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OPTIMIZATION IN ELABORATION PROCESS OF STATEMENT OF WORK IN PUBLIC PROCUREMENT

Optimization in elaboration process of statement of work in public procurement.

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Abstract

The main purpose of this study is to investigate the viability of having standardized statement of work in public procurement in Ecuador. It discusses the impact that this could have in the procurement process, also in government officials, as well as state vendors, and the benefits it could bring to government procurement in the country. The research also analyzes the process of public procurement in Latin America, the influence and role that these played in Ecuador's procurement system, the initiating process of procurement in the country, beginning at 2008, and data collected through questionnaires and interviews distributed between randomly selected state officials involved in the process of public procurement and development of statement of work from Municipalities. It also involves the point of view from state vendors of construction and cleaning services to determine whether or not the proposal would improve and facilitate the process of public procurement in Ecuador.

Keywords: Government procurement, public procurement, statement of work, standardized statement of work, procurement in Latin America, procurement Ecuador.

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Resumen

El propósito principal de este estudio es investigar la viabilidad de contar con pliegos estandarizados en la contratación pública en Ecuador. El impacto que este tendrá en el proceso de contratación, así también como en los funcionarios del gobierno, en los proveedores del estado y los beneficios que esto podría traer a la contratación pública en el país. La investigación también analiza el proceso de contratación pública en América Latina, la influencia y el papel que estos desempeñaron en el sistema de contratación pública del país, el proceso de compras públicas en Ecuador, a partir del año 2008 y datos obtenidos a través de encuestas y entrevistas distribuidas entre funcionarios estatales elegidos al azar que están involucrados en el proceso de compras públicas y el desarrollo de pliegos de algunos Municipios; proveedores del estado de construcción y servicios de limpieza, a fin de determinar si la propuesta mejorará y facilitará el proceso de la contratación pública en el Ecuador.

Palabras clave: Contratación pública, compras públicas, pliegos, estandarización de pliegos, compras públicas en Latinoamérica, compras públicas Ecuador.

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1. Introduction

Procurement Systems in Latin America and particularly in the case of Ecuador were created with the aim of optimizing purchasing processes in the public sector, to manage properly state funds, and to reduce corruption risks inherent in the presence of staff in decision-making for acquisition of goods and services by state agencies. In order for this optimization to be effective, it was very important to identify vulnerabilities that emerged in different stages of the procurement process, using different methodologies for measuring difficulties in the public procurement system that was being used. This determined that problems existed due to the discretionary planning in purchases, the lack of access to information by providers and the general public; weak institutions and the lack of mechanisms of social control.

Many countries in Latin America such as Chile, Peru and Colombia have adopted procurement systems from developed nations. Ecuador has adopted these mechanisms as well from its fellow countries. The initiative incentive national participation and reducing corruption index. The new process brought many positive changes to the country and national participation increased. Though it is important to acquaint that as long as the process and control mechanisms remain the same, corruption will continue to increase, since deficiencies in the process have been found along the way.

Awaking the necessity to improve government procurement system in Ecuador is the purpose of this research. The study will intend to determine whether or not it would be viable to have standardized statement of work for public procurement in order to avoid market distortions and improve the process

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for both, government entities and state vendors. The main features to be discussed are to analyze the processes for public procurement in Latin America, as well as the process for public procurement in Ecuador and determine if it is possible to have a proposal for a standardized mechanism for statement of work models which facilitates the process of public procurement in Ecuador.

In order to avoid market distortions in public procurement it is necessary to have standardized documents for contracting processes, to make an easy course to follow for the contracting entity and also to provide all the information required to present an offer to state vendors, minimizing the errors or flaws that are found today, in current documents. There, the importance of this research, to optimize the pre-process in procurement and be able to benefit all the parties involved, making a more fair competition in the Ecuadorian market.

The research is also important because it will permit others to propose new enhancements for different areas regarding public procurement in order to continue improving the process, allowing further investigations.

