



An Coimisiún  
um Rialáil Fóntas  
**Commission for  
Regulation of Utilities**

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# Corporate Procurement Plan

## 2022 to 2024

V1.0

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## 1. Introduction

Procurement planning is an integral part of business planning for contracting authorities. A Corporate Procurement Plan (CPP) is based on key findings from analysis of both past and future procurement-related spend. To assist organisations in developing its' CPP, the Office of Government Procurement (OGP) have issued an Information Note (V2 2020), which is used to inform the main elements that appear in this plan. The level of detail provided in the CPP is proportionate to the procurement-related spend available to CRU and the associated risks.

The policy basis for this CPP is as follows:

- Corporate Governance Standard for the Civil Service
- Code of Practice for the Governance of State Bodies
- Public Spending Code
- National Public Procurement Policy Framework
- Freedom of Information Policy
- Circular 40/2002

## 2. Purpose

The purpose of the CPP is to ensure that the organisation's procurement function operates in accordance with best practice public sector procurement regulations and supports effective value for money purchasing while ensuring openness, transparency and accountability. The CPP will seek to meet the obligations of the national procurement policy framework(s) and in doing so reinforce the CRU's commitment to effective and efficient resource allocation and service provision.

The CRU is committed to meeting its obligations as detailed in national and EU procurement laws. In addition to compliance to legislative requirements, the procurement function supports the organisations' business objectives and is focused on delivering the optimal outcome to tendering processes issued on behalf of the organisation. To ensure the CRU is focused on delivering value for money outcomes the procurement processes are reviewed on a regular basis to ensure purchasing personnel have the necessary capabilities to operate in line with best practice.

The common principles underpinning the CPP are:

- Carry out procurement in a manner consistent with EU and national procurement laws;
- Comply with procurement reform policy objectives set out by the OGP / DPER;
- To ensure value for money is being achieved; and
- To enable the strategic objectives of the CRU to be met.

This plan builds on the elements set out in the previous procurement plans (over the period 2009 to 2021) with consideration given to the following-

- An analysis of the past and future spend on goods and services.
- Procurement objectives.

- Identification of risk.
- Existing procurement practices.
- Affirm adherence to EU and national procurement legislation, circulars and guidelines.
- CRU procurement function resources and structures.

### 3. Scope

The scope of the CPP will cover a three-year period, 2022 to 2024, focusing on critical contracts and significant purchases. This period aligns with the current CRU strategic plan. Analysing spend by category is the basis of the widely accepted category management approach to procurement. This approach has been adopted by the OGP so that spend from all public bodies can be aligned. There are 8 main categories within which spend is grouped by the OGP with comparable characteristics such as similarities in supply market profile, product / service type and end use which align with the CRU's purchasing profile. The key categories of expenditure covered in the CPP are listed below:

1. Professional Services
2. ICT and Office Equipment
3. Facilities Management and Maintenance
4. Managed Services
5. Travel and HR Services
6. Marketing, Print and Stationery
7. Utilities
8. \* Uncategorised (rent and capital expenditure)

The Multi Annual Procurement Plan per Category as referred to in the CPP is updated annually by the CRU Senior Manager – Finance and Governance, as part of the business planning cycle.

### 4. Procurement Objectives

One of the key objectives of this plan is to support the achievement of the CRU's strategic objectives and allow concentration of more resources both financial and staff time, on delivering core tasks. As set out in the CRU Strategy Statement for the period 2022 to 2024, the key strategic priority pertinent to the CPP is as follows:

- **Priority:** *Enable our people and organisational capacity.*
- **Objective:** *Implement best practice Governance and processes to support the work of CRU.*
- **Outcome:** *Application of robust processes and procedures and adherence to high standards of governance in the running of CRU.*

The key objectives of the CPP to be achieved over the lifetime of this plan are set out in tabular format below, including how these objectives will be realised. This information can be used to monitor and measure progress of the plan.

