



Corporate Procurement Plan

2016 - 2018

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1. Executive Summary

The Injuries Board (hereinafter referred to as the "Board") is committed to delivering excellent quality services. It is recognised within the organisation that a strategic approach to procurement plays a central role in achieving such services.

This is the Board's second Corporate Procurement Plan which recognises the importance of using efficient procurement procedures and is an important step in raising awareness of strategic procurement within the Board. A high level review of the goals in the first Corporate Procurement Plan is outlined in Section 6 below.

The aim of this plan is to support the Board as an effective, professional and value added service to the Board. This plan is underpinned by the following procurement principles:

- To achieve optimum value for money at all times
- To carry out procurement and procurement activities in a manner consistent with EU and National procurement law whilst adhering to official Government policy and guidelines including procurement best practice
- To promote an increasing sustainable approach to procurement activities in terms of environment, social and financial considerations within applicable legislative constraints

It provides clear and challenging aims for procurement, defines the future direction and vision and includes a number of goals for the Board.

To achieve these goals existing procurement processes will continue to be reviewed, systems and processes updated to assist all those involved in procurement operate effectively and efficiently.

Procurement affects practically all areas of the Board, although not a core activity. The Board has comprehensive protocols in relation to the policies and processes involved which comply with EU procurement Directives, National guidelines and best practice.

This plan includes detailed analyses of total expenditure within the Board for the financial year 2015. Within the plan we have set out clear aims focussing on procurement planning, information sharing and collaboration, between the different purchasing areas of the Board.

By aligning our purchasing practices with the goals and objectives as set out in this plan the Board will continue to achieve value for money to assist in delivering the required services.

The Executive Management Team is committed to communicating and implementing the strategic procurement objectives which are encapsulated in the seven high level goals to be accomplished in the coming years.

This plan was formally approved by the Executive Management Team on 24th August 2016.

2. Background

Public Procurement can be defined as the acquisition, whether under formal contract or not, of works, supplies and services by public bodies. It ranges from the purchase of routine supplies or services to formal tendering and the placing of contracts.

The Code of Practice for the Governance of State Agencies states that as part of its requirements in 2009 that "all non-commercial state bodies are to complete a Corporate Procurement Plan". This plan aims to address the policy and practical approaches to be adopted by the Board in carrying out its procurement function.

The responsibility for procurement within the Board is devolved within the organisation. Each Manager/budget holder is responsible for the procuring of supplies and services within their budget in line with the Board's policies and procedures.

The role of the procurement manager within the Finance Department is to support the procurement cycle by working with Managers/Budget holders in order to ensure compliance and value for money in line with the Board's policies and procedures.

Where the Board has procurements with projected values exceeding EU thresholds (Works contracts more than €5.225 million, services or supplies contracts greater than €209,000) the high value procurement procedure must be amended to take account of EU Procurement Directives as it is a legal requirement that contracts with estimated values above the EU thresholds be advertised in the OJEU.

The Board have detailed best practice procurement policies and procedures in place linked to EU Procurement Directives and National guidelines to ensure that value for money is achieved at all times.

These policies and procedures ensure that the best available product or service is sourced within a reasonable timeframe on the most economically advantageous terms, while maintaining the highest standards of compliance, probity, integrity, transparency and accountability.

In preparing this plan the Board is aware that the Office of Government Procurement (OGP) has put in place a number of mandatory Framework Agreements for use across Government Departments and Public Bodies. It is the Board's policy, in the first instance to check if an OGP Framework Agreement already exists by reviewing the information available at www.procurement.ie prior to the commencement of any tender competition. The Board is aware that non-use of these Frameworks Agreements must be fully justified and documented in value for money terms.

The Board's procurement policies/procedures and template documentation are available on the Board's Intranet as follows:

- Procurement policies and procedures
- Step by step guide
- Steps in conducting a Competitive Process for contracts for below EU Thresholds
- EU and National Regulations
- EU Advertising Thresholds

A specific training programme for the Board has been developed and will be delivered in April and August 2016 to the Executive Management Team and Managers/Budget holders who have responsibilities in relation to procurement.

Staff undertaking procurement tasks are required to possess the skills and competencies necessary, to employ best practice purchasing techniques in their procurement activity.

Two managers have achieved Certificates in Procurement, coupled with this the Board are committed to providing ongoing procurement training to all relevant staff.

