



Oifig um Sholáthar Rialtais
Office of Government Procurement

Information Note

Corporate Procurement Plan



Rialtas na hÉireann
Government of Ireland

National Public Procurement Policy Framework

Public procurement is governed by EU and national rules. The [National Public Procurement Policy Framework](#) sets out the overarching policy framework for public procurement in Ireland and comprises five strands.

1. Legislation (Directives, Regulations)
2. Government Policy (Circulars etc.)
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 Office of Government Procurement

The framework sets out the procurement procedures to be followed by Government Departments and State Bodies under national and EU rules. The framework supports contracting authorities, including the Office of Government Procurement, the 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.

This is version 2 of the original document which was published in 2019. This version (December 2020) reflects further developments specifically in the area of strategic procurement - social, innovative and sustainable considerations.

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THIS INFORMATION NOTE IS ALSO DYNAMIC IN NATURE AND SUBJECT TO PERIODIC REVIEW AND AMENDMENT. CHECK WWW.OGP.GOV.IE FOR ANY FUTURE REVISIONS.

Executive summary

Procurement planning is an integral part of business planning for contracting authorities. The purpose of this information note is to assist in the preparation of a Corporate Procurement Plan. Completing a plan will help contracting authorities to benchmark their current procurement policies and practices and assist in identifying future procurement needs.

Contracting authorities are obliged to treat public funds with care, and to ensure that the best possible value for money is obtained whenever public money is being spent or invested. Equally, contracting authorities have a responsibility to implement good corporate governance standards. Procurement has been identified, at both a national and EU level as one of a number of activities requiring special attention in promoting good corporate governance. This includes having a Corporate Procurement Plan.

The Office of Government Procurement has responsibility for developing and setting out the overarching policy framework for public procurement in Ireland. Policy is governed by EU legislation, and national rules and guidelines, including the National Public Procurement Policy Framework. This framework sets out the procurement procedures to be followed by contracting authorities including the completion of a Corporate Procurement Plan.

A Corporate Procurement Plan should achieve the objectives listed below:

- Set out the organisation's strategic approach to procurement
- Identify procurement priorities
- Improve procurement planning and management of procurement needs
- Analyse procurement expenditure
- Review procurement and purchasing structures
- Understand supply chain and risks
- Help contracting authorities to evaluate their procurement
- Support and enable improved reporting

A Corporate Procurement Plan will also enable the Office of Government Procurement and other Central Purchasing Bodies to further support organisations and identify where existing framework agreements can be enhanced and new ones are needed, where procurement practices could be improved and where value for money can be realised.

1. Procurement plan overview

1.1 Introduction

The Office of Government Procurement (OGP) commenced operations in 2014. Together with other Central Purchasing Bodies (CPBs), namely the four sectors, Education, Defence, Health and Local Government, the OGP has responsibility for sourcing common goods and services on behalf of the public sector. The OGP also has responsibility for procurement policy and procedures for the entire public sector.

It is a matter for individual contracting authorities to ensure that their public procurement activities are discharged in line with procurement rules and procedures. The OGP supports contracting authorities in this regard by making them aware of their legal and policy obligations in respect to public procurement. These are clearly outlined in the Corporate Governance Standard for the Civil Service, the Code of Practice for the Governance of State Bodies, the Public Spending Code, procurement guidelines and framework documents published by the OGP, and in EU and National legislation.

Openness and transparency are central to ensuring that procurement transactions and decisions are fair, equitable and achieve value for money. Similarly, good governance results in more efficient use of resources and promotes better informed decision making. Contracting authorities have a responsibility to implement good corporate governance, of which a Corporate Procurement Plan (CPP) is an important component. The completion of these plans will assist contracting authorities in this and in managing their public procurement activities. Publication of a CPP is another element of transparency and good governance and will ultimately assist the OGP and other CPBs in supporting procurement requirements across the public service.

This information note is an initiative under the [National Public Procurement Policy Framework](#) which sets out the overarching policy framework for public procurement in Ireland. Part of the OGP's remit is to support better procurement practice and provide contracting authorities with information they can use to achieve this. For those, contracting authorities that are already producing a CPP, this information note will help in the development of the next iteration of the plan.

