

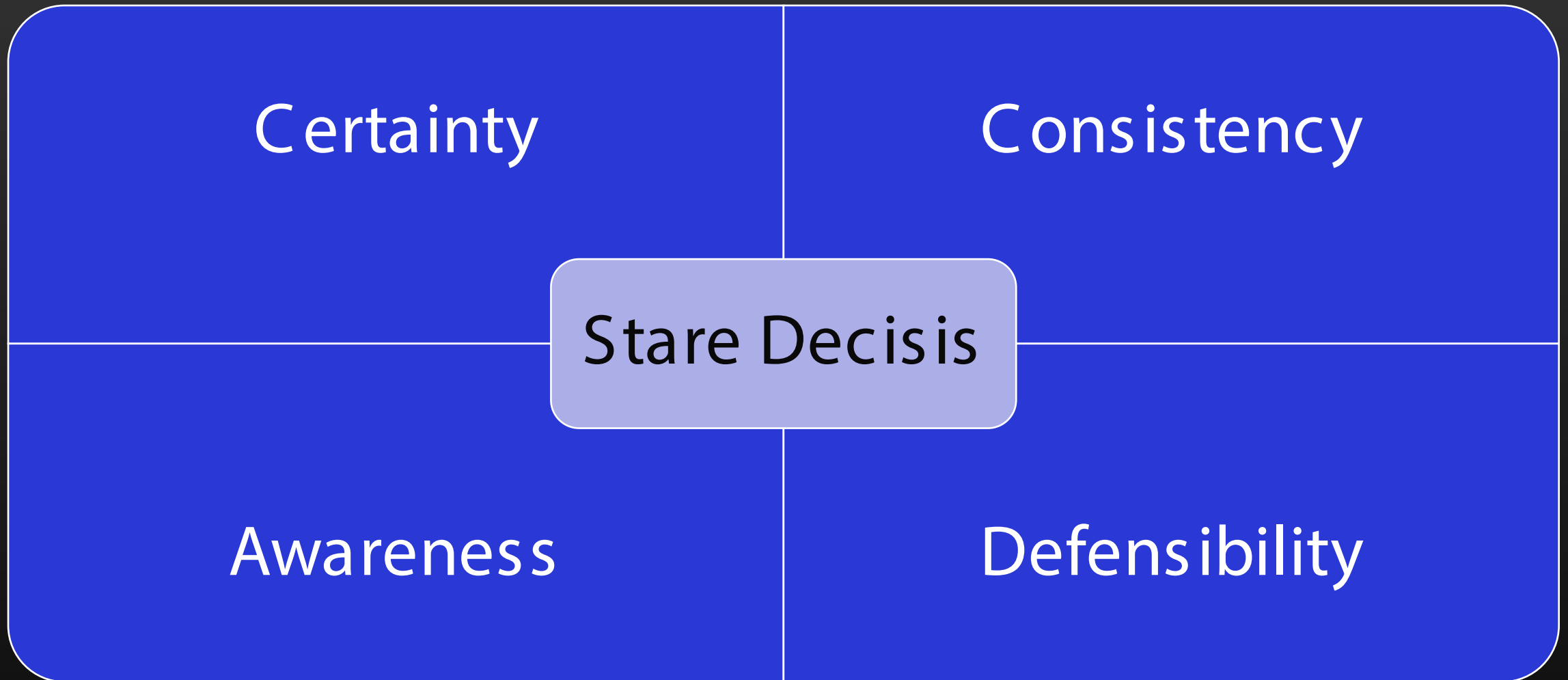


Stare Decisis Meets Disruption

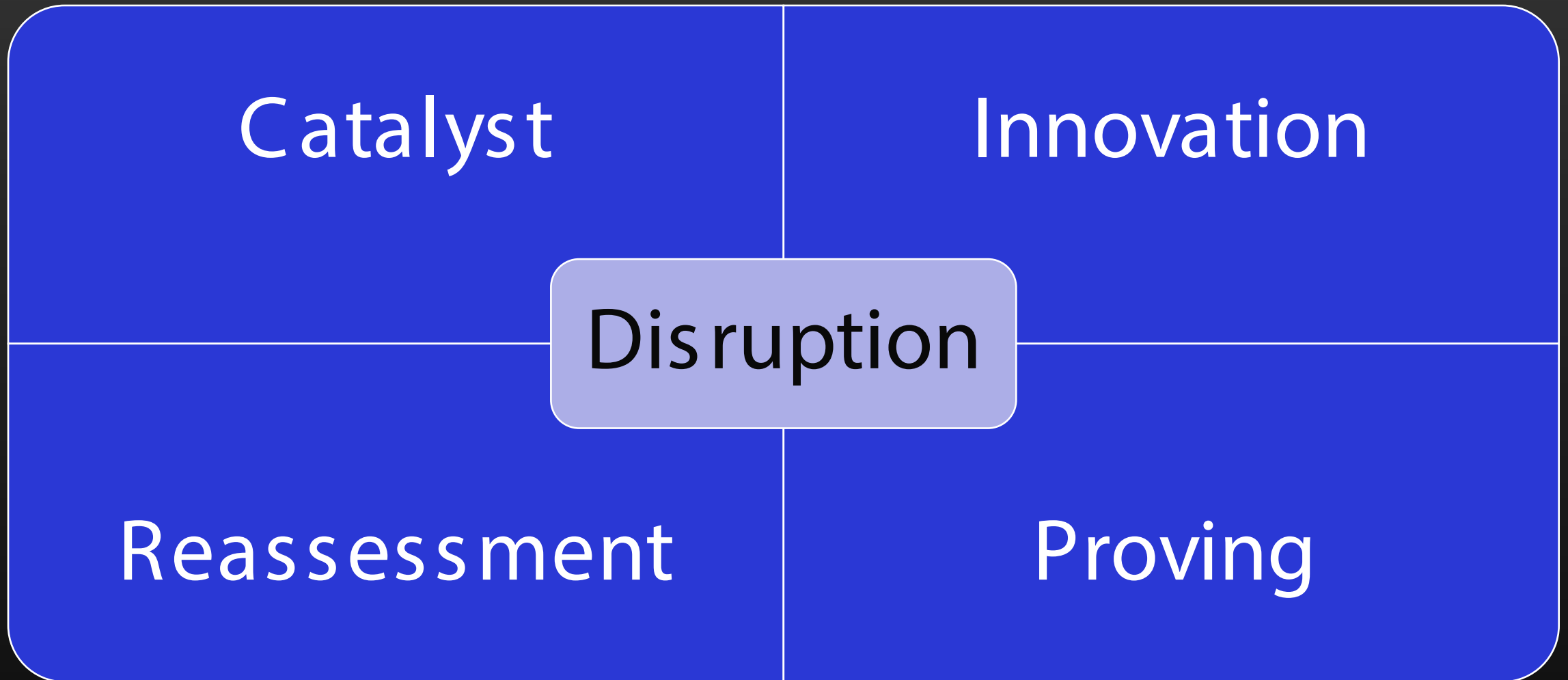
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Innovation moves fast. Procurement must move wisely.
We carry forward the purpose, precedent, controls, and
accountability that earn and preserve public trust.

What do we mean?



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Capability	Potential Value	Core Concern
Generative AI	Drafting, summarization, research support	Accuracy, confidentiality, bias
Agentic AI	Workflow execution and monitoring	Delegated authority, escalation, auditability
Cloud platforms	Shared data and real-time collaboration	Access control, vendor dependency, resilience
Blockchain or distributed records	Traceability and record integrity	Interoperability, governance, legal fit
Virtual collaboration	Faster cross-functional decisions	Documentation, inclusion, decision discipline

Procurement at an Inflection Point

- Procurement is being reshaped by generative AI, agentic AI, cloud-based procurement suites, blockchain-enabled records, advanced analytics, and virtual collaboration.
- These tools can reduce administrative burden, identify patterns in spend, improve supplier discovery, draft documents, and support faster internal coordination.
- Technology is changing the pace and form of procurement work, but it is not eliminating the responsibility that comes with it.
- The most consequential question is not, “Can technology do this?” It is, “Should it do this, under what controls, and who remains accountable?”

The Technology Shift Is Already Here

Purpose Requires Guardrails

- Purposeful leaders set direction, establish culture, and make values visible in difficult decisions.
- Procurement leaders must also translate those values into repeatable controls: competition requirements, delegations of authority, documentation, evaluation criteria, contract oversight, and ethical standards.
- New tools can improve speed, insight, and collaboration—but they can also scale bias, errors, privacy failures, and weak decisions if leaders do not set clear boundaries.
- The enduring leadership test is simple: Can we explain, defend, and document the decision to the public, oversight bodies, suppliers, and future decision-makers?

