

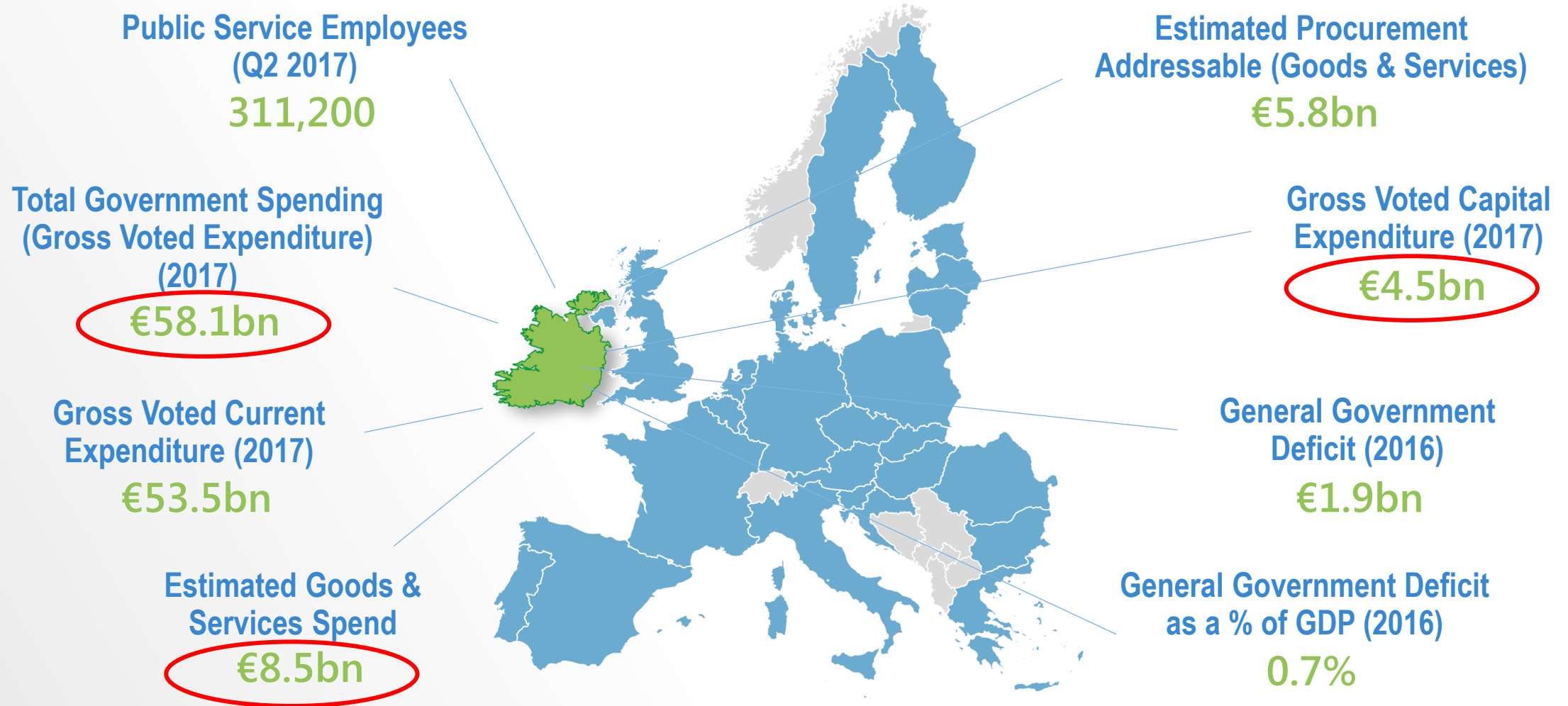


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Office of Government Procurement