3. Annual Procurement Planning

The Board is aware that the Irish public sector spends over €9 billion annually procuring supplies and services necessary for the efficient delivery of public services in Ireland. The Board spends approximately €12 million on supplies and services. The current economic climate has made it even more imperative that the best possible value for money continues to be achieved on behalf of the taxpayer. Aside from legal obligations, effectively managed public procurement plays a crucial role in accomplishing this goal.

To prioritise value for money the Board adheres to national procurement policy, using fair and transparent processes and having due regard to the need for probity and accountability. The emphasis in so doing must be on achieving value rather than simply securing the lowest price. In this context competition is key, as well as efficiencies that can be gained through collaboration with other contracting authorities, primarily through the use of centralised contracts arranged by OGP. Planning is key to achieving sustainable saving in procurement.

Staff engaged in procurement related activities need to be familiar and fully comply with the Board's procurement policies, procedures and guidelines; in addition to having an understanding of relevant EU Directives and National procurement guidelines.

It is the Board's policy to plan in advance and identify likely procurement requirements. Such planning significantly increases the chances of securing an outcome more directly suited to requirements, greater value for money, enhanced levels of compliance and transparency and a more speedy selection process.

At the outset, there must be a clearly identifiable business need for a product or service before a commitment to purchase is entered into with a supplier, on behalf of the Board. Managers/Budget holders are accountable for all purchase orders/invoices charged against their relevant budget, must operate within their annual budget, monitor variances from budget limits, take corrective action when necessary and keep up to date on any new or emerging material issues which may have a significant effect on their ability to meet budget targets.

As part of the annual budget process, Managers/Budget holders will prepare and agree in conjunction with the Executive Management Team an annual Operational Procurement Plan (OPP) which will identify all related procurement requirements.

This will ensure that all procurement requirements are planned, scheduled and implemented in line with the Board's procurement policies and procedures and best practice.

Please see Appendix A for 2016 Operational Procurement Plans.

4. Expenditure Profile

The total expenditure for the Board in 2015 financial year amounted to €12,185,140 (excluding salaries, revenue payments, third party legal costs, staff expenses and payments to DJEI), including capital expenditure which amounted to €211,892.

Revenue Expenditure	€ 4,920,578
Total Claim Related Expenditure	€ 7,052,670
Capital Expenditure	€ 211,892
Total Overall Expenditure	€ 12,185,140

Revenue expenditure covers the day to day running of the Board and includes Service Centre, energy, telecommunications, IT & facilities, consultancy costs etc. Capital expenditure differs significantly from revenue expenditure in that it is expenditure which results in the creation of an asset beyond the year in which the asset is originally provided such as, piece of computer hardware/software, fixture & fitting and office furniture / equipment.

Revenue and Capital Expenditure - there were in total 138 suppliers paid during the year and a total of 892 invoices.

Total revenue expenditure can be further analysed by expense category as follows:-

Summary of Revenue Expenditure		
Expense Category	Expenditure €	% of Total
Outsourced Service Centre	2,513,866	51.1%
Postal Services	599,521	12.2%
Rent & Service Charges	394,365	8.0%
IT Licence Fees & Support	418,715	8.5%
Legal Services	270,280	5.5%
Other Professional Services	360,741	7.3%
Telecommunications	44,569	0.9%
Other	318,521	6.5%
Total	4,920,578	100%

4 (a) (i) Spend on Central Government Contracts

In the past year the Board has availed of a number of OGP Framework Agreements in the areas of:

- Electricity Provision
- Office Stationery
- Mobile Phone Services
- Key holding Services
- Internal Auditing Services
- Photocopying Paper
- Managed Print Services

Total Spend	€101,000
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% of total spend	2.1%
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It is anticipated that these figures will increase during the term of this plan as more OGP Framework Agreements/Contracts come on stream.

4 (b) Claim Related Expenditure

There were in total 516 claim related suppliers paid during 2015 and a total of 22,569 invoices paid equating to €7,052,670.

The Board arranges where necessary, an independent medical examination or other claim related report after a respondent has consented to the assessment of a claim.

These independent medical examinations are arranged to ensure that the assessment of the claim is based on the most accurate and up-to-date information available and that the assessment reflects the true value of the claim.

