



CIG PROCUREMENT ANNUAL REPORT 2022



CENTRAL PROCUREMENT OFFICE
MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
CAYMAN ISLANDS GOVERNMENT

CONTENTS

1. Introduction

- 2022 Recap
- Cayman Islands Government Procurement
- Procurement landscape
- Themes and principles

2. 2022 Statistics

3. Looking Forward – 2023

- Strategy
- Approach
- Planned Task

4. Contacting the Procurement Team

Appendix A – Procurement Competency Development Plan

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 2022 budget for supplies, consumables and capital projects was \$524,192,000. For 2023, the budget for supplies consumables and capital projects is \$474,321,000. The structure and requirements for individual procurement projects and contracts which constitute these budgets is governed by the Procurement Law (2016) and the Procurement Regulations (2022 Revision) As of June 2022, the Procurement (Amendment) Act.

PROCUREMENT LANDSCAPE

All major procurements (KYD\$100,000 in value or greater) at the Cayman Islands Government (CIG) are required to be publically 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 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 approve bid evaluations prior to contracting with the preferred bidder.

A key development in 2022 was the addition to 2 new staff members to the CPO team which has allowed the Office to offer more support as well as oversight and compliance functions.

THEMES AND PRINCIPLES

The Procurement Law (2016) 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.

2022 RECAP

The 2022 Annual Report 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 2022. 2022 was the first year where the CPO designed tasks around the competency elements, which resulted in 26 unique task for completion throughout the year. Below is an update on all task that were slated to be completed in 2022, including all carry over task from 2021 and their current status.

#	Task	Competency Element Supported	Current Status
1	Update Business Case Templates to encourage long-term contract structures.	Mission & Public Benefit	In Progress - Drafts completed but they have not yet been issued for public use as they need to be accompanied by updated Tender Documents. See item #16.
2	Design all department task around a competency element with the goal of advancing the element(s) to the next stage	Transformation & Vision	Completed
3	3.1 Engage with the supplier community via social media and GIS outlets	Cayman Islands Economic Development	Incomplete – no new marketing or vendor engagement was carried out in 2022. This task will form part of the 2023 Plan.
	3.2 as Targeted training opportunities for suppliers based on identified concerns.		Completed - Supplier Training provided in November in collaboration with the Centre for Business Development
4	Implement a method of communicating with EPCs and CFO as we currently have nothing formal in place for this. This will allow us to further involve key stakeholders for procurements of all sizes.	Communication Strategies	In progress – EPC member list being compiled – lack of timely feedback from entities has prevented the completion of the task.
5	See “Compliance” competency element, joint task.	Problem Solving & Critical Thinking	See “Compliance” competency element
6	Recruitment of three (3) new CPO staff members to fill the needs of the Organisational Chart and build internal capacity	Talent Development & Succession Planning	Completed - Acting Deputy appointed, 2 new post (Procurement Manager and Deputy Procurement Manager) have both been completed.
7	Regular attendance at CFOs meetings to not only develop our relationships but to also have an insight on future procurements before they are launched.	Relationship Management	Task completion not possible as CFO meetings were not held regularly. A shift was made to focus on EPC communications.
8	Establishment of the Public Sector Investment Committee (PSIC)	Enabling Legislation & Policy	Legislative changes have been made including processes for the PSIC to follow in the delivery of their duties. Outstanding action is for the FS to establish the PSIC member.

