



Deputy Inna Gardiner
Chair
Public Accounts Committee

8 August 2024

Dear Deputy Gardiner

Procurement Review.

Thank you for your letter dated 11 July 2024.

Please see responses to your questions below.

1. How often does your department utilise the central procurement system for acquiring goods and services?

This is indicative information supplied from the Commercial Services and relates to purchase orders only.

Total POs: 500

Avg. per month – 28

N.B. Information has been presented as volume of use of the system over the 18-month period (January 2023-June 2024 inclusive)

2. At what levels in terms of monetary value (e.g., small, medium, large purchases) do you most regularly engage with the central procurement system most frequently?

This is indicative information supplied from the Commercial Services and relates to purchase orders only.

Under 1k: 255

1k to 25k: 223

25k to 100k: 14

100k+: 8

Total: 500

N.B. Information has been presented as volume of use of the system over the 18-month period (January 2023-June 2024 inclusive)

3. What aspects of the central procurement system work well and what challenges or issues does your department face when using the central procurement system?

Connect Ariba Buying

Positive aspects

The Connect Ariba Platform is more user-friendly and intuitive compared to the previous procurement system, Supply Jersey. For example, the ordering process is streamlined and resembles the ease of use found on Amazon, making it simple to find and order supplies. Raising invoice requests is less time-consuming, and searching for suppliers is more straightforward. However, the process for creating new supplier requests in Ariba remains unchanged from the previous system.

Negative aspects

Suppliers were not given adequate training when the new system was introduced, resulting in significant payment delays due to their lack of understanding of Connect Ariba. This severely impacted relationships with suppliers, leading some to threaten or withdraw their services and dealings with the Government of Jersey. Additionally, the need to send invoices through Accounts persists, as the 'add invoice' feature on Ariba is non-functional.

For UK civil service advertisements, it has been challenging to make payments over the course of the year and difficult to identify the underlying issue. One supplier was not paid, and this was only discovered through the supplier's notification, as we were not made aware internally of the problem.

Regarding payments to the Office of the Director of Civil Aviation, some salaries were missed or delayed due to difficulties suppliers encountered when using the system.

Connect Finance

The process is time-consuming and complex, with numerous background tasks that are not consistent across most invoices (e.g. confirming quantity price exceptions).

HRG booking system

HRG is one of the procurement systems that the department most often uses due to the nature of business conducted within External Relations.

Positive aspects

The online HRG platform is simple, quick, and reliable. It is easy to understand and manage and is available 24/7 like other online booking systems. Additionally, speaking with HRG via telephone is also very reliable and helpful.

Negative aspects

Inputting a membership card for EasyJet luggage allowance currently disrupts the return flight booking process. This requires booking separate one-way flights for a round trip, which increases administrative tasks, the potential for booking errors, and frustration for both bookers and travellers. Additionally, this can lead to higher costs and less efficient travel planning. On some occasions, HRG does not automatically offer the best value fares compared to an internet search. Sometimes, there are good reasons for this but on occasions HRG has accepted it is at fault and has agreed to the reduced fare. Generally speaking, HRG should always seek to quote the cheapest fare at the outset.

Furthermore, the Ministry of External Relations encompasses three overseas offices situated in London, Brussels, and Caen. These offices do not have access to GoJ procurement platforms or systems. This limitation hinders their ability to procure products / services using Connect Ariba, and to book travel using HRG. However, the overseas offices follow the broad principals of PFM, and in the cases of Brussels and Caen, also Government of Guernsey procurement policies (CIBO and BIAN offices are jointly funded by GoJ and Government of Guernsey).

4. How would you describe your department's relationship with suppliers when using the central procurement system and what feedback have you received from suppliers about their experiences with the central procurement system?

External Relations' relationship with suppliers was strained during the initial implementing of the new Connect Ariba central procurement system. Suppliers had reported significant challenges, primarily due to inadequate training and support during the transition. This has led to frequent payment delays and a lack of understanding of the system's requirements. Some of these related to salary payments and required significant time to resolve quickly from the team. Consequently, some suppliers have expressed frustration, and a few have even threatened to withdraw their services'. Despite these issues, we have received some positive feedback regarding the system's potential for efficiency and timely payments once these initial hurdles are addressed.

5. Can you provide details on the number of engagements that have been extended above their original value over the past 5 years?

Commercial Services have requested contracts and extension documents from across GoJ be shared with a central contract register since 2021. The data that follows is only based on the information provided within that time frame.

There are no contracts for External Relations listed on the central contract register.

One PO was raised for approx. £49,000 for 6 months employment of a temp, which was then extended until end of May 2024 to £103,000 to support business requirements in the sanctions team. This contract has since been completed.

6. How do you evaluate the delivery and closure of individual procurements within your department?

In most cases, the department purchases low-value items from existing suppliers. When initiating a new procurement request for services, the department follows the guidance from Commercial Services and uses Connect Ariba Guided Buying. For new procurement sourcing routes, the relevant guidance is adhered to, and the work is advertised on the Channel Island Tenders Portal. Registered suppliers can then submit quotes for the service or product. The guidance and actions taken depend on the anticipated value of the spend and the chosen sourcing route.

A work-order sheet is included in the procurement documentation, detailing the services procured, deliverables, and key milestones. This provides opportunities for regular check-ins with the supplier to review progress. Once it is confirmed that the deliverables have been achieved, the responsible officer will close the procurement activity by signing off on the product or service.

7. Does the current level of autonomy provide work well for your procurement needs?

Yes, the system is generally simple, quick, and reliable to use, which suits our procurement needs well. This ease of use has enabled our team to conduct in-house training sessions with each other through lunch-and-learn sessions, enhancing our overall resilience and proficiency using the system.

8. Do you have any additional suggestions or recommendations in order to further enhance procurement processes?

Connect systems

To further enhance procurement processes, we recommend implementing comprehensive training programmes for both colleagues and suppliers, along with ensuring easy access to support resources. This approach would streamline operations, reduce issues, and improve overall efficiency in the long run.

HRG

From our department's perspective, there have been no issues with the HRG procurement system. The membership issue and booking issues previously mentioned primarily stems from HRG's side.

Accounts Payable

In addition to feedback on the corporate procurement systems, several instances this year have highlighted issues with Accounts Payable not making timely payments. This problem has been particularly acute with quarterly grant payments to overseas offices. Delays in these payments exert significant pressure on cash flow, which is essential for payroll and other operational overheads in these offices. The department only becomes aware of missing payments when overseas offices notify us, prompting an investigation and an urgent payment request to Accounts Payable. Additionally, issues with payments to UK suppliers have led to suppliers contacting the Jersey London Office due to their inability to get responses from Accounts Payable.

Another issue highlighted by the department is the cumbersome process of refunding duplicate payments. For instance, some suppliers' invoices were paid twice, and the system did not recognise these duplications, making the refund process particularly burdensome.

I trust this provides you with the information required. Should you require any further clarification please let me know.

Yours sincerely



Kate Nutt
Chief Officer, External Relations

