



Office of Government Procurement
Oifig um Sholáthar Rialtais

Consulting & Advisory Services A New Procurement Regime

Market Engagement Seminar

25th March 2015



An Overview of
Procurement Reform

Operating Model

Current Thinking



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- A key public service reform programme - to reduce costs and achieve better value for money through reform of public procurement
- The Office of Government Procurement:
  - launched in July 2013
  - operates as an office of the Department of Public Expenditure and Reform, with its own Vote
  - strong governance model
- Savings target of €500m over 3 years
- Operation of the new model commenced in 2014



The current model is highly fragmented

- different prices in different public service bodies for the same goods and services
- poor systems and limited data upon which to make decision

Government strategy is to

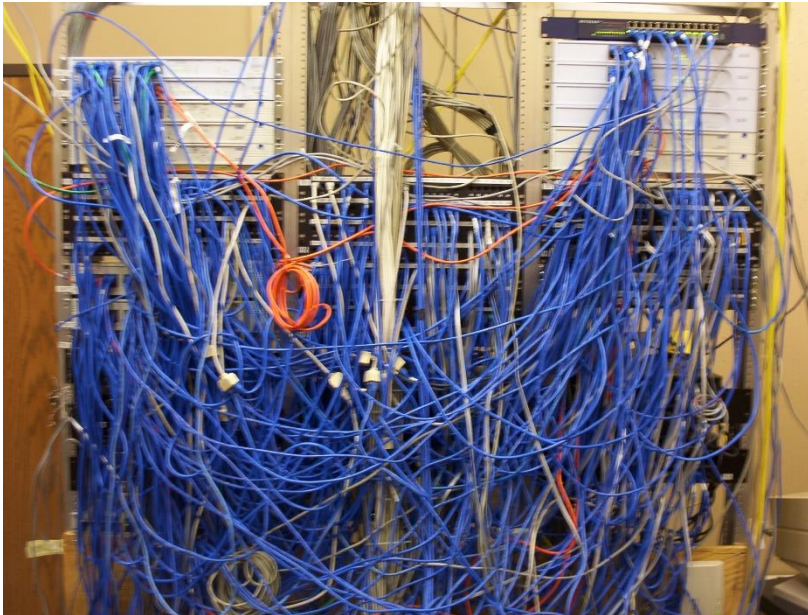
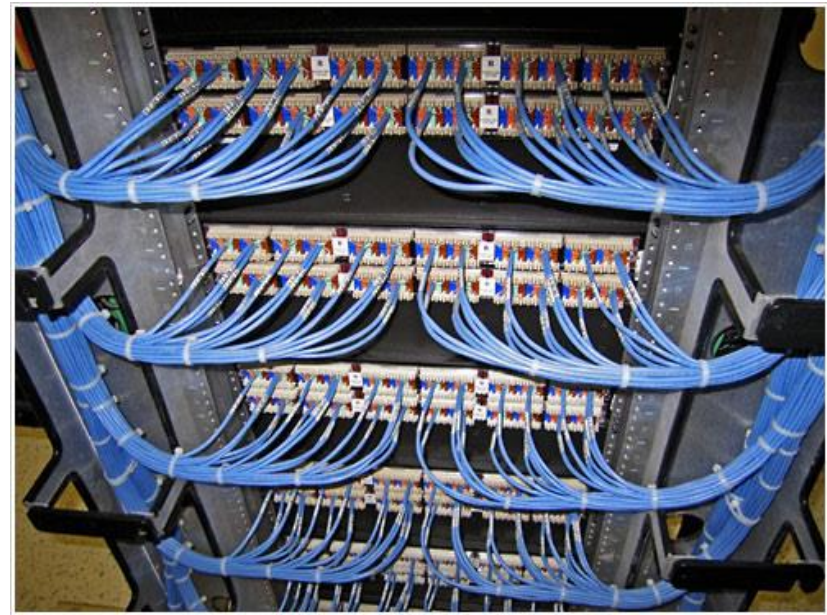
- centralise procurement more
- enable consistency and standardisation of approach
- align policy with operations
- deliver better value for the taxpayer
- deliver broader **policy goals** in a consistent fashion



