

# The Challenge of Administrative Sanctions Against Suppliers in Public Administration

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## ABSTRACT

Sanctions are imposed against countries or organisations when they fail to comply with a set of legal rules. This article focuses on the process of implementing a supplier sanction model at the Federal University of Minas Gerais, Brazil. It identifies the contributions and limits of the administrative sanctions model in public procurement. The article follows a qualitative research approach and triangulates data sources obtained from semi-structured interviews, a document analysis of university purchasing records and field diaries. It was found that there is an increase in efficiency in the delivery time of purchased items. However, the research found that there is a need for certain improvements, such as the disclosure of the services offered, an expansion of the scope of action, and user empowerment to extract all the potential benefits that the implemented structure offers. The article concludes that this supplier sanction model contributes to the improvement of administrative sanctions management and serves as a

reference model for public services. It also assists public managers at the federal university to comply with the law while gaining efficiency.

## INTRODUCTION

Sanctions are imposed when countries fail to comply with a set of legal rules. According to Carlos (2014), agencies and authorities with competence in this area must be responsible for the application and registration of sanctions. Administrative sanctions in bids and public contracts are the result of an action or a set of actions that cause damage to the public administration when dealing with the violation of rules. It is up to the administration to impose punishments to ensure the rigidity of public order to prevent and repress conduct that violates the general legal good and punish behaviour that disregards obedience duties in the pursuit of the general interest (Nobre Júnior 2000). While sanctions are provided for in the legislation, a sizable portion of public bodies lack structures or formal processes to prosecute companies that commit illegal acts.

From 27 November to 7 December 2015, telephone consultations were held and a survey was conducted on the websites of 11 Federal Institutions of Higher Education (IFES) in the State of Minas Gerais, Brazil. The state was selected because there were no structures or formal processes for invoice collection. This finding is corroborated by Judgment 1793/2011 of the Brazilian Federal Court of Auditors. In its topic 3.3–item 109, it reinforces the need to create these structures and warns that the lack of notice without justification may culminate in application of sanctions to managers. In 2015, the new Judgment 754/2015 reintroduced this theme and expanded the discussion.

The legislation is strict, both in terms of the inappropriate acts committed by the companies and managers who fail to apply the sanctions provided for by law. Despite this, the study did not find literature-based content guiding the implementation of this service as an organisational public administration process. If there is no formal structure to implement administrative sanction, it is difficult to enforce sanctions with legal certainty. Moreover, the manager may be uncertain as to how the legislation should be implemented.

Administrative sanctions play a key role in facilitating public-private relationships. In addition, failure to adhere to these contracts, sometimes makes it impossible to provide essential services to communities. Given this context, this study aims to describe the implementation process of the supplier sanction model at the Federal University of Uberlândia (FUU), which took place in 2010. Furthermore, it aims to clarify the model's role in the application of sanctions provided for in

contracts between public and private entities. Thus, it is possible to identify its contribution under the vision of different actors involved (public managers, public agents and control bodies). This, in turn, supports the dissemination of practical and theoretical aspects, contributes to the dissemination of this model to other public agencies, and supports more efficient application of public resources, which helps improve the provision of services to society.

## **PRINCIPLES OF THE DISCIPLINARY ADMINISTRATIVE PROCESS**

Law 8.666/93 does not establish which procedural rites should be followed to assign administrative responsibility and apply administrative sanctions. The Office of the Comptroller General (CGU) believes that bodies may use the procedural form they deem appropriate. However, the CGU, in its *Manual of Disciplinary Administrative Process* (which focuses on the relationship between the public administration and its servers), proposes conditions to the application of sanctions to suppliers, applying the same principles used in the Disciplinary Administrative Processes. Therefore, in the administrative process involving the public administration and its servants, it must obey the Principles of Due Process and of Contradictory and Broad Defense (CGU 2016).

According to Mello (2012) and Carvalho Filho (2014), the Principle of Due Process, provided for in art. 5th, LIV section of the Federal Constitution, is the fundamental principle of administrative law. Other principles help ensure that the public administration does not condemn anyone without being assured the right to defence, allowing the accused to answer the charges against them.

Carvalho Filho (2014) states that, in the legal process, it is important to refer to the Principle of Contradictory and Broad Defense. However, the “contradictory” is a natural consequence of the “broad defense”. The Principle of Contradictory and Broad Defense is based on the need to assess and resolve litigious situations that arise from competing interests. Furthermore, it also guarantees the right to challenge and redress accusations, as well as to challenge acts and activities. Mello (2012) adds that, before making decisions on a process, the public administration must consider the possibility of a contradictory and broad defence, including the right to appeal the decisions made.

## **ADMINISTRATIVE SANCTIONS**

Behaviour that violates service conditions should be sanctioned by applying penalties (Pereira 2000). Administrative sanctions have preventive, educational

and repressive aspects. In addition to seeking to protect the public's monetary interests, sanctioning an organisation helps prevent another public body from repeating the sanctioned agent's behaviour. This repressive action includes educational action against other private organisations that may want to oppose a public organisation (Brasil Ministério do Planejamento, Orçamento e Gestão (MP) 2015).

According to Mello (2012:863), infringement and administrative sanctions are inseparable issues because the infringement is foreseen in one part of the legislation and the sanction in another. Both must be studied together to avoid difficulty in understanding one of them separately. Mello (2012:863) conceptualises 'administrative infraction' as a voluntary breach of a rule that provides for sanctions. In this regard, Vitta (2003:2008) emphasises that administrative penalties and sanctions have received little attention due to a lack of specific law.

