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Chapter II

E-Government Strategy in Brazil: Increasing Transparency and Efficiency Through E-Government Procurement

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Abstract

The role of SIASG/Comprasnet in promoting efficiency and transparency in government procurement (GP) in Brazil has generated great interest in the international scenario of e-commerce and in the transformation of public administration, related to the e-government initiative. Several international organizations and some national governments have elected this experience as a best practice in e-government in the government-to-business (G2B) classification. Some of the innovations implemented by the system are the use of the e-reverse auction (e-RA) and the publishing of information of all the phases of the tendering process. This chapter has the aim of analyzing the results obtained by the Brazilian government strategy in the use of a specifically developed e-government procurement (e-GP) system (http://www.comprasnet.gov.br). It is composed of a structuring system, operated internally by the

government, coupled with a Web interface for suppliers and the general public that covers the whole GP cycle (including post-award contract administration) of commodities (sundries and standard quality goods and services). The analyzed e-GP application accounts for expenditures of around $8.5 billion. This amount is equivalent to 15% of the budget (1.5% of GDP).

Introduction

Studies conducted by international non-government organizations, such as Transparency International, hint that public-sector inefficiencies, including corruption practices, may account for a waste of 3% to 10% of GDP (gross domestic product), thus reducing national growth by up to 2%. The public sees the procurement of goods, services, and civil works, especially with the lack of transparency and the subjectivity permitted by closed-door traditional tendering methods, as the main area for inefficiency in public spending. The implementation of e-government procurement (e-GP) has been considered one of the most promising and feasible paths to be followed by public administration in rendering transparency and efficiency in the acquisition of goods and services for the public sector.

This chapter has the aim of analyzing the results obtained by the Brazilian government strategy in the use of a specifically developed e-GP system named SIASG/Comprasnet (Sistema Integrado de Serviços Gerais, Integrated General Services System; http://www.comprasnet.gov.br). This system is composed of a structuring system, that is, a robust back-office application, running on legacy-based technology, which is operated internally by the government, coupled with a Web interface with suppliers and the general public that enables one to process the whole procurement cycle (including post-award contract administration) of commodities (sundries and standard quality goods and services), as well as the critical phase of the tendering cycle. The system is responsible for the processing of around $5 billion to $6 billion worth of supplies for the federal public sector, which is equivalent to about 10% of the net federal budget, that is, 1% of the GDP. If one aggregates the transparency rendered to the execution of civil works through the coupling of the SIASG/Comprasnet with the SIASG/Obrasnet (responsible for guiding and informing the execution of civil-works contracts), the e-GP applications implemented by the government account for up to $8.5 billion. This amount is equivalent to 15% of the budget (1.5% of GDP).