

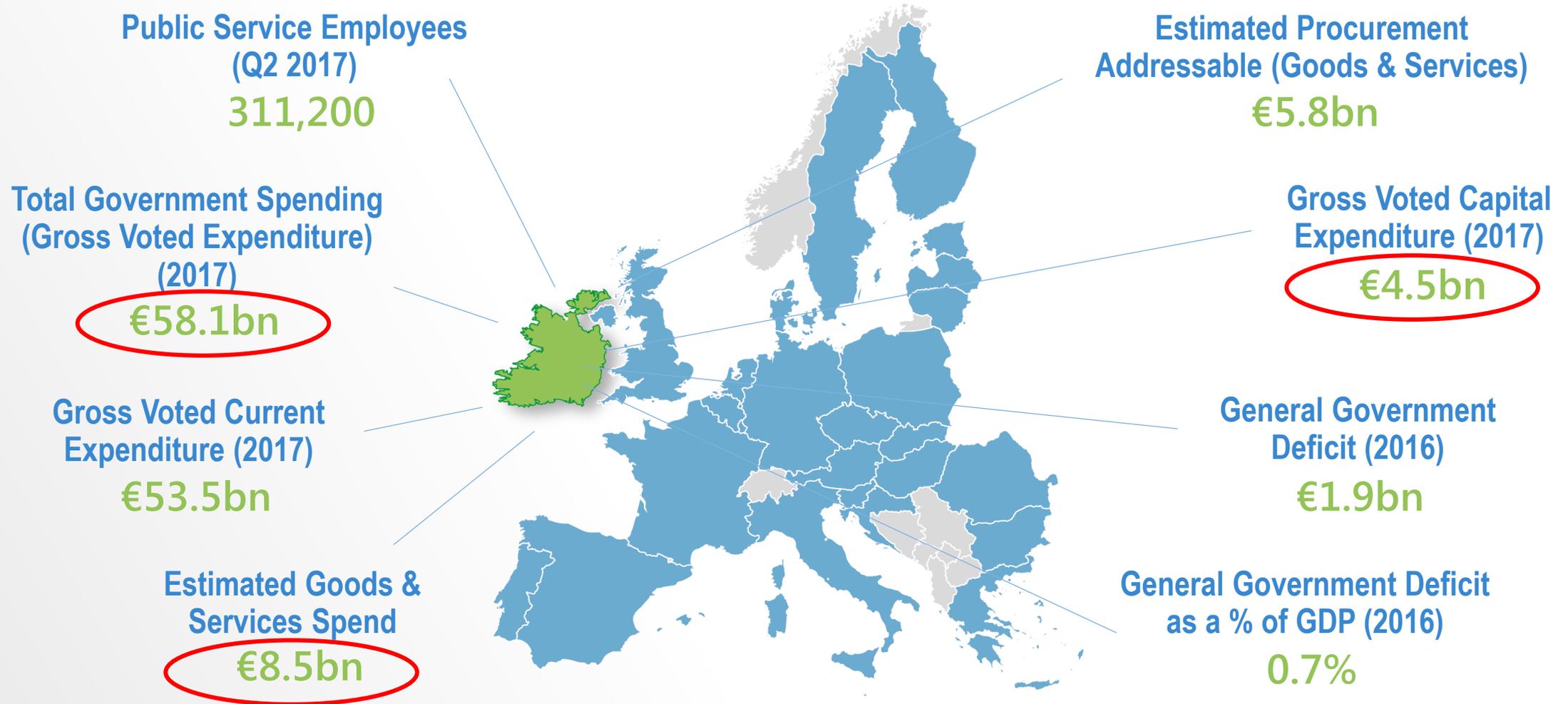


Oifig um Sholáthar Rialtas
Office of Government Procurement

Reform of the Public Procurement System within Ireland

Paul Quinn
Government CPO
4th December, 2017

Ireland in Context – Government Expenditure



Procurement Reform in Context – 2013

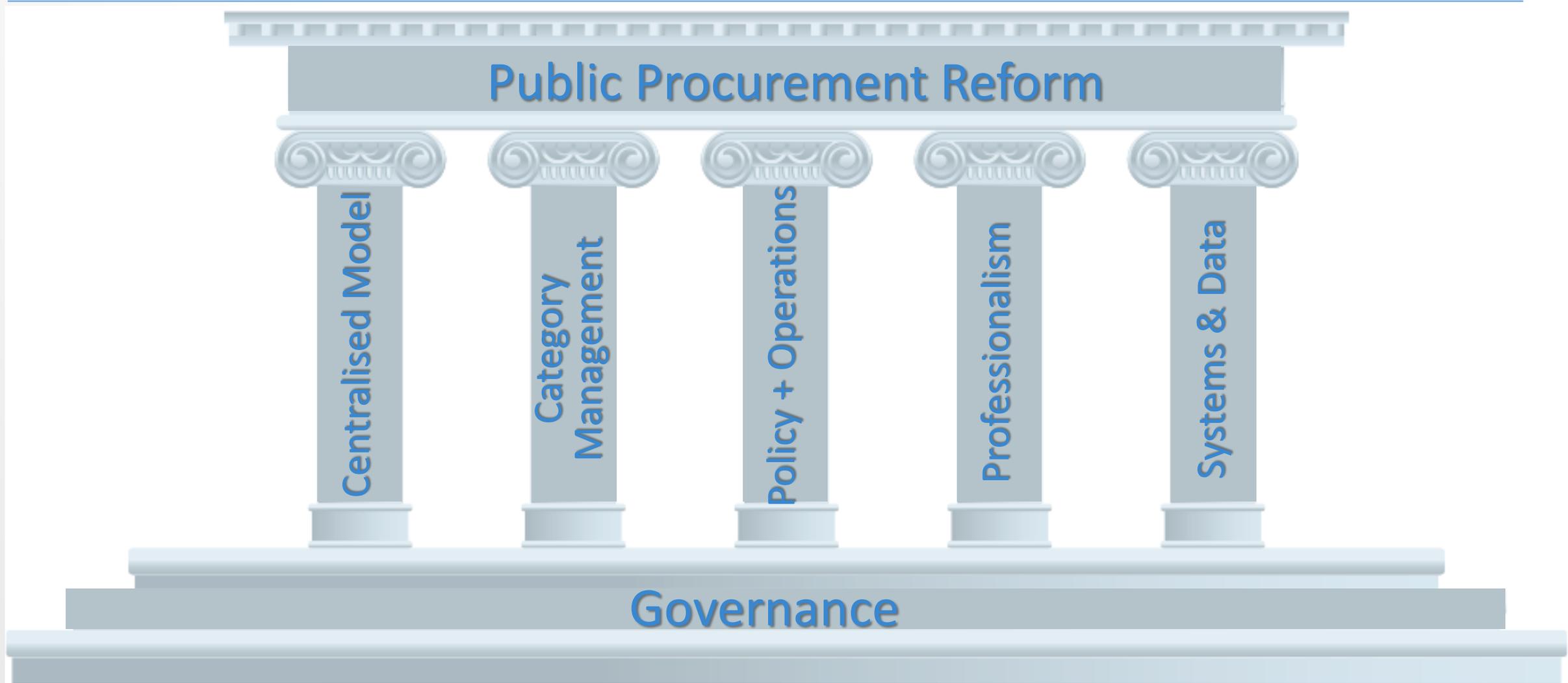


- Savings target of €500m over 3 years on a €6.9bn per annum
- A strong governance model
- Full migration to the new model to be completed by Q1 2014.
- Public procurement will need to be **accessible by all vendors**.

- A key public service reform programme
- A significant enabler to hitting the deficit reduction targets.
- **Government decided** a centre-led procurement model and approved the implementation plan on 23rd April.
- Programme will **design new structures** and the **allocation of resources** in the centre and sectors.