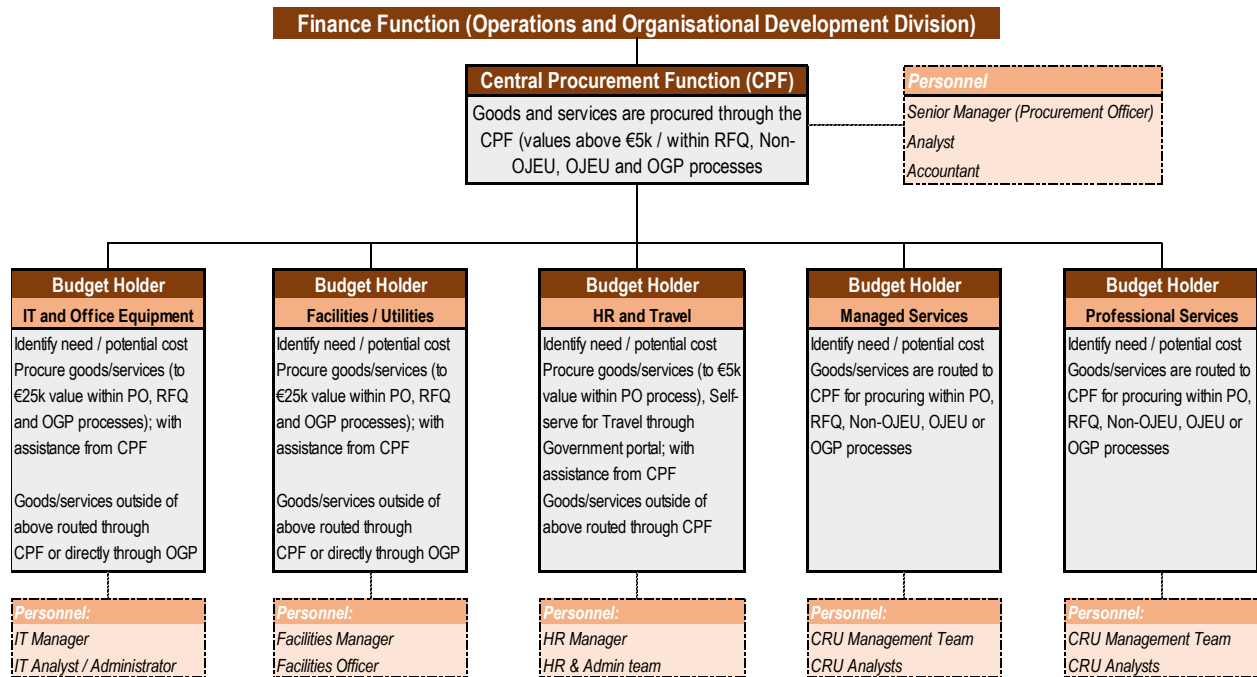
<b>Procurement Objective</b>	<b>How objective will be realised</b>	<b>Performance Measures</b>
<p>Take a strategic approach to procurement that supports service delivery and fulfils the strategic objectives in the CRU's corporate plan.</p>	<p>Aligning the corporate objectives set out in the CRU strategic plan to procurement requirements which supports delivery of key work items, where applicable.</p> <p>Undertaking portfolio analysis using the supply positioning analytical framework to identify key areas of spend plus key suppliers.</p> <p>Continue to implement a Framework Agreement (Lots) contract arrangement for award of consultancy support services.</p> <p>Identifying and informing budget holders of CRU and OGP framework agreements and contracts that are available.</p>	<p>Use a practical set of performance measures for procurement which include measures relating to;</p> <ul style="list-style-type: none"> <li>- cost of procurement function as a proportion of total procurement spend (~1%),</li> <li>- duration of the procurement process,</li> <li>- expenditure under written contracts as a proportion of total procurement spend,</li> <li>- proportion of procurement expenditure arising from framework or centralised agreements,</li> <li>- savings achieved through procurement.</li> </ul>
<p>Ensure adherence to procurement policies and procedures; compliance with procurement Directives, legislation, circulars and other legal requirements.</p>	<p>Reviewing procurement processes and contract regulations on a periodic basis to ensure compliance with legislative and policy requirements, embed transparency and accountability in procurement practices.</p> <p>Establishing and assigning clear roles and responsibilities. Adopting a consistent approach to procurement for all contract values (by Purchase Order, Contracts and Services Agreement).</p> <p>By inclusion of Internal Audit review(s) of Financial Control (Purchase to Pay) and Procurement in Audit Plan.</p>	<p>Annual review of Procurement Policies and Procedures completed. Periodic reports to the Finance and Governance Committee / the Commission i.e. compliance rates, update on implementation of plan etc.</p> <p>Effective and best practice governance structure in place.</p> <p>Financial Audit by OCAG and Internal Audit review(s) completed annually.</p>

<i>Procurement Objective</i>	<i>How objective will be realised</i>	<i>Performance Measures</i>
Achieve greater value for money. Adopt a commercial approach, in line with best value principles, to procurement decisions.	Identify need and potential cost Evaluate all responses to request for tenders using quality as well as cost as part of the evaluation matrix. Preparing Output Reports (value for money) annually for all contracts with a value of greater than €100,000 (net).	Savings achieved through procurement.  Benefits realised from expenditure quantified.
Develop scope for e-procurement	Availing of capabilities of e-tendering using the government portal <a href="http://www.etenders.gov.ie">www.etenders.gov.ie</a> / Peppol e-Invoicing arrangements.	More effective, agile and streamlined procurement structures are implemented.
Enhance leadership, governance, awareness and skills within the procurement function.	Providing appropriate and periodic training to procurement staff and budget holders on procurement policies, procedures and best practice.	Annual training delivered.
Commit to continuous improvement of all procurement practices and procedures.	Utilising the procurement solutions and best practice guidance put in place by the OGP and EC. Implementing a multi-annual procurement plan.	Annual Review completed.
Ensure all suppliers are treated fairly and openly in the awarding of CRU contracts	Ensuring Conflict of Interest Declarations are completed for each formal procurement process.	Compliance rate at 100%
Facilitate economic, social or environmental objectives through procurement.	Continuously develop the CRU Sustainable Procurement Policy (SPP) 2021 policy in terms of scope of procurement activities covered and how compliance will be monitored, and outcomes reported ( <i>see section 5.6</i> )	Annual Review completed.

## 5. The CRU's procurement role

### 5.1 Structure

In CRU, the **procurement resource model** is primarily a centrally co-ordinated procurement model in that core procurement activities are performed by the procurement function for budget holders. This centralised back-office function minimises the transactional activity of strategic teams, it is proposed to retain this model as an effective service delivery model. Procurement is the responsibility of business units as depicted below subject to oversight and or service delivery by the Central Procurement Function (CPF).



#### Notes:

- External procurement expertise can be availed of if necessary, subject to budget approval;
- CPF have completed training in the Self-Serve OGP model, “opt-in” to be confirmed in 2022

The procurement function has three **key objectives** (not ranked in any order):

- Obtain best value for money, competitive tendering is the norm;
- Ensure compliance with all procurement regulations i.e. EU, National and in-house;
- Manage contractual risks by utilising robust terms and conditions.

