



Deputy Inna Gardiner  
Chair  
Public Accounts Committee  
States Assembly  
**By e-mail to [i.gardiner@gov.je](mailto:i.gardiner@gov.je)**

8 August 2024

Dear Deputy Gardiner,

**Procurement Review**

Further to your letter of 11 July 2024, please find below responses to your questions:

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

From January 2023-June 2024 (inclusive) my department raised 807 Purchase Orders, with an average of 45 per month. This is indicative information supplied by 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?**

The department engages with the central procurement system for most expenditure. Purchases outside of the central procurement system are made on purchase cards when appropriate (e.g. subsistence expenses when travelling on business).

For the period January 2023-June 2024, the following summarises the monetary value of all purchase orders raised on the system:

Under £1k	£1k to £25k	£25k to £100k	£100k+	Total
386	304	62	55 <sup>1</sup>	807

This is indicative information supplied by 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?**

---

<sup>1</sup> The department processes grant payments to ALOs and other organisations through the central procurement system. ALOs would normally receive two payments each financial year and therefore the majority of these large monetary value purchase orders relate to grant payments.

Many aspects work effectively through the use of a central procurement system, for example:

- it is a centralised platform for ordering goods and services linking buyers with suppliers.
- the system delivers an end-to-end purchase to pay process which includes guided buying experience, approval workflows, order confirmations, shipping notifications, electronic invoicing and remittance.
- now that our regular suppliers are familiar with the system, my business support colleagues are receiving far less complaints/issues from suppliers who also report that they are broadly happy with system.
- my department has only two members of staff who use the system. This enables them to be 'super users' who have developed a high knowledge base on how to raise a requisition and receipt payments far quicker than the previous Supply Jersey system. The visibility of an up-to-date scheme of delegation approval enables more efficient workflow with real-time data.
- as an Accountable Officer, the added benefit of users being able to attach documents and comments provides greater transparency for budget holders/users which provides me with assurance that additional controls are in place prior to approval of requisitions.
- requisitioners have access to all cost centres and can set up multiple teams. In time, this could support business support staff in being able to data input for a wide range of directorates/departments, if required

It is relatively commonplace for new technology solutions to require time for familiarisation and embedding as new ways of working. There are some ongoing issues and challenges being experienced, including:

- an incomplete range of goods/services and/or suppliers set-up on the system.
- suppliers not being paid in timely manner due to their knowledge on how to use the system and what SAP/Ariba is as a platform.
- difficulty using the system, particularly infrequent suppliers.
- available training not suitable for all users and therefore suppliers to not following process.
- suppliers remain unable to cancel the service sheet, if needed. This generates work for both my department and the central Accounts Payable team and/or Connect suppliers' team. Similarly, cancellations of orders are not a straightforward process for the users in my department.

In 2023 there were other issues, especially in the migration of Supply Jersey to the new central procurement system. I am pleased to report that a more extended list of issues has been resolved.

**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?**

Feedback from suppliers regarding the Ariba system has been both positive and negative. During the implementation period in 2023, there were a variety of issues with suppliers not getting paid and this resulted in a sizeable number of escalations and negative feedback. With increased use and knowledge of Ariba, the situation has now improved significantly, and we are receiving hardly any negative commentary now with most payments being made in good time. Some suppliers do, occasionally, encounter difficulty using the system, particularly those not using it on a regular basis. These new suppliers then experience issues with receiving payments in a timely manner.

The Department for the Economy's main 'superuser' spent a considerable amount of time supporting suppliers with the transition to Ariba. For new suppliers, the 1:1 support is still falling to my department to provide.

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

Total Number of Contracts: 25 with total value £5,102,352.

Number of Contracts extended: 3 with total value £136,000.

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

As per my response to question 5, the items that my department procure are relatively low value. Prior to any procurement in excess of £25,000 my leadership team must receive a Needs Analysis that covers the business rationale for the expenditure. The PFM, procurement best practice and guidance issued by Commercial Services are the guiding documents that my department refer to when making any procurement decisions. Large expenditures (e.g. L'Ecume II recovery) are reviewed as part of the closure reports, in conjunction with the CPMO framework. All grant payments are supported, in advance, by a thorough grant appraisal process to ensure the payment of the grant aligns to Ministerial priorities and the requirements of the PFM.

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

As an Accountable Officer I must be personally confident that my department is adhering to the Public Finance Manual for all purchases. Whilst I have had occasion to reach out to the central team to support the more unusual purchases (e.g. those linked to the recovery of L'Ecume II or the current tender for the Channel Island Ferry Service), it is my preference to continue to have colleagues within my department who are appropriately skilled and knowledgeable to support our day-to-day BAU purchases. I believe that this provides an efficient and effective method for procurement within my department. The level of service provided to the Department for the Economy has worked well in 2023/24 when we have needed expertise.

The 'exemption' and 'breach' recording process, along with the central procurement system do provide appropriate oversight of procurement activities within my department. However, as the Accountable Officer, I ensure that my department are aware of the PFM, procurement best practice and guidance issued by Commercial Services prior to requesting a requisition to be raised. This enables my Business Management and Governance team to be responsive and provide effective support to the Department for the Economy.

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

New suppliers require training that will enable them to use the system correctly. An enhance training offer will lead to less manual intervention by GOJ employees, which in turn would speed up the processing time for payments and the reputation of government as a client.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Corrigan', with a stylized flourish at the end.

**Richard Corrigan**  
**Chief Officer**  
**Department for the Economy**