**CORPORATE PROCUREMENT PLAN
2014-2016**

Contents

1. INTRODUCTION

1.1. What is Public Procurement?

a) Public procurement can be defined as the acquisition, whether under formal contract or not, of works, supplies and services by public bodies. It ranges from the purchase of routine supplies or services to formal tendering and placing contracts for large infrastructural projects. [1]

b) Public procurement is governed by a comprehensive and complex legal regime based largely on the transposition into Irish law of EU directives.

c) Public procurement policy aims to achieve value for money in procurement while promoting whole of government objectives.

1.2. What is a Corporate Procurement Plan (CPP)?

a) The CPP sets goals and practical tasks for improved procurement outcomes and delivery measures to assess the achievement of these goals.

b) The CPP was identified by the government policy unit on procurement[2] as an effective tool for state bodies to review current procurement profiles and practices, to determine future needs and to link the management of procurement to an organisation's strategic objectives.

1.3. Why Does the NCSE have a Corporate Procurement Plan?

a) The NCSE is required by the Code of Practice for the Governance of State Bodies (Code) to prepare and implement a CPP. The Code prescribes that the Chairperson should affirm adherence to public procurement policy and procedures and the development and implementation of the CPP[3] in an annual report to the Minister.

b) The CPP confirms the NCSE's commitment to meet its public procurement obligations and reinforces the NCSE's resolve for effective and efficient resource allocation and service provision as prescribed by the Public Service Management Act, 1997 and the Comptroller and Auditor General (Amendment) Act, 1993

c) This CPP will cover a three year period 2014-2016 and updates the previous CPP which was agreed by the Council in 2009. It aims to build on existing good

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[1] Public Procurement Guidelines Competitive Process 2004 NPPPU – Page 6
[2] The National Public Procurement Policy Unit of the Department of Finance was established by a government decision to develop public sector procurement policy and practice through a process of procurement management reform. In 2013 the Office of Government Procurement was established to take the lead role in arranging the procurement of goods and services by public bodies. The functions of the NPPPU were absorbed by the OGP.
[3] Code of Practice for the Governance of State Bodies – Section 15.5

practices and provide a focus for further development and improvement in this critical function.

1.4. What is the NCSE's procurement policy

    a)   The NCSE is committed to operating its procurement activity in accordance with government procurement policy and statutory requirements, utilising appropriate systems, staff resources and budgets efficiently to secure effective value for money purchasing and facilitate the fulfilment of the NCSE's strategic goals.

    b)   NCSE policies and procedures for procurement are set out in its Financial Policies and Procedures Manual (FPPM).[4]

1.5. Who is responsible for the CPP?

    a)   The Council is responsible for approving the CPP and retains oversight to ensure that the NCSE adheres to EU and national procurement rules.[i5]

    b)   The executive has responsibility for implementing the CPP and conducting procurement processes in compliance with procurement rules. It shall report to Council periodically on the implementation of these requirements.

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[4] NCSE Financial Policy & Procedures Manual - G:\Finance\Financial Procedures\Financial Policies and Procedures.pdf

[5] Schedule of Council Reserved Functions: No.30 .

2. ANALYSIS

2.1. Background to the Analysis

a) The development of a CPP is underpinned by an analysis of expenditure on purchases and a review of the way in which the procurement process is managed.

b) An analysis of NCSE expenditure was conducted in 2013 on 2012 expenditure and supplier information.

c) The analysis facilitated the development of a clearer understanding of the goods and services purchased by the NCSE, the suppliers relied on, and the risks associated with major purchases. It also helps focus on areas where potential savings or efficiencies can be obtained or the process strengthened. A summary of the analysis is provided under.

2.2. Expenditure Analysis -2012

a) The total non-pay expenditure analysed was €1,618,500 - See Appendix 1 for a breakdown of this figure from the 2012 accounts.

b) The expenditure programmes for Accommodation (Rent, Light & Heat and Maintenance), Research and ICT (Telephones, IT expenses and Capital) account for 85%of NCSE procurement activities.

c) The expenditure programmes are managed by different sections in the NCSE - see Appendix 2 for details of a breakdown of procurement by section in the NCSE.

