

## Y Pwyllgor Menter a Busnes

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Lleoliad:  
Ystafell Bwyllgora 2 – y Senedd

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Dyddiad:  
Dydd Mercher, 17 Mehefin 2015

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Amser:  
09.15

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



I gael rhagor o wybodaeth, cysylltwch â:

**Gareth Price**

Clerc y Pwyllgor

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### Agenda

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#### Rhag-gyfarfod preifat (09.15–09.30)

#### 1 Cyflwyniad, ymddiheuriadau a dirprwyon

#### 2 Caffael Cyhoeddus (09.30–10.10) (Tudalennau 1 – 42)

Dr Rachel Bowen, Rheolwr Polisi, Ffederasiwn Busnesau Bach

Iestyn Davies, Uwch Bennaeth Materion Allanol (Gwledydd Datganoledig),

Ffederasiwn Busnesau Bach

Gareth Coles, Swyddog Darparu Gwasanaethau Cyhoeddus, Cyngor Gweithredu

Gwirfoddol Cymru

Rhodri Jones, Cadeirydd, Cynghair Ffederasiwn Adeiladu Cymru

Dogfennau atodol:

Y Briff Ymchwil

EBC(4)–15–15 p.1 Ffederasiwn Busnesau Bach

EBC(4)–15–15 p.2 Cyngor Gweithredu Gwirfoddol Cymru

EBC(4)-15-15 p.3 Cynghrair Ffederasiwn Adeiladu Cymru

## **Egwyl (10.10-10.20)**

### **3 Caffael Cyhoeddus (10.20-11.00) (Tudalennau 43 – 59)**

Christopher Chapman, Rheolwr Rhaglen, Cymdeithas Llywodraeth Leol Cymru

Mark Roscrow, Partneriaeth Cydwasanaethau'r GIG

Howard Allaway, Rheolwr Caffael, Consortiwm Pwrcasu Addysg Uwch, Cymru

Dogfennau atodol:

EBC(4)-15-15 p.4 Cymdeithas Llywodraeth Leol Cymru

EBC(4)-15-15 p.5 Partneriaeth Cydwasanaethau GIG

EBC(4)-15-15 p.6 Consortiwm Pwrcasu Addysg Uwch Cymru

### **4 Caffael Cyhoeddus (11.00-12.00) (Tudalennau 60 – 65)**

Jane Hutt, y Gweinidog Cyllid a Busnes y Llywodraeth

Kerry Stephens, Dirprwy Gyfarwyddwr – Caffael, Gwerth Cymru

Julie Harrison, Uwch Reolwr Rhanddeiliaid, y Gwasanaeth Caffael Cenedlaethol

Jeff Andrews, Cynghorydd Polisi Arbenigol, Llywodraeth Cymru

Dogfennau atodol:

EBC(4)-15-15 p.7 Y Gweinidog Cyllid a Busnes y Llywodraeth

## **Ôl-drafodaeth breifat (12.00-12.15)**

# Eitem 2

Mae cyfyngiadau ar y ddogfen hon

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Enterprise and  
Business  
Committee  
Discussion on  
Welsh  
Government  
Procurement

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FSB Wales  
Response

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1<sup>st</sup> June 2015

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## **Enterprise and Business Committee Discussion on Welsh Government Procurement FSB Wales**

FSB Wales welcomes the opportunity to present its views to the National Assembly for Wales Enterprise and Business Committee discussion on Welsh Government procurement. FSB Wales is the authoritative voice of businesses in Wales. With 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees; FSB Wales is in constant contact with business at a grassroots level. It undertakes regular online surveys of its members as well as a biennial membership survey on a wide range of issues and concerns facing small business.

### **Introduction**

In general, FSB Wales welcomes policy measures that are designed to improve the public sector procurement of goods and services, and to make the process of procurement more accessible to small and local businesses. We fully appreciate that not all procurement can be local or be solely commissioned from small businesses. Our priority is to create greater opportunities and a more level playing field as a precursor to growing local economies in Wales. We welcomed the publication of the McClelland Review in 2012, and particularly its recommendations that procurement needed to make connections with enterprise development services to encourage and support new and smaller providers to bid for Welsh public sector contracts<sup>1</sup>. Welsh public sector organisations currently spend £4.5bn per year on external goods and services, this represents a significant potential that could be harnessed for the growth of distributed local economies across Wales<sup>2</sup>.

Our response considers a number of issues related to procurement set out below.

### **Measuring Progress in Welsh Public Sector Procurement Since 2012**

Our own on-going dialogue with members indicates that bidding for and securing public sector contracts in Wales often continues to be a complex and time consuming process. Small businesses continue to be frustrated by their success rates in winning contracts from the public sector, as well as the time required to meet procurement demands. This is particularly true of micro businesses.

In order to properly consider the overall success of Welsh Government's procurement policy however, there needs to be a much more thorough consideration of the evidence. The current statistical measurements of success by Value Wales depend on invoice postcodes, but this presents little useful data. An invoice postcode tells us nothing about whether the firm has a Welsh head quarters or indeed substantial activity in Wales, nor whether a substantial proportion of the sales invoices represent Welsh value added. This highlights the problems with statistical data and evaluation practices more generally, and we must be cautious about claims of success. We therefore require a more robust and accurate measure of local procurement in Wales, which fully considers Welsh value added rather than crude invoice postcode data.

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<sup>1</sup> McClelland Review (2012). *Maximising the Impact of Welsh Procurement Policy*.

<sup>2</sup> Welsh Government (2014). *Value Wales Drives Best Practice Procurement Across Welsh Public Sector*.



## Procurement Policy Implementation

Welsh Government procurement policy requires a much broader understanding of outcomes. Currently procurement is an under resourced and largely unglamorous process in the public sector in Wales. Although there has been an increasingly high level interest in strategies around procurement, notably by Welsh Government, the actual implementation of these strategies and policies depends on comparatively few and fairly low-level procurement professionals across a diverse range of public sector organisations. Often decisions are heavily influenced as much by lowest cost as local benefits. As McClelland observed, the reality is that whilst many procurement officers are supportive of local businesses, they are judged by their success in saving costs.<sup>3</sup>

This has led to an inconsistent implementation of strategy across Wales and across public sector institutions. As well as the points made above regarding the need to improve statistical measures of procurement impact, we also believe that the weakest part of the Welsh Government's procurement is the point of its implementation. Welsh Government therefore needs to foster a more professional approach to procurement across the public sector in Wales, and to ensure that the basis on which procurement professionals are measured is consistent with its own policy. It should also be noted that feedback from FSB Wales members indicates that not all Welsh local authorities use the Supplier Qualification Information Database (SQuID), which was developed by Value Wales to standardise the selection process. As a result there can be inconsistency and multiple entry points for small businesses wishing to supply goods and services to the public sector across Wales.

In 2009, the 'Barriers to Procurement Opportunity Research' report recommended the establishment of an Ombudsman to 'bring about the speedy extra-legal resolution of complaints arising from the PQQ [Pre-Qualification Questionnaire] process which cannot be satisfactorily resolved between the parties'.<sup>4</sup> FSB Wales would like to see a figure in place to resolve disputes such as these but for any such role to be widened to include a more general responsibility for ensuring best practice procurement policy is further researched, developed, disseminated and implemented.

## Barriers to Small Businesses

Through our on-going discussions with small businesses in Wales, there is much reluctance to bid for public contracts. This tends to be a result of the real or imagined time commitment necessary to enter into the process. Often this is a perception rather than an actual experience, and Welsh Government needs to undertake work to actively promote small business engagement with public sector procurement. This is not to say that problems do not exist with Welsh public sector procurement. We believe that procurement processes should not be constructed in such a way that they deter small businesses from competing on a fair basis for public sector contracts.

In a paper to our Round Table Seminar Series in 2014, Dr Pedro Telles argued that where contracts fall below EU threshold values for advertisement, they tend to be commissioned privately<sup>5</sup>. This

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<sup>3</sup> McClelland, *op. cit.*

<sup>4</sup> Ringwald, Cahill *et al* (2009), *Barriers to Procurement Opportunity Research*.

<sup>5</sup> Telles, P. (2014). *Simplifying Procurement for Low Value Contracts*. FSB Wales Round Table Seminar Series.



means that it can be very difficult for new small businesses to effectively and fairly compete in the market. It is important to have a fair and open process for below EU threshold procurement as only about 24-25% of total procurement spends is above the threshold level. Since 2011 the UK Government has required contracts above £10k to be publically advertised, and although Welsh Government has followed suit it only requires advertising for contracts above £25k.

A further complication for small businesses in particular, is the multiplicity of procurement portals across the UK. Often these are also very poorly designed and unclear, particularly for small businesses that do not have dedicated employees to seek new contracts.

### **Strategic Outsourcing and the Economics of Place**

Procurement continues to lack a strategic consideration of broader issues, and tends only to support specific functions. This is particularly noticeable in respect of strategic outsourcing of large projects or services. We are not aware of any examples where decisions over such outsourcing have supported community benefits approaches. Large non-Welsh companies continue, for example, to dominate externally procured social service and waste disposal contracts<sup>6</sup>. Welsh SMEs or Welsh businesses more generally tend not to feature at all in these contracts. Yet it is critical, with growing numbers of outsourced services, that community benefit and local small business contract awards are secured in order for Wales' dispersed communities to continue to be viable, as Adamson and Lang showed in their Deep Place Study of Tredegar<sup>7</sup>. It is clear we need a full and proper consideration of strategic outsourcing that has yet to take place. More evidence is needed around the economies of place. If the Welsh public sector does not improve its record of awarding large scale contracts to Welsh businesses, Welsh public money will continue to leave Wales.

### **Small Businesses are Critical for Local Economies**

Although the underlying principles that focus on jobs for local workers and contracts for local businesses are clearly welcome, the Welsh community benefit policy tends in practice to focus much more on local job creation and not enough on locally procured contracts from small businesses. This is an important issue to rebalance, as small firms are consistently more locally grounded and tend to employ people more locally.

Previous work undertaken by the FSB with CLES (the Centre for Local Economic Strategies) showed that small local firms re-spend 63p locally out of every £1 they receive, whereas larger firms tend to spend 40p out of every £1 they receive. The FSB-CLES research found that across the UK small local firms generate 58% more economic benefit for local economies over two rounds of re-spend than large firms did. It also found that if local authorities alone increased their procurement spend in the local economy by 5%, it would increase the collective spend in local economies by £1.4bn per year.<sup>8</sup> As we stated above, Value Wales and other public bodies are very poor at capturing this data, and reliance on postcode data is insufficient.

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<sup>6</sup> Adamson D. and Lang M. (2014). *Toward a New Settlement: A Deep Place Approach to Equitable and Sustainable Places*. (CREW: Merthyr Tydfil).

<sup>7</sup> *Ibid.*

<sup>8</sup> FSB and CLES (2013). *Local Procurement: Making the Most of Small Businesses, One Year On*.