4 (c) Procurement classifications

The results of the above expenditure analysis informs an in-depth analysis of spend categories to determine if and where improvements to the procurement process can be achieved and efficiencies implemented. The approach to profiling purchases involves an initial exercise to further classify spend into procurement types described as under the following 4 categories:

Category 1 – Low relative expenditure Low-moderate difficulty of securing supply:

The items in this category collectively only represent a relatively small proportion of the total expenditure on purchased items but represent a high proportion of the purchasing transactions carried out by the Board. Individual transactions are of low value and the supplies or services are readily available. There is often little capability to 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. Examples include office supplies, A4 paper and envelopes. The Board's sourcing strategy is to place long term contracts, automate ordering and utilise Framework Agreements.

Category 2 – High relative expenditure Low-moderate difficulty of securing supply:

Supplies and services in this category are generally commodity type items available from stable supply markets. They are items that are commonly used, often in high volumes.

The Board's sourcing strategy focuses on aggregating demand with a few suppliers to achieve volume discounts. Examples include telecommunications costs, consultancy services and cleaning services.

Category 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. Supplies and services in this category are usually highly specialised and there are often very few potential suppliers. The Board's sourcing strategy for securing supply in this category focuses 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.

Category 4 – High relative expenditure High difficulty of securing supply:

Supplies and services in this category are often strategic services and associated supplies and services that are critical to the organisation's core business e.g. information technology related systems development and service centre provider. The Board's sourcing strategy recognises that long-term relationships with suppliers are common and therefore effective contract management practices are important for obtaining full value from the arrangement.

5. Supplier Analysis

(a) General Suppliers

Supplier analysis enables the Board to identify the value of supplies and services by each supplier, the level and type of business conducted with each supplier, and whether synergies can be achieved in co-ordinating the purchasing of similar supplies and services within the Board.

In 2015, our analysis shows that a total of 23 general suppliers accounted for spend in excess of €4.69 million (91% of total spend of €4.9 million). Our objective in entering in to contracts with existing and new suppliers is to maximise purchasing power where possible, it would be anticipated that the high volume and value of business entered in to with primary suppliers, should attract cost reductions and discounts in a competitive market.

There were 237 purchase orders issued in 2015, these are broken down as follows:-

Number of Purchase Orders issued during 2015		
Expenditure Type	Number of Purchase Orders	% of Total
Outsourced Service Centre	26	11.0%
Postal Services	29	12.2%
IT Licence Fees & Support	25	10.5%
Other Professional Services	50	21.1%
Advertising & Research	9	3.8%
Office Stationery & Printing	86	36.3%
Miscellaneous	9	3.8%
Fixed Assets	3	1.3%
Total	237	100%

Note:

Purchase Orders are required for purchases in excess of €1k with the exception of stationery orders.

Purchase Orders are not required for legal or utility invoices. Compliance with purchase order procedures needs to be consistently monitored.

(b) Claim Related Suppliers

There were in total 516 claim related suppliers paid during 2015 and a total of 22,569 invoices paid equating to €7,052,670

As stated previously the Board arranges independent medicals and other claim related reports in order to fulfil its statutory obligation under Section 80 of the Personal Injury Assessment Board Act 2003 in assessing a personal injury claim. Purchase orders are not utilised to requisition the services of a claim related practitioner as the request for services of a practitioner is on a claim by claim basis. There is a process followed by the Board in arranging medical examinations, it is initiated by the claim handler who decides the type of medical required and selects the practitioner on the basis of geographical location of the practitioner, cost and service.

The establishment of a medical panel was created from initial advertising in medical publications and subsequently to develop the panel. The medical panel spreadsheet is maintained by the Business Support Services Manager. It includes information on each available practitioner by speciality, location and also indicates the indicative medical report fee. The panel is dynamic with removals e.g. retirements / changes in work capacity and additions e.g. new requirements, in order to give better geographical coverage.