This information note:

- sets out why contracting authorities should complete a CPP,
- outlines what should appear in a CPP, and
- supports consistency and a common approach and standard for CPPs produced by different contracting authorities.

Completing a CPP supports good corporate governance and there are clear benefits for any organisation that produces one. It is recognised, however, that a 'one-size fits all' approach will not be appropriate and that the detail in the plan should be proportionate to the procurement-related spend available to that organisation and the level of associated risk. The policy basis for a CPP is summarised in the diagram on the next page.

This information note is dynamic in nature and will be subject to amendment and review in line with best practice. Updated versions will be published from time to time on the OGP website, www.ogp.gov.ie. This document does not constitute legal advice or a legal interpretation of Irish or EU law on public procurement.

Policy Basis for a Procurement Plan

Corporate Governance Standard for the Civil Service

A requirement to adhere to procurement rules is clearly outlined in the governance, assurance and compliance frameworks within the [Corporate Governance Standard for the Civil Service](#). Governance principles encompass procurement objectives such as openness, transparency, accountability and value for money.

Code of Practice for the Governance of State Bodies

The [Code of Practice for the Governance of State Bodies](#) identifies procurement as requiring special attention in promoting good governance. Contracting authorities must be familiar with national procurement rules including developing and circulating procurement policies and procedures to all staff. The code requires all non-commercial State Bodies to complete a Corporate Procurement Plan.

Public Spending Code

The [Public Spending Code](#) emphasises the need for planning around procurement and requires Departments to publish summary information on all procurements in excess of €2 million and to assess their compliance with procurement rules with respect to both current and capital expenditure being considered.

National Public Procurement Policy Framework

The [National Public Procurement Policy Framework](#) sets out the overarching policy framework for public procurement in Ireland. The framework supports and enables contracting authorities to adopt procedures to meet their public procurement requirements and facilitates compliance with EU and national procurement rules. This includes the completion of a Corporate Procurement Plan.

Freedom of Information Policy

Under the [Freedom of Information Act 2014](#) and the [FOI Model Publications Scheme](#), FOI bodies have obligations to make certain kinds of information routinely available, including information on how goods and services are procured and details on contracts in excess of €25,000.

