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# Factors influencing the behavior of auctioneers operating in public procurement by Barreira do Inferno Launching Center (CLBI)

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This article aims to analyze the preponderant factors influencing the behavior of auctioneers working for the *Barreira do Inferno* Launching Center (CLBI) in electronic purchasing processes. The research used references from the theory of purchasing, analyzing organizational and motivational aspects, as well as aspects related to knowledge and abilities. Data was collected using semi-structured interviews with auctioneers. As a result, it was possible to identify that the main factors influencing the auctioneer's behavior at CLBI were the lack of recognition of the strategic importance of their role, lack of exclusive dedication and specialization.

**Keywords:** public procurement; behavior; auctioneers.

## Fatores que influenciaram as condutas dos pregoeiros do Centro de Lançamento da Barreira do Inferno (CLBI)

Este artigo trata dos fatores que influenciaram as condutas dos pregoeiros do Centro de Lançamento da Barreira do Inferno (CLBI) na execução dos processos eletrônicos de compras. Seu objetivo principal é analisar os fatores preponderantes que influenciaram as condutas dos pregoeiros do CLBI na execução dos pregões eletrônicos. A pesquisa teve como referência os preceitos da teoria sobre compras, tendo como dimensões de análise os aspectos organizacionais, motivacionais e de conhecimento e habilidades. A principal ferramenta metodológica consistiu em entrevistas semiestruturadas com os pregoeiros. Como resultado, verificou-se que a falta de reconhecimento da importância estratégica da atuação dos pregoeiros, de dedicação exclusiva e de especialização dos compradores públicos foram os principais fatores que influenciaram o desempenho dos pregoeiros do CLBI.

**Palavras-chave:** compras públicas; condutas; pregoeiros.

## Factores que influenciaron las conductas de los pregoneros del Centro de Lanzamiento de la Barrera del Infierno (CLBI)

Este artículo trata sobre los factores que influenciaron las conductas de los pregoneros del CLBI en la ejecución de los procesos electrónicos de compras. Su objetivo principal es analizar los factores preponderantes que influenciaron las conductas de los pregoneros del CLBI en la ejecución de los pregones electrónicos. La investigación tuvo como referencia los preceptos de la teoría sobre compras, y como dimensiones de análisis los aspectos organizacionales, motivacionales y los de conocimiento y habilidades. La principal herramienta metodológica consistió en entrevistas semiestruturadas con los pregoneros. Como resultado, se verificó que la falta de reconocimiento de la importancia estratégica de la actuación de los pregoneros, de dedicación exclusiva y de especialización de los compradores públicos fueron los principales factores que influenciaron en el desempeño de los pregoneros del CLBI.

**Palabras clave:** compras públicas; conductas; pregoneros.

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## 1. INTRODUCTION

The procurement procedure known as *Pregão* was established by Law 10,520 of 2002<sup>1</sup> as a public modality with the aim of increasing dynamism in the procurement of common goods and services in Brazil. This expression, ‘common goods and services’, relates to goods and services which performance and quality standards can be clearly described by a public notice according to a commodity’s common market specifications (Law 10,520 of 2002). Further on, Decree 5,504 of 2005 set the compulsory requirements linked to the *Pregão* procedure, except for situations in which their technical unfeasibility can be demonstrated.

According to Zanotello (2008, p. 31), “e-auctions are much more advantageous than disadvantageous, since they are a more dynamic, nimble, democratic, transparent, efficient and impersonal process”. Fernandes (2013, p. 119), on his turn, describes e-auctions as:

An administrative procedure by which the Public Administration ensures equal treatment in the selection of vendors and service providers, aiming at the delivery of a common object by the market. It allows bidders to reduce prices in their proposals during an on-site or virtual public session, by verbally placing new bids.

The procurement auctioneer-figure emerged in the public administration along with this new modality of acquisitions as the public official responsible for its procedures, and is a key element for its operationalization. According to Di Pietro (2002, p. 328):

A procurement auctioneer is an employee of the body that carries out a [public auction] procedure. Auctioneers are appointed by the competent authorities to assess the feasibility of proposals and bids, in addition to the tasks of rating, authorizing and legally enabling winning bidders to provide the commodities of auctions.

However, Scarpinella (2002, p. 121) and Oliveira (2009) pointed out that the current levels of flexibility involving procurement auctions led to a number of practical distortions, since each procurement auctioneer acts according to his or her own interpretation when dealing with bidding impasses – and, more seriously, in disagreement with guidelines of the Union Court of Accounts (TCU). Such situation also led to criticisms by vendors regarding the lack of standards and unified procedures for procurement auctioneers of distinct bodies, and to the need for adequate training to these officials (Oliveira, 2009). Contrasting practices are reportedly occurring not only among auctioneers from distinct public administration bodies, but also among auctioneers from the same institution, such as in the case of the Barreira do Inferno Launching Center (CLBI).

