

## Agenda – Public Accounts Committee

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Meeting Venue:

Committee Room 4 – Tŷ Hywel

Meeting date: 5 March 2018

Meeting time: 13.15

For further information contact:

Fay Bowen

Committee Clerk

0300 200 6565

[SeneddPAC@assembly.wales](mailto:SeneddPAC@assembly.wales)

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(The Committee agreed on 26 February 2018, a motion under Standing Order 17.42 to resolve to exclude the public from Item 1 of this meeting)

### 1 Medicines Management: Consideration of the draft report

(13.15 – 13.45)

(Pages 1 – 61)

PAC(5)-07-18 Paper 1 – Draft Report

#### (Pre-meeting)

(13.45 – 14.00)

### 2 Introductions, apologies, substitutions and declarations of interest

(14.00)

### 3 Paper(s) to note

(14.00 – 14.05)

(Pages 62 – 64)

#### 3.1 Public Procurement: Additional information from the Future Generations Commissioner (14 February)

(Pages 65 – 130)

#### 3.2 Public Procurement: Additional information from Caerphilly County Borough Council (19 February)

(Page 131)

### 4 Public Procurement: Evidence Session 4

(14.05 – 15.30)

(Pages 132 – 167)



Research Briefing

PAC(5)-07-08 Paper 2 – Welsh Government

Andrew Slade – Director General, Economy, Skills and Natural Resources

Sue Moffatt – Commercial Director, Welsh Government & Director – National Procurement Service

Jonathan Hopkins – Head of Procurement, Welsh Government

**5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

(15.30)

Item 6 and the meeting on 12 March 2018

**6 Public Procurement: Consideration of evidence received**

(15.30 – 16.00)

Document is Restricted

# Agenda Item 3

## Concise Minutes – Public Accounts Committee

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Meeting Venue:

Committee Room 2 – Senedd

Meeting date: Monday, 26 February 2018

Meeting time: 15.05 – 16.58

This meeting can be viewed  
on [Senedd TV](#) at:

<http://senedd.tv/en/4508>

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### Attendance

Category	Names
Assembly Members:	Nick Ramsay AM (Chair) Mohammad Asghar (Oscar) AM Vikki Howells AM Rhianon Passmore AM Lee Waters AM
Witnesses:	Naomi Alleyne, Welsh Local Government Association Huw David, Welsh Local Government Association Geraint Hopkins, Rhondda Cynon Taf County Borough Council
Wales Audit Office:	Anthony Barrett – Assistant Auditor General for Wales Matthew Mortlock Dave Thomas
Committee Staff:	Meriel Singleton (Second Clerk) Claire Griffiths (Deputy Clerk) Sian Thomas (Researcher)

### 1 Medicines Management: Consideration of draft Report



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

1.1 Members considered the draft report and due to time constraints agreed to return to it at next week's meeting.

## **2 Introductions, apologies, substitutions and declarations of interest**

2.1 The Chair welcomed the Members to the meeting.

2.2 Apologies were received from Neil Hamilton AM and Adam Price AM.

## **3 Paper(s) to note**

3.1 The papers were noted.

3.2 Specifically on the papers to note, it was agreed to:

- Hold an evidence session with the Welsh Government on the review of the Intra-Wales Cardiff to Anglesey air service;
- Write to the Director for Economy, Skills and Natural Resources seeking further clarification on the relationship the Welsh Government has with the UK Government Digital Service; and
- Write to the Chairs of the Children, Young People and Education and Economy, Infrastructure and Skills Committees regarding the coding elements of the Hwb programme.

**3.1 Intra-Wales – Cardiff to Anglesey – Air Service: Correspondence from the Cabinet Secretary for Economy and Transport (30 January 2018)**

**3.2 Cardiff Airport: Correspondence from the Welsh Government (2 February 2018)**

**3.3 Introductory Session: Correspondence from the Welsh Government (31 January 2018)**

**3.4 The Welsh Government's Supporting People Programme: Correspondence from the Welsh Government (8 February 2018)**

**3.5 Committee working practices and procedures: Correspondence between the Committee and the Welsh Government**

## **4 Care experienced children and young people: Evidence session 6**

4.1 Members received evidence from Cllr Huw David, WLGA Spokesperson for Health

and Social Services (and Leader of Bridgend County Borough Council); Cllr Geraint Hopkins, WLGA Deputy Spokesperson for Health and Social Services (and Cabinet Member in Rhondda Cynon Taf County Borough Council); and Naomi Alleyne, Director of Social Services and Housing, WLGA as part of their inquiry into care experienced children and young people.

4.2 The witnesses agreed to send additional information on a number of points to assist the Committee with their inquiry.

## **5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

5.1 The motion was amended to include Item 1 of the meeting on 5 March 2018 and was agreed.

## **6 Care experienced children and young people: Consideration of evidence received**

6.1 Members considered the evidence received.

# Agenda Item 3.1



By email

14<sup>th</sup> February 2018.

