



# PROCUREMENT EXCELLENCE NETWORK

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→ INNOVATOR INTERVIEW



## Innovations in Procurement Planning: Lessons from Fortaleza, Brazil

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### INTERVIEW WITH:

#### **Leonardo Silva**

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Many state and local governments in the U.S. and Latin America are creating procurement forecasts that connect purchasing needs with their governments' strategic goals to improve overall strategic planning practices. The Harvard Kennedy School Government Performance Lab (GPL) spoke with procurement leaders in Fortaleza, Brazil, who were involved in developing the municipality's Annual Procurement Plan, a formerly optional process made mandatory by the country's recent procurement legislation — the Nova Lei de Licitações e Contratos, or Procurement Process and Administrative Contract Law.

In this Innovator Interview, we discussed how Brazil's new procurement law can make the procurement process more efficient and transparent; the importance of cross-departmental collaboration and engagement of front-line staff in making procurement more strategic; the value of publishing your buying plan; and how procurement leaders can leverage new legislation to spur innovation among staff.

## About Fortaleza:

Fortaleza is the capital of Ceará state in northeastern Brazil. With a population of over 2.6 million, it is Brazil's fourth-largest city and an important industrial and commercial center with a large tourism industry. Its municipal workforce is 36,338, and its 2024 annual budget is approximately R\$13 billion, or \$2.6 billion in U.S. dollars. In 2023, Fortaleza released 683 procurements for goods and services ranging from office supplies to construction and repair services to medical services and hospital equipment.

## About Procurement in Brazil:

As per the Brazilian Constitution, the federal government is responsible for setting general regulations for bidding and administrative contracts. As a result, municipalities are required to adhere to federal bidding laws. This helps create uniform standards nationwide while allowing each local government to implement these regulations to suit their unique requirements.

In 2021, the federal government in Brazil approved the new Procurement Process and Administrative Contract Law, which was designed to reduce excessive bureaucracy, improve transparency and efficiency, and promote the use of innovation and technology. Complying with the newly established regulations posed a significant challenge for jurisdictions, requiring not only that local and sub-national entities revise procurement codes, but also that they overhaul operational processes and training programs.



## City Achievements:

- In 2023 Fortaleza was awarded the [Gold Certification in the What Works Cities Certification \(WWC\)](#) program for its outstanding work using data and evidence to deliver results for residents.
- Selected to be part of the 2022 [City Data Alliance program](#), a program aimed at supporting cities to leverage data to strengthen local government operations, innovate public services, and produce better outcomes for residents.
- Selected among 129 city applicants to participate in the [Cities Forward program](#), a flagship urban sustainability initiative.



## Relevant Links:

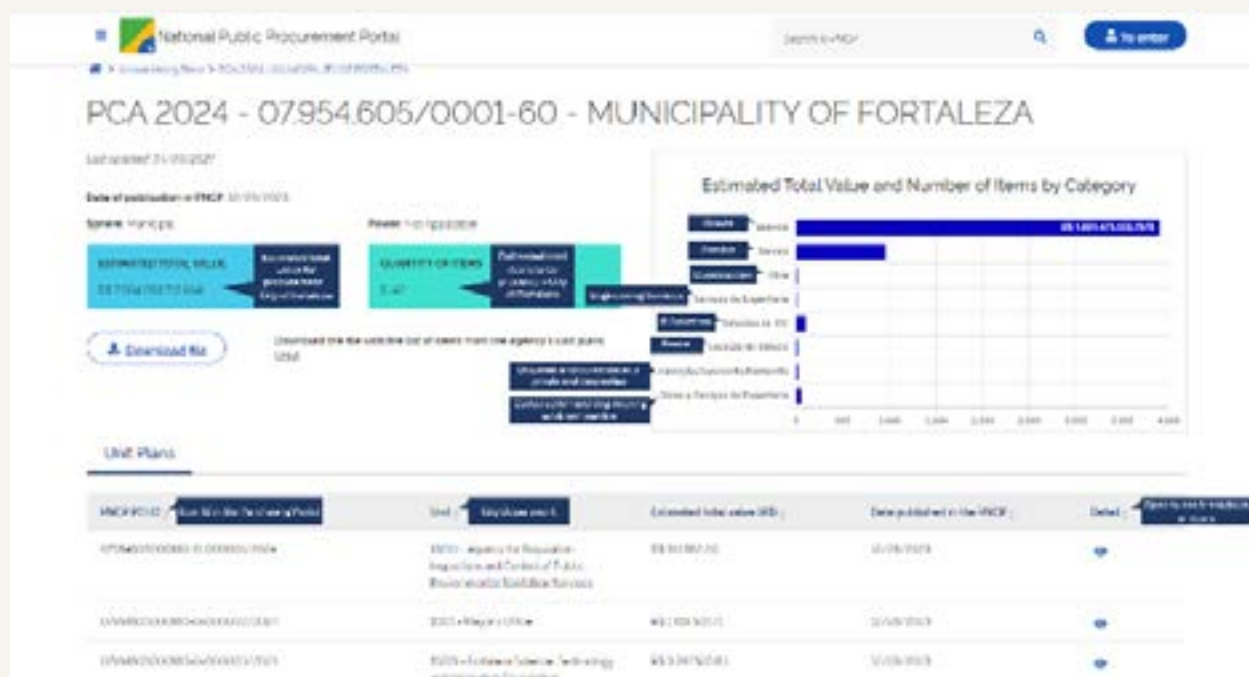
- [The National Procurement Portal](#) (in Portuguese). This is the federal government central website for procurement, where legislation, guidelines and all solicitations (from federal, state and local governments) are posted.
- [Dashboard of the National Public Procurement Portal \(PNCP\)](#) (in Portuguese). This dashboard presents structured data on spending on the purchase of goods or the contracting of services for the public administration at the federal, state, and municipal level. Access to the panel is free and available to all.
- [“Fighting Bid Rigging in Brazil: A review of federal public procurement”](#) from the Organisation for Economic Co-operation and Development (OECD).

