



Northern Ireland  
Assembly

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**COMMITTEE FOR  
FINANCE AND PERSONNEL**

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**OFFICIAL REPORT  
(Hansard)**

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**Public Procurement Policy and Practice  
in Northern Ireland**

25 November 2009



we will move directly to questions from members.

**Mr Des Armstrong (Department of Finance and Personnel):**

I have a brief opening remark. CPD welcomes the interest that has been shown in the inquiry and the submissions that have been made. Some views expressed and the perceptions they reveal have been useful to us, and we welcome that.

**The Acting Chairperson:**

That is good. We welcome that bit of collaboration to start with.

**Mr F McCann:**

A key theme that arose at the stakeholder conference was how the procurement process, and in particular, those assessing tenders, accommodate applications from consortia. What progress has been made on consortia by the construction industry working group?

**Mr D Armstrong:**

Stewart Heaney has been doing some work with the Construction Industry Group through the Construction Industry Forum for Northern Ireland (CIFNI) task group. He will be able to give the Committee a quick update.

**Mr Stewart Heaney (Department of Finance and Personnel):**

We have had very positive engagement with the Construction Industry Group following the procurement task group report. A number of recommendations were made in that report identifying issues that needed further work and engagement, one of which was consortia. We now have an agreement with the Construction Industry Group that structuring procurement opportunities should be structured in such a way that allows smaller firms to come together as consortia.

We have agreed that, when a consortium submits a pre-qualification questionnaire (PQQ) to enter into a procurement process, a common set of questions will apply. One submission will represent the consortium for those areas relating to experience. Therefore, all members of the consortium may draw on the collective experience. Some issues, such as health and safety policy and financial standing, will still be assessed on an individual basis. The industry is comfortable with that and the Construction Industry Group has confirmed that it is content with that approach.

Another key area in the task group report regarding SMEs was financial standing. We have agreed with the construction industry that we will ask contractors who are bidding for construction projects to have a Constructionline category value that is at least equal to the annual spend on the job. By way of background; Constructionline is the national database of firms that have pre-qualified to work for the public sector. In calculating the category value, Constructionline looks at aspects such as the company's assets, its turnover and track record, through the use of references. For example, for a £20 million project, with an annual spend over two years of £10 million per year; we would be looking for a firm with a Constructionline category value of £10 million. That relates back to consortia, and the agreement is that, in such a case, each consortium member should be worth at least 40% of the project value. Therefore, if a project is worth £20 million and equates to £10 million per annum, each member of the consortium must be worth 40% of that sum. To bid for that project, a company must have a category value of £4 million. That is a significant step forward for us. The industry is comfortable with it and has accepted it as a reasonable way forward.

The other key aspect is bringing together all those points into a standard PQQ, and we are at an advanced stage in completing the second draft of the PQQ to do just that. We hope to consult with the industry on that next week, with a view to completing it by the end of December.

**Mr F McCann:**

Recently, a group of housing associations came together as a consortium to operate a procurement programme. Should we keep an eye on that and how it is being implemented?

**Mr Heaney:**

Procurement by the housing associations is being handled by the Housing Executive, which is the centre of procurement expertise (COPE).

**Mr F McCann:**

It was brought in by the Department for Social Development (DSD) initially. Is that not correct?

**Mr Heaney:**

Yes. That is correct. CPD has a number of staff who give advice to DSD, but the procurement of the contract for the housing associations is a matter for the Housing Executive, which is the

centre of procurement expertise in that area.

**Mr O’Loan:**

Good morning. Thank you for coming to speak to us. In weighting public and private experience, you previously told us that CPD does not value experience gained in the public sector higher than that gained in the private sector, and that the overarching requirement is best value for money. I understand that a CIFNI working group is considering how experience of work of a similar nature, scope and complexity should be used to evaluate the technical and professional ability of enterprises to be shortlisted for tender. Will you update us on the progress that has been made to give more equitable weighting to experience gained in the private and social economy sectors?