## Re: Public Accounts Committee Meeting Monday the 5<sup>th</sup> of February 2018

Dear Nick,

Thank you for the opportunity to give evidence to the PAC inquiry on procurement. I mentioned that I would provide further information to the committee both on the example of the Portland metro procurement (presentation attached) and my Future Generations Framework which although developed for infrastructure programmes I think could provide a useful basis for revisions to the Procurement Policy statement and the community benefits toolkit.

I also wanted to clarify further the answer I gave to Lee Waters regarding use of my powers to ensure that there is no confusion. In the work that I am undertaking with the National Procurement Service, Value Wales and pilot local authorities I am using my powers under section 19 of the Act.

Lee, I believe was specifically referring to section 20 powers of review. It is worth noting that reviews are intended to provide insight to me and to help the public body improve the way in which they look at the long term impact of what they do and safeguard the ability of future generations to meet their needs. Use of this power. Use of this power remains open to me, for example, should it become apparent that the Government and others are not following advice I have provide under section 19.

As I mentioned at the committee I am engaged in further dialogue with the Cabinet Secretary for Finance in terms of the issues which need to be resolved from the perspective of the Future Generations Act. I met with him and his officials this week to follow up the concerns I had expressed in writing that the policy frameworks for procurement which include the Welsh Procurement Policy Statement and the Community Benefits toolkit had not been updated to reflect the requirements of the Wellbeing of Future Generations Act. As you know the Government have indicated that they are reviewing the approach to procurement and I have made it clear that this must include work to reflect the Act as a matter of urgency. I am continuing to engage with the Government on this and am also keen to assess the report from PAC when it comes as from the evidence sessions I have seen I believe that it will certainly assist in clarifying the broader range of issues which need to be addressed.

As I told the committee, I am open to using section 20 powers if progress is not made.

Yours sincerely,



## Trimet Information

Information on the Orange Line's sustainability programme:

<https://trimet.org/history/orangeline/library/sustainability.htm>

Further information on their work: <https://trimet.org/history/orangeline/library/index.htm>

Future Generations Framework:

<https://futuregenerations.wales/documents/future-generations-framework/>



# PORTLAND-MILWAUKIE LIGHT RAIL TRANSIT PROJECT

## Sustainability Overview



### Leadership

Portland is a leader in sustainability, and the Light Rail project is a key component of the city's commitment to a sustainable future. The project is designed to be a model of sustainable transportation, with a focus on reducing greenhouse gas emissions and improving air quality.

### Stormwater

The project is designed to manage stormwater runoff in a sustainable way. This includes using permeable pavement, green roofs, and other techniques to reduce runoff and improve water quality.

### Resource Use

The project is designed to use resources in a sustainable way. This includes using recycled materials, energy-efficient lighting, and other techniques to reduce resource consumption.

### Energy

The project is designed to use energy in a sustainable way. This includes using renewable energy sources, energy-efficient lighting, and other techniques to reduce energy consumption.

### Active Transportation

The project is designed to encourage active transportation. This includes providing bike racks, bike repair stations, and other amenities to make it easier to use the Light Rail for your daily commute.

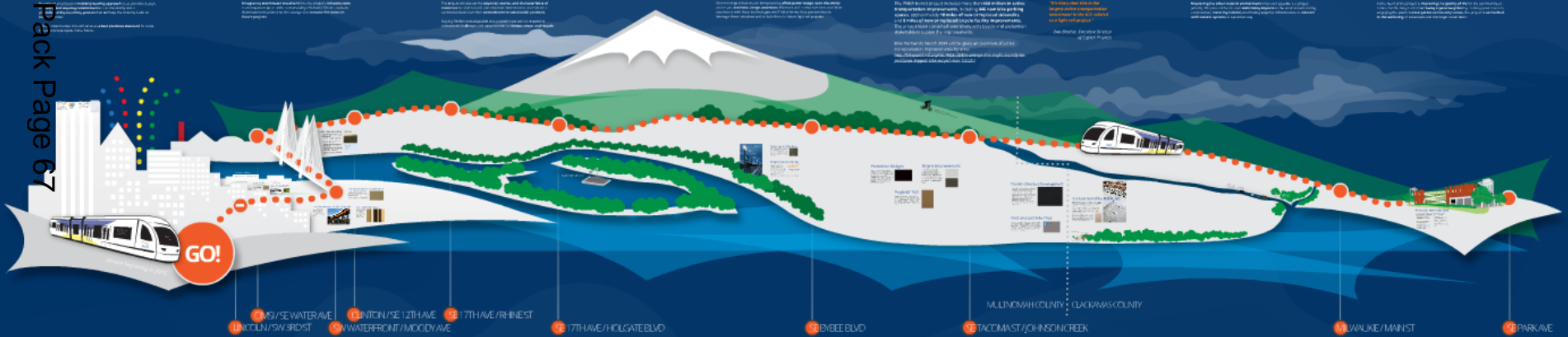
### Habitat

The project is designed to protect and restore habitat. This includes using native plants and trees, and other techniques to improve the local environment.