Details of Roles and Responsibilities are specified in the CRU Procurement Policies and Procedures for;

1. Procurement Function
2. Project (Contract) Managers (i.e. Budget Holders)
3. Procurement Evaluation Committee Members
4. Procurement Administration Support

## 5.2 Capacity and Governance

The position of “**Procurement Officer**”, as defined by the OGP, is assigned to the Senior Manager - Finance and Governance to support the Commission in meeting its various procurement obligations. Reporting arrangements are formalised through a Finance and Governance Committee structure with the Senior Manager providing monthly updates on procurement matters to both the Director of Operations and Organisational Development and the Chairperson. As the first point of contact with the OGP, responsibilities for this position are listed below:

- **Governance and Planning**
  - Develop, refine and communicate the CRU’s CPP, for approval by the Commission, in consultation with key purchasing personnel and senior management.
  - Maintain a contract register to assist in forward planning and exercising appropriate internal control and arrange for the publication of relevant details where required.
  - Liaise with corporate functions regarding procurement governance obligations and risk management; provide updates on advice and guidance issued by the OGP.
  - Report to senior management as appropriate on procurement performance and compliance.
  - Prepare the 40/2002 Annual Return for the Chairperson where required, for issue to the Comptroller and Auditor General and copied to the OGP.
- **Support**
  - Provide advice, as and when required, to staff procuring goods and services to assist them in complying with procurement rules and share OGP communications with staff.
  - Have strong knowledge of public procurement guidelines to support budget holders when requirements are out of scope for the OGP centralised arrangements and the CRU must go to market for these requirements.
- **Communication**
  - Inform budget holders of the overarching public procurement policy framework, the CRU’s procurement policy and the frameworks available through the OGP.
  - Review documentation issued by OGP and communicate onwards within the CRU. All persons involved in procurement should be made aware of changes to procurement guidelines, thresholds, regulations and circulars.
  - Develop a relationship with the OGP Customer Service Team, [support@ogp.gov.ie](mailto:support@ogp.gov.ie) and avail of various supports from OGP in relation to public procurement.

It is the responsibility of the **budget holder and each person involved in procurement**

- to keep up to date on changes to procurement guidelines/thresholds, regulations, circulars and to implement them ensuring compliance with public procurement guidelines;
- to utilise the OGP procurement model and the frameworks where available; and
- to retain all supporting procurement documentation.



### 5.3 Systems and Training

**Systems:** The CRU Finance software system is Pegasus Opera3 which uses a Microsoft SQL Server database to record purchase order transactions processed on this system through the Supply Chain Management, Purchases Ledger, and Fixed Assets modules. This system will be replaced by a new system on 1 January 2023, to be procured in 2022.

The new software system will include an enhanced Supply Chain Management module to support further automation of records currently maintained in supplementary spreadsheet records e.g., the contracts database / listing for all contracts (register) / payments in excess of €25,000; in addition to the obligations set out in DPER Circular 02/2016 and the e-Invoicing Directive.

**Training:** Training and staff development in good practice procurement methodologies will continue for both the Central Procurement Function (CPF) staff and those personnel (budget holders) within departments in order to strengthen the level of competencies and skills of purchasing personnel. A training needs analysis to be completed annually by the Procurement Officer to facilitate this skills development, training may include the following:

- How to operate under the OGP model and framework agreements;
- How to develop a goods / services specification;
- How to manage disclosures of interest and potential conflicts;
- What award and evaluation criteria to select;
- How to evaluate tenders, concept of whole life costing;
- Sustainable Procurement best practice methodologies; and
- How to engage in the procurement process in a transparent, fair and equitable manner.

The CPF will continue to raise awareness of the complex regulatory framework associated with public procurement in addition to providing training to purchasing personnel within CRU departments.

### 5.4 Processes

A comprehensive set of purchasing policies and procedures is available for all staff with access to the Procurement Policies and Procedures and associated templates on the CRU Electronic Records Management System (ERMS) Ref: F/3244, also accessible on the CRU intranet.

The Procurement Policies and Procedures of September 2021 include a number of Templates User Guides and Training material; reviewed annually.

Purchases may be made, only where provision has been made for the expenditure in the CRU's annual budget.

**Thresholds:** The *thresholds* (exclusive of VAT) which must be applied, and form part of the CRU

<b>Contract Description</b>	<b>Low Value (min 1 quotation)<sup>1</sup></b>	<b>Intermediate Value (request for 3 written quotations)<sup>2</sup></b>	<b>High Value (Full Tender Process)</b>
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*Note: All figures are net of VAT*

Contracts for supplies and services with an estimated value of €25,000 or more should be advertised on the [www.etenders.gov.ie](http://www.etenders.gov.ie) website, using the Open procedure, for requirements out of scope for the OGP method.

**Official Journal Threshold (OJEU):** The EU Thresholds are set out below, contracts above these levels must be advertised on OJEU. This is obligatory. Thresholds are revised every two years<sup>3</sup>. CRU advertises contract notices using the Open Procedure.