2.3. Suppliers Analysis - 2012

a) The NCSE used 192 external suppliers in 2012.

b) The top 35 suppliers accounts for €1.36m (or 84%) of the total spend and again relate mainly to expenditure on Accommodation, ICT and Research. The remaining suppliers account for mainly small value and infrequent/once off purchases.

2.4. Purchasing Strategy Analysis

a) The largest level of expenditure relates to accommodation costs for the NCSE office network. The Office of Public Works (OPW) arranges to source offices to meet NCSE accommodation requirements – the majority of which can be met through existing government owned or rented accommodation.

b) Spend on ICT is a relatively high cost and complex area for the NCSE. The NCSE avails of the expertise in Department of Public Expenditure & Reform (DPER), OPW and other agencies when procuring ICT goods and services and where possible avails of centrally procured framework agreements.

c) Research is a statutory function and accounts for 20% of the NCSE non pay budget. This is a specialist area and there are no centrally procured frameworks available to meet these requirements. The NCSE arranges to directly procure these services. Effective contract management practices are in place and are supported by governance and quality assurance arrangements agreed by Council.

d) The NCSE uses a large number of small scale suppliers. Best practice recommends reducing transaction costs for these payments as they can be high relative to the costs of the goods involved.

3.   GOALS AND ACTIONS

Based on the foregoing analysis of NCSE procurement processes the following two goals
have been identified:

3.1. Goal One – Strategic approach to procurement in the NCSE

The NCSE will ensure that there is a strategic approach to procurement across the
organisation which implements best procurement practice initiatives.

Goal One will be progressed through the following actions:

	Actions	Target Date	Measure of Delivery
a.	Assign reporting responsibility at Senior Executive level for the implementation of the CPP.	January 2014	Finance Officer assigned role and reports delivered annually to Council.
b.	Develop a centralised contracts register for high value expenditures.	January 2014	Contracts register in place for all contracts with annual spend over €25,000.
c.	Report to Council and relevant Committees on savings/efficiencies resulting from improved procurement strategies.	December annually.	Savings/ efficiencies identified.
d.	Assign responsibility of Procurement Officer to member of staff	January 2014	AP in the Finance Unit has been assigned role of Procurement Officer.
e.	Arrange training for staff on procurement processes.	TBC in 2014	*Lunch and learn* presentation by the Finance Unit to Head Office Staff and other courses arranged as necessary.

3.2. Goal Two – Avail of public sector procurement initiatives

The NCSE will participate in public sector procurement initiatives as they arise and are deemed appropriate to the organisation.

Goal two will be progressed through the following actions:

	Actions	Target Date	Measure of Delivery
a.	Avail of draw down purchasing under centrally arranged tendering processes which more efficiently and effectively meet NCSE needs.	Ongoing – review annually	NCSE avail of OGP drawdown arrangements.
b.	Continued participation in Shared Services initiatives in the Civil and Public Services that are applicable to the NCSE	Ongoing – review annually	NCSE participation in shared services initiatives.

4. APPROVAL BY COUNCIL

This plan was approved by the Council of the NCSE on **25th June 2014.**

APPENDIX 1 - EXTRACT FROM ACCOUNTS 2012 AND 2009

1.   EXPENDITURE

	2012	2009	Variation	Part of Analysis
	€	€	€	
Printing, postage and stationery	105,908	113,059	-7151	Included
Rent and rates	391,191	371,496	19,695	Included
Telephone	220,854	279,739	-58,885	Included
Light and heat	46,624	40,871	5,753	Included
Repairs and maintenance	122,194	103,663	18,531	Included
Training and development	40,551	97,701	-57,150	Included
Travel and subsistence expenses	223,283	274,598	-51,315	Excluded
Meeting expenses	29,788	35,979	-6,191	Included
General expenses	3,290	6,661	-3,371	Included
Research expenditure	335,275	608,435	-273,160	Included
IT expenses	200,415	212,506	-12,091	Included
Outsourced Services & Consultancy fees	16,103	20,371	-4,268	Included
Internal Audit fee	14,866	11,645	3,221	Included
External Audit fee	11,280	11,280	0	Included
Accountancy fees	14,954	8,055	6,899	Included
Legal Fees	2,694	1,940	754	Included
Wages and salaries	6,000,004	6,686,645	-686,641	Excluded
Employers PRSI	481,055	491,653	-10,598	Excluded
Loss on disposal of fixed assets	859	0	859	Excluded
Depreciation*	100,309	246,471	-146,162	Excluded
Total Expenditure	8,361,497	9,622,765	-1,261,268	
Spend included in analysis	1,556,623			
Spend on Capital Assets	61,877			
Total Spend for Analysis	1,618,500			