### Livability

The project is designed to improve the quality of life in the community. This includes providing a safe and reliable mode of transportation, and other amenities that make it easier to live in the city.

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### Spotlights

High-Mileage Park at OHSU  
Bikeway Corridor

### Closing



The project is a key component of the city's commitment to a sustainable future. It is designed to be a model of sustainable transportation, with a focus on reducing greenhouse gas emissions and improving air quality.

**22,765** predicted weekday rides ...

Pack Page 68

Taking **thousands of cars off the road...**

and saving nearly **3,000 gallons of gasoline** each workday...

Built with **community and sustainability** at its core.



**ORANGE**  
is the new  
**MAX**

Ready?

Set...



Pack Page 71

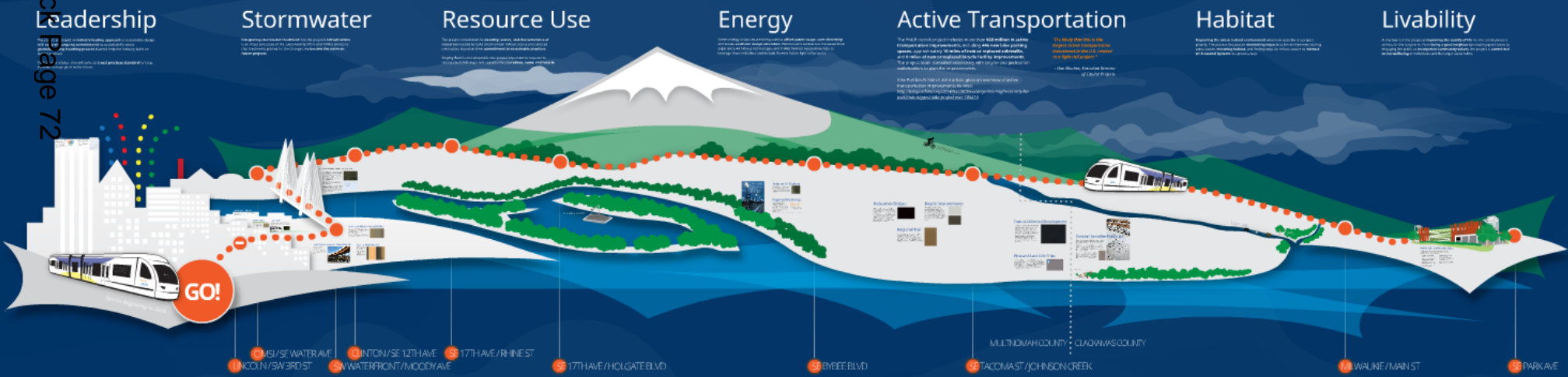
*Service beginning in 2015*

# PORTLAND-MILWAUKIE LIGHT RAIL TRANSIT PROJECT



## Sustainability Overview

Page 72



### Spotlights

North America Park and Ride  
Tillamook County

### Closing

The project is a model of public-private partnership, demonstrating the power of collaboration between government, industry, and the community to create a sustainable future.

# Leadership

The project employed an **industry-leading approach** to sustainable design, with **early and ongoing commitments** to sustainability and a **groundbreaking reporting process** that will help the industry build on lessons learned.

TriMet's new Orange Line will serve as a **best practices standard** for large infrastructure projects in the future.

