

**PROCUREMENT REVIEW REPORT RECOMMENDATIONS**

1. Paragraph 2.14 – the Procurement Board should consider the implications of the report for grant-giving within the first 2 years of its operations.
2. Paragraph 2.15 – “Public Procurement” should be defined as the process of the acquisition, usually by means of a contractual arrangement, of goods, services, works, and other supplies by the public service from persons outside the public service. This process spans the whole life cycle from initial conception and definition of the needs of the public service through to the end of the useful life of an asset or the end of a contract. Both conventionally funded and more innovative types of funded projects (eg Public and Private Partnerships (PPP) Private Finance Initiatives (PFI)) are included, as is the use of the private sector to deliver services previously delivered directly by the public sector (contracting out”).
3. Paragraph 2.16 – “Best Value for Money” should be defined as the “optimum combination of whole life cost and quality (or fitness for purpose) to meet the customer’s requirements”.
4. Paragraph 2.16 – the Procurement Board should work with audit to establish criteria for and identify methods of evidencing value for money.
5. Paragraph 2.17 – the 12 Principles of Procurement Policy should be: Transparency, Integrity, Competitive Supply, Effectiveness, Efficiency, Fair-dealing, Responsiveness, Informed decision-making, Consistency, Legality, Integration and Accountability.
6. Paragraph 2.18 – implications (14) of adopting the 12 Principles as the basis for new procurement policy.
7. Paragraph 2.19 – the policies and principles should apply to all Northern Ireland public bodies, including Northern Ireland Departments, non-Departmental public bodies (NDPBs), public corporations and local authorities.
8. Paragraph 3.4 – there should be a high level Procurement Board supported by a Central Procurement Body (CPB) in DFP, interacting with the wider community in Northern Ireland, with the Northern Ireland public sector generally and with Centres of Procurement Expertise in particular.
9. Paragraph 3.6 – the Procurement Board should be clearly accountable to the Northern Ireland Executive and accountable to the Northern

Ireland assembly and should be chaired by the Minister for Finance and Personnel, who would clear policy proposals, as appropriate, with the Executive and provide periodic progress reports on the application and monitoring of the policy and progress with implementing the recommendations in this Report.

10. Paragraph 3.9 – the roles and responsibilities of the Procurement Board.
11. Paragraph 3.10 – the roles and responsibilities of the CPB.
12. Paragraph 3.18 – the Centres of Expertise, listed in the Capita Report as Roads Service, Water Service, the Central Services Agency - Regional Supplies Service, Health Estates and Education and Library Boards, are best located as at the moment.
13. Paragraph 3.18 – the Procurement Board should agree the complete list of Centres of Expertise using criteria outlined in paragraph 3.20.
14. Paragraph 3.20 – the competencies of these Centres of Expertise should be reviewed by the Procurement Board every 3 years.
15. Paragraph 3.22 – Northern Ireland Departments, Agencies, NDPBs and public corporations, should carry out their procurement activities by means of documented Service Level Agreements with the CPB or a relevant Centre of Expertise.
16. Paragraph 3.22 – procurers should follow one of 3 routes for access to professional procurement services.
17. Paragraph 3.23 – a Procurement Practitioners' Group (PPG) should be established where representatives from the Centres of Expertise and the CPB should meet regularly to inform, test and develop policy and, where appropriate, operational issues.
18. Paragraph 3.25 – the initial membership of the PPG should comprise the CPB, which would chair the Group, and the Centres of Expertise. Membership should be supplemented with representation from other bodies (for example, the Equality Commission) depending on the issues to be considered.
19. Paragraph 3.26 – the roles and responsibilities of the PPG.
20. Paragraph 3.30 – the CPB should be formed by drawing together the Government Purchasing Agency (GPA) and Construction Service, largely as they are but with a refocus on procurement, under a single Director. The next step would be an alignment review within 6 months to determine the most appropriate structure.

21. Paragraph 3.31 – an Implementation Group should be established temporarily within DFP to take forward the recommendations and during the transitional period the CPB should be known as the Central Procurement and Construction Agency (see also paragraph 3.32 and Annex E).
22. Paragraph 3.33 – Migration Plan (see also Annex F).
23. Paragraph 4.9 – the CPB should propose mechanisms to the Procurement Board which will have the effect of giving procurement staff in the CPB or the relevant Centre of Expertise the authority to influence all strategic procurement conducted by that area.
24. Paragraph 4.9 – the Procurement Board should review the efficiency and effectiveness of expenditure control mechanisms currently in force (eg the Health Service “mini-code”).
25. Paragraph 4.10 – the CPB, in conjunction with PPG, should formulate guidelines for organisations to support the effective identification of strategic projects and the level of involvement for central procurement.
26. Paragraph 4.11(i) – opportunities for improvements should be sought with strategic suppliers, consistent with an enlightened supplier management policy, with the objective of delivering additional benefits to customer and supplier.
27. Paragraph 4.11 (ii) – in planning and managing their procurement activities, public sector organisations should clearly distinguish strategic and routine requirements and ensure that highly skilled and appropriately qualified staff are allocated to strategic contracts.
28. Paragraph 4.13 – the 6 Principles of Good Practice (identified in Modernising Procurement NAO 1999) should be considered by the Procurement Board for adoption, through (where appropriate) the CPB and PPG, across all public sector organisations in relation to strategic requirements.
29. Paragraph 4.14 - the CPB should provide expertise, advice and a co-ordinating role, and where appropriate directly procure strategic requirements, and such types of procurement should be routed through either the CPB or an existing Centre of Expertise.
30. Paragraph 4.14 – further consideration should be given to the role of the CPB in establishing the potential for PPP/PFI in the context of the work on the Review of Potential New Sources of Funding for the Public Sector.
31. Paragraph 4.15(i) – Gateway reviews, as developed by the Office of Government Commerce (OGC) and adopted by all UK Government