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2. A time of change: literature review

A lack of planning and national policies in public procurement led to a misuse of the State's resources by governmental institutions. Due to this factor, the fourth of August 2008, the National Assembly issued the Organic Law for National Procurement System LOSNCP¹, through which the National Institute for Public Procurement INCOP² was created. INCOP is the means through which all governmental organizations that manage public resources have to report their planning, budget, and acquisitions. (SERCOP, s/f)

INCOP's mission was to create a more transparent and effective mechanism for public procurement and to optimize the State's resources, as well as incentive the development for national production. Among its main purposes were to ensure the compliance of norms and obligations stipulated, promote and execute a policy for public procurement, the implementation of a web portal through which all the processes for acquisition of goods, services and works could be found, train users on that tool, and issue mandatory statement of work for all different types of public procurement processes. (SERCOP, s/f)

Throughout the development of this process, INCOP has made several achievements that are important for the government. In 2009, Ecuador was located between the most developed, strong countries regarding public procurement. In 2010, it was granted the 'Joseph Francois Robert Marcello' award for its leadership in public procurement. In 2011, it was recognized as presidential network for government procurement; whereas in 2012, the country was awarded first prize for innovating in public procurement for the case of

¹ Ley Orgánica del Sistema Nacional de Contratación Pública.

² Instituto Nacional de Contratación Pública.

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medication acquisition for the public health sector at just ‘one-click away’.
(SERCOP, s/f)

An objection made by the president, Rafael Correa, to reform the law for public procurement in order to seek for an even more transparent process for government purchases and to increase benefits for local production, made the National Assembly vote and accept to amend the law based on the analysis of the observations stated by the head of state. The decision was taken based on 96 votes in favor and only 3 against to reform the law in which several changes took place.
(SERCOP, 2013)

One of the most important changes made was the creation of *Servicio Nacional de Contratación Pública* SERCOP as a replacement for INCOP. SERCOP was created as a statutory body, technical, regulatory, with administrative autonomy, technical, operational, financial and budgetary guidance of the National Procurement System. On the other hand, viable constitutional provision states that public procurement meets the criteria of efficiency, transparency, quality, environmental and social responsibility. It is given priority to domestic products and services, particularly those from the popular and solidarity economy and micro, small and medium production units. (SERCOP, 2013)

The reform also aimed to have improved documents for specifications that encourage and promote local and national participation, by a margin of preference for suppliers of works, goods and services, including consulting, according to the parameters that determine SERCOP. For government purchases of goods, services or works that are not considered of Ecuadorian origin, according to the new

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regulations they will require a verification of absence which must be agile through mechanisms that do not delay hiring. (SERCOP, 2013)

If a contract has been assigned to a participant of a process, and inconsistencies were found in the information provided, it will be the responsibility of the highest authority of the entity or its delegate, if there are no other qualified offers that are technically or economically convenient for the nation's interests, to declare void the contracting process, without prejudice to the actions for the failed contractor. Furthermore, in any contractual process stated by the LOSNCP, corporations that submit an offer must also submit the roster of shareholders in order to verify that their main shareholders are not forbidden to participate in government contracting processes, due to unpaid obligations with the State. (SERCOP, 2013)

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3. Public Procurement: Theoretical Framework

Albano & Dae-in (2010) state that in order to attain good governance and economic development it is important to have an effective and well-managed public procurement, also that because of new technological issues, international trade liberalizations, and specifically due to global economic recessions governments and public institutions have been forced to acquire innovative solutions in public procurement.

The following information will discuss the background of public procurement in Ecuador prior to the creation of the regulatory institute INCOP and the models of public procurement used in Latin America.

3.1 Background of public procurement in Ecuador prior to the creation of INCOP

Before 2008, the contracting processes in public entities did not follow regulations; they were very expensive and confusing to suppliers. Processes focused merely in construction works and not in the purchase of goods and services. Entities did not have a register of suppliers and they were not obliged to have institutional plans for the acquisitions they made. These processes did not involve any use of technology and there was also an unawareness of social control (INCOP, S/F).

The lack of a national policy in public procurement led to an absence of reports and indicators, no connection to national planning schemes, no measures of control in public spending and no opportunities for small to medium size local businesses to work with governmental entities. There were also no regulations on

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anti-monopolistic practices which led in turn to an open path of corruption.

(INCOP, S/F)

3.2 Models of public procurement in Latin America

According to Revilla (2011) who discusses a Peruvian case of public procurement before the creation of the national system for regulation of government expenditure *Organismo Supervisor de las Contrataciones del Estado* OSCE points out that there were four indicators related to managing public funds which are diversion of public funds, irregular payments and bribes, favoritism in decisions of government officials and misuse of public spending. These indicators reflected not only the situation of Peru, but the reality of most of the countries in Latin America, including Ecuador.