# Stormwater

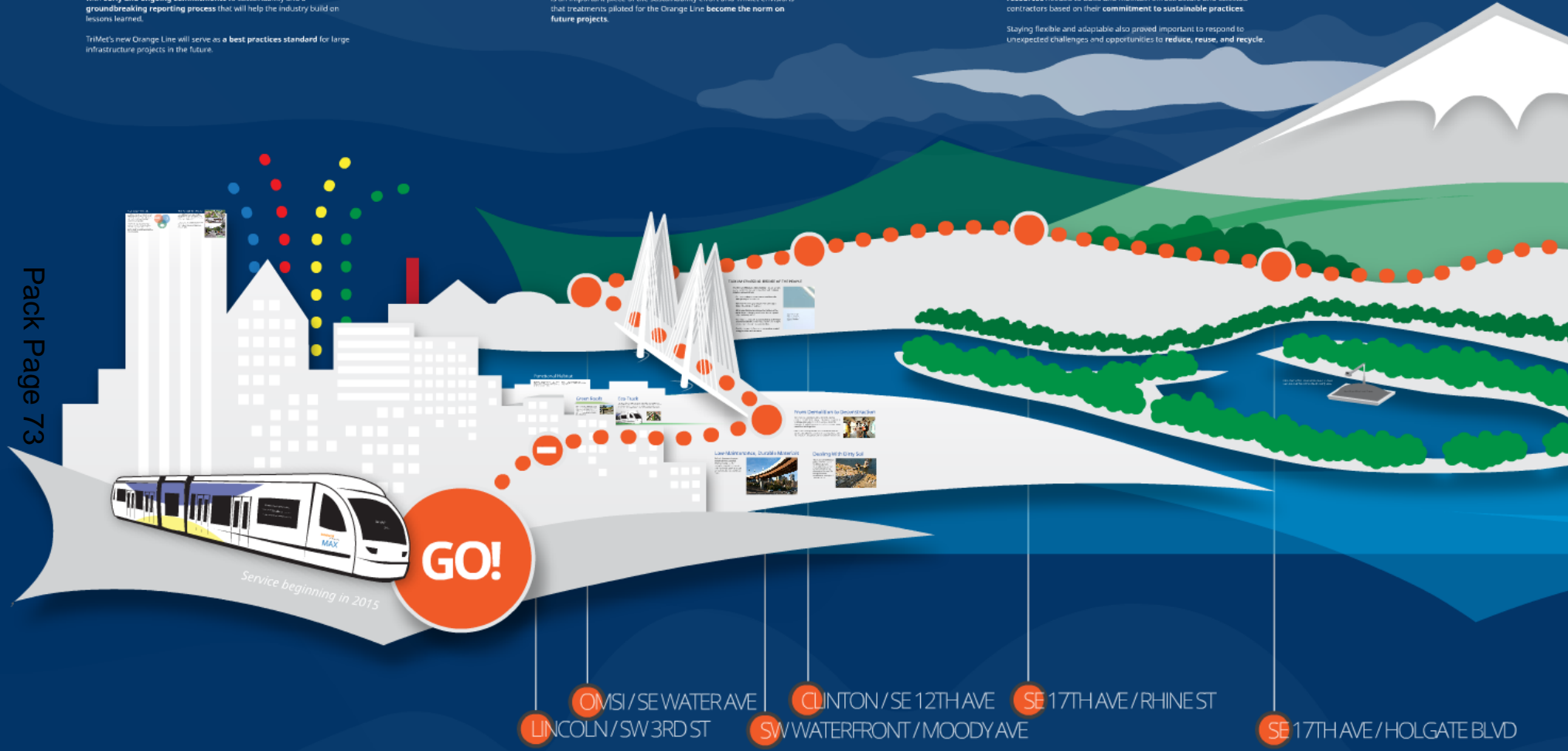
**Integrating stormwater treatment** into the project's infrastructure is an important piece of the sustainability effort and TriMet envisions that treatments piloted for the Orange Line **become the norm on future projects**.

# Resource Use

The project considered the **quantity, source, and characteristics of resources** needed to build and maintain infrastructure and selected contractors based on their **commitment to sustainable practices**.

Staying flexible and adaptable also proved important to respond to unexpected challenges and opportunities to **reduce, reuse, and recycle**.

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Pack Page 74

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## It all began with 28...

An early workshop deliberately incorporated **triple bottom line** principles into the project. Twenty-eight identified sustainability strategies would be tracked **throughout design, construction and operation.**

These initial strategies blossomed into a program of more than **300 sustainability initiatives.** Together, they represent a pioneering effort to integrate a light rail line into the **natural, economic and human fabric of the community.**



## The Possibilities Project

The Possibilities Project created an **urban design vision** for the alignment as a whole, for individual station areas, and for the many communities it would serve.

It incorporated the **needs of the community** into the light rail project – and poised communities to **leverage the new line** for their own goals.



