



**Central Procurement Office**

Cayman Islands Government

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# **CIG PROCUREMENT ANNUAL REPORT 2024**

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# CONTENTS

## **1. Introduction**

- 2024 Recap
- Cayman Islands Government Procurement
- Procurement landscape
- Themes and principles

## **2. 2024 Statistics**

## **3. Looking Forward – 2025**

- Strategy
- Approach
- Planned Task

## **4. Contacting the Procurement Team**

## **Appendix A – Procurement Competency Development Plan**

# 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
<b>Supplies and Consumables</b>	\$290,354	\$289,343	\$428,201	\$451,192
<b>Capital Projects</b>	\$234,192	\$184,978	\$218,240	\$174,616
<b>Total</b>	<b>\$524,192</b>	<b>\$474,321</b>	<b>\$646,441</b>	<b>\$625,808</b>

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 2024 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.

## 2024 RECAP

The 2023 Annual Report, which contained the 2024 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 2024. This resulted in (19) nineteen unique tasks for completion throughout the year. As it stands, (8) eight of these tasks are completed, (4) four are on track for completion in Q3 2025, (1) withdrawn and (6) six were incomplete as of the publication of this report. Below is an update on all tasks that were slated to be completed in 2024:

#	Annual Task	Competency Element Supported	Current Status & Comments
1	Frameworks (Uniforms, Vehicles, etc.)	Mission & Public Benefit	<b>Complete</b> 2 Frameworks were completed.
2	A) Business Case/Tender Template Software B) Zendesk Customer Service for Website C) PPC Process Automation	Transformation & Vision	A). <b>In progress</b>  B). <b>Completed</b>  C). <b>Withdrawn</b> – subsequent to the development and testing phase, it was determined that the system was unable to fulfil the requirements to fully automate the process.
3	New procurement plans 2024/2025	Cayman Islands Economic Development	<b>Completed</b> – CIG 2024/2025 Procurement plans have been issued on CPO website.
4	Media – Vendor Outreach and Awareness	Communication Strategies	<b>Completed</b> – CPO engaged with small business at the Cayman Islands Centre for Business Development (CICBD) Expo, sharing information on how to register on the E-Procurement Platform (Bonfire). Shared information on the Acts & Regs, Public Opportunities highlighted, as well as

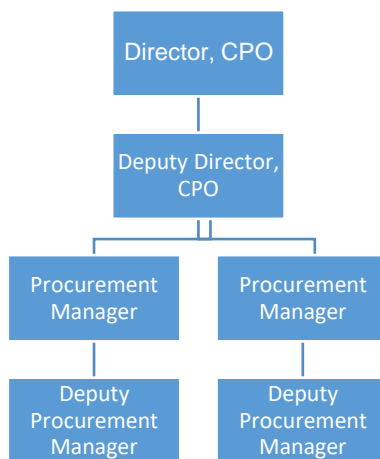
	Brand Collateral		<p>relevant procurement stories.</p> <p>-collateral items and info cards were distributed as an educational and awareness opportunity to promote the CPO.</p>
5	This competency element is at structured level.	Problem Solving & Critical Thinking	Carried forward to 2025
6	Internal Procurement Certification for Public Sector Staff	Talent Development & Succession Planning	<b>Ongoing</b> – The procurement course pathway & certification is in the development phase.
7	Entity Relationship Building with EPC's & CO/CFO roles	Relationship Management	<b>Ongoing</b> – CPO continues to engage with entities to provide support and guidance to the Entity Procurement Committees.
8	Policy & Procedure Updates – (Grants, Recruitment vs Procurement, Use of Exemptions)	Enabling Legislation & Policy	<b>Completed</b> – the following documents have been developed to provide guidance and streamline internal procedures: -CPO External Privacy Notice; -Data Protection Policy and -Lessons Learned Template -Bonfire Evaluation Procedure
9	<p>Publication of expenditure below \$100,000</p> <p>Contract &amp; Procurement Fraud Prevention Training</p>	Ethics, Integrity & Transparency	<p><b>Ongoing</b> – this task requires monitoring and communicating with entities to publish contract awards at this threshold.</p> <p><b>Completed</b> – as part of CPOs mandate to provide training, education and developing the Principles of Public Procurement, a</p>