It is important to state that we do not believe that in a small country like Wales everything can, or even should, be procured locally. A better balance needs to be struck, however, to support the ultimate aim of creating stronger distributed economies across Wales and support sustainable communities now and in the future. For this to happen we need a more thought out procurement approach, which creates local linkages between public sector organisations, local businesses and wider more strategic goals – we need whole place systems thinking. Small businesses can help deliver this public good, but Welsh Government needs to create a fairer market within which they can operate and compete for public sector contracts.





### **Federation of Small Businesses Wales**

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### **The Federation of Small Businesses Wales**

The FSB Wales is non-profit making and non-party political. The Federation of Small Businesses is the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has 200,000 members across 33 regions and 194 branches. FSB Wales currently has around 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees meaning FSB Wales is in constant contact with small businesses at a grassroots level in Wales.

### **Lobbying**

From the Press and Parliamentary Affairs Office in Cardiff, FSB Wales campaigns with AMs, MPs and MEPs in Cardiff Bay, Westminster and Brussels in order to promote our members' interests. FSB Wales also works closely with local, regional and national media outlets to highlight our members' concerns. Development Managers work alongside members in our regions to further FSB Wales influence at a regional level. More widely, the FSB has Press and Parliamentary Offices in Westminster, Glasgow, Belfast and Brussels to lobby the respective Governments.

### **Member Benefits**

In addition, Member Services is committed to delivering a wide range of high quality, good value business services to members of the FSB. These services will be subject to continuing review and will represent a positive enhancement to the benefit of membership of the Leading Business organisation in the UK.

### **Vision**

A community that recognises, values and adequately rewards the endeavours of those who are self employed and small business owners within the UK.

The Federation of Small Businesses is the trading name of the National Federation of Self Employed and Small Businesses Limited. Our registered office is Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE. Our company number is 1263540 and our Data Protection Act registration number is Z7356876. We are a non-profit making organisation and we have registered with the Information Commissioner on a voluntary basis.

# **The impact of Welsh Government procurement policy**



## **Paper for Enterprise and Business Committee**

1. Wales Council for Voluntary Action (WCVA) is a registered charity and umbrella body working to support, develop and represent Wales' third sector at UK and national level. We have over 3,350 organisations in direct membership, and are in touch with many more organisations through a wide range of national and local networks. WCVA's mission is to provide excellent support, leadership and an influential voice for the third sector and volunteering in Wales.
2. WCVA is committed to a strong and active third sector building resilient, cohesive and inclusive communities, giving people a stake in their future through their own actions and services, creating a strong, healthy and fair society and demonstrating the value of volunteering and community engagement.

### **Engagement with the third sector and WCVA's written evidence**

3. WCVA welcomes the opportunity to give evidence to the Enterprise and Business Committee about the impact of Welsh Government procurement policy on the third sector in Wales. To help us accurately represent the third sector's views on tendering and procurement, we asked our members for their views, and this paper reflects their responses.

### **General comments**

4. Overall, the perception among third sector organisations in Wales who regularly tender for contracts is that there is a reasonably flexible legal framework now in place (the new Public Contracts Regulations 2015), and useful policies from Welsh Government, but the issue remains implementation of this good practice at a local level – particularly within Local Authorities. There is a lack of consistency and collaboration across the Public Sector.
5. We recognise that there are areas of good practice within Local Authorities in Wales, but many of our members have reported disproportionate and inappropriate procurement processes, timescales and paperwork wholly unrelated to the scale and nature of the contracts, and even outright confusion between grants and contracts.
6. The third sector organisations who contributed their experiences to this paper all tender for service contracts, not goods or works. It is important to emphasise that procuring services for vulnerable people, often with complex needs, is fundamentally different from procuring goods or works. It requires a

different skill set and knowledge base. Those procuring such services need a profound understanding of the needs and capabilities of the service users, as well as the experience and skills of service providers. Moves towards category management in certain areas are a welcome step.

7. One of the contributors to this paper said: "People are not 'commodities' like roads, schools and hospitals, which means the standardised procurement process for buying goods doesn't work. There needs to be a bespoke tendering process that is common across all public sector departments for procuring services that recognises the difference approach required to procure services that support people."

**What changes, if any, have your members noticed when seeking to provide goods/services to the public sector in Wales since 2012?**

8. Members reported the increased use of Sell2Wales as a useful means of advertising tenders.
9. There has also been a helpful shift towards the use of online portals for tendering, meaning that there is less need for paper copies to be printed off and it relieves some of the pressure to have the bid ready days in advance to allow time for postage. However not all purchasing authorities have embraced this system and some still require documents in triplicate and the full tender on CD Rom.
10. Others reported more support available for learning about tendering and procurement, especially for SMEs.
11. However, many third sector organisations report that prices in their sectors are being driven downwards by an increase in competitive tendering.
12. In some service areas, third sector organisations report the increasing use of procurement solely as a cost saving exercise through, for example, setting a total cost envelope significantly under the current contract value; establishing cost-based competitive tenders without sufficient control over quality; basing the contract value on wage levels significantly under the sector norm; or imposing an artificial unit cost cap prior to the tender process.

**Your view of the strengths / weaknesses of Welsh Government procurement policy. Have any initiatives been particularly helpful / unhelpful?**

13. The consensus on Community Benefits among third sector organisations seems to be that the policy is welcome, but they are often not scored or looked at as part of the tender (i.e. 'core') but just remain part of the contractual obligations ('non-core'). This means it does not actually benefit organisations that may need to cost their services higher but give more back to the community. The only way that it would be a meaningful addition is to add it to scoring criteria either at a high level, or as a highly scored question within the quality section.

14. Community Benefits could also be extended to different types of contracts, and (proportionately) to lower value contracts. Different types of Community Benefits could also be explored.
15. Moves towards standardising Pre-Qualification Questionnaires (PQQs) across Wales through SQuID (Supplier Qualification Information Database) are also welcome. But the fact that different purchasing authorities use different procurement portals means that the information has to be regularly re-submitted in different formats anyway.
16. Some third sector organisations report that they are starting to see examples of joint commissioning (e.g. across social care and health).
17. There has been a shift towards larger, regional and more generic contracts. While some organisations are well-placed to respond to these opportunities, many smaller third sector organisations are effectively excluded from bidding alone. The *Joint bidding guide* has been an extremely useful tool in supporting organisations to form consortia and bid jointly for contracts.
18. There is too much reliance on historic procurement behaviour and activities. Systems need to be updated to reflect the Public Contracts Regulations 2015 and the reflections and actions required by the Well-being of Future Generations (Wales) Act 2015. They also need to be reviewed for each transaction, instead of relying upon historic decisions for a familiar item. Currently, when repeating a purchase, too often it is a repeat of the historic procurement behaviour and activities, without returning to the system to see what has changed.
19. It is also important that Welsh Government procurement policy enables more sustainable and ethical sourcing, to reflect the strategic intention of the Well-being of Future Generations (Wales) Act 2015.
20. Implementing good procurement practice within the context of reducing budgets has meant that too often the determining factor has been cost. The pressure on Local Government budgets has ensured that cost cutting has taken place over good practice models.

**What are the main barriers your members experience when looking to provide goods and services to the public sector in Wales?**

21. Smaller third sector organisations, in particular, report that the tender process is far too resource-intensive, often disproportionate to the contract. Without dedicated tender-writing staff, they are not able to give the time to tendering without severely impacting their direct service delivery.
22. Many organisations report that TUPE is by far the most problematic issue. These have been collated in the Appendix to this paper. Some third sector organisations have had to invest in dedicated TUPE training for their staff, but this is not an option for many organisations.

23. Increasingly, organisations report that they are experiencing long delays in getting clarification questions answered, which stops them being able to move forward with their bids. Often, questions will be in relation to financial, contractual or TUPE arrangements that will affect whether the bid is financially viable and need answering up front, to save organisations from writing a tender and then finding out they can't afford to bid for it.
24. There have been recent examples of a Local Authority agreeing to having questions submitted to them up to the morning that the tender is due to be submitted, meaning that an answer that could affect the whole bid could be published at the 11th hour, not leaving bidding providers time to make appropriate changes to their bid.
25. Often, the turnaround time for tender submissions is also very tight: organisations report 3 weeks bidding time, with insufficient information provided at the outset, or even with mistakes in the tender documents.
26. This is particularly acute when organisations are considering joint bids for services. It takes time to develop a competitive joint bid, and if the rhetoric of 'we welcome bids from consortia' (often seen in contract notices) is to be realised, then a Prior Information Notice (PIN) a few months before the tender is released and a longer timescale would be necessary.
27. Organisations also report disproportionate PQQ requirements. Much more of the PQQ, for example requests to see policies and procedures, could be moved to more of a 'tick box' or self-certification exercise. Then, if successful at winning the tender, the provider could be asked to make copies available to the commissioner. This would save a lot of time and resource.
28. Sometimes tenders are advertised during peak holiday periods when no staff are available in Local Authority offices to respond to questions about the tender.
29. Organisations report that Local Authorities own standing orders on procurement take precedence over any guidance they receive. By and large, this has meant that procurement sections have controlled the commissioning process and led the way on a 'race to the bottom' by heavily weighting all contracts to the lowest price. The result of this has been that service levels are diluted, good providers are excluded and there have been a number of areas in Wales where major contracts have run into difficulties where they have been taken on by providers who significantly under-costed the work.

**How successful have Welsh Government initiatives to increase the proportion of third sector organisations winning contracts been? How could these efforts be improved?**

30. Greater visibility of contract opportunities (through Sell2Wales) is a welcome step.

31. Achieving more consistency and standardisation of tender approach would be beneficial, e.g. standardising timeframes that tenders are turned around in and standardising deadlines for answering questions on the portal.
32. There needs to be more of a focus on Community Benefits and more encouragement and dedicated facilitation of joint bids. The community benefits focus is especially important in helping more social business to gain contracts – at the moment this is very difficult and will remain so unless there is an obligation on commissioners to take community benefits into account/have a certain amount of the work undertaken by social business.
33. Overall, Welsh Government initiatives have been helpful in intention, and in some cases, in practice, but without any form of enforcement however, they have had little further practical impact.

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## **Appendix – Issues with TUPE**

There are some of the issues reported about TUPE being a problem when tendering for contracts.

- Current provider/employer refuses to provide TUPE information before tender is submitted.
- Staff work part-time on the contract being transferred and part-time on another contract not being transferred.
- Staff on temporary contracts which end when the current contract ends.
- Staff transfer on a permanent contract of employment but the new contract for the service is limited to three years.
- The salary and on-costs for the staff eligible to transfer exceeds the value of the new contract.
- Re-configuring a number of small services into one large service and all the transferees being on different terms and conditions.
- Re-configuring a number of small services into one large service and but being tendered as two or more lots with no way of segregating the group into the two new contracts.
- Terms and conditions of current employer are in contravention of current employment law and a new employer would have to change them to bring them in-line with the law.
- Current employer gives employee a new permanent contract (or contract which ends after the date of a possible transfer) at any point during the process.