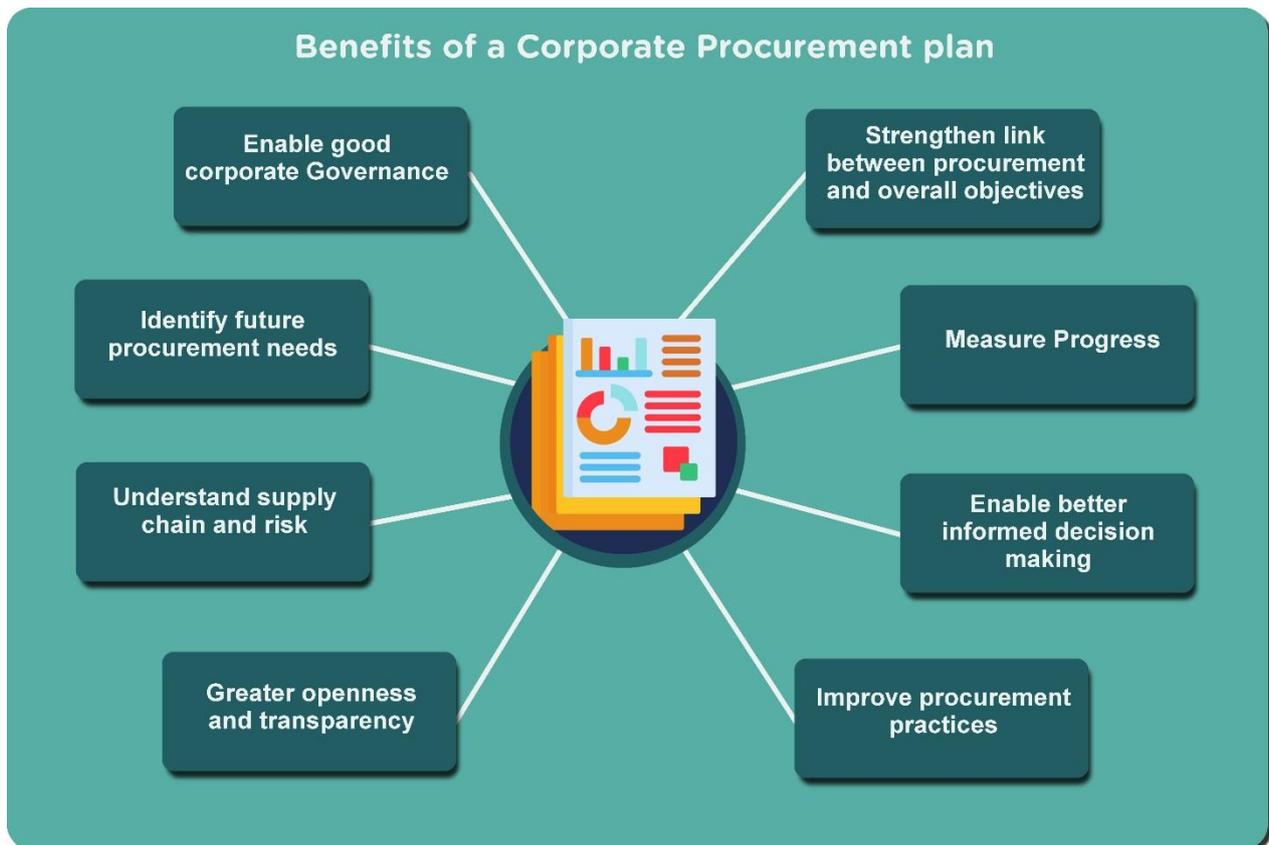
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Circular 40/2002

Contracting authorities must abide by [Circular 40/2002](#) which outlines additional procurement requirements, specifically in relation to any contracts above €25,000 excluding VAT awarded without a competitive process.

1.2 Benefits to completing a Corporate Procurement Plan

There is a range of benefits for organisations in preparing a CPP. Not least of these is the opportunity for planning, early identification of procurement priorities and alignment of procurement needs with the organisation's broader strategic objectives. Good procurement practice should be viewed as more than just compliance, it has a strategic supporting role.



A comprehensive, but not necessarily exhaustive, list of benefits to completing a plan is presented below.

- Strengthen the link between procurement and overall strategic objectives – the CPP should be forward looking
- Align procurement with Government priorities and secondary objectives, for example, green public procurement, sustainability, innovation, employment of long-term unemployed and the disadvantaged
- Align procurement with the organisation's corporate business plan
- Support the organisation's Executive and Board in reporting and compliance
- Support internal and external audit process

- Inform the organisation's contracts register
- Demonstrate commitment to public procurement obligations and establishing a good procurement culture
- Determine future procurement needs and enable more efficient use of resources and value for money
- Establish goals and targets leading to improved procurement outcomes and better measurement of these
- Identify appropriate lead-in times
- Identify critical contracts and development of the organisation's risk management approach
- Effective means of reviewing existing procurement strategy, practices and systems
- Provide focus for future development and innovation in procurement
- Provide an opportunity to inform staff how procurement will be developed in the organisation and for staff to contribute to its development
- Help the OGP and other CPBs to support procurement across the public sector, identify procurement trends and the need for new frameworks, and make enhancements to future iterations of existing frameworks where necessary