**Mr Heaney:**

CPD has never weighted public sector experience higher than private sector experience, but that issue was discussed with the industry. As part of the process of standardising the PQQ, we will be asking for relevant experience in a similar project. For example, if the requirement is to build a school, a contractor will not have had to build a school before. However, he will have to have constructed a building of similar size, scope and complexity, which could be a large commercial building. There will be nothing to state that the contractor has to have constructed a building of exactly the same nature as the one required. That has been agreed with the industry. Bidders will have to demonstrate capacity and capability.

**Mr O’Loan:**

The CIFNI working group felt that it had a job to do; therefore, it must have felt that the previous outcome was not balancing that weighting equitably.

**Mr Heaney:**

The industry has agreed to our proposals. The key requirement was that there would not be a barrier to a particular market sector, in that its members would have to have constructed a building of that type for the public sector before. We are clear that that will not be a requirement. As long as contractors have relevant experience, that experience will be considered by the assessment team.

**Mr O'Loan:**

Are there specific issues regarding health projects, for example?

**Mr Heaney:**

I am not aware of any particular issues.

**Mr O'Loan:**

I am aware of one instance in which a criterion for health projects was part of the tender requirements.

**Mr Heaney:**

Going forward, the work that we have done with the Construction Industry Group means that there will not be any requirement for specific experience. It will be up to a firm to sell itself through its quality submission and demonstrate its experience compared to that of other bidders.

**Mr O'Loan:**

In that one instance, it struck me that unnecessary barriers were being created for companies that had the capacity to do the job and had some experience in delivering a project in the private health environment but were not getting recognition for that and would not have pre-qualified.

**Mr Heaney:**

The industry has not raised that issue with the group.

**Mr O'Loan:**

Will you comment on any advances in the development of the PQQ used by government construction clients?

**Mr D Armstrong:**

I will make a quick point. From the feedback that we have received through the inquiry process we have learned that we need to look at having a greater degree of standardisation on the construction side and in supply and services. We have the platform and the vehicle for that in e-sourcing NI, which is the tool that we are using to bring procurement through the COPEs and out to the market. That has been a useful catalyst to allow us to standardise our documentation.

There has not been any reluctance in the past to use standardised documentation, as long as it has been particular COPEs' documentation. That type of process requires re-working of what the documentation looks like and training for staff as to how they might use it. We now have the opportunity to standardise, and I have not experienced any reluctance from the COPEs to use that process.

**Mr O'Loan:**

At your level, are you monitoring whether that is happening?

**Mr D Armstrong:**

The procurement practitioners group, which comprises the heads of procurement from all the COPEs, meets regularly. The commitments coming forward from that forum will, if appropriate, be included in CPD guidance notes.

**The Acting Chairperson:**

PQQs are a source of frustration for companies that wish to explore the possibility of submitting bids. Indeed, I have spoken to people who have had to fill in 15 PQQs. Could the forms not be pre-populated with data that has already been captured, with a box to allow the applicant to indicate whether the information is still relevant? An applicant would then only have to make appropriate amendments. Having to fill in the same information repeatedly seems like an awful waste of time and an inefficient way to go about things.

**Mr D Armstrong:**

That is a drawback of having paper-based tender submissions.

**The Acting Chairperson:**

Are we moving towards eliminating the need for such behaviour?

**Mr D Armstrong:**

Standard information that is given at the tenderer's discretion will be logged in the system, but we will still need to gather information that is specific to each procurement process. Nevertheless, the need to repeatedly request the same information from suppliers will reduce. Initially, information will be requested in the same format, but, subsequently, we will be able to condense what is required.

**Mr Heaney:**

For the Construction Industry Group, a key element of the standard PQQ is a firm's health and safety policy, which does not change every day; so we have agreed with the other centres of procurement expertise that health and safety will be assessed annually. Once that has been assessed, the contractor will be issued with a certificate. As long as nothing changes in the ensuing 12 months, contractors will not have to submit a health and safety policy with their PQQs. Likewise, details from contractors' accounts, which are used to conduct financial standing assessments, will be held in Constructionline's database. Therefore, when a contractor bids for a particular project, he will only need to quote his Constructionline registration number. Working with the industry on those two key elements of the standard PQQ has been very important in taking it forward.