Departments, should be carried out at critical stages of project planning and development of all major capital projects.

32. Paragraph 4.15(ii) – a Northern Ireland version of Achieving Excellence goals and targets for new construction contracts should be developed and adopted.
33. Paragraph 4.16 – the CPB and Centres of Expertise should develop a common process to optimise the quality and performance of the supplier base and define their roles in the management of the overall relationship with suppliers.
34. Paragraph 4.17 – the Procurement Board should request a more detailed analysis of purchasing requirements for each Department and the CPB should use this to form the basis of a progressive process of aggregation and rationalisation.
35. Paragraph 4.17 – following the analysis, lead buyer arrangements should be developed and agreed through PPG.
36. Paragraph 4.18 – the CPB should explore the adoption of appropriate product and supplier coding systems in order to facilitate aggregation, contract and supplier management and monitoring and evaluation.
37. Paragraph 4.19 – collaborative opportunities should be developed by the CPB and Centres of Expertise with parallel bodies in GB and the Irish Republic.
38. Paragraph 4.20 – the Procurement Board should require Departments, Agencies, NDPBs and public corporations to develop better management information.
39. Paragraph 4.22 – a common supplier database and common supplier appraisal documentation and accreditation which can be accessed by the Northern Ireland public sector should be developed.
40. Paragraph 4.23 – the CPB, in parallel with OGC or with UK Departments or Agencies, should lead in the development of vendor rating with other procurement organisations.
41. Paragraph 4.26 – the CPB should develop supplier sourcing strategies based upon best practice.
42. Paragraph 4.28 – the CPB, Centres of Expertise and PPG should facilitate the operation of an effective public sector procurement career path structure embracing staff from as wide a range of public sector organisations as is feasible.

43. Paragraph 4.30 – the Procurement Board should ensure that pressure is maintained to increase the proportion of staff in all public bodies with procurement skills appropriate to their level of responsibilities.
44. Paragraph 4.32 – the Procurement Board should ensure that electronic commerce becomes the standard way of doing business for Departments, Agencies, NDPBs and public corporations by setting strategic targets for the adoption of electronic transactions, including the use of Procurement Cards.
45. Paragraph 4.34 – the Procurement Board should establish, as a matter of urgency, an e-commerce strategy.
46. Paragraph 4.35 – the Procurement Board should encourage the adoption of a common performance measurement system for procurement, and should consider the appropriateness of the Procurement Excellence Model developed by the OGC.
47. Paragraph 4.37 – the CPB and PPG should consider whether and how the methodology proposed by OGC on measuring VFM in procurement may be implemented across the Northern Ireland public sector.
48. Paragraph 4.40 – “Quick Wins”.
49. Paragraph 5.10 – public procurement policy should continue to pay due regard to economic, environmental and social policies, subject to the considerations and modalities in Chapter 5.
50. Paragraph 5.12 – several principles should be taken into account in choosing how best to introduce economic, social and environmental policies and which such policies should be integrated into the process of public procurement.
51. Paragraph 5.16 – the processes adopted for integration should be appropriate to the type of procurement contract.
52. Paragraph 5.18 – social, economic and environmental issues should be assessed, and mechanisms for dealing with them identified, within a risk management framework.
53. Paragraph 5.21 – legislation should provide unambiguously that direct and indirect discrimination is prohibited in relation to procurement on the grounds of religion and political belief, sex, race or ethnic origin, or disability.
54. Paragraph 5.22 – equivalent sanctions for persistent and recalcitrant breach of the other anti-discrimination laws should be enacted as are included in the Fair Employment and Treatment Order 1998, amended in line with the proposals of SACHR regarding the equivalent provisions of the 1989 Act.

