



Llywodraeth Cymru
Welsh Government

Procurement Reform Considerations and Priorities

Stakeholder Engagement

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Meeting Protocol

- We will take questions at the Q&A section after the presentation.
- Please feel free to post questions and comments using the chat bar during and after the presentation.
- We will produce an FAQ document following the engagement sessions which will be circulated to stakeholders.
- The presenter will touch on questions throughout the presentation which will be available in a survey following the session.

Purpose

- UK Government (UKG) published a Green Paper and consultation on “Transforming Public Procurement” in December 2020.
- Procurement for Welsh public bodies is not reserved and the Senedd can legislate in relation to procurement.
- Welsh Ministers need to understand how current procurement regulations could be amended to maximise their impact on the implementation of Welsh Government’s policy ambitions and priorities.
- Welsh Ministers will make a formal decision on a way forward for procurement reform in March 2021 once stakeholder feedback has been gathered and analysed.

The context of EU Exit

- Following the end of the transition period, public procurement will continue to operate in broadly the same way as it does now.
- However the UK's departure from the EU provides Welsh Government with the opportunity to reform the current procurement regulations.
- The UK has now joined the World Trade Organisation's Agreement on Government Procurement (GPA) as an independent member.
- Any procurement reform will need to comply with the GPA and Free Trade Agreements.

The Government Procurement Agreement (GPA)

- The GPA is based on principles of openness, transparency and fairness.
- It is shorter than the EU Directives and less prescriptive on processes.
- The GPA applies to:
 - a narrower range of procurements than the EU Directives.
 - procurements above specified financial value thresholds.

Current Procurement Landscape in Wales

- The procurement landscape in Wales includes the following:
 - Wellbeing of Future Generations (Wales) Act
 - Welsh Procurement Policy Statement (WPPS)
 - Draft Social Partnership Bill
 - EU Exit and economic recovery from Covid-19

Wellbeing of Future Generations (Wales) Act

- The seven national well-being goals represent a common vision for the future of Wales.
- Bodies that come under the Act have a legal obligation to maximise their contribution to each of the well-being goals.
- Procurement is one of the corporate areas for change in the Act's Statutory Guidance. The guidance states:
 - Public bodies should comply with their existing legal obligations in relation to procurement.
 - Public bodies should also apply the Wales Procurement Policy Statement.

Welsh Procurement Policy Statement (WPPS)

- The WPPS sets out the strategic vision for Public Sector Procurement in Wales.
- Welsh Government will publish a new statement in Spring 2021 which will replace the WPPS published in 2015.
- The new WPPS will include a set of principles for procuring Well-being for Wales based on the Well-being of Future Generations (Wales) Act Goals and key Welsh Government policies.
- The new WPPS principles will be included in the statutory guidance for the Social Partnership Bill and elements may become mandatory.

Draft Social Partnership Bill

- The Procurement Duty within the draft Social Partnership Bill proposes to require specified public bodies to:
 - Produce a procurement strategy
 - Produce an annual report setting out the outcomes of its procurement activities
 - Take account of social, economic, environmental and cultural wellbeing for large procurements (legislated for procurements valued above certain thresholds)
 - Include Contract Management provisions in particular circumstances related to the application of social value; a workforce code of practice; and ensuring the application and monitoring of socially responsible clauses throughout the supply chain.

EU Exit and economic recovery from Covid-19

- As discussed, the UK's exit from the EU provides an opportunity to reform current regulations.
- We should consider how procurement legislation might assist in helping Wales' economic recovery post Covid-19.

Potential Procurement Reform in Wales

- Given the context of the procurement landscape, we need to understand how procurement legislation could be amended to benefit Wales.
- How could procurement reform help Wales?
- From your perspective what are the critical issues linked to the current procurement regulations that need to be addressed in Wales?
- What key principles should underpin any potential new procurement legislation for Wales?

UK Government's Procurement Reform

- On 15 December UK Government (UKG) published a Green Paper and consultation on “Transforming Public Procurement”.
- These proposals do not apply to Welsh public bodies but you are welcome to respond to the UKG consultation.
- The purpose of our engagement sessions is to help inform Welsh Ministers on the way forward for procurement reform in Wales who will make a formal decision in March.
- We encourage you to consider:
 - which aspects of the UKG's Green Paper you would welcome being introduced in Wales;
 - which aspects you would not wish to see introduced in Wales; and
 - if there are areas that you think are missing which would be beneficial to Wales.

Some Examples from the UKG's Proposals

- **Light Touch Regime (LTR)**
(Paragraph 96 of the Green Paper)
 - UKG proposes removing the LTR as a distinct method of awarding contracts.
 - This would involve changing the threshold for LTR procurements to the same as other services.
 - Would the UKG proposal on the LTR work for Wales?
 - What would be the advantages / disadvantages to Wales?

Some Examples from the UKG's Proposals

- **Commercial Tools**
(Chapter 5 of the Green Paper)
- **Dynamic Purchasing System (DPS+)**
 - A new system that may be used for all types of procurement (not just commonly used goods and services).
 - New Suppliers will be able to join at any time with no maximum duration.
 - Procurements could be undertaken within a DPS+ using the UKG's newly proposed "competitive flexible" procedure.
- In your opinion, do the proposed UKG changes to the current DPS bring any benefit to you as a buying organisation/supplier?

Some Examples from the UKG's Proposals

- **Commercial Tools**
(Chapter 5 of the Green Paper)
- **“Open” Framework Agreements**
 - Potential for longer maximum terms “Open Framework Agreement”.
 - Frameworks to be opened to new suppliers at defined points.
- Do you feel these proposed changes in the UKG's Green Paper would be a good approach for Wales?
- In your opinion, are Framework Agreements needed in Wales?
- Are there any alternative approaches that you feel would be more appropriate?

Next Steps

- Questions raised in the chat bar will be considered and an FAQ document will be developed and circulated.
- A survey link will be sent to you and responses are required by 12/02/2021. You are welcome to complete the full survey or only the areas which are of interest to you.
- Please copy ProcurementReformTeam@gov.wales into your responses to the UKG consultation on the Green Paper.
- All feedback received will be collated and analysed and will be used to brief Welsh Ministers regarding procurement reform in Wales.