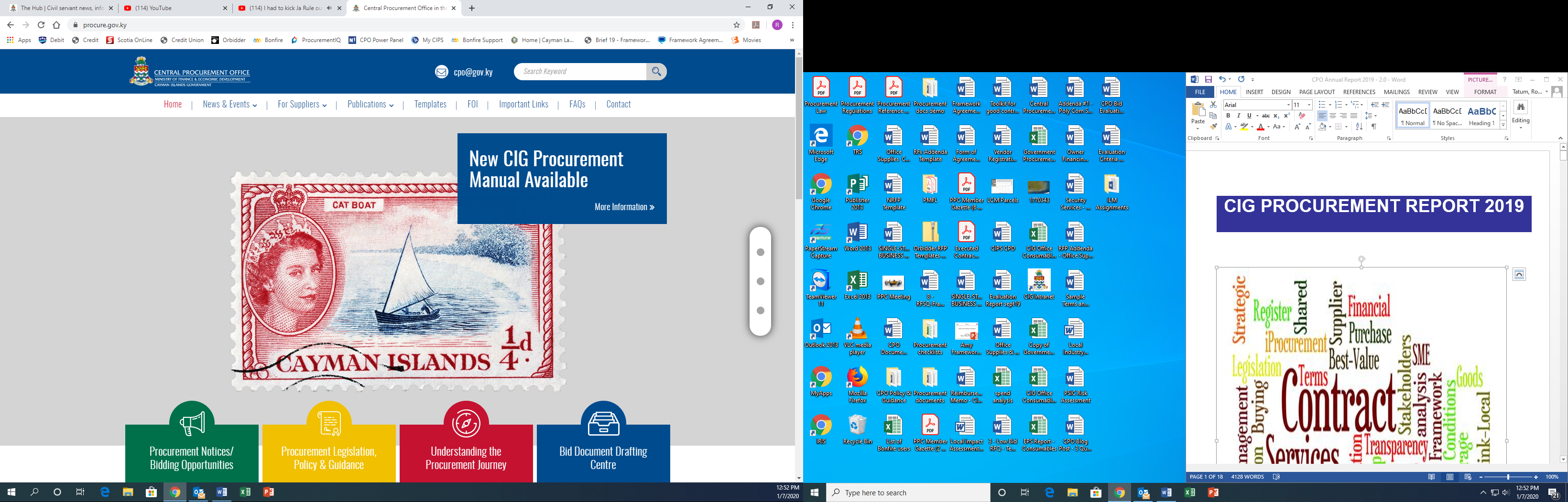
|  |
| --- |
| **CIG PROCUREMENT REPORT 2019** |



**Director, Central Procurement Office  
Annual Report  
January – December 2019**

|  |
| --- |
| **CONTENTS** |

**1. Introduction**

* Cayman Islands Government Procurement
* Procurement landscape
* Themes and principles

**2. At a Glance – 2019**

* Completed Tasks
* Ongoing Tasks
* Statistics

**3. Looking Forward – 2020**

* Strategy
* Approach
* Planned Task

**4. Contacting the Procurement Team**

|  |
| --- |
| **1. Introduction** |

**Cayman Islands Government Procurement**

Procurement means the process by which an entity acquires goods, services or works from an external supplier to support the delivery and maintenance of government programmes, services and infrastructure, such process spanning the complete life cycle from initial concept. Within the Cayman Islands Government (CIG), including Statutory Authorities and Government Companies, the 2019 budget for supplies, consumables and capital projects was $359,391,000. The structure and requirements for individual procurement projects and contracts is governed by the Procurement Law (2016) and the Procurement Regulations (2018), both of which came into effect in May 2018.

**PROCUREMENT LANDSCAPE**

All major procurements at the Cayman Islands Government (CIG) is processed via an Electronic Procurement portal called Bonfire that is used to publicise opportunities, communicate with vendors and evaluate submissions. Procurement projects are handled by the individual ministries, departments or units based on their needs. The Central Procurement Office (CPO) provides advice and guidance to all Government Entities as well as identifying savings opportunities and establishing frameworks to take advantage of CIG’s collective purchasing power. Depending on the value of the procurement contract, there are various levels of approval required throughout the process, from initiation to preferred bidder selection.

For projects with a value below $250,000, all approvals are handled internally by an individual Entity’s Procurement Committee (EPC), Chief Financial Officer (CFO) and Chief Officer (or equivalent). For procurement’s with a value of $250,000 or above, an external oversight body known as the Public Procurement Committee (PPC) is required to review and approval bid evaluations prior to contracting with the preferred bidder.