6. Review of Goals/objectives from previous plan (2012)

Number:	Goal:	Background:	Outcome:
1.	To ensure that staff engaged in the procurement process recognise their continuing obligation to achieve efficiency, effectiveness and best value for money for InjuriesBoard.ie as part of their routine activities.	Value for money assessment should examine cost related factors such as whole-of-life costs, transaction costs associated with acquisition, use, maintenance and disposal costs. The concept of value for money is not restricted to cost alone, it must also consider non-cost factors such as fitness for purpose, quality, supplier service and support, and sustainability considerations.	Training was provided during the life of this plan, the policies and procedures were subject to regular review. This is an ongoing requirement and is included also as a Goal in the current plan.
2.	To ensure that Directors, Managers and staff employ the best procurement practice through the processes, procedures and templates when acquiring and receiving supplies and services from suppliers.	Procurement is a key organisational function and it is vital that staff involved in the procurement process, have a thorough understanding of public sector accountability and best practices in the methods and processes involved including the use of framework agreements. The use of detailed procurement procedures and guidelines is required to ensure a consistent and clear approach which can be applied to all procurement activities.	Training was provided during the life of this plan, the policies and procedures were also revised. This is an ongoing requirement and is included also as a Goal in the current plan.
3.	That consideration of National Framework agreements should be undertaken prior to the commencement of a tendering process.	The National Procurement Service (NPS) is located in the Office of Public Works and has been tasked with centralising public sector procurement arrangements for common supplies and services. It currently has 49 contracts / framework agreements in place. The Department of Public Expenditure & Reform has also developed procurement	A number of Office of Government Procurement (OGP) frameworks have been put in place during the life of the plan. Prior to tendering, OGP contract availability/future

		<p>arrangements in the areas of ICT, Telecoms, and Data Networking on behalf of non-commercial public sector bodies. In collaboration with a number of cross-sectoral groups, the Department has drawn on expertise across the public sector to leverage volumes and secure benefits from economies of scale. These arrangements deliver value for money, provide supplies and services under public service terms and conditions, and reduce the complexity, cost and time spent on procurement processes. There are currently seven framework agreements in operation in the areas of ICT, Telecoms and Data Networking.</p>	<p>plans and timelines are considered. It is anticipated that usage of OGP contracts will increase by the Board as more tendering is completed by the OGP. This is also a Goal in the current plan.</p>
4.	<p>That a formal supplier management process be introduced.</p>	<p>The elements which cover supplier management provide a high level of assurance, at a relatively low cost, that contractual deliverables and relationship objectives are met, by concentrating management's efforts through a well-defined and focused team. They include some of the following:</p> <ul style="list-style-type: none"> - Developing contract management plan - Managing service delivery /performance - Seeking continuous improvements - Managing risks - Managing variations and change control <p>The completion of a Contract Performance Assessment Form three months prior to the completion of the contract is also proposed.</p>	<p>While progress was made in the area of Supplier Management, a formal supplier management process has not yet been fully rolled out within the organisation. This will be completed as part of the current procurement plan.</p>

Number:	Goal:	Background:	Outcome:
5.	Is to review existing purchasing processes to ensure that all documentation including a contract is in place with all key suppliers and the internal procurement structures / activities within the Board are appropriate to ensure optimal efficiency.	Documentation associated with the tendering process including contract approvals, letters of award and regret and National / OJEU notices must be properly filed on Managers drive. As stated in Section 5(d) procurement in the Board is devolved, a review should be undertaken as to the appropriateness of this current structure.	Procurement policies and procedures are reviewed on an ongoing basis.

7. High Level Goals 2016 – 2018

The following eight high level procurement goals have been identified:

Number:	Goal:	Background:	Action:
1.	To ensure that staff who are engaged in the procurement process recognise their continuing obligation to achieve efficiency, effectiveness and best value for money for the Board as part of their routine activities.	Value for money assessment should examine cost related factors such as whole-of-life costs, transaction costs associated with acquisition, use, maintenance and disposal costs. The concept of value for money is not restricted to cost alone, it must also consider non-cost factors such as fitness for purpose, quality supplier service and support, and sustainability considerations.	Public Procurement Services will deliver in-house training to both Executive Management Team and Manager/Budget holders and relevant procurement staff, in April and August 2016.
2.	To ensure that Directors, Managers and staff employ the best procurement practice through the processes, procedures and templates when acquiring and receiving supplies and services from suppliers.	Procurement is a key organisational function and it is vital that staff involved in the procurement process, have a thorough understanding of public sector accountability and best practices in the methods and processes involved including the use of Framework Agreements. The use of detailed procurement procedures and guidelines is required to ensure a consistent and clear approach which can be applied to all procurement activities. These documented procurement procedures support the development of staff procurement skills and knowledge.	Incorporate revised procurement policies, procedures and processes into training courses in April and August 2016. Review current OGP Framework Agreements and how to drawdown the available services.