## LEGISLATIVE PENALTIES AND SANCTIONS

In terms of the requirements of Law 8.666/93, the sanctions described below can only be applied by establishing and completing an autonomous administrative process, where the right to contradictory and broad defence is assured to the contractor:

- **Warning (Art. 87, I):** This is the mildest sanction, and it is used for any minor inaccuracies in the contractual clauses. It serves to warn the contractor to address possible violations and inconsistencies under the penalty of applying more severe sanctions. Because it is moral in nature, this sanction should be used only once. However, it leaves a record of the administration's intent to ensure sanctions and penalties are applied, where necessary (Vieira 2011).
- **Fine (Art. 87, II):** A fine and pecuniary penalty is imposed due to a legal or contractual duty breach. The value must be proportional to the damage committed or expected conduct, with the function of deterring illegal conduct. The percentage of the fine must be provided for in the call instrument or contract. In theory, it does not entail contractual termination, but the repetition of the conduct may culminate in contractual termination (Vieira 2011).
- **Temporary suspension (Art. 87, III):** A temporary suspension (not exceeding two years) is imposed as a result of bidding participation and impediments to contracts with the administration. Due to the penalty, the supplier is no longer eligible for bidding or public administration. However, this theme is not clear-cut due to the use of the terms 'administration' and 'public administration' at different times. This leads to a deadlock over the scope of the sanctions (Vieira 2011).
- **Declaration of Inequity (Art. 87, IV):** This penalty represents a declaration of inequity in a bid or contract with a public service while the reasons for the punishment are determined or until reparation is made to the body that

applied the penalty. This sanction has an indefinite term of at least two years and covers the entire public administration. This includes entities that are personally governed by private law under the control of the public authority and the foundations that it creates or maintains (Vieira 2011).

These punishments are intended to make the system fairer and to ensure efficiency in public service. Furthermore, the aim is to make it impossible for suppliers to continue with detrimental activities that compromise the application of public resources and causes harm to the end-user.

## METHODOLOGY

This study employs a qualitative approach. The data collection technique used was a triangulation of the content analysis of interviews with semi-structured scripts (primary data), document analysis of university purchasing records and a field diary of the implementation of the sanction process (secondary data).

The research included the following two primary data sources: The first included participant observation and field notes. The field notes provide the timeline of activities, how the activities were executed and the results achieved. This is a helpful observation about the sequence of activities during the implementation process at the university.

The second primary source consisted of semi-structured interviews that were conducted between December 2016 and June 2017. The semi-structured interviews included seven different agents involved with the implemented process, namely the Dean, Purchasing Director, President of the Bidding Committee, Auditor, Equity Coordinator, Coordinator of the Service of Collection of Invoices and Users. The actors were selected based on the relationship that these functions have with the model that was implemented.

The analysis of the interviews followed the content analysis procedure, as suggested by Bardin (1977). According to Bardin (1977:31), content analysis "is not an instrument, but a range of devices; or, more rigorously, it will be a single instrument, but marked by a great disparity of forms and adaptable to a very wide field of application: communications". The following phases were performed in the content analysis process.

- **Pre-analysis:** Exploratory reading, documents selection, development of indicators;
- **Coding:** Attributing register units to each phrase or text block within the data;
- **Categorisation:** Classification of the registered units through groups of similar variables; and
- **Analysis:** Interpretation of the coding system and its implications to theory.

The implementation of the primary data collection procedures was followed by an explanation of the origin of the secondary data. The data was based on a documentary analysis of FUU equipment tipping data from 2010 to 2016. It was extracted from the university's information systems to determine whether there was an improvement in the efficiency of the public purchasing process. In this case, the documentary survey technique was used for data collection (Zylbersztajn and Sztajn 2005; Di Pietro 2002).

## **ANALYSIS OF RESEARCH RESULTS**

This section outlines the research results derived from triangulating data obtained from field notes, a field diary, the analysis of the interviews and the documentary analysis.

### **Field diary**

FUU originated in the 1950s and was federalised on 24 May 1978 (Law nº 6.532). It is organised into 32 academic units, with 68 undergraduate courses, as well as 46 graduate programmes that offer 39 academic master's degrees, seven professional master's courses and 21 doctoral courses. Several campuses are distributed throughout the cities of Uberlândia, Ituiutaba, Patos de Minas and Monte Carmelo. Like the other public universities in Brazil, its funding is derived exclusively from public coffers and is distributed among institutions based on Decree 7.233, 07/19/2010. After the resources are distributed, the institutions have autonomy in financial execution, as established in art. 207 of the Federal Constitution.

To carry out administrative and financial management, FUU has a structure called the Pro-Rectorcy of Planning and Administration, which consists of the following five boards: the Budget Board, the Purchasing and Bidding Board, the Materials Management Board, the Financial Management Board, and the Information Technology Center. This organisational structure provides the appropriate segregation of tasks in the budget-related execution of public resources.

The FUU's Materials Administration Board (DIRAM) is responsible for receiving all consumption and permanent material acquired by the institution, as well as equipment maintenance, and asset control. In 2009, an operational difficulty in the process of receiving consumption and permanent material was identified, both in delivery delays and in the management of divergent deliveries as per the public notice.