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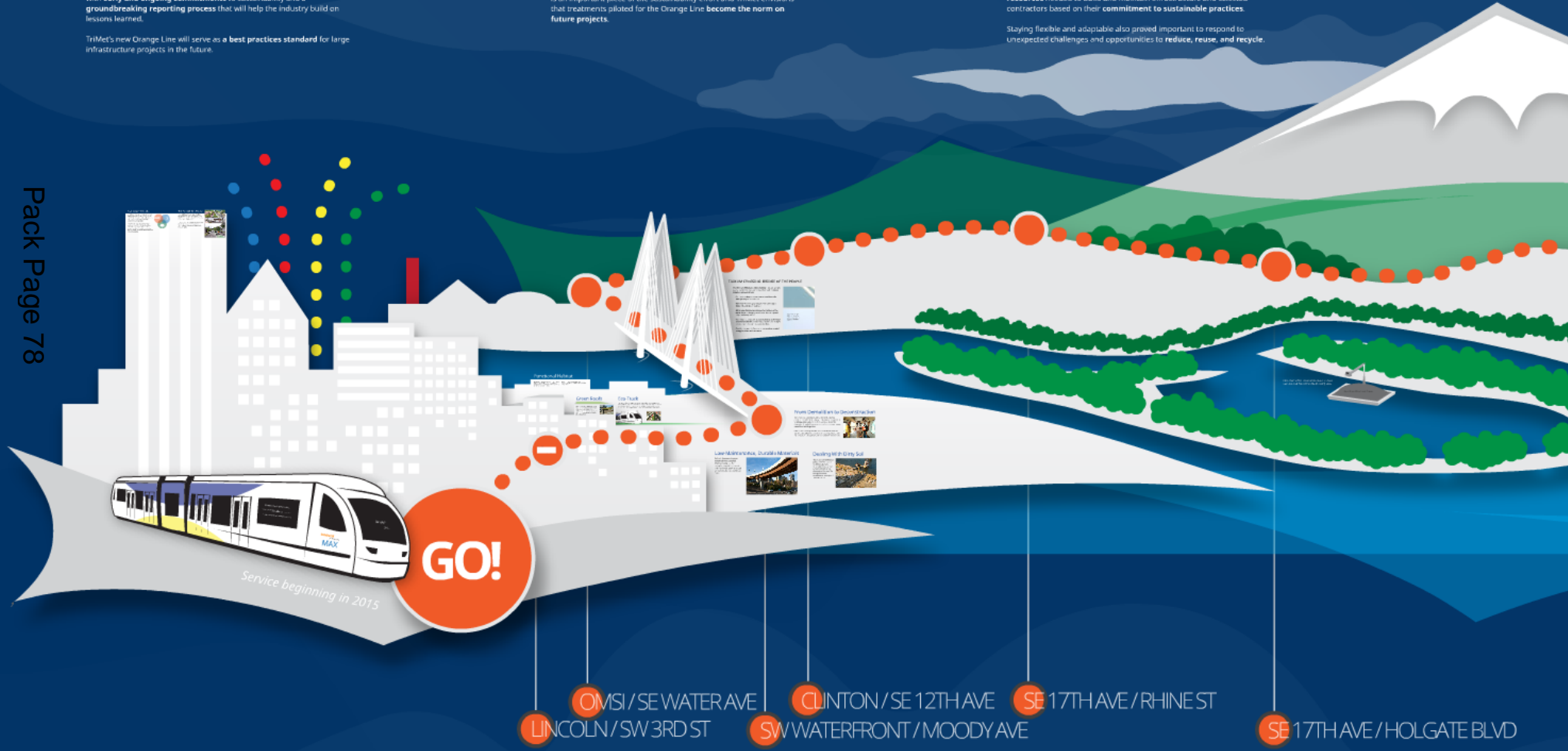
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Pack Page 78



- LINCOLN / SW 3RD ST
- OMSI / SE WATER AVE
- SW WATERFRONT / MOODY AVE
- CLINTON / SE 12TH AVE
- SE 17TH AVE / RHINE ST
- SE 17TH AVE / HOLGATE BLVD

# Stormwater

**Integrating stormwater treatment** into the project's **infrastructure** is an important piece of the sustainability effort and TriMet envisions that treatments piloted for the Orange Line **become the norm on future projects.**

# Functional Habitat

252 vegetated stormwater facilities treat more than 34 acres of runoff from along the line. The facilities also absorb carbon dioxide, lower urban air temperatures, and filter pollutants out of the air.

Most are planted with native species that do not require the use of pesticides, making ideal habitat for Oregon's native pollinators.

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## Green Roofs

Green eco-roofs are installed on eight structures, absorbing an average of 60% of runoff in any given area. A 1,000-square-foot eco-roof can remove an estimated 40 pounds of airborne particles per year.



## Eco-Track

4,204 square feet of eco-track, a carpet of low-growing evergreen plants, has been installed at the Lincoln St./SW 3rd Ave. station. This track establishes a new type of green street to contribute to a neighborhood known for its parks and greenery. This is the only known use of this treatment in the United States.



Lincoln St./SW 3rd



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Pack Page 82

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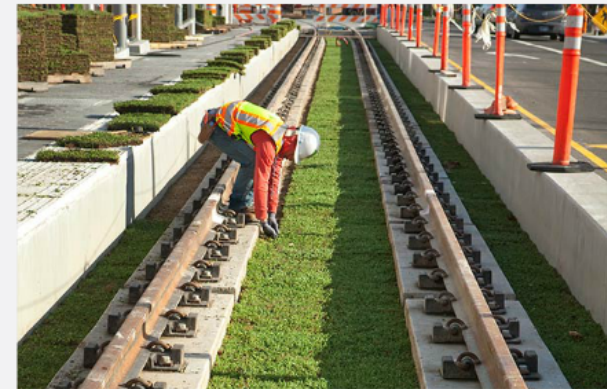