FROM



TO

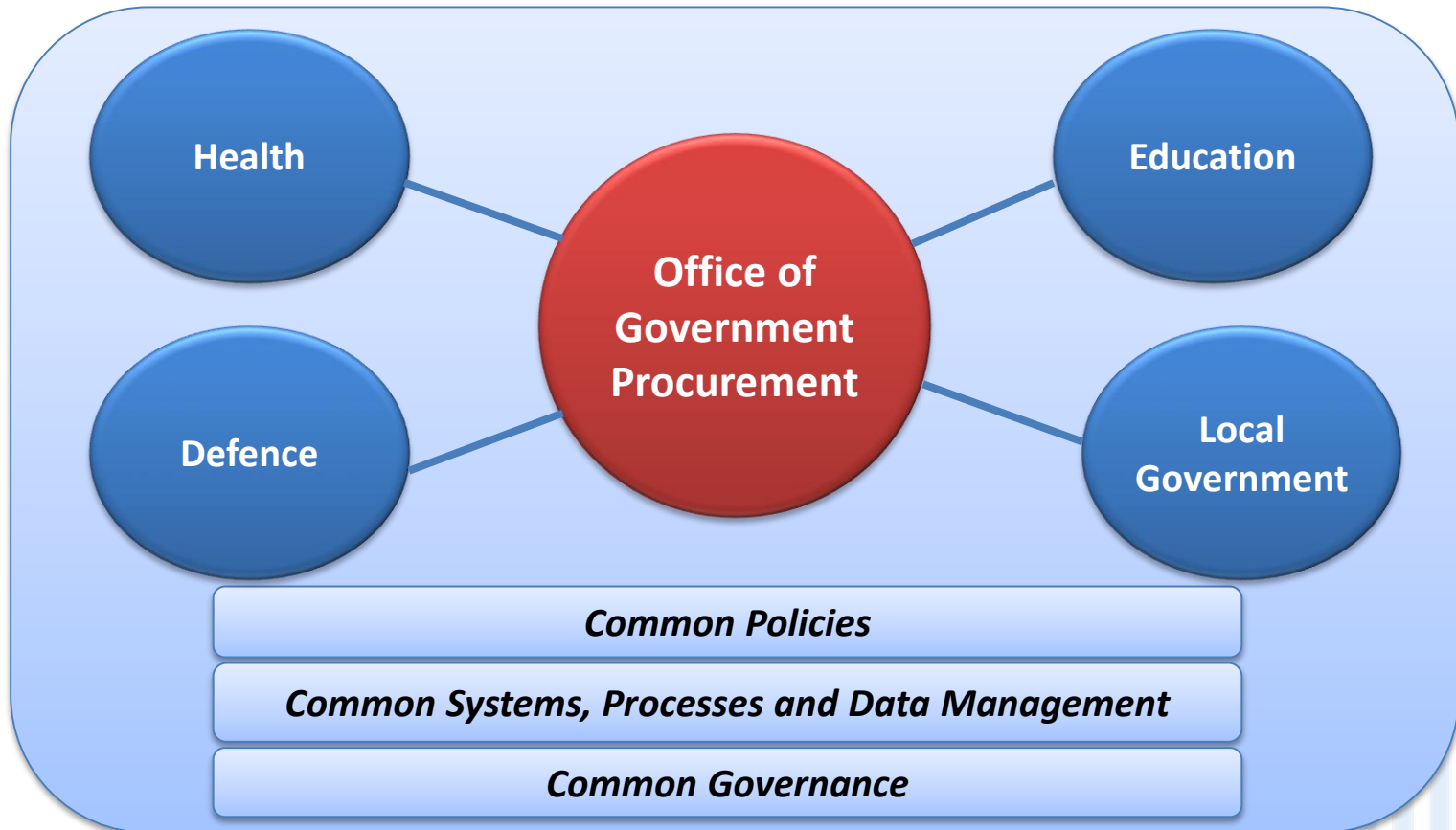


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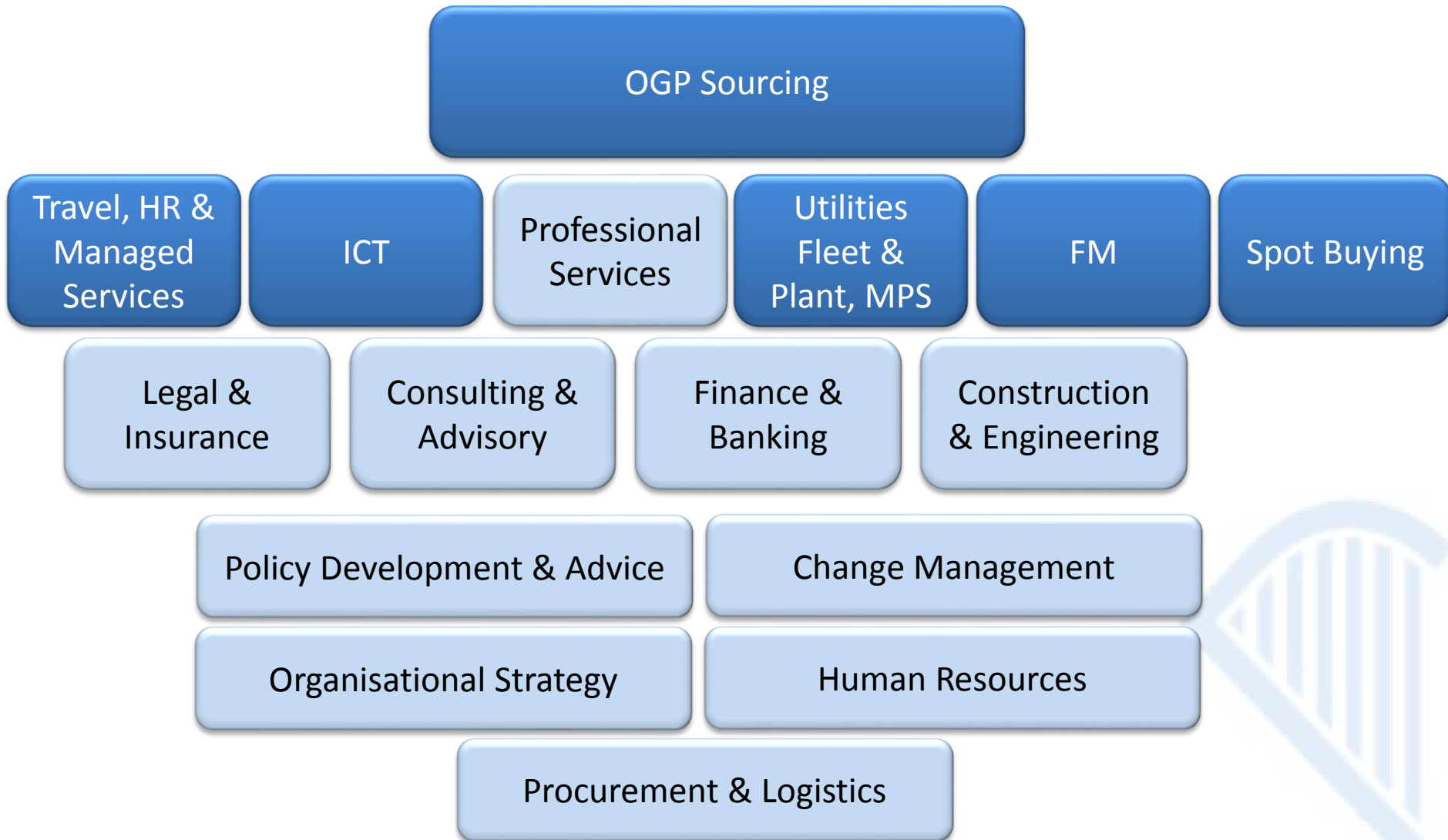
- The Public Service will speak with **'one voice'** to the market
- **Common goods and services will be sourced from one office, formed from resources who will come together** from across the civil and public service.
- Health, Education, Local Government and Defence will each retain a **single sector procurement function** to procure sector-specific categories.