Number:	Goal:	Background:	Action:
3.	To prepare annual Operational Procurement Plans.	To ensure that allocated budgets are spent in line with current procurement policies/procedures.	Annual procurement plans at Department level will be prepared for 2016 in Qtr 2 and for 2017 in September 2016 as part of budgeting process. A summary schedule of tenders will be included (taking into account availability of OGP Framework Agreements).
4.	The Board will procure supplies and services through drawdown from OGP's centralised Framework Agreements" where appropriate.	The OGP has been tasked with centralising public sector procurement arrangements for common supplies and services. Full details of all contracts can be viewed on www.procurement.ie	It is the Board's policy to check if an OGP Framework Agreement already exists prior to the commencement of any tender competition.

Number:	Goal:	Background:	Action:
5.	That the current supplier management process be reviewed with a view to identifying areas for improvement.	<p>The elements which cover supplier management provide a high level of assurance, at a relatively low cost, that contractual deliverables and relationship objectives are met, by concentrating management's efforts through a well-defined and focused team. They include some of the following:</p> <ul style="list-style-type: none"> • Developing contract management plan • Managing service delivery /performance • Seeking continuous improvements • Managing risks • Managing variations and change control <p>The completion of a Contract Performance Assessment Form three months prior to the completion of the contract is also proposed.</p>	Review the current supplier contract management process with a view to formalising and standardising a contract management plan within the Board by end of 2016.
6.	To review existing purchasing processes to ensure that all documentation including a contract is in place with all key suppliers and the internal procurement structures/activities within the Board are appropriate to ensure optimal efficiency.	<p>Documentation associated with the tendering process including contract approvals, letters of award and regret and National / OJEU notices must be properly filed on Managers drive. Supporting documentation, e.g. Procedural process flowchart for the procurement of Supplies and Services to be used by all staff.</p>	<p>Training is provided to all Managers/ budget holders as to how to follow the in-house procedures/ processes. Review Board's process, introduce workflow diagrams, training for all relevant managers/staff on process from start to finish.</p>

Number:	Goal:	Background:	Action:
7.	Review the operational procurement process for claim related expenditure.	The current volumes of transactions and associated spend, has increased.	Review the current total number of suppliers and associated payments in order to seek operational/ administrative efficiencies. Prepare a current process flow chart for these services (this will be used for Goal 8 also).
8.	Review the current procurement strategy for claim related expenditure based on the current level of spend.	To ensure that business requirements are met continued value for money and optimum efficiencies are achieved.	Engage with the OGP who will be leading the procurement process (across the public sector) for these requirements. Participate in the tender process with the HSE from specification to contract award stages.

8. Conclusion

The overall objective of this plan is to deliver value for money while at the same time ensuring compliance with public procurement law.

The corporate procurement planning process has provided the Board with an opportunity to review and examine its current procurement procedures and practices.

The plan includes an analysis of spending on supplies and services procured and their relative value by expense category

It also includes a further analysis of spend by supplier which provides the board with details on the value of supplies and services supplied by each supplier and focuses attention on the highest paid suppliers, particularly for the category of medical services which is currently under review.

A key requirement for the Board is the annual procurement planning process currently being implemented. This process will commence with the development of annual Operational Procurement Plans linked to annual budget allocation by business area. The purpose and benefits of these plans is to:

- provide a stronger focus on procurement planning
- identify supplies and services to be procured
- agree the required tender process
- enable the scheduling and completion of the procurement process from initial tender specification to contract award stage
- provide compliance linked to procurement policies and procedures, achieving objectives and delivering value for money

The goals and objectives from the first plan in 2012 have been reviewed and any outstanding items have been addressed and reflected in the preparation of this plan and associated proposed high level goals going forward.

The plan which will be reviewed on an annual basis concludes with the high level goals which set the strategic procurement objectives for the Board in the coming years.

Appendix A – Operational Procurement Plans

1. ICT & Facilities
2. Finance
3. General Corporate Services
4. Corporate Affairs
5. HR
6. Operations
7. Post Assessment Team
8. Team 1
9. Service Centre
10. Medicals