# Reform of the Public Procurement System within Ireland

Paul Quinn  
Government CPO  
4<sup>th</sup> December, 2017

# Ireland in Context – Government Expenditure



# Procurement Reform in Context – 2013



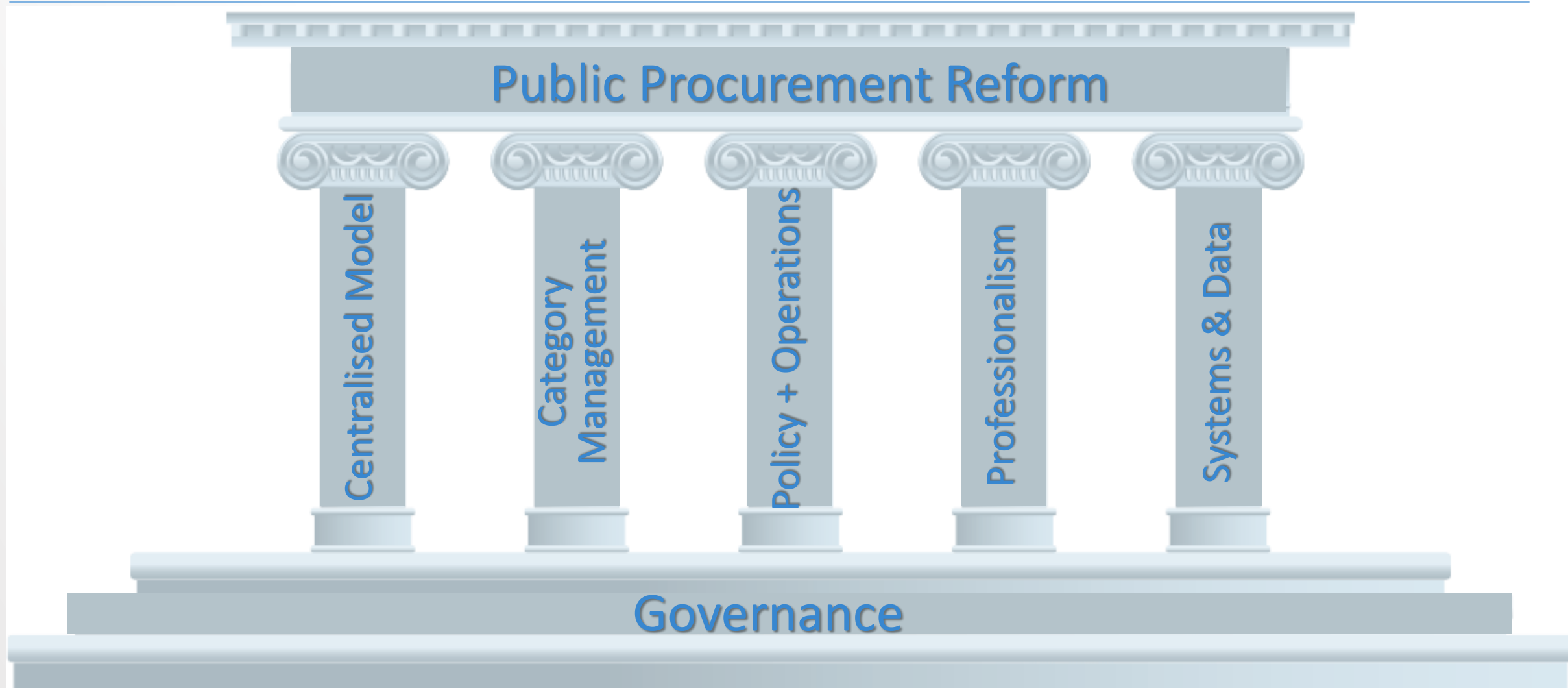
- Savings target of €500m over 3 years on a €6.9bn per annum
- A strong governance model
- Full migration to the new model to be completed by Q1 2014.
- Public procurement will need to be **accessible by all vendors**.

- 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 23<sup>rd</sup> April.
- Programme will **design new structures** and the **allocation of resources** in the centre and sectors.



