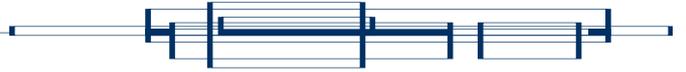


Improving Procurement in the Criminal Justice System

January 2007





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Presented to the Houses of Parliament by the Secretary of State for Northern Ireland under Section 49 (2) of the Justice (Northern Ireland) Act 2002.

**Criminal Justice Inspection
Northern Ireland**
a better justice system for all

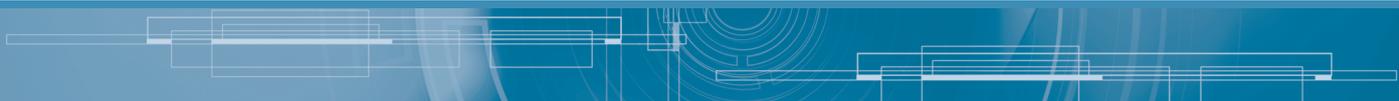






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List of abbreviations

| | |
|--------------|---|
| CAJ | Committee on the Administration of Justice |
| CIPS | Chartered Institute of Purchasing and Supply |
| CJA | Criminal Justice Agencies |
| CJI | Criminal Justice Inspection Northern Ireland |
| CJR | Criminal Justice Review |
| CJS | Criminal Justice System (Northern Ireland) |
| CJU | Criminal Justice Unit (in police) |
| CoPEs | Centres of Procurement Expertise |
| CPD | Central Procurement Directorate |
| CSR | Comprehensive Spending Review |
| DCU | District Command Unit of the police |
| DFP | Department of Finance and Personnel |
| EU | European Union |
| FSNI | Forensic Science Northern Ireland |
| GB | Great Britain |
| IT | Information Technology |
| MOD | Ministry of Defence |
| MOU | Memorandum of Understanding |
| NAO | National Audit Office |
| NI | Northern Ireland |
| NIAO | Northern Ireland Audit Office |
| NICtS | Northern Ireland Court Service |
| NIO | Northern Ireland Office |
| NIPS | Northern Ireland Prison Service |
| NVQ | National Vocational Qualification |
| OGC | Office of Government Commerce |
| OJEU | Official Journal of the European Union |
| OPONI | Office of the Police Ombudsman for Northern Ireland |
| PBNI | Probation Board Northern Ireland |
| PFI | Private Finance Initiative |
| PPP | Public Private Partnerships |
| PPS | Public Prosecution Service for Northern Ireland |
| PSA | Public Service Agreement |
| PSNI | Police Service of Northern Ireland |
| PU | Procurement Unit (NIO) |
| RoI | Republic of Ireland |
| SLA | Service Level Agreement |
| SPD | State Pathologist's Department |
| S75 | Section 75 (of the Northern Ireland Act) |
| UK | United Kingdom |
| YJA | Youth Justice Agency |



Chief Inspector's Foreword

“Purchasing power is a license to purchase power”
(Raoul Vaneigem)

The purpose of this inspection was to review how goods and services are purchased by the criminal justice system in Northern Ireland. The report is not about documenting the faults of the past. Instead, it is focused on assessing the pace of change and identifying opportunities for improved procurement.

Procurement is an important topic for an inspection due to the large amount of public expenditure involved and the potential to divert savings to the front-end delivery of criminal justice services. How procurement operates also has direct implications for wider government policies in areas such as the environment, local economic development and social inclusion. The term ‘sustainable procurement’ is nowadays being used to refer to procurement which takes account of these externalities.

The inspection looked at the policies, procedures and practices that govern the operation of procurement in the criminal justice system. It found that the legacy of the ‘Troubles,’ albeit much diminished in recent years, still has a significant impact on procurement in the criminal justice system. Much change is taking place particularly in the application of European and national legislation, where ‘best value for money’ through open competition is the key driver of government policy.

The views and experiences of suppliers are critical to understanding how procurement operates and identifying areas for improvement. A main finding of our postal survey is the need for greater awareness of, and access to, tender opportunities in the criminal justice system. This will require a more pro-active approach to removing barriers to access including a more formal engagement with existing and potential suppliers.

I hope that the findings and recommendations of this review will assist the criminal justice system to further develop its priorities for procurement and thereby deliver a more effective and efficient procurement service, which provides best value for money as well complementing and supporting wider policy goals of government.

I trust that a joint Action Plan will be developed in response to this report. I would expect that the NIO and all the criminal justice agencies would provide an input to it.

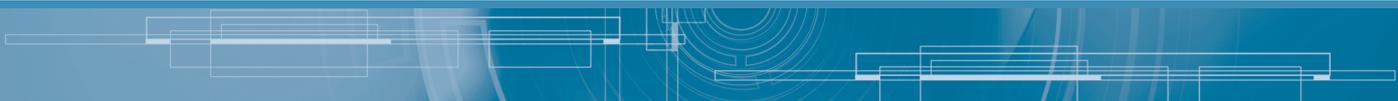
The inspection team, led by James Corrigan, appreciated the generous level of co-operation received from all the criminal justice agencies and from the Northern Ireland Office. I am also grateful to the National Audit Office for their assistance and advice in the planning for this review.



Kit Chivers
Chief Inspector of Criminal Justice
in Northern Ireland.

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Executive Summary

The budget of the main statutory criminal justice agencies in 2005-06 is £1.27 billion.¹ The addition of other criminal justice agencies (not represented on the Criminal Justice Board) brings total expenditure to approximately £1.4 billion of which £953 million relates to the PSNI. Non-pay expenditure accounts for over 36% of the overall budget of the criminal justice system (see Table 1), though the agencies have defined and calculated procurement spending as significantly less than their non-pay expenditure.

Annual non-pay expenditure of over £500 million is significant in a number of ways. Efficiency savings have the potential to be large and can be re-directed to improving the front end delivery of services. Sustained spending of this magnitude, which has been a feature of criminal justice for many years, will have a major impact on the wider Northern Ireland economy and society.

The NIO and the criminal justice organisations operate separately from the rest of the public sector in that they are not bound by its procurement policy, are not represented on the Northern Ireland Procurement Board² and have a separate Procurement Unit (PU) which undertakes the tendering of contracts on behalf of the criminal justice organisations. Criminal justice does not have a defined procurement policy. Most agencies do not have a comprehensive written procurement strategy and the quality of written procedures/practices vary across the system.

There is a need for a more strategic approach to procurement within the criminal justice system. Achieving the optimum benefits of best value for money together with 'sustainable procurement' will require some important changes. Inspectors recommend:

- The development of a procurement policy for the criminal justice system which should complement and link with the procurement policy of the devolved parts of government.
- All criminal justice agencies should have a comprehensive procurement strategy and procedures which is aligned with its corporate objectives and consistent with wider procurement policies for the criminal justice system. A procurement strategy should include key performance targets.
- The NIO Procurement Unit (PU) will require some re-structuring in line with the above policy and strategies. This is likely to involve targeted resources in line with service improvements and a plan for transition towards integration with the Central Procurement Directorate, possibly as a centre of procurement expertise.

The quality of Management Information Systems is poor, meaning that little reliable data on procurement expenditure is collected for the criminal justice system. For example, it is

1 The Criminal Justice System Northern Ireland Annual Report 2005-2006 (p.9) shows resources of £1.27 billion for eight of the criminal justice agencies.

2 The Northern Ireland Procurement Board oversees the operation of procurement for the devolved parts of government.



extremely difficult to determine the composition of spending by supplier or by category of good or service. More detailed information on types of suppliers or benchmarking of prices for goods and services across the criminal justice system is not available. Management information systems in the PSNI are the most advanced, but are not available in most criminal justice agencies or for the system as a whole. Achieving key policy objectives for procurement through performance targets will require a level of information and data analysis which is not available at present. Inspectors are informed that the NIO and the criminal justice agencies are working on a shared services approach/strategy which has the potential to address this information deficit and provide a more consistent approach to measuring and assessing the impact of expenditure across the criminal justice system. It will require better sharing of procurement information within the criminal justice system.

Realising key benefits of procurement will require more collaboration and partnership within the criminal justice system as well as linkages to the wider public sector in Northern Ireland and elsewhere. Achieving significant efficiency savings, whilst maintaining quality and standards, will require more economies of scale through collective tendering and aggregate purchasing. Too many current tender actions are agency specific, even where a similar product or service is purchased by another agency within the criminal justice system. The increasing use of pre-tendered framework agreements/contracts, such as those set-up and managed by the Central Procurement Directorate (CPD) and the Office of Government Commerce (OGC) have proven to deliver increased savings. The further dissemination and application of good practice in areas such as direct ordering, the use of e-platforms for tendering and the wider use of the Government Procurement Card have the potential to bring increased savings.

The legacy of the Troubles, albeit declining, continues to impact on procurement in the criminal justice system. An artificial marketplace developed where a restricted number of suppliers met the purchasing needs of criminal justice. Alternative suppliers were either reluctant to engage with the criminal justice agencies or were excluded on the basis of national security considerations. Access to tender opportunities was limited through the use of select or government approved supplier lists and/or the widespread use of single tender actions. Contracts were often extended for years without open competition.

A number of factors are opening up procurement in the criminal justice system. The application of European and national legislation, primarily with regard to competition and the open market but also in terms of human rights, is creating a fairer and more open system of public procurement. The changing political situation is contributing to a willingness of more businesses to work with the criminal justice system and the Government is responding by reviewing policies such as security vetting. However, little information is collected by the criminal justice system, or the individual agencies, to determine the impact of these changes on procurement. The effect of procurement for groups classified under Section 75 of the Northern Ireland Act is difficult to determine. In the absence of this hard information, Inspectors have identified a number of areas where fairness and equality could be strengthened.



Achieving equality and fairness of procurement in the criminal justice system is critical to public confidence, but also to achieving best value. The principal means of ensuring this is through open access to tender opportunities. Barriers to access such as the security vetting of businesses are more pertinent to criminal justice than other areas of government and are likely to disadvantage certain sections of the community. Firms with limited experience of working in criminal justice can be disadvantaged by inadequate awareness, information and support for new tender opportunities. Poor supplier management arrangements and outdated supplier lists can add to this problem. Tender selection systems, which place a strong emphasis on previous experience (working with specific criminal justice agencies) will also disadvantage new entrants. It is evident to Inspectors that the inequalities of the past may not be fully addressed by current practices and that criminal justice agencies should be alive to the scope for taking affirmative action in appropriate cases (i.e. where it would be pro-competitive) to address inequalities of access to procurement contracts.

Inspectors met with a broad range of staff working on procurement within the criminal justice agencies. For some, procurement was a full time activity (e.g. NIO staff within the PU certain procurement officers in agencies) while others did procurement as part of a wider financial and auditing role. All considered procurement to be a critical function as it covered the identification and specification of requirements through to the management of contracts. The levels of professional qualifications varied considerably with membership of the Chartered Institute of Purchasing and Supply (CIPS) considered the most valued, followed by National Vocational Qualifications (NVQs), which are work-related, competence-based qualifications. In view of the strategic importance of procurement, Inspectors recommend that greater professionalism of the function is required in terms of the promotion and delivery of appropriate qualifications, skills and experience.

An area of concern for Inspectors was the limited interaction between the criminal justice system and its (potential and existing) suppliers. Some agencies/projects have developed effective relationships with key suppliers, usually as part of the management of longer term contracts. However, wider interaction with suppliers and potential suppliers is not well advanced. This is primarily due to the inadequate information on suppliers and the absence of knowledge in the marketplace for particular goods or services. Supplier lists, where they exist, are not regularly kept up to date and information on potential suppliers is not systematically collected. Few criminal justice organisations were able to produce a full list of their suppliers. There was little distinction between key suppliers and one-off or low value suppliers/contracts.







Recommendations

Strategic – Criminal Justice System

- A bespoke procurement policy for the criminal justice system should be developed (para 2.8).
- The criminal justice system should establish an agreed mechanism to collect and analyse key information on procurement (para 2.5).
- Key high level procurement targets should be set by the criminal justice system to deliver objectives and improve performance (para 6.12).
- The impact of procurement (policy and practices) on the Section 75 groups should be undertaken by the criminal justice system. It should form part of equality impact assessments (para 4.6).
- An implementation plan for the creation of a single government procurement service including common policies, strategy, procedures, targets and structures should be developed (para 3.6).

Operational – Criminal Justice Agencies

- All criminal justice agencies should develop a comprehensive procurement strategy. It should include performance targets. Operating procedures (either new or revised) for procurement will be required (para 2.22).
- A separate Service Level Agreement should be developed between the PU and each of its criminal justice customers. It should form the basis of any re-structuring and resourcing of the PU (para 3.10).
- All criminal justice agencies should review all live contracts awarded, particularly those with restricted procedures (limited number of suppliers invited to tender) and single tender actions. Opportunities to introduce greater competition should be considered where appropriate (para 4.14).
- The PU and criminal justice agencies should develop and disseminate clear guidance on when single tender action and contract extensions are appropriate and the processes/controls for approval (para 4.14).
- A review and updating of supplier databases is required in the NIO Procurement Unit and in agencies where procurement is undertaken (para 4.15).





- Criminal justice agencies should be alive to the scope for taking affirmative action in appropriate cases (i.e. where it would be pro-competitive) to address inequalities of access to procurement contracts (para 4.17).
- The PU and the criminal justice agencies should review the use and possible effects of weighting in the evaluation of tenders and ensure that new suppliers are not disadvantaged (para 4.19).
- Criminal justice agencies, in conjunction with the PU, should ensure that clear guidelines are provided on the management and use of Framework Contracts. Compliance with EU and NIO recommendations on further/mini competitions should be monitored (para 4.22).
- The NIO Procurement Unit should undertake/ commission a regular (e.g. bi-annual) survey of users as part of a service improvement programme (para 4.23).
- The NIO and the criminal justice agencies should develop a training strategy for procurement staff to ensure that skills are aligned with responsibilities. Developing tender specifications and project management are critical to good procurement. Collaboration should take place with CPD to ensure common standard qualifications (para 5.6).
- The use of the government procurement card should be extended across the criminal justice system and best practice on its use and controls should be shared to alleviate any concerns (para 5.14).

PART



Inspection Report



Introduction

What is procurement?

1.1 One of the first achievements of the Northern Ireland (NI) Executive in 2002 was to adopt a new procurement policy for the devolved parts of government.³ It also agreed upon a definition for public procurement which 'is the process of the acquisition, usually by means of a contractual arrangement, of goods, services, works and other supplies by the public service'. It went on to elaborate that this covers the whole life cycle from initial conception and definition of the needs of the public service through to the end of the useful life of an asset or the end of a contract.

1.2 This review of public procurement is strategic in nature and confined to the public procurement of goods and services (including consultancy) by the criminal justice system. It does cover the whole life cycle from identification of need to the end of contract, though the main emphasis is on the tendering stage of the procurement process. Broader issues such as the use of Public Private Partnerships⁴ and the contracting out of traditionally public services to the

private sector are not covered by this review.