**The Acting Chairperson:**

That is progress. As you can imagine, for people who interface with the system, having to repeat the same information on PQQs can appear to be, at best, an inefficient approach.

As you are aware, another key issue that came up at the conference was the minimum thresholds that companies must establish in relation to the tenders for which they apply. The requirements seemed disproportionate, irrational and arbitrary, and had the effect, whether intended or not, of knocking companies out of competitions that, given the opportunity, they would have been perfectly capable of delivering on.

**Mr D Armstrong:**

Working with the Construction Industry Group has been useful, because we have been able to hear directly from the industry about the problems that requirements that we put into contracts cause contractors. The group has tried to come up with a sensible and rational approach that secures value for money for the public purse without overburdening or presenting unnecessary barriers to the supply side.

**The Acting Chairperson:**

When will changes emerge that people can see? The requirements must be rational, proportional and prudent and must not knock people out of competitions because they are set too high.

**Mr D Armstrong:**

We are committed to completing work on the construction side by Christmas, and we are on target to do so. Our proposals are with the construction industry. On the supplies and services side, we realise that we do not have the same sort of interface with that market to deal with things at a strategic level; so we are thinking about how we might engage better with that sector. We plan to interface in a similar way to our approach on the construction side. We plan to deal with the market sectors using that a similar approach and obtain direct feedback for policy makers.

**The Acting Chairperson:**

With respect to proportionality, I am sure that you recognised immediately that that would also facilitate other businesses forming consortia. If thresholds are set too high, some firms may conclude that it is not worth considering an amalgamation, a joint venture, or forming a consortium. I think that that runs counter to what we are trying to do here, which is to provide as much access as is prudent to support local industry.

**Mr D Armstrong:**

I agree.

**The Acting Chairperson:**

This is not a major issue, but it emerged at the conference: respondents to the inquiry reported inconsistencies in the approach to tendering and feedback between CPD and the COPEs. They indicated that requests for statistical information during the course of the inquiry highlighted the lack of standardised data across CPD and the COPEs. Will you talk a bit about governance and the relationship between CPD and the various COPEs? Are we heading towards a standardised format that applies at all levels and sectors?

**Ms Aileen Edmund (Department of Finance and Personnel):**

CPD is the lead procurement body, and it therefore takes the lead in developing policies. It consults, shares, and develops best practice with the COPEs on a consensus basis as much as possible. CPD reports its progress and that of the COPEs against departmental and PSA targets.

**The Acting Chairperson:**

In your work, are you aware of variations or inconsistencies in approach? Are you indicating that the voluntary nature of this makes those variations and inconsistencies difficult to resolve?

**Ms Edmund:**

CPD produces guidance notes on different aspects of procurement. For example, we have a guidance note on disclosure of information. Guidance notes are agreed with the various COPEs. However, each has its own portfolio and has a feel for what suits its market best. Guidance notes will reflect what the COPEs are required to do in respect of best practice and the procurement regulations. However, they can choose to vary how they provide feedback to bidders. The regulations set out certain requirements with which COPEs must comply, such as the need to provide specific information to tenderers once a competition award is made. Whether COPEs give face-to-face or written debriefs is a matter for them, and each might take a slightly different approach. By and large, they follow the regulated process.

**The Acting Chairperson:**

The Committee, during its inquiry, has recognised that there are inconsistencies. You agree, but you are saying that there is an explanation. In fairness to the organisations, one can see how such a situation may arise, and the Committee's report might make a recommendation on the issue. For a region as compact as this, we should be able to devise a consistent approach for bidders.

**Mr D Armstrong:**

That is a reasonable statement. The supply side has certainly said that standardisation of approach is important.

**The Acting Chairperson:**

I shall develop the point. Given the proposals to reduce the number of local councils; what discussions have there been about the potential for additional efficiencies in procurement through greater collaboration between central and local government?