A report made by the World Economic Forum (2011) demonstrated through the analysis of the most problematic factors for doing business with a country index that most of the countries in Latin America had high corruption ranks. This index included indicators such as policy and government instability, corruption, crime, tax regulations, restrictive labor regulations, inflation, among others.

3.3 Creation of the National Public Procurement System in Ecuador

Larreátegui, Meythaler & Zambrano (2008) the Constitutional Assembly issued the Organic Law of the National System of Public Procurement that was published in the supplement to the Official Gazette No. 395 in August 4, 2008, and the President issued the General Regulations of the Organic Law of the National Public Procurement System characterized by the implementation of INCOP, through the creation of the National Procurement Institute, who is in

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charge of regulating all state agencies, including corporations, foundations and civil society, etc. That require to contract goods and services.

INCOP was created as a regulatory entity intended to eliminate discretion and corruption in public procurement, to make contracting processes more transparent and fair applying information and communication technologies, to generate more opportunities for small local businesses in the market and improve national production, as well as to implement an agile, secure, and reliable system. (INCOP, S/F)

The main goal of the new procurement system is to generate changes in hiring public suppliers by applying principles of transparency, fairness, purchasing goods and services of better quality, low prices in the shortest time, encouraging domestic demand for goods and services, diversifying domestic production, boosting the local economy, free science, technological force, decentralization, and administrative simplification. To ensure full compliance with the principles of transparency and fairness the RUP³ is created, an organization administered by the National Institute of Government Procurement. (Larreátegui, Meythaler & Zambrano, 2008)

Due to an objection presented by the President, Rafael Correa, regarding the current law on public procurement, the National Assembly, on September 26th, 2013 in accordance to the attributions that are conferred by the Constitution of Ecuador, discussed and approved an organic reformatory law to the organic law for public procurement. This reformatory law was intended to amend previous

³ Register of Providers. Spanish: Registro Único de Proveedores. (Larreátegui, Meythaler & Zambrano, 2008)

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concepts in order to attain a more transparent process for public procurement.

(Rivas, 2013)

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4. Processes

According to Bandor (2007) a process defines the things that need to be done and which roles are involved, the roles and responsibilities of the people, the roles assigned to do the work and the appropriate tools and equipment to support individuals in doing their jobs.

The following arguments will discuss the processes of public procurement in Latin America, as well as in Ecuador.

4.1 Processes of public procurement in Latin America

Del Piazzo (2011) indicated that technological and legal convergences were able to occur for governments because of information and communication technologies and administrative rights due to globalization, which caused many changes in public procurement. An analysis in the evolution of public procurement in the European Union and MERCOSUR was developed based on regulations through electronic resources. Besides the fact of making processes faster and easier the use of electronic resources for public procurement aimed to reduce corruption amongst public entities and have traceability in public spending.

On the other hand, Martinez, Escobar, & Loyola (2011) describe that in the case of Chile they have a Direction which is the entity that regulates public procurement. This entity is in charge of providing an exclusive and centralized platform for executing all the contractual processes within public organisms in Chile. For these matters, one of the main goals of this institution is to promote an efficient and non-discriminatory market as well as providing the means to achieve transparency and fair competition.

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Similarly, Revilla (2011) provides a similar description in the Peruvian process where they had to create a regulatory system as well, a national register for suppliers, an annual contract plan which is mandatory for each public entity and a prohibition for fractioning⁴ contracts which is a key factor for avoiding distortion in the selection process. As well as the previous mentioned cases, Peru also adopted the use of technological resources for implementing to their process a platform that allowed their registered suppliers to participate in the different processes uploaded to the web portal of OSCE.

The main factor in the process is the development of the bases for the contractual process which needs to be signed and approved by the established official of the entity or the designated delegate. Bases must contain mechanisms that encourage attendance and participation of bidders, focusing on the main objective of the contractual process, obtaining the most favorable technical and economical proposal. They must also contain the characteristics and specifications of the good, service or construction work that is going to be acquired, delivery place, execution term, modality of the process, warranties, evaluation methods, qualification of proposals, referential price, and a process schedule which must contain the dates for questions and clarifications. (Revilla, 2011)

4.2 Process of public procurement in Ecuador

To develop and manage the National Public Procurement System a platform was created, within the website www.compraspublicas.gob.ec in which any person or entity who wishes to participate as a provider of works, goods and services, including consultancy services must enter and record all the information