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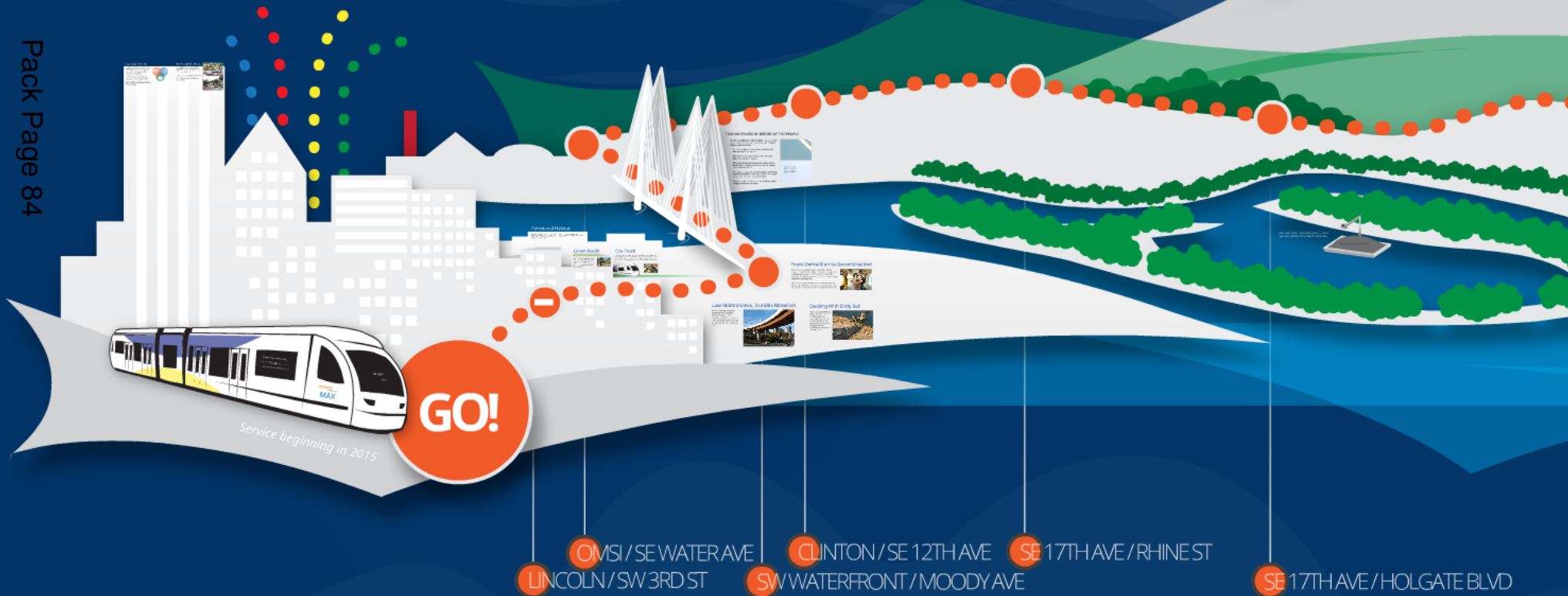
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Pack Page 84



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## From Demolition to Deconstruction

More than 100 buildings required demolition during construction and TriMet adopted a deconstruction approach to **salvage and reuse** as much as possible. *Habitat for Humanity*, the *Rebuilding Center*, and *ReStore* performed **pre-demolition building skins**.

When a 19th century wooden rail car was discovered in a building scheduled for demolition, the team partnered with the *Oregon Rail Heritage Foundation* to remove and restore it.



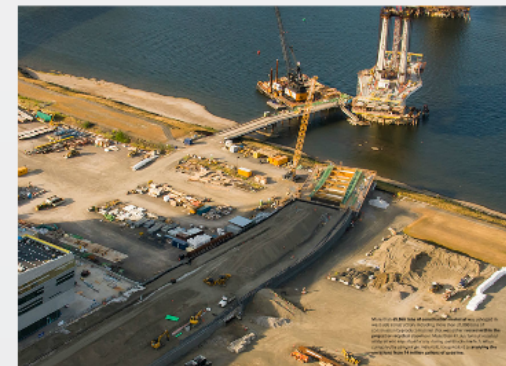
## Low-Maintenance, Durable Materials

**Robust, low-maintenance materials** were specified whenever possible. For example, unpainted concrete and weathered steel were used on new structure along Harbor Drive.



## Dealing With Dirty Soil

Historically **contaminated soils** on the west bank of the Willamette were encapsulated on-site into concrete infrastructure, **eliminating the need for energy-intensive treatment or transport** of these materials.