			training programme on fraud prevention in contract management and procurement processes was organized for CIG and Statutory Authorities to benefit.
10	Post-award Compliance System	Compliance	<b>Incomplete</b> – due to a reduction in staff in Q2, an increase in support services required for major projects, along with onboarding and training of new staff in Q3, there was limited tracking and monitoring with projects post-award.
11	The competency element is at an advanced, Integrated level.	Advice & Expertise	Carried forward to 2025.
12	The competency element is at a structured level.	Understanding Requirements	Carried forward to 2025.
13	The competency element is at a structured level.	Market Analysis & Forecasting	Carried forward to 2025.
14	Report to Ministry's on Expenditure Patterns by Supplier (Top 10 by value)	Spend Analysis	<b>Incomplete</b>
15	The competency element is at a structured level.	Risk Analysis	Carried forward to 2025.
16	Project Specialised Templates (Security, Janitorial.)	Sourcing & Contracting Methods	<b>Completed</b>
17	The competency element is at a structured level.	Specification Development	Carried forward to 2025.
18	The competency element is at a structured level.	Evaluation Methods	Carried forward to 2025.
19	Develop and implement a guidance document & training on key elements of the negotiation process.	Negotiations	<b>Incomplete</b> - as a result of reduction in staff in Q2, an increase in support services required for major projects, along with onboarding and training of new staff in Q3, this task is pending.
20	Protest & Appeals Policy & Procedure	Protests & Appeals	<b>Incomplete</b> - as a result of reduction in staff in Q2, an increase in support services required for major

			project, along with onboarding and training of new staff in Q3.
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	<b>Incomplete</b> - as a result of reduction in staff in Q2, an increase in support services required for major projects, along with onboarding & training of new staff in Q3.
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	<b>Incomplete</b> – as a result of reduction in staff in Q2, an increase in support services required for major projects, along with onboarding and training of new staff in Q3.

### Number of Staff

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
5	5	4	4	4	4	4	4	5	5	5	5



In March 2024, a Deputy Procurement Manager resigned, reducing the number of staff from 5 to 4. Recruitment for this post was completed and the new staff member started in September.

### Year-to-Date Achievements

- 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 2024, the following events/actions have been taken:

- a. Appointment of a new Deputy Director of the CPO, effective January 22<sup>nd</sup> 2024.
- b. Zendesk Customer Service Software was officially launched on March 15<sup>th</sup> 2024, allowing the CPO to better communicate, track and resolve customer service request. This software also allows the CPO to have a “Knowledge Base” that is accessible to the public and internal users for better self-service.
- c. CIG Procurement Plan, which is a collective list of upcoming procurements that CIG (including SAGC’s) are planning to undertake, was issued in April. This is in support of the Regulation 20 requirement to notify vendors of upcoming procurements once the budget is approved.
- d. The CPO submitted recommended amendments to the Procurement Act and Regulations to Caucus.
- e. The CPO has initiated a process to further digitize the procurement process, specifically document development, in an effort to better streamline the earlier stages of the process.
- f. Appointment of a new Deputy Procurement Manager, effective September 9<sup>th</sup> 2024.
- g. Two members of CPO staff attended the Better Business Case Foundation Training on October 10<sup>th</sup> – 11<sup>th</sup> 2024 put on by SRIU in an effort to develop our internal capabilities and show support for this important initiative.
- h. Procurement and Contract Fraud Prevention Training was arranged for the entire Government (SAGC’s included). This training took place on October 29<sup>th</sup> – 31<sup>st</sup> 2024 was attended by 182 public servants from across 45 Entities.
- i. Appointments for 7 of the 8 members of the Public Procurement Committee ended in November 2024. The committee was fully re-constituted prior to the December meeting, with one new member being appointed.