1.3 The main stages of the typical procurement process are:

1. Purchaser to **define the requirement** including the detailed **specification** of need. A business case may be necessary, depending on value/importance of requirement.
2. Agree the **procurement route**. This should take account of the type of product or service and value of the tender. Larger contracts will need to be advertised; technical aspects of procurement may be undertaken by a specialist procurement organisation; existing Framework Contracts may be utilised.
3. **Invite suppliers to tender** for the contract.
4. **Evaluate and select** tenders against the pre-determined criteria as detailed in tender documentation.
5. **Manage the contract** to ensure that performance is monitored and best value is obtained. Contracts should be regularly reviewed with the supplier.

³ Public Procurement Policy, Department of Finance and Personnel, May 2002

⁴ Any collaboration between public bodies, such as local authorities or central government, and private companies tends to be referred to a public-private partnership (PPP). Under a Private Finance Initiative, contractors pay for the construction costs and then rent the finished project back to the public sector.



1.4 The key driver for good procurement in the public sector is the objective of 'best value for money', defined as achieving the 'whole life cost and quality' of a good or service. The introduction of the concept of 'sustainable procurement' has allowed environmental, economic and social policy objectives to be incorporated within a procurement specification and legitimately enter into the calculation of best value to the taxpayer. The debate as to whether procurement should be used as a tool in furthering these policy objectives is ongoing. A United Kingdom (UK) Treasury Minister recently stated that 'good procurement has the potential to drive, not just support, reform in the delivery of good services and government'.⁵ The Cabinet Secretary has recently agreed to ensure that every UK department responds effectively to the Sustainable Procurement Task Force report's recommendations.

Procurement in the Northern Ireland criminal justice system

1.5 As a reserved matter for the UK Government, procurement in the criminal justice system has remained separate from the parts of government that were devolved to the NI Executive and Assembly. Criminal justice was not included in the review of procurement undertaken by the Executive and the resulting policy and new structural

arrangements do not apply to the NIO or any of the criminal justice agencies.⁶ Instead, a separate Procurement Unit (PU) was established within the Northern Ireland Office (NIO) to provide a procurement service to the Department and criminal justice agencies.

1.6 Total criminal justice expenditure in 2005-06 was £1.4 billion (see Table 1). Approximately £500 million relates to non-pay expenditure. All expenditure which is non-pay is used by auditors and by the Central Procurement Directorate (CPD) to analyse procurement in its reports to the Procurement Board. Audits of public procurement spending in England & Wales and Scotland report that approximately one third of overall spending relates to procurement. Non-pay does include categories of expenditure which is not considered as procurement by the criminal justice agencies. This includes expenditure on property rates, staff travel and subsistence together with costs associated with depreciation and notional cost of capital. As a result, those organisations that have defined procurement spend (e.g. PSNI and NIPS) have calculated it as much lower than its non-pay costs. Inspectors have found that there is no clear or generally understood definition of procurement spend and no means of reporting either consolidated procurement spend or non-pay spend in the criminal justice system.

⁵ Speech by the Financial Secretary to the Treasury, John Healey, to the Government Procurement Service conference in London, on 12 July 2006

⁶ The Northern Ireland Court Service is an agency of the UK Department of Constitutional Affairs. It is part of the criminal justice system and participate in CJI thematic inspections and reviews.



**Table 1:
Expenditure by the Criminal Justice System in Northern Ireland 2005-06**

| Organisation | Expenditure/Budget 2005/06 | | | | |
|---|----------------------------|--------------|--------------------|----------|---------------------|
| | Total | Pay/Salaries | Non Pay | % | Defined Procurement |
| Police Service of Northern Ireland ¹ | 953,000,000 | 561,000,000 | 392,000,000 | 41% | 134,700,000 |
| Northern Ireland Prison Service ² | 135,000,000 | 91,000,000 | 44,000,000 | 48% | 16,200,000 |
| Northern Ireland Court Service ³ | 77,000,000 | 47,000,000 | 30,000,000 | 64% | 21,000,000 |
| NI Legal Services Commission ⁴ | 61,000,000 | n/a | n/a | - | - |
| Northern Ireland Office ⁵ | 50,000,000 | - | - | - | - |
| Compensation Agency ⁶ | 45,000,000 | 2,700,000 | 4,200,000 | 9% | - |
| Public Prosecution Service ⁷ | 26,000,000 | 11,300,000 | 13,165,000 | 55% | 3,850,000 |
| Youth Justice Agency ⁸ | 19,000,000 | 11,950,000 | 7,000,000 | 37% | 3,600,000 |
| Probation Board for Northern Ireland ⁹ | 14,000,000 | 9,300,000 | 4,700,000 | 34% | - |
| Police Ombudsman for NI ¹⁰ | 8,000,000 | 5,350,000 | 2,650,000 | 33% | 1,700,000 |
| NI Policing Board ¹¹ | 8,000,000 | 2,300,000 | 5,450,000 | 68% | - |
| Electoral Office for Northern Ireland ¹² | 1,500,000 | 1,000,000 | 500,000 | 33% | - |
| Forensic Science Northern Ireland ¹³ | 1,450,000 | n/a | n/a | - | n/a |
| Crown Solicitors Office ¹⁴ | 950,000 | - | - | - | - |
| The Prison Ombudsman for NI ¹⁵ | 600,000 | 350,000 | 250,000 | 42% | - |
| TOTAL | 1,399,550,000 | - | 503,915,000 | - | - |

1 Data supplied by the PSNI for 2005-06.

2 Data supplied by the Northern Ireland Prison Service on Funding/Budget Allocation 2005-06.

3 Northern Ireland Court Service, Corporate Plan 2005-08, p11.

4 NI Legal Services Commission, Business Plan 2006-07, p2.

5 NIO Departmental Report, 2006 shows that it had a budget of £1.5 billion. This includes the Policing & Security Directorate (£27 million) and the Criminal Justice Directorate (£23 million).

6 The Compensation Agency Annual Report and Accounts 2005-06, p48 - Procurement is a combination of other admin costs (£1,847k) and programme related costs (£2,343k). Just over £38 million relates to compensation payments.

7 Public Prosecution Service for Northern Ireland Annual Report 2005-06. Procurement does not include fitting out costs of new PPS buildings and appointment of counsel.

8 Youth Justice Agency Annual Report and Accounts 2005-06, p48.

9 Probation Board for Northern Ireland Corporate Plan 2005-08 and Business Plan 2005-06.

10 OPONI Annual Report and Accounts for the year ended 31 March 2006, p55.

11 The Northern Ireland Policing Board, Annual Report and Accounts 2005-06, p16.

12 The Electoral Office for Northern Ireland, Corporate Plan 2006-09 and Annual Plan 2006-07, p25.

13 Forensic Science Northern Ireland Annual Report and Accounts 2005-06 show expenditure of just under £9 million. Most of this comes from the PSNI, with lesser amounts from public sector customers. Pay relates to social security and pension costs. Most of the FSNI expenditure should not be counted for the CJS as a whole as it is included in the PSNI and NIO expenditure.

14 Taken from NIO Departmental Report 2006, p12.

15 The Prisoner Ombudsman for Northern Ireland, Annual Report 2005/06, p28.





- 1.7 The *Northern Ireland Office (NIO)* occupies a key position in terms of procurement in that it provides much of the resources for the criminal justice system as well as having a strategic and policy role. The interaction between those who lead policy and delivery in government and those who lead procurement is an area that the UK Treasury is keen to strengthen. A senior NIO official is chair of the Criminal Justice Board, the NIO Departmental Accounting Officer has wider accountability for purchasing and the PU (PU) sits within the Department. The role of the PU is to provide advice and assistance to the criminal justice system in its purchasing activities and to undertake the tendering of larger contracts (generally over £10K) on behalf of its clients. The largest volume of work is undertaken for the PSNI (located at two PSNI sites at Seapark and Lislea Drive), while the work for the rest of the criminal justice system is undertaken from a site at Stormont.
- 1.8 The NIO budget for 2005-06 was just under £1.5 billion. Much of this was allocated to various operational directorates, agencies, legal offices and non-departmental public bodies. Determining the specific expenditure which was spent internally by the NIO (referred to as NIO Core) is difficult to precisely determine as various sections have a criminal justice function. A conservative definition of criminal justice procurement would count expenditure within two distinct internal units – policing and security and criminal justice directorates – though other areas such as financial services division where the PU is located also has a significant criminal justice spend. Taking these two directorates together accounts for expenditure of just under £50 million for 2005-06.
- 1.9 The *Police Service of Northern Ireland (PSNI)* has the highest expenditure of any criminal justice agency (£953 million in 2005-06) representing approximately two thirds of overall criminal justice expenditure. Non-pay expenditure accounted for £392 million. The PSNI calculated that it has an annual procurement spend of £134.7 million for 2005-06, of which 94% is under contract⁷. The PSNI has a Service Level Agreement (SLA) with the NIO PU which states that all tender actions over £1,000 should go through this unit.
- 1.10 Comprehensive information provided to Inspectors show that the PSNI has 261 live managed contracts including many which are multi-annual. A total of 19 contracts had expenditure of over £1 million in 2005-06. The breakdown of spending by department shows that Information and Communications Services Branch had the highest expenditure (£42 million), followed by Estate Services (£28 million), Transport Services (£22.6 million), Human Resources (£15.8 million), Supplies (£14 million), Scientific Support (£8 million) and a range of miscellaneous contracts. The single largest procurement item is with

⁷ Taken from a PSNI annual report on procurement savings and achievements, 2006



Forensic Science Northern Ireland (FSNI) for scientific support services (£7.4 million for 2005-06). This contract is not subject to competitive tender at present and is regulated by a Service Level Agreement (SLA) between both organisations.

1.11 The *Northern Ireland Prison Service* (NIPS) has a budget of £135 million of which about £44 million is non-pay expenditure. Data provided to Inspectors show that NIPS had a procurement spend of just over £16 million in 2005-06. The difference between non pay and defined procurement spend is attributed to categories such as depreciation (£11 million), cost of capital (£6 million), most of prisoner healthcare (£2 million) and smaller items such as property rates, pension administration, travel and subsistence (not air fares), compensation etc. The NIPS website states that it 'currently spends approximately £5.2 million annually on the purchase of goods and supplies and approximately £11 million on services contracts.' It does not have a SLA with the PU though it has agreed to pass contracts over £30,000 to this unit. The majority of goods and services contracts are over £30,000 and are tendered through the PU. Large contracts at present relate to the maintenance of the prison estate and the provision of energy, food and telecoms. It is planning a major tender exercise on accommodation.

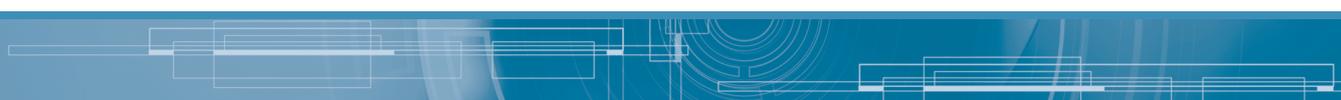
1.12 The *Northern Ireland Court Service* (NICtS) has an annual budget of £77 million (this does not include £72

million for publicly funded legal services). A total of £30 million relates to non-pay expenditure. It estimates that its procurement spend is around £21 million. This is higher than other criminal justice agencies as its largest contracts such as the Laganside Courts Complex and information technology services are Private Finance Initiative (PFI) agreements. Following a recommendation of an internal review⁸, all tenders over £10,000 should be undertaken by the NIO PU. Most were previously tendered by the internal procurement unit. The largest contracts at present relate to security services and estate maintenance.

1.13 The *Public Prosecution Service* (PPS) has a budget of £26 million of which over £14 million relates to non-pay expenditure. This is relatively high (55%) due to the ongoing expansion and regionalisation of the service which requires new offices, equipment, IT etc. The procurement budget is centralised at present, though this may change with the continued regionalisation of the prosecution service. The biggest on-going procurement project is the supply of new PPS premises, though there are significant contracts for IT systems, telecommunications and a new case management system. A multi-million pound tender for facilities management is planned for 2006-07.

1.14 The annual budget of the *Youth Justice Agency* (YJA) is £19 million of which just over £7 million is non-pay

⁸ An independent investigation focusing on its policy for the acceptance of gifts and hospitality was commissioned by the NICtS following concerns raised about the relationship with a major supplier.





expenditure. The YJA state that just over £3.6 million relates to the procurement of goods and services. The YJA budget has significantly increased in recent years due to the Agency's expansion in community, youth conference and custodial services. The biggest capital project is the construction of a new Juvenile Justice Centre which had expenditure of almost £7 million in 2005-06, though most of this was incurred by the NIO.

1.15 The *Probation Board for Northern Ireland* (PBNi) has an annual budget of £14 million of which just under £5 million is non-pay expenditure. It estimates that it places around £150,000 annually on contracts. The largest contracts relate to estate maintenance and renewal, cleaning, office equipment, fuel, heating etc. Most of these contracts are called-off existing Framework Contracts⁹ such as those managed by CPD and the Office of Government Commerce (OGC).

1.16 The *Office of the Police Ombudsman for Northern Ireland* (OPONI) had expenditure of £8 million for 2005-06 of which £2.7 million is non pay expenditure¹⁰. It estimates that its procurement spend was £1.7 million for 2005-06. All purchases over £20 must be go through normal procurement procedures. Tenders over £10K should be undertaken 'in conjunction with NIO Procurement Unit'. The largest recent project has been the purchase of a new case

management system which cost approximately £1 million.

1.17 Two criminal justice organisations have large budgets with significant non-pay expenditure which can not be classified as procurement. The *Compensation Agency* has a budget of £45 million of which £42 million relates to non-pay expenditure. But £38 million relates to compensation awards and therefore is not purchasing. Most of its purchasing is sourced from existing framework contracts such as those managed by CPD, the OGC and the NIO. It has recently conducted a tender for motor engineers, which was undertaken by the NIO PU. The *Legal Services Commission* has a budget of just over £60 million most of which relates to legal aid payments.

1.18 *Forensic Science Northern Ireland* (FSNI) has an annual budget of £8.7 million of which £3 million is non pay expenditure. However as most of its funding comes from within the criminal justice system - the PSNI funds over 90% of its budget each year - that element is not included in Table 1. A major procurement exercise has been the £2 million modernisation project which has involved a number of goods and services contracts. This was funded by the NIO. The NIO PU undertakes a number of its tenders, though there is no SLA in place and no agreement as to what value of contracts should be undertaken by the PU.

9 A Framework Agreement is a contract that allows purchasers to order goods or services under the terms and conditions specified in that Framework Agreement (i.e. it provides a mechanism for calling off orders from a catalogue as and when you need to buy something).