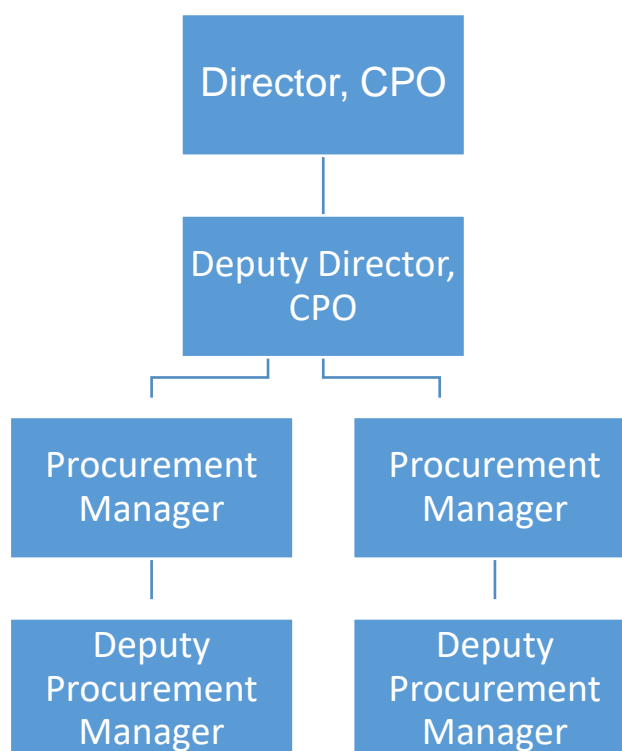
9	9.1 Review, improve and gazette an enhanced Code of Conduct/Ethics Policy for 2022	Ethics, Integrity & Transparency	Complete – CPO’s ethics policy and code of conduct was reviewed and compared to the outline set by CIPS. No improvements were necessary.
	9.2 Facilitate the publication of CIG spend data to support transparency		Incomplete – the publication of CIG procurement spend data for projects valued above \$100,000 is good. Publication of data for procurements valued below \$100k is poor and further ongoing actions will be taken to facilitate compliance.
10	10.1 Determine a suitable way to determine the compliance of <\$100K procurements (supported by Competency Element “Problem Solving & Critical Thinking”)	Compliance	Completed - Review completed and compliance determined to be poor at these lower thresholds. Report has provided recommendations for improvement.
	10.2 Weekly reviews of Bonfire projects to provide feedback to project owners on areas for improvement.		Completed – compliance checklist enhanced and additional checks added including a review of bid scoring for PPC level projects.
11	Produce a collective document that details how specific situations are handled based on the advice of the CPO in the past. Create a library for all active policies and include a review schedule to ensure that they are kept up to date.	Advice & Expertise	In progress – A consolidated policy document has been produced and circulated internally. This document is expected to be published in Q1 2023.
12	Build-in stakeholder involvement and market research section of the business case templates to encourage better pre-procurement vendor engagement and decision making.	Understanding Requirements	In Progress - Drafts completed but they have not yet been issued for public use as they need to be accompanied by updated Tender Documents. See item #16.
13	13.1 Review previous projects to determine which industries have low levels of competition and develop strategies to increase it.	Market Analysis & Forecasting	Incomplete - Past projects were difficult to analyze as most of the core documents were not readily available. There are aspects of the compliance process that encourage the invitation of multiple suppliers.
	13.2 Review annual procurement data, including procurement plans, to analyse government spend and develop conclusions on where we could make potential savings.		Completed – Will result in the creation of Government-Wide Contracts in these areas in 2023.
14	Implement a new/improved system of procurement spend reporting that allows for proper analysis of expenditure	Spend Analysis	Completed – New Procurement spend system created and accessible to CPO team.
15	Improve our oversight/analysing of previous projects to identify key mistakes and build prevention methods around them.	Risk Analysis	Completed – Bonfire Management Guidance document issued to address areas of weakness.

