

2025.02.04

Deputy A.F. Curtis of St. Clement of the Minister for Treasury and Resources regarding Commercial Services Procurement systems (OQ.27/2025):

Will the Minister advise what work, if any, is being undertaken to review and update the scoring systems and methodologies used by Commercial Services in procurement to ensure the recognition of the value of procuring locally and of building talent and skills in the Island and, if this review is not being undertaken, why not?

Deputy M.E. Millar (The Minister for Treasury and Resources):

I thank the Deputy for his question. The Treasury Business Plan for 2025 includes a refresh project of procurement in Commercial Services, which will include consideration of ways to measure and improve current procurement practice. This will include the scoring systems and methodologies which form part of a selection and award process with a view to making the process more proportionate and to support opportunities for local businesses. There is already a requirement for social value commitments to be included in all tenders with a value of over £100,000, with a 10 per cent weighting of the evaluation score for social value commitments. Examples of where this has provided benefit to the Island in 2024 include the creation of 7 apprenticeships, 8 prison leavers having been employed on projects, the creation of 27 new roles for local people with 6 people hired through Back to Work and 2 people hired through the Jersey Employment Trust, 170 young people engaged with live government projects, and 30 work experience placements filled. So this Government absolutely understands the need to ensure that we are supporting local businesses and that we are helping to support and develop local skills and talent.

4.9.1 Deputy A.F. Curtis:

In some recent projects I have seen, no scoring was given to the ability to attend meetings in person. No scoring was given to the knowledge of local government or the processes essential to that procurement. Scoring was rated on corporate rate card per hour and not the total proposed project spend, and technical scoring was inherently weighted to larger organisations who could demonstrate resources aligned to single skills, despite the risks of subcontracting. Does the Minister consider that the knowledge of the local context and the ability to deliver services in person has any value and, if so, why are these not being scored in so many procurements?

Deputy M.E. Millar:

I do not know what procurements the Deputy is talking about, nor why he would have seen them, so I cannot comment on those specific cases. We have to accept that there are some skills we simply cannot source on-Island. There are some things we simply cannot provide locally. Often when there are off-Island suppliers they are partnering with local businesses. An example of that: a local provider has recently expanded capability and developed junior resources in Jersey to support SAP systems working closely with Digital Services. That company, via involvement in Project Trident, has sponsored 13 individuals over 3 years. Current engagements have led to continued collaboration with Highlands College, leading to the sponsorship of 2 local individuals and SAP training leading to employment. So, by virtue

of that partnership a local business has clearly developed resources and skills to support SAP by virtue of working with an off-Island partner. We do, however, have to look at who is capable of delivering the services we need, but the involvement of local businesses is very much at the forefront of our continuing efforts.

4.9.2 Deputy R.S. Kovacs of St. Saviour:

In the recent Public Accounts Committee review on the Government procurement process, which I am part of, representatives of local businesses raised strong concerns about the complexity, lack of communication and inflexibility of the procurement process, not being aware how far they were to be selected. How is the Minister intending to solve these issues to make sure that the procurement process better values local sourcing and uses any time, when possible, the local talent?

Deputy M.E. Millar:

I thank the Deputy for the question. I do not believe I have seen a report from the P.A.C. (Public Accounts Committee) on that piece of work so I do not know exactly what was said. But I do accept that local businesses have expressed some concerns about how the project works. We are continuing to try to work on that. Part of the new process will look at how we engage in a better way with local businesses. For example, meet the buyer events will be undertaken to encourage feedback on the proposed changes as these are developed, and that will be part of our review. I think we also have to just have some degree of context. I think the businesses that P.A.C. saw ... I do not know how many businesses those were, but the Government of Jersey has some 2,500 suppliers. I have asked for breakdowns of where those suppliers are based. It can be difficult to assess, but we absolutely have heard that there are local businesses who struggle with the process and we are looking to improve our processes.

4.9.3 Deputy I. Gardiner of St. Helier North:

Following the Minister for Treasury and Resources' response, I would like to emphasise that the Public Accounts Committee has seen a representative from the Chamber of Commerce, the Institute of Directors and the Construction Council, all 3 organisations representing their businesses. Committee evidence is that the business owners feel unable to raise these concerns with the Government for fear of being rejected from the future tenders. They raised it on behalf of the organisation. What is the Minister going to do to encourage and to have proper communication, that the businesses will not experience fear to give feedback to the Government?

Deputy M.E. Millar:

I just find it astonishing that in Jersey people are supposedly afraid of talking to Government. Perhaps they are, but I just find it astonishing that people think they cannot talk to Government for fear of being excluded. We have to remember that procurement decisions are not made by Treasury in the great main. Treasury set processes and policies and procedures and those are then effected within departments across government. Clearly, we have issues to make sure that those processes are effected properly, and while I accept that the Chamber, I.O.D. (Institute of Directors) and the Construction Council will have come forward, we do not necessarily know of their total membership how many businesses. There may be a small number of businesses out of the 2,500 are not having a positive experience. I

hear that and we will seek to address that as best we can. But really, if people do not come forward and tell us about their experiences we cannot fix the problem. I am sure there are lots of sources that they can come forward and tell us where there is a problem and we will listen.