The legal basis at the roots of the CLBI includes Executive Ordinance S-139/GM3 of October 12, 1965, Decree 6,834 of 2009 and by the Bylaws of Brazil’s Air Force Command (Rica 20-36). It also includes Executive Ordinance 1,049/GC3 of November 11, 2009, which regulates CLBI’s mission to execute and support activities linked to the launching and tracking of air and space vehicles, in

<sup>1</sup> Before the enactment of Law 10,520 in 2002, procurement auctions were first established by Provisional Measure MP 2,026-4 of 2000 and e-procurement auctions were established by Decree 3,697 of 2000.

addition to the collection and processing of data about their content, and to perform tests, experiments, basic or applied research and other technological development activities in the interest of the Air Force Command. As such, this military unit currently carries out its procurement procedures via e-auctions for the purchase of common goods and services that may directly or indirectly contribute to the fulfillment of its mission, such as meteorological instruments, radar maintenance tools, and cleaning/office materials.

The CLBI currently has approximately 12 civilian and military employees working with procurement activities at its Procurement and Administrative Contracts Section (SLC). This sector deals with the internal or preparatory stage of procurement processes, which begins with the drafting of public notices and ends with their issuance. From this point on, procurement auctioneers begin their external tasks, which encompass five stages in the following order: assessment of proposals; bidding; admissibility and evaluation of proposals; bidders' eligibility assessment; and appeals.

Based on the national Law on Auctions (Law 10,520 of 2002), the following lines will briefly describe the procedures involved in each of these stages:

The stage of assessment of proposals is the one in which auctioneers examine the received proposals and disqualify those that do not meet the requirements laid out by the public notices, in addition to those that omit necessary information or contain irremediable deficiencies.

The bidding stage is the competitive round in which vendors place their bids. The auctioneers themselves must decide about the moment when this stage is closed. After the announcement of the closure of each bidding round, the bidding system randomly grants an extension of up to 30 minutes so participant vendors may continue placing their bids.

The stage of admissibility and evaluation of proposals follows on the bidding round. This is when the auctioneers examine the best-rated proposal in regard to its final price and feasibility, as well as to its compliance with the specific features of the procurement auction at hand. In this stage, auctioneers may request additional documents in order to support their decisions.

After the requirements of the admissibility-stage are met, auctioneers move to the eligibility stage, when the legal, tax, labor and technical status of bidders is assessed in connection with the intended procurement commodity.

After the announcement of the winning bidder, the stage of appeals begins, when procurement auctioneers observe a minimum period of 30 minutes so that any bidder may express the willingness to appeal against a specific decision and state his motives.

Box 1 below describes some practices identified at the CLBI in the biennium 2014-2015 that differ from the guidelines of the Union Court of Accounts (TCU).

As a result of such practices, the work performed by procurement auctioneers has been criticized by the direction of this institutional section, since a large number of administrative appeals have emerged during the execution of these procedures in the studied period,<sup>2</sup> leading, among other problems, to sluggishness in the purchasing of goods and services. Therefore, this article has the following overall aim:

- To examine the preponderant factors that influenced the practice of procurement auctioneers at CLBI during the e-auctions carried out in the biennium 2014-2015.

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<sup>2</sup> In 2014 alone, there were 15 appeals in 35 procurement auctions. In 2015, there were 14 appeals in 38 procurement auctions.