<b>Supplies and Services (applicable from 1 January 2022)</b>		
<b>Contract Notice</b>	€215,000	Threshold applies to Local and Regional Authorities and public bodies outside the Utilities sector.
<b>Contract Notice</b>	€750,000	Threshold applies to light touch regime – social and other specific services listed in Annex XIV of the EU Directive 2014/24/EU

#### **Purchase Order Limits:**

Limits per Purchase Order, will apply to the approval of orders on the finance system (Opera3) Purchase Order Processing application. Approval of Purchase Orders is limited to the cost category for which a Commissioner/ Member of staff has a certifying role; details of the approval limits are available on ERMS Ref: F/3246.

The advice of the CPF should be obtained prior to any tendering activity to determine whether it should be conducted in accordance with the OGP model, EU or national procurements rules and regulations. Exceptions to the standard procurement practices will require the written approval of the CRU Chairperson.

### **5.5 Policy Reviews / OGP**

In 2019, the OGP published the National Public Procurement Policy Framework<sup>4</sup>. Public Procurement is governed by EU and National Rules. The purpose of this document is to set out the overarching policy framework for public procurement in Ireland.

The National Public Procurement Policy Framework consists of 5 strands:

- 1) Legislation (Directives, Regulations)
- 2) Government Policy (Circulars etc.)

<sup>1</sup> A single written quotation may be accepted by means of a formal purchase order - verbal quotes from competitive suppliers

<sup>2</sup> A minimum of three written quotations invited from bona-fide tenderers

<sup>3</sup> Full and up to date thresholds can be confirmed via the public procurement website [http://simap.europa.eu/index\\_en.htm](http://simap.europa.eu/index_en.htm)

<sup>4</sup> <http://ogp.gov.ie/national-public-procurement-policy-framework/>

- 3) Capital Works Management Framework for Public Works
- 4) General Procurement Guidelines for Goods and Services
- 5) More detailed technical guidelines, template documentation and information notes as issued periodically by the Policy Unit of the OGP

The framework sets out the procurement procedures to be followed by Government Departments and State Bodies under national and EU rules. It supports and enables Public Bodies to adopt procedures to meet their Public Procurement requirements and facilitates compliance with EU and National Procurement Rules. As stated in the policy framework, procurement transactions and decisions must in all respects be fair, equitable and ensure Value for Money. CRU must be able to justify decisions made and actions taken.

As set down in DPER Circular 16/2013, once a centralised framework has been established for a sub-category of goods or services, it is Government policy that public bodies, where possible, should make use of all such arrangements. Where public bodies do not use centralised frameworks, they should be able to provide a Value for Money justification. To date, the specialist consultancy support required by CRU cannot be availed off from the Professional Fees Framework Agreements / Contracts established by the OGP therefore CRU go to market directly for these services. In some instances for other categories of spend, CRU contract values are not high enough to avail of OGP arrangements.

Monthly Schedules of Contracts are published by OGP, these are held by CRU CPF.

Procurement practices are subject to audit and scrutiny under the Comptroller and Auditor General (Amendment) Act 1993 with Accounting Officers publicly accountable for establishing arrangements for ensuring the proper conduct of their affairs, including conformance to standards of good governance and accountability regarding procurement.

Refer to Appendix 4 for overview of the key Irish regulations applicable to the CRU Procurement Processes and Procedures.

### ***5.6 Sustainable Procurement Policy (SPP)***

This CRU SPP (2021) provides a framework to include the sustainable procurement concepts and approaches, where relevant, to the CRU procurement processes. For the 2021 planning cycle, the CRU central procurement function reviewed current contracts to determine the baseline for inclusion of green criteria / contract clauses.

The CRU SPP will need to be further developed for during the period 2022 to 2024, through the following actions:

- Define Targets: the policy needs to be embedded in broader organisational policies/strategies, clear targets set, and individual responsibilities assigned. To do this,

CRU Procurement need to establish data about the contribution of procurement to our emissions and the expected reductions over time.

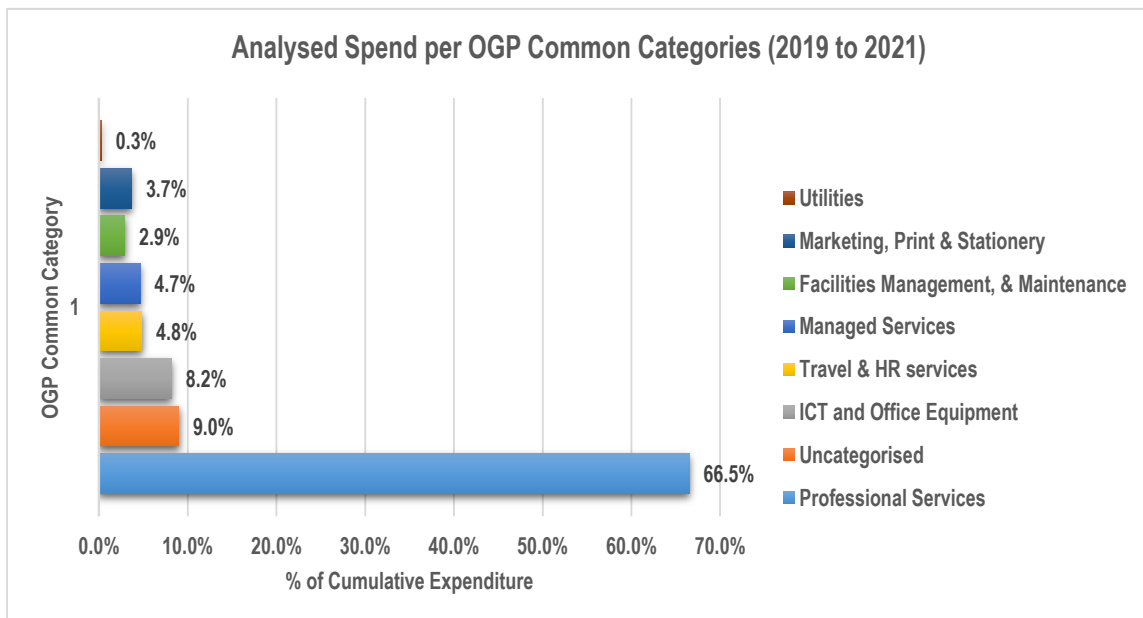
- **Adapt Procedures:** subject to a final needs assessment to be completed in 2022, the CRU standard procurement procedures to be updated with fully developed Template Documents. There is no “one size fits all” approach; depending on the contract may need to use selection criteria, technical specifications, award criteria, contract clauses or a combination of these.
- **Monitor Progress:** mandatory “checkpoints” to form part of procedures so that use of appropriate SPP can be confirmed.