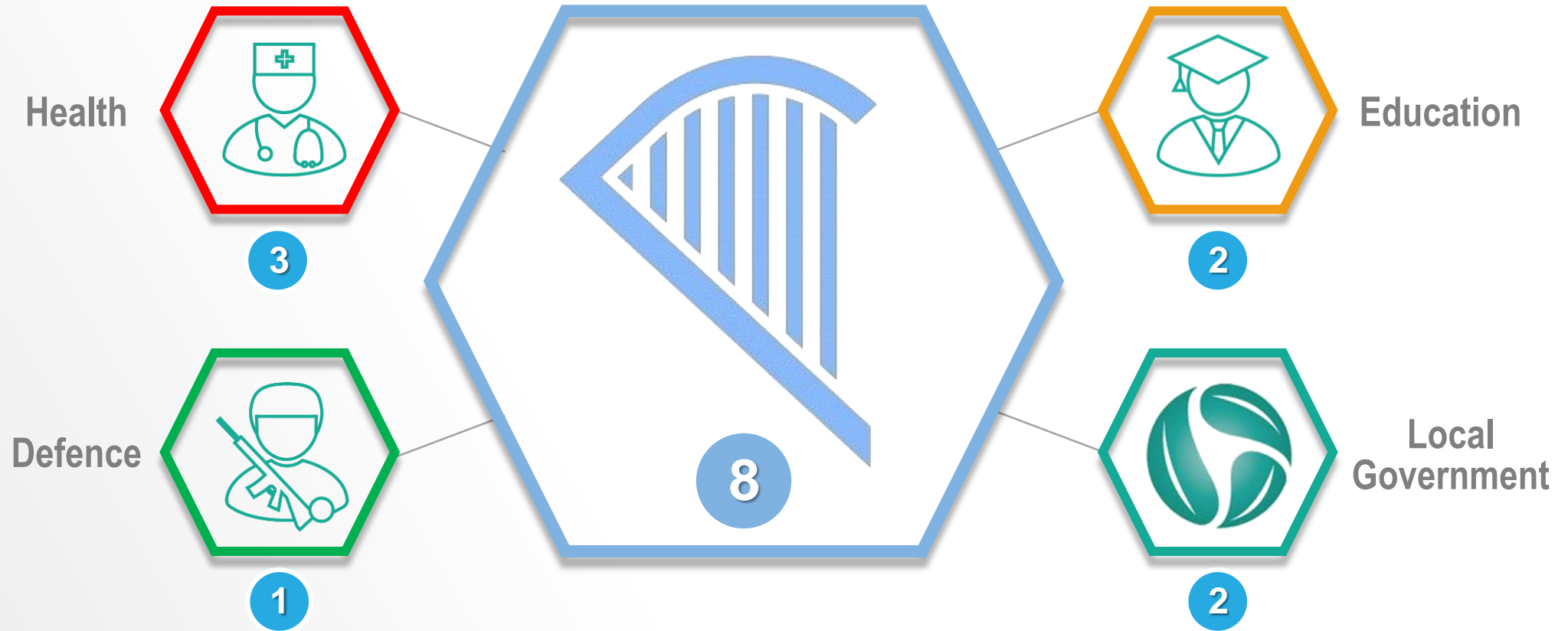


# Reform Pillars



# 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

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- 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?

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- **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



http://procurement-contracts-dev.sites.ac/contracts

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Find Frameworks and Contracts

Search

English Gaeilge

Log out

News for Public Sector Buyers

Contract Type: Live Category: - None - Sector: - Any - Keywords: Apply

Your search returned 1 result. Sort By: Expiry (Soon) | Expiry (Far)

**Pickup Trucks Contract**

Category: FLEET / PLANNING  
Sector: Central Government  
Expiry Date: Thursday, July 31, 2016

**Management Services**

The Government Procurement has awarded the contract for the provision of Travel Management Services to Club Travel Limited, with effect from 1st August 2014. The contract is for an initial term of one year, renewable annually for a maximum of three years, until 31st July 2017 (subject to satisfactory performance).

Note: The Contract has been extended until July 2016.

10:50 22/06/2016

# Summary

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- 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?