**The National Assembly for Wales**

**The Enterprise and Business Committee Inquiry into “The Impact of Welsh Government Procurement Policy”**

**17th June 2015**

**Observations on behalf of the Wales Construction Federation Alliance (WCFA)**

1.0 Introduction:

1.1 The Wales Construction Federation Alliance (WCFA) comprises the major construction employer trade federations in Wales, namely the Civil Engineering Contractors Association (CECA Wales), the National Federation of Builders (NFB Cymru), the Federation of Master Builders (FMB Cymru), the Home Building Federation (HBF Wales) and the Specialist Engineering Group (SEC).

Whilst the Federations maintain their individual identities, a memorandum of understanding governs the operation of the Alliance, ensuring knowledge and information sharing and joint representation when and where appropriate.

1.2 The WCFA will be represented by:

Rhodri-Gwynn Jones B.Sc. C Eng. FICE, Director of CECA Wales Ltd., past chairman of the WCFA. He has worked in the construction industry in Wales since 1973, and has experience in both the public and private sectors.

2.0 Basis of Submission:

2.1 The construction industry has generally been supportive of the Welsh Government in its approach in reviewing and implementing changes to the procurement of construction work in Wales.

2.2 The industry has been afforded the opportunity to participate as part of the Value Wales / Construction Excellence in Wales-led Construction Procurement Strategy Steering Group, and latterly, as part of the CITB Cymru Wales engagement with the Cross Party Group on Construction in its review of “The impact of procurement policy in Wales”.

2.3 The industry is also represented on the Commerce Cymru Procurement Sub-group.  
(Commerce Cymru is an unincorporated association of business representative organisations that operate in Wales, which aims to provide advice and guidance to the Welsh Government and other public bodies in



Wales on the best means of achieving a long-term competitive future for Welsh businesses).

2.4 The observations below reflect views expressed by industry participants in all the three fora referred to above.

3.0 Observations:

- stakeholders across the industry have mixed feelings about the changes made over the last five years and their impact on the procurement process, however most consider that there is “still good scope for more improvement”;
- some consider that there has been too much focus on detailed procurement process instead of on delivery; procurement professionals *versus* construction procurement still viewed as an uneasy relationship – should procurement professionals spend time with suppliers / providers?;
- Fragmentation and inconsistencies still impact on the ability to deliver value for money;
- SQuID, the Supplier Qualification Information Database, has assisted in introducing standardisation, but collaboration and communication between stakeholders is still considered to be a weakness;
- Frameworks / the bundling of contracts, are still perceived to favour the major contractors against the SMEs; financial thresholds are seen as barriers; often Frameworks have no aligned workload resulting only in a “select” select list;
- Community benefits accepted as a common feature of the procurement exercise, but industry is concerned at the simplistic approach of “value of scheme = number of training opportunities etc.”; there should be transparency on the cost of provision;
- The Wales Infrastructure Investment Plan (WIIP), whilst welcomed as a compendium of public sector investment in Wales, requires to be further developed into an electronic business planner for the industry, with an additional range of data included;
- The capacity of the “Wales supply side” should be mapped with a view to identifying weaknesses and setting a target to further increase the opportunities for winning procurement opportunities in Wales;

Rhodri-Gwynn Jones  
Director  
CECA Wales Ltd  
(On behalf of the WCFA – 1st June 2015)

**Bullet Points received from National Assembly for Wales:**

- *What changes, if any, have WCFA noticed for construction businesses in Wales when seeking to provide goods/services to the public sector in Wales since 2012;*
- *WCFA's view, if any, of the strengths/weaknesses of Welsh Government procurement policy. Have any initiatives been particularly helpful/unhelpful?*
- *What are the main barriers construction businesses in Wales experience when looking to provide goods and services to the public sector in Wales?*
- *How successful have Welsh Government initiatives to increase the proportion of local companies/SMEs winning contracts been? How could these efforts be improved?*
- *WCFA's views on the use of procurement policy to further other public policy objectives (for example, seeking to obtain training opportunities in large construction contracts), as embodied in the Welsh Government's "Community Benefits" policy.*



**Pwyllgor Menter a Busnes**  
**Cynulliad Cenedlaethol Cymru**

**17<sup>eg</sup> Mehefin 2015**

**Effaith Polisi Caffael**  
**Llywodraeth Cymru**

**Ymateb WLGA**

## **Pwyllgor Menter a Busnes Cynulliad Cenedlaethol Cymru – 17<sup>eg</sup> Mehefin 2015 – Effaith Polisi Caffael Llywodraeth Cymru – Ymateb**

### **Cyflwyniad**

Bydd Pwyllgor Menter a Busnes Cynulliad Cenedlaethol Cymru yn ystyried effaith polisi caffael Llywodraeth Cymru mewn cyfarfod ar 17<sup>eg</sup> Mehefin 2015.

Yn 2012, cyhoeddodd Llywodraeth Cymru adroddiad Adolygiad McClelland ynglŷn â chaffael gwladol. Cyhoeddodd Ddatganiad Polisi Caffael Cymru hefyd. Sefydlodd y Gwasanaeth Caffael Gwladol yn 2013.

Mae gan y pwyllgor ddiddordeb yn effaith y datblygiadau hynny – a rhai eraill – ym maes caffael gwladol ers iddo gyhoeddi ei adroddiad am ddylanwadu ar broses diweddarau polisi caffael Undeb Ewrop yn 2012.

### **Cymdeithas Llywodraeth Leol Cymru (WLGA)**

Mae WLGA yn cynrychioli buddiannau byd llywodraeth leol ac yn hybu democratiaeth leol yng Nghymru. Mae'n cynrychioli 22 awdurdod lleol y wlad ac mae awdurdodau'r tri gwasanaeth tân ac achub a'r tri pharc cenedlaethol yn aelodau cyswllt.

### **Meysydd sy'n berthnasol i'r pwyllgor**

Mae WLGA yn croesawu cyfle i roi tystiolaeth gerbron Pwyllgor Menter a Busnes y Cynulliad. Mae'n hymateb yn ymwneud â'r meysydd isod.

- Sut mae polisiau caffael cynghorau lleol Cymru wedi newid ers 2012, ac i ba raddau mae hynny wedi'i sbarduno gan Lywodraeth Cymru?

### **Ymateb:**

Mae'r cynghorau lleol wedi cydweithio'n agos â Llywodraeth Cymru ym maes caffael ers iddi gyhoeddi 'Gwell Gwerth i Gymru' fis Chwefror 2001, gan fynd cyn belled â chyfuno eu huned gymorth caffael ag adnoddau Llywodraeth Cymru ar gais Gwerth Cymru. Felly, mae'n polisiau yn y maes hwn yn cyd-fynd ers blynyddoedd lawer. Y cynghorau lleol sy'n gyfrifol am y rhan fwyaf o wariant y sector cyhoeddus ynglŷn â phrynu nwyddau a gwasanaethau. Felly, rydyn ni wedi cyfrannu'n fawr at amcanion polisi caffael Llywodraeth Cymru dros y blynyddoedd o ran arbed arian ac agweddau ehangach fel ei gilydd.

Croesawodd y cynghorau lleol Adroddiad McClelland a Datganiad Polisi Caffael Cymru fel ei gilydd yn ddogfennau amserol gan iddyn nhw dynnu sylw at aeddfedrwydd a thrywydd caffael yng Nghymru ar adeg pan oedd perygl y gallasai fod anghysondeb. Fe roes Adroddiad McClelland a Datganiad Polisi Caffael Cymru eglurhad a chyfeiriad roedd eu gwir angen.

Y farn gyffredinol yw bod yr egwyddorion sydd wrth wraidd Datganiad Polisi Caffael Cymru yn rhai cynorthwyol sy'n cyd-fynd ag amcanion cyfundrefnol a chymunedol ehangach y cynghorau lleol. Felly, mae'r datganiad heb effeithio'n sylweddol ar ddulliau'r cynghorau unigol.

O bennu strategaethau cynnal rhaglenni a gwasanaethau, rhaid darparu ar gyfer amryw flaenoriaethau cymdeithasol, economaidd, daearyddol a diwylliannol yn ogystal ag anghenion cymunedau. Wrth roi ar waith fentrau sydd wedi deillio o Adroddiad McClelland a Datganiad Polisi Caffael Cymru, rhaid i Lywodraeth Cymru gydnabod hynny.

Mae'r newidiadau yn y gyfraith yn sgîl diwygio Cyfarwyddeb Caffael Undeb Ewrop (ar ffurf Rheoliadau Cytundebau Cyhoeddus 2015 y Deyrnas Gyfunol bellach) yn cynnig cyfle inni gael gwell gwerth trwy gaffael gwladol. Mae'r egwyddorion eglur a syml a oedd wrth wraidd yr adolygiad yn cyd-fynd â thrywydd polisiâu Llywodraeth Cymru a'r cynghorau lleol. Un o brif egwyddorion adolygiad Undeb Ewrop oedd cydnabod nifer y cwmnïau bychain a chanolig eu maint ledled Ewrop ac effaith y deddfu arnyn nhw. Dylai'r rheoliadau sydd wedi deillio o hynny alluogi'r sector cyhoeddus i brynu nwyddau a gwasanaethau yn haws. Fe ddylai Cymru ystyried yn ofalus sut y gallai ddefnyddio'r hyblygrwydd a'r posibiladau i ysgogi a defnyddio'r prif gyflenwyr, sef cwmnïau bychain a chanolig eu maint – yn arbennig ynglŷn â chaffael o dan lefel Cylchgrawn Swyddogol Undeb Ewrop.

Gallai fod angen ailasesu dadleuon y cyflenwyr ynglŷn â defnyddio fframweithiau a chydgasglu cyffredinol heb ymrwymo i archebu ymlaen llaw.

Dylid ystyried ffyrdd o drin a thrafod cyfrifoldebau a rhaglenni – megis y rhai sydd wedi'u nodi yng Nghynllun Buddsoddi yn Isadeiledd Cymru – mewn modd amryfal ynglŷn â darpar ddulliau arloesol. Gall hynny ychwanegu gwerth trwy arbedion maint ac, mewn rhai achosion, gall fod yn sylfaen datblygu cwmnïau bychain a chanolig eu maint trwy raglenni pecynnu a dyrannu ar lefel Cylchgrawn Swyddogol Undeb Ewrop ac yn is fel ei gilydd.

- Beth yw'ch barn am gryfderau/gwendidau polisi caffael Llywodraeth Cymru? Oes unrhyw fentrau sydd wedi bod yn arbennig o fanteisiol neu anfanteisiol?

#### **Ymateb:**

Rhaid mesur cryfder polisi yn ôl ein gallu i lunio dulliau ar y cyd yng Nghymru, ac mae'r cynghorau lleol wedi ymrwymo i gydweithio o'r fath.

Mae'n bwysig cydnabod bod sefydliadau'r sector cyhoeddus wedi ysgwyddo'r rhan fwyaf o risgiau cynlluniau arbrofol megis buddion cymunedol. Mae'n bwysig parhau i gynorthwyo sefydliadau trwy fentrau o'r fath a dylai Llywodraeth Cymru rannu neu warantu rhai risgiau wrth gynnal a datblygu'r arbrofion a rhoi'r canlyniadau ar waith wedyn. Gallai hynny fod yn fwy perthnasol ar ôl llunio ffyrdd newydd o weithio yn ymateb i'r rheoliadau ynghyd â'r ymdrech i arbed rhagor a chydweithio'n ehangach.