Purpose Without Governance Is Not Enough

Stare Decisis: A Useful Frame for Change

- *Stare decisis*: the principle of standing by decided matters.
- It does not mean refusing to change. It means recognizing that established rules, precedents, and institutional lessons exist because prior decisions revealed risks that must not be ignored.
- In procurement, precedent appears in statutes, regulations, bid protest decisions, ethics rules, delegation structures, audit findings, and established agency policy.
- Responsible innovation asks what should change, what must remain stable, and what evidence is needed before a new practice becomes routine.

Innovate Forward, Respect What Endures

Generative AI: Powerful Assistant, Imperfect Source

- Generative AI can support drafting, summarizing lengthy documents, translating supplier communications, extracting themes from market research, and creating first-pass analyses.
- Its outputs are probabilistic, not authoritative. A polished response may still be incomplete, misleading, fabricated, biased, outdated, or inconsistent with governing law and policy.
- Procurement professionals remain responsible for validating facts, protecting nonpublic information, applying policy, and deciding whether an output is appropriate for use.
- AI should be treated as a capable junior assistant: useful for preliminary work, never the final approver or accountable decision-maker.

Use AI to Assist Judgment, Not Substitute for It

Questions Before Using an AI Output:

- Is the information accurate, current, and independently verified?
- Did the tool receive sensitive, proprietary, source-selection-sensitive, or personally identifiable information?
- Can the conclusion be explained and supported in the procurement file?
- Does a human, with appropriate authority (positional, subject-matter expertise, or other) agree with the recommendation?

Agentic AI Changes the Risk Profile

- Generative AI produces content; agentic AI can take actions toward an objective, such as routing approvals, querying systems, monitoring contract milestones, contacting suppliers, or initiating workflows.
- This creates value when the work is repetitive, rules-based, low-risk, and subject to clear exception handling.
- It also raises the stakes because a system can execute errors rapidly and at scale.
- Leaders should define exactly what the agent may do, what it may recommend, what it must escalate, and what it must never do independently.

When AI Begins Acting, Controls Must Become Stronger

Control question	Example
What authority is delegated?	May an agent draft a requisition, or may it submit one?
What actions require human approval?	Solicitation release, evaluation decisions, award, modifications, payment approval
What data may it access?	Public market data versus confidential proposals and supplier performance records
How are exceptions handled?	Conflicting information, threshold exceedance, sanctions match, missing approval
How is activity recorded?	Time-stamped logs of data used, actions taken, approvals, overrides, and outcomes
Who is accountable?	A named business owner, procurement owner, technology owner, and control reviewer

Garbage In, Garbage Out

- AI and automated systems do not repair weak procurement data on their own. They often reproduce and magnify what they are given.
- Inaccurate vendor records, outdated commodity codes, incomplete contract data, inconsistent spend classifications, and poorly written prompts can lead to unreliable recommendations.
- Weak inputs can produce distorted supplier comparisons, missed compliance risks, flawed forecasts, and decisions that appear data-driven but are not trustworthy.
- Strong data stewardship is a procurement capability.

Data Quality and Instructions Determine Outcome Quality

Three layers of quality control:

- **Data:** Accurate, complete, current, properly classified, and governed data sources
- **Instructions:** Clear prompts, business rules, escalation criteria, and prohibited uses
- **Oversight:** Human review, testing, monitoring, audit trails, and correction mechanisms

Law and Policy Still Shape Choices

- Technology does not displace the legal and policy framework governing public purchasing. It must operate within that framework.
- Domestic preference rules, sanctions programs, export controls, anti-corruption requirements, cybersecurity obligations, and state-specific procurement restrictions can affect supplier eligibility, competition design, pricing, sourcing locations, and contract performance.
- These requirements may conflict, change over time, or apply differently based on funding source, procurement value, product category, supplier ownership, or place of performance.
- Procurement leaders need processes that identify applicable restrictions early.