## BOX 1

## TCU DECISIONS X AUCTIONEERS' PRACTICE

PROCEDURAL STAGES	TCU DECISIONS	CONTENT OF DECISION	CONTRASTING AUCTIONEER PRACTICE
ASSESSMENT OF PROPOSALS	Plenary Court Decision 1170/2013, TC 007.501/2013-7, Rapporteur: Court Minister Ana Arraes, May 15, 2013.	It is undue to disqualify bidders on account of the absence of information in their proposals that may be suppressed in accordance with Article 43, paragraph 3 of the Brazilian Law of Auctions (ILC 151/2013).	Auctioneer 1 in procurement auction 19/2014.
BIDDING STAGE	Plenary Court Decision 79/2010, TC-025.149/2009-0, Rapporteur: Deputy Court Minister Marcos Bemquerer Costa, January 27, 2010.	It is inadmissible to directly disqualify bidders when their proposals contain prices considered to be impracticable without previously granting them the opportunity to provide a justification of their offered prices (ILC 002/2010).	Auctioneer 3 in procurement auctions 05/2014, 20/2015, 35/2015 and 36/2015.
ADMISSIBILITY AND EVALUATION OF PROPOSALS	Plenary Court Decision 2637/2015, TC 013.754/2015-7, Rapporteur: Court Minister Bruno Dantas, October 21, 2015.	In procurement auctions, it is both a faculty and a duty of the Administration to attempt to negotiate in order to reduce the final prices of contracts, bearing in mind the optimization of the public interest in terms of obtaining a proposal as advantageous as possible, even when a bid price should eventually fall below the available bidding estimates (article 24, paragraphs 8 and 9 of Decree 5.450/2005) (ILC 264/2015).	Auctioneers 3 and 4 in procurement auctions 03/2014, 14/2015 and 25/2015.
	Plenary Court Decision 3486/2014, TC 012.062/2014-6, Rapporteur: Deputy Court Minister Marcos Bemquerer, December 3, 2014.	When carrying out public e-procurement auctions, procurement auctioneers, from the initial round of bids to the closing of the bidding stage, must always forewarn bidders via chat communications about the temporary suspension of the activities, as well as the announced date and time for reopening the session, in exercise of the principles of public disclosure, transparency and reasonable procedures (ILC 226/2014).	Auctioneers 1 and 3 in procurement auctions 02/2014, 10/2014, 13/2014, 17/2014, 19/2014, 07/2015, 20/2015 and 21/2015.
ASSESSMENT OF ELIGIBILITY	Plenary Court Decision 558/2010, TC-008.404/2009-1, Rapporteur: Court Minister Augusto Nardes, March 24, 2010.	For e-procurement auctions, the simultaneous referral of public notices so bidders may present the documents that prove their eligibility is not provided by the law that rules this modality – Law 10.520 of 2002 (ILC 009/2010).	Auctioneer 2 in procurement auctions 06/2014 and 24/2014.
	Plenary Court Decision 339/2010, TC-000.100/2010-2, Rapporteur: Court Minister Raimundo Carreiro, March 3, 2010.	In e-procurement auctions, the public notices that describe the bidding process must request that candidates present their proposals and, whenever necessary, the additional files attached to them exclusively by electronic medium, via internet, in compliance of item II of article 13 of Decree 5.450/2005 (ILC 006/2010).	Auctioneers 2 and 3 in procurement auctions 35/2014, 26/2015 and 34/2015.
STAGE OF APPEALS	Plenary Court Decision 694/2014, TC 021.404/2013-5, Rapporteur: Court Minister Valmir Campelo, March 26, 2014.	In cases both of electronic and on-site procurement auctions, the decision on the eligibility of the intentions of an appeal must ascertain only the existence of the necessary prerequisites for the appeal (claims expense, timeliness, legitimacy, interest and motivation). The refusal to recognize an issue of merit in connection with an appeal under the justification of a previous examination of the matter is a case of non-compliance with the TCU's jurisprudence (ILC 190/2014).	Auctioneers 2 and 3 in procurement auctions 35/2014, 20/2015, 26/2015 and 36/2015.

Source: Elaborated by the authors.

The rationale for this study is linked to its operational focus, with a view to the attainment of higher efficiency levels in public administration while bearing in mind that the percentage of CLBI's budgetary execution in connection with procurement auctions reached 87%<sup>3</sup> in 2014 and 2015. The consequences of failures in procurement processes have a direct impact on the fulfillment of CLBI's mission and lead to serious risks for the optimization of the available resources, with timing-issues related to the assigned expenses<sup>4</sup> and the yearly budget principle.<sup>5</sup> In this particular case, the CLBI ends up missing the opportunity to use assigned public resources whenever it is not capable of completing a procurement process until the end of the budgetary year.

## 2. THEORETICAL BASIS

This study is based on the concepts linked to purchasing functions, which comprise one of the main logistical tasks under Supply Chain Management (SCM). This theoretical basis from the field of private management is also linked to the origins of procurement auctions in the public administration, which were inspired in the concepts of the New Public Management (NPG) approach, which, on their turn, are based on private practices (Motta, 2010). By analyzing the general aspects linked to the purchasing function, we identified three main and still unexplored dimensions directly related to the practices of procurement operators in e-auction processes: a) organizational aspects; b) motivational aspects; and c) aspects linked to knowledge and skills.

### 2.1 The purchasing function

According to Baily, Farmer, Jessop, and Jones (2008, p. 31), the final aim of purchases is to obtain the correct quality of material at the right moment, in the exact amounts, from the correct source at the adequate prices".<sup>6</sup> Thus, purchasing management involves several other activities, such as selecting the best vendors, protecting the costs' structure of the organization, maintaining the balance between quality and value, and negotiating efficaciously in order to work with vendors who seek mutual benefits.

#### 2.1.1 Organizational aspects

Ellram and Carr (1994), Braga (2006) and Tassabehji and Moorhouse (2008) highlight that the evolution of purchasing departments in private organizations was characterized by a change through which this sector ceased to be submissive to the other sectors, and became part of the strategic planning of these organizations. According to Braga (2006), such evolution comprised four distinct stages, presented by Box 2 below.

<sup>3</sup> Corresponding to approximately R\$4.385.219,80 (US\$1,137,000.00 in April 2019), according to the Federal Government's Financial Administrative System (SIAFI).

<sup>4</sup> The commitment of expenses is an act by a competent authority that commits the State to a payment, regardless of the existence of the necessary conditions in connection with such payment (article 58 of Law 4,320 of 1964).

<sup>5</sup> According to Sanches (2004, p. 29), the yearly budget principle establishes that "the public budget (i.e. the estimates of available funds and committed expenses) must be defined considering a specific period of time – usually, a year, which can coincide or not with the calendar year".

<sup>6</sup> Free translation from the Portuguese version of the work.