16	Build-in sourcing strategy options already developed and refined in 2021 in to business case to encourage earlier consideration of the best option.	Sourcing & Contracting Methods	In progress – New Templates produced but the identification of new organizational needs has delayed their publication.
17	Update tender review form to include additional guidance on ensuring detailed deliverables.	Specification Development	In progress – New Templates produced but the identification of new organizational needs has delayed their publication.
18	Review successful tenders of various types to determine which evaluation criteria and weighting systems have produced the best outcomes and publish the findings.	Evaluation Methods	In Progress - Bonfire Management Service has given us direct insight into how projects are being developed. We have direct contact with Project Owners and work with them to develop tender documents.
19	Review tender document templates to ensure that all key elements of negotiation (payment terms, KPIs, reporting requirements, etc.) are included.	Negotiations	In progress – New Templates produced but the identification of new organizational needs has delayed their publication.
20	Develop suitable protest & appeal categories and a suitable template for all entities to utilise in the event of complaints.	Protests & Appeals	Protest and appeal procedures are covered in the supplier feedback guide. This will be reviewed further to determine if any changes to the legislation is required to enhance the procedures.
21	Increasing usage of the contract management toolkit that the CPO has created to ensure all contracts are managed in an effective manner.	Contract Management & Performance	Incomplete – Contract management toolkit published and training provided but without the integration of the e-procurement contract management module, the CPO is not able to assess the level of usage. This task will be included in the 2023 Annual Plan with accompanying task to address the issues with tracking.
22	Increase usage of revision documents for business cases and tender documents at the EPC level to ensure all documents are high quality as well as complaint.	Quality Assurance, Inspection & Acceptance	Incomplete – Review documents have been created and published but lack of direct involvement with EPC meetings has made it difficult to access the use of these documents. This task will be included in the 2023 Annual Plan with accompanying task to address the issues with tracking.

Number of Staff

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
3	3	3	3	3	3	3	3	4	5	5	5

The CPO added one new member of staff (Deputy Procurement Manager) on September 26th 2022 and one new member (Procurement Manager) on October 3rd 2022. There is currently one vacancy within the department, that being a Procurement Manager position, as one of the Procurement Managers is acting as the Deputy Director.



1. 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	2	1	1	2	1	1	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.

b. Number of Trainings Held

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
0	2	3	2	2	3	1	1	1	2	2	1	20

These trainings are a combination of open-session, CPO planned trainings and entity-specific sessions. Training details can be seen in the “Key Events” section of the report.

c. Number of Government Wide Contracts Established

Type of Contract	Status	Est. Value CIS
Mobile Services Framework	Completed	\$451 ,872
Office Products & Bulk Paper Framework	In Progress	\$3,489,102
TOTAL VALUE		\$3,940,974

There is an Office Products & Bulk Paper Framework already in place that is set to expire in February 2023. The new framework is on track to be in place prior to the expiration.

Key Events

January 2022

- 13th – PPC Meeting

February 2022

- 3rd – PPC Meeting
- 7th – Training: EPC Training with PWD
- 15th – Contract Variation Policy Issued
- 16th – Training: Navigating the Process

March 2022

- 3rd – PPC Meeting
- 16th – Training: Navigating the Process
- 29th – Training: EPC Training with CIAA
- 30th – Training: Bonfire (E-Procurement System) Follow-Along Training

April 2022

- 5th – Training: Tender Document Development
- 7th – PPC Meeting
- 27th – Training: Act & Regulations Overview
-

May 2022

- 5th – PPC Meeting
- 18th – Training: Navigating the Process
- 26th – Training: Procurement Principles & Ethics

June 2022

- 2nd – PPC Meeting
- 15th – Training: EPC Training with Judicial Administration
- 17th – Training: Tender Document Development
- 17th – Latest version of CIG Procurement Plans Issued
- 30th – Training: Bonfire (E-Procurement System) Follow-Along Training

July 2022

- 7th – PPC Meeting
- 12th – Approval Recommendation for Mobile Services Framework received from PPC
- 28th – Chief Officer Approval received to contract with Bonfire for another 3-year period
- 29th – Training: Navigating the Process
- Internal Audit Received with positive feedback:
 - *“An appropriate control framework exists. All tested controls were found to be effective; operating as intended with no significant weaknesses.”*

August 2022

- 4th – PPC Meeting
- 30th – Training: Tender Document Development

September 2022

- 1st – PPC Meeting
- 15th – Training: Bonfire (E-Procurement System) Follow-Along Training
- 16th – Launch of the new RFQ for Government-Wide Framework for Office Supplies & Bulk Paper
- 26th – New Deputy Procurement Manager joined CPO Team