**THEMES AND PRINCIPLES**

The Procurement Law (2016) lays out 12 principles of procurement centered around fairness, competition, value for money, transparency and integrity in the procurement process. Additionally, the Cayman Islands Development Preference encourages public procurement to support its local economy by the inclusion of non-financial elements to the bid submission evaluation that favors bidders with positive local, environmental and social impacts. Supporting Small and Medium sized Enterprises (SMEs) can make a significant contribution to local economic growth and development.

|  |
| --- |
| **2. At a Glance - 2019** |

**COMPLETED TASKS**

* Approval of Business Case Templates in conjunction with SRIU
* CPO Website Improvements
  + Search function expanded to include additional areas of the website
  + “Templates” page link added to the main navigation bar
  + PPC Meeting Minutes posted to the CPO website
  + CIG Procurement Manual published
  + Department-Specific Procurement Training (Topic: Tender Document Development) conducted for:
  + Royal Cayman Islands Police Service (13 Participants)
  + Port Authority of the Cayman Islands (9 Participants)
  + Health Services Authority (36 Participants)
  + Facilities Management Department (5 Participants)
  + Public Works Department (16 Participants)
  + General Training Sessions for all Government Entities & SAGC’s
  + Topic: Tender Document Development
    - 3 Sessions in Grand Cayman (37 Participants)
    - 1 Session in Cayman Brac (10 Participants)
  + Topic: Bonfire (E-Procurement) Training
    - 5 Sessions via Webinar (116 Participants)
  + Bonfire (E-Procurement Portal) contract renewed for 3 more years following a competitive process.
  + At request of entity, provided advice and reviewed documents for the following:
  + CIAA
  + Computer Services Department
  + HSA
  + Agriculture Department
  + Prison Service
  + Tourism Department
  + CPO achieved compliance with CIPS Corporate Ethical Policy & issued stamp – December 11th
  + Re-issue and evaluation of Government-wide Office Supplies Contract.
  + Gazetting of the CIG Procurement Code of Conduct
  + Cayman Islands Business E-Procurement Registration Drive – Flyers posted in DCI Office to encourage registration and competition on Bonfire.

**ONGOING TASKS**

* Establishment of the Public Sector Investment Committee (PSIC)
* Recommendations on Procurement Laws & Regulation changes
* Recruitment of two CPO members of staff to continue building internal capacity
* Public Reporting Requirements – ensuring the facilities are in place for entities to meet the new reporting requirements

**2019 PROCUREMENT STATISTICS**

|  |  |
| --- | --- |
| Total Number of Vendors on Bonfire (as at December 31st 2019) | 3314 |
| Number of 2019 Bonfire Vendor Registrations | 1154 |
| Total Number of Internal Users on Bonfire (as at December 31st 2019) | 555 |
| Number of 2019 Bonfire Internal User Registrations | 131 |
| Number of Projects Created in 2019 | 338 |
| Number of PPC Projects (>$250,000) | 90 |
| Number of PPC Projects (>$250,000) that were Direct Awards (Non-Competitive) | 10 |
| Number of Projects Cancelled in 2019 | 26 |

|  |
| --- |
| **3. Looking Forward 2020** |

If CIG is to achieve best value through its procurement processes, it needs to ensure it consistently maximises its spending power. This can only be done with a thorough understanding of how and where money is spent. This understanding will help determine priorities going forward and identify where efficiencies can be made. This is an ongoing process as the CPO proactively looks at ways to drive efficiencies from existing contracts to new ones.

**STRATEGY**

Commercial maturity is not simply about Value for Money (VfM). It is about changing the mind-set of the organisation. The CIG is making good progress in its procurement and commercial processes from a low base, but there is much more to be done to support the ambitions of the Department and become a world-class Procurement Unit. The strategy of the CPO is to provide an end to end procurement and commercial solution on the right things at the right time that delivers best value impact and drives commercial reform across the CIG and its wider policy priorities.

Our priorities for 2020/21 Actions to continue CIG’s progression are to:

* Develop and enhance the procurement team ensuring it can deliver a BAU service
* Complete review and implementation of procurement regulations and laws
* Provide Commercial leadership to the CIG
* Deliver Commercial Benefits to the CIG
* Review and improve the Procurement processes.
* Ensure robust management of high value complex commercial transactions
* Deliver procurement support to the Ministries of the CIG
* Develop a more strategic & structured approach to procurement (plan prior to procure)
* Deliver Training and development to CIG and general Supply base
* Support CIPS development of team and across CIG
* Increase utilise of ‘Bonfire’ electronic procurement portal
* Engage proactively with key stakeholders across the CIG and the wider community
* Increase the level of early market engagement for CIG’s procurements

**APPROACH**

In order to help CIG continually improve, we have developed a long-term strategic plan. Our vision for the future involves:

* CIG delivery being supported by a **world-class procurement and commercial service,** working as one team to deliver innovative solutions with our ministry partners.
* CIG taking responsibility for **maximising market responses** and influencing both international and local markets alike
* Collective forward planning allowing procurement and commercial practice to become **strategically planned** to achieve successful outcomes for the CIG.

**PLANNED TASKS**

* Expanded use of Bonfire Capabilities
  + Training on Bonfire Auto-Scoring functions
  + Continue rollout of new templates and technology
* Continue planning ongoing education & training initiative
* Identifying CIG Savings Opportunities
  + Frameworks to be established for frequently purchased products and services (to be identified)
* Introduction of Procurement Plans across the Government to identify opportunities for consolidation.
* Development of more Policies & Procedures to further improve procurement methods and procedures.
* Conduct an exercise to determine CIG procurement’s towards achieving world class procurement standards.

|  |
| --- |
| **4. Contacting the Procurement Team** |

Please contact the CIG Procurement Team if you have any questions, comments or feedback about this Procurement Report:

E-mail: [procurement@gov.ky](mailto:procurement@gov.ky)

Phone: 1 (345) 244-2237

Website: [www.cpo.gov.ky](http://www.cpo.gov.ky)