**BOX 2**      **EVOLUTIONARY STAGES OF PURCHASING DEPARTMENTS**

Evolutionary Stage	Features
<b>1<sup>st</sup> Stage: Operational Profile</b>	The purchasing sector is only responsible for the purchasing operations. The organization does not count on planning. Such situation leads to difficulties for the purchasing sector, which must work to “put out the fire”.
<b>2<sup>nd</sup> Stage: Tactical Profile</b>	Purchases start to be negotiated by the purchasing department’ staff, which leads to an increasing need for improved communications among requestor sectors and the purchasing sector.
<b>3<sup>rd</sup> Stage: Transition Profile, from Tactical to Strategic</b>	Vendors start being directly involved in the purchasing processes, to the point of contributing to the specifications of the procured commodities, in addition to the internal customers of the organization (requestor sectors) and the staff working with purchases.
<b>4<sup>th</sup> Stage: Strategic Profile</b>	The purchasing sector becomes fully integrated to the strategic body of the organization. Purchases become totally planned and urgent purchases are either reduced to a minimum or simply cease to be necessary. The value of purchasing operators becomes highly appreciated.

**Source:** Elaborated by the authors.

The box suggests higher participation levels by the requestor sectors for the enhancement of purchasing processes. Such interactivity must be also extended to the vendors of the organization, to improve efficiency in the purchasing of public goods and services (Gansler, Lucyshyn, & Ross, 2003; Carter & Stewart, 2006).

The evolution in the stages of purchasing departments revealed that these departments were not adequately knowledgeable about the necessary information regarding the items requested by other sectors, and that the contributions of these sectors in following up on their purchasing processes were fundamental for improving efficiency and ensuring that their requests would be fully met in their specifications and quality standards. In this sense, the United States Government Accountability Office (GAO, 2005, p. 6) affirms:

An acquisition function that is successful at effectively and efficiently meeting the agency’s missions generally reflects a consistent, cross-functional, and multidisciplinary approach. This approach requires engagement by all relevant stakeholders, including representatives from program offices, contracting officials, financial managers, human capital officials, information technology officials, and other appropriate participants. An integrated approach helps agencies better define their needs and identify, select, and manage providers of goods and services.

Thus, in the case of US federal agencies, the interactions among all sectors involved in a purchasing process are essential for the success of acquisitions. Baily et al. (2008, p. 83) highlight the relevance of requestors’ support: “the most extensive support services are usually available at larger organizations: costs analysts, economists, legal advisors and other experts help them attain their organizational aims”.<sup>7</sup>

<sup>7</sup> Free translation from the Portuguese version of the work.

In public procurement processes, in addition to the support provided by the Legal Consultancy of the Union in the analysis of public notices, the Brazilian Law on Procurement Auctions (Law 10,520 of 2002) also establishes that procurement auctioneers must count on the help of a support team capable of performing bureaucratic functions such as managing spreadsheets, accessing computerized systems and communicating with vendors via e-mail, among other tasks.

As to the organizational aspects of the system in which e-procurement processes occur, the Ministry of Planning, Budgeting and Management (MPOG) is the federal Brazilian body responsible for the governmental logistics policy. The MPOG's main computer-based tool for executing this policy is its General System of Services (SISG).<sup>8</sup> The SISG is linked to all bodies, guidelines, legislation and supplementary instruction sources linked to federal public procurement.<sup>9</sup> The central SISG body is the Secretariat of Logistics and Information Technology (SLTI), which, among other activities, sets the standards and specifications for public services and issues the norms on procedures for procurement, hiring and purchasing, delivery, registry and storage, requisition, distribution and use both of long-lasting and short-term goods. These are essential factors for the quality of governmental procurement processes (Ministério do Planejamento, Orçamento e Gestão [MPOG], n.d.).

The SISG has an Integrated System for General Services Management (SIASG),<sup>10</sup> which is directly linked to the governmental procurement system. The SIASG is SISG's operating arm to integrate the bodies of the direct public administration, autarchic authorities and foundations. Among its tasks, it disseminates public notices, carries out bidding processes, issues commitment notices and serves as a register for administrative contracts, catalogues of materials and services, and vendors (MPOG, n.d.; Governo Federal, n.d.).

The SIASG/Comprasnet system adopted the idea of an integrated information system from the field of private management and adapted it to the specific needs of the public sector. By enabling e-procurement auctions, it increased the efficiency of the external stages of procurement processes (Santana, 2013). From this perspective, Resende (2012, p. 24) points out the main advantages of an integrated public procurement system:

E-procurement applications allow integrating the public sector and its vendors, while facilitating the maintenance of the Administration's supply chains. They also collaborate to the automation of supply searches and help in the exchange of information via information technologies.

According to Motta (2010, p. 112), "the SIASG is one of the most important planning and action tools available to the Federal Government; and it is still unmatched in the United States, a country that does not yet count, from the technological standpoint, on a system with such high level of integration and coordination". In this regard, Santana (2013, p. 9) lists some procedures carried out by the SIASG:

<sup>8</sup> The SISG was established in 1975 by Decree 75,657, which was later replaced by Decree 1,094 (1994).

