



Central Procurement Office

Cayman Islands Government

CENTRAL PROCUREMENT OFFICE ANNUAL REPORT 2023

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1. Introduction

CAYMAN ISLANDS GOVERNMENT PROCUREMENT LANDSCAPE

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 budget for goods, services and works for the last few years and into future can be seen below.

Description	Entire Public Sector (Core Government + SAGCs)			
	2022 Budget	2023 Budget	2024 Budget	2025 Budget
	000's	000's	000's	000's
Supplies and Consumables	\$290,354	\$289,343	\$428,201	\$451,192
Capital Projects	\$234,192	\$184,978	\$218,240	\$174,616
Total	\$524,192	\$474,321	\$646,441	\$625,808

The processes and requirements that govern how the budgeted funds should be used for procurement and contracting is governed by the Procurement Law (2023 Revision) and the Procurement Regulations (2022 Revision).

All major procurements (KYD\$100,000 in value or greater) at the Cayman Islands Government (CIG) are required to be publicly advertised via an Electronic Procurement portal called Bonfire. Although recommended, procurements below this value are not required to be publicly advertised on Bonfire but their outcomes must still be publicly posted as a transparency measure. 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 procurements with a value of \$250,000 or above, an external oversight body known as the Public Procurement Committee (PPC) is required to review and approve bid evaluations prior to contracting with the preferred bidder.

The overall landscape of public procurement in 2023 was stable, with no changes to legislation or to the structure and size of the CPO. The main development in terms of process and procedures was the publication of the CPO Policies and Procedures document, which aimed to clarify areas of the enabling legislation that are commonly misunderstood or misinterpreted.

THEMES AND PRINCIPLES

The Procurement Act (2023 Revision) lays out 12 principles of procurement centered on 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.

2023 RECAP

The 2022 Annual Report, which contained the 2023 Annual Plan, laid out the vision and the plans that the Central Procurement Office (CPO) had for the advancement of public procurement in the Cayman Islands. These plans included a combination of tasks that were carried over from the previous year as well as ongoing department functions and new projects that were planned for 2023. This resulted in 36 unique tasks for completion throughout the year. Below is an update on all task that were slated to be completed in 2023:

#	Annual Task	Competency Element Supported	Current Status & Comments
1	<p>Increase awareness of Frameworks and the use of, work with CIBDC to encourage small business use/understanding of Bonfire/CIG Procurement Process.</p> <p>Support uninterrupted public sector operations for citizens by procuring required goods and services in a way that serves the long-term interests of the public. –</p> <p>1.1 Analyse the Bonfire statistics for projects that have the longest time from Open to Evaluation Completion</p> <p>1.2 Using a combination of specialised templates and/or framework agreements, create a system to streamline these services to deliver the outcomes to the public in a shorter timeframe.</p>	Mission & Public Benefit	<p>1.1 – Incomplete</p> <p>1.2 - Specialised templates developed for Janitorial Services launched on CPO website.</p>
2	<p>2.1 Wider communication of the CPO Vision, Strategy and Delivery Plan for procurement across the Cayman Islands public sector.</p> <p>2.2 Progress tasks and elements in the competency framework to the next stage.</p> <p>2.3 Develop the strategic vision, make strategic decisions based on theory and public management practices and implement agile processes and procedures to meet an entity’s strategic objectives and transform its culture.</p> <p>2.3.1 Assign a CPO staff member to each EPC in a more active but non-voting, advisory capacity. EPC’s are involved in all projects of importance and the addition of third-party, procurement expertise to each committee can support better decision making at the earlier stages of the projects.</p>	Transformation & Vision	<p>2.1 Ongoing – CPO Director issued email to CO/CEOs around CPO support services. Other communications can be seen in update to Task #4.</p> <p>2.2 Completed – See Appendix A for update.</p> <p>2.3 Completed - CPO staff members assigned to each EPC to engage with EPCs as a support function</p>
3	<p>3.1 Wider communications around how the Cayman Islands Economic Development process works within the Act and Regulations.</p> <p>3.2 Further engagement with the supply base of the Cayman Islands.</p>	Cayman Islands Economic Development	<p>3.1 Complete – Guidance added to business case and tender document templates</p> <p>3.2 Ongoing – the CPO continues to publish vendor relevant information (such as procurement opportunities) on its website as well as its social media channels. See task 4 for more detail.</p>