October 2022

- 3rd – New Procurement Manager joined CPO Team
- 5th – 7th Represented the Cayman Islands at the conference of the Inter-American Network on Government Procurement in Panama
- 6th – PPC Meeting
- 12th – Training: EPC Training with the Health Services Authority
- 24th – Training: Procurement Act & Regulation training with the Ministry of Education
- 27th – Release of “New CPO Support Services” – including
 - E-Procurement System Management
 - Contract Management

November 2022

- 3rd – PPC Meeting
- 16th – Training: Small Business Support (supported by the Centre for Business Development)
- 24th – Execution of Mobile Services Framework Agreement
- 30th – Training: Procurement Principles & Ethics

December 2022

- 1st – PPC Meeting
- 15th – Training: Bonfire (E-Procurement System) Follow-Along Training
- 16th – Launch of the new RFQ for Government-Wide Framework for Office Supplies & Bulk Paper

2. 2022 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	Latest Trend
Total Number of Vendors on Bonfire	2748	3447	4359	5106	N/A
Number of New Bonfire Vendor Registrations	1009	699	912	747	↓
Total Number of Internal Users on Bonfire	568	691	832	943	N/A
Number of New Bonfire Internal User Registrations	133	123	141	111	↓
Number of Projects Created	338	190	229	225	↓
Total Number of PPC Projects (>\$250,000)	90	51	75	83	↑
Number of PPC Projects that were Direct Awards	10	8	22	18	↓
Number of Projects Cancelled	31	20	38*	26*	↓
Average Advertising time for RFPs (Days)	27	30	31.6	29.4	↓
Average Advertising Time for RFQs (Days)	20	21	24	26.8	↑

* Subject to change as projects related to 2020 are closed out in the system during 2021 as a part of the CPO's compliance checks.

3. Looking Forward 2023

The long-term vision for public procurement in the Cayman Islands is for it to reach “world class” maturity (See Appendix A). An assessment carried out in 2021 determined that the current level of maturity is entering the “Structured” stage. 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 2022 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 2022, the CPO hopes to be firmly in the “structured” stage of maturity.

STRATEGY

Our priorities for 2023 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 2023 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.

#	Annual Task	Competency Element Supported
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
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
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

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
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
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
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
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
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>9.3 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
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>10.2 Weekly reviews of Bonfire projects to provide feedback to project owners on areas for improvement.</p>	Compliance
11	<p>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:</p> <p>Diagnostic and Instructive</p> <p>Methodical approach</p>	Advice & Expertise

12	Promotion of the Act, Regulations, guidance documents and best practices by engaging with entities through regular training sessions throughout the year, to ensure they have a general knowledge base of procurement principles, concepts and managing projects effectively.	Understanding Requirements
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
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
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
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
17	Develop and implement a specification guidance document.	Specification Development
18	Develop and implement an evaluation method guidance document.	Evaluation Methods
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
20	Revising, handling and advising on all protests and appeals. Possible improvements to the process.	Protests & Appeals
21	Simplification of the contract management toolkit and integration of the Bonfire Contract Module.	Contract Management & Performance
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

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) 244-2237

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.

