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Public Sector Procurement Reform

- Brexit - reform of UK Procurement Regime.
- Single Act of Parliament for all procurement regimes.
- Procurement accounts for approx. £407 Bn of public expenditure.
- The UK's programme of procurement reform represents the biggest change to public procurement law in England, Wales and Northern Ireland in a generation.
- The new Procurement Act 2023 will come into force on 24 February 2025.
- Aims to speed-up, simplify, modernise, deliver value for money and create greater opportunities for SMEs.
- GPA compliant.

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“

For too long, modern and innovative approaches to public procurement have been bogged down in bureaucratic, process-driven procedures.

We need to abandon these complicated and stifling rules and unleash the potential of public procurement so that commercial teams can tailor their procedure to meet the needs of the market. The UK is ready.

Lord Agnew, Minister of State for the Cabinet Office
(December 2020)

”

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Act & Regulations

- In March 2024, the Procurement Regulations 2024 were laid in Parliament – these were Affirmed on 22nd May 2024.
- This Statutory Instrument adds detail to key elements of the skeleton legal structure introduced in the Procurement Act 2023.
- In particular, more detail is provided on:
 - The “**Central Digital Platform**” which will be a single website, replacing Contracts Finder and Find A Tender.
 - The **Notices** which must be published on this platform.
 - **Light Touch Contracts**.
 - The definition of **Central Government Entities** (which are subject to a different advertising threshold for goods and services).



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Procurement Act 2023 E-Learning

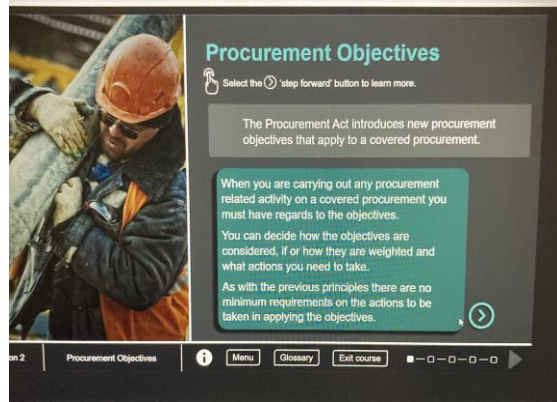
Government Commercial Function

Transforming Public Procurement

E-Learning - How to register
19 1-hour modules for all procurement and commercial staff

- To access to our E-Learning product, you will need to register with the Government Commercial College (GCC).
- To register for a new account with the GCC, visit www.govcommercialcollege.co.uk
- Upon applying to register, if your organisation is not currently identified by the GCC, please complete the online form to request access for your organisation.
- After registration, you will receive an automated email confirmation of your account from noreply@govcommercialcollege.co.uk
- These emails can be withheld by your organisation's firewall. If you don't receive a confirmation email, please contact your IT help-desk.

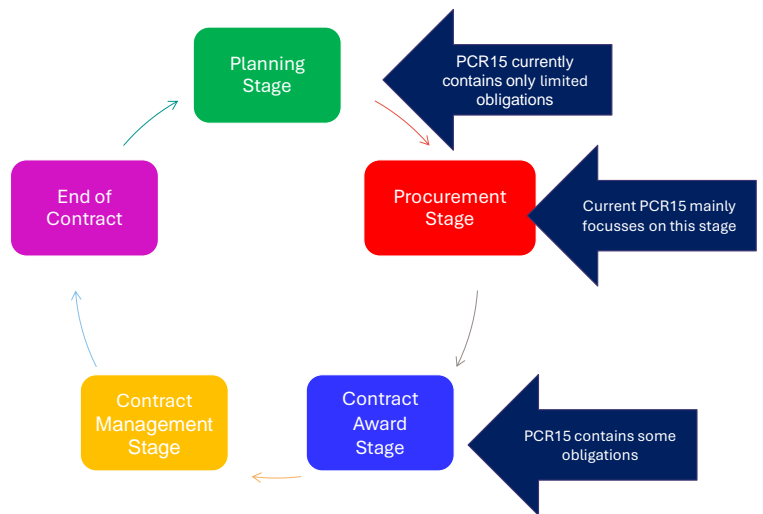
For your questions on any aspect of the Transforming Public Procurement programme, please contact us at procurement.reform@cabinetoffice.gov.uk