In the case of consumption materials, the management initiatives occurred through the Warehouse Division (DIALM). Acting in isolation, permanent material

was managed by the Equity Division (DIPAT). This performance reached a low rate of effectiveness due to the lack of pressure on the suppliers. The related success was determined by the FUU's interlocutor server's persuasive ability and the provider's goodwill.

A pattern of non-compliance with delivery deadlines, as agreed upon in the notice, as well as a large volume of outstanding payments and signed invoices that were not honoured by suppliers in previous exercises was discovered. In most cases, it failed to meet users' needs at the end of a lengthy purchasing process and eventually lost the resource. Ultimately, this jeopardised the institution's final activities. This is because, unlike private enterprises, contractual performance in the public service occurs as a contingency. Once the purchase process is completed, the resource is reserved for that contract. As the Union implements the budget per year, a delay in the delivery of the contracted product or service generates a budget loss for the contractor.

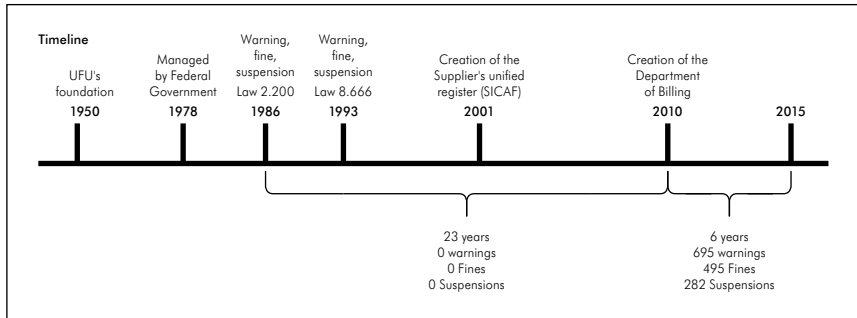
The objective of a public body is not to punish a supplier. However, if harmful conduct towards public finances is not discouraged, it is to the detriment of the end-user of the service that the institution provides and to society in general. Therefore, the administrative sanctions in bids and contracts are intended to reprove the conduct of the sanctioned party, discourage its recurrence, and prevent its future practice by other bidders and contractors. This action is preventive, educational, repressive and aims to repair the damage done by parties that misappropriated public finances.

DIRAM began a search among several public agencies for invoice collection process models that the FUU could apply to improve the process. However, no structured model was found among the various institutions consulted. Ultimately, this led to an internal discussion between DIRAM, the Purchasing and Bidding Board and the Attorney-General's Office to develop a process model.

Based on the current legislation, DIRAM has formulated some proposals for structured processes that would grant suppliers access to broad and contradictory defence, as well as to safeguard the institution from possible legal action that might arise from the application of penalties. It is particularly challenging to obtain an institutional legal opinion that provides security for implementation. The guidelines are verbal and not always accurate. As such, it is only possible to determine post-application how parties involved in the process will react to the proposed flow

The sanction model, which was called the Sector of Collection of Invoices (SECOE), was implemented in 2010. Minor adjustments were necessary during its complete implementation until 2012, with an adequate physical structure, equipment, and servers to conduct the process. The institution's management changed in 2013, but the collection process remained unchanged. In this new proposal,

**Figure 1: Timeline of the inception of the institution, procurement, and bidding legislation with respective forecasted penalties forecast and the implementation of SECOE**



Source: (Authors' own construction)

the collection process would no longer be done with every invoice. It would be conducted by the state register (National Register of Legal Entities). In this regard, the National Register of Legal Entities would consider all delayed invoices together, both for consumption and permanent materials.

