were informed that it would be necessary for the legal sector to analyze their request, then they would give an answer. Concerned about the deadline, they asked how long it would take. The manager's response was evasive.

– You see, we have so many processes here. The legal sector is very busy. I don't know exactly how long it will take. Here we have a procedure for this type of request. We have to protect ourselves, you know. Everything is transparent here, but procurement is always the subject of news in the media and we don't want that kind of spotlight here.

– We understand, but we want to emphasize that the work is just an exercise for the discipline of the Public Management course. It has no purpose other than academic. It is a way of trying to exercise what we've learned in the classroom – argued Severino.

– I understand, I've been there too. I've been working here for about thirty-six years now and I could be retired already. I'll pass on your request, with speed and transparency, but like I said, I can't guarantee anything.

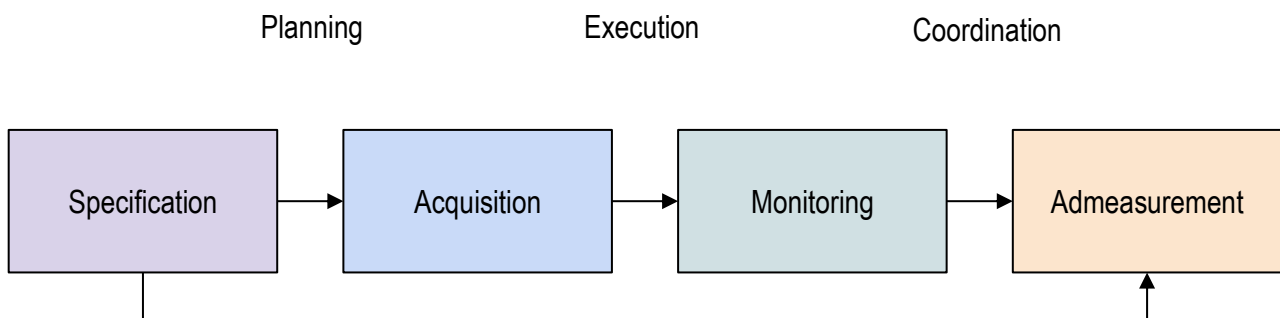
After this first negotiation, Paulo took the opportunity to joke with Severino.

- *I warned you, this is going to be the easiest bet I've ever won!*
- *Easy, my friend, it's still too early to sing victory.*

Ten days later, without any feedback since the first meeting and now becoming concerned, Severino went to talk to Professor Franco to explain what had happened. Could the public sector even be a victim, itself, of its own excessive formalism, he wondered. At this point, Roberto was already a teaching intern as part of the discipline, getting to know the students. Coincidentally, he was present at the conversation in Professor Franco's office. Moved by the report and seeing an opportunity, he told them he would make every effort to persuade the Procurement and Assets Sector (PAS) to receive the team and let them conduct the work there. After all, he could get not only theoretical help, but also reinforcement in his work team if he managed to allocate the students as interns. It was a possible solution to the dilemma in which he found himself, of trying to start changes in the sector with a new breath.

With Roberto's engagement, Severino's team carried out the work of the discipline at PAS. The first step involved collecting data through a questionnaire to diagnose the situation in the sector. With the study carried out, the team identified that the public procurement process involves the planning, execution and coordination of activities to obtain materials and services across the entire ULB. However, despite this responsibility, some problems make the flow of activities difficult, such as: noise in the work environment, repetitiveness of work, pressure of deadlines, rigidity of norms, excessive work rhythm, small number of people, furniture, and inadequate physical space.

Figure 1.
Public procurement process



Formally, it is established that in the planning, two commissions with two civil servants and one auctioneer for each of them, conduct the work together with a support team composed of civil servants from the requesting sector. In practice, however, there is no formal organizational chart presenting this structure and outlining the different responsibilities. This causes typical governance problems, which permeate the entire public procurement process, such as a lack of precise leadership, control, and process management mechanisms, as well as established strategic planning. The requesting sector, for example, only issues a letter when it needs some material or service, with little concern for the correct specification. Despite this situation, Severino's team noticed that the PAS employees were engaged and very concerned to ensure good use of public resources. After this diagnosis, Severino took the opportunity to joke with Paulo.