OGP Led Categories

- Professional Services
- Facilities Management and Maintenance
- Utilities
- ICT and Office Equipment
- Marketing, Print and Stationary
- Travel and HR Services
- Fleet and Plant
- Managed Services

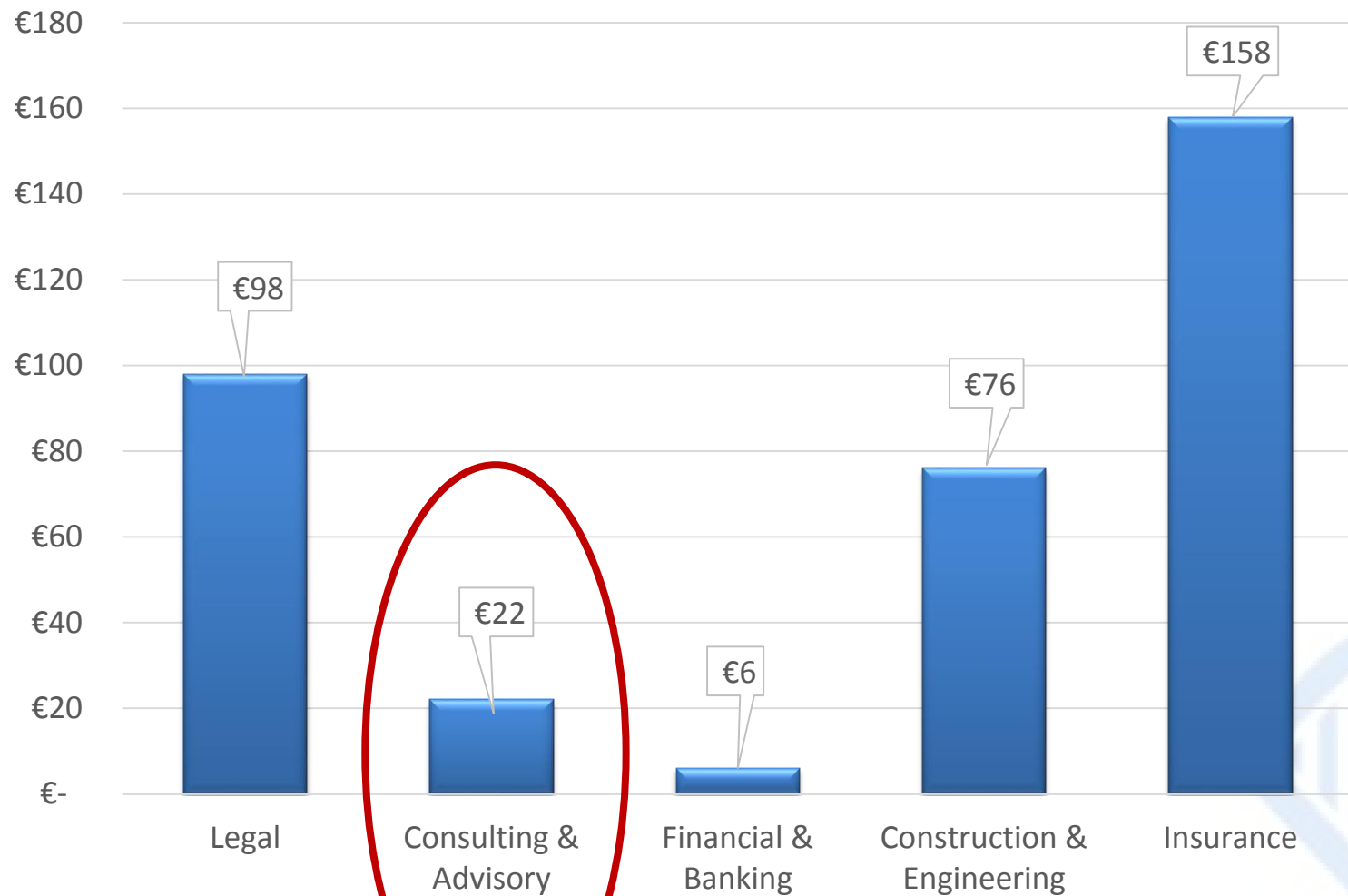
Sector Led Categories

- Local Government
  - Minor Building Works and Civils
  - Plant Hire
- Health
  - Medical Professional Services
  - Medical and Diagnostic Equipment and Supplies
  - Medical, Surgical and Pharmaceutical Supplies
- Defence
  - Defence and Security
- Education
  - Veterinary and Agriculture
  - Laboratory, Diagnostics and Equipment