## 6. Procurement profile

As the OGP, together with four key sectors - Health, Local Government, Education & Defence, have taken over the responsibility for sourcing all goods and services on behalf of the public service, a detailed review of the market is not required for commonly sourced goods and services. A market analysis is referenced at Section 6.2 below with respect to the CRU Professional Services category of spend, where CRU go to market directly for specified services.

### 6.1 Expenditure analysis of Past Goods and Services - Year 2019 to 2021

Analysing spend by category is the basis of the widely accepted category management approach to procurement. This approach has been adopted by the OGP so that spend from all public bodies can be aligned. There are 8 main categories within which spend is grouped by the OGP with comparable characteristics such as similarities in supply market profile, product / service type and end use which align with the CRU’s purchasing profile. See below a summary of % spend for the period 2019 to 2021 per spend category (OGP classification of common categories).



Analysed Spend by OGP Common Categories - (\* Uncategorised is primarily associated with rent (lease agreement) plus capital expenditure)

In the CRU, category spend analysis is performed on an annual basis using data extracted from the Finance system, OPERA3 (totals include VAT). A comprehensive review has recently been carried out in respect of actual expenditure incurred over the period 1 January 2019 to 31 December 2021. Procurement spend (inclusive of VAT) incurred per OGP Common category is shown in the table below for the years 2019 to 2021:

Category	Gross Amount in €000s			
	2019	2020	2021	Total
Professional Services	4,505	4,683	4,977	14,165
Uncategorised	631	628	654	1,913
ICT and Office Equipment	538	523	681	1,742
Travel & HR services	365	332	331	1,028
Managed Services	287	306	398	991
Facilities Management, & Maintenance	335	147	136	618
Marketing, Print & Stationery	194	220	370	784
Utilities	26	12	20	59
<b>Total</b>	<b>6,882</b>	<b>6,851</b>	<b>7,566</b>	<b>21,299</b>

See below a summary of procurement methods used to procure the aggregated category of goods and services as referred to above:

Procurement Method	2019	2020	2021	Total
<b>OJEU Contract Notice</b>	8	1	8	17
<b>Non-OJEU Contract Notice</b>	7	1	1	9
<b>OGP Frameworks</b>	6	6	8	20
<b>CRU Framework Agreement - Mini-competitions</b>	1	6	24	31
<b>Request for Quotation (RFQ)</b>	7	5	11	23
<b>Totals per Annum</b>	<b>29</b>	<b>19</b>	<b>52</b>	<b>100</b>

As per the Template at Appendix 1 the procurement function maintains a Register of Contracts i.e. significant purchases – what and how much was purchased and from whom, procurement method, expenditure type; which is used to underpin the historic analysis. This Register will also flag when contracts are scheduled to expire thereby prompting a new procurement process.

As part of the procurement spend analysis, all expenditure categories are assessed in terms of relative value and the risk associated with their purchase. An analysis of spend per quadrant is performed as described at Appendix 2.

## **6.2 Proposed Spend on Goods and Services for duration of this CPP**

The CRU's spend is predominantly on goods and services. Approximately 33% of spend is on goods and services used across all business units. The remainder of the procurement expenditure is on services specific to business units including economic, technical, legal, IT, financial, communications and other specialist external expertise (**Professional Services, Managed Services, Marketing categories**).

### **Critical Contracts and Significant Purchases**

In summary, total estimated procurement expenditure for the current corporate strategic period of 2022 to 2024 is €24M (excluding VAT); [2019 to 2021: €17M]. Critical contracts and significant purchases form part of the Professional Services, Managed Services and Marketing Categories of Spend estimated at €17.2M (excluding VAT) over this three-year strategy period.

In determining the approach to procure consultancy services over the next 3 years (2022 to 2024), a desk-top supplier analysis exercise was completed based on contracts awarded for consultancy services over the past 3 years. Based on this analysis the indicative market is considered sufficient without further market consultation. CRU will continue to establish a Framework Agreement divided into Lots, for Consultancy Services as the most effective procurement method. However, specific technical expert support may require a separate OJEU contract notice e.g., contracts awarded jointly with UR, specialist expertise not available in a framework agreement arrangement.

Listed below in descending order of value, the proposed spend for the contract duration (3-year term) / procurement method for the critical contracts and significant purchases for the period 2022 to 2024.