- *It seems like the tables have turned, doesn't it, man? There are places and places, people and people. What I saw here was a strong desire to make things happen, despite the difficulties. I believe that it is our role, as future public managers, to change this perception of the public sector. You see, our diagnosis opens up many possibilities for discussion. I had no idea that the procurement process was so complex and could be linked to governance practices. When we studied leadership, I didn't think it would have such a much-needed application*

in a process like this. This opens up a reflection that permeates the OSM discipline itself. I myself have already started to review the material of the Introduction to Administration and Public Management Foundations course.

–My dear friend, this is an exception to the rule, you can be sure. Well, lucky us, getting to do our research at the PAS.

With the first part of the work completed and presented in the classroom, the team received encouraging news. Roberto managed, through the ULB, rectory to open an internship selection, with the possibility of receiving students from the Public Management course. The PAS had three places. Severino wasted no time. He signed up for the selection process and took Paulo with him. Meanwhile, in Professor Franco's room, more than 45 days after the start of the semester, the guidance continued.

– Severino and Paulo, look, I received the answer from the first sector where you asked for permission to carry out the work. Check it out, it's a ten-page document explaining why they cannot receive you. It has a whole legal basis, anyone would think we going to do an audit there - commented Professor Franco.

– That's right, professor, – Severino added – if we were depending on them, we'd already have failed the course. Also, if they were as diligent in their daily routines with the public, and in their tasks, as they were to deny a simple request to carry out an academic discipline work, I guarantee that there would not be so many complaints from the population.

– I'll get straight to the point – added Paulo –once again, it's this sector being a disgrace, but, as people say, nothing happens!

TRANSPARENCY AND RISK

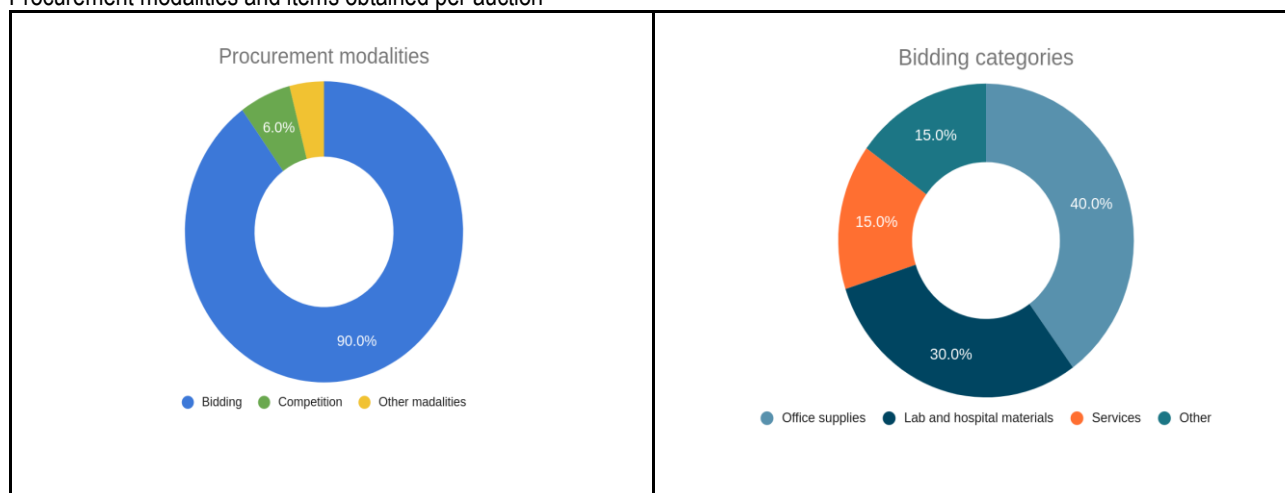
By the end of the course, Severino and Paulo had already successfully passed the selection process for an internship at the PAS. Both were now on the other side of the table, along with Roberto. Paulo, who had criticized the public management so much, now defended it because, as he said, he had never imagined that the work would involve so much responsibility. Their actions, regardless of the political and economic context in which they were working, were constantly in evidence. Blogs, local news websites and social networks generated controversial posts questioning the procurement process.