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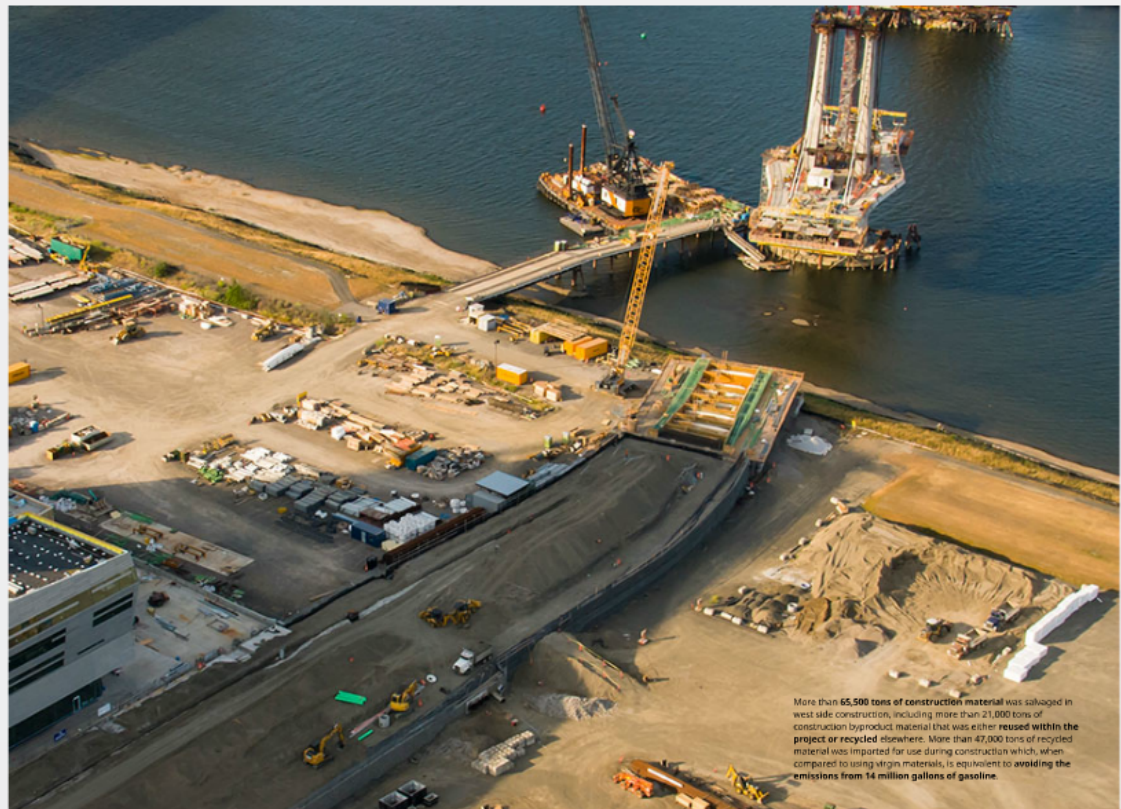
Pack Page 88




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An aerial photograph of a construction site. A large, white, U-shaped structure is under construction on a sandy or dirt-covered ground. Several workers and pieces of equipment are visible around the structure. The background shows more of the construction area with various materials and equipment scattered across the site.

More than **65,500 tons of construction material** was salvaged in west side construction, including more than 21,000 tons of construction byproduct material that was either **reused within the project or recycled** elsewhere. More than 47,000 tons of recycled material was imported for use during construction which, when compared to using virgin materials, is equivalent to **avoiding the emissions from 14 million gallons of gasoline.**



More than 90% of construction materials have been sourced from within the tri-county area



*Ross Island Sand and Gravel*



# Energy

Green energy initiatives are being used to offset power usage, save electricity and create aesthetic design amenities. Partners and contractors incorporated their experience with these technologies and Tribble formed key partnerships to leverage these initiatives and include them in future light rail projects.

# Active Transportation

The PMLR transit project includes more than \$80 million in active transportation improvements, including 446 new bike parking spaces, approximately 10 miles of new or replaced sidewalks, and 8 miles of new or replaced bicycle facility improvements. The project team consulted extensively with bicycle and pedestrian stakeholders to plan the improvements.

Bike Portland's March 2014 article gives an overview of active transportation improvements by area: <http://bikeportland.org/2014/03/20/the-orange-line-might-secretly-be-portlands-biggest-bike-project-ever-103213>

*"It's likely that this is the largest active transportation investment in the U.S. related to a light rail project."*

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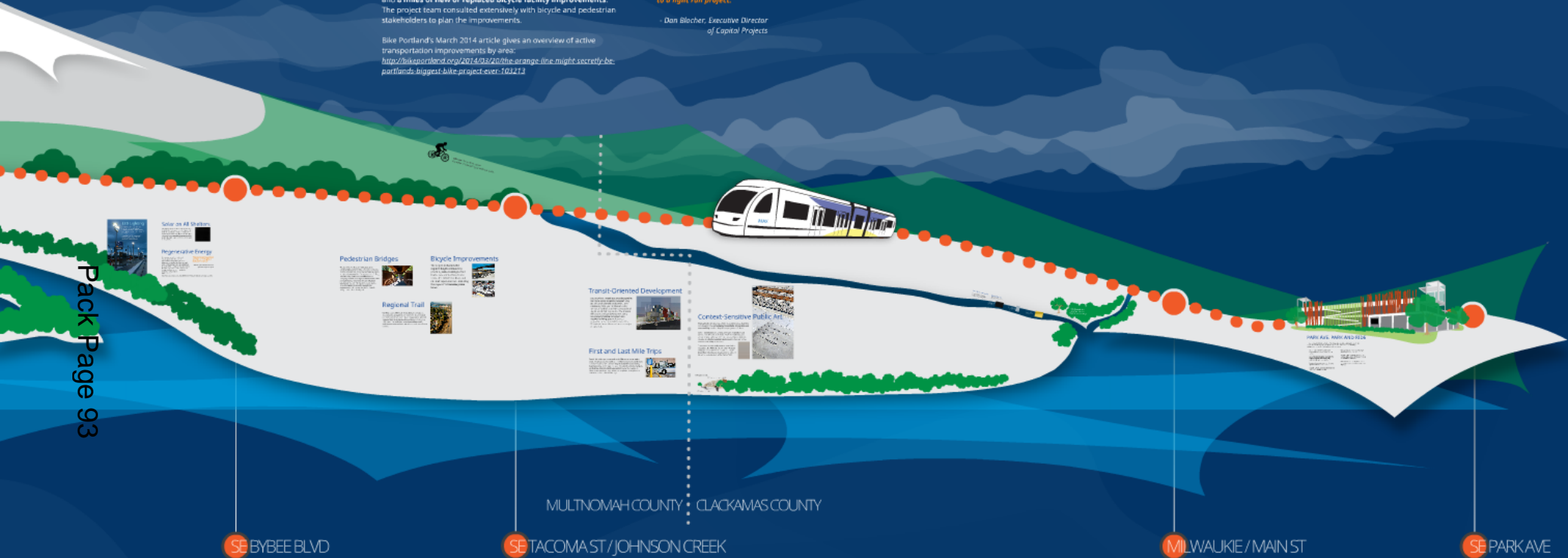
# Habitat