⁴ Fractioning: The acquisition of the same goods more than once during the same fiscal year. (Revilla, 2011)

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requested in the virtual portal. After registering, INCOP verifies the legal, technical and financial statements, as well as the expertise of the supplier based on the documentation submitted. (Larreátegui, Meythaler & Zambrano, 2008)

In order to qualify a supplier they must submit proof to be up to date with payment of taxes. Suppliers can register in more than one category according to their training, expertise and economic activity, but it is not accepted more than one contracting entity registration, this regulation is controlled through the RUC⁵. There is a special regime in which no registration is required for suppliers, in such cases it is up to the highest authority of the contracting entity to determine the requirements that must be met in those processes. The same regulation applies in the procurement of goods in which it is found that a supplier is unique in the market. (Larreátegui, Meythaler & Zambrano, 2008)

To optimize public resources, the highest authority of each procuring entity will plan and approve Annual Procurement Plan until December 15 of each year, which must contain all the works, goods or services to be hired within the next year and the plans have to be published in the Public Procurement Portal. INCOP is also in charge of issuing mandatory models and formats for pre contractual documents and the minimum documentation required for completion of a pre-contractual and contractual procedure. Article 6, section 24 of the LOSNCP defines the bases as pre-contractual documents prepared and approved for each procedure, which is subject to the standards established by the National Institute of Government Procurement. (INCOP, 2008)

⁵ Registro Único de Contribuyentes Spanish for Employer Identification Number EIN.

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Once the offers have been sent by the supplier they cannot be modified, except for form errors that are validated by the offerer, within 48 hours of notification from the contracting entity, additional documents can be attached as long as they do not modify the subject of the offer. (INCOP, 2008)

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5. Statement of work

The bases or legal documents for every contractual process in public procurement are stated in article 6, numeral 24 in the LOSNCP as pre-contractual documents prepared and approved for each procedure, which shall be subject to the standards established by the National Institute of Government Procurement. (Registro Oficial, 2008)

Documents must contain technical, economic and legal information like studies, plans, specifications. They are public and free. The awarded bidder will pay the entity an expected value in the specifications, texts rising costs, reproduction and publication of the tender documents, if applicable. These documents must also contain the dates for validation of errors, as long as they're format errors only. The ones that are interested in applying for the process are able to ask questions and request clarifications of the documents to the contractual entity, according to the dates established in the schedule of the process. The questions, clarifications, responses and modifications to the specifications, if any, have to be posted in the electronic portal for public procurement. (Acosta, SACCEC, 2008)

5.1 Models for Statement of Work

There are twelve different models of documents for the different types of contractual processes in public procurement in Ecuador. These are denominated Electronic Catalog Purchases, Consulting, Direct Consulting Contract, Quotation of Goods and Services, Quote of Works, Goods and Services Bid, Works Bid, Consulting Short List, Small Claims in Construction, Goods and Services small claims, Electronic Reverse Auction, and Inclusive Fairs. (SERCOP, s/f)

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The main differences in the models of documents are the monetary amounts set for each type of process, whether they are normalized goods and services, non-normalized goods and services, construction works, or consulting; the purpose of the contract; and the different procedures. (Acosta, SACCEC, 2008)

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6. Problem statement

Despite the fact that the government has made changes in the process for public procurement, reforming the law and improving the entity in charge for regulations, there are still some gaps within the process that have to be taken into consideration and improved in order to attain a more effective process for public procurement that benefits all parties involved.

The problems lies in the documents designed for guidance to apply to a contractual process. These pre-contractual legal documents must provide all the information needed regarding the good, service or work to acquire, as well as the forms that have to be filled by each applicant. A very common issue to find is the gaps within these documents that most of the times do not provide all the information needed or do not contain the exact specifications, sometimes even missing some important items for the acquisition.

Even though that there are models established for each type of contractual process, several times, the information provided is somehow deceitful in which some parameters are not covered making it difficult and unfair for offerers to compete. This leads also to the elaboration process of the documents, as these flaws prove that it may have not been given the proper attention when making them letting these flaws to occur.

Nowadays, the government has invested money, time and effort in order to improve the process for public procurement, to provide a better and more transparent service to the country, allowing possibilities to a more fair competition amongst small businesses in the country and not just the big enterprises and giving preference to artisans and local providers.

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However, despite the government's efforts, it is found that there are still flaws in the process for public procurement, mainly focused in the documents for contractual processes and its elaboration process.