Mae modd dadlau bod llawer o'r caffael yn mynd rhagddo trwy raglenni strategol cymhleth lle nad oes ond hyn a hyn o fewnbwn gan 'broffesiynolion caffael'. Mae hynny wedi'i adlewyrchu yn Adroddiad McClelland gan yr awgrym y gallai fod modd rhyddhau adnoddau i'w defnyddio mewn prosiectau mwy cymhleth trwy sefydlu corff (y Gwasanaeth Caffael Gwladol) fyddai'n ymwneud â gwariant cyffredin ac arferol.

Efallai bod y rhaglenni gwaith hynny wedi llwyddo o ganlyniad i gydweithio ymhlith proffesiynolion medrus a llunio rhagor o fedrau cyffredinol, fodd bynnag, fel y byddai cyfle i fanteisio ar ragor o hyblygrwydd a syniadau arloesol. Gallai fod eisiau ystyried y ffordd orau o gyfuno caffael â gwaith o'r fath – y cam pwysig nesaf i'r cynghorau lleol ar ôl sefydlu'r Gwasanaeth Caffael Gwladol.

Ers cyhoeddi 'Gwell Gwerth i Gymru' yn 2001, rydyn ni wedi sefydlu llawer o'r dulliau a'r arferion y bydd angen eu defnyddio ar gyfer polisi Llywodraeth Cymru. Ein barn ni yw bod angen symleiddio'r 'diwydiant' o gwmpas 'Gwerth Cymru' bellach i helpu'r cynghorau i ganolbwyntio ar ddeilliannau yn hytrach na phrosesau.

Ymunodd y cynghorau lleol â'r Gwasanaeth Caffael Gwladol fis Rhagfyr 2012 yn ôl y buddion oedd wedi'u darogan (o wario tua £900 miliwn) a'r addewid isod:

'Ar ôl iddo aeddfedu, mae disgwyl y bydd yn arbed tua £25 miliwn y flwyddyn trwy godi cwestiynu a dylanwad ar yr hyn rydyn ni'n ei brynu a thrwy ei brynu'n well. Fe fydd yr arbedion yn ein galluogi i gryfhau gwasanaethau rheng flaen.'<sup>1</sup>

Ar ben hynny:

Bydd modd '**arbed arian**' trwy gwtogi ar gost prynu nwyddau a gwasanaethau dro ar ôl tro. Byddwn ni'n gwneud hynny trwy fanteisio ar ehangder a grym y sector cyhoeddus (ynghlŷn â phrynu) a chysoni gofynion ymhlith y defnyddwyr. O roi ar waith y strategaethau caffael sydd wedi'u nodi, gallai sector cyhoeddus Cymru arbed rhwng **£9.2 miliwn a £24.6 miliwn** y flwyddyn neu **£74.8 miliwn dros bum mlynedd** yn ôl gwerth net presennol o 3.5%.<sup>2</sup>

Mae'r cynghorau lleol yn cefnogi'r Gwasanaeth Caffael Gwladol o hyd, nid lleiaf am ei fod yn rhoi cyfle i ganolbwyntio ar orchwylion caffael cymhleth, uwch eu gwerth.

Er mwyn i hynny ddigwydd, rhaid i'r gwasanaeth ychwanegu gwerth at y trefniadau mae wedi'u hetifeddu yn y sector cyhoeddus a sefydlu rhai newydd, hefyd. I wneud hynny, dylai fod yn effro i anghenion ei glientiaid, sef y sefydliadau cyhoeddus.

Mae'r cynghorau lleol yn derbyn na fydd y gwasanaeth ar waith yn gyfangwbl cyn 2016-17 ac maen nhw'n deall bod y problemau cychwynnol yn ystod y cyfnod hwn yn cael eu datrys trwy feithrin perthynas dda i ddibenion cydweithio.

Mae ar y gwasanaeth gyfrifoldebau gwerth £2.2 biliwn bellach (dros ddwbl ei wariant gwreiddiol) ac mae bwriad i ddyblu ei staff a'i adnoddau fel ei gilydd o'u cymharu â'r cynigion gwreiddiol. Felly, mae'n bwysig iddo gyflawni ei dargedau (o ran arbedion)

<sup>1</sup> Datganiad ar lafar gan y Gweinidog Ariannol, Jane Hutt, 07/05/2013

<sup>2</sup> Dadl o blaid gwasanaeth caffael gwladol (fersiwn 1.0): 12/09/2012

a rhoi'r arian sydd wedi'i arbed yn ôl ar gyfer gwasanaethau rheng flaen. Mae'r cynghorau lleol am weithio'n fwy effeithlon yn y sefyllfa economaidd sydd ohoni.

- Pa feini tramgwydd sy'n rhwystro awdurdodau lleol rhag prynu gwasanaethau a nwyddau i sector cyhoeddus Cymru?

**Ymateb:**

Yn ystod proses adolygu Cyfarwydddeb Caffael Undeb Ewrop, dadleuodd cynghorau lleol o blaid egluro a symleiddio, lleddfu baich gweinyddu a rhoi cyfle i weithredu'n ymarferol yn ôl eu hamcanion ac egwyddor Undeb Ewrop y dylai grym fod mor agos at y bobl ag y bo modd.

Dyma egwyddor mae'r cynghorau lleol i gyd yn ei derbyn ac mae'n cyd-fynd â nodau ehangach polisiau Llywodraeth Cymru. Yn aml, mae'r duedd i ganolbwyntio ar nifer o sectorau, galwedigaethau a phrosesau yn ein rhwystro rhag cydweithio i gyflawni amcanion er lles cymunedau. Fel sydd wedi'i nodi yn yr ateb i'r cwestiwn blaenorol, mae llawer o'r dulliau a'r arferion priodol wedi'u sefydlu bellach a dyma'r adeg inni ganolbwyntio ar bolisiau cyfun fydd yn galluogi sefydliadau cyhoeddus i gael y maen i'r wal.

Elfen hanfodol arall i Lywodraeth Cymru yw galluogi a chynorthwyo cwmnïau bychain a chanolig eu maint, yn arbennig rhai newydd, i gael eu traed tanynt yn y farchnad a datblygu eu gallu a'u hadnoddau fel y gallan nhw gystadlu'n effeithiol.

- Pa mor llwyddiannus fu mentrau Llywodraeth Cymru i helpu mudiadau yn y trydydd sector/cwmnïau lleol/ cwmnïau bychain a chanolig eu maint i ennill cytundebau? Sut y gallen ni wella'r ymdrechion hynny?

**Ymateb:**

Mae ystadegau diweddar yn awgrymu bod rhagor o gwmnïau yng Nghymru yn ennill cytundebau'r sector cyhoeddus (dros 50% bellach). Dyma sylfaen cadarn ar gyfer twf economi'r wlad. Rhaid ei ystyried yng nghyd-destun ehangach twf economaidd, datblygiad busnes a chydbwysedd da rhwng mewnfario ac allfario, fodd bynnag. Yn y cyd-destun hwnnw, gallai fod o fantais pe baech chi'n gofalu nad yw cwmnïau lleol yn ei gymryd yn ganiataol y byddan nhw'n ennill cytundebau. Trwy helpu cwmnïau i gystadlu'n effeithiol am waith y tu allan i Gymru yn ogystal â'r tu mewn iddi, gallen ni ofalu y byddan nhw'n parhau i ragori.

Mae canlyniadau ymchwil Prifysgol Morgannwg<sup>3</sup> ar ran Gwerth Cymru fis Ebrill 2012 yn ddiddorol ynglŷn â buddion llai o hysbysebu, fodd bynnag. Yn ôl y polisi cyfredol, rhaid hysbysebu pob caffael dros £25,000 yn rhyngwladol trwy gyfrwng sell2wales. Gallai fod yn werth ailasesu effaith y polisi hwnnw am fod cwmnïau yng Nghymru yn ennill dros 50% o gytundebau'r sector cyhoeddus bellach.

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<sup>3</sup> The Impact Of Low-Value Advertising On SME Access To Public Sector Procurement In Wales';

- Sylwadau WLGA am ddefnyddio polisiau caffael i hwyluso 'buddion cymunedol' yn ôl dyheadau Llywodraeth Cymru.

**Ymateb:**

Mae'n amlwg bod modd defnyddio 'caffael' ar gyfer amcanion ehangach.

Mae hynny'n hysbys ers tro ac mae'r cynghorau lleol yn ei wneud i raddau helaeth. Er y gallai fod modd cyflawni rhagor, fodd bynnag, nid dim ond â maes caffael mae hynny'n ymwneud o reidrwydd.

Fe ddylai fod yn ddigonol gofalu bod 'polisiau gwladol eraill' wrth wraidd amcanion a strategaethau cyfundrefnol a chorfforaethol fydd yn cyfeirio'r amryw wasanaethau a rhaglenni.

Ar draws holl swyddogaethau'r cynghorau lleol, bydd gallu gwahanol fathau o gaffael i helpu i gyflawni amcanion 'polisiau eraill' yn amrywio yn ôl y gwerth, yr ehangder, y cymhlethdod a'r canolbwynt. Er enghraifft, gallai rhaglen adfywio gostus gynnwys llawer mwy o amcanion na chytundeb ar gyfer ymgynghorydd cyfrifeg. Felly, rhaid pennu'r blaenoriaethau a'r raddfa yn ôl anghenion lleol. Ar ôl pennu amcanion ar y lefel briodol, bydd modd eu blaenoriaethu a'u cyflawni yn unol ag arferion da.

Gallai Deddf 'Lles Cenedlaethau'r Dyfodol' Cymru 2015 a'r mesur amgylcheddol sydd ar y gweill fod yn enghreifftiau o drefn briodol i amcanion o'r fath lle byddan nhw'n cael eu pennu, eu hadlewyrchu a'u rhaeadru trwy sefydliadau yn ôl y gofynion i'w cyflawni. Gallai arferion da maes caffael gynnwys yr amcanion hynny yn rhan o'r hyn sydd i'w gyflawni. Felly, fydd dim angen polisi arall yn y maes hwn i gyfnerthu'r gofyn i'w cynnwys.

- Unrhyw arferion da sydd wedi'u lledaenu ar draws ffiniau awdurdodau lleol a rhwng awdurdodau cytundebu ym mhob rhan o'r sector cyhoeddus gan gynnwys trwy gymorth cymheiriaid a mentora.

**Ymateb:**

Mae ym maes llywodraeth leol nifer helaeth o rwydweithiau sy'n lledaenu arferion da ac yn cydweithio mewn sawl mater megis:

Ynni – Cydweithio â phartneriaethau lleol a Llywodraeth Cymru i baratoi cynllun isadeiledd gwyrdd cyfun ar draws y 22 awdurdod.