Severino had Roberto as his mentor at work. They argued that alongside the necessary reforms of the political agenda, they would also need to look for ways to improve the management of the sector. After all, a good part of public spending occurs through the acquisition of goods and services, operationalized in the form of procurement processes or from direct contracts, which represent legal exceptions to the rule of bidding, according to regulatory instruments. Therefore, they were part of an essential and strategic sector at ULB, but which was not perceived in this way by the university directors, or the rest of the academic community.

After a survey of the procurement processes, it was found that the predominant bidding modality was auctions, as in more than ninety percent of cases. Except for building projects, practically all the procurement processes occurred through this modality. Paulo was surprised to learn that this involved everything from the acquisition of fruit and vegetables to the purchase of motor vehicles, or office materials for the operation of the administrative machine, and medicines, materials and medical equipment for the University Hospital. There were also auctions aimed at hiring continuous and non-continuous services for all areas of administration, such as information technology, hiring a financial institution, cleaning, surveillance, and equipment maintenance, among others.

Figure 2.

Procurement modalities and items obtained per auction



The challenge of modernizing, as Roberto liked to say to newly arrived interns, was far from being a simplified process. It involved numerous changes, including to the culture and organizational structure, governance and management, regulations, control, the supplier market, among others. Despite the advances made in recent years, there were still many administrative errors occurring. Roberto, always optimistic, believed that this situation would change if the sector adopted governance principles, as he had learned on his master's degree course. That is, actions that involved leadership, strategy and control mechanisms, in order to reconcile the interests of those who delegate and those who execute. In the public sector, this involves meeting the needs of the population, which demands quality goods and services, in line with precepts of ethics, integrity and transparency.

Roberto, more experienced and with a master's degree in progress, was always encouraged whenever the students took part in the meetings. He led the discussion, presenting concepts that he considered important and complementary to governance. Risk management was one of them.

– Boss, if there's one thing we have here, it's risk. I think that if we can manage to improve this part of governance, we will advance a lot and improve the ULB – Severino commented at one of the Roberto's weekly meetings with the whole team.

– I agree – added Paulo. *I feel extremely overlooked in my work. I feel as though I'm a contestant on Big Brother; the only difference is that here, we don't have cameras all around us, but even so, I don't even trust my own shadow! The other day I analyzed a simple process of buying chalk here at ULB. The next morning, there was a post on that overly sensationalist blog, claiming that we had overpriced it and that those responsible should be punished.*

– I'm glad you feel that way – Roberto continued. *I want to present, today at this meeting, the so-called risk management.*

– Well, I'm interested already, after all, today I also have a test over at the college and I want to assess the risk of not going there to take it – Paulo joked.

– Joking aside though, Paulo, this is a branch of governance that seeks to manage internal and external events that can compromise the achievement of an organization's objective. In other words, without it, there may be a greater propensity for deviations, fraud and waste in political-administrative practice. Of course, this depends on interconnected actions, starting with the administration and then spreading to the other levels of the organizational structure. In the end, what is expected is a continuous and integrated work, to mitigate the probability and impact of the occurrence of risks and, from there, to achieve the proposed objectives.

