

Procurement: a political priority

by David Newman

Chatting with Walter Lastewka, parliamentary secretary for procurement reform

You've been appointed Parliamentary Secretary for Procurement Reform under Prime Minister Paul Martin's reinvention of that role. You and your colleagues have been appointed, not to a departmental support role as in the past, but to undertake a special emphasis on a particular issue. How is this role different and what will it mean?

IN THE NEW role parliamentary secretaries are members of the Privy Council, attend Cabinet meetings related to our assignments and we meet with the prime minister. [Each has a] special emphasis – in my case on government-wide procurement – and accountability is to the prime minister. This represents a paradigm shift for ministers as well. Where, in the past, a parliamentary secretary was attached only to one minister, now I may deal with any minister whose responsibilities are affected by my assignment, even though I work most closely on a regular basis with the Minister of Public Works and Government Services Stephen Owen. If I run into any difficulty, I not only have access to that minister, but to the prime minister as well – a positive change that goes far beyond the cosmetic. The prime minister gets to better use his caucus resources and, as these special assignments get done, more will be accomplished in government.

When I was given this assignment in December, it was as a result of a conversation I had with Prime Minister Martin at an August caucus meeting. I told him that we really had to look at procurement, not just purchasing and expediting. Before I said yes, I asked if the department was ready to go through a complete systems

engineering review; would I have the resources to do this; and whether other departments were ready to participate? I was told that if I ran into any impediments, he wanted know about it.

Many of your political colleagues are lawyers, academics or professional politicians. You, on the other hand, come from industry. Why were you chosen to undertake this job and what do you bring to it?

IAM A REAL systems person and studied Jack Welsh and Dr. Demming when I was at General Motors [GM]. I know very clearly that if you have a bad system in place, you'll make good people bad. What is really needed is continuous improvement to the system – otherwise you lag behind on best practice.

Having done this sort of systems engineering review before at General Motors, I understand what needs to be done. [At GM] we had some difficulties in procurement and we brought in a number of executives to work on teams on procurement in the power train division. We may not have made a lot of friends by the time we were finished. People who are going through the system review understand there will be changes and people don't like change. But it is all about improving the system – getting best value for the money.

There is also a difference between procurement, and purchasing and expediting. Everything changed from 1992 to 1996. We used to purchase things as best we could and get it in the door, and we spent



Walter Lastewka is not your run-of-the-mill member of parliament. In fact, he's not your run of the mill anything. Make no mistake, he's a politician – a Liberal representing the people of St. Catherines, Ontario since 1993. But he's also an industrial engineer, plant manager and corporate executive with a 30-year track record in General Motors Canada, culminating in the job of Chair of the international GM V6 Engine Business Team before he entered politics. He knows something about management, manufacturing, production and yes, procurement. He has also served on boards at the Canadian Chamber of Commerce, the United Way, a local museum and for Brock University.

Having previously been parliamentary secretary to the Minister of Industry and caucus advocate for small and medium business, Lastewka was appointed to the new position of Parliamentary Secretary for Procurement Reform by Prime Minister Paul Martin in December 2003. It's a new, more powerful role than in the past and he lives and breathes it. He is straight ahead, no nonsense and plain spoken, and he takes his new mandate seriously. *Summit* met with Walt Lastewka in his Parliament Hill office.

equal time on getting it in the door. When we change to procurement – working in advance proactively with suppliers and prospective suppliers and evaluating so it can be done in a shorter length of time – there is lots of training and understanding to be done, not only for the people who are implementing it, but for the executives making decisions and for the supplier. Procurement is being proactive, looking at asset management as much as acquisition at total life cycle.

What specifically are you doing in terms of procurement reform in your role as parliamentary secretary?

THE FIRST TASK is to establish where we are, to count what we are doing and set up the score sheet. Once we have the score sheet, we can begin continuous improvement. We are touching base with large corporations, at least two companies in a number of categories such as steel, auto, high tech, retail and others – to see what they are doing and how they are improving – their best practices. We are also looking at other governments – provincial, US and UK for example – to find best practices. We plan to leave no stone unturned.

We have a Procurement Data Centre at PWGSC where we are collecting the information. We are putting everything up on the wall government wide – some 130 procurement points. We have people on our team from Justice, [PWGSC], Treasury Board, and even someone from the Office of the Auditor General.

We have many acts of legislation to follow – many programs that affect procurement. Part of our review is to take a look at exactly what we are doing today – all the legislation, policies and regulations we have to abide by – to see if they are valid. If a minister comes up with a program to achieve certain policy objectives, we have to address how we do procurement for that. Someone needs to see to the score-keeping and report card writing on all of these programs, to determine if it is working or not. There are undoubtedly Acts that we have to follow now that are costing us money. We need to identify that and make sure we want to continue to do it.

It is interesting that you have the Auditor General involved before rather than after. What role do you see audits playing?

THIS IS A situation that is different in government. In corporate life, you look at auditors as your helpers in management and leadership. In the government auditors are seen more as “I got you,” and “that’s wrong.” We should be looking at internal auditors and the Auditor General as a means of continuous improvement. I got them involved so that we would know what

the expectations should be, and to begin that continuous improvement cycle.

Is part of your role in procurement reform addressing the issue of certification for public sector procurement specialists?

BEFORE WE address the issue of certification of people, first I want to certify the system.

There are a range of other issues affecting government procurement, such as technology and e-government. How will you take these into account?

E-GOVERNMENT OPPORTUNITIES are becoming the best practices – everywhere in corporate and government life – and they go beyond just automating processes. They are changing the system.

For example, we buy electronic personal organizers and cell phones in government and pay retail or close to retail prices. With the quantities the federal government purchases, we should be getting them for almost nothing in a bulk buy. On top of that we should be able to order each one as we need it from an electronic catalogue, charge it to our individual budget and have it delivered in 48 hours. Our buying power alone should dictate that, if we are working under the right system.

What can we expect coming from you and your team in the near future?

WE ARE NOW in the information gathering and benchmarking phase of our activity. We will have a good work plan by the 25th of March, identifying our next steps, and will then be in a position to narrow down alternatives and set targets. We want the system to be more efficient, more timely and more user friendly, with a solid reporting capacity and a continuous improvement methodology built into it. Everything falls out of that and costs come in line accordingly. *nm*

David Newman is an Ottawa-based contributing editor to Summit magazine and a freelance writer. He is also president of Newman Communications, which specializes in coalition and alliance building and reputation management.

GET OFF the routing list!!

Don't wait for weeks – even months – before getting your chance to catch up on the latest news and analysis of the Canadian public sector procurement marketplace.



Get your
own copy of
Summit today!

Call
(613) 688-0768

Or visit
www.summitconnects.com