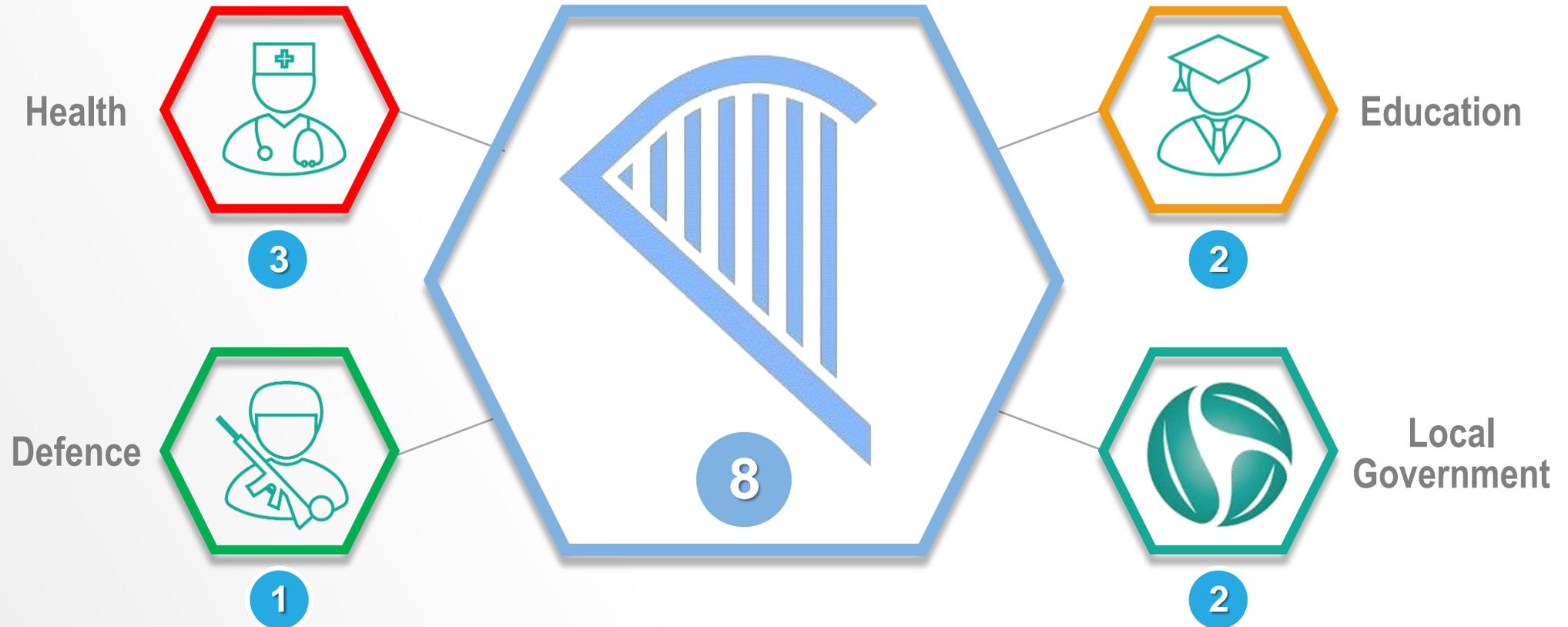


Reform Pillars



The Model – Centralised in 5 Key CPB's with Expanded Remit

16 Categories – 'One Voice' to the market



OGP Functions

Supplier Framework
Agreements &
Contracts



Openness
&
Transparency



Enable
Sustainable
Procurement
Savings



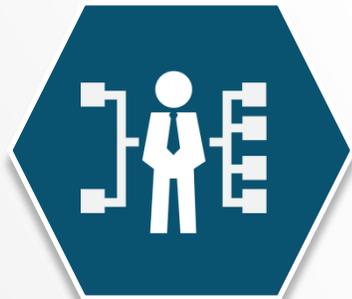
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Procurement Policy, Strategy & Operations

Information
Assistance
Support



Implementing
Policy
Initiatives



Continue to
Grow Capacity
& Capability



The Balancing Act for Procurement



The Change Management Challenges

- Scale and Pace
- Breaking new ground
- Whole of Government Reform
- Legal independence of public bodies
- Ensuring client buy-in
- Baseline compliance levels
- Availability of commercial skills
- Complexity of stakeholder expectations



What has been achieved?