## 2. **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	2	1	1	1	1	1	2	1	1	1	14

The meetings above relate to the Public Procurement Committee (PPC). Meetings are held once a month, with special meetings held as demand requires. In 2024, there were special meetings in March and September.

- b. Number of Trainings Held

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
0	3	4	3	2	1	1	2	2	2	2	2	24

The trainings listed here are a combination of CPO planned trainings that are available to all entities and requested, entity-specific sessions. The CPO had 86 people attended in-



person sessions and 234 people attended virtual sessions throughout the year.

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	1	0	0	0	0	0	1

One FOI request was received on July 16<sup>th</sup> and responded to on the same day.

d. Number of Tickets Addressed in Zendesk

The CPO launched our Zendesk Online Customer Service Portal on March 15<sup>th</sup> and is using this platform to track the type of support requested and other important metrics in order to improve our level of service.

e. Number of Government Wide Contracts Established

Type of Contract	Status	Est. Value CIS
Project Management, Business Analysis and Business Process Improvement Professional Services	Completed – September 2024	\$320K+
<b>TOTAL VALUE</b>		<b>N/A</b>

## **Key Events**

### **January 2024**

- 11<sup>th</sup> – PPC Meeting
- 17<sup>th</sup> – CPO New Zendesk Project Kick Off
- 22<sup>nd</sup> – Appointment of CPO Deputy Director
- 25<sup>th</sup> – 2023 Annual Report (1<sup>st</sup> Draft)
- 29<sup>th</sup> – Mobile Services Framework Stakeholder Meeting

### **February 2024**

- 1<sup>st</sup> – PPC Meeting
- 12<sup>th</sup> – Training: Procurement Principles and Ethics (Virtual: 20 Attendees)
- 15<sup>th</sup> – Training: OAG Training
- 21<sup>st</sup> – 23<sup>rd</sup> – Director and Deputy Director attendance of the XVIII Annual Conference on the Inter-American Network on Government Procurement (INGP)
- 27<sup>th</sup> – Training: Navigating the Process (Virtual: 30 Attendees)
- 28<sup>th</sup> – Training: Business Case Development

### **March 2024**

- 1<sup>st</sup> – PPC Meeting
- 6<sup>th</sup> – Procurement Training: Cayman Turtle Centre (6)
- 7<sup>th</sup> & 8<sup>th</sup> - Zendesk Customer Service Training
- 11<sup>th</sup> – Caucus Meeting: Submarine Cable Presentation
- 14<sup>th</sup> – Training: ProcurementIQ Reports (22)
- 14<sup>th</sup> – Public Accounts Committee Meeting
- 15<sup>th</sup> – Zendesk Launch: CPO Online Customer Service Portal
- 18<sup>th</sup> – Training: Bonfire Evaluation Process – Agriculture Department
- 21<sup>st</sup> – PPC Special Meeting
- 27<sup>th</sup> – Training: Bonfire Basics (Virtual: 44 Attendees)

### **April 2024**

- 4<sup>th</sup> – PPC Meeting
- 5<sup>th</sup> – CPO Annual Report Publication
- 8<sup>th</sup> – Submission of recommended amendments to the Procurement Act and Regulations to Caucus
- 12<sup>th</sup> – Training: CPO Policy Document Review (16)
- 17<sup>th</sup> – Training: Ministry of Financial Services & Commerce
- 22<sup>nd</sup> – CPO Director provided an overview of public procurement in the Cayman Islands to HE Governor Jane Owen
- 24<sup>th</sup> – Training: Law & Regulation Overview (Virtual: 49 Attendees)
- 30<sup>th</sup> – CIG Procurement Plans Issued on CPO Website
- 30<sup>th</sup> – Training: Cayman Turtle Centre Special Session

### **May 2024**

- 2<sup>nd</sup> – PPC Meeting
- 8<sup>th</sup> – Training: Tender Document Development (Virtual: 28 Attendees)
- 23<sup>rd</sup> – Training: Navigating the Process (Virtual: 7 Attendees)