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7. Methodology

The type of research according to its nature of data is a correlational research, as it seeks to measure the degree of relationship between two variables allowing interpretation of the problem and obtaining data and real information; this type of research aims to collect information related to the actual state of people, objects, situations or phenomenon, as presented at the time of data collection. (Chávez, 2001)

In contrast, Hernandez, Fernandez and Baptista (2006) state that the utility and main purpose of correlational studies can be determined through the role that a concept may incur or vary among the behavior of other related variables. This type of study measures two or more variables that want to be known, whether or not they are related to the same subject and then analyze the correlation.

A similar perspective is stated by Sanchez and Reyes (2009) since they outline that the descriptive-correlational method is used to analyze and interpret the relationship between two variables, and points to study the phenomenon in its current state and in its natural form. Also that using this method involves sampling survey, as it makes use of a limited test to collect data from a large number of people represented by a sample. The type of research design shows the relationship between two or more variables with a single sample of subjects. This kind of study notes the presence or absence of the variables to relate to through the statistical technique of correlation analysis.

In accordance to the above mentioned concepts on correlational research, it is determined that due to the nature of data that will be obtained, this research fits into this category, since it will seek to analyze and interpret the relationship of

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the variables involved in the research development. Whereas, a development of surveys will also take place in order to obtain valuable information on the insights of how functionaries, users and all the people involved in the process consider about the current models for public procurement and be able to relate those with the purposes of the research.

Basically, the variables that will be analyzed are the implementation of standardized statement of work as basis to begin contractual processes in public procurement and whether or not these will avoid market distortions, contrasting them within the current process; investigating the correlation that these may have, establishing the degree of correlation, but without attempting to give a full explanation, cause and effect, to the phenomenon investigated, only the degrees of correlation.

For the purpose of this research, the population to be considered will be formed by all the contracting entities in Guayas Province that require developing statement of work, as well as state vendors that provide their services or products to the municipalities of Guayas.

Once the population has been determined, it is important to state that the sample to be considered for the development of the research will focus specifically in the municipalities of the Cantons Daule and Naranjito in Guayas Province, that acquire construction and cleaning services from state vendors through statement of work.

The instruments that will be used for this research are questionnaires and surveys, as well as record cards and interview guides that will be described in the following:

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Questionnaires: An important tool that will help to generate all the questions regarding the information that wants to be acquired for the research.

Surveys: Closed questions to functionaries of contracting entities to make it easier for data collection and analysis in order to attain information on what happens in preparatory phases for contracting processes.

Interview Guides: For interviews to be carried out is necessary to have at hand a guide to support at the time of the interview. In general, these guides will have open questions allowing detailed information on the subject.

Video/Voice Recorder: Some interviews and statements might require to be recorded for further usage and citation in the research, which is why a video and/or voice recorded will be necessary, especially during interviews to be able to find the information stated by the interviewee at a later stage.

First of all, it is necessary to define the research techniques and steps to use. It will be needed the development of the interviews in order to have a clearer vision on what is currently happening within the preparatory and developing phase for statement of work and the entire process for public procurement. These interviews should involve functionaries in charge of the elaboration stage and the maximum authorities of the entities or its delegates. During the interviews it will be necessary to have interview guides, stated above, to ensure that everything that needs to be asked is covered.

At the same time, it will be used the observation technique, to see the interaction amongst areas involved in the process of public procurement and to analyze the time frame in which the process develops, to know specifically which aspects need to be improved. It is important to apply observation technique in key

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areas to be able to determine which amends have to be done to make the process more transparent, agile and easier for the contracting entities.

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8. Results

The outcome demonstrates the results of data analysis within the gathered information in order to meet the objectives. The descriptive analysis applied on the randomly selected individuals from the samples of both sectors, determines the relation within the relation regarding statement of work and its key role in public procurement to avoid market distortions and improving the process itself.

Figure 1 will demonstrate that within a chosen sample of fifty respondents from the state vendors, of construction and cleaning services, the majority as of 86% stated that they are in fact familiarized with the public procurement portal and the statement of work for contracting processes. Only 14% demanded that they were involved with some specific stages, mostly technical, of certain processes, but were not in fact familiarized about statement of work and presenting final offers.

At the same time, 98% of the sample considers that the current models of statement of work, most of the time, contain flaws and gaps regarding the information provided, which also led to a 76% to affirm that they have been affected by incomplete or inconsistent information within the statement of work when presenting their offers.