<sup>9</sup> The fundamental norms for federal public procurement are Law 8,666/93 – known as the Procurement Law – and Law 10,520 (2002), which established the modality of procurement auctions, which will be approached more precisely in the following pages.

<sup>10</sup> The SIASG was introduced by Decree 1,094 (1994).



As a non-exhaustive exemplification, we may list some of these functions, such as the orderly transmission of proposals, verifying bidders' eligibility for legal benefits and granting them: e.g., tie-breakings in favor of small enterprises; the compliance with deadlines in observance of the current legal requirements and the prevention of practices that differ from the legal provisions, such as non-compliance with deadlines, the presentation of proposals after the beginning of sessions, and the presentation of bids after the random closing of sessions.

The evolution of information technologies and the use of computerized procurement systems have been fundamental for minimizing mistakes, cutting costs and streamlining procurement routines (Baily et al., 2008; Vaidya & Campbell, 2014).

### 2.1.2 Motivational aspects

Lima (2004) highlights some distinctions of practices in the comparison between modern and traditional purchasers, as described by Box 3 below:

#### BOX 3 DISTINCTIONS OF PURCHASING PRACTICES

Traditional Purchasers	Modern Purchasers
Traditional purchasers had increased autonomy in their selection of vendors, since they used to receive fully specified projects from engineering departments.	Modern purchasers depend on other areas for technical information, objective pricing and conformity with the logistical criteria that apply to the quotations.
They defined prices, deadlines and quality specifications along with the vendors and selected the vendor with the best proposal. Their businesses were more focused on the specific task at hand.	They work together with departments such as engineering, quality control, logistics, financial and marketing, aiming at the procurement process both in the selection and in development of vendors.
They had a generalist perspective and participated in the purchasing of several types of commodities.	They are experts in specific commodities and use their expertise to obtain competitive advantages in connection with the procured goods and services.
They were reactive to the procured commodities when answering the requests from other areas.	They are proactive in the search for new vendor sources and in the management of commodities.

**Source:** Based on Lima (2004, p. 39).

Modern purchasers differ from traditional ones especially in regard to their proactive attitude. However, to attain such attitude, it is essential that they feel motivated in the work in their organizations. To improve motivation among employees, institutions must offer financially rewarding career plans that consider service time, in addition to training programs that generate opportunities of professional and personal development, so their employees may maintain their commitment with the organization's

mission and perform their work with the expected efficacy (Baily et al., 2008). According to Motta (2010), in the public service and, more specifically, in the procurement field, the absence of a career path structure is a discouraging factor for prospective new public employees.

In a study about public institutions from the field of science and technology, Batista and Maldonado (2008, p. 692) found the same difficulties among procurers:

Public procurers in general are still far from being effectively proactive, and mostly for two reasons: first, the Brazilian legislation on governmental procurement does not allow procurers to employ more refined techniques, since it establishes rigid norms and procedures that inhibit the ability to negotiate on the part of public procurers [...].

Freitas and Maldonado (2010, p. 281) corroborate this understanding that public procurers are strictly bound to follow the legal provisions: “discretion is virtually inexistent, especially due to the impacts that each purchasing decision can have on the economy as a whole, bearing in mind the volume of resources involved in public purchases”.

Regarding this aspect, Burleson and Wilson (2007, p. 12) emphasize that the reform of a system must necessarily involve an increase in the autonomy of public procurers: “reform should be designed to allow more creativity and focus on proactive streamlining to allow contracting officers to support their missions more effectively and efficiently”.

However, Scarpinella (2002) argues that additional flexibility among procurement auctioneers leads to less transparency in the assessment of eligibility documents. It could allow them to favor bidders with more attractive proposals while being more rigid on their competitors with proposals considered unfeasible on account of their reduced prices, since there are no specific rules in the legislation about this assessment.

Considering these controversies and the possible consequences of misinterpreted decisions by inspection and auditing bodies, the activities of public procurers must be eased in observance of the applicable legal limits, so their main aim, namely the public acquisition of quality goods and services, can be attained. However, an increase in the flexibility of actions must be accompanied by other evolving processes in governmental procurement, such as improvements in the career plans of procurement professionals, the end of distrustful presumptions by control bodies in relation to purchasing operators and, particularly, increased opportunities of developing the knowledge and skills that will help procurement auctioneers justify their decisions

### **2.1.3 Knowledge and skills**

The drive to appreciate and expand procurement and supply activities leads to the need for adjustments in the professional staff working in the sector, since these professionals are part of a complex and dynamic setting and need to adapt and enhance their skills in order to contribute both operationally and strategically to the success of their organization.

Batista and Maldonado (2008) point that the difficulty in the interpretation of the procurement legislation increases with the lack of training activities, affecting the activities that involve both public and private procurers and decreasing the efficiency of procurement processes. In this

regard, it is beneficial that the staff members involved in the tasks linked to these activities may also reach strategic specialization levels, considering that even when an information technology structure reduces the bureaucratic work and facilitates the flow of information, the key decisions of acquisitions processes are still made by human beings who need to have specific skills and knowledge.