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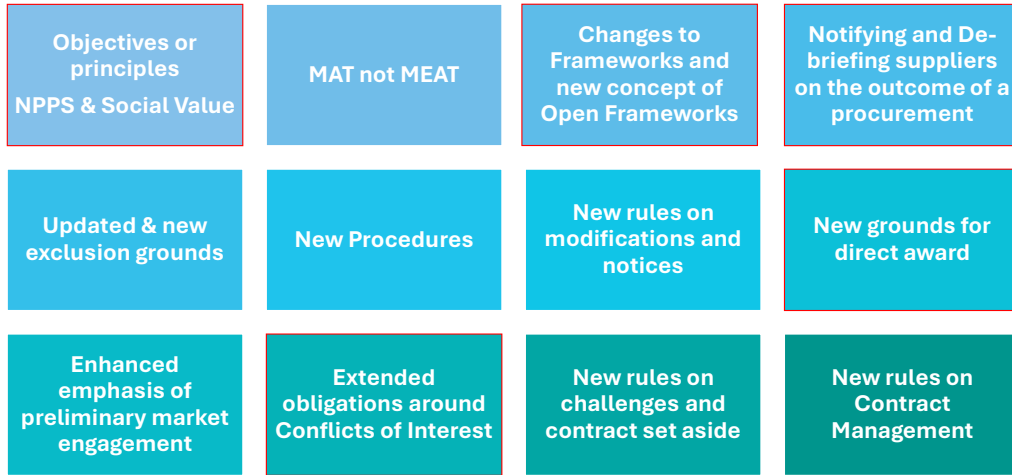
What is Changing – the big picture

- New cradle to grave approach
- More Transparency
- Greater Flexibility
- Less Direction
- Enhanced role of governance
- Balancing the supplier-buyer relationship



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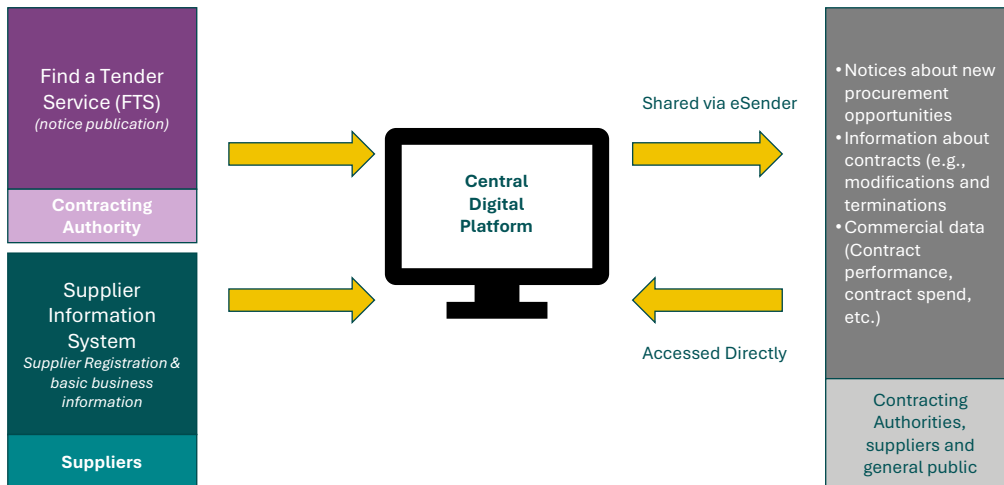
Key Changes - Procurement Act 2023



