Artificial Intelligence (AI) and Public Governance: The Case of Public Procurement

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Outline

❑ AI and Public Governance

❑ The Case of Public Procurement

❑ Security Sector

❑ Some Food for Thought

AI and Public Governance

❑ 'AI' v 'Automation': Disambiguation

❑ AI and Public Governance: A Tool not a Panacea

https://arisoflawxley.com/scholarship/artificial-intelligence-ai-and-public-governance-tool-not-panacea/

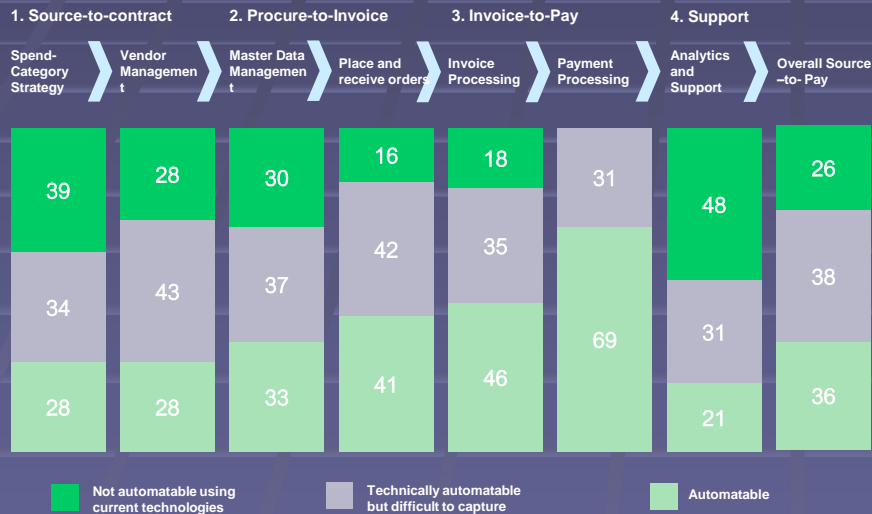❑ AI UK/Alan Turing Institute Report: 84% of bureaucratic activities can be automated through AI

 https://www.turing.ac.uk/news/publications/ai-bureaucratic-productivity-measuring-potential-ai-help-automate-143-million-uk

The Case of Public Procurement

Automation: A way to solve the procurement bottleneck?

Automation could dramatically reduce time spent on transactional procurement

Percent of total employee activity within example process stages

1. Source-to-contract		2. Procure-to-Invoice		3. Invoice-to-Pay		4. Support		
Spend-Category Strategy	Vendor Management	Master Data Management	Place and receive orders	Invoice Processing	Payment Processing	Analytics and Support		Overall Source –to- Pay

39	28	30	16	18	31	48		26
34	43	37	42	35	69	31		38
28	28	33	41	46		21		36

■ Not automatable using current technologies ■ Technically automatable but difficult to capture ■ Automatable

~40% of the tasks are automatable with the help of AI and will increase further in the future

Source: McKinsey

"Hospital procurement teams spend 23.5% of budget every year on running end-to-end procurement processes manually"

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Security Sector

❑ Potential v Risk

❑ The Challenge:
- Balancing the potential with European Ethical Standards / Values

❑ "Contestability" of AI generated decisions/actions
- e.g. System Risk Indication (SyRI) case (Netherlands)

❑ A role for Innovation Procurement?

Some Food for Thought

❑ "Global 'Tug of War': Artificial Intelligence (AI) and Procurement Reform"

https://arisoflawxley.com/scholarship/global-tug-of-war-artificial-intelligence-ai-and-procurement-reform/

❑ "Artificial Intelligence and Public Governance: Tool not Panacea"

(https://arisoflawxley.com/scholarship/artificial-intelligence-ai-and-public-governance-tool-not-panacea/)

❑ "A Call for a 'Luddite Rebellion' or a 'Tech (AI) Bretton Woods' "

https://arisoflawxley.com/scholarship/a-call-for-a-luddite-rebellion-or-a-tech-bretton-woods/

❑ "Few Thoughts on the EU/Research Paper "ChatGPT in the Public Sector 'Overhyped' or 'Overlooked' "

https://arisoflawxley.com/scholarship/few-thoughts-on-the-eu-research-paper-chatgpt-in-the-public-sector-overhyped-or-overlooked/

Some Food for Thought

❑ The EU's Joint Procurement Agreement in the Light of COVID-19: Learning the Correct Lessons from the Pandemic and Identifying Actions for Improvement' (2021)

(https://ssrn.com/abstract=3981564)

Thank You

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