Rheoliadau Cytundebau Cyhoeddus 2015 – Llawlyfr Llywodraeth Leol – Cydweithio â Chymdeithas Llywodraeth Leol Lloegr, partneriaethau lleol a swyddogion materion Ewrop i lunio arferion da fydd yn berthnasol i'r rheoliadau newydd.

Rhaglen Buddsoddi yn Isadeiledd Cymru a Rhaglen y Cyfalaf – ymateb y 22 gyngor lleol i'r cyfleoedd mae'r amryw gynlluniau cyfun yn eu cynnig.

Mae cylchoedd comisiynu gofal cymdeithasol wedi sefydlu trefniadau cydweithio eang boed rannu gwasanaethau, arferion neu dechnoleg gwybodaeth.



Mae digon o gydweithio ym maes technoleg gwybodaeth megis galluogi cynghorau lleol i weithio ar y cyd trwy gylchoedd proffesiynol, pennu anghenion sy'n gyffredin er cysondeb ym mhrosiectau Rhwydwaith y Gwasanaethau Cyhoeddus/Cydgasglu Band Eang y Gwasanaethau Cyhoeddus a chymryd rhan ym mhrosiect caffael electronig Llywodraeth Cymru.

Rheolau Gweithdrefnau Cytundebau – Ar y cyd â chylch gorchwyl a gorffen ac ynddo reolwyr caffael amryw gynghorau lleol, mae WLGA wedi llunio rheolau arfaethedig ar gyfer gweithdrefnau cytundebau er mwyn hyrwyddo cydgyfeirio a chysondeb. Mae gan bob cyngor lleol ei reolau ei hun o hyd ond mae fersiwn safonol i gyfeirio ato bellach. Mae'r rheolau arfaethedig ar wefan WLGA a bydd y cynghorau lleol yn eu defnyddio i ddiweddarau eu rheolau hwythau. Mae bwriad i ddiweddarau'r fersiwn safonol bob hyn a hyn, hefyd.

Mae ar wefan WLGA gasgliad o brosiectau cydweithio a rhai astudiaethau o arferion da ym maes caffael.

**NAFW Enterprise and Business Committee meeting 17<sup>th</sup> June 2015  
evidence in advance provided by NHS Wales Shared Services Partnership.**

Witness attending the session - Mark Roscrow Director of Procurement Services, NWSSP

NHS Wales welcomes the opportunity to contribute to the wider debate on the Procurement Policy within the Welsh Public Sector and indeed the statement from Jane Hutt in December 2012 and in addition the McClelland Review and subsequent creation of the National Procurement Service.

To address the specific points that were requested therefore

**- How NHS procurement policy has changed since 2012, and the extent to which this has been driven by the Welsh Government;**

The policy as set out in the 2012 autumn statement has largely remained the same in the intervening period and this is felt to have been helpful as it gives an opportunity to address the issues that were raised and to consider how some of these can be moved forward and the practicalities around this. Whilst there have been some changes and refinements to certain aspects of it which I will cover later on, the statement is due to be refreshed shortly and colleagues have had some input into early drafts of this with Welsh Government officials.

**- Your view, if any, of the strengths/weaknesses of Welsh Government procurement policy. Have any initiatives been particularly helpful/unhelpful?**

In order to address this I will pick up the particular principles of the policy and reflect these in the context of the question posed.

1. **Strategic** - Procurement should be recognised and managed as a strategic corporate function that organises and understands expenditure; influencing early planning and service design and involved in decision making to support delivery of overarching objectives.

*How will this be achieved?*

<b>Welsh Government will:</b> <ul style="list-style-type: none"><li>• set out a 'maturity model', against which development of procurement can be measured across the Welsh public sector.</li><li>• develop and fund Welsh Procurement Fitness Checks.</li></ul>	<b>The Welsh public sector will:</b> <ul style="list-style-type: none"><li>• measure themselves against the maturity model, by undertaking regular Welsh Procurement Fitness Checks and reporting the recommendations and action plan progress to Welsh Government.</li></ul>
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The use of the maturity model as a vehicle for measurement at least gives us the opportunity for comparison. It must be said however that the approach of the model itself has not been particularly robust and having two service providers has I believe given some potential for inconsistencies of approach although I know colleagues within Value Wales have attempted to standardise this as best as they were able. The issue with the model itself is as much to do with what has happened with these since they have been undertaken and in general whilst a requirement for plans to move this forward have been required the evidence to support process is generally limited. The issue itself comes to the fore not only in recommendations that were highlighted in the report "Buying Smarter in Tougher Times" which subsequently led to the McClelland review but it is evident that only certain aspects of these recommendations have been taken forward and in some instances little progress has been made. An example of one of these is the availability of management information and there was a specific recommendation within the Buying Smarter in Tougher Times report around

local authorities, in particular moving to a standard chart of accounts coding structure. Little if anything has been done to address this which means management information is extremely difficult, albeit some individual Councils have made good progress but on their own individual initiatives and information across the sector is still extremely difficult which doesn't help and support the work NPS are attempting to undertake.

2. **Professionally resourced** – procurement expenditure should be subject to an appropriate level of professional involvement and influence, adopting the initial benchmark of a minimum of one procurement professional per £10m of expenditure.

How will this be achieved?

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• publish a competency framework setting out qualifications, experience and expertise that will support a structured procurement career.</li> <li>• provide routes to training and development, including those which enable public bodies to cultivate professional procurement expertise.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• ensure adequate skills and resources are in place to carry out effective procurement and contract management.</li> <li>• have a procurement training plan which addresses resource and skills gaps and share this with Welsh Government to support future skills development strategy.</li> </ul>
<p>Policy link : <a href="#">Procurement Training</a></p>	

There has been some contribution towards training and Value Wales again have been very supportive of this but this to some degree has only scratched the service and there is an ongoing continual need to address training and development. The reality is that it is a wider issue and recruitment and retention remains a significant problem to us particularly with professionally qualified procurement staff. It has to be said that the salaries offered by NPS as part of WG have in itself created a problem as these are significantly higher than those available to both the NHS, Local Authority and generally the other parts of the public sector. There is an ongoing training requirement and again VW have been supportive in providing money for this but we need to address the wider issues and this remains a problem going forward.

3. **Economic, Social and Environmental Impact** - Value for Money should be considered as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society and the economy, whilst minimising damage to the environment.

How will this be achieved?

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• provide tools such as the Sustainable Risk Assessment to ensure that procurement decisions take account of long-term impact on the combination of benefits.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• apply these tools appropriately in their decision making process.</li> <li>• Use the information generated by these tools to inform the annual returns to be required under the Sustainable Development Bill.</li> </ul>
<p>Policy link : <a href="#">Sustainability Tools</a></p>	

This manifests itself particularly through the sustainable risk assessment and the application of this within a sourcing process. It has still remained a challenge to recognise that not every procurement is going to have a sustainable aspect to it and this is something that the model does not particularly recognise in that considering sustainable aspects of some of what we procure is going to be and has proven to be extremely difficult.

4. **Community Benefits** – delivery of added value through Community Benefits policy must be an integral consideration in procurement.

How will this be achieved?

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• lead on maintaining and strengthening Community Benefits policy; strengthening support available on the ground and challenging the application.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• apply Community Benefits to all public sector procurements where such benefits can be realised.</li> <li>• apply the Measurement Tool to all such contracts over £2m to capture and report outcomes to the Welsh Government.</li> </ul>
<p>Policy link : <a href="#">Community Benefits</a> <a href="#">Wales Infrastructure Investment Plan</a>:</p>	

This is similar to 3 in that the community benefit tool has been developed but it is clear that this is difficult to deal with and the reality is that the community benefits will not accrue from many of the contracts that we are looking to put in place. The value of us using this for contracts with a value over £2M is relatively low in comparison to the value of some of the contracts that we are putting in place.

5. **Open, accessible competition** – public bodies should adopt risk based, proportionate approaches to procurement to ensure that contract opportunities are open to all and smaller, local suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain. .

How will this be achieved?

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• provide <a href="http://www.sell2wales.co.uk">www.sell2wales.co.uk</a>, including the SQuID common question set.</li> <li>• maintain and develop the SQuID approach to supplier selection.</li> <li>• Improve information on forward programmes by maintaining publication of the <a href="#">Wales Infrastructure Investment Plan</a>.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• use <a href="http://www.sell2wales.co.uk">www.sell2wales.co.uk</a> to advertise all contracts over £25k.</li> <li>• proactively publish their forward contract programmes</li> <li>• Ensure that appropriate 'lotting' strategies are used.</li> <li>• apply the SQuID approach as standard to supplier selection.</li> <li>• encourage main contractors to use the 'Tier1' facility to advertise supply chain opportunities on <a href="http://www.sell2wales.co.uk">www.sell2wales.co.uk</a>.</li> </ul>
<p>Policy link : <a href="#">Supplier Qualification Information Database (SQuID)</a></p>	

This approach has generally been successful in so far as the Sell2Wales website and the recent refresh has been welcome and I believe it provides an opportunity for SMEs in Wales (also it has to be recognised outside of Wales) to register and apply for opportunities that are advertised. It has to be said that the issue with this is more around the linkages around the relevant parts of the technology and the wider electronic approach to procurement. The issues include the fact that the SQUID is not embedded within the key sourcing tools available through the VW/NPS contract through Bravo nor are there automatic interfaces into the Sell2Wales website in some instances and therefore this requires dual effort from staff to ensure opportunities are either advertised or the use of the squid can be embedded into the system. There are also wider issues with companies operating outside of Wales who feel frustrated having to register in two or more locations and the fact that from an NHS perspective Sid4Gov information which suppliers also register upon does not automatically feed through onto the Welsh system and this remains a source of frustration for procurement professionals, particularly within the NHS.

6. **Simplified Standard Processes** – procurement processes should be open and transparent and based on standard approaches and use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers.

How will this be achieved?

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• develop and promote simplified approaches to procurement based upon the adoption of common systems and processes, including the Welsh e-procurement service, that reduce the cost of doing business.</li> <li>• monitor the adoption and impact of these approaches.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• adopt and embed common procurement approaches.</li> <li>• Make best use of available e-procurement tools</li> <li>• Encourage supplier feedback on ease of process and channel through to Welsh Government</li> <li>• Pay all correct invoices on time</li> </ul>
<p>Policy link : <a href="#">xchangewales</a> <a href="#">Supplier Qualification Information Database (SQiD)</a></p>	

The NHS had a standard process for some time and the approach adopted through the policy statement has encouraged and developed this further. We have had significant support from Value Wales to embed procurement policy within the Bravo system and this has been extremely welcome however, this is an increasingly complex area and the suggestion that the procurement processes can be simplified when procurement professionals are now faced with a whole raft of issues that they need to consider when undertaking procurements. The example would include the changes to EU procurement rules which whilst broadly welcome now provide a wider opportunity of options to consider, there’s the sustainable risk assessment, future generations bill, community benefits, wider evaluation criteria including the use of electronic trading, outside of the specific specification and evaluation of the products being purchased, the potential subset into lots consider SMEs and the wider evaluation of this makes it extremely complicated. We are in a complex professional area which needs highly skilled staff.