**Ms Edmund:**

Councils operate separately to central government and have their own legislative framework. In the past year, seven councils have come on board with e-sourcing NI. That, in itself, brings greater opportunities for collaboration and consistency.

**The Acting Chairperson:**

Is that seven councils out of the 26 councils?

**Ms Edmund:**

Yes, seven of the current councils have come on board, including some of the bigger ones. Beyond that, I am not aware of any additional collaboration.

**The Acting Chairperson:**

Are you promoting the idea of collaboration, or is it organic?

**Mr D Armstrong:**

The review of public procurement recognised that councils had a different status and could take the policy on board on a voluntary basis. Our information is in the form of guidance notes and is available on a webpage. Occasionally, councils phone us to discuss different points that they might take forward with respect to procurement. However, CPD is ready to talk to councils if an approach were made. We have spoken to the Department of the Environment on that matter.

**The Acting Chairperson:**

The 11 councils will have greater powers than those of the 26-council model, and that will have an obvious impact on procurement. Therefore, I imagine that CPD will need to be anticipating those pressures and changes.

**Ms Edmund:**

CPD has spoken to the Department of the Environment and has a representative on the panel that is looking after the RPA procurement work stream. However, no concrete proposals have come from that group as yet. Nevertheless, CPD is part of that group: it is in the loop and it is talking to the Department of the Environment.

**The Acting Chairperson:**

Simon Hamilton is next. Simon, I congratulate you being the best up-and-coming MLA at the Slugger O'Toole awards last night. While I am at it, Dawn Purvis got the award for the best MLA. Commiserations to the rest of us. Well done to the pair of you. One can see what a powerful Committee this is.

**Mr Hamilton:**

Thank you. You were very wise to mention this while Peter Weir is out of the room. I will not

tell him.

I have two sets of questions; one relates to training and capacity building and the other relates to evaluating complaints and feedback. As regards capacity building, one commentator at the conference talked about a collegiate approach in which procurement professionals could come together for joint events such as training. Has that been looked at, or can it be done through existing structures?

**Mr D Armstrong:**

We have developed a career path framework, which is available for COPEs. It was designed to upskill those who might be involved in the procurement process. As part of the accreditation process for the COPEs that has just been completed, they were tested as to how they had taken on board that career path framework and worked with it. Some positive comments came back from that assessment suggesting that it was in place.

As regards training, there has been a pretty good focus on pre-contract needs. The industry is telling us that there appears to be a weakness in commercial skills and contract management. So, we are focusing on the common approach that we take to contract management and on the commercial skills that are needed. Sometimes, the management of the procurement process will be given back to Departments once a contract is awarded. Therefore, we need to look at the skills that exist within Departments.

**Mr Hamilton:**

Another idea that came forward was the use of a licensing system for procurement professionals, and there could be different scales depending on the size of a contract. Have you any thoughts on such an approach?

**Mr D Armstrong:**

The COPEs get their licence from the Procurement Board, with respect to having an external assessment and a subsequent accreditation process. That has just been completed for the COPEs. From CPD's perspective, all branches within CPD are required to have someone with a professional procurement qualification.

On the construction side, there is a mix of disciplines involved, because of the variants in that

area, but, in the supply and services area, all of our people are qualified at least to the standard of Chartered Institute of Purchasing and Supply (CIPS) membership. There is an ongoing staff development programme in association with the University of Ulster. In the past day or so, I have talked to the university about commercial skills on the construction side. Although we are in the early stages, we are looking at some input into an MSc course on commercial skills in construction.

**Mr Hamilton:**

I will move on to appeals and mediation. People who are disgruntled with a procurement process can get feedback by talking to you and seeing where they were marked down and went wrong. If they believe that there is something much more fundamentally wrong with the process, they have to jump into litigation, which, in some cases, could be like using a sledgehammer to crack a nut. However, people may feel the need to pursue the matter. Obviously, it is bad for you and the public purse to have to jump from an informal feedback process into the courts.