### **June 2024**

- 6<sup>th</sup> – PPC Meeting
- 12<sup>th</sup> – Training: Advanced Bonfire Features Training (20 Attendees)
- 13<sup>th</sup> – Support for Major Projects at the Cayman Turtle Centre & Ministry of Education

- 21<sup>st</sup> – Training: Bonfire Basics (5 Attendees)
- 26<sup>th</sup> – Deputy Procurement Manager position interviews

## **July 2024**

- 3<sup>rd</sup> & 4<sup>th</sup> – Office Closure due to Hurricane Beryl, staff activated to support the National Emergency Operations Centre
- 11<sup>th</sup> – PPC Meeting (Delayed from the 4<sup>th</sup> due to Hurricane Beryl)
- 12<sup>th</sup> – 16<sup>th</sup> – CPO staff activated to support International Relief Aid Mission (Post-Beryl)
- 30<sup>th</sup> – Training: Navigating the Process (Virtual: 6 Attendees)

## **August 2024**

- 1<sup>st</sup> – PPC Meeting
- 9<sup>th</sup> – Official Launch of the Contract and Procurement Fraud Prevention Training Registration
- 13<sup>th</sup> – Training: CPO Policy Document Review (14)
- 28<sup>th</sup> – Training: Tender Document Development (Virtual: 3 Attendees)

## **September 2024**

- 5<sup>th</sup> – PPC Meeting
- 9<sup>th</sup> – Appointment of Deputy Procurement Manager
- 11<sup>th</sup> – Training: Bonfire Basics (Online: 22 Attendees)
- 12<sup>th</sup> – PPC Special Meeting
- 25<sup>th</sup> – Training: Judicial Administration (12)

## **October 2024**

- 3<sup>rd</sup> – PPC Meeting
- 7<sup>th</sup> Training: Market Research (Procurement IQ) (7 Attendees)
- 10<sup>th</sup> – 11<sup>th</sup>: Better Business Case Training for CPO Staff
- 29<sup>th</sup> – 31<sup>st</sup> - Training: Procurement and Contract Fraud Prevention (In-Person: 182 Attendees)

## **November 2024**

- 4<sup>th</sup> - Training: WORC Special Session
- 5<sup>th</sup> – Office Closure due to Hurricane, staff activated to support the National Emergency Operations Centre
- 7<sup>th</sup> – PPC Meeting
- 8<sup>th</sup> – Training: CPO Policy Document Review (10)
- 20<sup>th</sup> – Training: Public Works Department Special Session (4)
- 20<sup>th</sup> – Mobile Services Framework 1-Year Contract Extension

## **December 2024**

- 2<sup>nd</sup> – Training: Facilities Management Department Special Session (7)
- 5<sup>th</sup> – PPC Meeting
- 6<sup>th</sup> – Training: Cayman Brac Team Special Session (13)
- 17<sup>th</sup> – Creation of a Procurement Concerns Reporting mechanism to allow for anonymous reporting of procurement concerns, both internally and externally:  
<https://www.procure.gov.ky/procurement-concerns-reporting>

## 2. 2024 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.

<b>Metric</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Latest Trend</b>
Total Number of Vendors on Bonfire	3447	4359	5106	6036	7038	N/A
Number of New Bonfire Vendor Registrations	699	912	747	930	1002	↑
Total Number of Internal Users on Bonfire	691	832	943	1130	1292	N/A – not all users are active
Number of New Bonfire Internal User Registrations	123	141	111	187	162	↓
Number of Projects Created**	159	363	227	382	374	↓
Value of Awarded Projects (KYD) Reported via Bonfire***			\$32.37M	\$40.75M		
Number of Projects Cancelled	20	38*	48	64		
Total Number of PPC Projects (>\$250,000)	51	75	83	100	99	↓
Number of PPC Projects that were Direct Awards	8	22	18	21	10	↓
Average Advertising time for RFPs (Days)	30	31.6	29.4	25.9	32.7	↑
Average Advertising Time for RFQs (Days)	21	24	26.8	19.7	23.7	↑

\* Subject to change as projects related to 2023 are closed out in the system during 2024 as a part of the CPO's compliance checks.