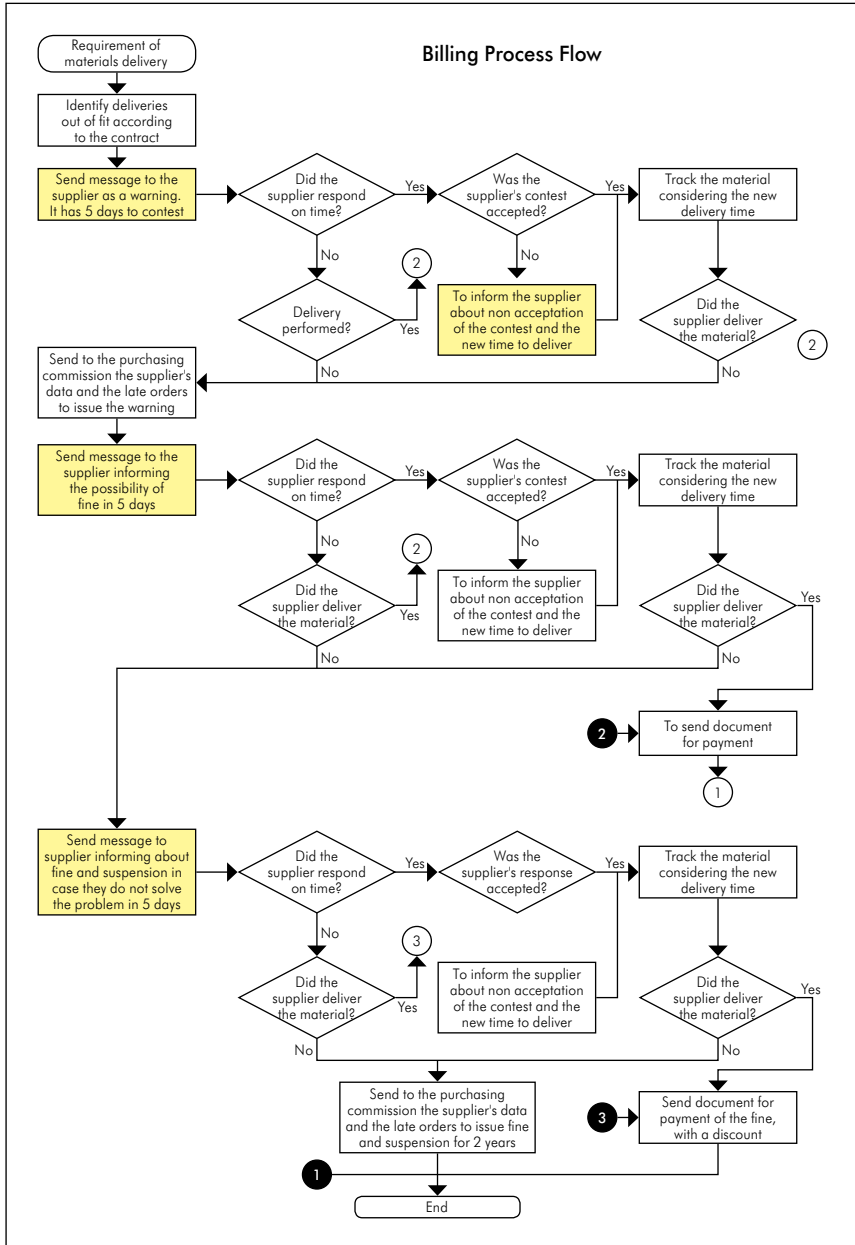
Figure 1 represents a timeline that identifies relevant facts relating to the inception of the institution, procurement, bidding legislation with respective forecasted penalties and the implementation of SECOE. Notably, in 1986, legislation was ratified to support the imposition of penalties. However, during the 23-year interval until the implementation of SECOE, no records of its application were found. The establishment of sanction processes began in earnest with the implementation of SECOE in 2010. During the six years of implementing the new model, managing the relationship with suppliers has become more efficient.

The implemented process model has suspended 282 companies from bidding for public service for two years. This led to an extreme situation of divergence in public-private relationships. Despite this, the FUU was not sued on any occasion, which demonstrates the legal certainty of the process.

Tests were performed on versions of documents that were improved during the implementation process, depending on the responses from suppliers and coverage of identified weaknesses. The clearance process took several months before the documents constituted a satisfactory process model. Notably, this ensured respect for the principles of legality, purpose, motivation, reasonableness, proportionality, morality, broad defence, contradictory legal certainty, public interest and efficiency. Furthermore, it resulted in a set of acts ordered in a logical sequence to determine administrative infraction that may result in the possible application of sanctions. See Figure 2:

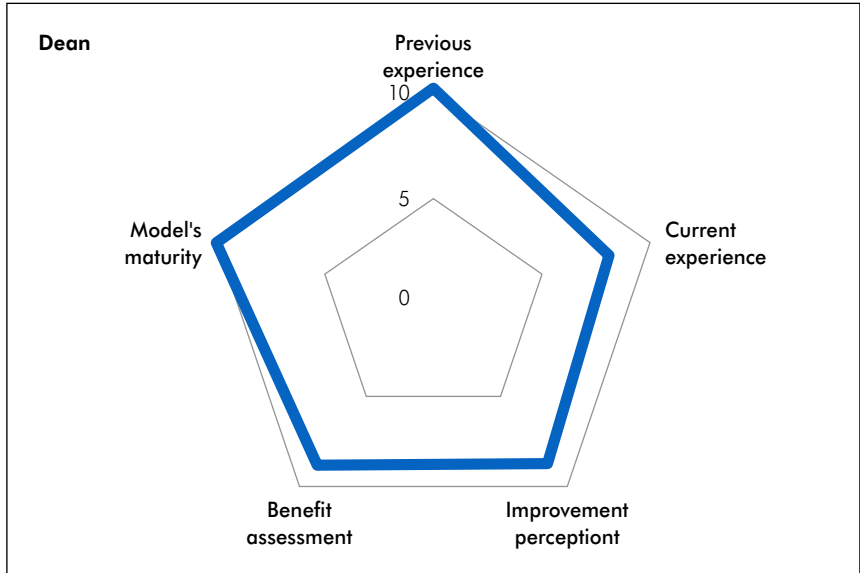


**Figure 2: Timeline of the billing process flow**



Source: (Authors' own construction)

**Figure 3: Perception of the Dean**



Source: (Authors' own construction)