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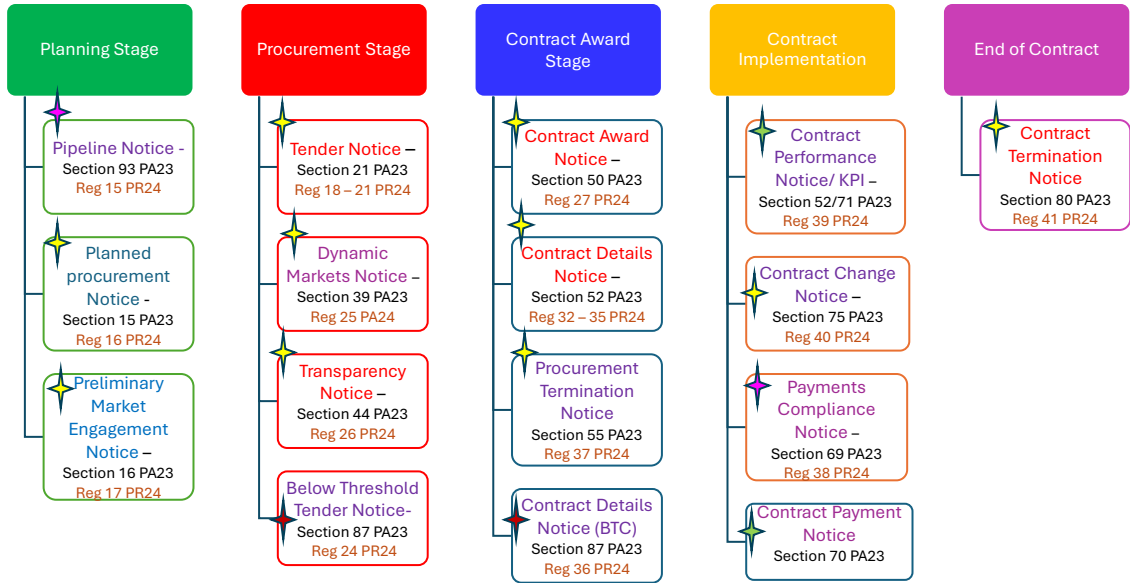
The Central Digital Platform

- The current **Contracts Finder** and **Find A Tender** are primarily focussed on *procurement opportunity* notices, and *contract award* notices.
- The intention is for the **Central Digital Platform** to be broader than this, and to be a one-stop source of information



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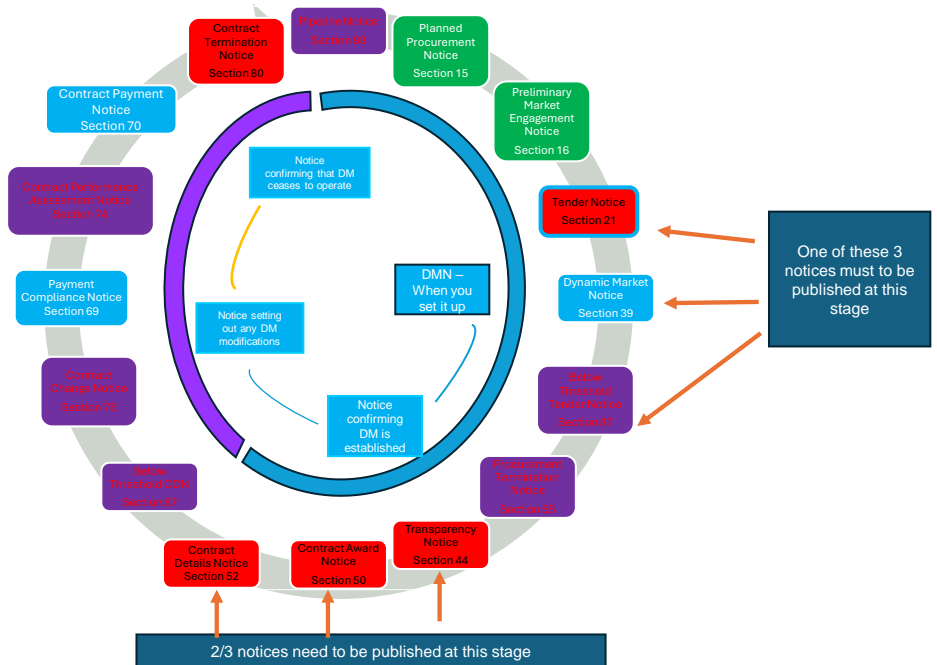
Notices galore!



