

In December 2012 I launched the Wales Procurement Policy Statement (WPPS) setting out the principles by which I expect public sector procurement to be delivered in Wales. In the 2 years since the launch we have seen the profile of procurement rise significantly and a wider understanding that, when used effectively, procurement can be a strategic tool to deliver economic benefit to the people of Wales. Having secured agreement to legislative powers in respect of procurement for Wales this is a timely opportunity to review and strengthen the WPPS to support delivery of better public services in Wales, deliver increased job and training opportunities and support the economy.

Delivery of the first programme of Procurement Fitness Checks tells us that progress has been made since the publication of John McClelland's review 'Maximising the Impact of Welsh Procurement Policy'. The Fitness Check reports, published on the Procurement Route Planner at <http://prp.gov.wales/fitnesschecks2014/>, have provided organisations with a clear benchmark which they can use to move forward with the support of Welsh Government.

Key policies like Community Benefits continue to play an important role in the delivery of wider Government objectives. Results from the projects measured to date show they are clearly contributing to our tackling poverty agenda and now supporting delivery of our LIFT programme. Introduction of our advice notes on Blacklisting and Employment Practices in Procurement is helping drive ethical behaviour and ensure the public sector in Wales is good place to do business.

We have seen procurement capability across Wales grow with the introduction of 28 new procurement officers trained through the Home Grown Talent Project and over 600 public sector officers benefitting from procurement related training.

Since its launch in 2013, the National Procurement Service (NPS) has seen 73 Welsh public sector organisations make a 5 year commitment to use the contracts and frameworks that will bring together the procurement of common and repetitive spend across the Wales. With stretching targets to deliver up to £25m in savings once fully operational, I am pleased to see good progress is already being made.

But it is clear we are only at the early stages of this journey there is much more we can do. I have welcomed the introduction of the new EU Public Procurement Directive and I am determined that Wales will maximise the opportunities that this offers. Many of the new provisions serve to strengthen existing Welsh Government policy and we must now see this policy put into practice across Wales. To this end I would expect to see procurement treated with the respect it deserves, with organisations acknowledging the economic benefit it delivers, and recognising procurement at Board level.

We have seen expenditure won by Wales based suppliers rise from 35% in 2004 to 55% in recent years and I am sure that there is potential for this to increase even further in the future. This suggests that the application of tools like SQuID and guidance on joint bidding are helping more local businesses to access and win work. The new Directive provides an

This policy adopts the Sustainable Procurement Task Force¹ definition of procurement:

In carrying out procurement activity the public sector in Wales are required 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.

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<p>Welsh Government will:</p> <ul style="list-style-type: none"> • set out a ‘maturity model’, against which development of procurement can be measured across the Welsh public sector. • Facilitate a Procurement Fitness Check Programme, to include a self assessment model for eligible organisations • Provide a standard template against which public bodies will report the outcome and progress against action plans. • Provide access to policy, advice and resources which enable public bodies to improve procurement outcomes. 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • measure themselves against the maturity model, by undertaking an annual Procurement Fitness Check and reporting the recommendations and action plan progress to Welsh Government.
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2. **Professionally resourced** – procurement expenditure should be subject to an appropriate level of professional involvement and influence, adopting the initial

¹ Procuring the Future, 2006

workforce of 30% or
more disadvantaged
workers
the opportunity to
reserve contracts for
suppliers with a social
ethos e.g. Co
operatives and Mutuals
at first tender.
Impact of the Modern
Slavery Act

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. .

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<p>Welsh Government will:</p> <ul style="list-style-type: none"> • provide www.sell2wales.co.uk, including the SQuID common question set. • Provide Leadership, guidance & tools on best practice procurement approaches • Improve information on forward programmes by maintaining publication of the Wales Infrastructure Investment Plan. 	<p>The Welsh public sector will:</p> <ul style="list-style-type: none"> • amend standing orders to require advertisement of all contracts over £25k on www.sell2wales.gov.uk. • proactively publish their forward contract programmes on their website • Use appropriate ‘lotting’ strategies. • apply the SQuID approach as standard to supplier selection. • Publish contract award notices on www.sell2wales.gov.uk • Ensure procurements are available and accessible to all - including collaborative bids (i.e. consortia) • Promote fair payment terms throughout the supply chain
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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.

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Welsh Government will:

- develop and promote simplified approaches to procurement based upon the adoption of common systems and processes, including the Welsh e

year change programme to
accelerate etrading

- monitor the adoption and
impact of these approaches.
- Provide structured support

Wales adopting approaches to

10. **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.

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Welsh Government will:

- provide a standard framework of procurement measures that are proportionate and demonstrate engagement with the WPPS.
- Collate information and report to the Minister for Finance & Government Business and Procurement Board for consideration in future policy development implementation.

The Welsh public sector will:

- Complete an annual return to Welsh Government of procurement outcomes, achieved through procurement.

Principle 10 of the WPPS commits the Welsh Government and the Welsh public sector to work collaboratively in the preparation and delivery of an annual return to measure adoption of the WPPS in Procurement activity across Wales. Table 1 identifies the scope of measurement.

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Resource & capability	1, 2, 7, 9	<ul style="list-style-type: none"> - Welsh public sector Procurement Maturity Matrix - Procurement Training 	<ul style="list-style-type: none"> • Procurement fitness check level • Level of professional procurement intervention • Evidence of commitment to continuous professional development
Economic Impact	3, 4, 5, 6, 7, 8, 9, 10	<ul style="list-style-type: none"> - Sustainability Tools - E procurement service - Community Benefits - Joint Bidding Guide - Ethical Procurement Advice Notes - Supplier Qualification Information Database (SQuID) 	<ul style="list-style-type: none"> • Savings from influencable procurement spend • Engagement with Welsh Business • Delivery of Community Benefits • Engagement with collaborative contracts and service provision • Adoption of e procurement systems • Adoption of low value advertising • Publication of contract award notices • Adoption of a proportionate, risk based approach • Use of the SRA

Social Impact

3, 4, 8, 9,
10

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- Sustainability Tools
- Sell2Wales
- Community Benefits
- Wales Infrastructure Investment Plan
- Joint Bidding Guide
- Ethical Procurement Advice Notes

- Engagement with ethical p NAdvice