4.9.4 Deputy I. Gardiner:

The evidence of the survey that the Chamber of Commerce conducted, 79 per cent of the businesses are not satisfied with the Government procurement processes. Would the Minister personally find a way to engage with the organisation and to ensure that they can speak openly and not have consequences of them feeding back to Government direct?

Deputy M.E. Millar:

Yes, indeed. The Chamber of Commerce shared those survey results with me at the end of last week. She says 79 per cent were not satisfied. My recollection is that there were 43 businesses replied to that survey and of those 43 some did express themselves to be either satisfied or not engaged in the procurement process. Not all of them completed every question. So again I am coming back to the issue of context. We have 2,500 suppliers. It is absolutely right that the system works for everybody, but we appear to be talking about a relatively small number of suppliers who are having issues with the procurement process. There may be a great range of reasons why that is, but we will be looking into that. I have gone back to Chamber and said we are very happy to work with them to understand what the issues are and to try to resolve them so that local businesses can engage properly in our procurement processes.

4.9.5 Deputy J. Renouf of St. Brelade:

It has been interesting listening to these exchanges because what it seems to me is that there is a set of policies that the Government has and then there is the execution of the policies. From Deputy Alex Curtis we heard very clear demonstration or example that he has heard of what seems to be where the policies are not being applied properly. Does the Minister think that the problems here lie with the policies or with the execution of the policies?

Deputy M.E. Millar:

As I say, without having seen the paperwork that Deputy Curtis has seen, I cannot comment on that. Much will depend on the nature of the procurement, the nature of the supply. If you are looking for ... it really depends on the nature of the supply and whether those are available locally. Value, there are various criteria that are involved in a procurement process and there will be issues. I have no doubt there will be issues in a small jurisdiction. You have to think of your own ... we all, I am sure, have the same thought process. If you are wanting some decorating done, do you go and get 3 quotes from 3 completely independent people or do you go to the person who did the decorating for you last time and did a great job? We have to address personal relationships in small islands and if somebody has gone to someone previously who has done a very good job, it may be they are more inclined to go back to that person the next time they need a similar job done. That is speculation, I emphasise. We will continue to work with departments to make sure that procedures are rolled out and are operated effectively, but we are doing a project to try and make this as good as it can be.

4.9.6 Deputy J. Renouf:

Implementation is often a question of leadership and it could be that a strong lead from the Minister and from the Government in instructing departments to ensure that they follow the processes in place and do not use, for example, devices of the type that Deputy Curtis mentioned, where you can surreptitiously exclude organisations by changing criteria and so on to the advantage of some others.

[11:00]

So would the Minister agree that she could do more perhaps to enforce those rules that are already in place and encourage people to follow them?

Deputy M.E. Millar:

I do somewhat object. I am sure he did not mean offence, but I do somewhat object to the use of the word “surreptitious” because that suggests a degree of bad faith in the procurement process and, indeed, manipulation of the process to make sure that some people get work instead of others. I would certainly hope that is not the case and it would be ... I think if people were doing that we would have to look at that very, very seriously. Leadership does come from the central team. They are there to provide advice and support. The accountable officers have their part to play. Ministers have a part to play in their own departments. Accountable officers in those departments have to feed that message down to everybody doing procurement in their own teams, that procedures must be followed properly and that they should not be simply giving jobs to their next door neighbour, for example. Procedures have to work. That message I think is very clear, will be coming very clear from the centre, and we will continue to emphasise that, but we need everybody in Government involved in procurement to play their part and make sure that those procedures are working fairly.

The Bailiff:

Deputy Bailhache.

Deputy P.M. Bailhache of St. Clement:

I think my question would be repetitious.

4.9.7 Deputy A.F. Curtis:

The Minister asked why I have seen procurements. I have seen them because industries are tired of seeing the procurement system that scores ... well, it sees ...

The Bailiff:

No, could you ask a question, not respond to a question posed by the Minister?

Deputy A.F. Curtis:

I can, Sir, yes. Of course. Does the Minister seriously consider 10 per cent weighting on social value to be any more than a fig leaf and will she commit to examining the scoring methodologies used and ensure that common sense metrics such as those I gave are considered?

Deputy M.E. Millar:

I do not believe they are a fig leaf. I think they are one of the best mechanisms we have to make sure that we are getting social value out of our procurement process and that local businesses are very much involved. I will give you one further example of that. In the digital sector, the development of a system and support for Pillar Two that we have just been discussing is aimed at on-Island capability and inclusion as a key requirement. A seminar of over 40 local on-Island suppliers was held just towards the end of January to tell them about what we are looking for, to allow people to prepare for that procurement, and further engagement with suppliers will be planned as part of that procurement activity. We are doing everything we can to make sure that we get the best people in Jersey. Of course, we do have to recognise that while we want local people we must also get the right degree of skills and value for money and those also have to be at the forefront of our minds.

The Bailiff:

Did you wish to raise the défaut on Deputy Moore?

Deputy D.J. Warr:

Yes, Sir.

The Bailiff:

The défaut is raised on Deputy Moore.