Box 4 below describes the classification of Baily et al. (2008, p. 83) for the likely procurer's profile:

#### BOX 4 DEVELOPMENT STAGES IN THE PROFILE OF PROCURERS

Development Stage	General Characteristics and Responsibilities of Procurers
<b>Primitive</b>	No special qualifications are required; almost 80% of the time is spent with bureaucratic activities.
<b>Awareness-raising</b>	No special qualifications, with some basic purchasing routines; 60-79% of the time is spent with bureaucratic activities.
<b>In development</b>	Formal academic qualifications required; involvement in negotiations; 40-59% of the time is spent with bureaucratic work.
<b>Maturing</b>	Managerial qualification required; most of the work is dedicated to negotiations and to reducing the cost/development ration of vendors; 20-39% of the time is dedicated to bureaucratic work.
<b>Advanced Stage</b>	Professional or graduate qualifications required; the procurer is more involved with the strategic aspects of the work; less than 20% of his time is dedicated to bureaucratic activities.

**Source:** Baily et al. (2008, p. 83).

This classification identifies five development stages in the field of procurement. In the first stage, procurers perform a primarily bureaucratic and reactive role, whereas in the final stage, this role is proactive and demands little involvement in bureaucratic and automated tasks. For optimized performance among procurement professionals, their skills and abilities must be continually enhanced via knowledge-building and training as decisive elements that set bureaucratic procurers apart from modern and proactive procurers.

In the public sector, the MPOG offered for a period of time a distance learning course on procurement auctions free of cost for public employees via the Federal Data Processing Service (SERPRO). In the second semester of 2015, this course was offered by the National School of Public Administration (ENAP) with a similar format. The MPOG has sought to offer a continuous series of contents in support of public managers, such as guidebooks and video lessons via the Governmental Procurement web portal (Governo Federal, n.d.).

### 3. METHODOLOGICAL PROCEDURES

This research is a theoretical review of the purchasing function and a case study (Gil, 2007), since, based on the identification of practices by procurement auctioneers that diverge from the TCU jurisprudence, and by surveying the documents on procurement procedures, we analyzed the prevalent factors that influenced the performance of public procurers during e-auction processes. These practices were identified in comparison to the current legislation and, particularly, to the “Newsletter on Public Procurement and Contracts” (*Informativo de Licitações e Contratos* or ILC), a weekly publication of the TCU’s Directorship on Jurisprudence. This periodical synthesizes the updated information on the Union Court of Accounts’ decisions related to procurement and contracts, which become the relevant references from a jurisprudence-standpoint. Based on the identification of auctioneer practices that diverged from the TCU’s jurisprudence, and in addition to field research via surveys on procurement processes, we resorted to the methodological procedure of visiting and interviewing some auctioneers. We interviewed four auctioneers who were active in the years 2014 and 2015 in the e-auctions of this unit. The choice of this biennium (Gil, 2017) is due to the fact that it is the period with the most recent and complete information available to date.

The scope of this research covers a total of 73 procurement auctions, including 35 auctions in 2014 and 38 in 2015. A sample of 17 auctions in 2014 and 23 auctions in 2015 considered the relevance of the divergent practices of auctioneers. The distribution of auctioneers considers the level of involvement of the auctioneers in other activities. In other words, depending on the function or position of a military staff member in the organization, he or she is selected to carry out more or less auctions, according to his or her availability.

Table 1 below shows the distribution of procurement auctions among the four interviewed auctioneers in the two years covered by this research.

**TABLE 1** NUMBER OF AUCTIONS CARRIED OUT BY EACH AUCTIONEER (2014-2015)

	Auctioneer 1	Auctioneer 2	Auctioneer 3	Auctioneer 4	TOTAL
2014	07	14	14	00	35
2015	04	18	11	05	38
TOTAL	11	32	25	05	73

**Source:** Elaborated by the authors.

This research followed a qualitative approach, since its main tool for identifying the factors that influenced the practices of these e-procurement auctioneers was an interview. Based on the leading

theoretical sources, we defined a number of topics to be approached in the interviews and drafted an interviewer's roadmap with key issues, to be used in a flexible way, as proposed by Gaskell (2002). The interviews sought to evoke the perceptions and motivations behind the interviewees' discretionary actions while carrying out the auctions. Based on the interviews' results, the prevalent factors identified as influences on the practices of auctioneers were examined under the dimensions of the adopted theoretical framework.

## 4. DATA AND RESULTS

Boxes 5, 6 and 7 below are based on their respective analytical dimensions and present the results of the four interviews carried out with CLBI auctioneers – represented by the codes A1, A2, A3 and A4, respectively.

### 4.1 Organizational aspects

Box 5 presents the results regarding the issues linked to organizational aspects of CLBI. This topic includes two categories: cumulative functions; and difficulties in carrying out the task.