- **OGP established** with approx. 200 staff currently and operating at scale
 - Over 140 Framework Agreements established encompassing over €3.5 billion in spend
 - In 2017, OGP estimate it will support clients concluding approx. 1,000 competitions
- Strong alignment between **Policy and Operations**
- **Sectoral co-operation** underpinned through Governance arrangements
- **Data** gathering and reporting provides much better insight
- Changes to procurement **legislation and policies** to support improvements in construction, SME engagement, cross-cutting policies, etc.
- Initiatives to increase **professionalization**
- Better understanding by **Oireachtas**
- Increasing the profile and influence of Ireland internationally through European Commission, OECD and CPB Networks

Meeting Public Service Sourcing Needs



A screenshot of the Office of Government Procurement website. The browser address bar shows 'http://procurement-contracts-dev.sites.ac/contracts'. The page title is 'An Oifig um Sholáthar Rialtais Office of Government Procurement'. The search results section shows 'Your search returned 1 result. Sort By: Expiry (Soon) | Expiry (Far)'. The result is for 'Pickup Trucks Contract', with details: 'Category: FLEET / PLANNING', 'Sector: Central Government', and 'Expiry Date: Thursday, July 31, 2016'. A note states: 'Note: The Contract has been extended until July 2016.' The website interface includes a search bar, navigation links, and a footer with the logo and name of the Office of Government Procurement.



Summary

- Ireland's procurement reform programme has been successful in establishing **new structures**, delivering value and building momentum – **more to be done!**
- Future Change Management Challenges
 - Further refinement of processes and systems
 - Building commercial skills
 - Scaling to increasing reach
 - Continuing engagement and buy-in



What is the learning?