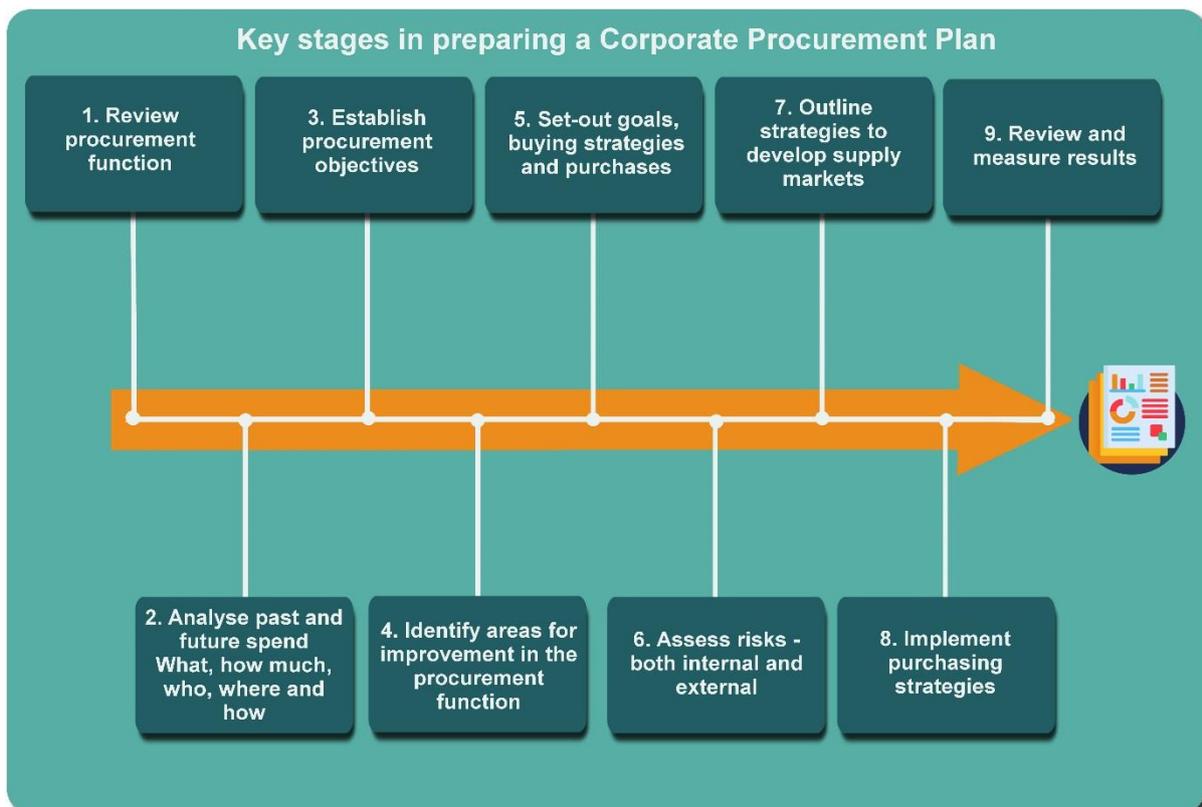
2. Completing a Corporate Procurement Plan

2.1 Introduction

A Corporate Procurement Plan (CPP) is based on key findings from analysis of both past and future procurement-related spend. Early identification of future procurement needs will help in planning how major purchases can be made, supported and delivered on time.