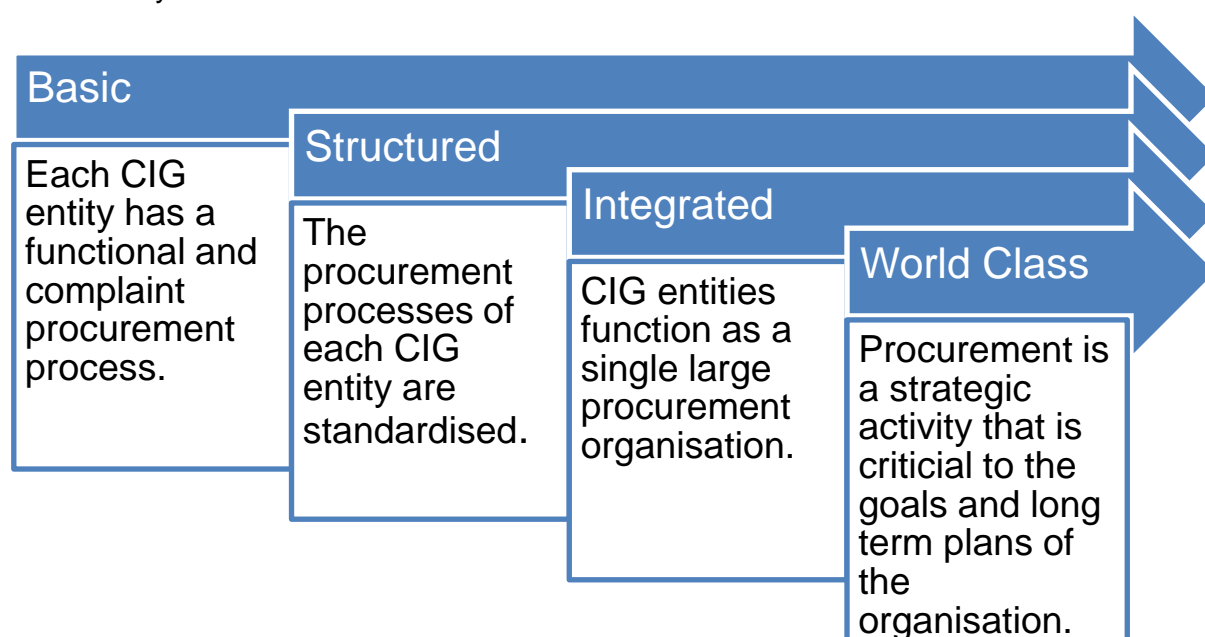
Commercial effectiveness is about delivering the best value impact and influence for the residents and businesses of the Cayman Islands by improving the impact on the Cayman Islands with every dollar spent. In a CIG context this means achievability of desired outcomes through effectiveness of spend by:

- 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.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.

¹ 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 2021)
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.	Structured
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.	Basic
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.	Basic
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.	Structured
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.	Basic
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 is seen below:

Focus Area	Assessment Score (2021)	Assessment Score (2022)	Nearest Level of Maturity (2022)
Policy & Legislation	2.5	2.5	Integrated
Sourcing & Solicitation	2.2	2.2	Structured
Strategy & Leadership	1.6	1.7	Structured
Planning & Analysis	1.5	2.0	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 2021 was 1.8, which suggest that the organisation is in the advanced stages of a transition between the basic maturity and structured maturity levels. The updated 2022 assessment showed 4 areas of advancement (see below), bringing the new overall score to 2.0.

Competency Element Upgraded	2021 Score	2022 Score	Rationale for Change
Market Analysis & Forecasting	1 – Basic	2 – Structured	The use of our market research tool procurement IQ as increased as well as more pre-procurement market engagement in the form of Request for Information (RFI's).
Spend Analysis	2 -Structured	3 – Integrated	A new central CIG expenditure system now allows the CPO to have real time access to spend data across Core Government.
Compliance	2 -Structured	3 – Integrated	The production of procurement plans, the new Bonfire scoring history checks, and other data driven project reviews now provides better quality compliance monitoring centrally.
Talent Development & Succession Planning	1 – Basic	2 – Structured	Having added 2 new CPO staff as well as standardizing some trainings throughout the year for CIG staff in general, this function is much more structured.

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 2023 will be established with the goal of advancing each of the competency elements to a minimum level of maturity of “Structured”. A key area of “Contract Administration” are lagging below the overall average and need significant resources committed to them. Where elements are already at our above the structured level, focus will be on sustaining the respective level so that resources can be focused on the elements that require the most improvement.