

## Joint Development and Research Project of SimLab Research Unit and Procurement Center of City of Jyväskylä 2011

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### Abstract

Research and development project on procurement operations in the city of Jyväskylä was initiated by the Procurement Center of the city and executed during fall 2010 and spring 2011 together with PRO2ACT project coordinated by SimLab research unit at Aalto University. The project was conducted as an interview and action research, where 23 participants were interviewed. Three of the interviewees were employed by suppliers, others were employed by the city.

Three lately executed product procurement processes were modeled during a half-year period.

- Competitive tendering of bakery products by a procurement ring of Jyväskylä and its neighboring municipalities,
- competitive tendering of dental technical laboratory work by the mouth health care remit,
- competitive tendering of machinery for a shop class by an elementary school Puistokoulu in the education remit.

The main objective of the project was to improve collaboration between the Procurement Center, its interest groups and service remits of the city. Modeling the processes helped to recognize existing good practices for collaboration and to identify focal targets for development. Here are some examples of the most significant themes in the report:

- The key criterion of a successful procurement process is how well the procurement fulfills user needs.
- Successful product or service specifications are an essential requirement for receiving an appropriate amount of suitable tenders. Consultation of the market as well as developing internal collaboration between the Procurement Center and service remits of the city enable and support defining specifications.
- Follow-up of contract implementation and contract management have an important role on ensuring that the procurement objectives are met.
- Competitive procedure is laborious and division of tasks is unclear. Participants have diverse conceptions on the requirements of the Act on Public Contracts. Development of collaboration is most significantly hindered by lack of time. The usability, ease and functionality of the procurement contracting process and related documentation as well as communication and knowledge transfer have an indirect, but significant influence on the attainment of successful end results.
- Selected suppliers appreciate the city as a purchaser and are willing to work for achieving a mutually satisfactory partnership.