4	<p>Launch a media campaign to promote the goals and objectives of the CPO, Educate the public sector on effective procurement practices through the publication of a quarterly newsletter via The Hub and social media.</p> <p>Increase awareness of procurement rules & responsibilities by sharing information with the public sector through informative sessions.</p>	Communication Strategies	<p>Completed</p> <p>- There was a revamp of the Facebook page and creation of a LinkedIn account. Both media platforms have over 700 (1400) followers, with frequent postings. The CPO Newsletter Procurement Matters has published (2) editions. Creation of Infographic used distributed at CPO sessions to GOV clients. Radio show appearance on Business Buzz.</p>
5	<p>Improve the compliance monitoring process to have effective two-way dialogue to enhance communication between stakeholders.</p> <p>Demonstrate innovative solutions that balance stakeholder needs, best practices, mission, goals, and procurement regulations to address strategic objectives.</p> <p>5.1 Increase the use of modules in Bonfire (such as Observers & Approvals) to reduce paper-based processes and requirements.</p>	Problem Solving & Critical Thinking	<p>Incomplete</p> <p>- This task will roll over into the 2024 Plan. CPO to develop a strategy, implementation plan & conduct training.</p>
6	<p>6.1 Recruitment of one (1) Procurement Manager to fill the needs of the Organisational Chart and build internal capacity.</p> <p>6.2 Further encouragement across the public Sector to take professional qualifications in procurement.</p> <p>6.3 Create an active plan for succession planning within the CPO.</p>	Talent Development & Succession Planning	<p>6.1 Incomplete</p> <p>- Recruitment was done for the Deputy Director, the job vacancy advertisement closed on September 21, 2023.</p> <p>Ongoing</p> <p>6.2 (a) Civil Service Professionals have completed Certifications as follows: Level 4 Diploma (3 of 4 ppl); MCIPS - 1 person</p> <p>(b) Engagement with CSC on options to develop course pathway & certification (Sept 2023)</p> <p>6.3 Incomplete</p> <p>- This task will roll over into the 2024 Plan.</p>
7	<p>7.1 Assignment of CPO team members to the Entity Procurement Committees (EPC) will encourage building relationships with internal procurement stakeholders.</p> <p>7.2. Engage with CFOs and EPC members to establish relationships through stakeholder meetings/work sessions to ensure alignment with strategic goals.</p>	Relationship Management	<p>7.1 Complete</p> <p>- Team Assignments completed 28th March; Ministries & SAGCs were contacted to introduce CPO Representative.</p> <p>7.2 Withdrawn</p> <p>- there was a refocus in strategy to concentrate efforts on networking with the EPC members.</p>

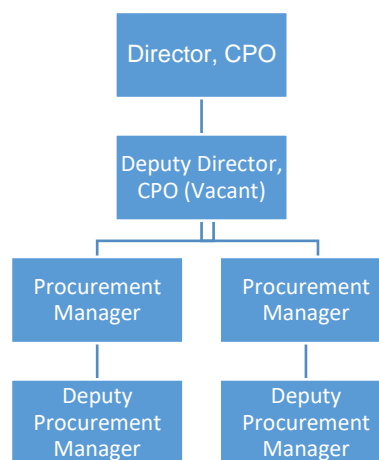
8	<p>8.1 Establishing the Public Sector Investment Committee.</p> <p>8.2 Annual Review and recommendation of proposed amendments to Act and regulations to Cabinet.</p>	Enabling Legislation & Policy	<p>8.1 Terms of Reference Completed – Awaiting member appointment as per the Financial Regulations</p> <p>8.2 Proposed changes to the Act and Regs are drafted</p>
9	<p>9.1 Public Entities and their Suppliers to become acquainted with the Procurement Code of Conduct via the Bonfire Management Support Template by acknowledging they have read and understand the statement of mutual expectations of entities and suppliers.</p> <p>9.2 CPO team members will register with CIPS to become members and complete the CIPS Ethics Test annually to remain current in their knowledge and demonstrate commitment to addressing the key issues of environmental procurement, human rights, fraud, bribery and corruption.</p>	Ethics, Integrity & Transparency	<p>9.1 Incomplete - Measurement to determine entity and supplier familiarity is undefined and difficult to assess as training was not factored into the process; we were unable to assess if entities were utilizing it from Bonfire reports.</p> <p>(b) An alternate method was identified and is currently being explored with Bonfire reporting to determine if this will be an effective solution to accomplish this call to action.</p> <p>9.2 Completed</p>
10	<p>10.1 Rollout of a low value tender template to assist with providing entities with a standardized document to assist with monitoring the segment of procurement <100k that is underreported; its purpose is for entities to improve in being compliant with the procurement requirements.</p> <p>10.2 Increase of surveys to collect feedback to improve business processes.</p> <p>10.3 Weekly reviews of Bonfire projects to provide feedback to project owners on areas for improvement.</p>	Compliance	<p>10.1 Completed - Low Value Template launched in August 2023.</p> <p>10.2 Completed CPO conducted one (1) survey during 2023 to gather insights on goods and services frequently purchased by the Cayman Islands Government.</p> <p>10.3 Ongoing Post Award Review - Commenced Sept 2023</p>
11	Provide procurement advice and guidance to public entities, whether prescriptive as per the Procurement Act and Regulations or by issuing policy & guidance materials on the process and procedures: Diagnostic and Instructive Methodical approach	Advice & Expertise	Ongoing
12	Promotion of the Act, Regulations, guidance documents and best practices by engaging with entities through regular	Understanding Requirements	Ongoing

