

Four things you should know about agile procurement

GI explains how it can help governments buy smart.



You're craving a scrumptious meal after a long day at work. You're picturing a cooked dinner, rather than a shopping list of ingredients.

That, in essence, is agile procurement – a new way that governments are purchasing technology. Public servants purchase a desired outcome, acknowledging that the recipe may change to meet citizens' tastes.

Here are four things that all public servants should know about this new technique.

What is agile procurement?

Agile procurement is a way of purchasing solutions based on project specifications – according to the outcome rather than a product specification. It's an "iterative learning process – you learn from the provider of what other solutions exist, the provider learns better about your needs, and then you come up to a solution at the end of it", says Professor Shantanu Bhattacharya, Associate Professor of Operations Management at Singapore Management University.

"Agile procurement is really about being flexible", adds Chia Ser Huei – Director of Performance and Resource Management from Singapore's Ministry of Finance. "You don't start off prescribing a particular solution", and as a result of that "you are nimble", he explains.

Why is it important?

Agile procurement helps encourage innovation, by shifting away from the traditional approach where full-scoped project details are spelled out from the start. Instead, a concise one page summary will do. "We simply say, 'Here is our problem, we want the most brilliant solutions out there, and then we are going to let you fly,'" Aneesh Chopra, former CTO of the United States told GovTech Magazine. "We'd still protect the integrity of the public dollar, but we'd figure out a way to let the private sector be inventive."

It can also help firms make better procurement decisions from the get go. “When you begin a procurement process – unless you have done that procurement process multiple times before – you do not know what you are looking for”, Bhattacharya says.

The new approach help clients figure out what they want based on prototypes provided throughout the process. “Often the problem is this – if a provider asks me as a client what do you want, I cannot say it in words”, but this changes when the client has a prototype to play with, he says.

“It’s always easier to give feedback when you have something concrete in your hand, rather than giving feedback at the abstract level,” he continues.

Agencies set a proof of concept tender that acknowledges the potential to adapt. The supplier, therefore, is chosen on their expertise at delivering technology project, rather than their supply of a particular piece of software or hardware. But unlike more traditional systems integration contracts, these POCs are shorter and then lead into a larger project after receiving citizen feedback.

How could it affect government?

This flexible approach can prevent technology becoming outmoded by newer approaches. More traditional projects – managed in a ‘waterfall’ style – lack flexibility to change once the specifications have been set. But “with the agile procurement process, up front you clarify [and] learn – so that’s why the chances of making mistakes later is lower”, Bhattacharya notes.

This leads to better quality solutions, he continues. “the quality is much better, because you understand much better what different solutions are out there as the client, as the government. And the provider understands what your needs are, because they provide you with small prototypes and get feedback from you based on prototypes”, he says.

However, this does depend on the product. Chia notes that you wouldn’t buy stationery in an agile manner because your requirement is fixed – it is better suited to technology in fast-moving areas, especially in more experimental methods of delivering services.

In an environment where tech changes happen fast, governments may not even be aware of the IT solutions available. This helps them cut through the chase.

What is happening on this?

Singapore’s Ministry of Finance is encouraging the use of agile procurement in some areas, and wants its officers to be more flexible. “Certain things that you buy, you don’t need to go through a very, very complicated task,” Chia says.

For tech projects, the Government’s in-house programmers get paired with vendors to work on solutions. A joint team helps cut communication silos, and ensures that the programmers can manage the system once it is built.

In Philadelphia, the city government runs a dedicated programme where it trials solutions offered by startups before committing to a full-scale project. Entrepreneurs will be selected to join a 12 week scheme, developing innovative projects around public safety challenges, for instance. This helps the city pilot cutting-edge tech on a small scale before full-fledged deployment.

Palo Alto, too, adopted a lean approach for its public website. It ran the site as a beta, getting input and feedback from residents before going live. This was after the city government had procured services for the website but they were poorly received.

Agile procurement isn't suitable for everything, but it's great for building snack-sized digital products. As the chefs say: taste the product as you go.