



Office of the Comptroller and Auditor General
Oifig an Ard-Reachtair Cuntas agus Ciste

Procurement Performance Model - Guideline for auditors

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What is the Procurement Performance Model (PPM)?

Tool to assess the procurement function in the public sector. Three levels:

- Meta level: assessment of procurement strategy at a Governmental level
- Macro level: assessment of a Department's procurement function/unit
- Micro level: assessment of a single procurement project.



Meta level – what to assess?

- Is there an overall procurement policy/strategy in place?
- Is the policy coherent and understandable?
- Do these policies promote and/or safeguard fair competition?
- Is performance monitored/benchmarked?
 - Are these policies and practices in line with good practice standards?
 - Can they be measured?



Procurement policy in Ireland

- Office of Government Procurement (OGP)
- National Public Procurement Policy Framework – Jan 2018 (5 strands)
 - Legislation (directives, regulations)
 - Government policy
 - Capital Works Management Framework
 - Guidelines for goods & services
 - Other technical guidelines, templates, information notes etc.



Procurement policy in Ireland

- Central Purchasing Model
 - shift from decentralised model
- Policy instruments
 - Public Spending Code (2013)
 - Code of Practice for the Governance of State Bodies (2016)
- Accountability
 - Subject to scrutiny under the C&AG Act 1993



Challenges of assessing policy/strategy at the meta level

- It may be difficult to assess as the objectives may be a bit aspirational
- In Ireland, there have been complaints from the private sector about perceived lack of a referral body that could provide guidance
- May be a gap in Ireland for another referral body



Macro level - Why is the procurement function important?

- Procurement function/units are the vehicle for delivering on procurement policy goals
- Good procurement function will contribute towards the achievement of value for money
- Responsibility for procurement needs to reside at a senior level



Macro level assessment

Assesses the procurement function within the entity

- Is there a procurement strategy/policy in place?
 - delivery methods, in-house v outsource
- Organisation of the unit
- Capacity of the unit
 - staff numbers, skills of the staff
- Monitoring and controls in place
- Are there regular reviews of the performance of the unit?



Macro level – an example

- 10 capital projects were selected for an in depth review (flowed from a micro level assessment during financial audits)
- Costs overruns and delays in schedule were common
- In some instances, the public body did not have the capacity to manage this type of project (macro level assessment)
- Objectives set at meta level not achieved

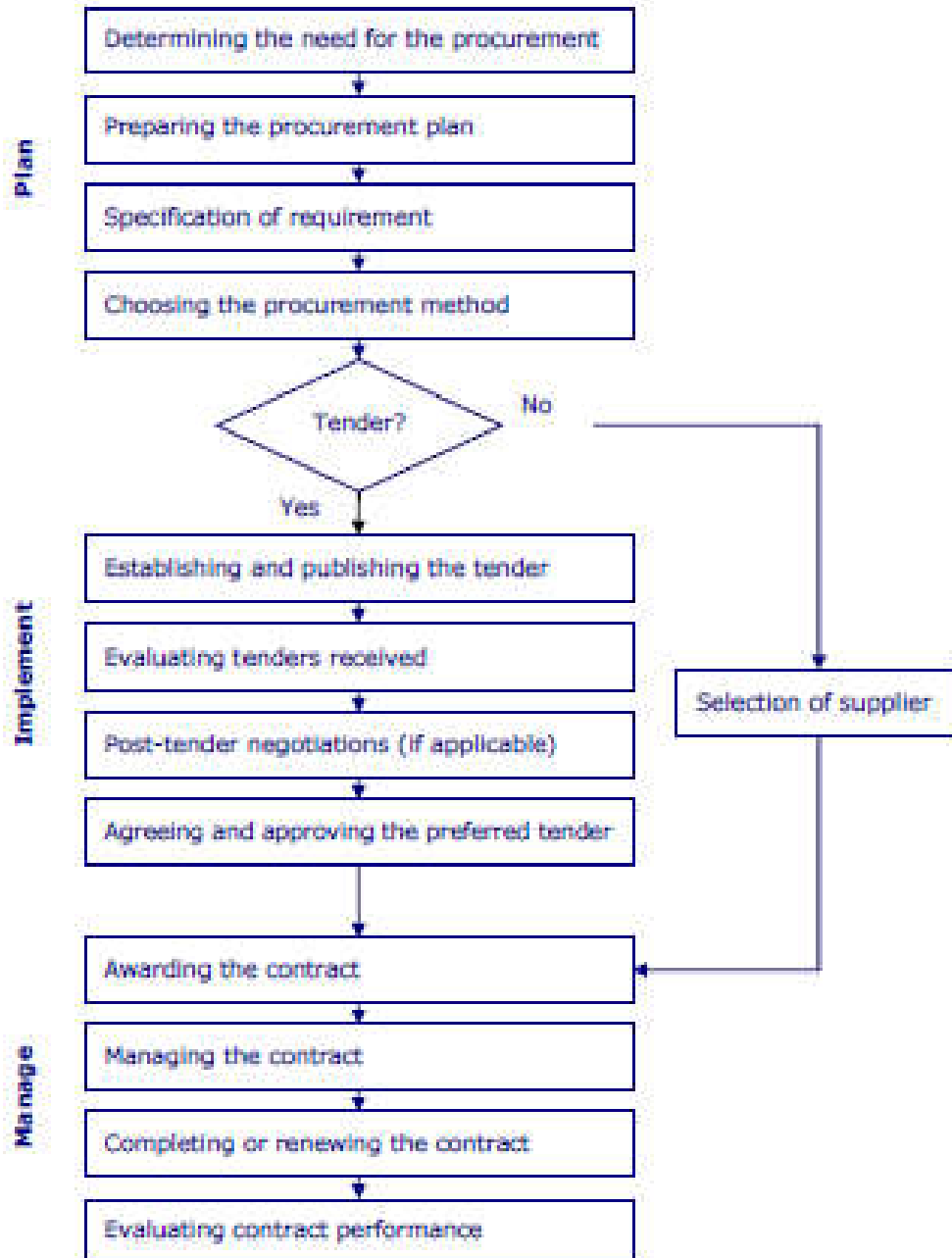


Micro level assessment

- Is the objective of the procurement process aligned with users needs?
- Is the procurement process effectively managed?
- Are controls in place to ensure the project is compliant with relevant legislation?



Process cycle



Supply process - planning

- Is there an adequate budget in place?
- Was a CBA or other analysis carried out?
- Were different delivery methods assessed?
- Was a risk evaluation carried out?



Supply process - implementation

- Are pre-qualification criteria properly defined
- Are the evaluation criteria relevant?
 - Not overly prescriptive, allow for innovation
- Requirements should not be too narrow
 - is the requirement necessary?
- Have the tenders been assessed on the published criteria only?
- Have the tenders been assessed only on the information provided?
 - Not on what you may have heard elsewhere



Supply process – managing

- Managing the contract
 - Contract execution
 - monitoring performance
 - corrective action
- Completion or renewing the contract
- Evaluating contract performance
 - Post project reviews



To sum up

- Useful guide/checklist
- Levels are linked
- Thank you!