<b>Goods and Services</b>	<b>Estimated Cost €M excl Vat</b>	<b>Procurement Method</b>	<b>Timeline for Procurement (Target)</b>	<b>Contract Duration</b>	<b>Responsible Owner</b>
<b>Consultancy Professional Services (Lots)</b>	€10.3M	CRU Framework Agreement (Lots) or OGP: Mini-Competitions OJEU Notice(s); Non-OJEU Notices; Joint Procurement Agreement (JPA) with UR	Per Multi-Annual Plan: * New CRU Framework Agreement March 2024  Per Multi-Annual Plan	Project Specific: Maximum 4 Year Term	All Directors
<b>Safety Technical Consultancy Services</b>	€2.7M	OJEU Notice; OGP Framework	Recurring Contracts: New 2022 & 2023	Maximum 4 year term	Director of Safety
<b>Legal Services</b>	€1.6M	OGP Framework: Cascade Mechanism; JPA	Recurring Contracts: New in February 2022	Maximum 4 year term	Director - Customer Protection & Policy
<b>Advertising Campaigns &amp; PR services</b>	€0.6M	OGP Framework	Recurring Contract: Per Multi-Annual Plan	Project Specific	Director - Operations & Org. Development
<b>IT Managed Services</b>	€0.6M	OJEU Notice & OGP Frameworks	Recurring Contracts: New Quarter 2 2022	Maximum 4 year term	Director - Operations & Org. Development
<b>Market Research &amp; Survey Consultancy</b>	€0.4M	OGP Framework	Recurring Contract: New January 2023	Maximum 4 year term	Director - Customer Protection & Policy
<b>Customer Contact Managed Services</b>	€0.4M	OJEU Notice	Recurring Contract: New December 2024	Maximum 4 year term	Director - Customer Protection & Policy
<b>Pension Actuarial and Advisory Services</b>	€0.3M	OJEU Notice	Recurring Contract: New January 2024	Maximum 4 year term	Senior Manager – Finance & Governance
<b>Recruitment Support Services</b>	€0.3M	OGP Framework or OJEU Notice	Recurring Contracts: New April 2023	Maximum 4 year term	Director - Operations & Org. Development
<b>Designation of Electrical and Gas Safety Supervisory Bodies</b>	N/A	OJEU Notice	Recurring Contracts: New January 2023	7 Years	Director of Safety

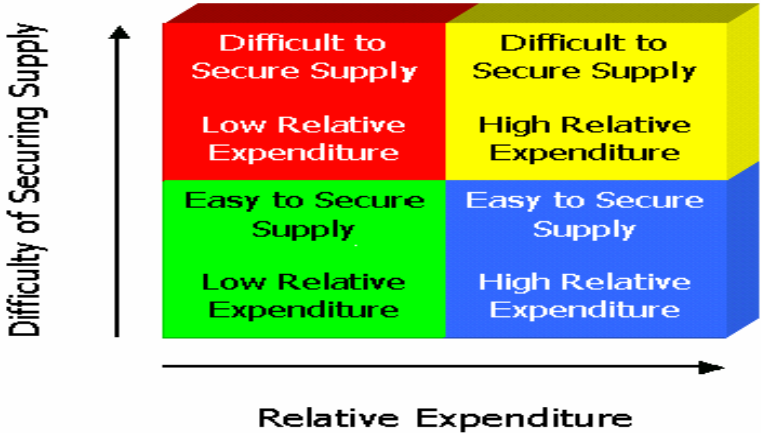
A full list of contracts awarded is maintained as set out at Appendix 1: Contracts Register for reference purposes.

**Multi-Annual Procurement Plan**

As described in Appendix 3 the Multi- Annual Procurement Plan for the year 2022 for all aggregated categories of spend with an estimated cumulative spend of €25,000 (excluding VAT) over the three-year period of 2022 to 2024, is maintained by the central procurement function. This multi-annual procurement plan should be completed on an annual basis for review and approval by the Finance and Governance Committee, as part of the overall business planning process.

**7. Procurement supply and risk**

It is recommended that organisations avail of an analytical framework to assist the corporate procurement planning process through the creation of the supply positioning matrix. As per previous years the analytical framework applied to analyse expenditure is split into **FOUR QUADRANTS**, as depicted below.



This matrix provides a profile of the organisation's procurement activity in the context of the relative size of the expenditure in its various categories of goods and services and the difficulty in securing supply for these categories. Through supply positioning, critical areas of expenditure and significant purchases can be identified. This is the starting point for further demand and supply market analysis, through which organisations can develop strategies to support their business objectives. The risks involved in the procurement function (difficulty of securing supply) are split into three types:

- External factors (nature of the supply market & probability of supply failure);
- Relationship factors (complexity of the procurement relationship); and
- Internal factors (strategic importance to the organisation & impact of supply failure).

**Procurement of Professional Services – Framework Agreement**

Being a relatively complex procurement process, it will take significant time and effort to consult with all members of the management team within CRU to develop the procurement documentation to establish a similar framework agreement for consultancy services in early 2024 as per the current regime. In this context, the combination of many different factors and influences

leads to a number of risks that need to be properly identified, assessed, mitigated and controlled during the course of the implementation of the framework agreement.

To identify risks and the corresponding mitigation measures;

- A critical analysis of the procurement documentation, to be completed by our legal advisors (independent from the project team directly involved in the preparation of the project);
- A critical analysis of the procurement documentation, in particular the specification of requirements per Lot completed by the Commission and Directors;
- An exercise to be completed by the project manager to gather feedback and “lessons-learned” from the implementation of previous framework agreement per Lot.