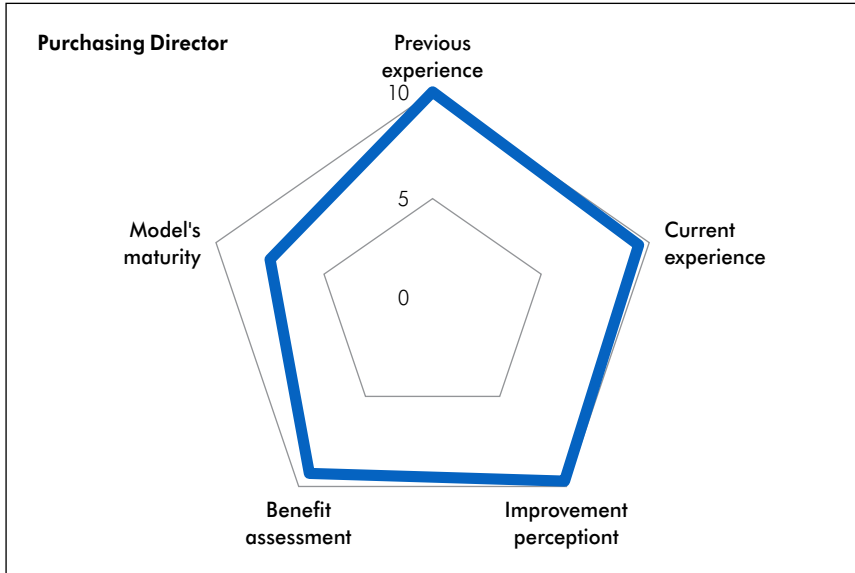
## Content analysis of interviews

This section presents the analysis of how each stakeholder relates to the process based on the answers to the interviews. With 41 years' experience, the Dean of FUU (see Figure 3) has extensive knowledge of the structure prior to the implementation of SECOE, as well as knowledge of the process implemented as an indirect user. The Dean had a positive view of the process improvements and the benefits realised. The respondent did not see an immediate need for process improvements and viewed the model as an essential initiative for institutional protection.

The Purchasing Director of FUU (see Figure 4) has 35 years' applicable experience. Having worked in this position for 17 years, the Purchasing Director of FUU has extensive knowledge of the structure prior to the implementation of SECOE, as well as knowledge of the process deployed as a direct user. The Purchasing Director had a positive view of the process improvements and the benefits realised. In terms of further process improvement, the respondent highlighted the need for greater investment in the training of process operators.

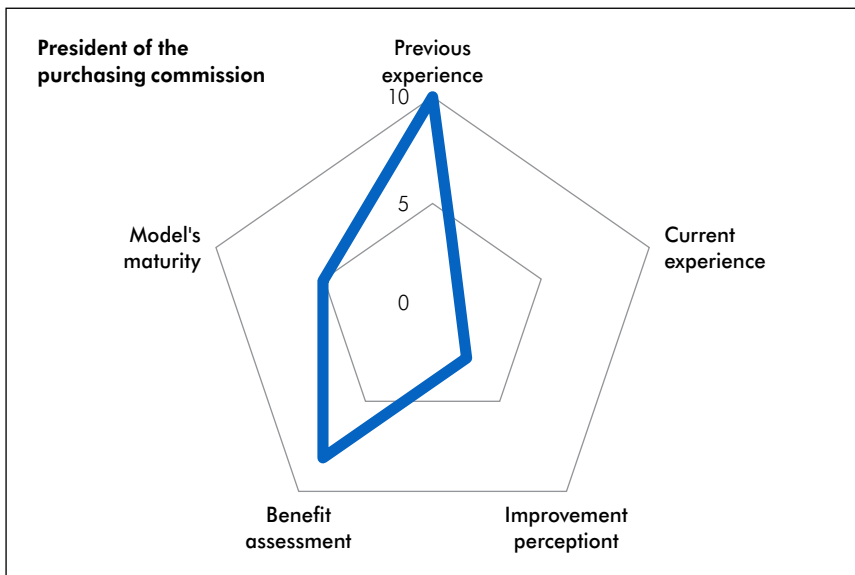
Figure 5 indicates the perception of the President of the FUU Bidding Commission, who has 25 years' working experience and 17 years' experience in this position. The results show that the respondent was aware of the structure prior to the implementation of SECOE. However, he was not a direct user of the

**Figure 4: Perception of the Purchasing Director**



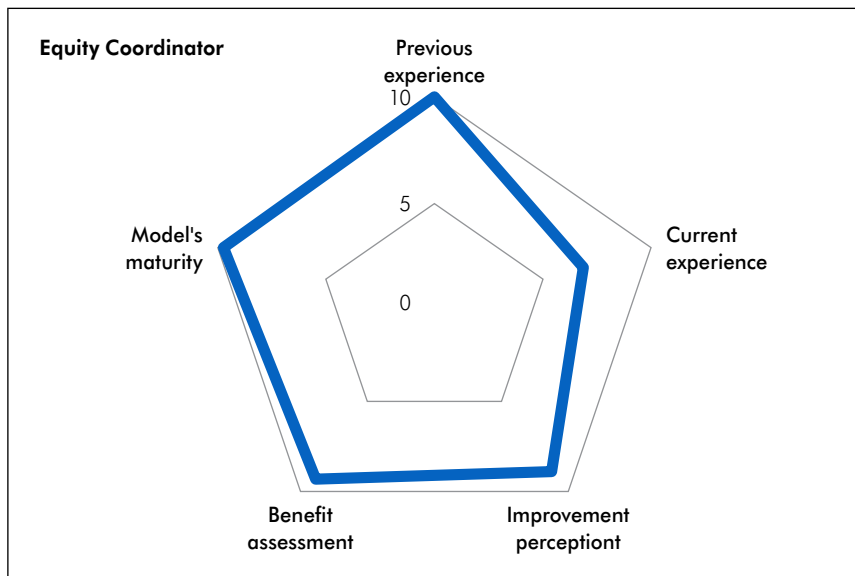
Source: (Authors' own construction)

**Figure 5: Perception of the President of the purchasing commission**



Source: (Authors' own construction)