– Very good, boss! – Severino commented. *I believe that here at the PAS we already understand that we need to improve our governance. I think the time for change has come. But I keep asking myself how to use all these concepts in practice, including this issue of risk management. How can we do this? Where do we start, what's the first step? And is that the only way to improve the way we do things here in the sector?*

– Severino, starting with your last point, I understand that there are several possible paths. At the moment, we are going to focus on governance and risk management, but I'll leave it open here so that you can also explore and bring other management concepts. Now, a good start for us to think about governance and risk management is to explore these issues even more, asking ourselves questions to generate ideas and think about what paths we can take. For example: what does process management and public procurement involve? What are the core governance and risk management concepts that we need to consider here in the PAS? How are we going to deploy them here? It's not an easy task, you may have noticed by now. These and other decisions require from us to reflect and be prepared for their consequences. But to me, it's clear that the time has come to move forward on this. The challenge is enormous. We know we're going to stir up a hornet's nest. The other sectors, at some point, will be disgruntled, and I don't yet know how far the institution will support our changes. You know, there are plenty of backseat drivers around here, but who really supports them along the way, well that's another story, – Roberto added. Okay, enough talking, let's get down to business. How about starting with a brainstorming session? Who will begin?

TEACHING NOTES

EDUCATIONAL OBJECTIVES AND TEACHING APPROACH

The main theme addressed in this case is the management of organizational processes and structures, with a focus on procurement, governance, and risk management (RM). It is recommended for application at undergraduate level, from the fourth semester onwards, or as part of the *lato sensu* postgraduate level, in the disciplines of Procurement and Contract Management and Public Governance. It is necessary for the student to have prior knowledge and training in the Fundamentals of Public Administration and Management, Organization, Systems and Methods and People Management in the Public Sector. This case aims to develop skills aimed at interpreting the general concepts of bureaucracy, public procurement, public governance, and risk management in the public sector.

The teacher must apply the case after presenting core concepts about the procurement process and its modalities, governance, and risk management in a previous class or as preparation for a subsequent class on the topics. Students must pre-read the case individually, before the class. The case should be handed out, preferably, two days before the meeting. On the day of application of the case, a brainstorming session with the class in three stages is recommended, considering a one-hour and forty-minute class: 1) division into small groups (up to four students per group) for the group to arrive at a consensus (collective group decisions) (30 minutes); 2) sharing the group's ideas with the rest of the class and (30 minutes); 3) class debate, to arrive at an overall class consensus (collective class decision) on the proposed dilemma, based on the previous steps (30 minutes). The remaining ten minutes are used to establish directions and conclusions about the activity. The small group uses A4 paper to record their individual ideas in step 1. In step 2, the groups share their ideas on the board, using half of it. The other half of the board is used for the teacher to record the collective decisions arising from step 2.

The resources needed for the lesson are print-outs of the case narrative to hand out to the students; a blackboard/whiteboard and pens for the students to record the main points decided on by group. Students can be evaluated on their individual preparation, demonstrating knowledge of the details of the case, group preparation, quality of collective discussion, as well as an individual report from each group at the end of the class, outlining their solutions to the problems presented. Elements can be recorded, such as: convergences, divergences, technical terms used, theories mentioned, etc. The teacher or assistant (e.g., a trainee teacher) is responsible for noting down main aspects discussed, which will later be linked with the underlying theories.

DISCUSSION QUESTIONS

1. What bureaucratic-legal prerogatives must the PAS meet to carry out the work of the sector, and which ones are involved in the public procurement process? How is the auction different from other bidding modalities?
2. How can process management contribute to improving the purchasing process in the PAS of the ULB? How can it contribute to reducing the level of bureaucracy in the sector?
3. How can the PAS, which is responsible for the management of public purchases, be strategically understood at ULB? What are the structural implications of this understanding?
4. How does governance contribute to the public procurement process of ULB? What are the guiding principles, and how do they relate to the improvement of the organization?
5. What positive impacts can Risk Management add to the public procurement processes and the organization? How can the instruments of the MPDG's¹ Integrity, Risk and Internal Control Management Manual be applied at the ULB?