## 1. Tell us about the main changes brought on by the new federal procurement legislation. What was the legislation trying to achieve?

**Leonardo:** Public procurement has always been complex and bureaucratic in Brazil. The new federal procurement legislation aims to enhance innovation and streamline the procurement process by introducing a more robust governance structure and increasing flexibility in acquiring goods and services. For example, one exciting component of the law is new bidding modalities, such as the Competitive Dialogue, which allow for the procurement of innovative and complex solutions without detailed technical specifications, promoting competition based on the technical capacity and originality of the proposals.

“ Limited procurement planning and forecasting have historically been a **big shortcoming in the procurement process.** ”

Limited procurement planning and forecasting have historically been a big shortcoming in the procurement process. The new law has introduced two major changes: First, it introduced procurement planning as a required process, through the mandatory adoption of a procurement forecasting plan; and second, it created a centralized website, the [National Purchasing Portal \(PNCP\)](#), to publicize the purchases of all jurisdictions in the country. This tool has digitized documents to disseminate public purchases to suppliers and facilitate the forecasting of public contracts, as well as training for procurement agents.



*The new National Procurement Portal provides a platform for users to share information about upcoming purchases for federal, state, and local governments.*

Historically, cities were encouraged to create procurement plans, but it wasn't mandatory. Now, with the new legislation, municipalities are required to create an Annual Procurement Plan (PCA, the Portuguese acronym for Plano de Contratações Anual) that documents all intended purchases and contracts across departments for the upcoming year as well as proposes potential solutions to meet those needs before starting the solicitation drafting process.

**Joice:** The new legislation is really trying to change the culture around procurement in Brazil. Historically, our approach was often automatic — we did what we had always done — and people didn't always understand the importance of planning for the upcoming year. The new regulation has introduced steps and frameworks to protect and document the procurement planning phase. It also aims to bring more transparency and increase competition. Because many municipalities upload their procurement plans on the National Purchasing Portal, residents and vendors from across the country have access to this information.

## 2. Was procurement reform already on Fortaleza's radar? What challenges related to procurement planning was the city experiencing?

**Joice:** Before the new legislation, Fortaleza had made some efforts to improve procurement planning and increase the efficiency of purchasing processes. For example, we digitized some aspects of our procurement process and focused on improving market research. We were especially motivated because receiving external funding or grants often requires improving practices.

But prior to the new legislation, our efforts weren't comprehensive — we didn't have a citywide policy or initiative to improve procurement yet. Each department director operated independently, without effective communication or collaboration with other departments, resulting in a lack of coordination. For example, a few common purchases had been centralized across departments, but other purchases were being made in silos across the city, meaning we did not always get low prices for high-volume purchases.

**Leonardo:** Any procurement plans that were released were often very general, with the forecasts being similar to those of previous years, with no alignment with the city's strategic priorities or budget.