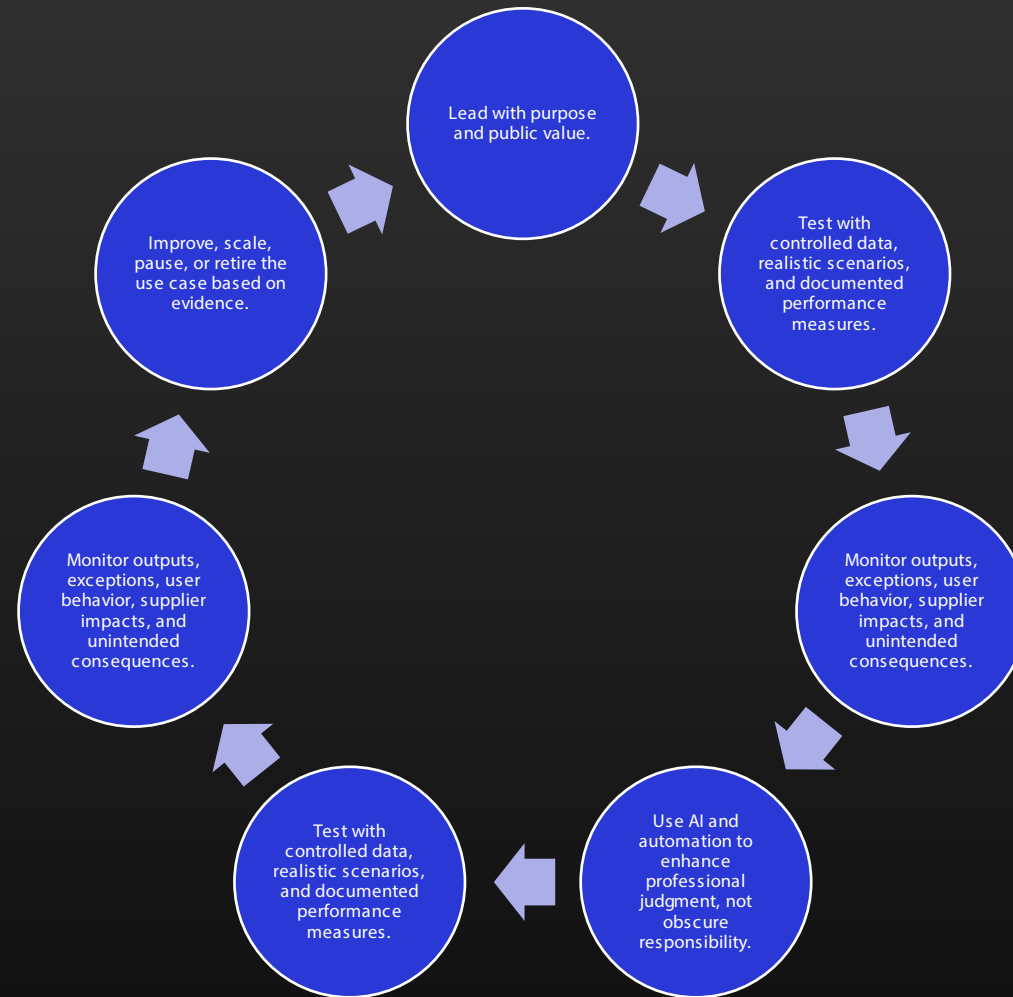
Procurement Decisions Remain Bounded by External Rules

- **Leadership implications:**
- Build compliance checks into intake, market research, solicitation development, evaluation, award, and contract administration.
- Maintain a clear escalation path to legal counsel, IT, finance, and program leadership.
- Do not assume an AI-generated answer to a legal or trade question is correct without authoritative verification.
- Preserve documentation showing how applicable restrictions were assessed and addressed.

Move Fast Enough, but Slowly Enough to Govern

- Procurement organizations should not wait for perfect technology or perfect policy before learning. They should adopt a disciplined, staged approach.
- Begin with use cases that are high-volume, low-risk, measurable, and reversible—such as document summarization, internal knowledge retrieval, clause comparison, or spend-data cleanup.
- Pilot tools with defined success measures, privacy protections, human review, and documented exit criteria.
- Expand only after leaders can demonstrate value, control effectiveness, user competence, and alignment with law and policy.

Move Fast Enough, but Slowly Enough to Govern



Call to Action

- The defining role of the procurement leader is not to resist technology or surrender judgment to it.
- It is to connect purpose, policy, data, technology, market knowledge, and public accountability into decisions that can withstand scrutiny.
- The profession's enduring principles remain essential: fairness, competition, transparency, stewardship, integrity, and sound judgment.
- Innovation should make procurement *more* capable of fulfilling those principles.

The Future of Procurement Is Human-Led and Technology-Enabled

- **Closing commitments for procurement leaders:**
- Lead with purpose and public value.
- Preserve the controls that make decisions trustworthy.
- Use AI and automation to enhance professional judgment, not obscure responsibility.
- Improve data before relying on automated insights.
- Embed legal, business, and policy considerations early, with core principles such as compliance and stewardship built in.
- Keep a human accountable for every consequential procurement decision.

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Thank you for your time and attention!