10 Police Ombudsman for Northern Ireland, Annual Report and Accounts for the year ending 31 March 2006, p.55

Openness and Accountability

2.1 Good procurement for the criminal justice system requires a level of openness and transparency to reassure suppliers and the general public. Procurement as a function has traditionally been a low profile activity which was confined to the corporate services/administrative sections of organisations. For criminal justice, procurement was less open and transparent as many tenders were never advertised publicly and access to tender opportunities was restricted on the grounds of national security. Inadequate management information systems restricted any meaningful analysis of procurement spend in many agencies and most particularly across the criminal justice system as a whole. No specific procurement targets were set, other than the broad objective to achieve value for money, though this was not the prime concern for many criminal justice organisations.

Reporting

2.2 The availability and dissemination of information on procurement in the criminal justice system continues to be limited. This is due partly to security and sometimes commercial considerations, though the publication

of aggregate information would not have a bearing in either case. The lack of information is primarily due to inadequate management information systems in many criminal justice agencies and for the criminal justice system as a whole. There is also a less of a requirement to collect and analyse this information which contrasts with the devolved government departments and agencies which are required to report procurement spend to the Procurement Board, which is then published in its annual report.

2.3 Individual agencies do have the capacity to produce more detailed information on procurement and the most comprehensive data set is produced by the PSNI. These internal reports show current and expired contracts broken down by value, length, department, supplier and notes on savings and benefits. The NIPS has the capacity to produce comprehensive procurement information including full contract management and expenditure. Further improvements are planned. A more manual based system is operated by the NICtS though it is also comprehensive and provides valuable information on status of contracts, contract period, supplier,



budget and working notes. Other criminal justice organisations did not provide a written breakdown of procurement spend, though all were able to provide relevant details of current contracts. The availability of this information is providing a key input to management decision-making. For example, the NICtS has a Contracts Governance Committee, which reviews and manages all its live contracts. The main information deficit exists at criminal justice system level where aggregative information on procurement spend is not available.

2.4 It was suggested to inspectors that the PU could collect and report on this information. This would require a more consistent approach to the collection of this information in each of the criminal justice agencies and it would also require major improvements to existing IT systems within the PU. A recent internal audit report on the PU found problems in the use of databases and spreadsheets which is resulting in poor collection and analysis of procurement information. It should certainly be a function of the PU when it is joined with CPD, but current resources make it unlikely at present.

2.5 The on-going shared services review, which is led by the NIO, is an attempt to address this lack of a central store of information on procurement. The shared services review is primarily focused on the Comprehensive Spending Review (CSR) for 2007¹¹, which will require efficiency savings

across government, of which procurement is a key area. The NIO and the criminal justice agencies need to consider their management information requirements in relation to procurement. For example, a new NIO policy statement on the use of external consultants by the NIO and criminal justice agencies has led to the Central Management Unit within Central Services Directorate of the NIO requesting information from criminal justice agencies on actual expenditure for the previous year and planned expenditure for the current year as part of the annual return on the use of consultants.

The criminal justice system should establish an agreed mechanism to collect and analyse key information on procurement. The PSNI system is a useful template to replicate across the criminal justice system as its new system collects information on total spend, contracts tendered and awarded, amount under contract (and form of contract), single tender actions and contract extensions. It also provides details of suppliers and purchasing departments.

2.6 A range of audit reports have looked at specific aspects of procurement spending within the criminal justice system. The internal audit unit within the NIO have specifically reported on the PU as well as purchasing procedures in the PPS and the NIPS. The National Audit Office has worked closely with the PSNI in its recent review of procurement. This independent opinion on procurement

11 Successive UK Spending Reviews since 1997 have set targets for improvements in key public services such as criminal justice. The 2007 Comprehensive Spending Review will set spending plans for 2008-11.



in the NIO and criminal justice agencies is a valuable contribution to developing a more open and accountable system of procurement.

Policies and strategy

2.7 Delivering good procurement for the criminal justice system requires a policy which is incorporated into Agency's implementation strategies. The criminal justice system does not have a single, overarching procurement policy. What exists is compliance with European Union and UK law relating to public procurement and Treasury guidance where applicable. The key objective of this legislative is the promotion of an open and competitive marketplace for suppliers. The key driver for government is 'best value for money'. This is reflected in the twin objectives of NIO purchasing - 'to establish effective contracts for procurement of goods, works and services' and 'purchasing should be based on value for money...acquired by competition unless there are convincing reasons to the contrary'.¹² The guiding principles are fairness and transparency, compliance with local, national and international legislation, best value for money, non-discriminatory specifications, environmental consideration, supplier evaluation & development and allow small/medium size companies opportunity to compete. The principal reference document is entitled 'Financial Procedures' and is more commonly known as the 'Blackwell Instructions', It was

produced in 1996 and is currently being revised by the NIO Financial Services Branch in conjunction with the PU.

2.8 It is recommended that a **bespoke procurement policy for the criminal justice system should be developed**. It should be feasible, in light of the Review of Public Administration and the planned devolution of criminal justice to the Executive, that any policy would be closely aligned with the policy that applies to the other parts of (devolved) government (i.e. 12 procurement principles). Any divergence should be specified.

2.9 The PSNI is the organisation which has advanced most in recent years in terms of developing its own procurement policy, strategy and operating procedures. Minutes of the Chief Constable's forum in December 2004 show procurement as the main item on the agenda, following a high profile court case decision which identified major weaknesses in parts of its procurement practices. As a result, external expertise have undertaken a comprehensive audit of its procurement and made a range of recommendations. Many of these have been implemented. This has included the delegation of the NIO PU 'as single source for all competitive tendering requirements for PSNI' (over £1,000) and agreement on a new Service Level Agreement. Procurement policy is set out in a directive of December 2004, has been updated in June 2006

¹² The objectives and guiding principles of NIO purchasing policy are stated in the SLA with NICtS and PSNI.



(Procurement Operating Procedures) and is published on the internal police website (Policenet).

- 2.10 The PSNI has set guiding principles for procurement based on compliance with legislation, fairness and transparency, non discrimination, environmental considerations, small and medium sized enterprises, value for money and supplier evaluation and development. Much improved accountability mechanisms are now in place with overall strategic responsibility resting with the Deputy Chief Constable and Director of Finance and Support Services. A Supplies, Estates and Transport Committee deals with procurement. Regular procurement reviews are undertaken with major spending departments and branches with a resulting increased awareness of procurement. The authorisation of a senior officer is required for single tenders (single tenders over £50K require the authorisation of the Deputy Chief Constable). A Head of Supplies was appointed in 2003 and has taken on responsibility for developing and harmonising procurement procedures across the Service. The Head of Supplies is the Contract Manager for the PU contract and is also responsible for reviewing relationships between PSNI branches and the PU.
- 2.11 The NICtS has also faced some recent controversy regarding its relationship with a major supplier. Like the PSNI, it has responded by updating its policies and procedures on procurement (though these procedures are not fully documented and little information or guidance is

available for contracts under £10,000). Responsibility for procurement rests with the Head of Corporate Services who delegates the day to day responsibility to the Head of Procurement. An important development has been the setting-up of a Contracts Governance Committee, which is chaired by the Head of Corporate Services and provides greater accountability in terms of the tendering and management of contracts as well as the planning for new contracts. It has sought to restore confidence and independence in the procurement process through the delegation of technical aspects of procurement to the PU.

- 2.12 The NIPS has a procurement strategy document (March 2005), which was issued to staff in September 2005 and details 'the general principles' of procurement including its aims and objectives, organisational responsibilities, the procurement process and means of performance improvement. The key aim is value for money. It is planning to produce a more specific policy for procurement in the near future. A difficulty for the NIPS is the coordination and regularising of procurement at its six separate locations. An 'Authorisation of Expenditure' form now applies to all expenditure on goods and services over £5K to address the problem of staff entered into significant financial commitments on behalf of the Service without appropriate authority and procedures for obtaining competitive quotations. Its strategy stipulates that 'no staff should enter into any major procurement



commitments without seeking the involvement or advice of the Procurement Officer'. The Procurement Officer provides an 'advisory role for all procurement processes and specifically coordinates all major contracts let in association with the NIO Procurement Unit.' A separate Contracts Officer is responsible for letting all suppliers and services contracts in conjunction with internal procurement unit personnel.

2.13 Unlike all of the other criminal justice organisations, NIPS has a procurement link on its website. It did provide a link to previous goods and services contracts, though this information has recently been deleted. Overall the website requires updating, particularly as it does not provide any link to the NIO PU website which carries many NIPS tender opportunities and many areas need to be updated (e.g. the procurement financial thresholds do not reflect its procurement strategy).

2.14 The Public Prosecution Service (PPS) does not have a policy or strategy for procurement but it is producing a detailed manual of purchasing procedures (a draft was provided to CJI). It states that all staff must adhere to these procedures, which are differentiated on the basis of high level (£10,000+) and low level purchases. Responsibility for procurement rests with the Head of Corporate Services with operational responsibility delegated to heads of Facilities Management, ITC, Librarian, Human Resources and Financial Services. The Head of Facilities Management coordinates all

purchasing for the PPS and ensures that all procurement documentation and records are maintained in a central area.

2.15 The purchasing of counsel (i.e. legal opinion and prosecution of cases in court by members of the Bar Council) is not covered by procurement procedures though it amounts to external spending of between £5–7 million annually. This relates to the services of 77 counsel. The PPS is currently engaged in developing a panel system for the appointment of counsel. Negotiations are also taking place with the Bar Library regarding new mechanisms for the calculation and payment of fees. It would be expected that the PPS would apply appropriate quality standards to ensure that best value for money is attained. It should also form part of the PPS Section 75 (S75) monitoring, now that it is S75 compliant.

2.16 The YJA aligns its processes and practices with the NIO. The Director of Corporate Services has responsibility for procurement. The annual report for 2005-06 is very sketchy on procurement as it just provides spending under general headings such as administration and programme costs. For example, a large proportion of programme costs refer to 'current initiatives' and 'other programme costs'. Large expenditure under administration relates to areas such as maintenance and repairs (£855K) and professional services and advisory costs (£405K). Its Corporate Business Plan for 2005-2006 includes a strategic aim to 'use resources effectively and deliver best value'.



- 2.17 The PBNI has set a short policy statement, which is closely aligned with the procurement policy of the devolved parts of government. Its main operational document is entitled 'tendering procedures for supplies and services', though it is dated as it refers to the procurement structures and financial thresholds prior to the setting up of the Northern Ireland Executive. The website does mention its procurement policy but does not provide a link to any document. Responsibility for procurement rests with the Finance Manager.
- 2.18 OPONI produced its own 'Procurement Procedures for Goods & Services' document in early 2006, which was then circulated to all staff. This document is primarily focused on procedures, though it is introduced by key policy principles. OPONI intends to develop a procurement strategy. Responsibility for procurement rests with the Director of Corporate Services who delegates to the Finance Manager and then to the procurement officer and assistant. The procurement officer heads up the new internal procurement unit.
- 2.19 No specific procurement strategy or policy is evident in the Compensation Agency. It uses external pre-tendered framework contracts for much of its purchases. Responsibility for procurement rests with the Director of Finance.
- 2.20 Forensic Science Northern Ireland works closely with the NIO and has developed procurement procedures.
- It has no strategy or policy for procurement. Responsibility for procurement rests with the Director of Finance.
- 2.21 An overview of the criminal justice system shows the PSNI as the only organisation which has developed a detailed procurement policy. Most do not have any specific policy or are depending on a policy which is incomplete. The PSNI has combined its procurement strategy with its manual of procedures and this is a comprehensive document. The NIPS is the only other criminal justice organisation with a comprehensive procurement strategy, though not as advanced as the PSNI. A variety of manuals or procedures for procurement and purchasing are used by the criminal justice organisations though they tend to lack the necessary link to a wider policy and strategy.
- 2.22 It is the responsibility of each criminal justice agency to develop and improve its own procurement strategy and procedures, while taking account of key policy objectives for the criminal justice system. Progress across the criminal justice system is slow. Developing a procurement strategy also has the benefit of raising the profile of procurement within organisations. It is recommended that **all criminal justice agencies should develop a comprehensive procurement strategy. It should include performance targets. Operating procedures (either new or revised) for procurement will be required.**



Openness of tendering

- 2.23 European and national legislation on competition provides for openness in relation to the tendering of contracts over certain financial thresholds. Of most importance is the threshold at which competition is open i.e. that contracts are publicly advertised. All large public tenders (over £93.7K for supplies and services) are required to be advertised in the Official Journal of the European Union (OJEU). Tenders over £30K should be advertised in the local press. The exception is where appropriate pre-tendered framework agreements are in place, though the guidance is now to hold a further/mini competition. In the interests of financial efficiency, tenders valued at less than £30K can still be awarded on the basis of written quotations from selected suppliers. The option to advertise tenders of less than £30,000 is open to purchasers depending on their own procurement strategy and procedures. The PU will not normally advertise tenders of less than £30,000.
- 2.24 The increasing use of the internet provides an additional means of advertising procurement opportunities in criminal justice. The front page of the NIO website has a link to procurement entitled 'procurement opportunities' which then provides details of current tendering opportunities. This provides the title of the tender and the closing date. A further link provides fuller details of the tender including the name of the client and contact details for requesting tender

documents. This document is in the same format to what is published in the newspapers. No additional information for suppliers is provided on the website.

- 2.25 The CPD website provides similar details of current tender opportunities – the main difference is that registered suppliers can obtain tender documents electronically from the CPD electronic tendering system. The CPD website provides a lot of further information on procurement including guidance for purchasers and suppliers. Interestingly neither the NIO or CPD website has a link with each other though there are links to procurement websites in Great Britain (GB) and the Republic of Ireland (RoI) on the CPD website. Inspectors would expect to see greater collaboration between PU and the CPD in the future. This should include opportunities to better integrate IT systems and take advantage of electronic tendering systems. CPD have agreed that the PU could benefit from the outcome of current deliberations on a replacement e-tendering package.



Partnership Working

3.1 Achieving significant improvements to procurement will require effective partnerships between criminal justice organisations and across the public sector within and outside Northern Ireland. A key strength of the public sector and indeed the criminal justice system is the amount of expenditure involved. Advantages of size can only be fully utilised through effective partnership and collaboration in areas such as the promotion of sustainable procurement and the aggregate buying of goods and services.

Partnership with the public sector

3.2 The CPD annual report to the Procurement Board provides details of overall spending for the devolved government Departments, Agencies and Non Departmental Public Bodies. The most recent figures for 2004-05 show that there was a total spend of £1.89 billion, which accounts for almost 25% of the Northern Ireland block grant (more if social security is excluded). Taken together with criminal justice, central government is spending about £2.4 billion per year on non-pay in Northern Ireland.