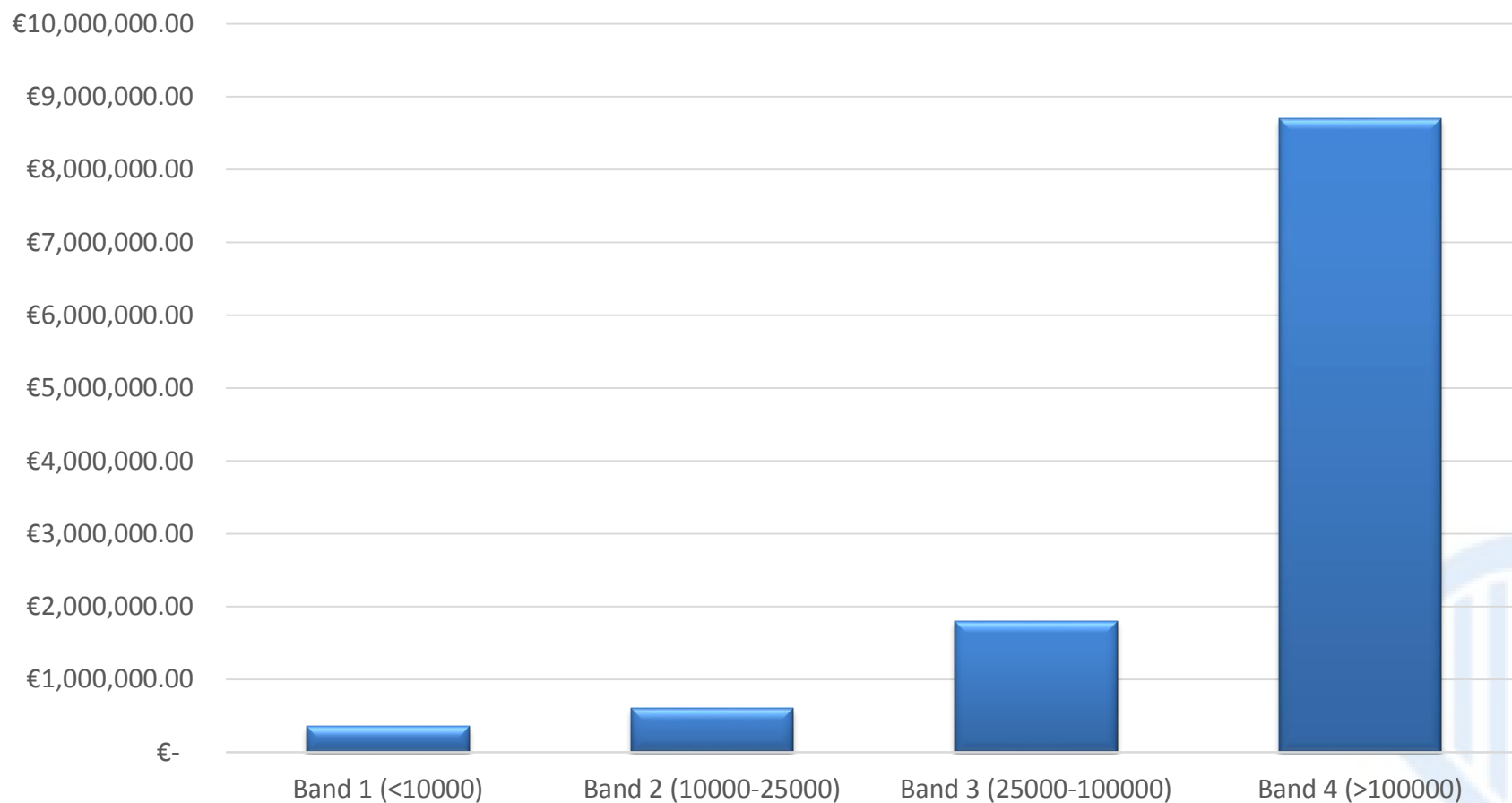
In a year

- We spend approx €360,000,000
- We transact with approx 12,000 firms
- We publish about approx 400 tenders