It has been suggested that an ombudsman-type figure is needed. Evidence to the Committee indicated that people who lost out on contracts did not necessarily want to go to court and face the cost, etc. However, they felt that if something were wrong with the process, they wanted some acknowledgement of that and that things could be rectified through a slightly less formal process. Have you any views on that? Is it something that could fit into the process or be workable?

**Mr D Armstrong:**

The COPEs are required to have a complaints procedure in place. CPD has been looking at its complaints procedure in light of some of the legal action that has occurred to see whether we can have a system in which there is a greater sense of transparency in CPD's decision making, rather than litigation being the first route taken.

We operate a two-stage process. The first stage is usually an assessment by the relevant divisional director, after which there is a process of referral to the director of CPD. I have been in discussion with the Office of Government Commerce (OGC), which currently has in place a supplier feedback service. That allows the OGC to go into areas outside its responsibility, such as councils in England, to look at their procurement processes and decide whether they are compliant. That route is available, provided that there is not ongoing litigation. The OGC is prepared to allow us to modify our complaints procedure to allow for that type of reference.

Therefore, the OGC could be asked to look at a complaint that is made to the director of CPD, and the award of contract could be suspended until a report comes back.

Hopefully, that should reassure the market that there is a degree of external scrutiny, because the OGC will not come back with a report unless it can stand by the information that it has provided already. The OGC has agreed to do this, but I have not discussed whether it could be pushed out to the COPEs. I want to see how it operates first, and I want to have further discussions with the OGC; but we will shortly change our complaints procedure to allow for referrals to the OGC supplier feedback service.

**Mr Hamilton:**

Is the principle of doing something beyond the current system, short of litigation, something that you are considering?

**Mr D Armstrong:**

Suppliers need to raise their concerns as soon as possible if the process is to work really effectively. Once the award decision stage is reached and if the contract is over the European threshold, triggering the Alcatel mandatory standstill period, complaints start to move towards possible litigation.

If suppliers have issues, I would prefer that they raise them as soon as they get the documentation, and those issues could then be clarified by clarification notes. If suppliers have a problem with the process at any time, they should put the flag down. CPD has seen the outcome of litigation and the surrounding issues, and we want to ensure that suppliers are reassured that the system is robust, reasonable, fair and transparent.

**Ms Edmund:**

If a supplier is not happy after the second-stage complaint, he or she is at liberty to go to our ombudsman, who has the authority to investigate the Department's processes. The ombudsman does not have the authority to say whether a decision was the right one, but he can certainly investigate our processes. That mechanism is in place. If the complaint is about the award decision, the courts are the only place to go, because that is a very different issue.

**Mr O’Loan:**

I am interested in what you say, but I am not at all convinced that the model of piggy-backing on the OGC system is nimble enough or quick enough on its feet to address the issue. You refer to the ombudsman as another model, but that would make me start to tear out whatever hair I have left, because I know that that model is not nimble enough.

It is not a question of wanting a pushy model. What are required are a conciliatory approach and an independent view. People are seeking a process that is lean, that can be invoked quickly, and that operates quickly. I am not convinced that invoking the OGC is the answer.

**Mr D Armstrong:**

We need to be able to get answers to questions quickly. If matters are raised after the award of contract, disappointment is with the unsuccessful tender, and the client desires to get the contract into place because it is there to help them to deliver public services.

I am committed to ensuring that our processes are transparent the whole way through and that the supplier knows that they can raise issues at any time and that that will not affect the result of that competition or any involvement that they had in previous competitions. A good way to start the process moving forward would be to get the message to suppliers that they should raise concerns at the earliest opportunity.

Post-award decision is a different matter, particularly if it is above regulations, because suppliers will have the opportunity to take legal action under the regulations. We are giving them another option of independent scrutiny of the decision. We need to consider whether we would give advice to a client to rush to contract when an issue is being raised.

**Ms Edmund:**

We record all complaints and their substance, and they go to the procurement board for review. One of the main reasons for that is to see whether we are doing, or have done, something wrong. There have been occasions when we have halted and re-run competitions because a complaint made at an early stage has given us pause for thought. We always reflect on the processes, but there have been occasions when a complaint has changed things at the right time and before the contract went any further.