***A Procurement Project Risk register** will be prepared and maintained by the Senior Manager – Finance and Governance; identifying risks, potential consequences, impact, likelihood and mitigation.*

## **8. Measurement of results**

The CRU central procurement function will collate data annually to conduct an evaluation of the success of the CPP. As set out at Section 4, performance measures are aligned to each objective to facilitate the annual review of the CPP. In addition, procurement will continue to collate data as follows:

- Number of centralised arrangements used (OGP).
- Number of contracts advertised on [www.etenders.gov.ie](http://www.etenders.gov.ie) (Non-OJEU and OJEU).
- Number of contract award notices issued.
- Number and percentage of tenders conducted using the different procurement procedures.
- Number of awards below the [www.etenders.gov.ie](http://www.etenders.gov.ie) threshold of €25,000 excluding VAT.
- Number of procurement training sessions held for staff and summary of topics covered.

## **9. Continuous improvement**

Mechanisms for capturing improvements to the procurement processes include the following:

- Implementation of the recommendation of financial and internal audits of procurement
- Review of the CPP by the Finance and Governance Committee: Procurement is included as a standing agenda item at monthly meetings of the Committee. This includes oversight of work in progress, policy reviews and processes for handling procurement breaches, if any.
- Feedback from staff: In response to feedback from staff, the central procurement team have developed a number of user guides and training material (audio slides available on the staff intranet).



- Recommendations from the Senior Manager – Finance and Governance: Over the past number of years, the central procurement function, under the guidance of the Senior Manager, has focused on the contract management arrangements in place with respect to contracts awarded for professional services (a high category spend area). A sustainable procurement policy is also in development for use by CRU.
- Legal and Other Advices: On occasion, advice may be sought from legal advisers, the OGP or other procurement experts which inform future procurement processes. Advices in relation to provisions related to specific issues, for example intellectual property, management of agency workers, joint procurement arrangements with UR are all examples of areas where advice has been obtained for procurement processes in the CRU.

## 10. Governance and approval

The CPP is submitted to the Commission for approval, prior to implementation and dissemination to relevant staff at CRU.

### ***Approved by the Commission***

Commission Meeting Reference Number: CM932 on 6<sup>th</sup> April 2022

The CPP is subject to review by the Commission annually. Information from these reviews will feed into development of the next CPP for the period 2025 to 2027. This will be produced within three months of the preceding plan before the end of the period covered by this plan.

## 11. Implementation and Review

The Senior Manager – Finance and Governance is responsible for ensuring implementation.

The CPP will be subject to periodic review by the Director of Operations and Organisational Development and the Chairperson (at least twice per annum).

During the year, CRU priorities may change resulting in changes to procurement priorities, these changes will be maintained in the Multi-Annual Procurement Plan to ensure it remains relevant and up to date.

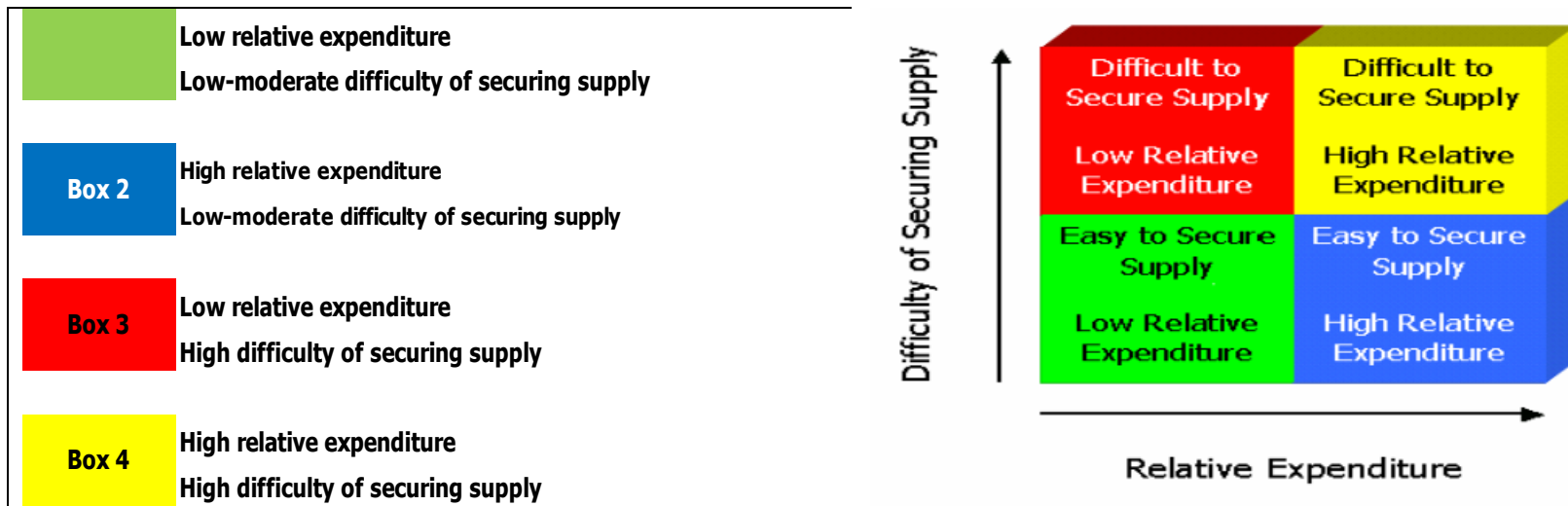
## Appendix 1: Contract Register

CPP CRU Contract Register - Year 20XX											Date:	<INSERT DATE>
Ref	Start Date	End Date	Extension	Title	Service Provider	Contract Value	Procurement Method	Contract	Complete	Expenditure	Spend Category	
			Option - Term			(€ - excl.VAT)		Manager	(Yes/No)	Type		
			Where option to renew is provided for in the contract, details added.	Contract Title i.e. Service and/or Goods Description		Contract value for term including options to extend.	Select the procurement method i.e. OGP Framework Agreement, OJEU contract notice, Non-OJEU contract notice, Framework Agreement, Request for Quotation			Recurring or Once-off	The key categories of expenditure covered in the CPP are listed below: 1. Professional Services 2. ICT and Office Equipment 3 Facilities Management and Maintenance 4. Managed Services 5. Travel and HR Services 6. Marketing, Print and Stationery 7. Utilities 8. * Uncategorized	