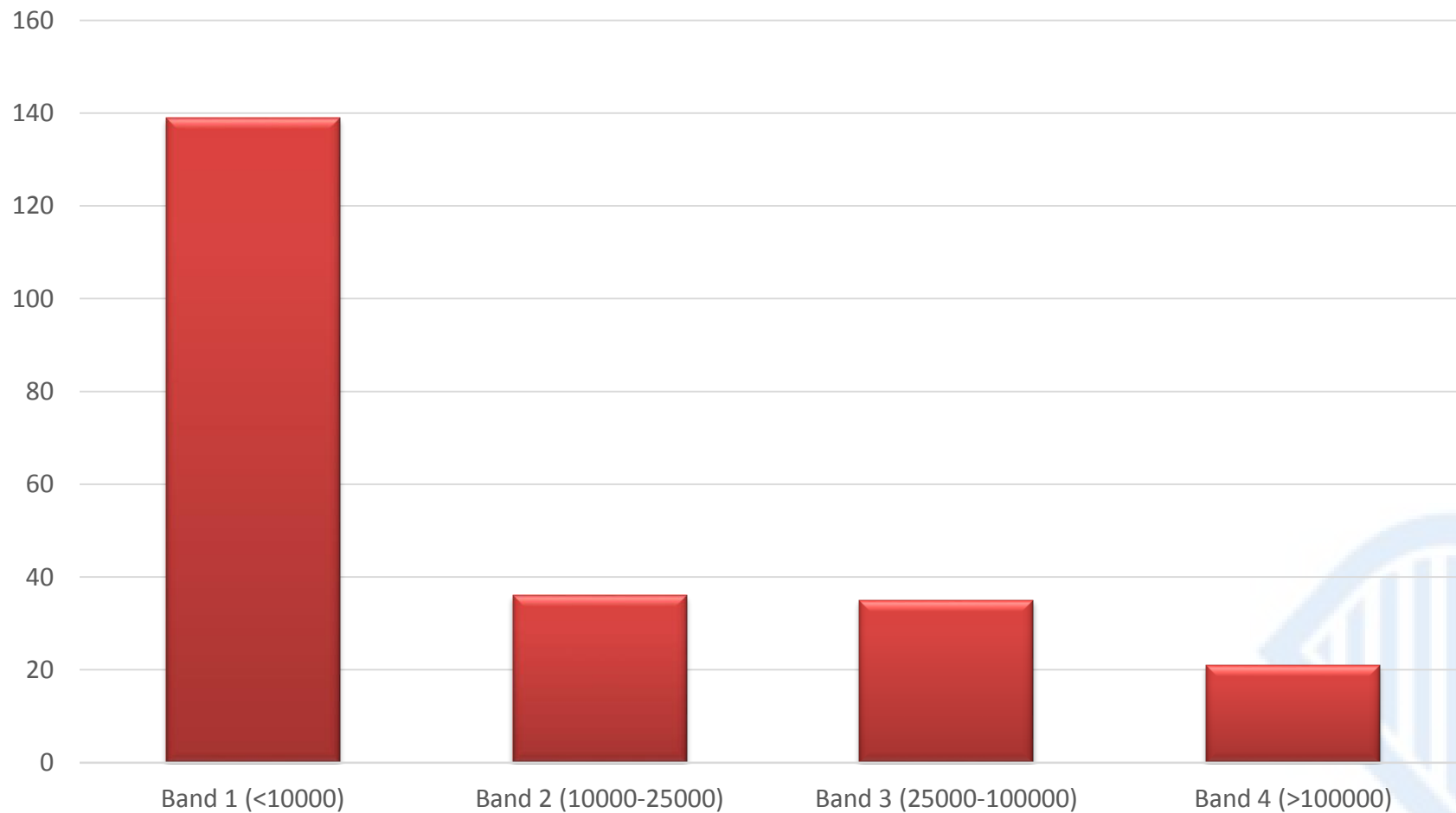


- **54** firms account for **80%** of the expenditure
- **14** firms account for **50%** of expenditure
- By extrapolation - estimate of annual expenditure **>€40m**

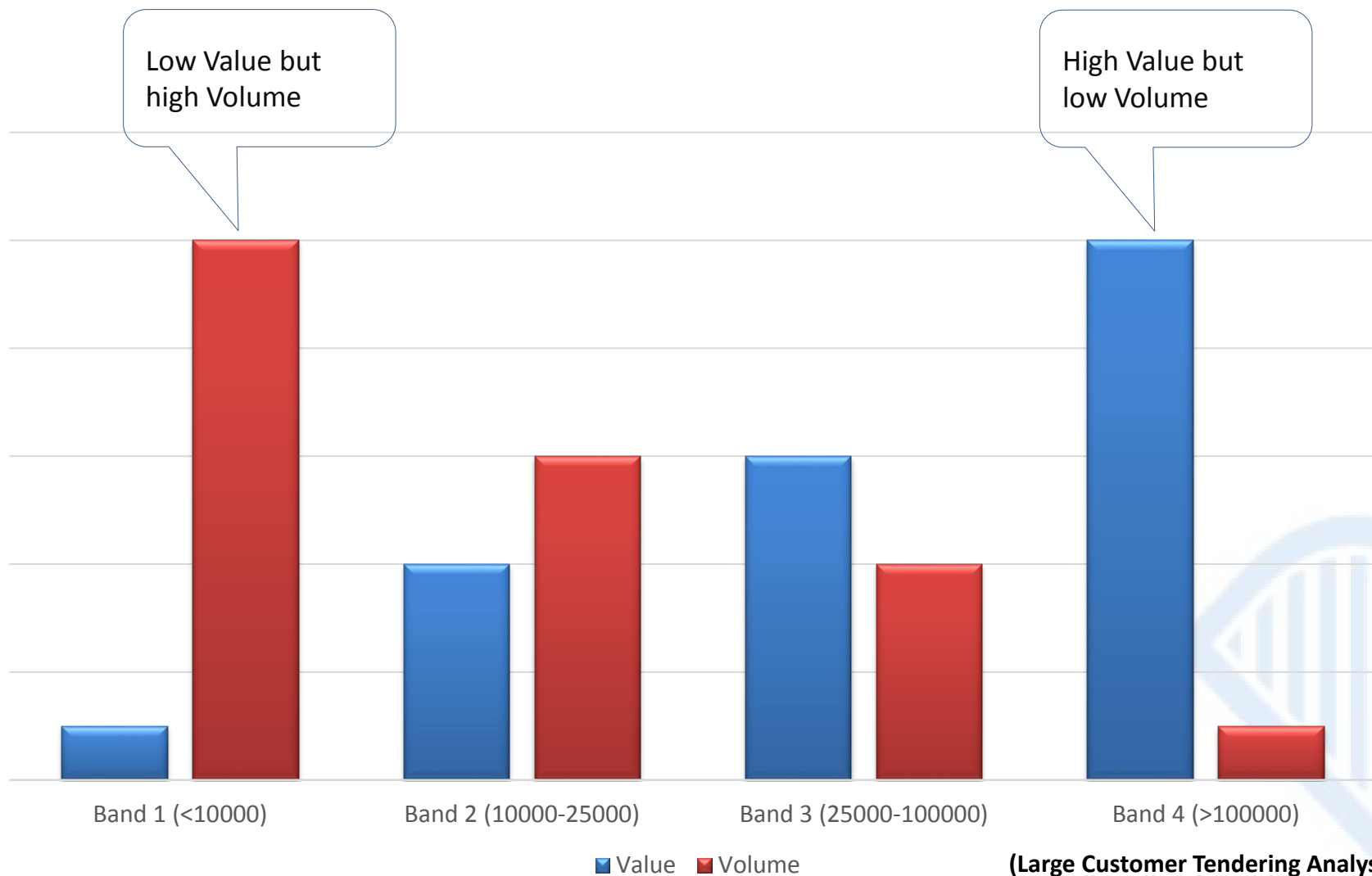




(Large Customer Tendering Analysis 2013)