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Transparency Obligations in Procurement & Contract Cycle

Key	
Notice	CA must publish if certain conditions in PA satisfied
Notice	CA may publish
Notice	CA must publish
Notice	CA has continuous obligation to publish
	Period before contract award
	Period post contract award



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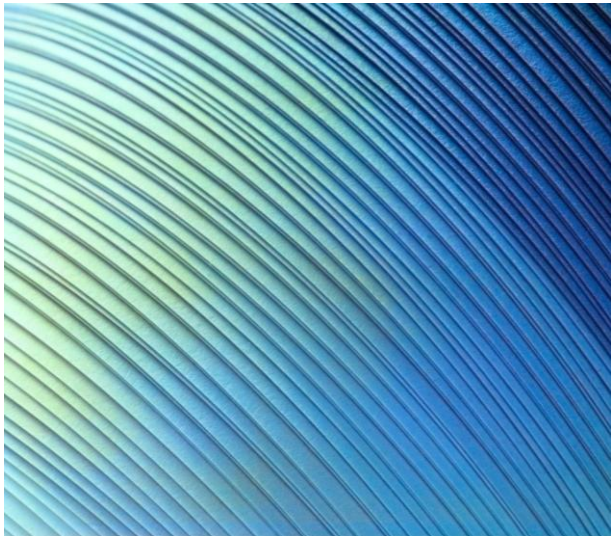
Objectives rather than Principles



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Procurement Review Unit (PRU)- Vision

- Public Procurement Review Service (PPRS)
- Procurement Compliance Service (PCS)
- Debarment Review Service (DRS)



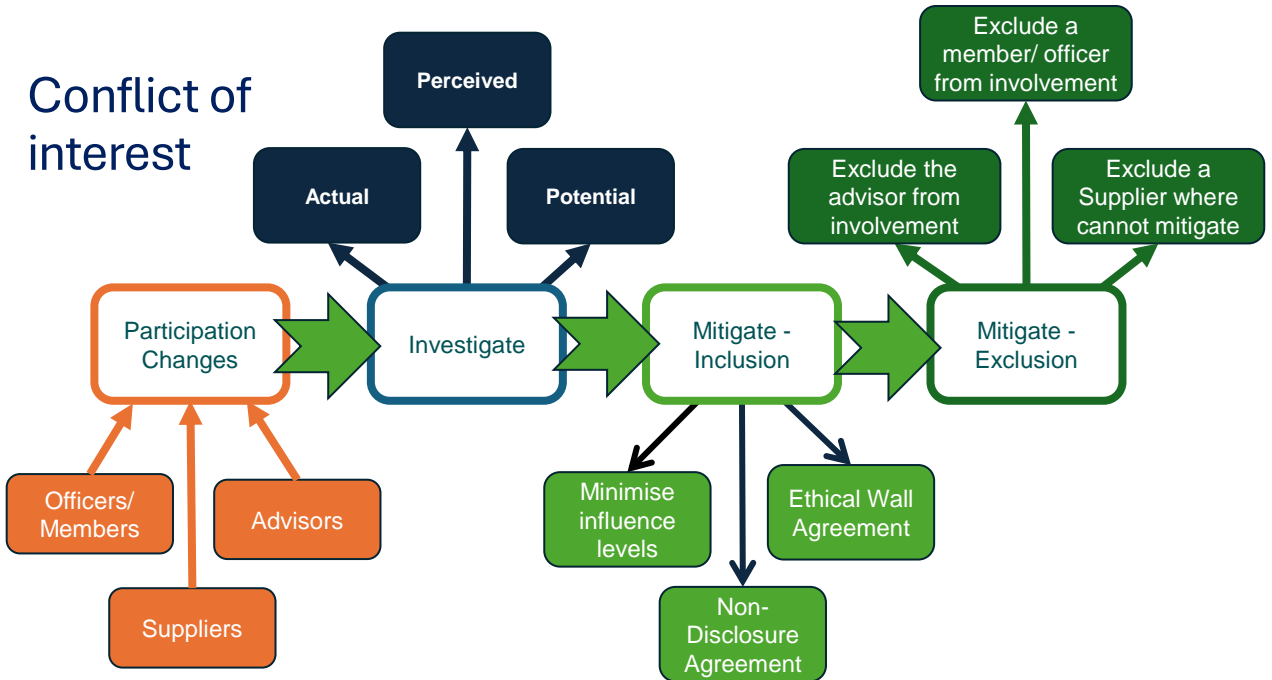
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Terminology