	training sessions throughout the year, to ensure they have a general knowledge base of procurement principles, concepts and managing projects effectively.		
13	<p>13.1 Promote the use of ProcurementIQ as a research tool in the development of tender documentation.</p> <p>13.2 Conduct 2 - 4 procurement projects specifically to enter into Framework Agreements.</p>	Market Analysis & Forecasting	<p>13.1 Completed – ongoing training will continue as part of 2024 Plan.</p> <p>13.2 Completed – One (1) Framework was entered into during 2023. This is an annual task that will roll over for 2024.</p>
14	<p>14.1 Educate public entities on the benefits of the Bonfire Contracts module and encourage its use to facilitate the publication of CIG spend data to support transparency.</p> <p>14.2 Analyse data on spend reporting to develop effective procurement and sourcing strategies.</p>	Spend Analysis	<p>Completed</p> <p>- Post-award compliance check spreadsheet created July 2023 to review Bonfire projects from 2021 and request contracts from the entities to populate the contracts module.</p> <p>Incomplete</p> <p>- This is an area for improvement which requires time allocated to analyse and report on data trends.</p>
15	Monitoring the implementation of Bonfire Management Guidance document to continue providing oversight, providing advice to entities to improve in the development and management of Bonfire projects.	Risk Analysis	<p>Completed</p> <p>- Bonfire Support MOU created in January and Implemented March 2023</p>
16	<p>Identify the most favourable sourcing strategy and contract structure in compliance with applicable policy & legalisation.</p> <p>16.1 Implement new evaluation methods to allow project managers more flexibility in the preferred vendor identification process.</p> <p>16.2 Further align the tender document appendices with the standard contract appendices to create a “drag and drop” system between the two documents.</p>	Sourcing & Contracting Methods	<p>Completed</p> <p>16.1 - to be added as separate tender documents.</p> <p>16.2 - New Tender documents published with the incorporation of key contract elements.</p>
17	Develop and implement a specification guidance document.	Specification Development	Completed
18	Develop and implement an evaluation method guidance document.	Evaluation Methods	Completed
19	<p>Implementation of revised tender document templates.</p> <p>Facilitate training to public entities to ensure they understand and apply the key elements of the negotiation process.</p>	Negotiations	<p>Completed</p> <p>- Facilitated training session March 2023</p> <p>Incomplete</p> <p>- A negotiation guidance document will be created in 2024 Plan.</p>
20	Revising, handling and advising on all protests and appeals. Possible improvements to the process.	Protests & Appeals	<p>In Progress</p> <p>- 1st Draft Issued to be further developed and implemented. To be carried forward to 2024.</p>
21	Simplification of the contract management toolkit and integration of the Bonfire Contract Module.	Contract Management & Performance	<p>Ongoing</p> <p>- Contract management module in Bonfire is being utilised for PPC level</p>

			projects for 2023 in conjunction with the post-award compliance check system.
22	<p>Employ strategies and processes to ensure quality and to verify that deliverables meet specifications and other contractual requirements.</p> <p>22.1 Refine the Contract Management Toolkit to simplify and encourage its use.</p> <p>22.2 Introduce a new Contract Support Service to support for major projects (PPC-level) with the goal of formalizing the process described under the CPO function of “co-ordinating and reporting post implementation reviews to demonstrate whether major projects have achieved the objectives of the business case and projects are completed within agreed financial and timeline commitments.”</p>	Quality Assurance, Inspection & Acceptance	<p>22.1 - Withdrawn - during 2023, CIG issued guidance related to the need to better manage 3rd party risk. It was determined that simplification of the toolkit would be counter-intuitive to this mission.</p> <p>22.2 – Ongoing - A new “post award compliance check” system was introduced in order to increase the usage of the e-Procurement Contract Management Module.</p>

Number of Staff

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
# of Staff	5	5	5	5	5	5	5	5	5	5	5	5



Year-to-Date Achievements

2. Strategic Plan’s Objective: Take on Leadership for the Crafting of a Government-Wide Economic Development Strategy

Progress Update: As part of the Government’s framework for fiscal responsibility, the Ministry established the Central Procurement Office to ensure that procurement processes are open, transparent and competitive and that the Government achieves value for money. The Central Procurement Office is continuously monitoring, improving and updating the procurement processes. In 2023 so far, the following events/actions have been taken:

- a. Partnership with the Solicitor General’s Office to provide advice on Legal Advice related to procurement in line with the DG’s 2022 circular on the topic.

- b. The CPO released a survey to all of CIG to get a better understanding of the needs and issues faced by the organization. The results have been analysed, the major themes have helped re-shape our actions for the year. The goal of improving our service and identifying potential central contracts had direct results as CPO launched new tendering documents template for Janitorial Services and commencement of work with the development of frameworks related to Computers and Laptops & Vehicles.
- c. Following a review of the services offered by the Central Procurement Office, project requests and feedback from entities who require support with the delivery of procurement projects, CPO developed a memorandum of understanding (MOU) for Bonfire Support Management. In Q1, the CPO implemented a memorandum of understanding for entities requiring additional support with the electronic procurement (Bonfire) stages as follows:
 - i. This MOU outlines the responsibilities of this particular service;
 - ii. Ensures entities that engage our services understand their role and responsibilities
- d. The CPO rolled out our “EPC Representative” program where each member of staff is assigned to a Ministry and its SAGCs to be able to provide more direct and active support to the EPCs. Members of staff have reached out to their assigned entities and will offer regular meetings and keep their EPC’s up-to-date with CIG procurement. This program has led to direct meetings on major items for entities such as:
 - i. The Civil Aviation Authority
 - ii. Ministry of Education
 - iii. Cayman Airways
 - iv. Ministry of Financial Services and Commerce
 - v. Workforce Opportunities & Residency Cayman
- e. Updated Tender Documents issued that fill known gaps and address long-standing issues. Changes include:
 - i. Addition of a “irrevocability period”
 - ii. More in-depth, upfront contract detailing
 - iii. Reduction in tender evaluation complexity
 - iv. Updated Local Industry Impact Statement
 - v. Clearer, more realistic dates for vendors expectations
- f. New Tender Documents issued to help with smaller value tenders. Benefits of the new format include:
 - i. Shorter format than higher value tender template
 - ii. Includes commonly missed items in smaller projects such as contract template and evaluation criteria
- g. Public Outreach
 - i. Social Media – Regular postings of open procurement opportunities on LinkedIn & Facebook
 - ii. Radio Appearances – CPO Director and team appeared on Business Buzz to promote the CPO website, E-Procurement system and procurement involvement
- h. New Specialized Procurement templates issued for Janitorial Services that include a Business Case and Request for Proposal. Benefits of providing a template for a common service include:
 - i. Standardization and consistency to help maintain the format and structure, reducing variations and enhancing the professionalism of documents;
 - ii. Time and cost efficiency to reduce time spent on creating and formatting tender documents, consequently, allowing project teams to focus more on strategic tasks;
 - iii. Reduction in errors with having pre-set templates, minimize the risk of omissions or mistakes that can occur when creating documents as well as enhances the accuracy of documents and mitigates potential contractual or compliance risks;
 - iv. Ease of use for entities to be able to quickly and easily generate the required tender documents, who have high volume or frequent procurement activities.