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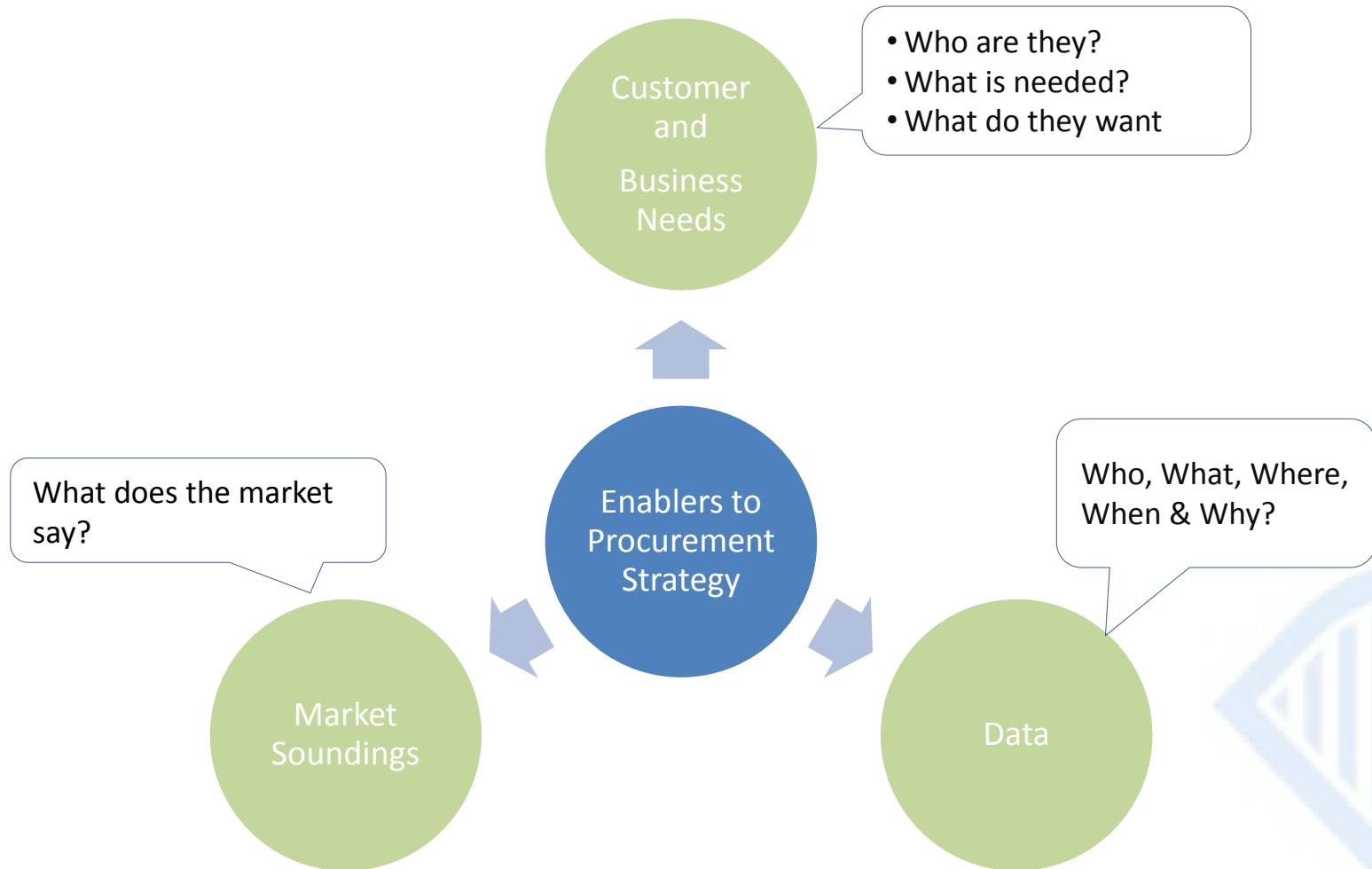
Current Thinking



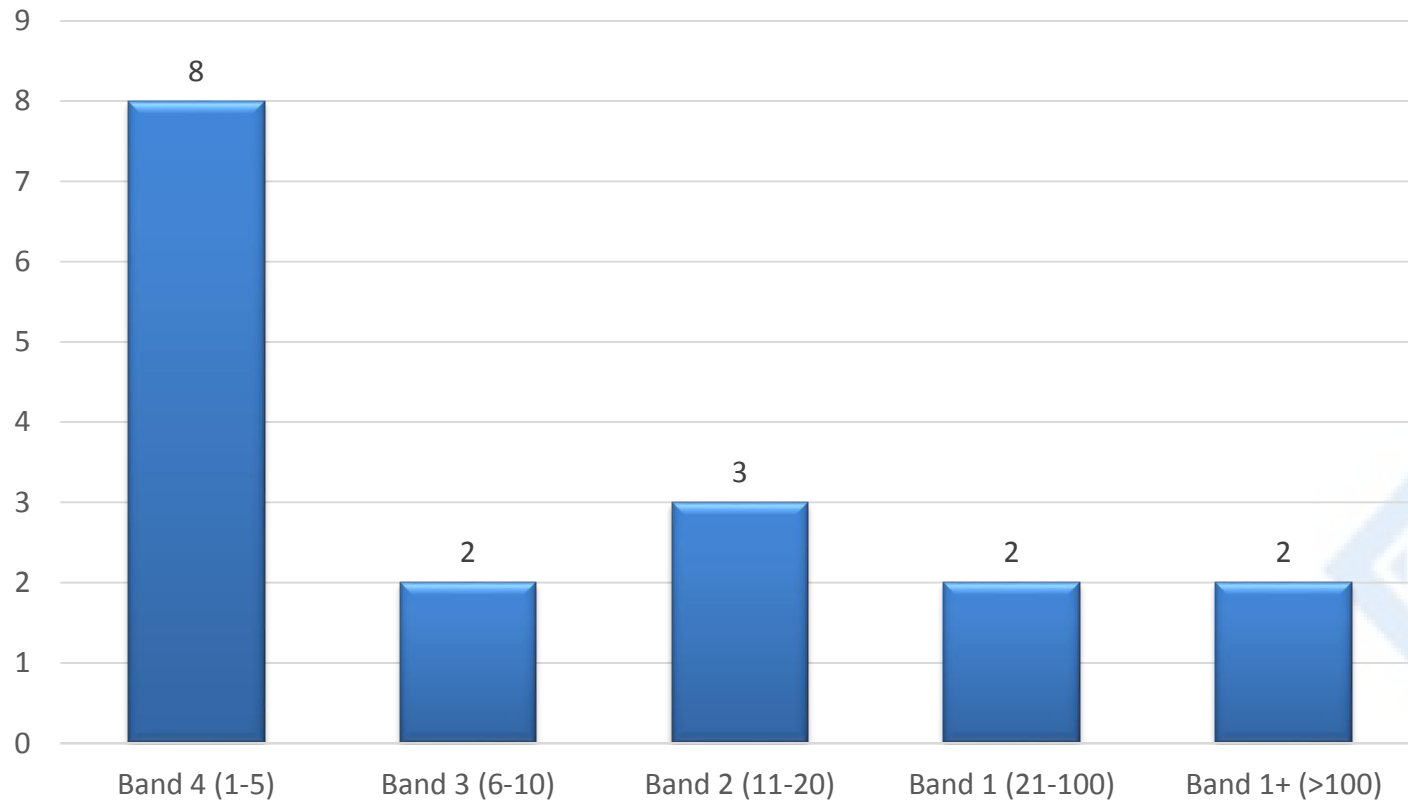
- Services provided by independent persons (be they individuals or business organisations), individually or collectively using their skills, experience, expert knowledge and professionalism to add value to government departments and agencies, and who typically operate within a framework of relevant professional standards and disciplines.

