To: Public Accounts Committee **From**: Robert Sainsbury | Chief Officer **Date**: 8 August 2024

Dear Deputy Gardiner,

Following your request for a response to a number of questions regarding procurement, please see below questions and answers for the Children, Young People, Education & Skills department.

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

Between January 2023 and June 2024 CYPES raised 44897 purchase orders, this includes migrated purchase orders. The average per month for this period was 2494.

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

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?

Most purchases are small to medium in terms of monetary value (up to £25k). Under £1k = 35778£1k to £25 = 8797£25k to £100k = 271 £100k+ = 51

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

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?

Works Well

- Delegation of approvals for scheduled leave
- When an up to date catalogue is available
- Now that Connect People is also live, it allows for faster access to the procurement system
- As historic payments are settled the users are able to concentrate on present and future purchases

Issues/Challenges

- Payments that are stuck are difficult to track
- Unable to see/amend orders that are bought within the service unless raised by the same buying team
- Accessing previous/historic data is difficult
- Some suppliers have a lack of knowledge of the process they need to follow or just fail to follow the process

- Some key suppliers are missing, this impacts the speed that the department can buy from these suppliers
- Catalogues that have not been updated by the supplier causes additional workload and manual intervention for the invoice to be paid
- It is not obvious when receipting a requisition if a supplier is fully set up or not, this leaves the requisitioner not knowing if manual intervention is needed for the payment to go through.
- The volume of payments that were delayed in being paid has caused users additional workload and has impacted the confidence when using the procurement system
- Ariba cannot be used for certain items such as Doctor or Foster payments.

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?

Some suppliers are still not aware of what is required of them. This adds pressure on the requisitioners who are often required to coach the supplier through the processes. Sometimes suppliers even refuse to complete the processes so this then needs to be completed by the requisitioner.

Requisitioners are unaware of delays to payments or sometimes with payment issues, they can see when an invoice has been paid by going into every requisition but there is not an overview to see it simply.

Training for new suppliers is either not always completed or understood.

When SAP was launched the relationship with suppliers was difficult due to system change, lack of clarity of process and outstanding payments. As suppliers start to understand the system and once outstanding payments are up to date relationships are expected to improve and return to normal.

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 (CS) 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.

Total Number of Contracts = 252 with a total value of £42,543,206 Number of Contracts extended = 32 with a total value of £1,549,603

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

CYPES use the Public Finance Manual and best practice guidelines issued by Commercial Services.

The contract management process includes a review of quarterly KPI data and a quarterly review meeting with the provider and relevant stakeholders.

Contracts are closed with internal review of how well the desired outcomes were delivered. As part of the contract management improvement program, a contract ending review template is completed for high value contracts.

KPI's are added to larger value contracts. The department will monitor performance against these KPI's.

We also evaluate the delivery of individual procurement through benefits realisation at the end of a project.

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

Being able to do everything ourselves and act autonomously works well, approval processes are well established and where needed can be updated/expedited at relatively short notice.

When at the start of a procurement process and submitting required paperwork, it is helpful to have the advisory support and appropriate training available for those who have a procurement responsibility within their role.

Being able to obtain quotes and adhere to the PFM with some automated processes is useful and reduces time spent on smaller value contracts/procurements.

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

Some considerations could be given to -

- ensuring training is available to pass on the knowledge of the experts within the central commercial services team
- documents should be regularly reviewed and updated
- catalogues (especially pricing) should always be accurate; suppliers are sometimes slow to update them
- having more accessible and simplified training for suppliers on Ariba, hold training sessions either face to face or online

Please let me know if you require any further information.

Yours sincerely

Robert Sainsbury – Chief Officer Government of Jersey - Children, Young People, Education and Skills