¹ Ministry of Planning, Development and Management

CASE ANALYSIS AND CONNECTION WITH THE LITERATURE

The Organization, Systems and Methods (OSM) knowledge base contributes to the so-called process management, considering the organization as a whole or the analysis sector within it. Therefore, the debate on this case should begin with a broader understanding of this topic. Within this perspective is the public procurement process, with its particularities and challenges. Procurement processes are considered as activities of secondary importance within public organizations, but they are also characterized as an act with specific purpose in view of its functions and strategic value. Therefore, a continuous policy to improve procurement management is necessary, especially in a context of continual updating of the applicable regulation, as well as the tools and methodologies that need to be inserted in this context, such as governance and risk management, which can mitigate the likelihood of events that could hinder the respective procedures from achieving their objectives. This interrelationship between process management, public procurement, governance and risk management is portrayed in the dilemmas experienced by the characters in this case.

1. Which bureaucratic-legal prerogatives must the PAS meet to conduct the work of the sector, and which are part of the public procurement process? How is the auction different from other procurement modalities?

Contracts arising from formal processes of public purchases of goods and services are included in public management by virtue of the constitutional obligation, established by Article 37, XXI of the Federal Constitution, for the Public Administration to use procurement processes when purchasing or hiring goods and services. This is to guarantee, among other principles, equal conditions of competition, morality, and efficiency (Brasil, 1988). The procurement process is the preliminary administrative procedure by which, following several pre-established criteria, the public administration selects, from among several proposals referring to the acquisition of goods and services, the one that best meets the public interest, and enters into a contract with the provider it views as having the most advantageous proposal. In the Brazilian legal system, public procurement is regulated by Federal Law No. 8.666, of June 21, 1993, and Federal Law No. 14.133 of April 1, 2021. In principle, Law 8.666 created some types of procurement, such as competition, pricing, invitation, auction and contest. However, the modality with the greatest use in contemporary times, namely auction, was created by Provisional Measure No. 2026, of May 4, 2000, which was later converted into Law No. 10.520 of May 31, 2002, increasing its scope to all entities and spheres of the federation.

The auction, which may be carried out in person or electronically, is a modality aimed at the acquisition of common goods and services that, regardless of their value, can have their performance and quality standards objectively defined in a public notice, through the usual market specifications (Mazza, 2014). This modality can be used in procurement processes of the broadest objects, from the acquisition of office material to the purchase of aircraft to the hiring of information technology services, as well as for the hiring of continuous services with exclusive labor, such as cleaning and maintenance services, or armed surveillance guards.

2. How can process management contribute to improving the purchasing process in the PAS of ULB? How can it contribute to reducing the level of bureaucracy in the sector?

Processes aim to produce products or services, considering input and output elements. That is, they comprise a set of operations ordered logically and chronologically (Cruz, 2015), comprising a series of activities divided into tasks and operations (Carreira, 2009). In the public sector, they can be understood from a set of decisions that generate value for the citizen (Brasil, 2009). As they are defined, the processes are part of the theme of organization, systems and methods, which represent joint actions of the administrative process of planning and organizing, in order to think about the structural design, determine plans, as well as define procedures, routines and methods (Rocha, 1998).

It is about the understanding of an organization through the analysis of activities and creation of procedures that allow it to operate in a systemic way (Cruz, 2002). That is, we work with the idea of joining the integral parts to achieve the objectives in a simplified way, with the help of information systems and through administrative methods (Oliveira, 2013). The purpose of the latter is to save effort, time and movement by simplifying the work, seeking to increase productivity, reduce expenses and improve performance (Oliveira, 2013).

This case focuses, in particular, on the public procurement process. The key role played by activities of this nature is recognized in Brazil. Santos (2004, p. 150) highlights that procurement management represents a fundamental area of action for any government, so that from governance tools and information and communication technology – ICT, “the greatest bureaucratic structure for the control and prevention of possible deviations tool has been created, hence it is one

of the main spaces in which the government can be reinvented”. The recognition of the particularities of the Public Administration contributes to the differentiation of the necessary procedures in comparison with the private sector.