Importance of a 'burning platform' initially

Governance arrangements for cooperation and collaboration

Focus on customer service

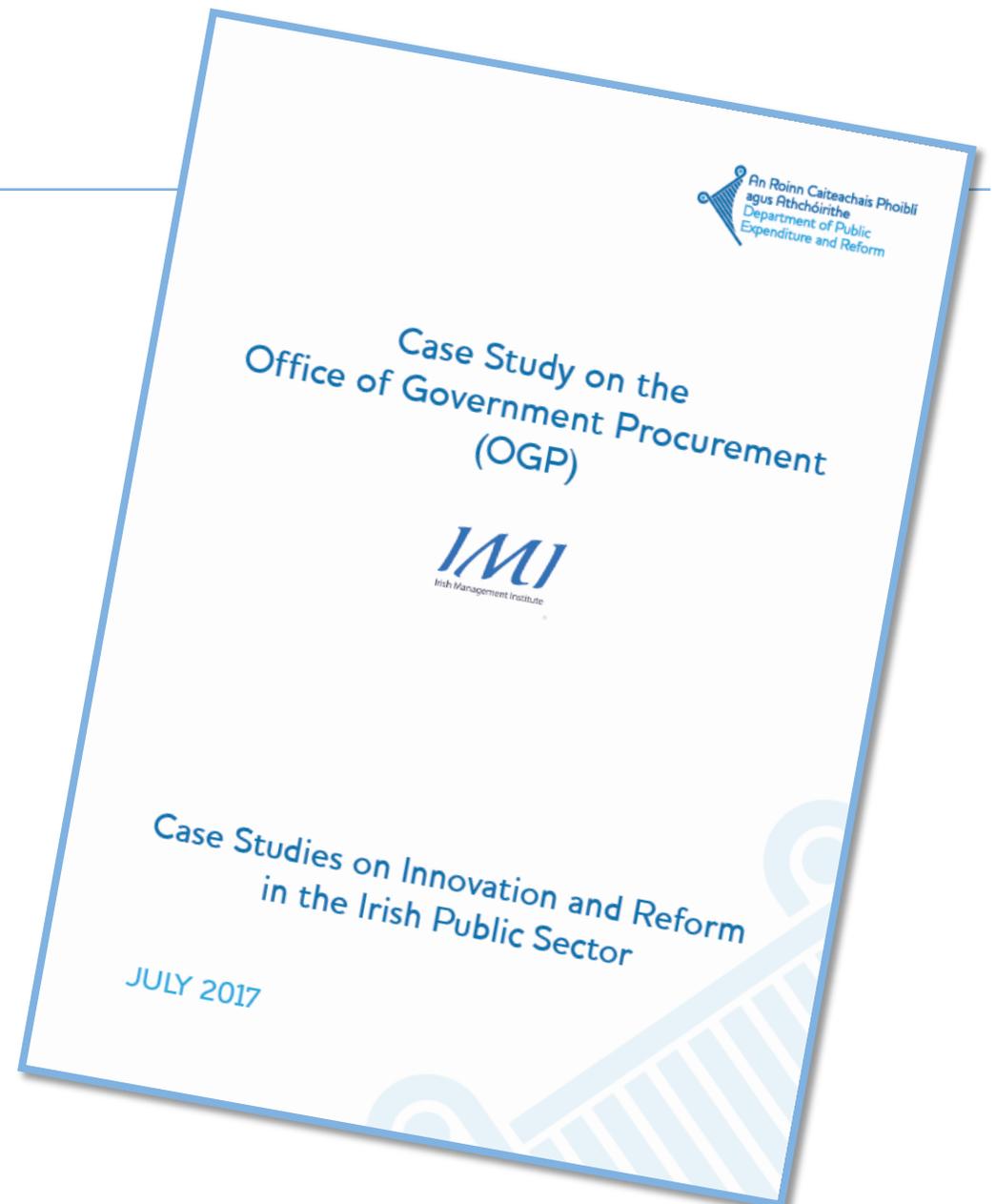
End user communications essential

Resilience in core leadership team

Keeping the 'pot simmering'

Further Reading

- Few academic case studies on public service reform
- Department of Public Expenditure and Reform sponsored three case studies:
 - OGP with IMI
 - Tusla with IPA
 - Intreo Programme with UCD
- Published in July 2017
- Case Study reflects progress to mid-2016