**Figure 6: Perception of the Equity Coordinator**



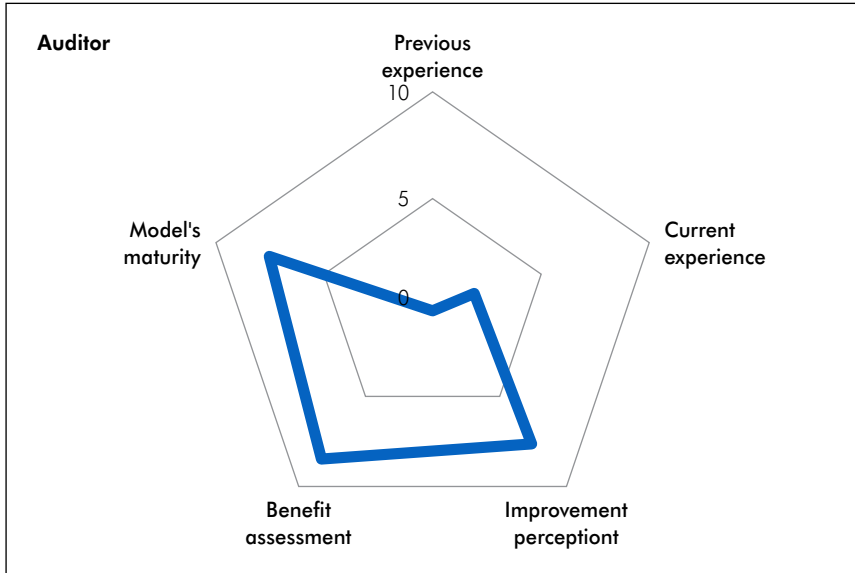
Source: (Authors' own construction)

implemented process and had a negative view of the model's improvement. The respondent believed a formal contact does not provide the same level of effectiveness as a verbal contact. He was aware of the limitations of the benefits generated by the new process and identifies the need to improve the formal collecting process.

The FUU Equity Coordinator (see Figure 6), who has 39 years' working experience and has served in this position for 17 years, has extensive knowledge of the structure prior to the implementation of SECOE. The respondent has knowledge of the implemented process as an indirect user, has a positive view of the process improvements and benefits realised, and does not see an immediate need for process improvement.

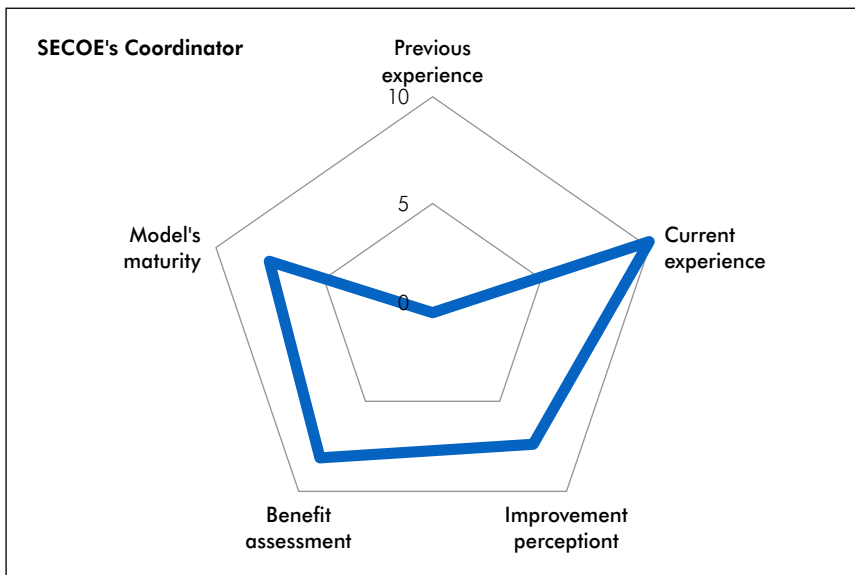
The FUU Auditor (see Figure 7) has 32 years' working experience with 26 years' experience in this position. The results reveal that the respondent carried no knowledge of the structure prior to the implementation of SECOE. He carries partial knowledge of the implemented process, has a positive view of the improvement of processes and benefits achieved, and identifies the need for improvement in the dissemination of the service. The FUU is an Auditor involved in the creation of operating manuals and stresses the importance of implementing initiatives such as this one, which promotes the control and governance of FUU activities.

**Figure 7: Perception of the Auditor**



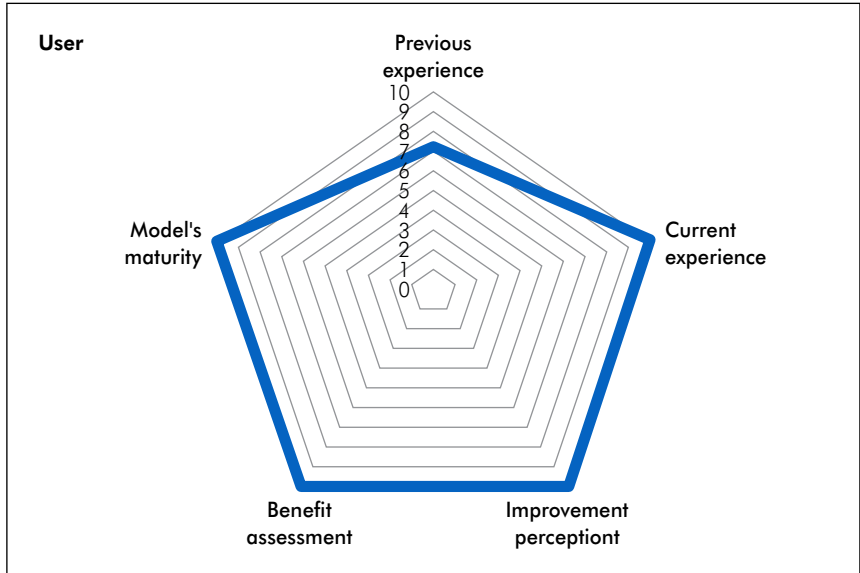
Source: (Authors' own construction)