3.3 The Northern Ireland Procurement Board has responsibility for

developing and reviewing policy and works with the CPD to meet the purchasing needs of the public sector. The equivalent organisation in England and Wales is the OGC, which has an executive agency (OGCbuying.solutions) to undertake the actual procurement. While the criminal justice system is not part of the CPD structure and OGC does not have a specific procurement remit for Northern Ireland, criminal justice does have access to its expertise and advice and can utilise aggregate buying arrangements such as pre-tendered framework contracts. A significant number of current criminal justice contracts have been called-off from CPD and OGC framework agreements.

3.4 Cooperation between CPD and the PU is strongest in terms of staff interaction. Indeed a number of current PU staff have transferred from CPD. Good communication is evident between managers in both organisations and the head of the PU is a member of the CPD procurement practitioners group.

3.5 Both the NIO and the Department of Finance and Personnel (DFP) accept that CPD and the PU will come together when criminal justice is



devolved. This could take the form of a single unit where criminal justice is under the direction of CPD as is currently the case with social services. An alternative option is for criminal justice to become a Centre of Procurement Expertise (CoPE¹³), in the same way as the health estate is currently involved. The PU Business Plan 2006-07 has an objective 'to ensure that procedures are broadly comparable to other main CoPEs' and has set a target 'to compare and ensure no major disparity between policies and procedures used by CPD and Procurement Unit by March 2007'. This is planned to be achieved by comparing existing policies and procedures with those of CPD.

- 3.6 There is much scope for greater collaboration on procurement between the devolved (CPD) and non-devolved parts of government (PU). Areas of mutual benefit include collaboration on developing consistent policies and procedures which can deliver enhanced savings and have a greater impact on wider government policies. For example, electronic tendering is becoming more common in CPD and could now be piloted in criminal justice. **An implementation plan for the creation of a single government procurement service including common policies, strategy, procedures, targets and structures should be developed.** Compatible IT systems, common lists of suppliers, common electronic tendering, joint training, and exchanges of staff should be prioritised.

- 3.7 Developing partnerships and collaboration with government procurement providers outside Northern Ireland will help to create additional benefits. Collaboration already exists with the OGC and criminal justice agencies did comment on the user-friendly approach of OGC including the increased savings attributed to using larger pre-tendered contracts. There was however some criticism of the lack of Northern Ireland suppliers on these UK wide framework contracts. The PSNI regularly use UK framework agreements (e.g. Police networks, Ministry of Defence and OGC) to purchase key products and services. The criminal justice system should also link into initiatives such as the all-island public procurement conference organised by CPD, the Department of Finance (Republic of Ireland) and Inter-Trade Ireland. A starting point would be for tender opportunities to be carried on the Republic of Ireland e-tenders public procurement website (CPD contracts are already included).

Partnership within the criminal justice system

- 3.8 The NIO occupies a strategic position in terms of taking a lead on procurement within the criminal justice system. But it must also balance the tension between a more centralised and consistent approach to procurement with the preference in some organisations for continued autonomy. The different accountability mechanisms within the criminal justice system have further complicated this issue.

¹³ Centres of Procurement Expertise (CoPEs) are operational in specialist areas such as roads, water, health estates, education and housing.



3.9 The trend is increasingly towards the transfer of the tendering stage of procurement to the PU. This is driven by a number of factors such as the technical skills required, access to larger and more competitive contracts and the opportunity to transfer some of the risks to the NIO (e.g. tender receipt and evaluation). Service Level Agreements (SLA) are in place between the PU and the PSNI as well as with the NICtS. There are plans to develop future agreements with NIPS and FSNI but nothing has been discussed with the PPS, NIPB, OPONI and the YJA as yet. Part of the rationale for not having a SLA with most criminal justice agencies is that they are part of the 'NIO family' and will therefore not be charged for the service that is delivered by the PU.

3.10 But the trend, and indeed recommendation from recent internal reviews, is that a separation of the technical and business aspects of tendering should be progressed. A difficulty for the criminal justice system, and the NIO in particular, is that transferring more criminal justice tendering to the PU will further stretch the limited resources of the unit. A number of criminal justice agencies have stated their concerns in this regard and have pointed to the time required to plan and organise a tender through the PU. This is leading some organisations to undertake more tenders within their own organisations. Some suppliers have also referred to the 'much longer' timescales for tendering in Northern Ireland (not confined to criminal justice) and the increasing

costs of delay for suppliers. It is recommended that **a separate Service Level Agreement should be developed between the PU and each of its criminal justice customers. It should form the basis of any re-structuring and resourcing of the PU.** An SLA should provide a detailed account of responsibilities and projected tender activity.

3.11 The SLA with the PSNI 'establishes PU as the single source for all competitive tendering requirements of PSNI' – this is specified as tender exercises over £1,000. This is not the case at present as some procurement is undertaken internally, while agreements are in place with other procurement providers such as OGC, the Ministry of Defence (MOD) and through the UK Police Procurement Centre and Police IT Organisation. The SLA with NICtS is similar in structure but states that the PU will 'undertake tender action on requirements over £10,000 submitted by NICtS'. There is no SLA between the PU and NIPS but it is understood that most tenders over £30,000 are passed to the PU. No financial thresholds are in place with other criminal justice organisations. The PPS Manual of Purchasing Procedures states that the 'PPS can make use of the services provided by Procurement Unit' while the view of the Probation Board was that the use of the PU is determined on a case by case basis.





Equality and Fairness

Safeguards

- 4.1 Achieving equality of procurement in the criminal justice system is critical to public confidence, but also to achieving best value. More than a decade after the peace process started, criminal justice has been at the forefront of a major period of change driven by the Review of Criminal Justice and the Patten Report on Policing. Procurement, like other functions within the criminal justice system, is adjusting to a post conflict society. The 'Troubles' led to the development of an artificial marketplace for procurement, where a restricted number of suppliers met the needs of criminal justice. Alternative suppliers were either reluctant to engage with the criminal justice agencies or were excluded on the basis of national security considerations. The extra cost of this restricted market is unknown, though it is likely to have been substantial.
- 4.2 The transition associated with the peace process has provided an opportunity to obtain improved value for money from procurement and the strengthening of the equality and fairness dimensions. Much of the

equality focus has traditionally been on employment, though procurement is now beginning to draw more attention.¹⁴ The Northern Ireland Equal Opportunities Commission published a report in 1996 which identified the adverse impact that certain contracting processes were having on gender inequality.

- 4.3 The NI Affairs Committee noted in a report in 1998-99 that they did not 'consider the award of public contracts as simply an economic activity by the Administration, in which the Administration can consider itself as equivalent to a private sector organisation'.¹⁵ The Committee did not see public procurement as a separate area of state activity in which equality criteria can be ignored that are considered self-evident in other areas of state activity such as employment.
- 4.4 The Committee on the Administration of Justice (CAJ) reported in 2006 that funding tools such as public procurement policies offer the potential for challenging some of the legacy of disadvantage but stated that 'early signs regarding the strategic direction of such tools

14 See CAJ report, 2006

15 The Northern Ireland Affairs Committee, Fourth Report, Session 1998/99. col. 103



are worrying'.¹⁶ It referred to the decision by government to pick two city centre locations for Invest NI, to the exclusion of Springvale, as partly based on legal obligations, but highlighted the 'problem of applying Section 75 to the PPP contracting process, where legal obligations in one area (EU) were cited as responsible for undermining opportunities elsewhere to promote equality'.

- 4.5 Section 75 of the Northern Ireland Act is the principal legislation governing equality.¹⁷ There is a requirement on public authorities to promote equality and this should be enshrined in an equality plan and equality impact assessments of policies. It would be expected that procurement should be included within any equality plan. A finding of this inspection is that many criminal justice agencies are taking a narrow definition of their requirements under S75. They are conducting equality impact assessment on policies and generally assuring themselves that suppliers meet the equality obligations. However, they are not measuring the impact of their own procurement processes and decisions on the S75 groups.

Monitoring equality and fairness

- 4.6 It is a concern of Inspectors that little information is available on the impact of procurement on any of the Section 75 groups. Indeed, the NIO

in its Section 75 monitoring reports in 2004 and 2005 noted that there are 'peculiar difficulties associated with obtaining monitoring statistics under Section 75 – both practical difficulties and potential human rights objections'.¹⁸ It went on to state that 'the current lack of comprehensive information does not help the implementation of the Section 75 duties'¹⁹. Agencies conduct S75 equality impact assessments on procurement policies/procedures, but it is not possible to determine whether the operation of procurement in the criminal justice system is contributing to, or weakening equality and fairness in relation to the Section 75 groups. It is recommended that **the impact of procurement (policy and practices) on the Section 75 groups should be undertaken by the criminal justice system. It should form part of equality impact assessments.** Guidance on the management information systems and data should be sought from the DFP as this issue was highlighted in its equality impact assessment of procurement policy in 2002.

- 4.7 In the absence of detailed monitoring information, the primary evidence is drawn from available documentation, interviewees with the agencies and findings of the survey of suppliers. Inspectors have identified a number of areas where equality and fairness could be strengthened.

¹⁶ Committee on the Administration of Justice, executive summary

¹⁷ Section 75 of the Northern Ireland Act (1998) states that 'a public authority shall in carrying out its functions relating to Northern Ireland have due regard to the need to promote equality of opportunity between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation; between men and women generally; between persons with a disability and persons without; and between persons with dependants and persons without.

¹⁸ NIO Section 75 Progress Reports (April 2003 – March 2004 p.10; April 2004 – March 2005 p. 28).

¹⁹ NIO Section 75 Progress Report, April 2004 – March 2005 p. 28.



Access to tender opportunities

- 4.8 The principal means of ensuring equality and fairness in procurement is through open access to tender opportunities. Too many tenders in the past were not competitive due mainly to national security considerations. The wider application of European and national legislation has opened up public tender opportunities to firms across the European Union. As criminal justice is subject to this legislation, this should be reflected in procurement. However as one senior procurement official in a criminal justice agency commented, they are just 'getting to the point of introducing more competition'.
- 4.9 The use of national security certificates and select lists of suppliers has been controversial for a number of years. The Fair Employment Act, 1989 contained an exception which stated that it was not unlawful to discriminate where the discriminatory act was done 'for the purpose of safeguarding national security or of protecting public safety or public order'.²⁰ Subsequent legislation (e.g. Northern Ireland Act) and Court decisions (e.g. European Court on Human Rights ruling on Tinnelly and McElduff) have challenged how this has operated, while accepting that the state has a right to safeguard national security.
- 4.10 The lowering of the threat to national security has led to a review of the national security certificate system. A Review of the implications for equality of opportunity of the NIO's procurement policy and practice found that it 'has been seen to be both opaque and to have created adverse, differential impacts on Roman Catholics/Nationalists and Republicans in particular, although some Loyalists may also have felt adversely affected'.^{21 22} Three years after it was first announced, the Northern Ireland Security Vetting Review reported in 2005 with recommendations to improve security vetting procedures including greater transparency of decision making and a reduction in the number of posts requiring vetting on the grounds of national security.
- 4.11 Inspectors are aware that a significant number of current criminal justice contracts had restricted access on the basis of security considerations including vetting of firms. Earlier this year a contract within NICTS was terminated as the supplier did not have a security cleared workforce. An alternative supplier with vetted staff was instructed to complete the works.
- 4.12 The use of select lists, where only certain suppliers are invited to tender for a specific contract limits access to tender opportunities. While the number of contracts awarded via select lists is relatively small, they are still used by many of the criminal justice organisations and some of the largest contracts in recent years have

20 Fair Employment (Northern Ireland) Act 1989, Section 42 (1)

21 NIO Section 75 NI Act 1998 Progress Report, 1 April 2001 – 31 March 2002, p.12

22 See European Court of Human Rights Judgement on Tinnelly & Sons Ltd and others and McElduff and Others v. The United Kingdom – 20390/92; 21322/93 (1998) ECHR 56 (10 July 1998).



been awarded through this route. For example, the tender exercise for recruitment services (civilian and temporary staff) in the PSNI in 2002 was restricted to companies who had been previously performing this role for the service. A subsequent extension of scope to this contract was not publicly advertised. Contract extensions, whether in scope or length of contract, has been a feature of public procurement. It is not anti-competitive when managed properly though there have been examples of contracts which have been renewed and extended for significant periods. Inspectors are aware of some criminal justice contracts that have been extended to twenty years without competitive advertising.

- 4.13 A big challenge for the criminal justice system has been to reduce single tender actions. The evidence presented to CJI Inspectors by the PU and all criminal justice organisations is that single tenders are strongly discouraged, are only granted in 'exceptional' circumstances, and are subject to senior level authorisation and review. The PU states that 'only in exceptional circumstances where there are substantive and defensible reasons for doing so, should single tender actions be entered into'. The exceptions include absence of alternative sources of supply, specialist equipment and for technical reasons. PSNI Procurement Operating Procedures re-state this policy but add health and safety and security reasons to the list of exceptions. The NIPS strategy states that 'supplies, services, and works should be acquired by competition

unless there are compelling reasons to the contrary', but it does not document the exceptions. It does however admit that 'there have also been occasions on which legally binding contracts have been entered into for the supply of goods and services without the required procedures for obtaining competitive quotations having been followed'.

- 4.14 The recent review of contracts undertaken by PSNI showed that new tenders and the re-tendering of existing contracts were delivering significant savings across the different branches of the Service. For example the re-tendering of property maintenance contracts and uniform items were each producing over £1 million annual cost savings. The continued review and re-tendering (where appropriate) of contracts across the criminal justice system is strongly supported. **All criminal justice agencies should review all live contracts awarded, particularly those with restricted procedures (limited number of suppliers invited to tender) and single tender actions. Opportunities to introduce greater competition should be considered where appropriate.** In addition, it is recommended that **the PU and criminal justice agencies should develop and disseminate clear guidance on when single tender action and contract extensions are appropriate and the processes/controls for approval.**
- 4.15 Removing barriers to access to tender opportunities requires effective communication with



potential suppliers. A main finding of the survey of suppliers is the inadequate information on tender opportunities – this is likely to be higher for firms not on these lists. Many firms in the CJI survey reported difficulties in finding out about supplying goods and services to the criminal justice system – only 14% found it easy/very easy compared to 41% who found it difficult/very difficult. There is a perception that certain firms (i.e. those with previous work in the criminal justice system) have an advantage in terms of hearing about new opportunities. The evidence for this is largely anecdotal, though the lack of a comprehensive supplier database for the criminal justice system does raise concerns about the adequacy of existing mechanism to ensure equality of access for firms. The PU has set a target ‘to increase the visibility of tender opportunities’ through advertising on-line and more interaction with suppliers. **A review and updating of supplier databases is required in the NIO Procurement Unit and in agencies where procurement is undertaken.** This information should be used to support sourcing decisions and suppliers should be encouraged to register interest by inclusion on these lists.