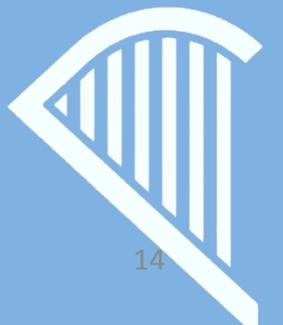




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Thank You

Supplementary Slides



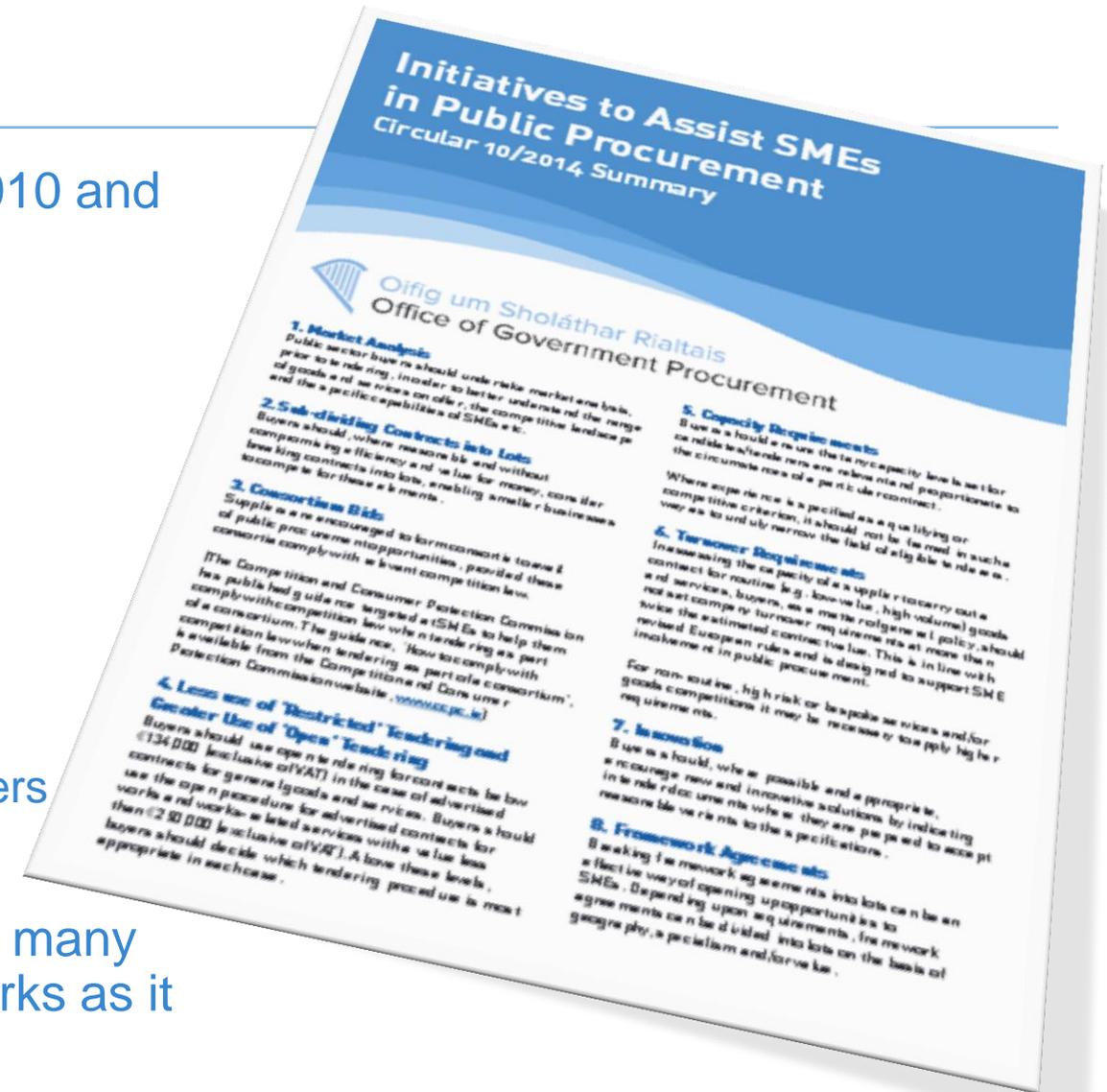
Reform Enablers #1 – Aligning Policy and Operations

- Strong **operational input into policy development** and reviews resulting in **better guidance**
- Support to operations in **consistent policy implementation**
- Better alignment with **other impacting policies** e.g. business development, job creation, environmental considerations, etc.
- **Better advice** to Ministers and Parliamentarians
- Improved **data-sharing** and engagement
- **Faster and better decision-making**
- **Holistic picture** of effectiveness and performance
- **Better Stakeholder Engagement**



Reform Enablers #2 – Policy

- SME Public Procurement Policy established in 2010 and refreshed in 2014, covering:
 - Market analysis
 - Proportionate Turnover levels
 - Proportionate Insurance levels
 - Use of Open Procedures
 - Lots
 - Consortia building
 - Transparency covering mandatory electronic tenders
 - Use of MEAT
- Construction Contracts Act 2013 has encouraged many SME sub-contractors to re-engage with public works as it ensures payments flow through supply chain.