**The Acting Chairperson:**

It is good to hear that an early complaint can result in such a response. However, I assume that there have also been occasions when an issue was flagged up early but was not accepted at the time, and the process was subsequently successfully challenged. Is that experience informing the more proactive approach that Aileen has just described? It is encouraging to hear people say that the process is not set in stone or that they have started so they will finish.

**Ms Edmund:**

We learn lessons.

**Mr D Armstrong:**

Even the case law suggests that, where a mistake is identified in the process, we need to move back to when the mistake was made and take a solution forward. That is the most sensible approach. We need to be committed to putting compliant contracts in place. If an issue is raised, it must be carefully considered before action is taken to go forward. We should move forward only when we receive advice that it is robust. We should not push things forward into unlawful contracts; that would be totally against what the COPEs have been set up to do.

**Mr Hamilton:**

Some contributors suggested the creation of a one-stop shop for guidance, capacity building and supply-chain management. Have you thought about that?

**Mr D Armstrong:**

As regards guidance, at the moment, we are considering our web page, which is probably a bit dated and is not necessarily easy to find information on. Aileen is leading a project to put that in place before Christmas. Is that right?

**Ms Edmund:**

No; we are aiming for the end of the financial year.

**Mr D Armstrong:**

The feedback highlighted two things. It showed whether the procurement process presents barriers and the way in which people understand it. Moreover, it highlighted the issue of people's capacity to tender. How can an organisation that has not tendered for government work before be

in a position to tender against the new PQQs that we are developing? That perhaps does not involve the CPD. We need to consider whether another organisation can provide the skills.

When we talk about SMEs in the procurement sense, we mean SMEs from any part of Europe; it is an open market. From a procurement point of view, we are bound to treat people from Lisburn and Lisbon with the same degree of help and assistance. There are other agencies that could help to upskill local suppliers and local tenderers, not only to tender in Northern Ireland but to tender in the all-island market, in the UK, and in Europe. It is a big market.

**Ms Purvis:**

Has any consideration been given to a definition of social value for all procurement contracts that would go beyond employment and section 75 matters?

**Mr D Armstrong:**

I do not think that we have a definition.

**Ms Edmund:**

It would be up to the Department that is formulating programmes or projects to the procurement phase to consider what it wants to get from those. CPD is more concerned with building in community benefit clauses, such as opportunities for employment, apprenticeships or training for the long-term unemployed. The community benefit clause is where we fit in, rather than the measurement of the social value.

**Mr D Armstrong:**

Some social, environmental and economic measures sit within the scope of public procurement, although its definition is best value for money. CPD, along with the COPEs and the construction industry, tried to guess a set of proposals that could be facilitated by construction. However, Departments need to decide whether that is right or wrong or whether they should be doing something else. Now that those benefits are in place and in contracts, we see that the market can respond.

It is early days for the construction side, but Stewart told me that 12 apprentices and four previously unemployed people are coming through on contracts that are now being let and are coming on stream. To be fair, CPD and the construction industry guessed what the Departments

might want. We are also looking at annual procurement plans with Departments. In that process, we are suggesting that Departments need to think about what social or community benefit they need.

**Ms Purvis:**

The one thing that came out of the conference was the need to have clarity on the definition of social value. If that were clarified, Departments would possibly find it easier to define what they want in their contracts. Perhaps CPD should consider that when issuing guidance to Departments, because it may be thinking about the works, the goods and the services, as opposed to the social benefit that can come out of a contract.

**Ms Edmund:**

We produced the equality and sustainable development guidance, which was launched last year, and it is supported by a dear accounting officer letter. It gives detailed guidance on how Departments should approach the matter. There are also some case studies in it. Therefore, there is guidance to support social value, but case studies and good examples are required to inspire other Departments. It is relatively early in the process, but we are at the stage where we are trying to get the momentum going and getting good examples so that people can see what can be done.