- Develop a contracting model for **Consulting & Advisory Services** that meets the needs of **Public Sector** and **matches** the capacity and capability in the market





- 17 Responses



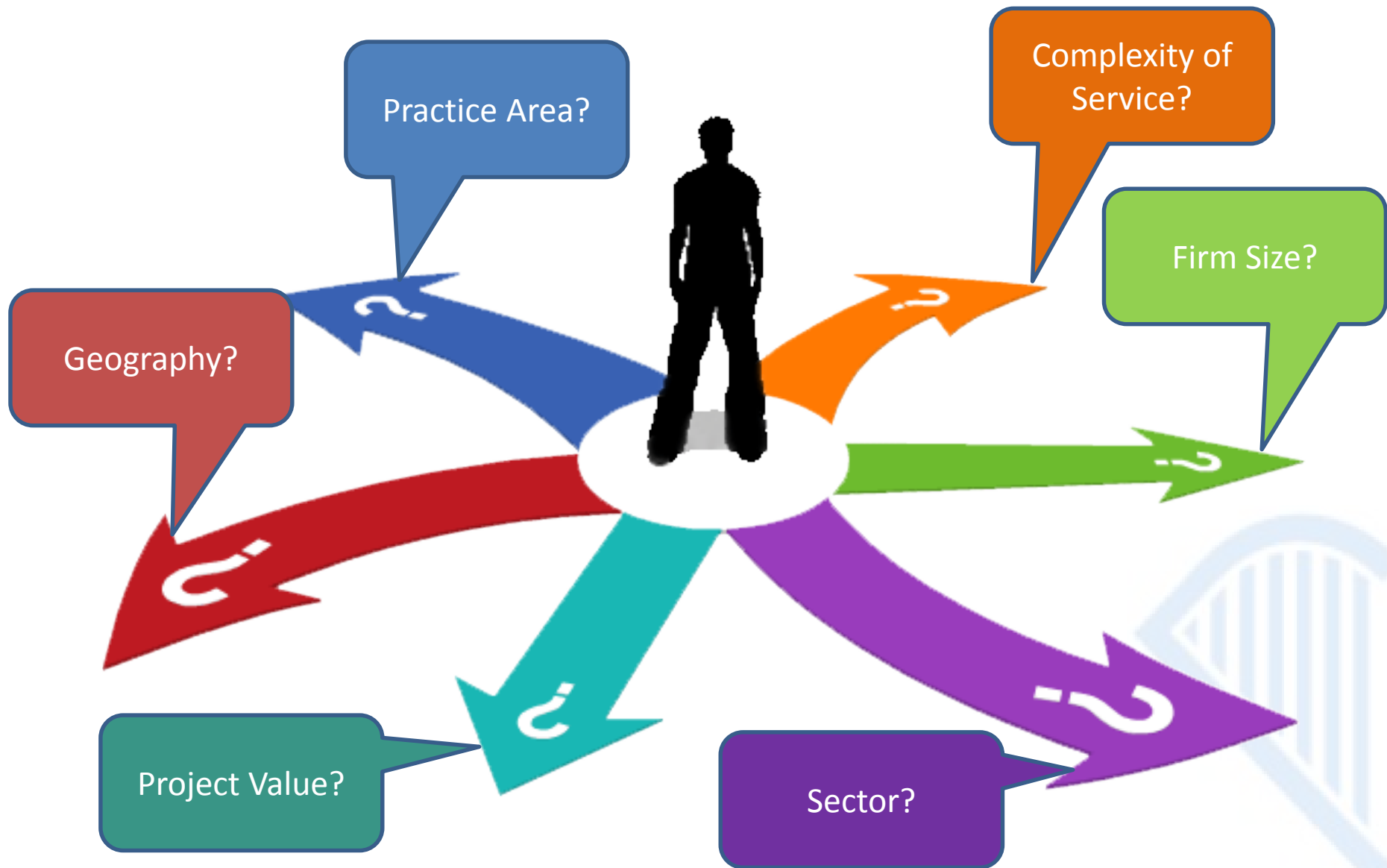
- Measuring Performance
- Split between Quality & Cost
- Output based solutions
- Administrative burden of tendering
- Opportunity for small practices to compete with large practices
- Structure and complexity of RFT
- Access to low value procurements

- Limitations on Liability
- Thresholds for competition
  - PI
  - Turnover
- Publication of pipelines and spending plans
- Innovation and alternatives
- Lotting
- Educate the purchaser



- Recognise diverse range of services and customer needs
- Appropriately broad range of firms consistent with market structure
- Provide reasonable opportunity for Framework Members
- An efficient and effective draw down mechanism
  - Ease of use
- Informed Purchaser
- Performance monitoring and feedback