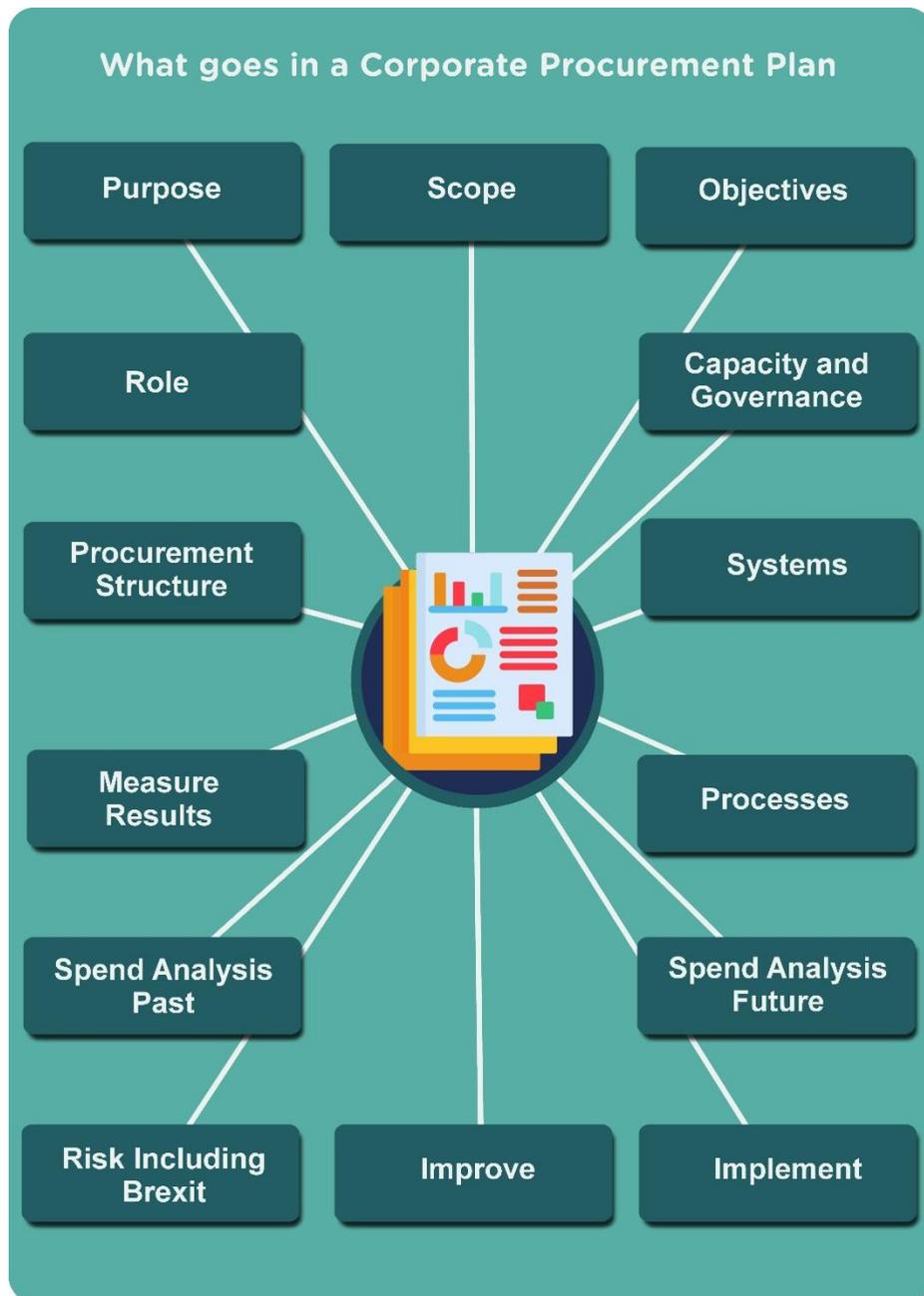
Given that the scale and nature of procurement varies across the public sector it is likely the level of detail in the plan will also vary. The level of detail therefore should be proportionate to the procurement-related spend available to your organisation and the associated risks.

The illustration below summarises the key stages in preparing a plan. Section 2.2 below expands on this and looks at what should go in the plan bearing in mind the issue of proportionality mentioned above.



2.2 What goes in a Corporate Procurement Plan

To help prepare your organisation's CPP the main elements that should appear in the plan are set-out in the diagram below. Keep in mind that the level of detail you provide should be proportionate to the procurement-related spend available to your organisation and the associated risks.



2.2.1 Purpose

The purpose of the CPP is to set out your organisation's strategic approach to procurement and identify its procurement priorities, this is also an opportunity to consider the incorporation

of social, innovative and sustainable considerations into the procurement process. An example of what the purpose of the plan might address is provided here.

- Plan future procurement needs and identify procurement priorities
- Outline procurement objectives and how these will be achieved
- Examine past and future spend on goods and services
- Identify and address risk
- Document existing procurement practices
- Identify areas where social, innovative and sustainable considerations can be incorporated
- Provide basis for review and continuous improvement
- Affirm adherence to EU and national procurement legislation, circulars and guidelines
- Outline the roles and responsibilities of the individuals involved in the procurement of goods and services in the organisation's procurement function

2.2.2 Scope

The scope should address the known requirements over the coming years, for example, a **2-3 year period**, with the time period covered by the plan specified.