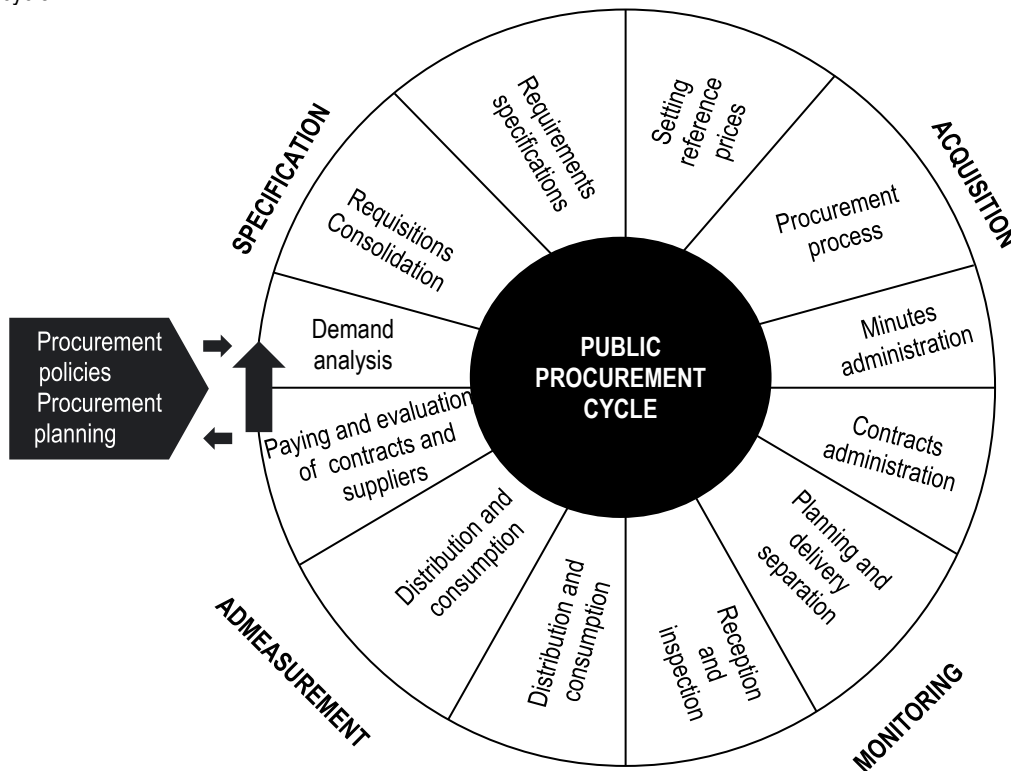
Therefore, for such an initiative to be successful, it is vital to have a well-defined strategy, a reengineering of the purchasing process and a management of expectations associated with technologies (Rajkumar & Swaroop, 2008), also considering the essential adaptation of the acts to the numerous existing regulations, and to public policies, within a perspective of innovation. Despite the numerous advances that have taken place over the last few years, the public procurement sector is faced with many mishaps that make it difficult to professionalize and execute it in a strategically fostered way. In practice, this highlights the lack of effective adjustments in terms of management and governance.

3. How can the PAS at ULB be strategically understood, considering the public procurement cycle? What are the structural implications of this understanding?

Public procurement is one of the topics with the greatest sensitivity and impact on public administration, given that its contributory value, through competition processes and access to the public market, influences the entire organization, as well as socio-economic cycles, with a view to giving the public sector contractual power. The formal procedures related to purchases conducted by the public administration have a strategic role in promoting the achievement of the objectives planned by government managers, as they directly help them to meet the demands of users in this sector, through the supply of quality products and essential services for society (Nascimento et al., 2011).

The public procurement cycle (Figure 3) starts with the sizing of demand, and goes through a path of agglomeration of administrative acts performed by various strategic sectors, such as specification and standardization, collection of prices practiced in the market on which to base the estimated cost, the execution of the bidding procedure, and through to completion, and the evaluation of contracts with the suppliers. In this same vein, legal, fiscal, management, logistics, control and incentive policy issues are incorporated (Ferrer & Santana, 2015).

Figure 3.
Public procurement cycle



Source: Adapted from Ferrer and Santana (2015).