Current Terminology	New Wording
“In-scope procurement”	“Covered procurement”
“Prior Information Notice (PIN)”	“Planned Procurement Notice”
“Contract Notice”	“Tender Notice”
“Contract Award Notice”	“Contract Details Notice”
“Standstill Notice”	“Assessment Summary”
“Selection Criteria”	“Conditions of Participation”
“Most Economically Advantageous Tender”	“Most Advantageous Tender”
“VEAT Notice”	“Transparency Notice”
“Further Competition”	“Competitive Selection Process”

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Conflict of interest



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Notices and Standstill Period - Now and in the future

PCR 15 (Reg 86)	PA23 (S50 (3))
1. Issue Award Decision Notice/ Standstill Letter	1. Assessment Summary
2. 10 calendar days Standstill Period	2. Contract Award Notice
3. Execute the contract	3. 8 Working Days Standstill Period
4. Issue Contract Award Notice in FTS/ CF	4. Execute the contract
Tea/ Coffee!	5. Contract Details Notice

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Assessment Summaries – Reaction from Suppliers?

- Fuel procurement challenges and complaints?
- Administrative burden on CAs
- Tender evaluation & moderation
- Templates?



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Direct Awards – PA23 (Chapter 3)

The Procurement Act classifies Direct Award into three cases, using three Sections:

- **Section 41: Direct Award in Special Cases**
- **Section 42: Direct Award to Protect Life**
- **Section 43: Switching to Direct Award**

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Sting in the Tail – No more hidden contracts!

The new requirements will be as follows:

1. Issue Transparency Notice prior to award (not for user choice)
2. Publish a Contract Award Notice
3. Wait for the Standstill Period to end
 - (No standstill under Section 42 awards, call-offs, dynamic market awards, and "light touch" contracts)
4. Sign the Contract
5. Publish a Contract Details Notice



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Frameworks

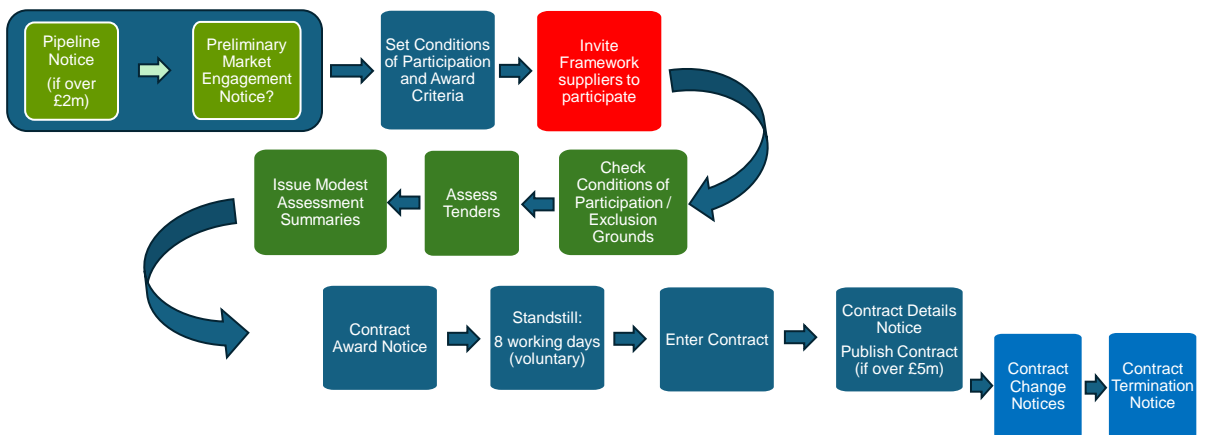
- The Act makes minor changes to the operation of Frameworks and introduces a new “Open Framework” mechanism.
- **Traditional Frameworks** – set up via a tender process, typically four years in duration, and then closed to new entrants – are still permitted.
- The Act makes it very clear that a **Competitive Selection Process** (what we currently call a Further Competition) should be the default means for appointing a supplier via a Framework.
- **Direct Call-Off** (referred to as “award without competition”) is permitted only if:
 - The Framework itself sets out all the core terms for call-off contracts, and;
 - There is an “objective mechanism” for supplier selection.