## 3. Can you walk us through the specific steps taken to roll out the Annual Procurement Plan (PCA) in Fortaleza?

**Joice:** Initially, our team at SEPOG (the Portuguese acronym for the Department of Planning, Budget and Management) collaborated with city departments with the highest number of procurements annually, such as the Education Department, to discuss the potential rollout of the citywide PCA. We shared our planning template and gathered feedback from staff. Then, we enhanced the template based on their needs. This step proved instrumental in identifying potential questions or challenges departments might face during the rollout. Moreover, it meant that prior to the official launch, key departments were already familiar with the way the model worked and had provided suggestions, which made engagement easier.

**“ In collaborating with departments, we realized that **many staff didn’t know how to do procurement planning.** ”**

We have also created a working group with the City Attorney and Department Directors to discuss potential challenges, implementation, and approvals, which has helped everyone be on the same page before making it a mandatory process. As a next step, the city formalized the PCA through a decree, mandating its implementation for the upcoming year. The decree outlined the process, set deadlines, clarified goals, and provided our draft template for departments to utilize.

Following the decree's release, SEPOG assembled a dedicated team to directly support departments and address their specific questions. We conducted meetings with departments that sought more personalized assistance, including the Departments of Administration, Education, Health, and Infrastructure.

**Leonardo:** In collaborating with departments, we realized that many staff didn’t know how to do procurement planning and were unaccustomed to having to figure out exact quantities of what they might buy or how to look at what quantities of goods or services were used in the prior year. But these conversations illuminated that there was a need for collaborative training on many other aspects of procurement. We approached this as an “all-hands-on-deck” project: we were not just making demands, but rather supporting, working with staff. So, we leveraged this specific

legislative requirement as an opportunity to provide more general procurement training to many staff. Throughout the year, we brought in various speakers and put on courses in public procurement.

We have now trained over 200 staff through these workshops, creating team cohesion and demonstrating that procurement is a key priority for the city.

**“ Taking time to explain the importance of these changes, involving leadership across all departments when things got stuck, setting up informal working groups to listen to departments’ challenges, and having executive support **all were crucial.** ”**



*Training delivered to SEPOG department staff about how to develop the Annual Procurement Plan.*

#### 4. What were the primary challenges and barriers you encountered during the roll-out, and what strategies did you employ to overcome them?

**Joice:** One of the biggest challenges was to change the culture of how things were done, as many departments were worried about the amount of work this might entail. Under the new legislation, you now need to deeply understand and articulate your department's needs and why those needs are important. This caused a lot of difficulty at first! But taking time to explain the importance of these changes, involving leadership across all departments when things got stuck, setting up informal working groups to listen to departments' challenges, and having executive support all were crucial.

#### 5. What has changed in Fortaleza now that the new federal legislation and the city's PCA are both in place? What impacts do you anticipate from implementing the PCA in Fortaleza, including for residents?

**Leonardo:** With the new process in place, staff within different divisions of departments (technical, purchasing, planning, and budget) have had to work more closely together to adjust to the new procurement needs, so we have noticed an increase in collaboration between and within departments. A second interesting thing was that departments began to look at more information when making their purchasing decisions based on more concrete data, including information such as the success of previous contracts. Teams also

began asking important questions, such as "Do we still need this level of office supplies?" or "If we don't release our solicitation by this summer, does that mean we'll have a gap in medicine stocks at our hospital?"

**Joice:** Contract managers often have valuable insights into past challenges, successes, and areas for improvement, and by engaging in collaborative discussion, these insights have become easier to incorporate into the planning process. Previously, a contract manager might not have been involved in the planning process, even though they have a good sense of the success of the prior contract and changes that need to be made in the next procurement.

**Elisangela:** In terms of impacts, we foresee having an improved cost-benefit ratio by avoiding the waste of public resources. For the residents, that means shifting more public spending away from the institutions of government themselves and toward more investments in policies that can improve wellbeing.

**Leonardo:** I think accountability will be taken much more seriously. Community members now have access to information about everything a city buys, how these purchases are made, and how much the city is spending. The press and academic researchers can also better hold us accountable. Before the law required this kind of transparency, departments often made direct purchases without going through the public procurement process. Transparency will enable society to demand accountability from public employees.

**Joice:** One department said that they are already preparing for an upcoming critical procurement



and setting a date in advance for when they will open the bidding processes so that the services in question can be delivered to the population in a timely manner. This proactive planning will help minimize the risks of goods and services not being delivered because of delayed procurements.