#### BOX 5 RESULTS: ORGANIZATIONAL ASPECTS

Procurement and Purchase Performance		
Category	Definition	Illustrative Excerpts from the Interviews
Cumulative functions	Influence that the accumulation of other functions, positions and responsibilities has on the auctioneer's performance in procurement auctions.	A1: <i>It undermines performance during the sessions, strictly speaking [...] sometimes, I need to interrupt an auction to handle other topics not related to it, due to the accumulation of tasks [...] I had to interrupt sessions more than a few times due to problems linked to the lack of time.</i>
Task difficulties	Auctioneer's perceptions regarding the biggest challenges that undermine their activities.	A1: <i>Poor specification of objects, public notice mistakes and lack of training.</i> A2: <i>[...] Replying to the appeals from quite distinct areas which are not in the auctioneer's field of knowledge, and analyzing technical proposals.</i>

**Source:** Elaborated by the authors.

In regard to organizational aspects, the interviewees revealed that their cumulative functions along with their activities as auctioneers had a negative impact on their practice. They were not exclusively concentrated in procurement tasks and their accumulation of functions transpired a lack

of priority on the purchasing function by the strategic directorate of the organization, according to the teachings of Baily et al. (2008).

The challenges pointed by the interviewees in the category of difficulties indicate the need to improve interactions between the technical and purchasing departments. Poorly described specifications and excessive or poor technical requirements, in addition to other procedural problems, led to questioning and appeal requests that were frequently out of the field of auctioneers, on account of the technical issues they involve. This fact points to a lack of interaction, communication and coordination among the organization's sectors and adds up to the factors behind the negative impacts observed in procurement performance (Baily et al. 2008). In this regard, Batista and Maldonado (2008) highlight that public procurers must take into consideration, in their final decision regarding a purchase, the opinions and suggestions provided by the involved requestors, since they greatly contribute and motivate the stakeholders towards a successful procurement process. According to Box 2 above, one may conclude that the CLBI's procurement sector is in the third stage of its institutional evolution, considering that even though the requesting sectors did participate in the process by specifying the requested commodities there was not a follow up routine on the process with the purpose of assisting auctioneers in their decisions.

## 4.2 Motivational aspects

Box 6 below describes key motivational aspects.

### BOX 6 MOTIVATIONAL ASPECTS

Procurement and Purchase Performance		
Category	Definition	Illustrative Excerpts from the Interviews
Recognition of the strategic nature of auctioneers' activities.	Auctioneers' perception of the relevance conferred to their activities by the higher echelons of their organization.	<p>A2: [...] <i>I believe auctioneers are really neglected; there is a lack of support, especially regarding the replies to appeals [...] auctioneers must always find a solution by themselves. It has a discouraging effect, since this is only another task that we have and our colleagues do not appreciate its value; instead, all they do is to complain that processes are taking too long. [...] it is a rather heavy and unrecognized function.</i></p> <p>A4: <i>I do not feel encouraged. People have a distorted view of auctioneers. Some procedural vices complicate things for auctioneers: for instance, the lack of planning in a requesting sectors leads to many hurried demands, and their problems end up in the hands of the auctioneer as the person who will have to solve them.</i></p>

Source: Elaborated by the authors.



Regarding motivational aspects, auctioneers stated a lack of support to their activities by the higher CLBI echelons. When asked if they identify themselves with the auctioneer-activity and are encouraged by it, three interviewees replied that they identify themselves with the activity, but do not feel encouraged to perform it, since it only represents another responsibility and more demands by the interested sectors and their heads of department, and they must carry it out without the necessary support.

In this regard, the study carried out by Motta (2010, p. 146), with public institutions of the Brazilian federal government resulted in the following reflection:

Governmental employees are not frequently eager to work in the purchasing sectors, in particular in the sectors linked to procurement [...]. In regard to the risks involved, one must consider that in addition to their complex nature, the activities involved in the procurement of products and services are also subject to a culture of distrust frequently evinced by the combat against corruption [...]. In this context, any mistake or bureaucratic equivocation – a fairly frequent reality, especially considering the current legislation in force and the limitations in terms of training – can be interpreted as a sign of corruption.

As Baily et al. (2008) explain, both purchasing and supply chain management must be recognized as crucial strategic activities by those concerned with organizational management. The interviewees mentioned that this assumption was not considered by the CLBI's strategic directorate, in such way that the lack of recognition and support by the organization's top direction produced a virtually unanimous feeling of discouragement in relation to this activity.

Another aspect in the CLBI's reality, reported by auctioneer 4, is the recurrence of poorly planned demands without the previous participation of auctioneers, leading to urgent situations that the auctioneers must solve. Also in this regard, the interviewed auctioneers reported a lack of technical support by professionals from other areas – a fact that contrasts with the private procedures highlighted by Baily et al. (2008). In this sense, and according to Box 3, one may conclude that the practices of CLBI's procurers is more similar to those of traditional purchasers, considering that the lack of participation by to the other areas involved in the purchasing processes produces a situation in which the burden of the success of auctions is totally transferred to auctioneers.