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Importance of a 'burning platform' initially

Governance arrangements for cooperation and collaboration

Focus on customer service

End user communications essential

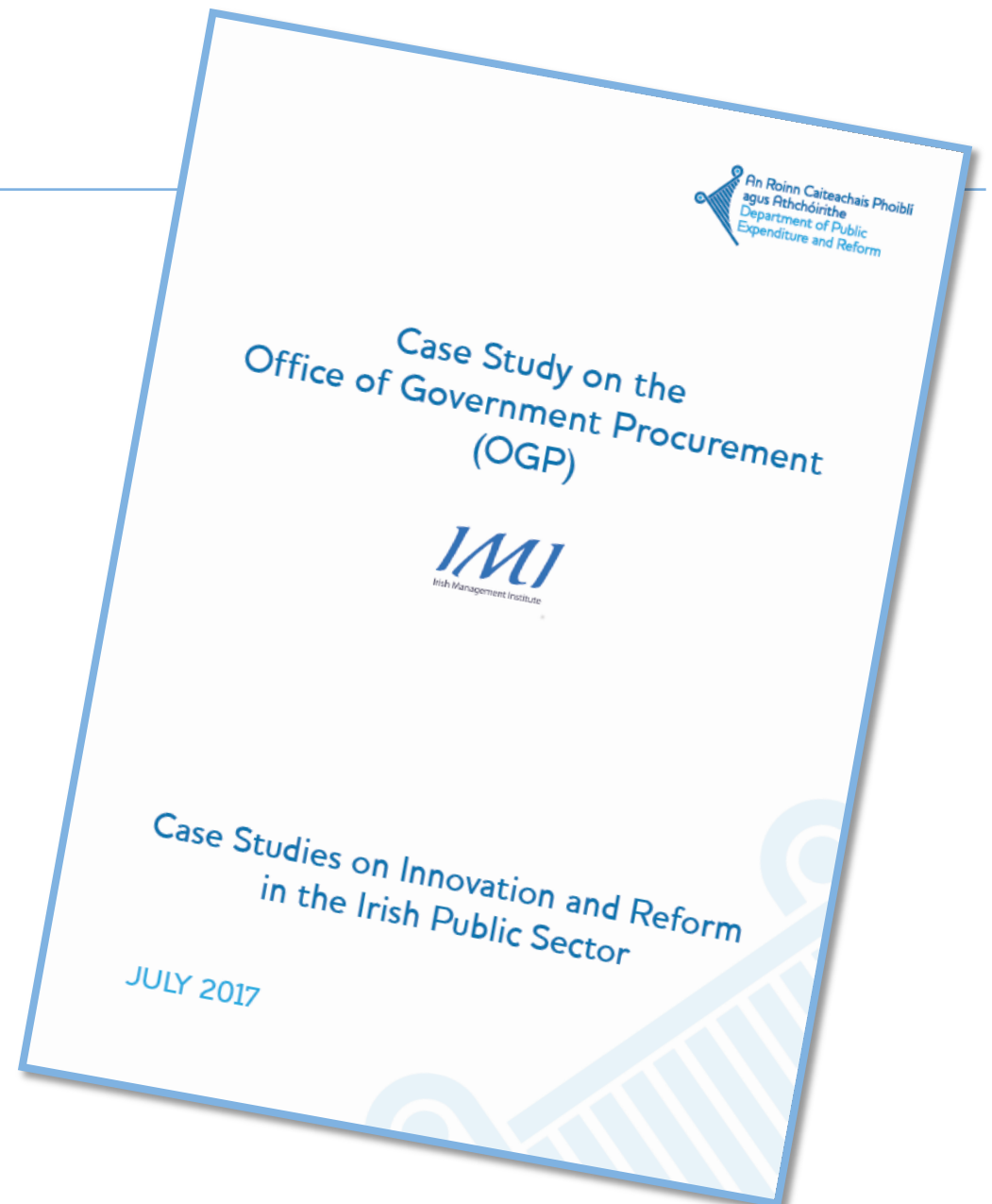
Resilience in core leadership team

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





# Complexity





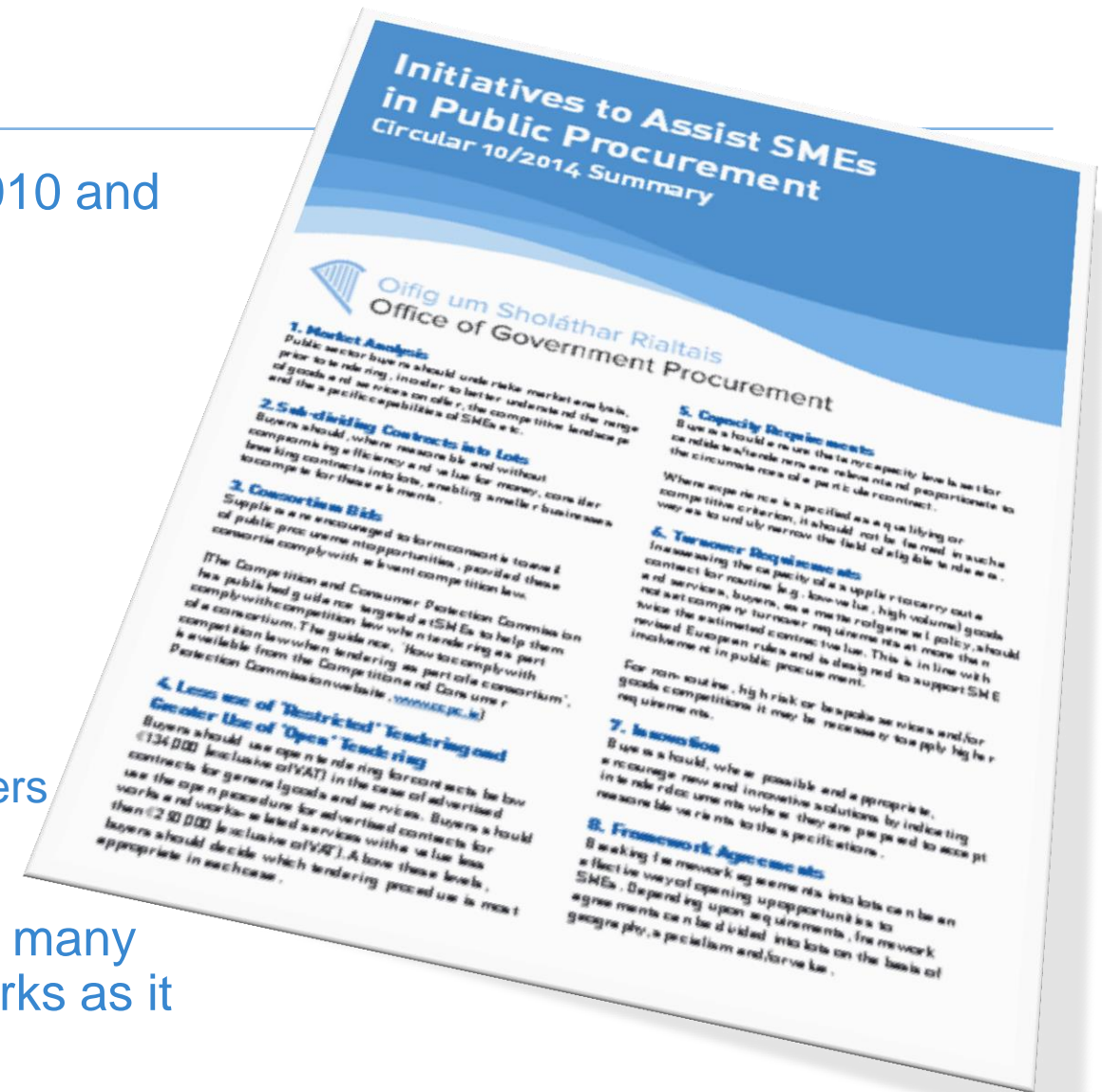
# Reform Enablers #1 – Aligning Policy and Operations