Remarkably, 100% of the respondents agreed that they consider pertinent to improve and make changes in the process of elaboration and the current models of statement of work. Even though they all concur that improvements needed to be done, they differed on which changes should be made.

When asked whether they thought that standardizing statement of work would improve their bidding chances in public procurement and would also avoid

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market distortions, 82% agreed that it could be a viable solution for current issues, whereas the remaining 18% did not find this proposal quite feasible as far as they were concerned.

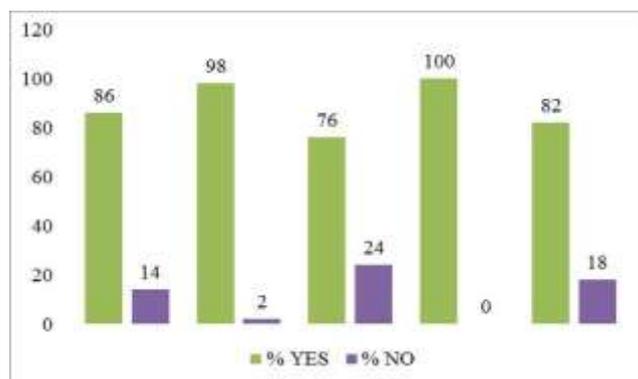


Figure 1. Graph of State vendors' responses. Elaborated by the author

On the other hand, Figure 2 will provide the responses from a sample of fifty government officials from the chosen Municipalities involved in the areas and process for public procurement and development of statement of work on several aspects on the subject in matter. 86% of the sample considers the process to be agile, but at the same time shows a small group of 14% that assure to have delays in the process and are certain that changes have to be made.

In contrast, 64% affirmed that there is, in fact, a revision in the pre-process in the development of statement of work, leaving a significant 36% who pointed out that in some cases there is no review in the pre-process.

Despite the fact that the majority of the interviewed government officials considered the process to be fast and effective, 74% of the sample claimed to be aware that there are complaints from state vendors that in several cases statement of work present incomplete information and an even more surprising finding is

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that 90% of the interviewed agreed that they do believe changes should be made in the current models and/or process of elaboration of statement of work.

Lastly, a very even situation occurs regarding the proposal of standardizing statement of work, where 51% in favor, over 49% against were the answers gathered from the sample, as some people do not considered this method as the best solution to the existing problems that might be facing the current process. Still, a majority stated that they saw this scheme as a possible solution that has to be taken into consideration.

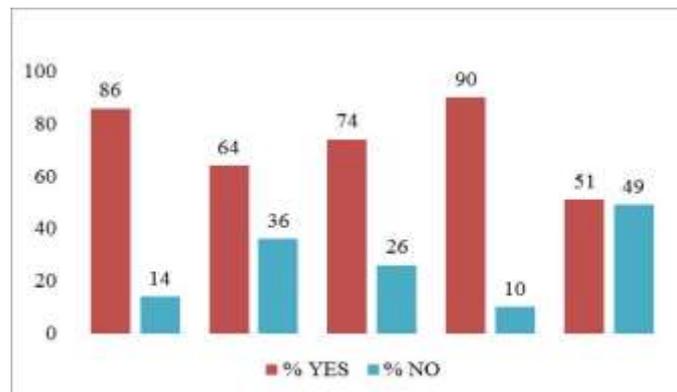


Figure 2. Graph Government officials' responses. Elaborated by the author

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9. Discussion

The information gathered leads to infer that the majority of functionaries of the state involved in the different stages of the public procurement process perceive the current methodology as flawless. They consider that the existing model works and that it is responsive and operational. Despite these affirmations the majority of them also believe that the process should continuously seek for improvements and it must be in constant changing to always provide a better service to the country.

Furthermore, the results demonstrate that there are circumstances in which there is no proper attention given to some contracting processes, which can be one of the main issues regarding the weaknesses found within the practice. Government needs to reinforce the pre-process for public procurement in order to have stronger bases to initiate each contracting process, determine better planning and mechanisms to reduce corruption and third parties involved.

At the same time, the findings provide a clear view on where state vendors stand. The majority of them claim to have continuous problems with misleading or incomplete information regarding statement of work. This evidently demonstrates that there is a significant problem in that area that must be arranged in order to benefit not few, but all government suppliers and to give all the offerers, who are able, the possibility to intervene.