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

\*\*\* New statistic added to report in 2023, previous information not available at time of publication.

### 3. Looking Forward 2025

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 2024 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 2025 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 2025, the CPO hopes to be firmly in the “structured” stage of maturity.

#### STRATEGY

Our priorities for 2025 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 tasks planned by the CPO for 2024 were 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 2024, several but not all competency elements were assigned tasks, which resulted in 19 unique tasks being generated. These tasks are separate and apart from day-to-day activities and ongoing operations with special projects. In 2025, the CPO’s approach will be to continue to focus

on competency development across the CIG with an objective of advancing the competency elements to the next procurement maturity level.

#	Annual Task	Competency Element Supported
1	Frameworks (Vehicles)	Mission & Public Benefit
2	Business Case/Tender Template Software	Transformation & Vision
3	Developing Procurement Plans for 2026-2027	Cayman Islands Economic Development
4	Develop a CPO communications Strategy & Plan	Communication Strategies
5	Develop improvements in collaborative work across CIG Ministries. Develop a lessons learned process for implementing and sharing across the public sector.	Problem Solving & Critical Thinking
6	Internal Procurement Certification for Public Sector Staff	Talent Development & Succession Planning
7	Build strong relationships with Chief Officers, EPCs and CFOs to foster collaboration and align goals to achieve productive outcomes.	Relationship Management
8	Annual Review and recommendation of proposed amendments to the Act and Regulations to Cabinet.	Enabling Legislation & Policy
9	Publication of expenditure below \$100,000	Ethics, Integrity & Transparency
10	a). Leverage new features (custom fields & tasks) of the e-procurement system to develop a more effective compliance regime. b.) Post-award Compliance System	Compliance
11	Provide advice and guidance across stakeholders	Advice & Expertise
12	Ensure Processes, Procedures, Templates & Manuals are robust to provide consistency in achieving the best outcome of procurement projects across the public sector.	Understanding Requirements
13	Availability and use of Category & Supply Market Reports are widely used across the public sector (for example: ProcurementIQ)	Market Analysis & Forecasting
14	Report to Ministry's on Expenditure Patterns by Supplier (Top 10 by value)	Spend Analysis
15	Develop and Implement Internal Fraud Risk Assessment action-plan and identify specific strategies to ensure compliance	Risk Analysis
16	Increase the number of project specialized templates	Sourcing & Contracting Methods
17	Deliver training and providing guidance to improve the development of product and service specifications.	Specification Development
18	Develop alternative evaluation methods and related guidance	Evaluation Methods
19	a). BAFO & Reverse Auction – CPO Driven b). 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	Contract Management & Performance

	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.	
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](mailto:procurement@gov.ky)

Phone: 1 (345) 244-2237

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.