(In practice this is the same as the rules for direct call-off which have applied since 2015).

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Calling off a Framework

- Member is awarding a contract under a Framework set up by a Consortium.

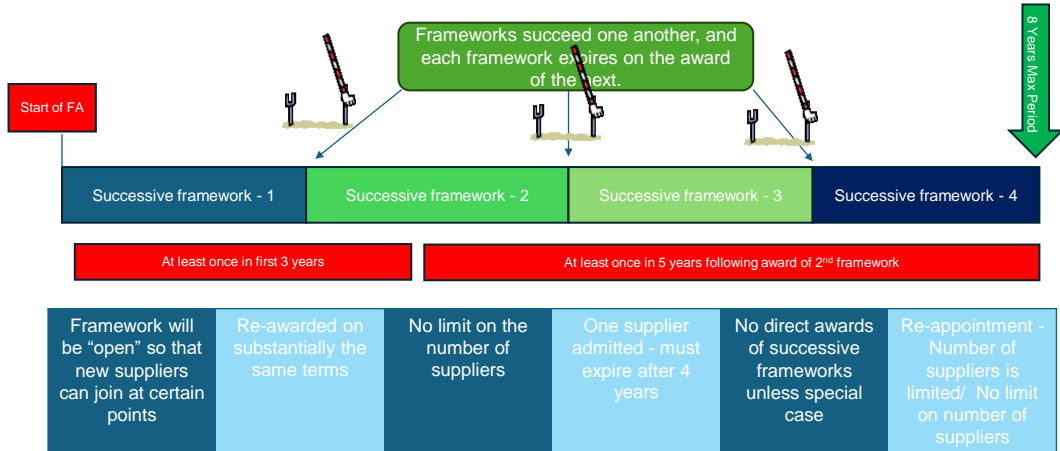


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New concept of Open Framework S49 PA23

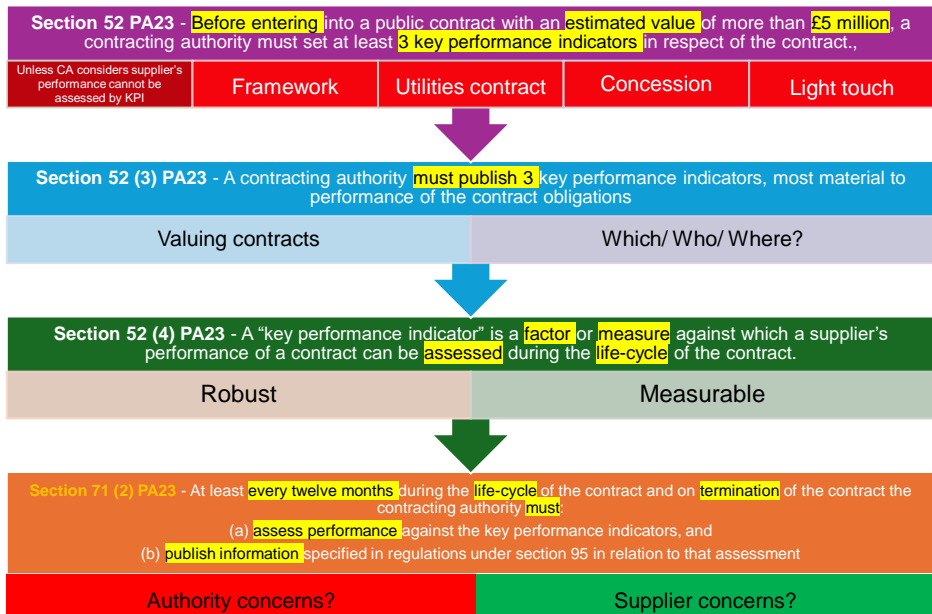
Definition:

