



## Definition of Procurement

This policy adopts the Sustainable Procurement Task Force<sup>1</sup> definition of procurement: *“the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”.*

## The Principles of Welsh Public Procurement Policy

In carrying out procurement activity the Welsh Public Sector in Wales is expected to adopt the following policy principles:

1. **Strategic** - Procurement should be recognised and managed as a strategic corporate function that organises and understands expenditure; influencing early planning and service design and involved in decision making to support delivery of overarching objectives.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• set out a ‘maturity model’, against which development of procurement can be measured across the Welsh public sector.</li> <li>• develop and fund Welsh Procurement Fitness Checks.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• measure themselves against the maturity model, by undertaking regular Welsh Procurement Fitness Checks and reporting the recommendations and action plan progress to Welsh Government.</li> </ul>
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2. **Professionally resourced** – procurement expenditure should be subject to an appropriate level of professional involvement and influence, adopting the initial benchmark of a minimum of one procurement professional per £10m of expenditure.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• publish a competency framework setting out qualifications, experience and expertise that will support a structured procurement career.</li> <li>• provide routes to training and development, including those which enable public bodies to cultivate professional procurement expertise.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• ensure adequate skills and resources are in place to carry out effective procurement and contract management.</li> <li>• have a procurement training plan which addresses resource and skills gaps and share this with Welsh Government to support future skills development strategy.</li> </ul>
<p>Policy link : <a href="#">Procurement Training</a></p>	

<sup>1</sup> Procuring the Future, 2006



3. **Economic, Social and Environmental Impact** - Value for Money should be considered as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society and the economy, whilst minimising damage to the environment.

*How will this be achieved?*

<b>Welsh Government will:</b> <ul style="list-style-type: none"><li>provide tools such as the Sustainable Risk Assessment to ensure that procurement decisions take account of long-term impact on the combination of benefits.</li></ul>	<b>The Welsh public sector will:</b> <ul style="list-style-type: none"><li>apply these tools appropriately in their decision making process.</li><li>Use the information generated by these tools to inform the annual returns to be required under the Sustainable Development Bill.</li></ul>
Policy link : <a href="#">Sustainability Tools</a>	

4. **Community Benefits** – delivery of added value through Community Benefits policy must be an integral consideration in procurement.

*How will this be achieved?*

<b>Welsh Government will:</b> <ul style="list-style-type: none"><li>lead on maintaining and strengthening Community Benefits policy; strengthening support available on the ground and challenging the application.</li></ul>	<b>The Welsh public sector will:</b> <ul style="list-style-type: none"><li>apply Community Benefits to all public sector procurements where such benefits can be realised.</li><li>apply the Measurement Tool to all such contracts over £2m to capture and report outcomes to the Welsh Government.</li></ul>
Policy link : <a href="#">Community Benefits</a> <a href="#">Wales Infrastructure Investment Plan</a> :	

5. **Open, accessible competition** – public bodies should adopt risk based, proportionate approaches to procurement to ensure that contract opportunities are open to all and smaller, local suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain. .

*How will this be achieved?*

<b>Welsh Government will:</b> <ul style="list-style-type: none"><li>provide <a href="http://www.sell2wales.co.uk">www.sell2wales.co.uk</a>, including the SQuID common question set.</li><li>maintain and develop the SQuID approach to supplier selection.</li><li>Improve information on forward programmes by maintaining</li></ul>	<b>The Welsh public sector will:</b> <ul style="list-style-type: none"><li>use <a href="http://www.sell2wales.co.uk">www.sell2wales.co.uk</a> to advertise all contracts over £25k.</li><li>proactively publish their forward contract programmes</li><li>Ensure that appropriate 'lotting' strategies are used.</li><li>apply the SQuID approach as</li></ul>
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<p>publication of the <a href="#">Wales Infrastructure Investment Plan</a>.</p>	<p>standard to supplier selection.</p> <ul style="list-style-type: none"> <li>encourage main contractors to use the 'Tier1' facility to advertise supply chain opportunities on <a href="http://www.sell2wales.co.uk">www.sell2wales.co.uk</a>.</li> </ul>
<p>Policy link : <a href="#">Supplier Qualification Information Database (SQiD)</a></p>	

6. **Simplified Standard Processes** – procurement processes should be open and transparent and based on standard approaches and use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>develop and promote simplified approaches to procurement based upon the adoption of common systems and processes, including the Welsh e-procurement service, that reduce the cost of doing business.</li> <li>monitor the adoption and impact of these approaches.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>adopt and embed common procurement approaches.</li> <li>Make best use of available e-procurement tools</li> <li>Encourage supplier feedback on ease of process and channel through to Welsh Government</li> <li>Pay all correct invoices on time</li> </ul>
<p>Policy link : <a href="#">xchangewales</a> <a href="#">Supplier Qualification Information Database (SQiD)</a></p>	

7. **Collaboration** – areas of common expenditure should be addressed collectively using standardised approaches and specifications to reduce duplication, to get the best response from the market, to embed best practice; and to share resources and expertise.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>strengthen vehicles to deliver collaborative procurement.</li> <li>use collective leadership to drive through effective collaboration.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>commit to participate in collaborative procurement initiatives for the benefit of Wales and their individual organisation.</li> <li>monitor and report on engagement with collaborative procurement initiatives.</li> </ul>
<p>Policy link : <a href="#">Contracts and Resources</a></p>	



8. **Supplier Engagement and Innovation** – dialogue with suppliers should be improved to help get the best from the market place, to inform and educate suppliers, and to deliver optimum value for money.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"><li>encourage public bodies in Wales to adopt approaches to procurement that are informed and influenced by feedback from the supply chain.</li></ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"><li>publish a single electronic point of contact for supply chain dialogue/feedback/ queries.</li><li>ensure de-briefing provides adequate tender feedback.</li><li>use outcome based specifications where appropriate to encourage business innovation</li><li>ensure regular contract performance management reviews are conducted and use these to encourage two-way dialogue</li></ul>
Policy link : <a href="#">Procurement Route Planner</a>	

9. **Measurement and Impact** – in accordance with good management practice, procurement performance and outcomes should be monitored to support continuous improvement, and examples of good and poor practice openly shared.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"><li>provide a framework of procurement performance measures that are proportionate and help to drive improvement.</li><li>Collate information and ask PSLG and Procurement Board to consider performance and assist policy implementation.</li></ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"><li>provide Welsh Government with regular reports of outcomes achieved through procurement.</li></ul>
Policy link : <a href="#">Measurement Framework</a>	