



Why low bid systems are bad for Canada's environment

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"Nowadays, people know the price of everything, and the value of nothing."— Oscar Wilde

The low bid system is rooted deeply in government buying practices. Any variance from the tendering system is viewed with great suspicion by the news media. Seldom is it seriously considered that the value of certain goods and services simply cannot be determined by purchase price alone.

Yet the services of television commentators and editorial writers are obtained by the very opposite of the low bid system. Publishers, quite sensibly, pay what is necessary to get the best, or most appropriate, talent for their needs. Indeed it is commonplace for television networks to boast of spending astronomical sums of money for "anchors", some of whom simply read lines written by other people. I have yet to hear of any network putting out tenders for their talking heads, or newspapers seeking low bids for their columnists.

Incidentally, many environmental articles and TV commentaries do look as if they were written by scribes hired under the low bidding system; but that is a subject for later discussion.

While news media salaries are based on talent, experience or "ratings", many of these same commentators will hint darkly of ill-doing if any government agency buys its goods and services the same way

the media moguls do, by seeking out the best available product or talents for their various projects.

And not just environmental spending is involved. Even advertising agencies are suspect if they are awarded any contract not put out to tender; yet such subjective factors as creativity, graphics and art direction – the very essence of the advertising world – defy computation by normal buying practices.

Likewise, many factors go into value engineering. In consulting engineering, for example, there are some firms which, because they have heavy investments in both R&D and staff upgrading, have developed great expertise in certain disciplines. Indeed, because some foreign governments insist on the best available technology, Canadian engineers are frequently sent thousands of miles to remedy serious environmental problems.

Scientific and technological expertise cannot be measured using the same marketplace tools as those used for the purchase of sand and gravel. Similarly, many government buying practices actually stifle innovation in the development of new, improved or more durable treatment equipment and processes.

Service too is a vital component of environmental purchasing, yet is too often ignored by the tendering system.

Environmental treatment plants are often large and extremely complex operations. Year in, year out, they have to work unceasingly for decades. As public health is at stake, clearly after-sales service is a vital ingredient in treatment systems. Yet equipment suppliers who provide exemplary service, who

support seminars and conferences which do so much to advance the state of the art, who do R&D to improve and upgrade their products, these are the very firms which are at a disadvantage when bidding on price alone.

Although private sector companies are very cost-conscious, they know the real value of product reputation and service. While private firms exist in an extremely competitive universe, many are quite willing to pay for quality, without erecting wearisome layers of bureaucracy. The private sector values product innovation, reliability and service, so the reputation of their suppliers is highly regarded. They know only too well that the true value of reliability and service is not always reflected on purchase price alone.

Sad to relate, but many fine equipment suppliers have left or reduced their involvement in the municipal markets. Their withdrawal is a blow to both the Canadian environment and economy. Mediocre equipment and processes will exact their own price, both economic and environmental, in the not too distant future.

We have made some dazzling progress in the research and development of many environmental products and processes. Perhaps it is now time to develop an awareness of value engineering among municipal and provincial purchasing staffs and elected officials. In purchasing, there simply are no free lunches to be had.

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