7. **Collaboration** – areas of common expenditure should be addressed collectively using standardised approaches and specifications to reduce duplication, to get the best response from the market, to embed best practice; and to share resources and expertise.

How will this be achieved?

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• strengthen vehicles to deliver collaborative procurement.</li> <li>• use collective leadership to drive through effective collaboration.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• commit to participate in collaborative procurement initiatives for the benefit of Wales and their individual organisation.</li> <li>• monitor and report on engagement with collaborative procurement initiatives.</li> </ul>
<p>Policy link : <a href="#">Contracts and Resources</a></p>	

The NHS has a long history of collaboration and the event of the Shared Services Partnership in 2010 and the wider collaborative across the whole of NHS Procurement has been an example of the development of the procurement policy and a step change in approach to the NHS. This has also seen the establishment of the NPS as a forerunner of the recommendation of the buyer smarter report and the subsequent McClelland review. Whilst it remains relatively early days, although having said that two years into its establishment does give it an opportunity to consider how its managed to impact and affect Procurement and there are a number of frustrations including the reference to when the organisation is “fully operational” as two years into its setup one would have expected it to be fully operational particularly as it is fully staffed. The location of NPS within WG does I feel provide a distraction and that colleagues are involved in other areas which if it was embedded within an alternative organisation would have been less likely to have happened. The

wider benefits to be delivered through the programme has yet to be fully realised and the review into it which was suggested on its establishment will need to consider this particular issue.

8. **Supplier Engagement and Innovation** – *dialogue with suppliers should be improved to help get the best from the market place, to inform and educate suppliers, and to deliver optimum value for money.*

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• <i>encourage public bodies in Wales to adopt approaches to procurement that are informed and influenced by feedback from the supply chain.</i></li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• <i>publish a single electronic point of contact for supply chain dialogue/feedback/ queries.</i></li> <li>• <i>ensure de-briefing provides adequate tender feedback.</i></li> <li>• <i>use outcome based specifications where appropriate to encourage business innovation</i></li> <li>• <i>ensure regular contract performance management reviews are conducted and use these to encourage two-way dialogue</i></li> </ul>
<p>Policy link : <a href="#">Procurement Route Planner</a></p>	

This area continues to be a challenge and the NHS has recently published a separate report on innovation and the Minister is currently considering how this report will be implemented and effected across the NHS. As far as the specific statement is concerned it talks about wider performance management and reviews and whilst this in principle is absolutely correct the reality is from an NHS perspective with 1000s of contracts it is impossible with current resource to even scratch the surface around this area and therefore resource on what contract management is able to be undertaken tends to be focus on those areas considered to be the biggest risk or potentially the wider expenditure areas.

9. **Measurement and Impact** – *in accordance with good management practice, procurement performance and outcomes should be monitored to support continuous improvement, and examples of good and poor practice openly shared.*

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>• <i>provide a framework of procurement performance measures that are proportionate and help to drive improvement.</i></li> <li>• <i>Collate information and ask PSLG and Procurement Board to consider performance and assist policy implementation.</i></li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>• <i>provide Welsh Government with regular reports of outcomes achieved through procurement.</i></li> </ul>
<p>Policy link : <a href="#">Measurement Framework</a></p>	

This area I would suggest has been the one of least progress and whilst organisations have developed their own KPIs and will report on this there is little in practice undertaken through the wider public sector. The procurement board in my judgement has not advanced procurement particularly and little information flows back from this group and whilst information is provided to it by way of a top level scorecard, what this is actually measuring and any action taken from it is certainly questionable.

- **What are the main barriers the NHS experience when looking to purchase goods and services for the public sector in Wales?**

Some SMEs in Wales continue to have a fairly narrow focus on where they wish to undertake business and therefore in trying to get suppliers to consider wider opportunities remains a challenge. Awareness of Welsh based companies also can be an issue and this respect the resources that exist in WG through the Bus department have not proven to be particularly helpful in this regard nor do they engage with the NHS in terms of our requirements and despite repeated efforts over many years this continues to be a source of frustration in that a valuable resource is not targeted and focused. An example of this being the movement of NHS Wales through its e-trading processes which are in line with both WG and EU procurement and yet we still have supplier engagement champions with little knowledge if any, of the process and approaches we offer and the way we wish to move this forward. We have attempted to engage this on a number of occasions but frankly it lacks any cohesion whatsoever.

- **How successful have Welsh Government initiatives to increase the proportion of third sector organisations/local companies/SMEs winning contracts been? How could these efforts be improved?**

Generally the expenditure with Welsh based companies from within the NHS has increased over the past few years however, there needs to be a recognition that the extent to which this can continue to grow is limited to those suppliers that exist in Wales and are they able to trade. We have repeatedly made the point that suppliers are either pharmaceutical or dressing or wider medical and surgical products as an example are not present in Wales or indeed in many instances these days within the wider UK. Therefore the ability to procure product across our wide portfolio does have its obvious limitations. It also has to be recognised that where Welsh SMEs are competing then they are not all going to win business even where a lotting strategy is deployed. There are many examples of where SMEs have complained around the opportunities for business and still do not take advantage of the Sell2Wales website or the opportunities that are presented in other forums. WG held a Life Science event earlier this year which the NHS attended not only in terms of providing a stand for companies to visit or indeed a meet the buyer workshop event and also an overall presentation on the NHS. Whilst the presentation itself was well attended the meet the buyer event attracted only 3 companies and the visits to the stand were very limited. There was however a wide opportunity over the course of 2 days to engage with NHS staff. I believe one of the major changes that could help to improve this is a closer alignment of the supplier engagement resource within either Value Wales or within the sectors with sector champions who could work for or with the NHS as an example and address these issues. This is part of our approach particularly around medical product linked to the innovation report and the prudent procurement agenda which will be further developed over the course of the next few months from an NHS Wales perspective.

- **The NHS's views on the use of procurement policy to further other public policy objectives, as embodied in the Welsh Government's "Community Benefits" policy.**

I think I would refer to some of my earlier comments regarding the difficulties of the community benefits model and indeed the applicability of this across the wider range of product and services we provide. The current futures generation bill which has further ambitions in this area also needs to recognise some of the practicalities and the difficulties with this and the fact that this will not emerge from every contract we put in place and therefore I think there needs to be a more realistic assessment of what is achievable and what outputs are actually felt to be useful and how these themselves can be measured.

# Higher Education Purchasing Consortium Wales

Briefing Notes for the Enterprise and Business Committee – 17<sup>th</sup> June 2015

## Background

The Higher Education Purchasing Consortium Wales (HEPCW) is a non-legal body, supported by membership subscription, providing support to Welsh Universities so that the benefits of a collaborative approach to procurement are optimised. In preparing this briefing, the comments present a view from HEPCW and may differ from the independent views of its members. Evidence to support the views expressed where, appropriate, has been sought from amongst the membership and will be available by the date of the committee meeting.

### **Q1. *How has HEPCW procurement policy changed since 2012, and the extent to which this has been driven by the Welsh Government?***

HEPCW and its members have embraced the objectives of the Wales Procurement Policy Statement (WPPS) 2012 and they are all endeavouring to incorporate these within their own procurement policies and procedures and then implement them in practice.

The Higher Education (HE) sector is also trying to embrace the recommendations contained within the 2010 Diamond Review“ of Efficiency and Effectiveness within Higher Education. The review recommends a strategic approach to collaborative procurement and has set targets for expenditure via collaborative arrangements.

HEPCW is fundamentally focused on the provision of collaborative arrangements for use by its members. The sector benefits from a mature, established and successful collaborative procurement programme managed at a national HE Sector level through 6 regional purchasing consortia. Categories of expenditure covered by HE sector led contracts are broadly similar to those within the scope of the National Procurement Service (NPS). The HE portfolio however includes a number of additional categories which have a sector specific nature and there are some categories within the portfolio of the NPS which are of little or no relevance to HE institutions (HEI).

There is a desire by the HE sector to utilise collaborative arrangements, it is highly probable that neither the sector led or All Wales approach will offer the best solution in all instances, and thus the institutions need to have an opportunity to consider both and any other offerings available to determine which solutions best meets business requirements.



**Q2. *Your view, if any, of the strengths/weaknesses of Welsh Government procurement policy. Have any initiatives been particularly helpful/unhelpful?***

The Welsh Government's Procurement Policy has been effective in enabling sector organisations to review their processes and develop operational plans which strive to meet the policy objectives. The activities of the consortium are being developed to ensure that HEPCW can either meet the objectives itself, where appropriate, or support its members in the achievement of these objectives.

Key successes of the policy include:

- the development of the Supplier Qualification Information Database has proven successful in standardising the approach to supplier selection
- the provision of an All Wales Purchasing Card has enabled the majority of institutions to implement an effective process for low value ordering.
- the Sell2Wales website has been a success and many contracts have been awarded to Welsh SMEs as a result of contracts being advertised through Sell2Wales.
- There is evidence that spend with Welsh based suppliers and SMEs is increasing, this expenditure increased by 8% between 2012/13 and 2013/14. This will in many ways have been achieved as a result of using the Sell2Wales web site.
- The E tender system provided by Bravo Solution has also been of significant benefit to some members although some are using alternative tender processes.
- Use of community benefits clauses has achieved notable results (the new Swansea University Bay campus as an example).

One area of concern is the potential conflict amongst one or more objectives. By way of example, WPPS 5 which seeks to make opportunities more accessible to suppliers may not always align to WPPS 7 which highlights a desire for greater collaboration. The aggregation of demand to encourage competitive pricing may result in larger, nationally based suppliers winning business as they are able to optimise the benefits they have achieved through economies of scale. Sometimes this results in locally based SMEs losing business which they have held previously. It is a risk that requires careful management and consideration on a case by case basis but should be acknowledged that in some instances both objectives cannot be met.

**Q3. *What are the main barriers Welsh higher education institutions experience when looking to purchase goods and services for the public sector in Wales?***

Depending upon the specific commodity required, the barriers will differ. The European Procurement Directives provide a framework for the procurement of goods and services where the value exceeds published financial thresholds. Whilst the Directive provides clear guidance of the process to be followed, the Remedies Directive provides a process for suppliers to challenge processes and decisions and ultimately to set aside the award of the agreement. There is a need to demonstrate compliance with the process and to remove ambiguity from the evaluation. This creates a risk that Buying Organisations will focus upon compliance with a process rather than using the procurement to explore innovative approaches from bidders, which may deliver significantly better value.

**Q4. *How successful have Welsh Government initiatives to increase the proportion of third sector organisations/local companies/SMEs winning contracts been? How could these efforts be improved?***

The Welsh Government initiatives to increase expenditure with local SME's has been successful and expenditure with Welsh based suppliers by HEIs is increasing. In 2012/13 expenditure was £70.8m and this increased by approximately 8% to £75.8m in 2013/14. However it needs to be recognised that HEIs have significant expenditure for specialised research equipment where the supplier base is outside Wales.