3. **Other Achievements / Key Performance Indicators**

a. Number of Committee and Board Meetings Attended

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1	1	1	1	2	1	2	2	2	1	1	2	17

The meetings above relate to the Public Procurement Committee (PPC). Meetings are held once a month, with special meetings held as demand requires. In 2023, special meetings were held in May, July, August, September and December to review all submissions.

Members of the committee in 2023 were:

Last Name	First Name	Number of Meetings Attended
Joseph	Arek	14
Hulse	Andrew	16
Panades	Laura	13
Ebanks	Dr. Sidney	15
Webster	Neyka	10
Kelly	Rhonda	14
Rose	Elkie	9
Hydes	Tristan	12

b. Number of Trainings Held

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1	2	3	3	3	4	2	2	3	3	4	1	27

The trainings listed here are a combination of CPO planned trainings that are available to all entities and requested, entity-specific sessions.

c. Number of Freedom of Information (FOI) Requests Processed

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
0	0	0	0	0	0	0	0	0	0	0	0	0

None received to date.

d. Number of Government Wide Contracts Established

Type of Contract	Status	Est. Value CIS\$
Framework for Computers & Accessories	Completed	\$4,000,000
TOTAL VALUE		\$4,000,000

e. Internal Audit Services – 2021 Q4 Audit Engagement

As part of the 2021/22 Internal Audit Plan, engagement objectives were agreed with the Director Central Procurement Office by way of an engagement letter on Bonfire and Procurement Practices:

- To determine that the governance processes in place are functioning effectively to allow for a fair and transparent vendor selection;

- To ensure the controls in place are designed and operating effectively in compliance with the CPO's policies and procedures;
- To determine that the procurement processes streamline effectively and the Bonfire system is adequately being used as a tool to support procurement activities; and.
- To ensure the monitoring function required by the Procurement Law is being met.

As such, various tasks were assigned to team members during 2023 Q4 to implement the recommendations outlined in the Management Briefing Document to conclude the process, which, have been captured in the list of activities below.

f. CPO Work Sessions

The CPO initiated mini training workshops for the internal team to review and discuss the Procurement Act, Regulations & Policy documents. These sessions assist in the development of the team knowledge with interpretation of and understanding regulatory requirements, with the aim of having a standardized approach in providing guidance and advice to the CIG/SAGCs.

g. Ministry of Finance and Economic Development (MFED) Interim Audit 2023

The Office of the Auditor General commenced the interim audit for the 9-month period (January 1 – September 30, 2023) of the Cayman Islands Government. The Ministry and respective Departments were provided a list of items to respond by the submission deadline, which has been reflected in the respective months' activity below.

h. Office of the Auditor General (OAG) issued the 2022 General Report

The OAG report highlighted the instances of non-compliance with the Procurement Act and Regulations by public bodies. The OAG shared the Procurement Matters – FY22 Audit and Client responses with CPO. CPO team members were assigned to the respective projects to conduct an assessment on these findings to identify how to support each entity in either becoming compliant or implementing measures to avoid future non-compliance.

i. Third Party Risk Management Guidance

In consultation with the Deputy Governor's Office, Strategic Reforms Unit (SRIU), CPO participated in joint training to senior civil service leaders and managers with responsibility for procurement and contracting on behalf of CIG, where there may be third-party risk. As part of this initiative, there was collaboration with Cyber Security Office (CSO), CIG Leadership Team and other stakeholders. This resulted in the Integration of Information Security and Data Protection components into CPO Tendering Document Templates.