- 4.16 It is valid to consider whether there is a need for affirmative action in terms of encouraging/promoting access to criminal justice procurement. Procurement can act as a means of promoting fairness and equality. Indeed, the experience from the United States of America is that public procurement can be used as a

force or channel of change in tackling social and economic disadvantage (e.g. under representation of black American businesses in state contracts). A precedent exists in Northern Ireland in relation to the promotion of opportunities for small and medium sized enterprises. Belfast City Council has recently advertised a Public Procurement Programme, in conjunction with local authorities on both sides of the border to help small businesses and social economy organisations tender for public goods and services. Participating businesses will receive one to one consultancy to provide them with the tools (e.g. practical advice, assistance with preparation of systems and policies, preparation of tender action plans, information on public sector tendering needs and structures and assistance on the use of associates and sourcing tenders). Work in England showed that the procurement of legal services disadvantaged black firms and that there was a need to address this inequality through specific actions.

- 4.17 The criminal justice system needs to be able to encourage a diverse and competitive supply market which includes small firms, voluntary and community sector suppliers and is representative of the wider Protestant/Catholic community. It is recommended that **criminal justice agencies should be alive to the scope for taking affirmative action in appropriate cases (i.e. where it would be pro-competitive) to address inequalities of access to procurement contracts.**





Fairness of contract evaluation

- 4.18 Most aspects of the tendering stage of procurement are fair, transparent and compliant with competition and equality legislation. The CJI survey found that 84% of suppliers who had tendered for work with criminal justice felt that their organisation was treated fairly in relation to procurement activities.
- 4.19 Inspectors did find that there is likely to be some potential bias in relation to the system of tender evaluation and selection. A weighting system is generally used to award contracts, where categories such as 'methodology', 'experience' and 'cost' are allocated a weight depending on the priorities and specifications of the purchaser. The PU offers a draft evaluation model to enable appropriate weightings to be considered for the specific evaluation criteria necessary to assess tenders received. A review of tender files in the PU found that weightings did vary but that one tender had a very high weighting for 'experience', which contributed to the award of the contract to the existing supplier, but at a higher price to the competition (cost had a relatively low weighting). A high weighting for experience will favour existing suppliers, often at a higher price. Conversely, it will disadvantage firms who have not worked for the criminal justice system or with a particular organisation. Inspectors recommend that **the PU and the criminal justice agencies should review**

the use and possible effects of weighting in the evaluation of tenders and ensure that new suppliers are not disadvantaged.

- 4.20 If the specification had been drawn accurately there is a strong presumption that the lowest cost tender which fully meets it should be accepted. That is the best guarantee against unfairness. Inspectors noted that agencies sometimes give a weighting to cost, as well as to the various elements of the value of a good or service. The weighted scores were then summed to give an overall index of value for money. That is not correct practice, and could lead to wrong choices. The correct approach is to weight the components of value and then balance the sums of the weighted scores against respective costs.²³
- 4.21 The membership of evaluation panels is critical to the fairness of the selection process. Guidance is available from the PU in terms of composition and potential conflicts of interest. There is a requirement that the PU is represented on the evaluation panel, though they should not be a voting member. Their role is to provide advice and challenge decisions where appropriate. The latter role is problematic as they are usually at a lower rank (grade) to the agency representatives and there is some concern that differences of opinion are not reflected in the decision-making process. This should be addressed in any review of SLAs with the criminal justice agencies.

²³ This is more easily applied to goods. The method for scoring services will require some variations such as placing a minimum score for specific components of value and/or dividing the sum of value scores by cost.



Panel members are required to disclose any potential conflicts of interests but an internal audit report on the NIPS found that there was no evidence on file to show that panel members had completed a form on any potential conflicts of interest before taking part in contract evaluations. A review of selected files in the PU and in NICtS by Inspectors found that conflict of interest declarations were made by panel members.

Framework Agreements/Contracts

4.22 The increasing trend in recent years is for procurement organisations such as CPD, OGC and the PU to set up and manage pre-tendered framework agreements in particular areas (e.g. provision of IT equipment, office supplies, management consultancy) where firms have the opportunity to tender for inclusion on a list of suppliers. All of these framework agreements are tendered in line with EU regulations. Framework agreements are then used by purchasers to select suppliers, reducing the time and cost of procurement. The EU recommendation is that a mini-competition (now referred to as a further competition) may be undertaken within a category if appropriate – a possible exception would be where just one supplier can deliver a particular good or service. The PU is available to provide advice on the protocol appropriate to a particular framework agreement. Inspectors are aware that a number of current contracts have not been subject to further/mini competition and there is evidence that some

purchasers have regularly selected the same firm. It is recommended that **criminal justice agencies, in conjunction with the PU, should ensure that clear guidelines are provided on the management and use of Framework Contracts. Compliance with EU and NIO recommendations on further/mini competitions should be monitored.**

Managing suppliers

4.23 The postal survey of suppliers showed that 84% who had submitted a tender felt that their organisation was treated fairly in relation to procurement activities. About 11% felt that they were not treated fairly. There is some evidence from the survey and interviews that firms are reluctant to ‘point things up’ as this could impact on their next tender. A letter sent to CJI from one business stated that ‘there was another, much larger procurement coming up so we felt unable to complain in case this was held against us’. They went on to state that they are ‘aware that most companies do not complain as they feel their complaints could have an adverse effect on their business.’ There is a clear need for these views to be freely expressed so that service delivery can be improved. The debriefing of suppliers does not appear to be picking up on these types of concerns. It is recommended that **the NIO Procurement Unit should undertake/ commission a regular (e.g. bi-annual) survey of users as part of a service improvement programme.**



4.24 As part of the survey of suppliers, Inspectors requested the PU to supply a list of successful and unsuccessful suppliers. The PU pointed out that lists of unsuccessful suppliers was not kept up to date as they did not have a requirement to maintain this information. Maintaining an up to date list of current, unsuccessful and potential suppliers does have some significant benefits. It will aid the PU, and client criminal justice agencies, in gaining a better understanding of the marketplace and will help to determine the procurement route for contracts of less than £30,000 (these contracts are not required to be publicly advertised). It could also be a resource for monitoring interest in criminal justice work and allow the PU and agencies to target potential under-represented groups or areas in pre-tendering awareness raising activities. A sub list of key suppliers can be used to better manage relationships between purchasers and suppliers and allow for potential savings in future contracts.

Learning and Best Practice

Learning organisations

- 5.1 Procurement has traditionally been treated as a technical activity which sits somewhere in the administrative department or corporate services section and nobody is quite sure who is responsible. Traditionally procurement expertise has not been well represented in departments and has not usually been a competency required of senior managers. Accountability and responsibility does vary across the criminal justice agencies with overall responsibility resting with Heads of Corporate Services or Finance. No criminal justice organisation has a head of procurement represented on its management board. Operational responsibility is delegated to heads of sections and/or smaller units depending on the level of direct spending in an organisation. Some organisations such as the NIPS and the NICtS have a head of an internal procurement unit.
- 5.2 Organisations with smaller budgets and less direct procurement activity tend to allocate responsibility on a more ad-hoc basis meaning that staff undertake procurement as part of a wider job role. Some do not have the skills in-house to undertake more complex procurement work and one interviewee mentioned that it is 'very difficult to know the right approach' to procurement decisions.
- 5.3 The trend towards passing the technical aspects of the tendering stage of procurement to a specialist organisation such as the PU is re-focusing procurement skills unto the pre and post tender stages. Good procurement, which delivers best value for money and also positively impacts on wider government polices, requires a detailed planning and understanding of the requirement. Staff need to have specifications in place which can accurately evaluate the whole life costs and benefits of supplier's bids. The UK Government has recognised that additional awareness and training is required to ensure that issues such as sustainable procurement are properly applied in the principles and practices of whole life costing.
- 5.4 The awarding of the contract is not the end of procurement – best value and impact can only be delivered by strong and effective project management. Some of the worst examples of bad procurement have been the cost over-runs and excessive contract extensions caused in large



part by poor contract management. These procurement activities requiring a core set of skills and qualifications, which traditionally have been weak across public sector procurement. It is important that appropriate mechanisms are in place to ensure that the supplier/contractor is meeting their obligations under the contract and performing services to an acceptable standard. The NICtS for example has a Contracts Governance Committee where regular reviews of major contracts are undertaken. OGC has developed gateway reviews for large contracts, designed to deliver best value for money. Poor or reactive contract management can let the value for money gains simply drain away.

- 5.5 Criminal justice procurement staff commented on the need for training and career development to improve professionalism. Staff spoke of the widening responsibility of procurement from initial planning to tendering and management of increasingly complex projects. One supplier commented in the CJI survey that ‘there would appear to be a lack of professionally qualified staff handling complex tenders and procedures’. The highest level of professional qualification available is membership of the Chartered Institute of Purchasing and Supply (CIPS), followed by National Vocational Qualifications (NVQs). The NIO PU has set a target that 75% of procurement buying staff should have or working towards CIPS membership. There is a tendency in the criminal justice agencies to focus on NVQs as these tend to be on the

job training and therefore cheaper for employers. There is scope to encourage and raise the profile of procurement staff within agencies through increasing the level of professionalism in terms of training, career development and status within the agencies.

- 5.6 It is recommended that **the NIO and the criminal justice agencies should develop a training strategy for procurement staff to ensure that skills are aligned with responsibilities. Developing tender specifications and project management are critical to good procurement. Increased collaboration should take place with CPD to ensure common standard qualifications.** CPD commissioned a report on the design of a procurement competence career path framework for the Northern Ireland public sector in 2004. The CPD and the PU now run joint trawls with common entrance qualification requirements.
- 5.7 The majority of technical procurement staff are based in the NIO PU. Its risk register shows staff turnover as the major risk facing the organisation. A loss of key staff and skills within the PU would diminish confidence among the client organisations and expose both the NIO and the criminal justice agencies to procurement risks.

Feedback from suppliers

- 5.8 The management of suppliers to deliver best value for money is an area where improvement is necessary. There is little evidence to



demonstrate effective interaction between criminal justice agencies and suppliers – the main exceptions are the large PPP projects in the NICtS and a few large projects in other agencies. The NIO Departmental Report for 2006 does state that the PU is planning to begin regular performance monitoring meetings with key suppliers.

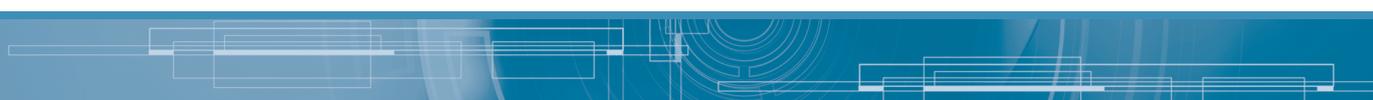
- 5.9 No survey of suppliers has been undertaken by the PU or any of the criminal justice agencies. The main source of feedback is via the de-briefing conversations, mainly conducted by telephone, and generally confined to the reasons for not winning a specific contract.
- 5.10 The CJI survey of suppliers revealed that 53 percent of respondents felt that the criminal justice system were very good/good at handling procurement prior to submission of tender with just 11 percent indicating that it was very bad/bad. Following the submission of a tender, 56 per cent felt that the overall quality of service was very good/good and 11 percent felt it was very bad/bad. About one third of respondents felt that handling/overall service was neither good nor bad. Positive comments referred to ‘good communications’, ‘comprehensive decision making matrix’, ‘quality conscience management structure’; ‘keep you informed of status at all times’; ‘good practice everywhere’ and ‘no faults’.
- 5.11 Negative comments were more wide ranging and focused on ‘limited knowledge of goods and services’, suppliers being ‘excluded from

tendering’, ‘lack of communication and use of technology’ and ‘short deadlines with too much red tape’. One supplier, who lost a tender exercise, wrote separately to CJI to complain about a ‘flawed’ procurement process which took 7 months from issue of tender documents to award of contract. A Scottish company wrote that they are ‘aware of many companies that avoid bidding into Northern Ireland (not just criminal justice) due to the massive overheads because of Northern Ireland red-tape’.

- 5.12 The CJI survey asked suppliers to rate the value of the feedback concerning unsuccessful tenders. Just less than half (45%) rated it as very good/good, while 18% rated it as very bad/bad. It is a concern that nearly one fifth of suppliers did not find the feedback useful.

Best Practice

- 5.13 Procurement is changing in terms of the policy context (e.g. ‘sustainable procurement’) and delivery (e.g. e-platforms). Maintaining this pace of change in the criminal justice system, while continuing to deliver improvements, will require access to best practice. The websites of the CPD, OGC and NAO contain large amounts of guidance for purchasers and suppliers. Many of the criminal justice agencies have good working relationships with these organisations and are able to access practical advice and assistance on strategies, policies and procedures for procurement. The PSNI and to a lesser extent agencies such as the NICtS and the NIPS are able to link





into wider UK and international sources of expertise, including access to tender processes. An example of best practice is the police purchasing of uniforms which has moved away from expensive stores to a direct ordering system which is saving about £1 million annually. Unfortunately, it has not been replicated in other criminal justice organisations. The use of best practice on procurement is generally underdeveloped across the criminal justice system.

- 5.14 The use of the government procurement card is rapidly increasing across government. It is a cost effective means of ordering low value, and often high volume goods and services and therefore eliminating cash purchases. The National Audit Office (NAO) found that the 'average administrative cost of making a purchase is £44 per purchase order'. It reported that 'greater use of procurement cards would reduce transaction costs, typically by 60%'.²⁴ A finding of this review is that many senior staff, particularly those in financial roles, have expressed reservations on its use as it could lead to a 'loss of control' and to practices 'outside proper procurement procedures'. The use of the government procurement card is varied but increasing across the criminal justice system. It has distinct advantages for suppliers in terms of prompt payment. The experience of organisations that are using the procurement card is that it has simplified the procurement of goods in particular and freed up resources for other activities. It is recommended that **the use of the**

government procurement card should be extended across the criminal justice system and best practice on its use and controls should be shared to alleviate any concerns. A NAO target, which was set for the culture, media and sport sector, is a benchmark in that it stipulates that the sector should aim to buy at least 50 percent of purchases under £1,000 with procurement cards.

- 5.15 Sustainable procurement is a key objective of government, though its use has been limited to date. A Northern Ireland example of best practice is the work by CPD on involving the long term unemployed in procurement. A study conducted by the University of Ulster shows that the linkages are feasible (e.g. not uncompetitive) and that it has not met opposition from suppliers. There is an opportunity for the criminal justice system to take a more innovative approach to procurement in areas such as the environment, local economic development and the promotion of equality. This should form a major part of any procurement policy and could be piloted in one or more criminal justice organisations. Critical to its success will be the early planning of tenders so that detailed specifications can be prepared – it is unfair to suppliers to include innovative actions after the tendering stage has commenced.
- 5.16 The use of e-platforms for government procurement has been relatively slow considering the potential benefits involved. Realising

²⁴ Procurement in the Culture, Media and Sport Sector; NAO, p. 2-3.



these benefits will entail more economies of scale (e.g. collaborate purchasing) and partnerships with leading providers such as OGC – they have recently rolled out the Zanzibar Managed Project, which provides a single way for online public sector bodies to trade online with customers (Scotland already has this service). Another service is the use of reverse auctions, where suppliers compete in real time by bidding lower as the auction unfolds. It is best suited for large quantities and would require more collaborative approaches from the criminal justice system.