With regards to the improvement of the success rate, it is difficult to quantify how this can be achieved. Processes have been implemented to remove barriers to potential bidders, such as increased use of SQuID, advertising opportunities via Sell2Wales, determining appropriate lotting strategies and including specific terms relative to community benefits and sustainable procurement factors. Whilst these have been successful to the extent demonstrated by the statistics regarding spend with Wales-based suppliers, it should be acknowledged that each requirement should be reviewed on its own merits to ascertain whether there is capability and capacity in the supply chain at a local/SME level to meet business needs.

**Q5. *HEPCW's views on the use of procurement policy to further other public policy objectives, as embodied in the Welsh Government's "Community Benefits" policy.***

HEPCW recognises that the Welsh Government's Procurement Policy can be an effective tool in the pursuit of wider public policy objectives. HEPCW and its members will continue to embrace the Welsh Government's Procurement Policy and implement these where appropriate.

### ***Procurement Fitness Checks***

All of the HEIs in Wales participated in the programme of Procurement Fitness Checks facilitated by Value in late 2014/early 2015. The sector welcomes this initiative as it provides an independent assessment of institutions' procurement and capability. The findings of the reviews will play a key role in supporting institutions in the development of strategies to deliver increased value through effective procurement. We would like to see this as a recurring exercise so that institutions can regularly measure progress.

### Cyflwyniad

1. Diben y papur hwn yw rhoi tystiolaeth ysgrifenedig i'r Pwyllgor Menter a Busnes ynglŷn â chaffael cyhoeddus yng Nghymru.
2. Mae sector cyhoeddus Cymru yn gwario £5.5 biliwn y flwyddyn drwy drefniadau caffael wrth i'r sector osod contractau ar gyfer gwaith, cyflenwi a gwasanaethau. Mae'r gwariant hwn yn cynrychioli dros draean cyfanswm cyllideb y sector cyhoeddus yng Nghymru ac mae'n gyfle pwysig i gael mwy o werth ychwanegol ar gyfer pobl, cymunedau ac economi Cymru.
3. Cyhoeddais Ddatganiad Polisi Caffael Cymru ym mis Rhagfyr 2012 gan nodi naw o egwyddorion y dylai cyrff yn y sector cyhoeddus eu dilyn wrth ymgymryd â chaffael. Mae'r Datganiad Polisi yn dweud yn glir y dylid gwneud penderfyniadau o ran caffael ar sail y cyfuniad gorau posibl o ystyriaethau economaidd, cymdeithasol ac amgylcheddol.
4. Mae'r holl brif gyrff cyhoeddus yng Nghymru wedi cadarnhau eu hymrwymiad i fabwysiadu egwyddorion Datganiad Polisi Caffael Cymru. Mewn llawer o awdurdodau lleol fe wnaed penderfyniad i'r perwyl hwn gan y cabinet, fel bod yr uwch arweinwyr wedi ymrwmo i gefnogi mabwysiadu'r egwyddorion yn eu sefydliad.
5. Ar ôl cyhoeddi'r Datganiad Polisi, canolbwyntiwyd ar fonitro'r modd y mae ei egwyddorion yn cael eu mabwysiadu ac ar helpu cyrff cyhoeddus i ddod yn fwy medrus ym maes caffael a chydweithio'n fwy effeithiol.

### Effaith Datganiad Polisi Caffael Cymru

6. Mae'n galonogol gweld y cynnydd a fu, wedi i'r sector cyhoeddus ymrwmo i ddilyn egwyddorion y Datganiad Polisi ac yn sgil y cymorth a roddodd Llywodraeth Cymru i gyrff cyhoeddus er mwyn iddynt gynyddu eu gallu ym maes caffael.

### Datblygu proffesiwn caffael

7. Darparwyd rhaglen lawn o wiriadau ffitrwydd caffael ar gyfer llywodraeth leol, y GIG ac addysg uwch. Trwy gyfrwng yr adolygiadau hyn, cafodd pob sefydliad a gymerodd ran asesiad i ddweud pa mor dda yr oedd wedi datblygu trefniadau caffael ac fe amlinellwyd beth roedd angen iddynt ei wneud er mwyn gallu mabwysiadu polisi caffael Cymru, a'r arferion gorau yn y maes, yn well. Bydd rhaglen Gwiriadau Ffitrwydd yn dechrau ar gyfer Addysg Bellach yn ddiweddarach eleni.
8. Cyhoeddwyd canlyniadau'r gwiriadau ffitrwydd caffael ar gyfer Llywodraeth Leol a'r Gwasanaeth Iechyd, y naill yn Awst a'r llall yn Rhagfyr 2014, ac mae modd eu gweld yn <http://prp.gov.wales/fitnesscheck2014/>. Bydd yr adroddiadau ar Addysg Uwch yn cael eu cyhoeddi ym mis Gorffennaf. O'r un ar ddeg ar hugain o sefydliadau a aseswyd, mae tri ar ddeg yn cydymffurfio â'r gofynion neu'n rhagori ar hynny. Mae'r deunaw sefydliad a oedd yn is na lefel cydymffurfio yn cael cymorth er mwyn i'w perfformiad gyrraedd y lefel angenrheidiol.

## **PAPUR I'R PWYLLGOR MENTER A BUSNES CAFFAEL CYHOEDDUS**

9. Mae'r cymorth sydd ar gael yn cynnwys canllawiau polisi ac adnoddau, sydd ar gael yn rhwydd ac a gyhoeddwyd yn y Canllaw Cynllunio Caffael. Yn ogystal â hynny ceir rhaglen hyfforddi lawn o gysiau byr, a gyflwynir yn bwrpasol o fewn sefydliadau, a rhaglen strwythuredig ar gyfer sicrhau cymhwyster proffesiynol.
10. Drwy gyfrwng prosiect Doniau Cymru dan Gronfeydd Strwythurol Ewrop mae bron i 1,500 o bobl wedi dilyn cysiau hyfforddi byr. Yn y flwyddyn academaidd bresennol, mae Llywodraeth Cymru hefyd yn talu i hanner cant a phedwar o bobl allu astudio ar gyfer aelodaeth broffesiynol o'r Sefydliad Siartredig ar gyfer Caffael a Chyflenwi, ac i un ar bymtheg o swyddogion weithio tuag at MSc mewn Caffael.
11. Mae prosiect Doniau Cymru wedi helpu i gynyddu'r capasiti drwy gyflwyno rhaglen lle cafodd wyth ar hugain o hyfforddeion weithio mewn gwahanol fannau yn y sector cyhoeddus yng Nghymru a dilyn ar yr un pryd raglen hyfforddi strwythuredig. Aeth tri ar hugain o'r hyfforddeion ymlaen i weithio'n llawn-amser yn y sector cyhoeddus.

### **Budd i'r Gymuned**

12. Un o gonglfeini Datganiad Polisi Caffael Cymru yw polisi Budd i'r Gymuned. Lansiodd polisi Budd i'r Gymuned o'r newydd ym mis Gorffennaf 2014 ac mae'r niferoedd sy'n mabwysiadu ac yn cyflwyno'r polisi arloesol hwn yn cynyddu o hyd.
13. Drwy fesur y saith deg pedwar prosiect cyntaf a gwblhawyd, gwelir bod 84% o'r cyfanswm a wariwyd, sef £658m, wedi cael ei gadw yng Nghymru gan helpu 771 o bobl ddifreintiedig i fynd i gyflogaeth a darparu bron i 22,000 wythnos o hyfforddiant.
14. Mae Budd i'r Gymuned yn berthnasol i bob rhan o Raglen Lywodraethu Llywodraeth Cymru. Mae'r polisi'n canolbwyntio ar fynd i'r afael â thlodi, gan gyfrannu i'r Cynllun Gweithredu ar gyfer Trechu Tlodi a helpu i wireddu amcanion datblygu ym meysydd addysg a busnes. Mae ysgogiadau Llywodraeth Cymru, megis y Cynllun Buddsoddi yn Seilwaith Cymru, yn hyrwyddo mabwysiadu'r polisi ac o dan raglenni fel Rhaglen Ysgolion y 21ain ganrif a'r Rhaglen Lleoedd Llewyrchus Llawn Addewid, mae'n rhaid rhoi Budd i'r Gymuned ar waith er mwyn cael nawdd.

### **Cystadleuaeth Agored a Hygyrch**

15. O wneud y cyfleoedd sydd i ennill contractau yn amlycach, mae gwell cyfle i sicrhau gwerth da am arian ar gyfer sector cyhoeddus Cymru. Mae hefyd yn galluogi busnesau yng Nghymru i weld bod y busnes hwn ar gael a chystadlu amdano.
16. O dan Ddatganiad Polisi Caffael Cymru, mae'n rhaid i gyrrff cyhoeddus hysbysebu pob cyfle i ennill contract sy'n werth mwy na £25,000 ar GwerthwchiGymru.
17. Mae amlygrwydd y cyfleoedd hyn ar gyfer contractau o werth is yn parhau i gynyddu. Fe gynyddodd nifer y contractau o werth is na throthwy'r Undeb Ewropeaidd a hysbysebwyd ar GwerthwchiGymru o 23% yn 2014-15 o'i gymharu

## PAPUR I'R PWYLLGOR MENTER A BUSNES CAFFAEL CYHOEDDUS

â'r flwyddyn flaenorol, ac maent yn cynrychioli 82% o'r holl gyfleoedd a hysbysebwyd ar y wefan.

18. Mae gwneud y cyfleoedd yn amlycach fel hyn o fudd i'n heconomi gan i gyflenwyr sydd â'u canolfan yng Nghymru ennill 66% o'r holl hysbysiadau dyfarnu contractau a gyhoeddwyd ar GwerthwchiGymru.
19. At hynny, o ddadansoddi gwariant sector cyhoeddus Cymru o dan drefniadau caffael, fe welir ei fod tua £5.5 biliwn y flwyddyn. Roedd y dadansoddiad yn dangos bod cyflenwyr oedd â chyfeiriad talu yng Nghymru wedi ennill 55% o'r holl wariant hwn, sef cynnydd o 20% gan mai 35% ydoedd yn 2004.
20. Mae lansio canllaw Ceisiadau ar y Cyd sydd ar gael yn <http://prp.gov.wales/toolkit/>, hefyd yn cynyddu gallu busnesau i ffurfio consortia fel bod ganddynt well cyfle i ennill contractau mawr.
21. Mae cyfres o brosiectau peilot ar y gweill ar gyfer gwneud ceisiadau ar y cyd a'r bwriad yw cwblhau'r rhain yn yr hydref. Dilynwyd y drefn hon yn llawn gan Gyngor Caerffili, a olygodd bod modd penodi Allied Construction Consortium, sef consortiwm o bedwar busnes bach a chanolig yng Nghymru, i gytundeb fframwaith gwerth £21m gyda Chyngor Caerffili. Mae Cyngor Sir Caerfyrddin hefyd wedi cael llwyddiant drwy ddilyn y drefn hon, gyda'u rhaglen Teuluoedd yn Gyntaf. O'r 5 cais a dderbyniwyd, roedd 3 yn geisiadau ar y cyd ac fe benodwyd consortiwm i un o'r tri lot a osodwyd wrth i'r Cyngor gaffael gwasanaethau. Mae hyn yn dangos sut y gall cyflenwyr bach ennill contractau sylweddol os yw prynwyr a chyflenwyr yn mynd ati yn y ffordd iawn.