- 2 Service Delivery Options
- Option 1
  - By Practice Area
  - By **Project Value**
  - By Threshold
- Option 2
  - By Practice Area
  - By **Firm Size**
  - By Threshold





Draw Down Mechanism

- **<€10K**
  - CA may revert to any firm on Lot for service
  - Defined rules and tools will apply, e.g. no more than 2 engagements per firm, limited to 2 engagements at any one time
- **>€10K**
  - Mini Competition

Rules

- Will have a defined number of firms
- Appointed to no more than 2 bands
- Bands must be beside each other

Lot 1

Policy Advice &
Development

Lot 2

Organisation Strategy

Lot 3

Change Management
(inc PM)

Lot 4

Human Resources

Lot 5

Procurement & Logistics

Lot 6

Multi Discipline

Rules

- Will have a defined number of firms
- Must have a minimum number of staff across all grades
- Must be capable of delivering services across all Lots
- Consortia permitted
- All requirements by way of mini competition

Lot 1

Policy Advice &
Development

Lot 2

Organisation Strategy

Lot 3

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Multi Discipline

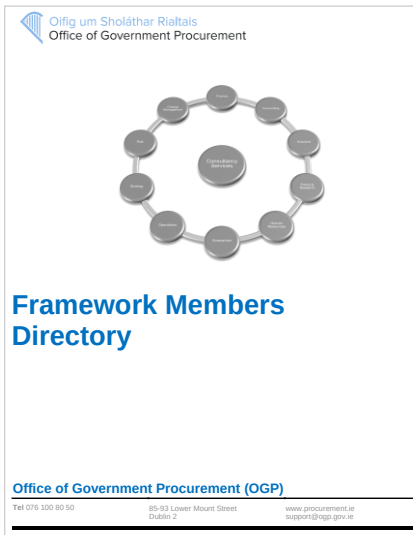
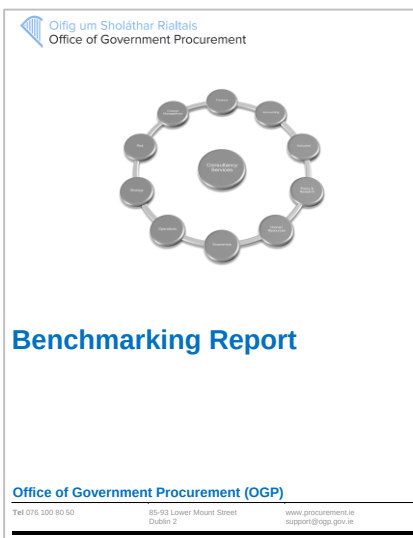
Tier	Size	Turnover	#
T1+	>100	Reasonable	n
T1	21-100	Less than T1+	>T1+
T2	11-20	Less than T1	>T1
T3	6-10	Less than T2	> or = T2
T4	1-5	Less than T3	> or = T3

Rules

- Consortia permitted
- 1 in own right, 1 as consortia

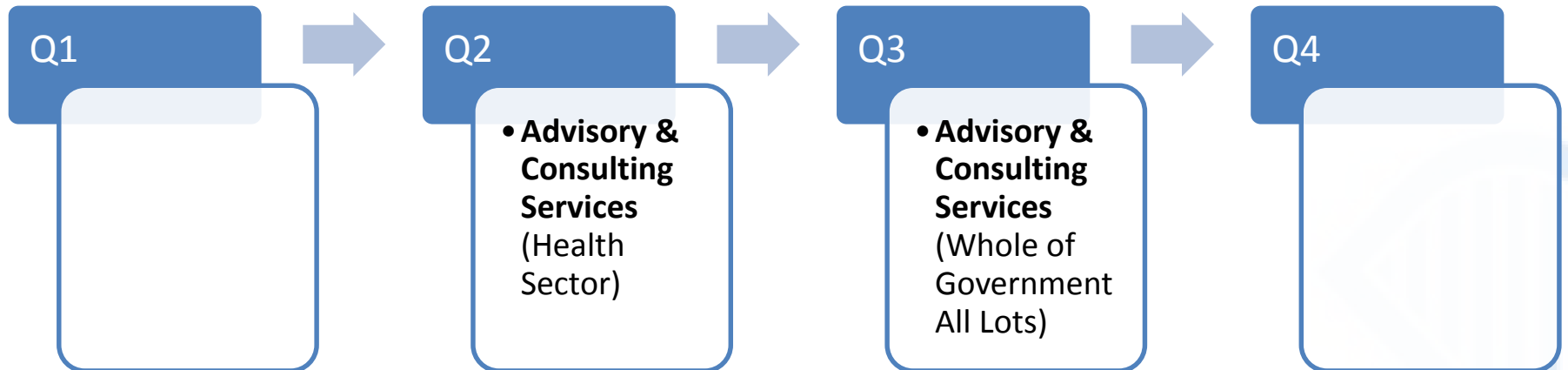
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CONSULTANCY SERVICES ORDER	
PART A	
For Completion by Contracting Authority The Contracting Authority will complete this Part A and email to the Framework Member	
Framework Member	
Date	
Client	
Client Contact Name	
Client Contact email address	
Practice Area	
Discipline	
Specific Questions and/or Instructions to Framework Member	
Ceiling Cost	€
Time Frame/Duration	
Are any additional insurance requirements required?	[Yes or No]
Do any special conditions apply to the Contract in addition to those (if any) marked as applying in the Services Contract published with the RFT?	[Yes or No]

- Two separate procurements



- Provide you with an opportunity to feedback on what you have heard today
- Responses by **8th April**
- Incorporate issues of merit and substance
- Approach the market



- Standard Response Document
- Will issue by email
- Five (5) areas
  - Scope
  - Design & Construct
  - Competition Thresholds
  - Performance
  - Additional Info



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Q&A
QUESTIONS & ANSWERS SESSION