#### 4.3 Aspects linked to knowledge and skills

Box 7 describes the replies of auctioneers regarding aspects linked to their knowledge and skills when performing their activities.

As to the issues linked to legislation and jurisprudence, the interviewed auctioneers unanimously replied that, despite the fact that e-procurement auctions were simplified, the vast array of accessory legislation information an auction must observe generates relevant difficulties for their activity and a sense of insecurity as they perform them. Regarding their knowledge of the jurisprudence issued by the Court of Accounts on specific auctions, only two auctioneers stated that they make periodical consultations. The other auctioneers reported that they do not consult the available jurisprudence, due to the scarcity of time they must face in order to fulfill their various responsibilities.

**BOX 7 RESULTS: ASPECTS LINKED TO KNOWLEDGE AND SKILLS**

Procurement and Purchase Performance		
Category	Definition	Illustrative Excerpts from the Interviews
Legislation and jurisprudence	Auctioneers' knowledge about the applicable legislation and jurisprudence when carrying out their activities.	A2: <i>In my opinion, the Pregão Law is quite simple when compared to Law 8,666/1993. But what makes things difficult in relation to it are the accessory laws that must be applied during procurement auctions, such as the environmental legislation, the ME/EPP Law, margins of preference [...]. This is not only about judging one single auction, but knowing all this legislation that we must apply in our work [...].</i> A3: <i>[...] the legislation itself is not well publicized [...]. There is always something new (in the legislation) that you don't know about, and someone will demand it from you later on during an auditing process at the Court of Accounts or at Comaer [...].</i>
Training and capacity-building opportunities	Training, capacity-building and refresher course opportunities in connection with the auctioneer-activity.	A4: <i>Since I arrived at CLBI, I have not been through a single training activity [...] due to the dynamic pace of the legal updates in the field of procurement; such lack of training creates an atmosphere of insecurity in the processes.</i>
Systematization of knowledge	How knowledge is disseminated within the CLBI's organizational structure.	A1: <i>[...] knowledge is not exchanged, not even among the auctioneers themselves.</i> A4: <i>[knowledge exchanges] take place informally. Not only among the auctioneers who work here, but even with auctioneers from other bodies [...] but everything is very informal, there is nothing defined in a way that auctioneers can count on this support.</i>

**Source:** Elaborated by the authors.

In the category of training and capacity-building, all interviewees reported a lack of regularity in the provision of training and refresher courses on e-procurement auctions. Two of the four interviewees reported that they had not yet participated in any instructive course in the field for the past two years.

In the development of the purchasing process, it is essential that the employees who work in the field can be properly trained and rely on updated knowledge. However, there is not yet a policy of continuous training in place for public employees, as pointed out by Motta (2010). Also according to Motta (2010), the scarcity of investment in training is a result of the lack of recognition of the strategic value of the purchasing sector.

In the category of systematization of knowledge, the interviewed auctioneers gave quite distinct answers, in such way that two of them reported the inexistence of interactions and exchanges of knowledge and experiences. The other two auctioneers affirmed that such interactions do exist, but they take place informally; at times, during the lunch hour and, at times, via e-mail. Due to this informal character, the lack of priority set by the CLBI's strategic directorate in regard to these exchanges must be highlighted, considering that the CLBI does not count on effective planning so that auctioneer practices can be updated in observance of the practices instructed by the jurisprudence of the field.

The interviewees' reports reveal that since they must work with acquisitions in many areas, they frequently do not have the necessary knowledge for making informed decisions on technical matters in observance of the legislation and of the requirements of professional councils. Moreover, in the CLBI's reality, auctioneers must perform all bureaucratic activities by themselves. Under the development stages presented by Baily et al. (2008) on Box 4 above, the CLBI's profile as a purchaser can be characterized as "in development".

## 5. FINAL REMARKS

As a result of the contrasts between the practices adopted by CLBI auctioneers and the TCU jurisprudence, we analyzed the key factors that influenced the purchasing operators according to their organizational, motivational and knowledge-and-skills aspects in connection with e-procurement processes.

From the organizational standpoint, it can be pointed that in the CLBI's department of purchases, auctioneers do not dedicate themselves exclusively to e-procurement activities and must accumulate their tasks as purchase operators with other coordination tasks within the organization.

Regarding motivational aspects, the lack of recognition of the strategic relevance of procurement auctioneers by the high CLBI echelons is one of the main detrimental factors that discouragingly affect their practices. The lack of participation by the purchasing support staff and other experts during e-procurement auctions was also noticeable.

In terms of aspects linked to knowledge and skills, the lack of a refresher program so purchasing operators can update their knowledge and training is also conducive to their divergent practices. It is crucially important that the CLBI restructures its purchasing sector in accordance with these factors, so the practices of its auctioneers can be enhanced and standardized in order to ensure efficiency and legal security to its e-auction processes.

An additional recommendation is that the upcoming studies on this topic should also approach the theme from the standpoint of other stakeholders of this process, such as the vendors and public actors that participate in the strategic directorate of other public organizations, in order to learn more about additional factors that may influence the activities of public auctioneers during their e-procurement processes.

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