### Prosesau Safonol Syml

22. Mae Llywodraeth Cymru'n arwain y ffordd er mwyn rhoi ar waith raglen y Gwasanaeth eGaffael, i alluogi'r sector cyhoeddus i ofalu bod prosesau effeithlon yn ymwreiddio fel y ceir gwell gwasanaethau cyhoeddus.
23. Mae'r Gronfa Ddata Gwybodaeth am Gymwysterau Cyflenwyr (SQuID) yn cael ei defnyddio fel offeryn ar-lein, fel y gall cyflenwyr gadw bron i 250,000 o gwestiynau a ddefnyddir wrth ddewis cyflenwr a'u haildefnyddio yn ddiweddarach.
24. Lansiodd rhaglen eFasnachu Cymru ym mis Mawrth 2015 ac mae'n darparu meddalwedd a gwasanaethau rheoli newid a ariennir yn ganolog, er mwyn defnyddio technoleg i fasnachu â chyflenwyr yn electronig.
25. Mae modd i gyrff cyhoeddus gael gwasanaethau a ariennir yn ganolog i reoli gwaith tendro yn electronig ac yn 2014-15 rhoddwyd dros 3,300 o dendrau drwy'r gwasanaeth hwn gan wella mynediad i gyflenwyr. At hynny, bu gwasanaethau eOcsiwn yn gymorth i sicrhau £3m o arbedion yn ystod y flwyddyn ariannol ddiwethaf.
26. Rhaglen a reolir yn ganolog yw'r Cerdyn Pryniant Cymreig, sydd yn cyflymu taliadau fel y gall cyflenwyr dderbyn eu tâl cyn pen tridiau. Yn y flwyddyn ariannol ddiwethaf, cafodd £88m o wariant yng nghyd-destun caffael ei brosesu drwy'r Cerdyn Pryniant Cymreig ac ad-dalwyd bron i £900,000 i sector cyhoeddus Cymru.

## PAPUR I'R PWYLLGOR MENTER A BUSNES CAFFAEL CYHOEDDUS

### Cydweithredu

27. Lansiodd y Gwasanaeth Caffael Cenedlaethol ym mis Tachwedd 2013 ac mae'n gyfrwng pwysig o safbwynt strategol i reoli gwariant, gan reoli gwariant cyffredin ac ailadroddus ar gyfer Cymru.
28. Mae cyflwyno'r Gwasanaeth hwn yn cynnig capasiti ychwanegol pwysig, gan alluogi sefydliadau yn y sector cyhoeddus i ddefnyddio eu hadnoddau i reoli meysydd gwariant allweddol fel y gwariant ar adeiladu a gofal cymdeithasol.
29. Oddi ar ei lansio, mae'r Gwasanaeth wedi sicrhau arbedion o £5.5m a phan fydd yn gweithredu'n llawn bydd yn sicrhau arbedion o £25m y flwyddyn, i'w hailfuddsoddi er mwyn darparu gwasanaethau cyhoeddus.
30. Yn ogystal â helpu i sicrhau mesurau effeithlonrwydd, mae'r Gwasanaeth Caffael Cenedlaethol yn rhoi egwyddorion Datganiad Polisi Caffael Cymru ar waith yn llawn yn ei holl weithgareddau.
31. Defnyddir Budd i'r Gymuned lle bo'n briodol, gan fesur y budd, ac fe drefnir y caffael er mwyn rhoi cyfle i'n cyflenwyr bach sydd yn fwy lleol.
32. Mae'r Gwasanaeth yn adnabod cyfleoedd yn y gadwyn gyflenwi ar gyfer busnesau o Gymru ac yn canolbwyntio ar ddod â rhwystrau i lawr, yn arbennig er mwyn i gwmnïau llai a sefydliadau'r trydydd sector allu cystadlu am gontractau yn y sector cyhoeddus. Aeth y Fframwaith Effeithlonrwydd Adnoddau yn fyw fis Gorffennaf diwethaf ac fe'i cynlluniwyd yn y fath fodd fel ei fod yn annog busnesau bach i gynnig darparu gwasanaethau perthnasol i'w prif arbenigedd. O'r saith deg un cyflenwr a gafodd le yn y fframwaith, mae 46% â'u canolfan yng Nghymru ac mae dau ddeg saith o gyflenwyr eraill sydd â'u canolfan yng Nghymru yn aelodau o gonsortia llwyddiannus. Adnabuwyd arbedion, drwy'r fframwaith, o £752,914 yn erbyn gwariant yr ymrwymwyd iddo mewn contractau o £5,193,368.
33. Datblygwyd Piblinell Gweithgareddau Caffael ac fe'i mireiniwyd gan Grŵp Cyflawni'r Gwasanaeth Caffael Cenedlaethol, gan roi manylion yr amserlen ar gyfer pob caffael sydd i ddigwydd drwy'r gwasanaeth..
34. O 1 Ebrill 2016 ymlaen, bydd angen i'r Gwasanaeth dalu amdano'i hun, drwy godi tâl am bob gwariant sy'n mynd trwy gontractau a fframweithiau.

### Ymgysylltu â Chyflenwyr

35. Bydd polisi a strategaeth caffael yn gweithio'n fwyaf effeithiol pan fydd rhanddeiliaid o fyd busnes wedi mynegi barn arnynt a'u cefnogi.
36. Mae cynrychiolwyr busnes ar grŵp Commerce Cymru wedi chwarae eu rhan pan adolygwyd Datganiad Polisi Caffael Cymru.
37. Mae timau categori'r Gwasanaeth yn cynnal digwyddiadau ar gyfer cyflenwyr, i oleuo datblygiad strategaethau ar gyfer contractau a fframweithiau'r Gwasanaeth a chodi ymwybyddiaeth o bwmpas y gwasanaeth a'r modd y bydd Cymru'n elwa drwyddo.

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38. Ym mis Mawrth eleni, cynhaliwyd cynhadledd gyntaf Procurex Wales, i ddod â chyflenwyr a phrynwyr at ei gilydd. Roedd y digwyddiad yn llwyddiant mawr a daeth dros 500 o bobl yno.

### **Llywodraethu**

39. Rheolir dulliau llywodraethu caffael drwy gyfrwng Bwrdd Caffael sy'n cynnwys prif weithredwyr ac uwch arweinwyr o wahanol rannau o'r sector cyhoeddus yng Nghymru.

40. Mae'r Bwrdd yn monitro'r modd y caiff Datganiad Polisi Caffael Cymru ei fabwysiadu ac yn rhoi adroddiadau i mi ar y cynnydd.

### **Cyfarwyddbau Caffael yr UE**

41. Cafodd Cyfarwyddbau Caffael yr UE eu trosi'n ddeddfwriaeth ar lefel y DU ym mis Chwefror 2015.

42. Cydweithiodd Llywodraeth Cymru'n glòs â llywodraethau'r Alban a Gogledd Iwerddon er mwyn sicrhau bod llais y gweinyddiaethau datganoledig i'w glywed yn y trafodaethau a gynhaliwyd gyda'r Comisiwn Ewropeaidd er mwyn datblygu'r Cyfarwyddbau newydd.

43. Mae'r Cyfarwyddbau diwygiedig yn ategu polisi caffael Cymru ac yn bendant maent yn fodd i gyflawni mwy drwy gyfrwng caffael. Maent yn rhoi mwy o gyfle nag erioed i roi pwyslais ar bolisiâu allweddol fel Budd i'r Gymuned a hefyd i wella'r dialog â byd busnes drwy gydol y broses gaffael.

44. Diweddarwyd y cyfarwyddyd ynghylch y Canllaw Cynllunio Caffael ac mae cynlluniau'n cael eu datblygu i gynhyrchu rhagor o bolisiâu er mwyn manteisio ar ddarpariaethau newydd y Cyfarwyddbau.

### **Polisi Caffael Moesegol**

45. Gellir manteisio i'r eithaf ar y ffaith fod trefniadau caffael yn golygu delio â llawer o arian, er mwyn dylanwadu ar ymddygiad byd busnes.

46. Mae'r canllawiau polisi ar gosbrestru ac arferion cyflogaeth wedi arwain at newid er gwell mewn arferion busnes; bydd hyn yn gymorth i sicrhau bod pobl Cymru'n cael chwarae teg ac yn ennill bywoliaeth gyda chyflenwyr sy'n gweithio ar gontractau i'r sector cyhoeddus.

47. Mae gennym yng Nghymru lawer o fusnesau bach sy'n dibynnu ar ennill gwaith drwy'r gadwyn gyflenwi. Cyhoeddwyd canllawiau polisi ym mis Mawrth 2014 yn hyrwyddo'r defnydd o Gyfrifon Banc Prosiectau er mwyn gwella'r broses dalu ar gyfer contractwyr yn y gadwyn gyflenwi. Mae'r drefn hon yn cael ei dilyn mewn tri phrosiect adeiladu mawr.

### **Ymchwiliad i Ddylanwadu ar y broses o Foderneiddio Polisi Caffael yr UE**

48. Ym mis Mai 2012, gwnaeth yr ymchwiliad i Ddylanwadu ar y broses o Foderneiddio Polisi Caffael yr UE 13 o argymhellion i'r Pwyllgor Menter a Busnes mewn perthynas â chaffael cyhoeddus yng Nghymru. Gwnaed cynnydd da gyda



## **PAPUR I'R PWYLLGOR MENTER A BUSNES CAFFAEL CYHOEDDUS**

phob un o'r argymhellion yn sgil trosi cyfarwydddebau newydd yr UE yn gyfraith, cyflwyno Datganiad Polisi Caffael Cymru, sefydlu'r Gwasanaeth Caffael Cenedlaethol a gweithredu prosiect Doniau Cymru.

### **Datblygiadau Pellach**

49. Cytunwyd ar ddyndiad cyffredinol ar gaffael cyhoeddus gyda Llywodraeth y DU a bydd yn dod i rym ym mis Awst. Mae'r dyndiad hwn yn rhoi pwerau newydd i Weinidogion Cymru ddechrau rheoleiddio caffael ac mae cynlluniau ar y gweill i weld sut y gall y datblygiad hwn fod o gymorth i ddatblygu a gweithredu polisi caffael yng Nghymru.
50. Byddaf fi yn arwain grŵp gorchwyl er mwyn canfod cyfleoedd i wella deilliannau Budd i'r Gymuned a sicrhau bod pob rhan o Lywodraeth Cymru'n deall ei gilydd yn hyn o beth.
51. Mae achos busnes bron wedi'i gwblhau, er mwyn cael rhagor o arian o Ewrop i gynnal prosiect arall i ddilyn Doniau Cymru sy'n dod i ben ar 30 Mehefin. Rhagwelir y bydd yr achos busnes yn cael ei gyflwyno i WEFO yn ystod yr haf ac mae'n edrych yn debyg y ceir ateb cyn diwedd eleni.