Delivering Results

Performance targets

- 6.1 There are no specific targets in place for procurement across the criminal justice system. This is largely due to the absence of a procurement policy for the criminal justice system. Instead, some wider targets have a relevance to procurement. The government efficiency target (i.e. Gershon) applies to the UK public sector and includes procurement as a key area to delivery.²⁵ Like other parts of the public service, the NIO has set an efficiency target as part of the Comprehensive Spending Review 2004 (CSR04).
- 6.2 The NIO states that it is on target to achieve £90 million efficiency savings by 2007-08 of which £12 million is through improved procurement (£29 million of new efficiency savings was achieved in 2005-06). Current plans show that the target will be achieved by 2007-08. All criminal justice organisations are expected to contribute to this target, though the smaller organisations did not make any connection between the efficiency target and their procurement practices. Some staff within criminal justice agencies expressed frustration with the efficiency target as it is 'very difficult to measure efficiency savings'.
- 6.3 Setting targets and measuring performance requires good management information systems within agencies and for the criminal justice system as a whole. The lack of information on procurement means that it is extremely difficult for example to demonstrate efficiencies (e.g. cost reductions) and quality of service improvements through procurement – an exception is the PSNI. A decision to set specific procurement targets, as part of a procurement policy, will require improved management information systems.
- 6.4 The PU has set a number of performance targets. However, a recent report from NIO internal audit found that management information on monitoring via performance indicators are inadequate, meaning that there is a significant chance that business objectives will not be met.

²⁵ Under the Government's Efficiency Programme, the UK public sector has been given a target of achieving £21.5 billion in annual efficiency savings by 2007-08, of which £7.2 billion relates to efficiencies in procurement.



6.5 The PSNI annual report shows that it achieved the Gershon efficiency savings target of 2.5% for 2005-06. The NIO Departmental Report (which accounts for Gershon efficiency savings on behalf of the criminal justice system) shows these savings as just over £26 million. More detailed information on procurement is included in the PSNI finance department (supplies, publications and catering branch) report which shows a performance indicator to 'establish improved planning, tendering and contracting for procurement of goods and services with improved accountability and performance monitoring'. The relevant targets are: publish new procurement operating procedures; continue regular department procurement reviews; introduce formal supplier contract performance monitoring; identify and manage risks with key suppliers; further the development of e-procurement; demonstrate efficiencies and savings by December 2006 and develop links with UK Police Procurement Centre and benchmark performance by March 2007.

6.6 For NIPS, the key target is to ensure a cost effective prison service. This is focused on reducing the cost per prison place to £82,500 by 2007-08. It is expected that this target will be delivered primarily by reducing pay costs, though procurement has a significant role. Like the other major criminal justice organisations, NIPS has a Gershon efficiency target of 2.5% and it delivered savings of just over £2 million in 2005-06. The NIPS has a continuous improvement chapter to its procurement strategy

which includes reviewing, benchmarking and monitoring performance. Regular reviews are planned with relevant budget holders and key personnel, review of existing contracts and with suppliers. Benchmarking with other organisations to compare key processes and costs is planned.

6.7 In general, the criminal justice agencies do not have specific procurement targets in their corporate/business plans other than the Gershon efficiency savings (generally 2.5%). Targets on procurement are usually found in the business plans of corporate services/finance departments. For example, the YJA makes no mention of procurement in its annual report. The corporate plan does have more information on procurement including a section on managing resources with a strategic aim 'to use resources effectively, deliver best value and operate best value in corporate governance'. The business plan performance target is to 'maintain expenditure within approved budgetary limits', with a development objective to 'complete an audit of purchase and service contracts across the Agency and identify scope for efficiencies'. The corporate services business plan (which is now dated) has more specific procurement targets in relation to its finance branch. It mentions a review of the 'current situation and future options in relation to the procurement of key goods and services'. Proposed actions for the finance branch include a review of supplier lists, liaising with the Government Procurement Agency in relation to contracts and



consideration of feedback from suppliers. There is no mention of any linkages with the PU.

Delivering change in the use of management consultants

- 6.8 A Northern Ireland Audit Office (NIAO) report in 2004 found that the cost of using consultants across the civil service had rose from £10 million in 1998-99 to just under £19 million in 2002-03.²⁶ The report found weaknesses throughout the procurement process in areas such as the development of business cases, relative high occurrence of single tenders and contract extensions, project management and demonstrating value for money. It found that around a third of contracts by value in their case studies were not tendered competitively. The NIAO report does not include consultancy expenditure in the NIO and criminal justice agencies.
- 6.9 As this report is more strategic in nature, it was not feasible to investigate one particular area of expenditure in great detail. However, evidence collected during the review pointed towards some weaknesses which were identified in the NIAO report. For example, Inspectors reviewed a range of tenders including some consultancy contracts which lacked open competition. One large consultancy contract was only signed off by the Minister with 'some reluctance'. In light of the importance of consultancy and a new NIO policy

on the use of external consultants, CJI intends to conduct a detailed inspection of the use of external consultants in the criminal justice system in 2007-08.

Balancing best value for money with whole life costs

- 6.10 Delivering good procurement requires consideration of potential conflicts within procurement policy. Achieving value for money (through open competition) favours the use of collaborative purchasing and larger contracts often delivered through major suppliers. This needs to be balanced against sustainable procurement objectives such as social inclusion and the promotion of local economic development. For Northern Ireland, much local economic development rests with small and medium sized enterprises. The challenge for procurement is to ensure that small businesses are encouraged in the interests of greater long-term competition and value for money.
- 6.11 Recent experience shows that early and effective planning prior to tender actions can ensure that local considerations and local economic development are included as a core element of the tender specifications. This could include providing an opportunity for small businesses to link up with key suppliers. Guidance notes from CPD note that small and medium businesses should, where possible, be given every opportunity to tender. The NIPS procurement strategy states that 'for contracts

²⁶ Northern Ireland Audit Office, Use of Consultants, June 2004.



below £30K small and medium sized businesses should be invited to quote when practicable' – these are contracts where purchasers have more discretion on what suppliers to invite (e.g. a minimum of four written quotes for contracts valued at between £10K and £30K).

6.12 The development of a criminal justice procurement policy linked with individual agency procurement strategies and procedures should be underpinned by key high level performance targets. This will require appropriate management information systems to measure performance and report against progress. It is recommended that **key high level procurement targets should be set by the criminal justice system to deliver objectives and improve performance.** These targets should focus on obtaining best value for money and whole life costs as measured through sustainable procurement.

6.13 Performance indicators developed by the Improvement and Development Agency should be seriously considered. These include:

- clearly defined efficiency savings;
- supplier management and satisfaction;
- equality and fairness;
- partnership arrangements;
- tendering arrangements including use of PU, framework contracts, e-platforms;
- sustainable procurement such as the environment and local development;
- low value purchases such as use of Government Procurement Card;
- contract management and reviews and
- staff training.

PART



Appendices





Appendix 1 Methodology

The inspection commenced from May 2006 and consisted of the following main elements:

1. Research and data collection
2. Consultation - stakeholder interviews
3. Fieldwork
4. Feedback and refinement

1. Research and data collection

A range of published and internal agency documents were reviewed. References are made throughout the report.

2. Consultation - stakeholder interviews

Prior to the fieldwork, CJI Inspectors undertook a number of fact finding meetings with representatives of the key criminal justice agencies. A visit was made to the National Audit Office in London to obtain professional advice and assistance.

3. Fieldwork

Fieldwork was carried out in June and July of 2006. This involved meetings with corporate services, financial and procurement staff across all the key criminal justice agencies.

A survey of suppliers was undertaken in August and analysis conducted in September (see Appendix 3 for full details).

4. Feedback and refinement

A draft outline of the report was presented to key stakeholders in November 2006.





Appendix 2 References

NIO

1. Policy on the Use of External Consultants, Corporate Governance Series.

NICtS

2. Annual Report 2004-05.
3. Corporate Plan 2003-06 and Business Plan 2003-04.
4. Corporate Plan 2005-2008 and Business Plan 2005-06.

PPS

5. Annual Business Plan 2005-06.
6. Performance Review 2004-05: Building a service for the future.

PSNI

7. The Northern Ireland Policing Board and the Police Service of Northern Ireland Policing Plan 2006-2009.

PBNI

8. Corporate Plan 2005-2008 and Business Plan 2005-06.

NIPS

9. NIPS Procurement, Internal Audit Unit, NIO, June 2006.

YJA

10. Annual Report and Accounts 2005-2006.
11. Corporate Plan 2006-2009 and Business Plan 2006-2007.
12. Corporate Services Business Plan 2005-2006.

OPONI

13. Annual Report and Accounts for the year ended 31 March 2006.
14. Procurement Procedures for Goods and Services, May 2006.

DFP/CPD

15. Design of a Procurement Competence Career Path Framework for the Northern Ireland Public Sector, Final Report by Deloitte, November 2004.
16. Integrating environmental considerations into public procurement, procurement guidance note 04/04.
17. Public Procurement Policy, Management Information Guide.
18. Strategic Procurement, procurement guidance note 07/04.
19. Third Annual Report to the Procurement Board, April 2005 – March 2006.

NAO

20. Criminal Justice: Working Together, HC 29 Session 1999 – 2000, HMSO, 1999.
21. Improving the efficiency of postal services procurement in the public sector.
22. Improving procurement in further education colleges in England.
23. Improving Procurement: Progress by the Office of Government Commerce in improving departments' capability to procure cost-effectively.
24. Procurement in the Culture, Media and Sport Sector.
25. Purchasing Professional Services.
26. Smarter Food Procurement in the Public Sector.
27. Sustainable Procurement in Central Government.



OGC

28. Procurement Efficiency and Value for Money Measurement, Efficiency Programme – Measurement Guidance.
29. Releasing resources to the front line, 2005.

Other

30. Improving Procurement, Progress by the Office of Government Commerce in improving departments' capability to procure cost-effectively, Report by the Comptroller and Auditor General, Session 2003-2004, 12 March 2004.
31. Local Performance Indicators for Procurement, Improvement and Development Agency.
32. Procuring the Future, Sustainable Procurement National Action Plan: Recommendations from the Sustainable Procurement Task Force, Department of the Environment, Food and Rural Affairs, 2006.
33. Releasing Resources to the Front Line: Independent Review of Public Sector Efficiency, Sir Peter Gershon, July 2004.
34. Review of the Criminal Justice System in Northern Ireland, Criminal Justice Review Group, March 2000.
35. Use of Consultants, Northern Ireland Audit Office, June 2004.



Appendix 3 Procurement Survey

Survey Methodology

Participants

It was decided at an early stage of the inspection that suppliers should be asked to comment on the procurement of goods and services in the Northern Ireland Criminal Justice System (CJS).

The contact details of suppliers were taken from two lists supplied by the Northern Ireland Office (NIO) Procurement Unit (PU). One list referred to NIO Procurement Unit and relates to suppliers to the NIO and criminal justice agencies. It will be referred to as the general list. The other list refers to PSNI suppliers. Any duplicate supplier information was removed.

The address details of 106 suppliers from the PU lists were incomplete and therefore not included in the survey. A further six suppliers from the two lists were outside the United Kingdom (UK) and Republic of Ireland (ROI) and also removed from the survey.

A total of 2,690 suppliers were contacted, 1,928 (1890 UK and 38 ROI) from the general PU list and 762 (744 UK and 18 ROI) from the PSNI list.

Questionnaire Design

A survey questionnaire was designed by CJI. The questionnaire consisted of nine questions and included both closed and open-ended questions to allow for a full range of answers.

The letter accompanying the questionnaire provided brief information regarding CJI and explained the reasons and importance of the survey. The letter and the questionnaire both highlighted that the survey was anonymous and explained (for the purposes of the survey) what was meant by the CJS.

Procurement

The data were collected by CJI during August 2006.

Based on the contact details provided by PU, each supplier was mailed a covering letter, a questionnaire and a reply-paid envelope. The letter indicated a date by which any completed questionnaires should be returned. No reminder letter was sent.

As the reply-paid envelope was invalid for return from the ROI, such suppliers were provided with a return envelope with an Irish stamp to the appropriate value.



To distinguish the returns from the two lists, questionnaires sent to suppliers on the PSNI list were hole-punched in the top left corner, while those on the general PU list remained intact.

Copies of the covering letter (Annex A) and the questionnaire (Annex B) are appended.

Analysis

The data from the questionnaires were held and analysed using SPSS Version 14.0 for Windows.

Survey Results

Response Rate

Of the 2,690 suppliers who were contacted, (24%) responded (see Table 1). Of particular note was the number of letters returned by the Royal Mail marked as addressee gone away, (11%).

The main reasons for respondents indicating 'not applicable' (1%) to the survey were that they had not done work for the CJS in a number of years or they were no longer in business. One respondent indicated that his company had been out of business for seven years, while a self employed businessman had been retired for eleven years. Some respondents also contacted CJI informing them that their address details had changed.

Table 1: Response Rate

| Response | Number | % |
|---------------------|---------------|-------------|
| Full response | 311 | 12% |
| Addressee gone away | 288 | 11% |
| Not Applicable | 32 | 1% |
| No response | 2,059 | 77% |
| Total | 2,690 | 100% |

Percentages may not always sum to 100% due to the effects of rounding.

Profile of respondents

Of all those respondents who completed the questionnaire 56% (174) were from the general list and 44% (137) from the PSNI list.

A total of 95% (275) of all returns marked 'addressee gone away' were from suppliers on the general list with the remaining 5% (13) from the PSNI list. Fourteen percent of returns were from the general list, compared to 2 percent from the PSNI list.

Ninety-eight percent (616) of responses in the categories full response, addressee gone away and not applicable were from the UK with 2% (15) from the Republic of Ireland. Twenty-seven percent of those suppliers from the Rol compared to 23% of those suppliers from the UK contacted had responded.