**Figure 8: Perception of SECOE Coordinator**



Source: (Authors' own construction)

**Figure 9: Perception of a user**



Source: (Authors' own construction)

The SECOE Coordinator (see Figure 8) has been working in this position since joining the institution six years ago. Therefore, the respondent has no knowledge of the structure prior to the implementation of SECOE. However, she knows the implemented process and has a positive view of the benefits achieved. The respondent identifies the need for improvement in the dissemination of the service and expansion of the legal knowledge of servers who work in the collection process. Furthermore, she emphasises the importance of equal treatment in conducting the process, and the decisive role institutional support plays in related activities.

The user of SECOE services (see Figure 9). With seven years' working experience, the respondent is responsible for the purchase control of materials and equipment of an academic unit at FUU. The respondent has partial knowledge of the structure prior to SECOE implementation, is aware of the process implemented, and has a positive view of the process improvement and the benefits achieved and does not identify the need for process improvement. However, she points out that more FUU services that face difficulties in their execution should be structured according to the efficiency model proposed for SECOE.

Based on the above interviews, it became evident that the process presented an evolution of the previous model and has generated direct benefits for most stakeholders involved. Nonetheless, the respondents highlighted certain improvement needs.

## Document analysis

In sequence, SECOE's data was used as a basis for document analysis. Table 1 presents the history of SECOE's letters sent from 2010 to 2016:

**Table 1: Application of sanctions at UFU – 2010/2016**

Year	Warning notification	Warning register in SICAF	Fine issue	Document of fine and suspension	Register of suspension in SICAF for 2 years
2010	242	63	63	43	35
2011	509	125	125	64	47
2012	365	98	98	50	38
2013	455	123	123	84	46
2014	341	105	105	53	31
2015	227	75	75	46	39
2016	338	108	108	65	46
<b>Total</b>	<b>2477</b>	<b>697</b>	<b>697</b>	<b>405</b>	<b>282</b>
<b>Average</b>	<b>354</b>	<b>100</b>	<b>100</b>	<b>58</b>	<b>40</b>

Source: (Authors' own construction)

Out of every 100 companies that failed to comply with deadline delivery or those that delivered with divergence, sending a Warning Letter resolved the situation in 72% of cases. A Fine Letter resolved 58% of the cases among the remaining 28 companies that had a warning registered with the Unified Supplier Registration System (SICAF). Of the 16 remaining companies, the Letter of Fine and Suspension resolved 30% of the cases. As such, only 11 companies were suspended by the SICAF for two years.

According to Table 1, the collection calls of 2 477 companies over a six-year period, resulted in the suspension of 282 companies. This represents an 89% solvency index in the collection processes and indicates a high-efficiency index achieved by the process. The data sources that were used as a basis for document analysis focused on equipment tipping acquired by FUU during the period 2010 to 2016, and the data on FUU's invoice records generated during the purchase process. The combination of the two databases determine the time elapsed between generating invoices to the delivery of invoices.

It was possible to verify whether there was an improvement in the efficiency of the public purchasing process and to identify whether there was a reduction in the average delivery time after the service was implemented. Information on the average delivery time of equipment was used (Zylbersztajn and Sztajn 2005; Di Pietro 2002).

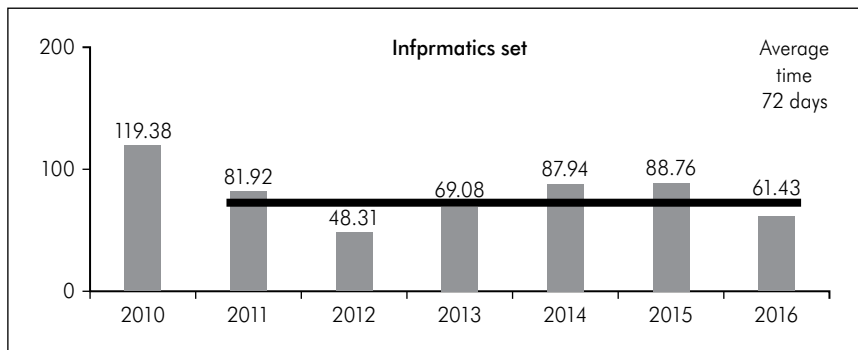
It was decided to verify information relating to the purchase of equipment for the confirmation of delivery data. This was due to the fact that it was a scarce and important investment resource for the institution. The items with the greatest representation in the data processing group were identified. This included computers, notebooks, netbooks, tablets, printers and stabilisers, which corresponded with 70% of the volume of data processing purchases.

The analysis of three groups began with computers, laptops, netbooks and tablets, followed by printers and stabilisers. In 2010, the delivery time of computers, notebooks and tablets of 115.82 days was reduced to 47.27 days, a reduction of 59.19%. At the end of the SECOE implementation period in 2012, the printer group's delivery time of 166.45 days, was reduced to 61.03 days, a reduction of 63.33%. Lastly, the delivery time of stabilisers was reduced from 111.42 days to 46.64 days.