Key Events

January 2023

- 10th – Evaluation Methods Work Session
- 12th – PPC Meeting
- 16th – Training: Department of Tourism
- 17th – Implementation of Bonfire Support Management MOU

February 2023

- 2nd – PPC Meeting
- 6th – Training: Legal Advice (in partnership with SGO)
- 21st – IAS Management Point 1 – Ongoing via Compliance & Post-Award Checks
- 24th – IAS Management Point 2 Closed – Contract Template Review by SGO
- 28th – Training: Legal Advice (in partnership with SGO)

March 2023

- 2nd – PPC Meeting
- 6th – CPO Internal Customer Service Survey
- 13th – G6 Conference Presentation with the Deputy Governor
- 16th – Training: Advanced Bonfire Features
- 17th – IAS Management Point 3 Closed - Bonfire User Access Form Implemented
- 30th – Training: Legal Advice (in partnership with SGO)
- 30th – Training: Procurement of Services (in partnership with Dept. of Communications)
- 31st – IAS Management Point 1 Closed – Bonfire SOC Reports Assessed

April 2023

- 5th – Training: CPO Policy Familiarization Training
- 6th – PPC Meeting
- 12th – Training: Navigating the Process
- 20th – Training: Bonfire Basics

May 2023

- 3rd – Training: Law & Regulation Overview
- 4th – New Tender Documents Launch
- 4th – PPC Meeting
- 11th – PPC Meeting (Special Meeting)
- 17th – Training: NHDT Board
- 17th – Launch of Computer Framework Procurement
- 26th – Training: Tender Document Development

June 2023

- 1st – PPC Meeting
- 12th – Training: Advanced Bonfire Features
- 13th – Training: New Employees in Ministry of Education
- 21st – Closure of Computer Framework Procurement and start of evaluation
- 23rd - Training: Ministry of Tourism Special Session
- 29th - Training: WORC Special Session

July 2023

- 6th – PPC Meeting
- 12th – Training: Navigating the Process
- 20th – Radio Cayman Business Buzz Interview on Public Procurement
- 20th – PPC Meeting (Special Meeting)
- 26th – IAS Management Point 4 Closed – Bonfire User Access Form redesigned
- 27th – Training: Procurement Principles & Ethics

August 2023

- 2nd – Training: Business Case Review with Ministry of Financial Services & Commerce
- 3rd – PPC Meeting
- 8th – PPC Meeting (Special Meeting)
- 9th – EPC Meet & Greet Session
- 10th – Training: CPO Policy Familiarization Training

September 2023

- 6th – Training: OAG Special Session
- 7th – PPC Meeting
- 14th – PPC Meeting (Special Meeting)
- 15th – Training: Bonfire Basics
- 20th – Award and Regret Letters Issued for Computers & Accessory Framework Issued
- 25th – EPC Meet & Greet Session
- 27th – Training: Tender Document Development

October 2023

- 3rd – Ministry of Finance and Economic Development (MFED) Interim Audit 2023 (January – September 2023) – Department Submission
- 5th – PPC Meeting
- 10th – Contract Signing and Launch of Central Procurement Office's Framework for Computers and Accessories
- 12th – Training: ProcurementIQ Market Research Tool
- 13th – Training: Bonfire User Basics
- 24th – Third Party Risk Management Guidance - Information Session for Senior Leadership Team (SLT) - Joint Meeting with SRIU, Cabinet Office & CPO
- 26th – Training: Procurement Act & Regulations Overview
- 31st - 3rd Phase Performance Management Process – Annual Performance Assessments

November 2023

- 2nd – PPC Meeting
- 9th – Training: CPO Policy Familiarization Training
- 10th – Training: Third Party Risk Management (in partnership with SRIU)
- 16th – Training: Advanced Bonfire Features
- 17th – Training: Third Party Risk Management (in partnership with SRIU)

December 2023

- 7th – PPC Meeting
- 7th – Training: Navigating the Process
- 13th – PPC Meeting (Special Meeting)

2. 2023 Statistics

The below statistics are provided by our E-Procurement System (Bonfire). Only procurements with a value of \$100,000 or greater are required to be advertised on Bonfire so these statistics do not include all procurements of all values conducted by CIG through the year.

Metric	2019	2020	2021	2022	2023	Latest Trend
Total Number of Vendors on Bonfire	2748	3447	4359	5106	6036	N/A
Number of New Bonfire Vendor Registrations	1009	699	912	747	930	↑
Total Number of Internal Users on Bonfire	568	691	832	943	1130	N/A
Number of New Bonfire Internal User Registrations	133	123	141	111	187	↑
Number of Projects Created*	303	159	363	227	382	↑
Number of Projects Cancelled**	31	20	38	48	64	↑
Percentage of Projects Cancelled***	10.2%	12.6%	10.5%	21.1%	16.8%	↓
Total Number of PPC Projects (>\$250,000)	90	51	75	83	100	↑
Number of PPC Projects that were Direct Awards	10	8	22	18	21	↑
Average Advertising time for RFPs (Days)	27	30	31.6	29.4	25.9	↓
Average Advertising Time for RFQs (Days)	20	21	24	26.8	19.7	↓
Number of Days from Project Open to Completed Evaluation****	63	54	59	54	43	↓

* Figures re-calculated to account for projects that allowed for multiple contracts.

** The statistic tracks projects that were opened in the year seen at the top of each column. This is subject to change as projects are updated with their final status over time.

*** New statistic added to report in 2023. The most common cause of cancellation was that no submissions or no compliant submissions were received.

**** New statistic added to report in 2023. Data pulled from the e-procurement system Bonfire, and only includes RFPs and RFQs.