For there to be effective management of public resources, it is necessary to train managers and administrative staff to constitute a framework to prevent fraud, promote efficiency, and ensure compliance with the regulations (Beuren & Macêdo, 2014). After all, as a strategic tool for the acquisition of public goods and services, the activities that form part of this process are vulnerable to widespread occurrences of this type, which can jeopardize the fulfilment of the objectives. Therefore, for good management of public procurement processes, which seeks to mitigate the risks that permeate the related activities, actions to ensure transparency and competitiveness, and objective decision making criteria, as well as tools to prevent the misappropriation of resources are necessary to safeguard public integrity (OECD, 2011).

4. How can governance contribute to the ULB's public procurement process? What are the guiding principles and how do they relate to the improvement of the organization?

Governance, which can be considered as a set of leadership, strategy and control mechanisms, whose purpose is to make the interests of those who delegate and those who execute converge, aiming at the supremacy of the public interest. In the public sphere, citizens demand their needs from political agents and bureaucrats, who need to direct, supervise and stimulate government actors, so that the population's desires are met with the best cost-benefit and in compliance with the rules applicable to each case, without forgetting added values such as ethics, morality, integrity and transparency (Silvestre, 2019).

Kissler and Heidemann (2006) state that the public sector plays a fundamental role for society, and effective governance in this sector can contribute to the efficient use of resources, accountability to the administrator of the resources, improvement in the administration and delivery of services, thus contributing to significantly improving people's lives, through the satisfactory resolution of public problems. Historically, control has functioned as an indispensable instrument to ensure the growth of transparency in the actions taken by managers.

The concept of public governance originates from the term corporate governance. Carvalho (2002) presents the principles of corporate governance as a set of values and rules that guide management, so that they can meet the interests of the stakeholders involved. The issue of corporate governance attracted the attention of government agents, who used its principles to adapt to the needs of the public sector, due to pressure to improve the services. Martinez et. al. (2009) reports that this process emerged due to the incitement for actions that fulfilled social objectives, presenting greater management and leadership competence, as well as greater political intermediation between citizens' demands and the final public good.

The basic guiding principles of governance are transparency (disclosure), equity (fairness), accountability and compliance. Currently, the Federal Court of Accounts – TCU² and the Attorney General Office – AGU³ agree that public governance encompasses three mechanisms: leadership, strategy and control. A set of components was associated with each of them that contribute directly or indirectly to the achievement of the objectives. They are: (a) people and skills; (b) principles and behaviors; (c) organizational leadership; (d) governance system; (e) relationship with interested parties; (f) organizational strategy; (g) transorganizational alignment; (h) risk management and internal control; (i) internal audit; and (j) accountability and transparency. In this way, the importance of good public governance in technical-bureaucratic procedures is evident, as it essentially comprises the use of mechanisms of leadership, strategy, evaluation control and monitoring of procedural management, aiming at optimizing the conduct of public policies and the good provision of services of interest to society (TCU, 2014).

Considering that executive and operational activities related to public procurement procedures routinely involve complex decision-making and are subject to assessment by internal and external control bodies, the existence of a governance structure is essential, i.e. it is capable of fostering a culture of integrity and providing procedural security, under the bias of regularity, effectiveness, transparency and innovation, warding off opportunistic actions. In this sense, in compliance with the premise that formal procurement processes need to provide proof of compliance with the applicable rules and be aligned with good public procurement practices, governance regulation promotes better conditions for the performance and accountability of the stakeholders at the different levels of management involved, especially in regard to the paradigm of blockages and bureaucracy versus de-bureaucratization and innovation, in the search to optimize results.

² In Portuguese “Tribunal de Contas da União”

³ In Portuguese “Advocacia Geral da União”

5. What positive impacts can Risk Management add to public procurement processes and the organization? How can the instruments of the MPDG Integrity, Risk and Internal Control Management Manual be applied at ULB?