The scope should include the categories of expenditure covered in the plan.

2.2.3 Procurement objectives

Identifying procurement objectives is critical to production of an effective plan. Objectives, such as those included below by way of example, should be aligned with the organisation's strategic plan. How these objectives are to be realised over the lifetime of the plan should be documented and this could be in the form of an action plan. This information can be used to monitor and measure progress of the plan.



2.2.4 The organisation's procurement role

Defining your organisation's procurement role is critical to the success of its procurement strategy. An example of what this role may look like is provided below. Keep in mind that, between organisations, the role may differ depending on the level of procurement-related spend and the risk attached to procurement in a given organisation.

- Source goods, works and services
- Leverage value for money
- Promote and use centralised procurement for certain categories of expenditure
- Ensure compliance with national and EU procurement rules
- Circulate updates and information on procurement to staff
- Minimise risk
- Designate and support the organisation's procurement officer
- Provide advice and guidance to finance and procurement officers within the organisation

Structure

Insert a chart or a table setting out how procurement is managed in your organisation. Examples of procurement models include centralised, devolved and/or hybrid models. These are explained in brief below.

- Centralised – where procurement is managed centrally
- Devolved – where procurement is managed by the relevant budget holder
- Hybrid – where procurement up to €X value is managed by the relevant budget holders, with procurement in excess of this amount managed centrally

For example, in some Departments procurement is the responsibility of business units in the Department but can be subject to general oversight by a procurement officer.

Capacity and Governance

Define the roles and responsibilities of procurement practitioners or delegated authorities involved in the procurement process. Document their procurement responsibilities including corporate and project procurement activities.

In addition to documenting individual procurement responsibilities, the owner of the plan should be named, with the line of accountability clearly established up to and including the head of the organisation. Who has final sign-off, those involved in developing the plan, and what areas or functions that were consulted in formulating the plan should also be detailed.

Use this section as an opportunity to identify areas for improving the organisation's procurement capacity in, for example, training, promoting best practice procurement or internal communications. It is important to ensure that staff have the required skills to develop and run procurement processes. This may include having the necessary technical expertise to develop specification of requirements.

Systems

Document the systems used within the organisation to effect procurement. For example, your organisation might utilise standard spreadsheets or specialist resource planning software such as a financial or contracts management system. Some organisations may have a purchase-to-pay process in place.

Processes

Briefly describe the processes involved in procurement in your organisation. For example, how procurement needs are identified, specified, sourced, purchased, received and recorded. Indicate if eTenders (for all contracts above €25,000 exclusive of VAT) is utilised. If eTenders is not used, document the procurement process for contracts in excess of the €25,000 threshold.

2.2.5 Procurement profile

Knowing what goods and services were purchased in the past is fundamental to planning future procurement. Spend analysis provides an opportunity to review historic expenditure with a view to improving future spending, for example, by consolidating lower value purchases and/or the number of suppliers.

Sample tables for determining past and future procurement-related spends are included below. These will assist you in identifying appropriate procurement strategies for each category or type of goods and services, and specific procurement goals and targets to be achieved over the lifetime of the CPP. This information can be drawn from and/or feed into the organisation's contract register.

2.2.6 Procurement supply and risk

Your CPP should include a risk register appropriate for your organisation and procurement-related spend. The register should:

- consider systemic (internal) risks and supplier and supply chain risks in relation to each category of goods and services being sought,
- assess the probability of supply failure and the impact of such failure on your organisation, and
- detail strategies to mitigate risks, particularly around critical contracts, to ensure the continued supply of goods and services. These strategies should be reviewed regularly.