3. Looking Forward 2024

The long-term vision for public procurement in the Cayman Islands is for it to reach “world class” maturity (See Appendix A). An internal assessment carried out in 2022 determined that the level of maturity was “Structured”. At this level, procurement in the Cayman Islands Government is guided by processes and procedures to cover most of the major elements of public procurement from investment decision making to contract management. The focus of 2024 will be to fill the gaps in the competency development plan so that we can lay a strong foundation upon which to further build competency. At the end of 2023, the CPO hopes to be firmly in the “structured” stage of maturity.

STRATEGY

Our priorities for 2024 are to:

- ✓ Develop and enhance the procurement team ensuring it can deliver a premium service
- ✓ Provide Commercial leadership to the EPCs and PPC
- ✓ Framework agreements for common goods and services
- ✓ Review and improve the Procurement processes.
- ✓ Ensure robust management of high value complex commercial transactions
- ✓ Develop CIG procurement plans for every Entity
- ✓ Deliver targeted training and development to individuals identified by EPCs
- ✓ Support CIPS development of team and across CIG
- ✓ Increase utilisation of ‘Bonfire’ electronic procurement portal
- ✓ 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 to assess our competencies and measure progression. 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

The task planned by the CPO for 2024 are based on the competency assessment seen in Appendix A, with a focus on improving all areas ranked as basic and maintaining all areas ranked as structured. This will allow the CPO to support the advancement of public procurement in the Cayman Islands in a methodical way and create a strong foundation for future development.

In 2023, every element was assigned a task and this resulted in 36 unique tasks being generated. These tasks are separate and apart from day-to-day activities operations and this resulted in some of the task being incomplete. In 2024, the approach of the CPO will be to assign less, but more impact task in an effort to balance ongoing operations with special projects.

#	Annual Task	Competency Element Supported
1	Frameworks (Uniforms, Vehicles, etc.)	Mission & Public Benefit
2	Business Case/Tender Template Software Zendesk Customer Service for Website PPC Process Automation	Transformation & Vision
3	New procurement plans 2024/2025	Cayman Islands Economic Development
4	Media – Vendor Outreach and Awareness	Communication Strategies
5		Problem Solving & Critical Thinking
6	Internal Procurement Certification for Public Sector Staff	Talent Development & Succession Planning
7	Entity Relationship Building with EPC's & CO/CFO roles	Relationship Management
8	Policy & Procedure Updates – (Grants, Recruitment vs Procurement, Use of Exemptions)	Enabling Legislation & Policy
9	Publication of expenditure below \$100,000	Ethics, Integrity & Transparency
10	Post-award Compliance System	Compliance
11		Advice & Expertise
12		Understanding Requirements
13		Market Analysis & Forecasting
14	Report to Ministry's on Expenditure Patterns by Supplier (Top 10 by value)	Spend Analysis
15		Risk Analysis
16	Project Specialised Templates (Security, etc.)	Sourcing & Contracting Methods
17		Specification Development
18		Evaluation Methods
19	Develop and implement a guidance document & training on key elements of the negotiation process.	Negotiations
20	Protest & Appeals Policy & Procedure	Protests & Appeals
21	Introduce a new Contract Support Service to provide support for major projects (PPC-level) with the goal of formalizing the process described under the CPO function of "co-ordinating and reporting post implementation reviews to demonstrate whether major projects have achieved the objectives of the business case and projects are completed within agreed financial and timeline commitments.	Contract Management & Performance
22	Develop and implement guidance, a checklist and training that integrates with the post-award compliance system to ensure quality and verify that deliverables meet specifications and other contractual requirements for projects with a threshold >100k.	Quality Assurance, Inspection & Acceptance

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

Phone: 1 (345) 244-3600

Website: <https://www.procure.gov.ky/>

Appendix A: CIG Procurement Competency Development Plan

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 Central Procurement Office (CPO) for the CIG to become a world-class procurement organization. Commercial maturity is not simply about Value for Money (VfM) but it is about changing the mind-set of the organisation.

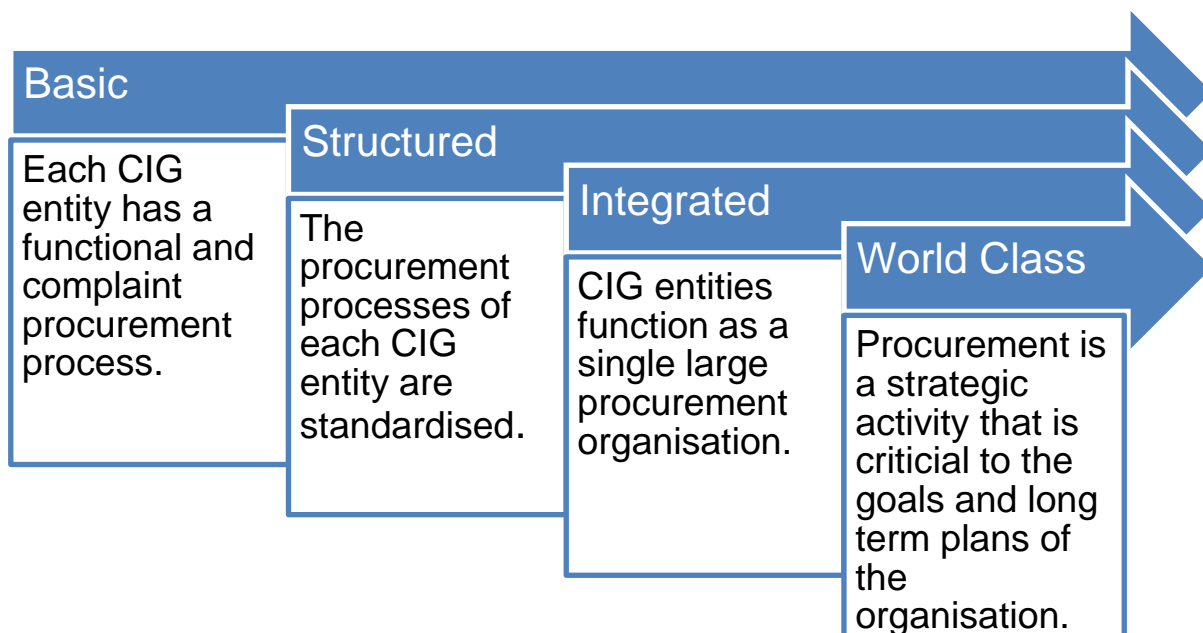
Commercial effectiveness is about delivering the best value impact and influence for the residents and businesses of the Cayman Islands by improving the impact on the Cayman Islands with every dollar spent. In a CIG context this means achievability of desired outcomes through effectiveness of spend by:

- Ensuring that we understand the cost drivers, shape markets and negotiate the best deal
- Holding partners/suppliers accountable for delivery performance.
- Maximising influence to improve the commercial effectiveness of our partners.

This effectiveness will increase as the procurement maturity of the organisation increases. In order to increase maturity, there needs to be a focus on competency development across the CIG. Competencies are sets of skills that individuals require to interface internally within their own team and organisation and externally with suppliers, customers and other stakeholders.¹

Procurement Maturity Levels

In order to effect this change and support the maturity of the CIG, the CPO is developing a plan to leverage or strengths and address our weaknesses. As a part of this plan, we have defined four (4) stages of maturity:



Basic: Organizations operating at this level view procurement as a number of actions which bring about a series of results. Managing procurement in this way will still not have a single, clear, consistent policy, but will have a set of formal 'buying' processes. Procurement decisions will tend to be made in the absence of any formal procurement structure. Procurement still remains immature with procurement not being seen as a core competence, but as a minor element of finance.

Structured: Organizations operating at this level view procurement as a regulated activity. The agency will recognize the importance of procurement as an activity with established procurement plans and policies. Although there will be clear evidence of a procurement body and/or committee managing procurement activities, there will be limited and/or inconsistent co-ordination. Procurement will be accepted as formal procurement processes will exist. However, formal training of procurement staff is not given priority.

¹ CIPS: Managing Purchasing and Supply Management Resourcing and Competencies

Integrated: Organizations operating at this level will have recognised the importance of procurement and it will be seen as a distinct function. Reliable procurement processes will exist to ensure that procurement activity is carried out in accordance with standard practices across the agency and there will be established methods of mandating approved procurement practices that reduce ‘maverick’ spend and other anomalous buying behaviour. Procurement policies will be established across all major aspects of procurement. Procurement will now be recognised as a value-adding function. Uniform policies and processes adopted across the organisation will provide clear data and information in order to make strategic procurement decisions which maximize end-user satisfaction whilst managing costs and minimizing risk.

World Class: Organizations operating at this level will have a well-designed and established procurement function. The organisation will see procurement as a strategic activity that is aligned with the strategic goals and longer-term plans of the agency. Supplier selection procedures, supplier relationship management and contract management processes will have been developed to ensure that the outcomes of buying decisions match the strategic intent of the original buying decision. All procurement positions within the organization will be filled with staff possessing recognized training and education in addition to relevant experience. Continuous professional development will be encouraged throughout the team and cross-disciplinary and cross-functional interactions between staff and end-users will be seen as the norm. This knowledge will be supported by the appointment of suitably qualified and educated staff in a central governance position. There will be strong evidence of consistent use of supply market intelligence, spend analysis, supplier performance measurement and management, and continuous supply chain performance and risk assessment. In an organisation operating at this level, procurement staff will engage in a constant search for improved methodologies for initiating and managing procurement decisions and suppliers.

The Public Procurement Competency Framework

The progression from one maturity level to another can be difficult to determine without a framework against which to measure the competency of the organisation. The CPO has adapted the “Public Procurement Competency Framework” from the National Institute of Governmental Purchasing (NIGP) and their Institute for Public Procurement to fit the needs of the CIG and help it on the journey to becoming a World Class Procurement Organization.

The CPO has adopted a modified version of the NIGP framework and it covers 5 focus areas and 22 competency elements, seen below. This modification was done to ensure that the framework takes in to consideration important local factors.