**Leonardo:** Of course, we also expect this to increase competition, since vendors now have access to information about everything the city will need to buy, and they can plan accordingly. One anecdotal piece of evidence is that after we published Fortaleza's PCA on the National Purchasing Portal, our Information Technology department noticed an increase in traffic to our solicitation posting webpage from several states that had not accessed it before. This is evidence that our procurements are getting more visibility, which we hope will help us get the word out and attract more vendors to work with the city. We hope that in the future we can assess whether our bids got more competitive by tracking the average number of bidders per bid, as well as how many unique vendors Fortaleza is doing business with.

**“ We also expect this to increase competition, since vendors now have access to information about everything the city will need to buy, and they can plan accordingly. ”**

## 6. What are the most critical next steps in keeping up momentum to sustain these changes?

**Leonardo:** We plan to keep creating spaces for the departments to engage in dialogue, exchange lessons, and share feedback. We can always do better, and we recognize that this is an ongoing process, not a finished one. We are working to improve not only the procurement plan itself, but also the support we offer to departments.

**Elisangela:** Institutionalizing procedures is crucial. Well-documented procedures for staff entering the procurement area will help sustain these changes. It also helps to create institutional memory, avoiding the loss of knowledge when strategic stakeholders leave public service.

**Joice:** We continue to build departments' capacity more generally with workshops and training, by answering questions, and by enabling them to share their best practices and lessons learned. As a next step, we also want to keep adjusting our procurement planning process, making it more complete, clear, and user-friendly.

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## 7. What lessons would you highlight for other countries or cities that want to implement improvements to their procurement planning process?

**Leonardo:** First, engage key stakeholders in the process. With any new legislation, process, or innovation, there is a lot that you do not know. We made sure to involve the regulatory, legal, and comptroller agencies early in the process, which was not only helpful because it gave us a better understanding of the legal procedures, but also because we were able to rely on their support during implementation.

Second, make sure you user-test your approaches, tools, and processes before moving to the implementation phase. We sat down with departments to pressure test our tools and guidelines, and that was key to learning more about their specific and unique processes, pain points, and questions. This engagement helped speed up adoption of the new tools and practices among other departments. Dictating guidelines without understanding the departments' processes would cause a lot of resistance and problems later, such as creating tools that might not align with department needs.

**Joice:** Assigning a single department to drive the project forward will help a lot. There needs to be an office capable of setting guidelines and supporting other departments whenever necessary. Our department filled that role in Fortaleza and made it possible for other departments to move forward with their own procurement planning.

Finally, purchasing, planning, and budgeting divisions need to communicate and work together. Creating the space for that to happen was a hugely valuable activity.





## Leonardo Silva

Purchasing Coordinator at the Planning, Budget, and Management Department (SEPOG) of the City of Fortaleza

**Leonardo Pereira da Silva** is the Corporate Procurement Management Coordinator at Fortaleza's Department for Planning, Budget and Management - SEPOG. Leonardo has more than 10 years' experience in public management. During his career, he has also worked for the Health and Infrastructure Departments, focusing on procurement. He is currently enrolled in a master's degree in Administration and Controllershship in the Federal University of Ceará (UFC). He has a post-graduate degree in Public Policies for Smart Cities from the University of São Paulo (USP) and has a degree in Law and Administration from the University of Fortaleza (UNIFOR).



## Joice Freitas

Procurement and Pricing Manager

**Joice Nogueira de Freitas** is a planning and management analyst and manager of the Corporate Procurement and Pricing at the Planning, Budget and Management Department (SEPOG) of the City of Fortaleza. Joice is responsible for supporting other departments in the city to develop their procurement strategy and organize their Annual Procurement Plans. In addition to her work in the public sector, Joice also has years of experience in the non-profit, in accounting and auditing, and the private sector. She has a degree in accounting and a postgraduate degree in Public Management with an emphasis on auditing in the public sector from the Federal University of Ceará - UFC.



# Elisangela Teixeira

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**Elisangela Teixeira** is the founding director of Desigual Lab, a government laboratory focused on developing public policies informed by experimental evidence. She has experience in public management at the federal, state and municipal levels. She was the director of the Fortaleza Observatory (Ceará, Brazil) from 2021 to 2024. She currently serves as vice-president of the Fortaleza Planning Institute. Elisangela is also a professor at the Federal University of Ceará, where she coordinates the Cognitive Sciences and Psycholinguistics Laboratory, specializing in eye tracking. She holds a PhD in Linguistics from the Federal University of Ceará (UFC), a master's degree in Language Studies from PUC-Rio and in Cognitive Sciences from the École Normale Supérieure de Paris.

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