In turn, interviews also reflected the point of view of several state vendors who appealed that information in the offers delivered were sometimes manipulated, after the allowed time. Also stated that in some cases there were preferential offerers who were able to change documents after the due dates,

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which reflects an unjust competition and market distortion, as there was not an equal treat given to all participants.

Moreover, information demonstrated that many participants demanded in several occasions that there was no concordance within information provided in statement of work, such as requests that should have been in the area of schedule were not found, but they were in another chapter which was not the adequate one. According to the above, they considered that there should definitely be changes made to the current models of statement of work in order for them to have more explicit information to prevent these errors and to avoid too long forms as well.

In some occasions, the contracting processes uploaded to the portal did not give the proper length of time, as some legal documents were requested as an obligation to present, but the time to obtain them was greater than the one provided in the portal. All of these circumstances lead to infer that there are in fact, cases of preferential offerers, who had known in advance about those types of legal documents and have had enough time to request them to the pertinent authorities in order to be the only ones who are able to present them with their offers.

Among the recommendations, it is considered that it would be best if the entire process was to be on-line only, requesting merely the qualifying documents and to benefit from all the tools that technology provides in order to make the process faster and more effective for users. State vendors also consider that standardizing statement of work could be a viable solution to prevent the manipulation of information.

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Despite the complaints that state vendors have on certain aspects of the public procurement process, they applaud and are very pleased about the government's initiative to have a new process for government procurement in the country. The respondents could not deny the effort and devotion of the government to democratize public procurement in Ecuador, allowing and improving opportunities for small and medium businesses.

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10. Conclusion

The results have proved that Ecuador has had a big positive change throughout the years with the implementation of the portal for public procurement system based on successful models, adapted from Latin American countries. It has given broader opportunities for small businesses to work within the projects of the State, also allowing more competition nationwide, providing priority to local offerers, and promoting a more transparent process in the fight for corruption.

The findings demonstrated that despite the efforts that have been put into the current method to have fair and clear competition, there are still flaws within the process and pre-process for elaborating statement of work, which are the bases for every contracting process. The lack or incomplete information that are contemplated in several cases, affect the participation of many state vendors nulling their possibilities to compete.

According to the research and the response by the interviewed state vendors, proposing a new model for the pre-process of public procurement in which standardized statement of work are developed as a measure to reduce inconsistency in government procurement processes is a viable method that will help and benefit them when participating in new contracting processes.

Even though the research's population was focused in one province, it can be applicable to all and to the different models of statement of work as it will be a standardized mechanism that will reduce time, effort and make a more transparent process by benefiting from IT solutions. This can also provide an eco-friendly way to do the process by reducing paper usage and doing all the process on-line sending and receiving offers through the portal only.

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In other words, having standardized statement of work will benefit both parties, public entities as they will reduce time and maximize efficiency for acquisition of goods and services, and state vendors as they will not find manipulated information when they sign up for a process, maximizing their chances of fair participation. Both parties should work on having a direct channel in which they receive feedback from each other in order to have a continuous improvement in the process.

Finally, this study suggests a very feasible probability of success for having standardized statement of work as a key factor for public procurement in order to avoid unfair competition in the market and reduce corruption, as well as improving the development of the basis for contracting processes in Ecuador. The research aims to be also a starting point for further investigation on implementing new technologies to have a full on-line process that facilitates and optimizes public procurement in a near future. Implementing these mechanisms is a duty that must be enforce with care.

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12. Annex A: Surveys

STATE VENDORS' SURVEY

- 1 Are you familiar with the portal of public procurement and statement of work for contracting processes?
- 2 Do you think the current models of statement of work in public procurement have shortcomings or gaps?
- 3 Have you been affected at the time of presenting an offer due to incomplete/inconsistent information in statement of work?
- 4 Do you consider that it would be relevant to make changes/improvements in the elaboration of statement of work?
- 5 Do you think that standardizing statement of work in public procurement would improve your bidding chances avoiding market distortions?

GOVERNMENT OFFICIALS' SURVEY

- 1 Do you consider that the current process for developing statement of work is agile?
- 2 Is there a review in the pre-process for development of statement of work?
- 3 Are you aware that there are complaints from state vendors that statement of work, in most of the occasions, do not complete information?
- 4 Do you think changes should be made in the current models of statement of work and/or process for public procurement?
- 5 Do you think that standardizing statement of work in public procurement would improve the development of contracting processes?