**Ms Purvis:**

You are right; examples are a good way of showing how it can work. The integration of equality and sustainable development priorities is an identified target in the Programme for Government. Do you have arrangements in place to monitor and report on compliance with that guidance?

**Ms Edmund:**

Twice a year, we go to the procurement board with a report on how Departments say they are embedding the guidance. Departments and COPEs have been taking steps to get that guidance to where it needs to be. The procurement board is committed to a formal review of the effectiveness of the guidance after three years. The board decided to leave it for that length of time because it recognised that it was going to take a while for people to get used to thinking in that way, because it is a step change in the way in which Departments approach procurement and how procurement approaches procurement, so it does take a while to bed in. Therefore, there will be a formal review after three years.

**Ms Purvis:**

How will you measure that?

**Ms Edmund:**

We will measure the number of clauses in contracts, how many unemployed people are getting off the unemployment register and how many apprenticeships there are. That is the sort of thing that we will endeavour to count. As we go along, we will keep tabs on it.

**Ms Purvis:**

You talked about the action plans to deliver sustainable development priorities. How many COPEs have actually provided action plans? According to one PSA target, they had to provide them by December 2008. Have they all provided them? How many Departments have produced annual procurement plans setting out how procurement will assist delivery?

**Ms Edmund:**

They have all produced them.

**Ms Purvis:**

Can we have sight of those plans?

**Ms Edmund:**

Yes.

**Ms Purvis:**

More generally, the Programme for Government indicated that the COPEs would work with Departments to identify ways in which procurement could assist in the delivery of Programme for Government commitments and provide outcomes for 2008-2011. What progress has been made on that target?

**Ms Edmund:**

In CPD, each Department has key account managers who meet formally with the departmental finance directors to discuss how procurement can help them to deliver their Programme for Government commitments and discuss their procurement plans, again building in equality and

sustainable development. Those are the sorts of things that we engage in dialogue with Departments about. Most COPEs have historic links with Departments, so they have very strong links with them. In many ways, that relationship already exists in respect of delivering the Departments' commitments, especially if one looks at Roads Service, Water Service and Translink. Those are key areas of the Department for Regional Development's responsibilities.

**Mr Heaney:**

The key account managers are approaching the matter from a higher level in the Department, whereas CPD staff, advisers and project managers engage on individual projects with client Departments. Our staff are well versed on the proposals that were agreed with the construction industry to deliver sustainability in projects, and they are very proactive in engaging with those clients. Even if a client is not familiar with those requirements, the CPD advisers would certainly put them on the agenda and encourage Departments to consider them. It is really a matter of coming at the issue in two ways, and the client adviser role in individual projects has proven quite effective.

**Ms Purvis:**

Does that include the delivery of what contributes to the most economically advantageous outcomes?

**Mr Heaney:**

Yes. All of our contracts are awarded on the basis of the most economically advantageous tender — MEAT, as we know it — not on the basis of the lowest price.

**The Acting Chairperson:**

The Audit Office and the Public Accounts Committee have looked at performance against the PSAs, and this Committee has been talking to its Department. I was interested in what you were saying, Aileen. Are you saying that CPD did not contribute to the Department's review of its performance against the PSAs because it is taking a three-year cycle approach to review?

**Ms Edmund:**

No; we contribute to all Departments' PSA targets, but the procurement board has a specific target in its strategy to formally review the effectiveness of the guidance after three years. We ask Departments and COPEs twice a year about their progress on embedding the guidance.

**The Acting Chairperson:**

Do you comment on the feedback that you get as to whether they are meeting those PSA timeline targets? I know that you have to allow a bit of time to see the overall achievement, but do you comment on those?

**Ms Edmund:**

Yes. We provide reports to OFMDFM and the Department on both of the PSAs that we contribute to.

**The Acting Chairperson:**

There are one or two other areas that we will write to you about, setting out some issues of concern, and perhaps you will be content to write back to us. I am conscious that we have kept you longer than we intended, and there are other people waiting to speak to the Committee. We will follow up on those issues. Thank you.