55. Paragraph 5.22 – compliance with the anti-discrimination legislation should become a contract condition in all procurement contracts above or below the EC thresholds and appropriate arrangements for monitoring this contract condition should be developed by the Procurement Board, in consultation with the Equality Commission and business interests, to ensure that the approach is proportional.
56. Paragraph 5.24 – the Procurement Board should ensure that the “Special Contracts Arrangement” to help workshops for the disabled is well publicised and that procurement staff are instructed to promote its use at every opportunity.
57. Paragraph 5.25 – particular emphasis should be placed on the role that public procurement should play in tackling unemployment.
58. Paragraph 5.26 – responsibility for integrating the tackling of unemployment into procurement should be allocated to the Procurement Board. All Departments, Agencies, NDPBs and public corporations should be required to include a section on this policy in their annual reports. Comprehensive guidelines should be prepared for decision makers by the Procurement Board.
59. Paragraph 5.27 – a pilot project to assist the unemployed should be instituted, involving qualifying criteria requiring suppliers to draw up a clear, specific and concise plan for utilizing the unemployed generally and in the work on the contract, including work carried out by sub-contractors. The definition of “unemployed” should be carefully considered, in consultation with the Equality Commission, so as not to discriminate against women and should include unemployed from anywhere in the EC (and beyond, in the case of a tenderer from outside the EC). When a bid is accepted, carrying out the plan will become a contract condition and failure to comply with the plan should be subject to an appropriate penalty.
60. Paragraph 5.28 – adherence to the above condition should also be taken into account at the award stage, and should be specified in the tender documentation.
61. Paragraph 5.28 – the feasibility and quality of the supplier’s plan to utilise the unemployed should be taken into account at the award stage where otherwise equivalent tenders who submit a plan are in competition.
62. Paragraph 5.29 – the requirements of the pilot project should be confined for the first two years of operation to works contracts above £3.5m and considered subsequently in light of experience for inclusion in other types of contracts.

63. Paragraph 5.29 – this approach should apply to all Northern Ireland Departments, Agencies, NDPBs and public corporations and should be commended to local authorities for their consideration.
64. Paragraph 5.30 – the pilot should contain a critical mass of projects, at least 20, and at least one by each Department. This may involve some Departments using substantial service contracts (i.e. those above £0.5m) for the pilot.
65. Paragraph 5.32 – the Procurement Board should be tasked with drawing up a detailed set of guidance on the above issues for Departments and other public bodies within the first 6 months of operation and institute a programme of education for potential suppliers to enable them to understand fully the new policies.
66. Paragraph 5.32 – the Procurement Board should be tasked with assessing the operation of the unemployment strategy recommended above and making recommendations for its greater effectiveness, also within 2 years of the Board coming into operation.
67. Paragraph 5.33 – the current Model Policy Statement for Greening Government Operations for Northern Ireland should be reissued with the support of the Executive Committee and its encouragement to put it into operation in each Department.
68. Paragraph 5.33 – the Procurement Board should be tasked with reviewing the procurement element of the environmental policy, in consultation with Departments and other interested groups, within a year of its establishment.
69. Paragraph 5.37 – more should be done within the existing EC framework for those responsible for public procurement to work with small and medium-sized enterprises (SMEs) to better equip them for competing for public contracts.
70. Paragraph 5.37 – SMEs should be encouraged to participate in public sector contracts in ways which do not discriminate against larger firms and which help to improve increasing competition.
71. Paragraph 5.37 – the Procurement Board should continue the outreach policy of GPA, but also the Equality Commission and DETI should specifically target SMEs with advice and assistance in the context of the new procurement policy.
72. Paragraph 5.37 – the contracting authorities should:
  - improve access to relevant procurement information, making effective use of electronic means of transmission and receipt of contract documentation;

- consider sub-dividing large contracts in appropriate circumstances, so that SMEs can bid, whilst taking care that splitting of a contract does not inadvertently reduce the contract value below EC thresholds;
  - take a flexible approach when seeking quality assurance;
  - give special attention to the prompt payment of invoices; and
  - ensure that enquiries from SME managers in relation to contract opportunities are directed to knowledgeable and qualified staff.
73. Paragraph 5.38 – the CPB should have appropriate post-contract-award mechanisms to provide assurance that all contract conditions are adequately monitored.
74. Paragraph 5.38 – to gain recognition, a Centre of Expertise should satisfy the Procurement Board that it has adequate mechanisms in place to provide assurance that the conditions of contract are adequately monitored and pursued.
75. Paragraph 5.38 – there should be an internal mechanism for considering and resolving complaints by interested third parties that contract conditions have not been honoured.
76. Paragraph 5.39 – it should be a function of the Procurement Board to develop a database of information relevant for assessing the success or otherwise of the policies recommended in Chapter 5.
77. Paragraph 5.40 – the provisions of Article 20 of the Education and Library Boards (NI) Order 1993 and Article 19 of the Local Government (Miscellaneous Provisions) (NI) Order 1992 should be amended appropriately to enable local government and other public bodies to comply with the policies recommended.
78. Paragraph 6.9 – the need for legislation to ensure compliance with the proposals in the Report should be kept under review by the Procurement Board.
79. Paragraph 7.4 – the Team’s recommendations should be regarded as a coherent and integrated package of measures.