Reform Enablers #3 – Systems & Processes

- Single National Tendering Platform
 - Includes notices, documents, submissions, queries, awards
- Mandatory electronic tendering for Tenders over €25,000
- Integrated ESPD (in Development)
- Revised National Guidelines launched in July 2017
- Standard Suite of Tender Documents
- Data Gathering & Reporting
- Support for DPS Functionality
- Tender Advisory Service for informal process review



Reform Enablers #4 – Awareness, Engagement and Education

- Collaboration with Industry Representative Bodies and Business Development Agencies on Policy and Communications
- Political Sponsorship
 - Minister of State chairs quarterly SME Engagement
 - Regional workshops on Procurement



- Tender Training for Businesses
- Publication of 9-Month Framework Pipeline
- ‘Meet the Buyer’ Events
- Website
- Helpdesk

Reform Enablers #5 – Framework Design

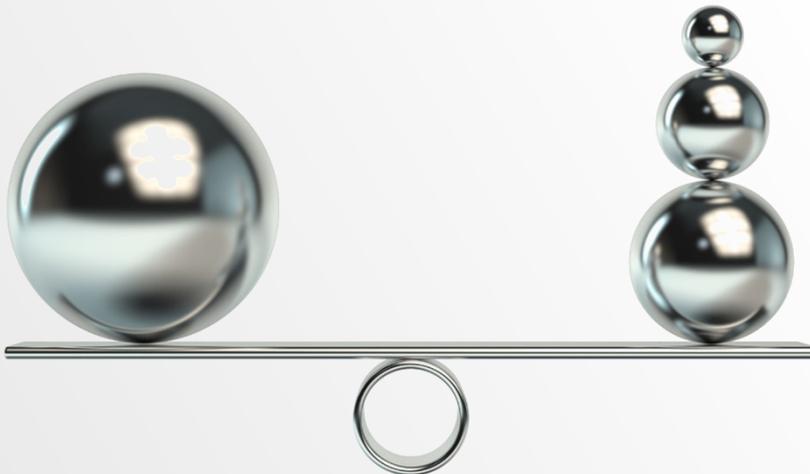
Analysis of 144 OGP Framework Agreements valued at €3.5bn:

- ✓ 94% use MEAT in award criteria
- ✓ 50% of frameworks have a turnover requirement of €0.3m
- ✓ 60% is the median percentage allocated to quality criteria
- ✓ 67% of FW have multiple lots, average of 4.5 lots/framework
- ✓ 47% of Frameworks have lots with estimated values of €0.5m or less



Outcomes:

