

CASE ANALYSIS

Intensive Care

An \$11 million ambulance project for Thailand was **delayed by unrealistic, unstable specifications** and political influence.

IN APRIL 2004, the Public Health Ministry of Thailand in Bangkok approved procurement of advanced ambulances. Vendors bid on the 232 vehicles, which were subject to self-defined standards as well as to ISO standards. The contract also included service centers for maintenance and repairs in all Thai provinces. To prevent bidders from setting up temporary sites and under-delivering, the ministry required the service centers to be operational for at least one year. Each bidder would have to present a sample vehicle.

By October 2005, a year and a half later, the procurement project still was not finished. In the midst of delays, hospitals in the provinces were left with high-cost maintenance for old ambulances while waiting for technologically updated vehicles.

In 2004, the third planned bidding round was cancelled. Out of 20 interested manufacturers, Toyota Motors (Thailand) was the only one that submitted a proposal. On 18 June 2005, *Bangkok Post* reported that the specification of minimum engine capacity of 2,900cc favored Toyota.

During the next bidding round, set for June 2005, the requirement was reduced to 2,500cc. However, this time Siam Nissan Automobile Co. Ltd. was the only bidder. While there was much discussion about engine

requirements, the entire spectrum of specifications were just as difficult to meet.

So, the necessity of conforming to ISO standard has been taken out, service centers are no longer required to be operational for a year, the bidders don't have to present

a sample car and ambulances may now be delivered with alloy wheels. Specifications have been diluted to such an extent that the vehicles may not be advanced enough for use in the capacity in which they were intended, according to sources quoted in *Bangkok News*.

"Before setting up specifications for complex procurement items, a project manager should investigate the marketplace and find out what is available and has been proven in similar application environments," says Oliver

F. Lehmann, PMP, vice president professional responsibility of the PMI Troubled Projects Specific Interest Group. "Conformance to an internationally accepted standard should be acceptable to suppliers. The additional requirement that bidders should provide well-established service centers is reasonable and should not be dropped. In addition, everything should be done to ensure transparency of the bidding process and avoid allegations of favoritism as they have recently been raised."