Figure 10 corresponds with the junction of all the previous items. In 2010, the average delivery time of the set was 119.38 days. At the end of SECOE's implementation period in 2012 it was reduced to 48.31, a reduction of 59.33% in the average delivery time. From 2013, the average time of fluctuations maintained an average reduction of 35.67% from the initial term.

It was possible to notice a reduction in the average delivery time, to corroborate the primary data collected, to indicate greater efficiency of the acquisition process and reduce the service time of the users' needs, as well as to maximise the results with less loss and effort, as proposed by Zylbersztajn and Sztajn (2005) and Di Pietro (2002).

**Figure 10: Average time of delivery**



Source: (Author's own construction)



## **PROPOSAL FOR IMPROVEMENTS TO THE SANCTION MODEL**

The current research aims to identify the contributions and limits of the implemented process and to propose improvements identified by the different stakeholders involved in the process. In this regard, the responses to the interviews highlighted the need to improve the disclosure of the service offered and the corresponding user training to extract all the potential that the implemented structure offers.

The identified SECOE delivery deadlines were not met. For this reason, a structured disclosure of the services performed by the sector was not prepared. Users only became aware of the service when consulted about certain positions related to defence presented by the company. Therefore, it is necessary to organise a disclosure of the services offered. The performance of SECOE is restricted to the purchasing process after an invoice was generated. However, the judgments of the Brazilian Federal Court of Auditors pointed to the need to penalise suppliers who engaged in harmful behaviour towards the institution during the electronic trading process. This includes refusing to honour proposals made, which is equally harmful to the institution.

Likewise, the process should broaden its scope of action. Besides initiating processes related to consumption and permanent materials, there should be a structured system to impose implementation penalties for trading, for service contracts, as well as for the operation of warranties and the maintenance of equipment. Furthermore, SECOE should expand the number of servers. This is due to the volume of processes that need to be managed, because of the increase in the scope of operation, and the necessary investment in server-related training, mainly in the expansion of the legal and procedural scope.

## **CONCLUSION**

The objective of this article was to outline the implementation process of the supplier sanction model at the FUU in 2010. The research focused on contracts signed between public and private entities within the relations established in the contract, demonstrating their contributions under the spectrum of different actors. In this sense, the process was fully described, and the contributions were presented.

The field diary pointed to the difficulties of structuring a formal collection process that made the institution vulnerable and failed to defend the institution's interests. Interviews with the different stakeholders pointed to how crucial the process is for the institution, either to protect the manager or to serve the end-user more efficiently. Therefore, opportunities to take advantage of the bureaucratic weaknesses of the public service should be prevented.

Most interviewees identified improvements in the collection process. Moreover, the benefits generated by its implementation and structural improvements were identified. In terms of the invoice collection processes, the secondary data on the execution of SECOE's collection process between 2010–2016 demonstrated a solvency index of 89%. At the end of the implementation period in 2012, databases of goods tipping and invoice generation revealed a 59% reduction in the average delivery time of the equipment and a 36% reduction in the four years that followed the original deadline.

In this sense, there is a brief reflection on the increase in the medium-term after the end of its implementation in 2012. According to Gouvêa (1994), it is not only an isolated aspect that determines the success of an initiative, but a set of elements that subsidise the efficiency factors. During one of the interviews, the Coordinator of SECOE highlighted that the commitment to higher management is essential, especially concerning the defence of institutional interests and the standardisation of performance in the collection processes. In 2012, the new management generated a new learning cycle, which may justify the increase in the average time during this period. However, after this period of adaptation, the average delivery time decreased in 2016.

The difficulty in looking at the issue of bureaucracy begins when one realises that not only structural constraints, group interests and the founding features make up the ideal Weberian model. Moreover, not only corporatism and the context, but all these elements, delimit the bureaucracy's power space and its logic of action (Gouvêa 1994).

The process proved to be consistent and efficient. While the institution suspended 282 companies from public service bidding for two years, it was not sued on any occasion. This aspect is relevant because of the initial insecurity in the implementation. Furthermore, it serves to reassure other public agencies that apply the model as a basis for service implementation.

According to Zylbersztajn and Sztajn (2005) and Di Pietro (2002), efficiency plays an important role in the public administration. Based on the perception of internal stakeholders, the model has increased efficiency, the solvency index of the collection process and lowered the average delivery time. Furthermore, compliance with legal requirements, the protection of managers and meeting the needs of internal users improved service delivery.

This study focused on broadening the discussion on the importance of public management, by creating mechanisms that modernise management. Notably, there is a lack of scientific research on administrative sanctions' effect on public procurement. In line with this, the researcher hopes that the current study's focus on government purchases, administrative sanctions, and public-private relations will add to other studies that have emerged in the same direction.

The research followed a case study design. As such the findings can help other public bodies to overcome certain challenges, even if they cannot be generalised to all public management structures. It is suggested that future research on the subject focuses on the financial representation of the 11% of companies suspended, in comparison to the FUU budget; determines whether the model's application interferes with the generation of leftovers to pay; and evaluates the results of applying the FUU's invoice collecting model to another public body.

## NOTE

- \* This article is partly based on the Master's dissertation, '*Contribuições da Aplicação de Sanções Administrativas em Compras Públicas na Universidade Federal de Uberlândia*' (Contributions from the application of administrative sanctions in public purchasing at the Federal University of Uberlândia), by Nelson Barbosa Júnior, under supervision Luciana Oranges Cezarino at the Federal University of Uberlândia.

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