- 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

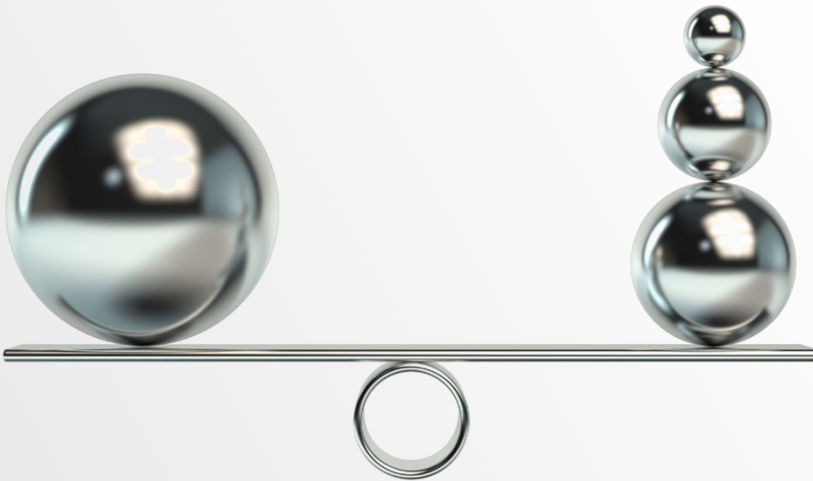
Analysis of 144 OGP Framework Agreements valued at €3.5bn:

- ✓ 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

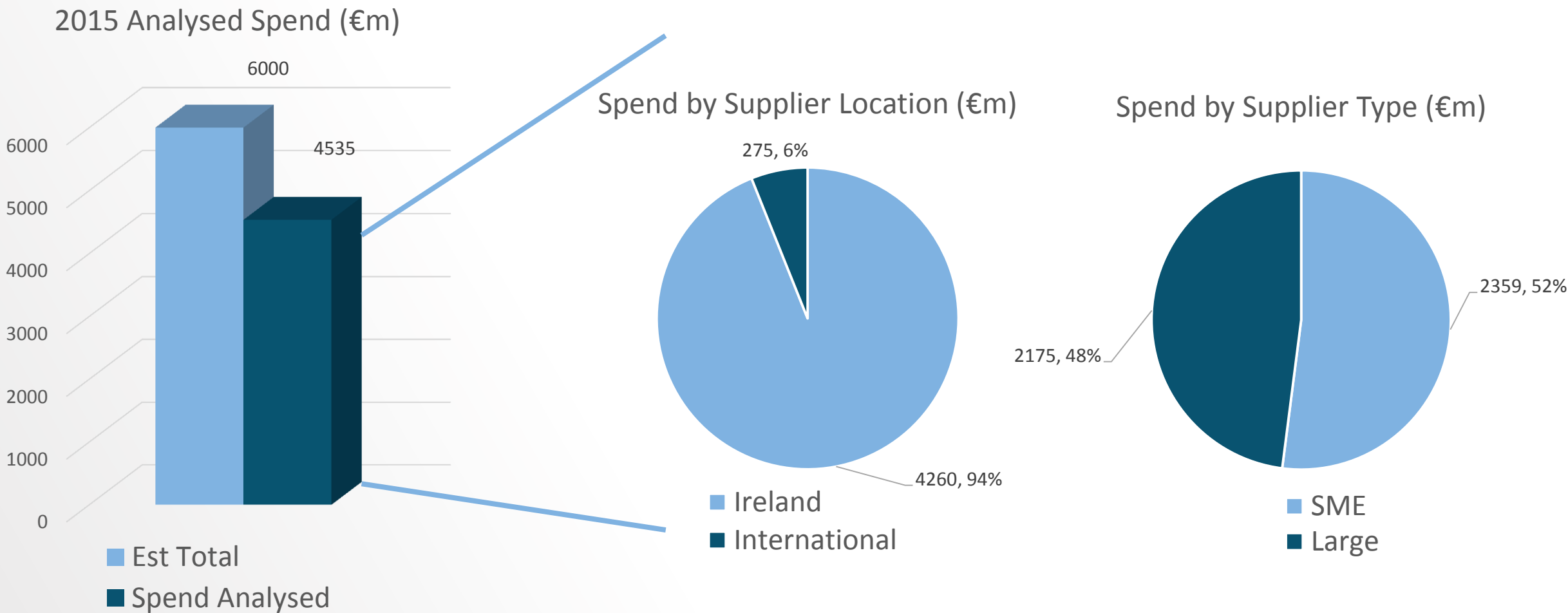


# Spend and Tendering Reports

- 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 Spend & Tendering Analysis – SME Success by Category