Opportunities to find out about supplying goods/services to CJS

Figure 1: Opportunities to find out about supplying goods/services to CJS

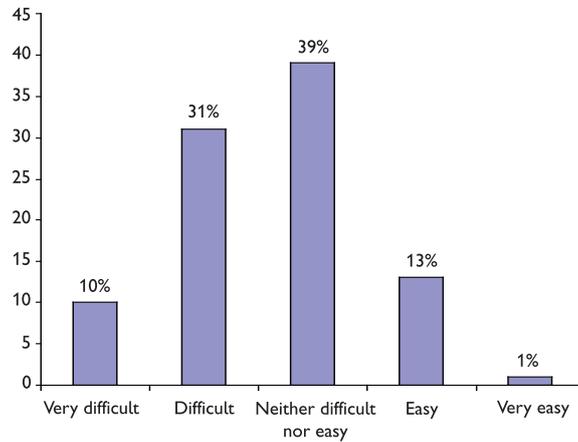
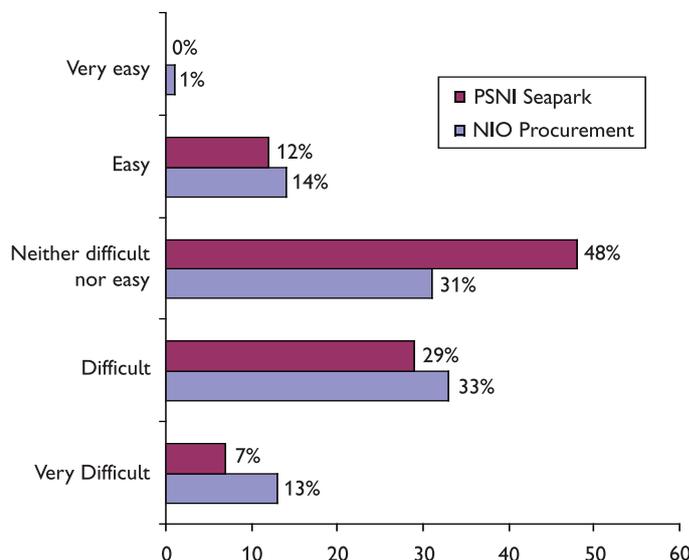


Figure 1 shows that of the 311 respondents, a total of 41% rated the opportunities to find out about supplying goods/services to the CJS as either difficult or very difficult. A total of 39% indicated that they would rate the opportunities as neither difficult or easy. A total of 14% rated the opportunities as either easy or very easy. Six percent of respondents declined to indicate a response. A break down of the responses for each category is shown in Figure 1.

Forty-six percent of respondents from the general list rated the opportunities to find out about supplying goods/services to the CJS as either difficult or very difficult compared to 36% respondents from the PSNI list who indicated the opportunities as difficult or very difficult (see Figure 2).

Figure 2: Opportunities to find out about supplying goods/services to CJS by list

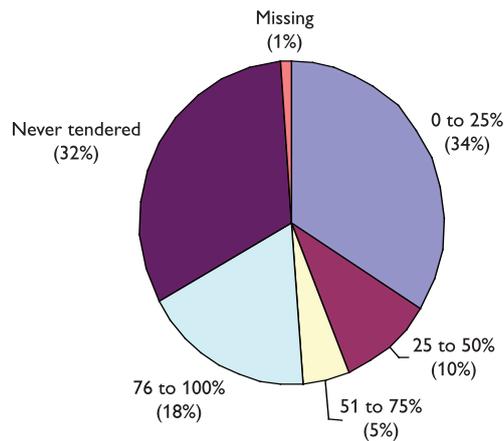




Percentage of tenders won

Figure 3 shows that of the 311 respondents, 34% of all respondents indicated that they have won approximately 0 to 25 percent of tenders submitted to the CJS; 32% never tendered; 18% have won approximately 76 to 100 percent of tenders; 10% have won 25 to 50 percent and 5% between 51 to 75 percent. A further 1% of respondents declined to indicate a response.

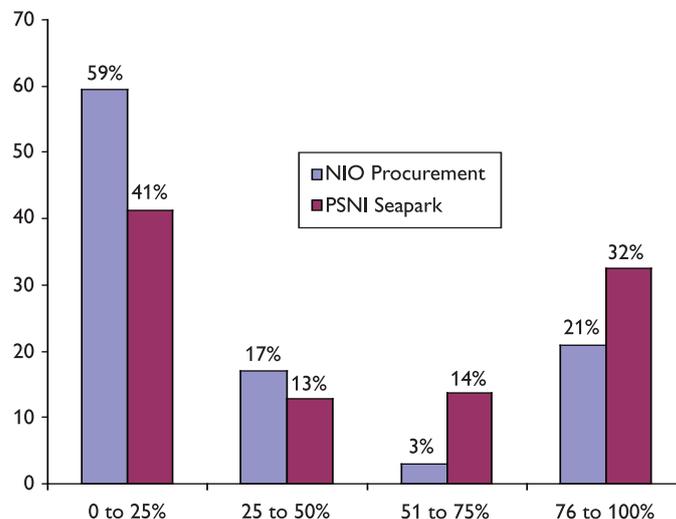
Figure 3: Percentage of tenders won



Sixty-six percent of those respondents who indicated that they have never tendered for work with the CJS were from suppliers on the general list. The remaining 34% were from suppliers on the PSNI list.

When excluding respondents that indicated that they have never tendered for work with the CJS, and declined to indicate a response we can compare the two lists. From Figure 4 it is clear that a higher percent (32% compared to 21%) of suppliers from the PSNI list have won between 76 and 100 percent of tenders compared to suppliers from the general list.

Figure 4: Percentage of tenders won (never tendered and declined excluded)





Handling of procurement

Figure 5: Handling of procurement

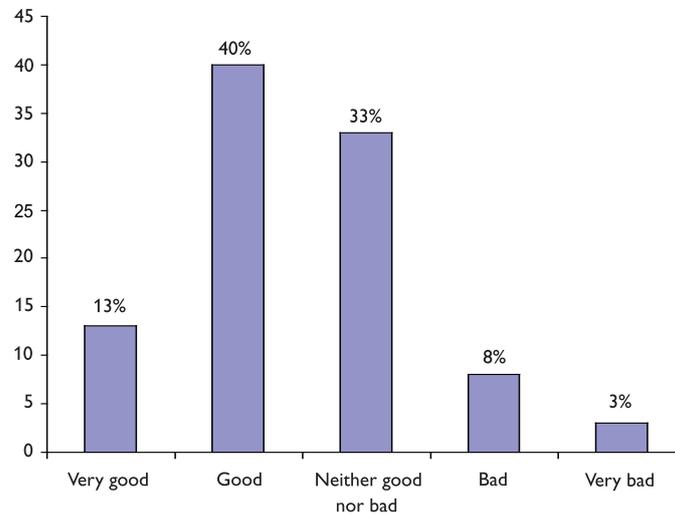


Figure 5 shows that of the 211 respondents, 53% who had submitted a tender to the CJS rated the handling of procurement, prior to the submission of a tender, as either good or very good. A total of 33% rated handling of procurement as neither good nor bad. Of the remaining respondents, 11% viewed it as either bad or very bad. Three percent of respondents declined to indicate a response. Again, a full break down of the percentages for each category is shown in Figure 5.

Table 2 compares respondent's percentage rating of handling procurement by the two lists provided for the survey. More respondents from the general list rated the handling of procurement as neither good or bad (37%) compared to the PSNI list (28%). Conversely, a higher percentage of respondents from the PSNI list rated the handling of procurement as bad or very bad (14%) compared to the general list (9%).

Table 2: Handling of procurement by list

| | NIO Procurement | PSNI Seapark |
|----------------------|-----------------|--------------|
| Very Good | 11% | 15% |
| Good | 38% | 42% |
| Neither good nor bad | 37% | 28% |
| Bad | 8% | 9% |
| Very Bad | 1% | 5% |
| Missing | 5% | 2% |
| Total | 100% | 100% |

Percentages may not always sum to 100% due to the effects of rounding.

A total of 42% or 211 respondents provided a comment with regard to the handling of procurement within the CJS.





Forty eight percent of those who indicated the handling of procurement was good or very good provided a comment. In comparison, 71% of respondents who indicated that the handling of procurement was bad or very bad provided a comment. Comments were also received from 27% of respondents who indicated the handling of procurement was neither good nor bad.

There were many positive comments from respondents regarding the handling of procurement within the criminal justice system both in terms of communication and professionalism. Two examples of these were:

“Good communications, comprehensive decision making matrix, quality conscience management structure.” (general)

“Keep you informed of status at all times” (PSNI)

There were nevertheless four general areas of concern:

- Limited knowledge of goods and services available;
- Suppliers being excluded from tendering and mention of bias;
- Lack of communication and use of technology and
- Short deadlines and too much red tape.

Respondents mentioned a lack of detailed product specifications and limited understanding of the goods and services required:

“There would appear to be a lack of professionally qualified staff handling complex tenders and procedures.” (PSNI)

There was also concern amongst some respondents regarding being excluded from tendering.

“There have been occasions where the company have been excluded/not invited to submit quotations.” (general)

Some respondents raised the issue of poor communication both in terms of the availability of staff, advertisement, and problems with technology.

“They don’t reply to e-mails, they ignore letters, they are very very slow” (PSNI)

“There has been difficulty downloading the tender document. Personal contact has been required” (PSNI)

The time required submitting a tender, the amount of information, and copies required were highlighted:

“Very little notice given to meet deadlines - time allowed is usually too short” (PSNI)



Overall quality of service

Figure 6: Overall quality of service

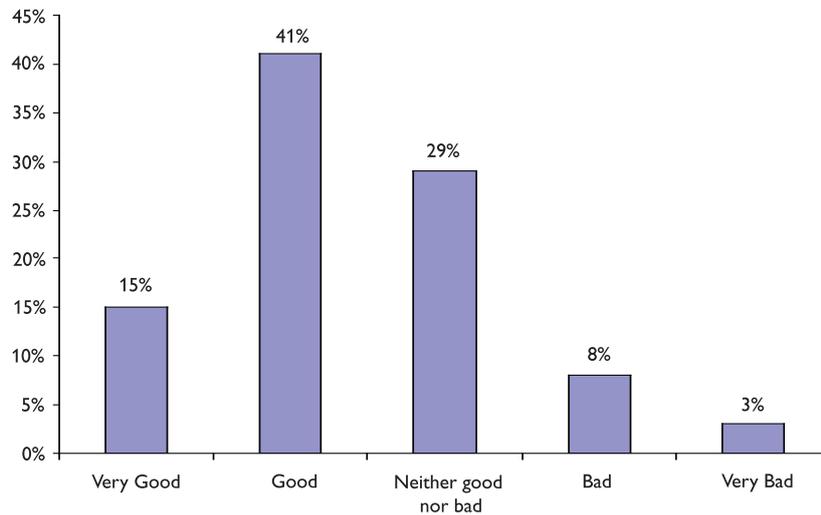


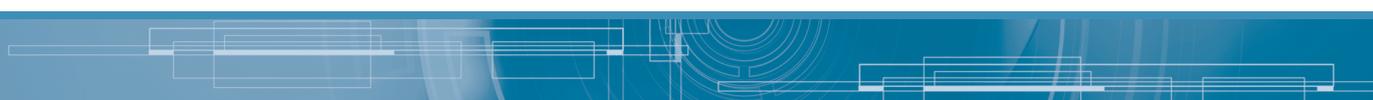
Figure 6 shows that of the 211 respondents, 56% who had submitted a tender to the CJS rated the overall quality of service as either good or very good. A total of 29% rated the overall quality of service as neither good nor bad. Eleven percent of respondents indicated the overall quality of service was either bad or very bad. A further 4% of respondents declined to indicate a response. A full break down of the percentage responses for each category is shown in Figure 6.

Table 3 compares respondent's percentage rating of the overall quality of service by the two lists provided for the survey. No differences between the two lists were apparent with over half (55% and 57% respectively) of suppliers from both lists rating the overall quality of service as good or very good.

Table 3: Overall quality of service by list

| | NIO Procurement | PSNI Seapark |
|----------------------|-----------------|--------------|
| Very Good | 13% | 16% |
| Good | 42% | 41% |
| Neither good nor bad | 30% | 28% |
| Bad | 7% | 9% |
| Very Bad | 3% | 4% |
| Missing | 5% | 2% |
| Total | 100% | 100% |

A total of 33% of the 211 respondents provided a comment with regard to the overall quality of service within the CJS.





Of those respondents who indicated that the overall quality of service was good or very good, 36% provided a comment. In comparison, 75% of respondents who indicated that the handling of procurement was bad or very bad provided a comment. Fifteen percent of respondents who indicated neither good nor bad provided a comment.

There were many positive comments from respondents regarding the overall quality of service within the criminal justice system both in terms of communication and professionalism. These included:

“Good practice everywhere. No faults” (general)

There were nevertheless two general areas of concern.

- Lack up updates and response to questions
- Too much emphasis on cost

The opinion of some respondents was that they are not informed of the results of their tender even when they directly request such information.

“Asked for feedback on submission – no response. Asked for information under Freedom of Information Act – no response. Redirected my efforts into something where I had a better outcome.” (PSNI)

“No feedback on why unsuccessful. What is supposed to be best value?” (general)

Respondents provided comments indicating that the procurement process is geared towards costs rather than value for money.

“Can focus on cost, not quality of service and end product.” (general)

Value of the feedback

Figure 7: Value of the feedback

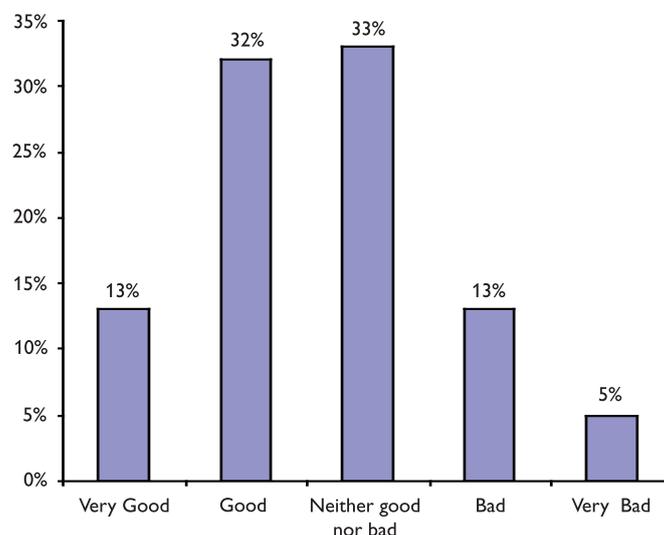
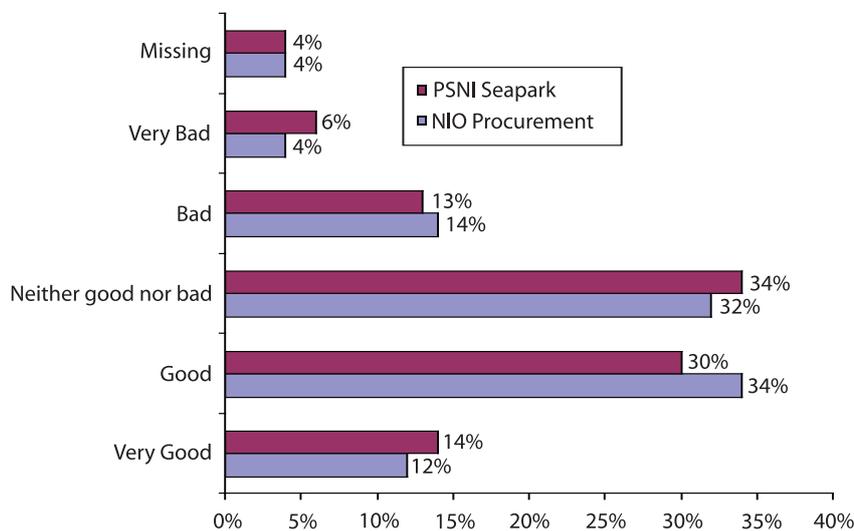




Figure 7 shows that of the 211 respondents, 45% who had submitted a tender to the CJS rated the value of the feedback concerning their tender within the CJS as either good or very good. A total of 33% rated the value of feedback as neither good nor bad, with 18% of respondents indicating it was either bad or very bad. A further 4% of respondents declined to indicate a response. Again, a full breakdown of the responses is shown in Figure 7.