2.2.7 Strategic Procurement

Particular attention must be paid to the 2016 Regulations which require tenderers to comply with applicable obligations in the fields of environmental, social and labour law that apply at the place where the works are carried out or the services provided that have been established by European Union law, national law, collective agreements or by international, environmental, social and labour law. [Circular 20/2019: Promoting the use of Environmental and Social Considerations in Public Procurement](#) highlights the potential to support wider social and environmental aims through public procurement. This Circular, *inter alia*, requires Departments to incorporate relevant green procurement measures into their planning and reporting cycles. The key factors in the consideration of such issues in public procurement are set out in the OGP's [Information Note on Incorporating Social Consideration into Public Procurement](#). In addition, the Environmental Protection Agency published the [Green Procurement Guidance for the Public Sector](#), which provides a step-by-step instruction and criteria for the implementation of green public procurement, this document is due to be updated in early 2021.

2.2.8 Brexit

Where appropriate, assess your organisation's exposure to the UK market and the potential impact on your organisation's procurement activity if this market is disrupted. This can be included in the risk register. Describe measures around procurement to be put in place in preparation for Brexit and when Brexit is realised. Consider mitigating steps including early engagement with suppliers. Further information is contained in the OGP's Information Note on Brexit which can be found at www.ogp.gov.ie.

2.2.9 Measurement of results

Identify appropriate indicators or measures of success and conduct an evaluation based on these criteria. Use the results to inform future procurement.

Sample indicators you might utilise are listed below. These data should be collated annually to tie in with the annual review of the plan itself.

- Number of centralised arrangements used (by the OGP and other CPBs)
- If centralised arrangements are not being used, provide reasons
- Number of contracts advertised on eTenders
- Number of contract award notices issued
- Number of SMEs that participated in the procurement processes
- Number and percentage of tenders conducted using the different procurement procedures
- Number of awards above the eTenders threshold of €25,000 excluding VAT made without a competitive procedures
- Number of awards below the eTenders threshold of €25,000 excluding VAT
- Number of procurement training sessions held for staff and summary of items covered

2.2.10 Continuous improvement

Identify the mechanisms or channels in your organisation for capturing improvements. These may include reviews of the CPP, feedback from audits and staff. Document improvements and assign them to a position/official to be managed.

2.2.11 Governance and approval

Your CPP should be submitted to the Management Board and Executive, or equivalent, for approval ahead of implementation and dissemination. Include in the plan when this took place, for example, this plan was agreed by the Management Board and/or Executive in [Month-Year] and has been formally adopted for the period [20XX-20XX].

The plan should be subject to review by the Management Board annually. Information from these reviews will feed into the next plan. This will be produced within six months of the preceding plan; before the end of the period covered by the first plan.

2.2.12 Implementation and review

Implementation of the plan will follow approval by, for example, the organisation's Management Board. The official(s) responsible for ensuring implementation are [name(s) and position(s)].

Indicate the following:

- has the plan been circulated throughout the organisation?
- has the plan been made available to all procurement staff?
- has it been published on the organisation's website?
- when and by whom the plan is to be reviewed and where the results will be recorded.

2.2.13 OGP Contacts

The OGP has a dedicated Customer Services team committed to providing a user-friendly, high quality service to all of its customers. The role of the Customer Services team is to promote and communicate the new procurement model and new OGP arrangements to our customers (Public Sector bodies) and to resolve any queries they may have regarding the OGP.

All customer queries should be directed to the OGP Helpdesk which is available to provide assistance and support via our telephone and email services. Where necessary the Helpdesk will liaise with the appropriate Sourcing Portfolios and Policy Unit to ensure a speedy response to all queries. Office hours are from 9:15 am to 5:15 pm Monday to Friday. The Office is open all year except public holidays.

The contact details for the Helpdesk are as follows:

- telephone support will be available by calling 01 773 8000 during office hours. Calls received out of office hours will be followed up on the next working day
- email support will be available by emailing support@ogp.gov.ie during office hours; email submitted outside of office hours will be dealt with during the next working day

The OGP website can be found at www.ogp.gov.ie and contains the most relevant and up to date information regarding current and upcoming arrangements, general guidance material and FAQs.