- ✓ 68% of Framework Members are SMEs



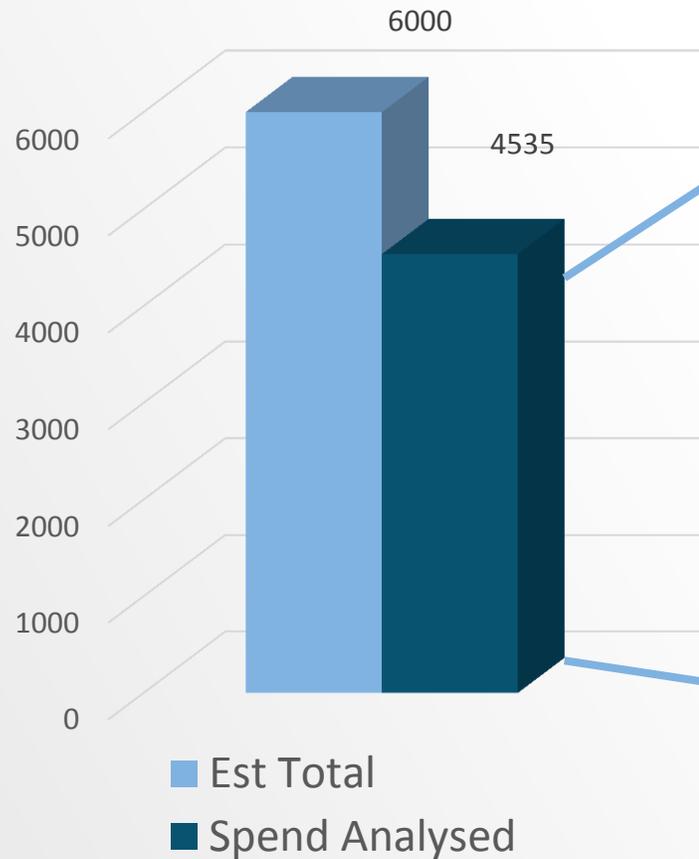
Spend and Tendering Reports

- First centralised view of procurement spend from data gathered from 2013 onwards from across the civil and public service
- The data has been analysed and reports for 2013, 2014 and 2015.
- Over half the spend analysed is with SME's

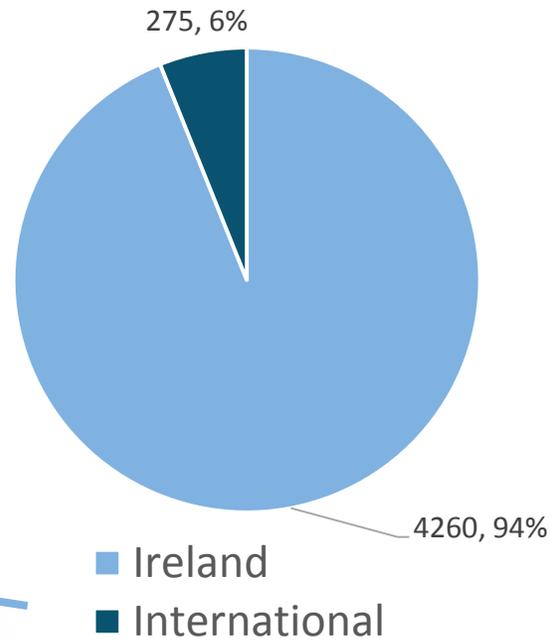


2015 Spend & Tendering Analysis

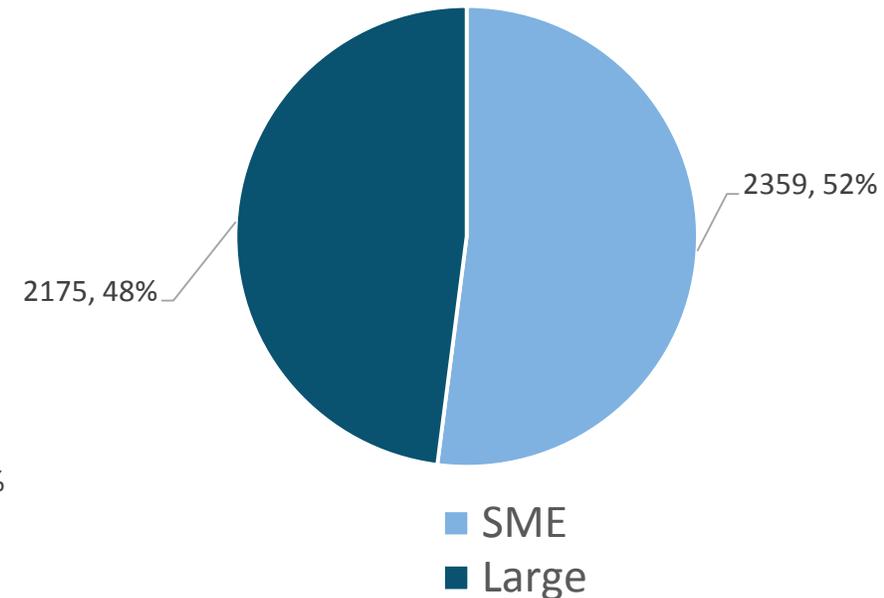
2015 Analysed Spend (€m)



Spend by Supplier Location (€m)



Spend by Supplier Type (€m)



2015 Spend & Tendering Analysis – SME Success by Category