Figure 8 compares respondent's percentage rating of the value of feedback by the two lists provided for the survey. No differences between the two lists were apparent with under half (44% and 46% respectively) of suppliers from both lists rating the overall quality of service as good or very good.

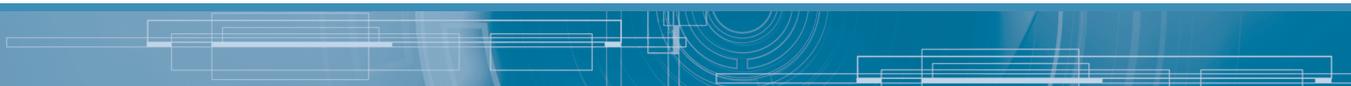
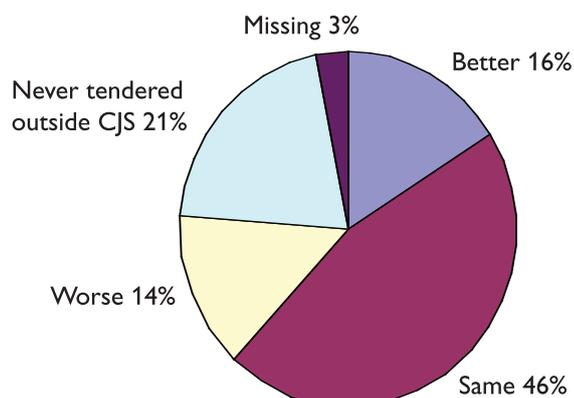
Figure 8: Value of feedback by list



Comparison with other parts of the public sector

Figure 9 shows that of the 211 respondents, 46% who had submitted a tender to the CJS indicated that procurement within the CJS is the same as other parts of the Northern Ireland public sector; 21% had never tendered outside the CJS; 16% thought that procurement within the CJS was better and 14% felt it was worse. Three percent declined to provide an answer.

Figure 9: Comparison with other parts of the public sector





A total of 84% of those respondents who indicated that they have never tendered for work with the CJS were from suppliers on the PSNI list. The remaining 16% were from suppliers on the general list.

When excluding respondents that indicated that they have never tendered for work outside the CJS, and declined to indicate a response we can compare the two lists. From Table 4 it is clear that a higher percent (66% compared to 52%) of suppliers from the general list indicated that procurement within the CJS is the same as other parts of the Northern Ireland public sector compared to suppliers from the PSNI list.

Conversely, a higher percent (27% compared to 12%) of suppliers from the PSNI list thought that procurement was worse within the CJS in comparison with other parts of the public sector compared to those suppliers on the general list.

Table 4: Comparison with the public sector (never tendered and declined excluded)

| | NIO Procurement | PSNI Seapark |
|--------------|------------------------|---------------------|
| Better | 22% | 21% |
| Same | 66% | 52% |
| Worse | 12% | 27% |
| Total | 100% | 100% |

Nineteen percent of the 211 respondents provided a comment with regard to comparing procurement within the criminal justice system with other parts of the public sector.

Of those respondents who indicated that procurement within the CJS was worse than other parts of the public sector, 29% provided a comment compared with 38% of respondents who thought that procurement within CJS was better who provided a comment.

Sixteen percent of respondents who thought procurement was the same provided a comment.

Again there were many positive comments from respondents regarding the comparison of procurement within the CJS and other parts of the public sector. Most of the negative comments for this question mimicked those outlined for the previous questions such as suspected bias, lack of feedback, limited knowledge of goods and services, short deadlines, and too much red tape. The only other unique theme emerging from the comments is a mention of preference for Northern Ireland suppliers.

“Opportunities seem to be known about by NI companies. If the requirements were better publicised earlier, you might get a better deal.” (PSNI)



“Appears to be very Province centred...” (PSNI)

“We know we are competitive on price and service but we don’t get any feedback from the public sector tenders. The tenders seem to go to local suppliers which we know we can compete with.” (PSNI)

Organisation treated fairly

Figure 10: Organisation treated fairly

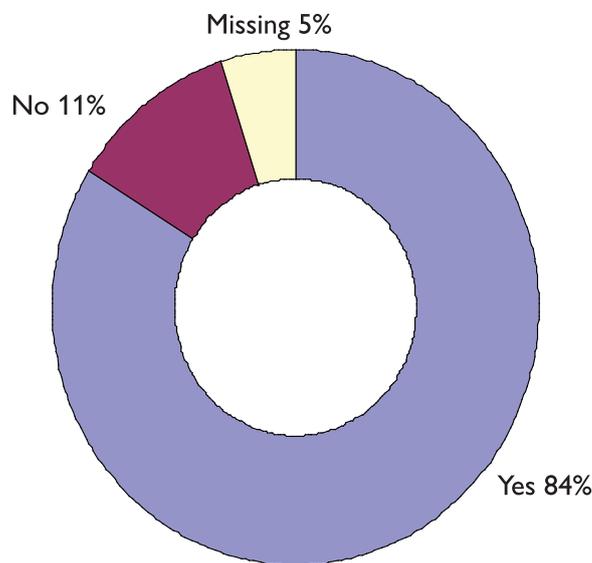


Figure 10 shows that of the 211 respondents, 84% who had submitted a tender indicated that their organisation is/was treated fairly within the CJS in relation to procurement activities, 11% indicated that their organisation was not treated fairly, and a further 5% of respondents declined to indicate a response.

A total of 9% of the 211 respondents provided a comment with regard to their organisation is/was treated fairly within the CJS.

Of those respondents who indicated that their organisation was not treated fairly, 65% provided a comment. In comparison, only 17% of respondents who indicated that their organisation was treated fairly provided a comment. One of the respondents who declined to indicate a response provided a comment.

There were less positive comments for this question as more comments were provided by those suppliers who indicated that their organisation was not treated fairly. As mentioned for other questions there were comments with regard to bias towards larger or existing





suppliers, and lack of feedback. The only other area of comment with regard to fairness was for those responsible for procurement within the CJS to consider the history of suppliers.

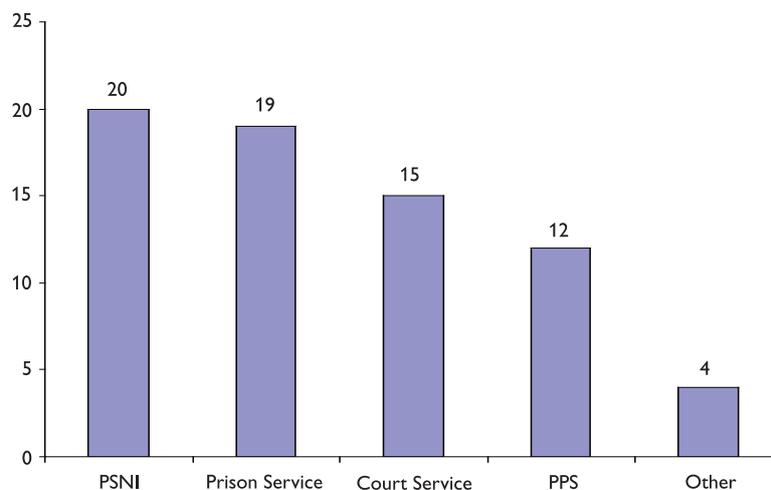
“Look at history of suppliers. Check goods actually supplied on an ad hoc basis and you will find alternative from what was tendered. Companies are scared to point things up as this has effect on your next tender.” (general)

“On the basis that every tender starts with the same information but decisions are made without real knowledge of the supplier’s strength and weaknesses or such strengths and weaknesses are assumed.” (general)

Not prepared to tender for work within the Criminal Justice System

A total of 8% of all 311 respondents indicated an organisation(s) within the CJS for which they would not be prepared to tender for work. Figure 11 shows the breakdown of the organisation these respondents would not be prepared to tender for work. *Please note that some respondents indicate more than one organisation.*

Figure 11: Organisations not prepared to tender for work



Of the 311 respondents 6% provided a comment with regard to CJS organisations they would not be prepared to tender for work.

Of those respondents who indicated an organisation(s) they would not be prepared to tender for work, 40% provided a comment. In comparison, 3% of respondents who did not indicate any organisation provided a comment. The comments from those organisations who did not indicate any organisation they would not be prepared to tender for work tended to reiterate that they would work with all CJS organisations.

“We would be interested in all services.” (PSNI)

“Happy to work with all.” (general)



While other comments from those who would not be prepared to tender for work indicated they had no goods or services that would be of interest to the CJS organisations or have issues with the entire procurement system.

“Our products are not suitable for any of above services.” (general)

“Until the system allows for comment or input into devising a sensible system more and more small and medium companies will not bother to tender.” (general)

Suggestions for improvement

The questionnaire provided an opportunity for respondents to offer any suggestions on how procurement within the CJS may be improved. Of the 311 respondents, 34% provided comments.

Many of the comments reflected themes that arose under earlier questions. Many respondents again repeated their satisfaction with the current procurement process.

However, three new themes were mentioned. They were:

- Greater use of e-mail and the website for tendering;
- Visits from procurement to the suppliers and
- More joined up tenders for the CJS.

Many respondents would prefer advertisements to be sent via e-mail and expressed the need for a procurement website that would display all advertisements with the availability to download the tender information and application form.

“Current opportunities to be listed on website. Form an approved supplier database which gets tender alerts via email.” (general)

“Perhaps maintain a database of suppliers of specific goods/services and email them of impending tender opportunities.” (general)

There was also a desire from respondents for members of the CJS procurement team to visit them not only to create a professional rapport but also gain a better awareness of the goods and services they provide.

“Face to face visit from procurement would help to trash out any problems we might have on the tender paperwork.” (general)

Finally, some respondents also mentioned that there should be a more joined up approach to procurement within the CJS.

“Needs to be joined up. We received at least six individual packs to deal with one low value order. Not cost effective for us or you!” (PSNI)



Dear Mr/Mrs/Ms A N Other

Re: Procurement of goods and services in the NI Criminal Justice System

Criminal Justice Inspection Northern Ireland (CJI) is an independent inspectorate responsible for inspecting parts of the Northern Ireland Criminal Justice System (CJS). It is our practice to consult with key stakeholders so as to gain their views and experiences.

CJI would welcome your comments on the procurement of goods and services in the Criminal Justice System. The aim of the inspection is to review the effectiveness, efficiency, and credibility of the procurement within the CJS. CJI would be grateful if you would take a few minutes to complete the enclosed questionnaire that relates to aspects of procurement within the CJS. The contact details for your organisation were obtained from the Northern Ireland Office Procurement Unit or PSNI Seapark. For this inspection the CJS refers to the;

- Police Service
- Prison Service
- Courts Service
- Public Prosecution Service
- Police Ombudsman
- Compensation Agency
- Forensic Science
- Northern Ireland Office
- Probation Board
- Youth Justice Agency

The information collected by the survey is anonymous. It would be appreciated if you could please return your completed questionnaire in the enclosed, pre-paid envelope by 22 August 2006. Should you have any queries please contact Ian Craig on 90 258007 or ian.craig@cjini.org.

Yours sincerely,

James Corrigan (Inspector)
James.Corrigan@cjini.org



PROCUREMENT QUESTIONNAIRE

ANONYMOUS

Criminal Justice Inspection
Northern Ireland
a better justice system for all



Criminal Justice Inspection (CJI) is undertaking a survey of procurement in the Northern Ireland Criminal Justice System (CJS). For the purposes of this survey the Criminal Justice System refers to the Police Service of Northern Ireland, Prison Service, Courts Service, Public Prosecution Service, Probation Board, Police Ombudsman for Northern Ireland, Compensation Agency, Forensic Science Northern Ireland, Youth Justice Agency and the Northern Ireland Office (NIO).

1. How would you rate the opportunities (e.g. advertisements, public notices) to find out about supplying goods/services to the Northern Ireland Criminal Justice System?

Very difficult Difficult Neither difficult nor easy Easy Very easy

2. Approximately what percentage of Criminal Justice System tenders submitted have you won?

0 to 25% 26 to 50% 51 to 75% 76 to 100% Never tendered

If you indicated never tendered please go to Question 8

3a. Prior to the submission of a tender. Please rate the handling of procurement within the Northern Ireland Criminal Justice System?

Very good Good Neither good nor bad Bad Very bad

3b. Please provide details of good and/or bad examples of handling procurement during the tendering process within the Northern Ireland Criminal Justice System. Please indicate the CJS organisation(s) you are referring to.

4a. Following the submission of a tender. Please rate the overall quality of service (e.g. communication, short listing, and presentation) within the Northern Ireland Criminal Justice System?

Very good Good neither good nor bad Bad Very bad

4b. Please provide details of good and/or bad examples of the quality of service provided within the CJS following the submission of a tender. Please indicate the CJS organisation(s) you are referring to.

5. Please rate the value of the feedback (e.g. general communication and de-brief) concerning your tender within the Northern Ireland Criminal Justice System?

Very good Good Neither good nor bad Bad Very bad

PLEASE TURN OVER





6a. How does dealing with procurement within the Northern Ireland Criminal Justice System compare with other parts of the Northern Ireland public sector?

Better Same Worse Never tendered outside CJS

6b. Please provide details of any differences or similarities in procurement within the CJS and other parts of the public sector.

7a. Do you think your organisation is/was treated fairly within the Criminal Justice System in relation to procurement activities?

Yes No

7b. If you indicated no for Question 7a please provide further details?

8a. Please indicate any organisation(s) within the Northern Ireland Criminal Justice System for which you would not be prepared to tender for work?

Courts Service Police Service Prison Service Public Prosecution Service

Other Please specify

8b. If you indicated an organisation(s) please provide details why. Please indicate the CJS organisation(s) you are referring to with the reason.

9. Could you offer any suggestions how procurement within the Criminal Justice System may be improved? Please continue on a separate sheet if necessary.

THANK YOU FOR YOUR CO-OPERATION



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