To achieve organizations’ objectives, one must take into account the risks inherent to the activities that govern their processes and governance structure and, more specifically, to complex decision-making, which are part of the routine of the agents who hold these skills. Risk management, then, comprises a set of continually evolving activities that aim to identify, analyze, evaluate, treat, and monitor risks. Lima et al (2020) explains that the understanding of risk management needs to encompass the notion of what risk is, which in turn, arises from uncertainties through unpredictability scenarios, such as changes in regulations, economic crises, phenomena of nature, which may result in negative circumstances for the acts and procedures practiced; these may originate from local or even global contexts.

Risk Management (RM) is part of governance, with a focus on leadership at its various levels, contributing to the systemic improvement of public management. Recognition of risks and opportunities is a factor in the decision-making process of management in the public sector. The institutional arrangements that are linked to the legal agents involved, as well as the current political, social and market conditions, without leaving aside the level of professionalism of the managers who make up the teams that integrate, are other essential aspects to be considered when analyzing the risks (IPEA, 2018).

The Integrity, Risk and Internal Control Management (IRICM) Manual of the Ministry of Planning, Development and Management - MPDG⁴ (2017) contemplates that, in the work environment, organizations often face internal and external factors that make the success in achieving the objectives of the project or activity under development. Regardless of the area in which it operates, risks can affect the course of action, taking it in a completely different direction from that initially planned. The instruments of this model are the integrity management policy, the supervisory bodies, and the integrity management methodology (MPDG, 2017).

Table 1
Instrument and Purpose of the IRICM Manual

Instrument	Goal
Integrity Management Policy	Establish the principles, guidelines and responsibilities to be observed and followed in management.
Supervisory Instances	Advise the Minister of State in the definition and implementation of political and regulatory guidelines.
Integrity Management Methodology	Incorporate best risk management practices.

Source: Adapted from MPDG (2017)

With regard to public management, acting in a strategic way that aims to mitigate or settle the occurrence of harmful events becomes even more important, due to the premise that state actors can only act in full compliance with the rules that discipline the aspects of Public Administration, in addition to the fact that external control, in a way, is incipient in terms of bureaucratic flexibility. The IRICM manual (MPDG, 2017, p. 5) argues that government responsibilities towards the public goods require the adoption of effective management practices and strategies. In this context, “the management of integrity, risks and internal controls of management becomes a valuable tool to help in making decisions based on methodologies and standards that generate, among other benefits, the reduction or elimination of rework.”

Managing risks in the acquisition of public goods and services involves the dynamics of identifying, understanding, evaluating and dealing with events that may have the consequence of negatively impacting the objectives of the procedure. Regarding the treatment of risks, the scientific and regulatory reference models list four attitudes: avoid, accept, transfer and mitigate. Internal control activities have the power to reduce risk to acceptable levels, through training, standardization, manuals, scripts, segregation of functions, technologies, checklists, etc. (TCU, 2018). The main existing references that aim to contribute to the identification, analysis, assessment, and treatment of risks are proposed as the COSO ERM, ISO 31000:2018 and the Three Lines Model (The Institute of Internal Auditors – The IIA, 2020). In the Brazilian scenario, contributory measures for the implementation of Risk Management by the public bodies, include the Integrity, Risks, and Internal Control Management Manual - IRICM of the Ministry of Planning, Development and Management, Joint Normative Instruction No. 01/2016 of the same Ministry, in conjunction with the Office of the Comptroller General (CGU)⁵, and the TCU Assessment of the Organizational Risk Management Maturity.

⁴ In Portuguese “Ministério do Planejamento, Desenvolvimento e Gestão”

⁵ In Portuguese “Controladoria-Geral da União”

DATA SOURCE

This case is based on primary data, obtained through observation. These data are from real situations, faithful to the events experienced by two of the authors over several years of experience in their area of work. It also uses complementary fictional narrative, through dialogues, to highlight central aspects of the theme. This is done through the exposure of conflicts between the protagonist and the other characters. The names of all those involved, as well as the organizations to which they belong, have been changed or deleted, to protect individuals' privacy.

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