The Contracts Register record is maintained by the Central Procurement Function, updated monthly.

## Appendix 2: Supply Positioning Matrix

The purpose of the Supply Positioning Matrix is to assist organisations to profile their procurement activity in the context of the relative size of expenditure for the various categories of goods and services, and the difficulty in securing supply for these categories. Through Supply Positioning, critical areas of expenditure and significant purchases can be identified. This is the starting point for further demand and supply market analysis, through which organisations can develop strategies to support their business objectives. Supply Positioning should be conducted by officers with high level procurement planning expertise, with input from technical and other experts in some of the specialised categories of goods and services.



- **Q.1 Low relative expenditure /Low-moderate difficulty of securing supply**
  - These items collectively make up a relatively small proportion of the total expenditure on purchased items. However, they represent a high proportion of the purchasing transactions carried out by the organisation. Individual transactions are of low value and the goods and services are readily available. There is often little capability to meet aggregate demand to improve buying power. The transaction costs associated with purchasing these items are often high, relative to the value of the items themselves. These costs need to be contained to ensure value for money. As the goods and services are readily available, buying from competitive local suppliers is often an effective strategy for minimising transaction costs.
  
- **Q.2 High relative expenditure /Low-moderate difficulty of securing supply**
  - Goods and services in this category are generally commodity type items available from stable supply markets. They are items that are commonly used across the organisation, often in high volumes and with the individual transactions being of low value. Supply strategies often focus on aggregating demand with a few suppliers to gain volume discounts. As there are often many low value purchases made against the arrangements, having simple buying practices that reduce transaction costs is important.

- **Q.3 Low relative expenditure / High difficulty of securing supply**

- These items collectively make up a very small proportion of the total expenditure on purchased items. Goods and services in this category are usually highly specialised and there are often very few potential suppliers. Purchasing strategies for securing supply in this category generally focus on reducing the organisation's vulnerability in the market. Strategies for doing this include actively identifying alternative sources of supply, changing the demand requirements or developing stronger relationships with key suppliers.

- **Q.4 High relative expenditure / High difficulty of securing supply**

- Goods and services in this category are often a complex 'bundle' or 'package' of services and associated goods that are critical to the organisation's service delivery.
- **Long-term relationships with suppliers are common and therefore effective contract management practices are essential for obtaining full value from the arrangement.**

### ***Appendix 3: Multi Annual Procurement plan per Category***

The Multi Annual Procurement plan is maintained by the CRU Senior Manager – Finance and Governance. The plan is based on projected procurement for a rolling three-year period. All items with a projected cumulative spend of €25,000 (excluding VAT) over the three-year period 2022 to 2024 is included in the plan. Where spend is approaching the €25,000, the category is included in this plan. This plan should be updated no later than 1 December each year.

Circular 02/2016 indicates that ICT related spend take into account the whole of life cost and therefore estimates of all potential costs for any associated or follow-up projects should form part of the business plan.

The Multi Annual Procurement Plan is updated to include:

1. Mini-Competitions to be awarded from the CRU Framework Agreement for Consultancy Support Services which is subject to an annual Budget Change Control Process, for approval by the Commission.
2. The CRU IT Strategy planned expenditure, oversight by the IT Steering Committee.

Additional columns will be added to the spreadsheet for internal monitoring purposes.

For guidance of the category of spend, please contact CRU central procurement.

#### ***Appendix 4: National Public Procurement Framework- Legislation***

<http://ogp.gov.ie/national-public-procurement-policy-framework/> - Full details of report available at web-link

The National Public Procurement Policy Framework (NPPPF) consists of five strands:

1. Legislation (Directives, Regulations)
2. Government Policy (Circulars etc.)
3. Capital Works Management Framework for Public Works and Construction related Services
4. General Procurement Guidelines for Goods and Services
5. More detailed technical guidelines, template documentation and information notes as issued periodically by the Policy Unit of the Office of Government procurement (OGP)

This document sets out the procurement procedures to be followed by Government Departments and State Bodies under national and EU rules. The NPPPF supports contracting authorities, including the OGP, four key sectors (Health, Education, Local Government and Defence), individual Departments, Offices, commercial and non-commercial State bodies, and private entities which are subsidised 50% or more by a public body, when awarding contracts for works, goods and services. It supports and enables public bodies to adopt procedures to meet their public procurement requirements and facilitates compliance with EU and National Procurement Rules.

The framework will be subject to amendment and review periodically and the most up-to date version will be published on the OGP's website, [www.ogp.gov.ie](http://www.ogp.gov.ie).

The framework is not intended as legal advice or a legal interpretation of Irish or EU law on public procurement. Legal or other professional advice should be obtained if there is any doubt about the correct procedure to be followed