Competency Element	Definition	Maturity Level (as at Dec 2023)
Focus Area: Strategy & Leadership		
Mission & Public Benefit	Support uninterrupted public sector operations for citizens by procuring required goods and services in a way that serves the long-term interests of the public.	Integrated
Transformation & Vision	Develop the strategic vision, make strategic decisions based on theory and public management practices and implement agile processes and procedures to meet an entity’s strategic objectives and transform its culture.	Structured
Cayman Islands Economic Development	Identify government laws and policies concerning relationships domestically and abroad. For example, adhering to a locally owned business preference procedures, policies and acts.	Structured
Communication Strategies	Develop practical, effective, and audience-targeted communication strategies to achieve objectives.	Structured
Problem Solving & Critical Thinking	Demonstrate innovative solutions that balance stakeholder needs, best practices, mission, goals, and procurement regulations to address strategic objectives.	Structured
Talent Development & Succession Planning	Effectively manage public procurement professional development tasks, including managing individual performance and setting expectations for continuing professional development.	Structured

Relationship Management	Practice ongoing oversight of relationships with stakeholders to ensure alignment with strategic goals.	Structured
Focus Area: Policy & Legislation		
Enabling Legislation & Policy	Apply legal limits to authority and the practice of public procurement via legislation.	Integrated
Ethics, Integrity & Transparency	Understand the relationship between ethics and the law, the relationship between ethics and professional duties, and the importance of ethics in public procurement.	Integrated
Compliance	Comply with legislation, procurement principles, and public procurement best practices.	Integrated
Advice & Expertise	Provide advice on a variety of procurement-related topics to end users, stakeholders, and management.	Integrated
Focus Area: Planning & Analysis		
Understanding Requirements	Determine, develop and manage end user requirements in terms of quantity, frequency and characteristics to obtain a best-value through effective oversight and management of budgets, schedules, and timelines.	Structured
Market Analysis & Forecasting	Evaluate the overall supplier market dynamics, costs, pricing, and commodity trends to enable strategic purchasing.	Structured
Spend Analysis	Analyse past, current, and future projected spend to develop effective procurement and sourcing strategies.	Integrated
Risk Analysis	Minimize the adverse effects of accidental and unanticipated losses by analysing the activities of the purchasing function.	Structured
Focus Area: Sourcing & Solicitation		
Sourcing & Contracting Methods	Identify the most favourable sourcing strategy and contract structure in compliance with applicable policy & legalisation.	Integrated
Specification Development	Create a detailed description of a deliverable to effectively communicate to all stakeholders the precise requirements of the end user, and to maximize competition in the marketplace.	Structured
Evaluation Methods	Justify the best methodology and criteria to consider the management, financial strength, ethics, past performance, and technical capabilities of suppliers.	Structured
Negotiations	Demonstrate effectiveness in three phases of the negotiation process: preparation, negotiation and agreement.	Structured
Protests & Appeals	Resolve complaints or objections by suppliers during the procurement process based on applicable laws and entity policies and procedures.	Structured
Focus Area: Contract Administration		
Contract Management & Performance	Manage all parties and stakeholders to ensure obligations are fulfilled as defined within the contract while documenting and maintaining the contract file.	Basic
Quality Assurance, Inspection & Acceptance	Employ strategies and processes to ensure quality and to verify that deliverables meet specifications and other contractual requirements.	Basic

Maturity Assessment & Summary

In order to assess the maturity level of the organization, each maturity level was assigned a point value:

- Basic: 1 point
- Structured: 2 points
- Integrated: 3 points
- World-Class: 4 points

The points in each focus area were averaged and a maturity level was then assigned to that focus area based on the nearest whole number and representative maturity level based on the point system above. The results of this assessment are seen below:

Focus Area	Assessment Score (2022)	Assessment Score (2023)	Nearest Level of Maturity (2023)
Policy & Legislation	2.5	3.0	Integrated
Sourcing & Solicitation	2.2	2.2	Structured
Strategy & Leadership	1.7	2.1	Structured
Planning & Analysis	2.0	2.3	Structured
Contract Administration	1.0	1.0	Basic

When all of the individual competency elements are averaged using the same point system, the overall score in 2022 was 2.0, which suggested that the organisation was at the “structured” stage of maturity. The updated 2023 assessment showed 5 areas of advancement (see below), bringing the new overall score to 2.2.

Competency Element Upgraded	2022 Score	2023 Score	Rationale for Change
Mission & Public Benefit	2 – Structured	3 – Integrated	The issuance of additional templates, specifically for low value tenders and specialised templates for common procurements such as janitorial services as helped move this element to the next level of maturity.
Communication Strategies	1 – Basic	2 – Structured	The CPO has increased its communication methods with the inclusion of radio appearances, 2 social media outlets and a quarterly newsletter.
Risk Analysis	1 – Basic	2 – Structured	The introduction of the third-party risk management framework, which included updates to tender templates to incorporate risk related data protection and cyber security was a driver in helping move this competency element.
Ethics, Integrity & Transparency	2 – Structured	3 – Integrated	Compliance checks for post-contract award publications as required by regulation have been incorporated into the CPO’s compliance regime.
Relationship Management	1 – Basic	2 – Structured	The introduction of a program to assign CPO staff members to support specific EPCs in an effort to build relationships and better learn business operations with those entities has helped move this competency element forward.

Noticeably, there are no competency elements or focus areas currently assessed as “World Class”. In order to eventually reach this level, the CPO is focusing on developing a strong foundation upon which to build and transform the way in which the organization approaches procurement. As such, the CPO annual plan for 2024 will be established with the goal of advancing each of the competency elements to a minimum level of maturity of “Structured”. The key area “Contract Administration” is lagging all of the other areas, which have now all moved into the Structured stage, with one even being considered at Integrated. Where elements are already at the above Integrated level, focus will be on sustaining the respective level so that resources can be focused on the elements that require the most improvement.