- “An “open framework” is a scheme of frameworks that provides for the award of successive frameworks on substantially the same terms”.



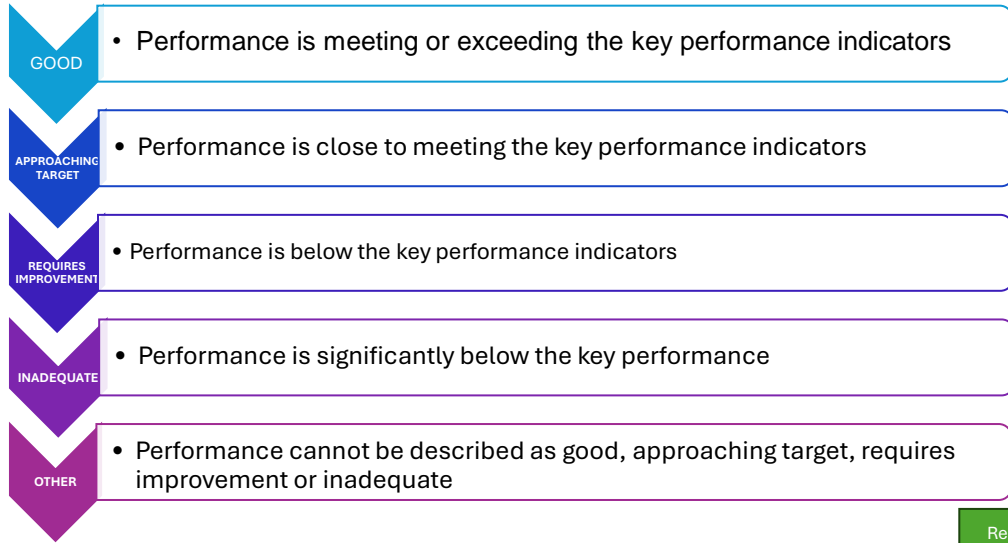
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KPI's & Contract Performance



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KPI Rating card – CAN



Reg 39 PR24

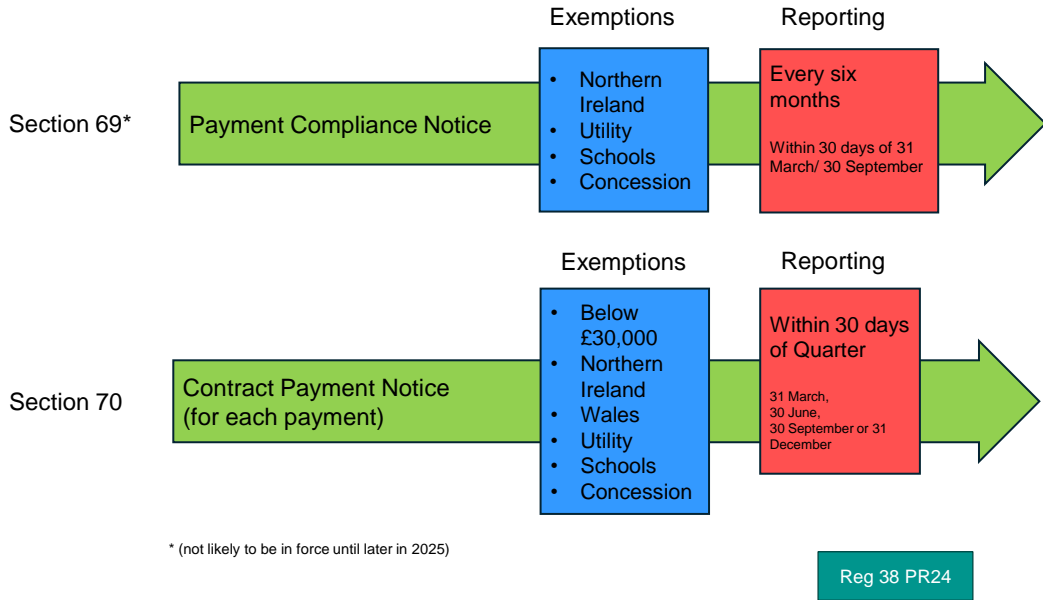
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Assessment of Contract Performance