*Note
Pay,[6] travel and subsistence[7] and depreciation[8] are excluded from the analysis. The NCSE financial statements are prepared on the accruals basis of accounting in accordance with generally accepted accounting principles and under the historical cost convention and comply with the financial reporting standards of the Accounting Standards Board. The Capital Account represents the unamortised value of the income used to finance fixed assets. The net reduction in value i.e. depreciation, is reflected as expenditure in the income and expenditure of the accounts. Depreciation is excluded from the analysis income used to finance the procurement of capital assets is included. In 2012 the NCSE procured €61,887 of capital assets.

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[6] Expenditure on Pay is excluded from the CPP as spend on Pay is determined by approved rates and numbers.
[7] T&S Expenditure is excluded from the CPP. It involves payments directly to staff and Council Members in line with Department of Finance Circulars. The NCSE has procured Transfare (a web based electronic claims system) to manage the processing of the claims efficiently and in compliance with regulations.
[8] Depreciation is recorded as expenditure in the NCSE Financial Statements. The costs associated with capital investments e.g. furniture, buildings etc are included in payments to supplier amounts.

APPENDIX 2 – NON PAY EXPENDITURE 2012 BY SECTION

Expenditure Description	Expenditure	Section
Rent	391,191	**Accommodation & Services**
Cleaning & Waste Management	47,950	**Accommodation & Services**
Light & Heat	46,624	**Accommodation & Services**
Repairs & Maintenance	41,894	**Accommodation & Services**
Postage	30,650	**Accommodation & Services**
Security	26,746	**Accommodation & Services**
Stationery	18,882	**Accommodation & Services**
Library & Subscriptions	12,225	**Accommodation & Services**
Meeting Expenses - Local Staff	9,500	**Accommodation & Services**
Courier	5,808	**Accommodation & Services**
Office Equip Capital	3,607	**Accommodation & Services**
General Office expenses	3,290	**Accommodation & Services**
Furniture & Fittings Capital	1,601	**Accommodation & Services**
Health & Safety	480	**Accommodation & Services**
Publication & Design	20,136	**Finance & Publications**
Internal Audit Services	14,866	**Finance & Publications**
Council Expenses	13,096	**Finance & Publications**
Translation Services	11,702	**Finance & Publications**
Printing Costs	11,473	**Finance & Publications**
External Audit - C&AG	11280	**Finance & Publications**
Accountancy Services	7,442	**Finance & Publications**
Print Dissemination/ Circulation	7,257	**Finance & Publications**
Pre- audit Accounts Review	5771	**Finance & Publications**
NCSE Website	3,278	**Finance & Publications**
T&S System	2,471	**Finance & Publications**
Finance Management System	1,742	**Finance & Publications**
Bank charges	637	**Finance & Publications**
Training & Development (CPD)	27,326	**HR**
Council Meetings(Inc Cttees & Forum)	5,079	**HR**
HR Systems	2,737	**HR**
Meeting Expenses - HQ	2,113	**HR**
Voice & Data Lines	175,329	**IT**
IT Support & Maintenance	82,525	**IT**
Computer Capital	56,669	**IT**
Mobile Voice and Data	45,525	**IT**
Software Licences	37,037	**IT**
IT consultancy -	28,439	**IT**
IT Consumables	3,881	**IT**
IT Training	1,000	**IT**
Policy Advisory Group	12,500	**Policy**
Research Projects	322,774	**Research & Communications**
Communications	16,103	**Research & Communications**
Special Education Administration System	40,046	**SIS**
Off Site Storage	5,124	**SIS**
Legal fees	2,694	**SIS**
Total Non-Pay	1,618,500	