



Government and Policy

Govt purchasing laws to tighten

By Yu Ran (China Daily)
Updated: 2010-01-20 06:55

SHANGHAI: Procurers for government projects must avoid transactions if the cases are linked to potential suppliers from up to three generations of the procurer's family members, a newly released draft on regulations under the government procurement law has stated.

The latest draft is aimed at specifying the law, including details over domestic goods in government procurement, to further fight any corruption in the purchasing process.

"The new draft addresses fairness within the government purchasing procedure, even as the implementation of the regulation can be quite complicated during any investigation of three generations of related staff," Zheng Bin, a senior officer of the department in charge of the procurement center in Wenzhou, Zhejiang province, said in an interview.

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"It still depends on the self-awareness of those who are involved in the purchasing."

The Procurement Law of 2003 stipulates that buyers for the government should avoid any transactions if they are linked to suppliers, without specifying the details.

The government purchasing system involves three parties including the purchaser (government), the buying center (State-owned purchasing agent) and the supplier. The purchaser sets up the budget and detailed plans on the required goods for the buying center, which then opens the public bidding among suppliers.

A few random specialists from a group of procurement specialists selected by the government have to make the final decision on the suppliers used.

Every city has a buying center that has a database of procurement specialists and a list of authorized suppliers in all areas related to the purchasing goods requested by all departments of the municipal government.

The buying center is currently a State-owned sector in charge of regulating a group of procurement specialists and a list of authorized suppliers for the government. In the near future, the center is expected to become a private enterprise.

Those in the sector welcomed the latest move by the authorities toward transparency in transactions.

"We're in favor of the draft that avoids any benefit-based relationship between the purchaser and supplier. It will help set up a fair and transparent platform among suppliers," said Zhang Zhijie, the manager of Zhejiang Young Forever Information Industry Company, which is an authorized IT supplier to the Zhejiang government.

"We don't have to worry about other suppliers taking shortcuts when we don't have any such contacts," Zhang said.

"Any corruption in the purchasing process can be avoided if the overall purchasing procedure is ensured as open and public with detailed lists of required products, budgets and specifications," said Liu Xiaochuan, a professor specializing in purchasing policy from the Shanghai University of Finance and Economics.

"The actual solution to the problem is to design an appropriate policy to restrict the government purchasing system. For example, suppliers shouldn't have access to information on randomly selected specialists before final purchasing results are out," Liu said.