When do you have to publish Contract Performance Notices?		
KPI – S52 & 71 (1) & (2) <small>See previous slide</small>	Breach – S71(3) (i) termination (full or partial), (ii) damages, or (iii) settlement	Poor Performance S71(4) (i) Not satisfactory (ii) Given opportunity to improve performance (iii) Failed to do so <small>Likely grounds for KPI failure as it does not have to be "sufficiently serious" (discretionary ground so 'likely to recur'). If discretionary exclusion follows, could result in debarment.</small>
Exemption: Light Touch and Private Utilities		
Frequency: Annually and on termination of the contract	Frequency: 30 days	
Contract Performance Notices (not likely to be in force until later in 2025)		

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Notices about Payments – PA2023



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Disruptive impact

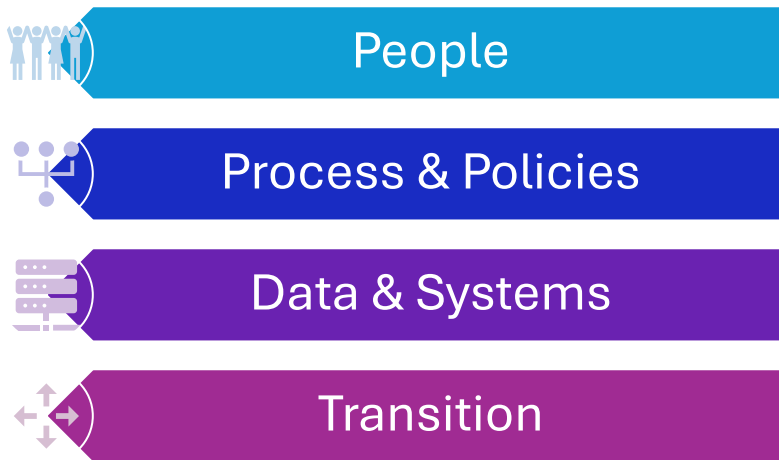
Greater need for skilled and knowledgeable staff	New processes and information systems
Necessity for enhanced Governance	Increased administration and documentation
Many more notices to be published	Need for better control & assurance
Whole organisation impact	Extensive change in practice & a new language

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Transformation to implement PA23



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Current state of PA2023 readiness

Poll Question:

How far has your organisation progressed in preparing for PA2023 implementation & go-live on 24 February 2025? (chose all answers that apply)

- a. No / little progress to date.
- b. All PA2023 training completed
- c. Our Procurement Policy is updated for PA2023
- d. Our ITT templates (Open, CFP, Below Thresholds, Frameworks) are updated and ready to use under PA2023
- e. Procedures and controls (including contract management) have been updated and are ready for PA2023
- f. Suppliers have been informed of the changes to come.

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Current state of PA2023 readiness

Poll Questions:

Has your Procurement Team tried to recruit new team members this year to support PA2023 Implementation?

1. No – we have no budget!
2. Yes, and we have been very successful
3. Yes, but we have struggled to attract good quality candidates
4. Yes, recruited inexperienced staff to train them up
5. No, we already have a full team.

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Questions



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Procurement Support

Procurement Implementation Plan	Draft Contract Procurement Policies
Design PA2023 Templates	Contract Management Support
Mentoring 'phone a friend' advice	PA2023 Training

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07717345188

**Getting Started:
Mentorship in Procurement**

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