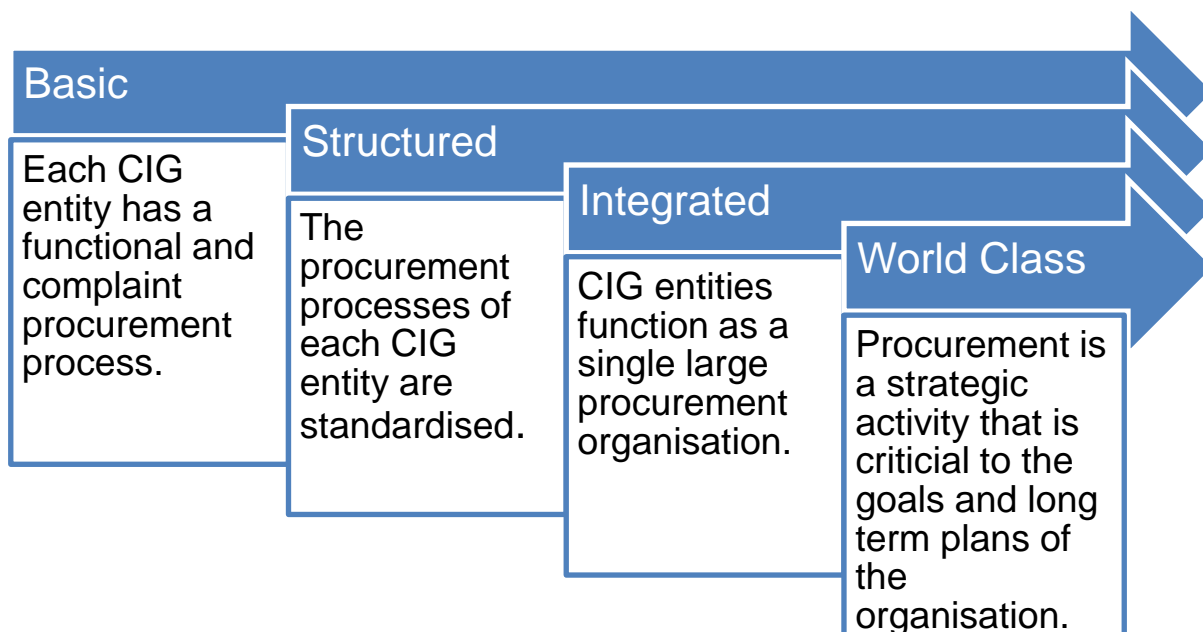
Commercial effectiveness is about delivering the best value impact and influence for the residents and businesses of the Cayman Islands by improving the impact on the Cayman Islands with every dollar spent. In a CIG context this means achievability of desired outcomes through effectiveness of spend by:

- 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.<sup>1</sup>

### **Procurement Maturity Levels**

In order to effect this change and support the maturity of the CIG, the CPO is developing a plan to leverage our 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.

<sup>1</sup> CIPS: Managing Purchasing and Supply Management Resourcing and Competencies



**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.

**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 2024)
<b>Focus Area: Strategy &amp; Leadership</b>		
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	Structured

	implement agile processes and procedures to meet an entity's strategic objectives and transform its culture.	
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
<b>Focus Area: Policy &amp; Legislation</b>		
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
<b>Focus Area: Planning &amp; Analysis</b>		
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
<b>Focus Area: Sourcing &amp; Solicitation</b>		
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
<b>Focus Area: Contract Administration</b>		
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.	Structured

### **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 (2023)	Assessment Score (2024)	Nearest Level of Maturity (2024)
Policy & Legislation	3.0	3.0	Integrated
Sourcing & Solicitation	2.2	2.2	Structured
Strategy & Leadership	2.1	2.1	Structured
Planning & Analysis	2.3	2.3	Structured
Contract Administration	1.0	1.5	Structured

When all of the individual competency elements are averaged using the same point system, the overall score in 2023 was 2.2, which suggested that the organisation was at the “structured” stage of maturity. The updated 2024 assessment showed an increase to 2.3.

Competency Element Upgraded	2023 Score	2024 Score	Rationale for Change
Quality Assurance, Inspection & Acceptance	Basic - 1	Structured - 2	On September 6 <sup>th</sup> 2024, a change was completed in the IRIS Purchase Order (PO) system that included standard terms and conditions on all POs ( <a href="https://www.procure.gov.ky/standard-po-terms">https://www.procure.gov.ky/standard-po-terms</a> ). This change added much needed protections on

			Government purchases completed without a standard contract due to their lower values. It includes clauses to cover inspection and testing. Filling this gap has resulted in a change of this competency from Basic to Structured as all forms of contracting now have standard terms.
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Noticeably, there are no competency elements or focus areas currently assessed as “World Class”. In order to further advance as an organization, 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 2025 will be established with the goal of advancing each of the competency elements to a minimum level of maturity of “Structured” and advancing some key areas to “Integrated”. The key area “Contract Administration” is lagging in 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 or above the Integrated level, focus will be on sustaining the respective level so that resources can be focused on the elements that require the most improvement.