Improving the urban natural environment whenever possible is a project priority. The project focused on minimizing impacts to the environment during construction, restoring habitat, and finding ways for infrastructure to interact with natural systems in a positive way.

# Livability

At the heart of the project is improving the quality of life for the communities it serves, for the long term. From being a good neighbor by crossing quiet streets to engaging the public to incorporate community values, the project is committed to the wellbeing of individuals and the larger social fabric.

Pack Page 93



SE BYBEE BLVD

SE TACOMA ST / JOHNSON CREEK

ML WAWUKIE / MAIN ST

SE PARK AVE

MULTNOMAH COUNTY | CLACKAMAS COUNTY

## Spotlights

- Park Avenue Park and Ride
- Tillikum Crossing

## Closing



Tribble's Orange Line moves beyond providing a new public transit option to the Portland metro area. The project placed new technologies and leveraged infrastructure to incorporate sustainable practices, environmental improvements, and human-scale design.

By the time the final tests run in 2015, the Orange Line will already have created a lasting legacy - by setting a best practices standard for future large infrastructure projects in the Portland region, the Pacific Northwest and beyond.

# Energy

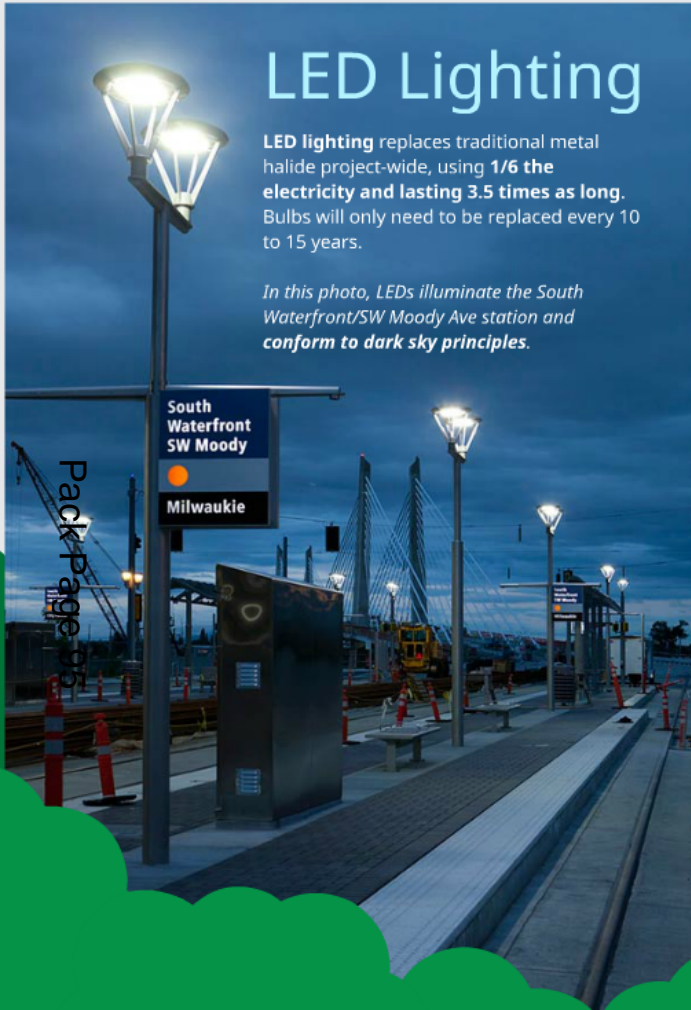
Pack Page 94

Green energy initiatives are being used to **offset power usage, save electricity** and create **aesthetic design amenities**. Planners and contractors increased their experience with these technologies and TriMet formed key partnerships to leverage these initiatives and include them in future light rail projects.

## LED Lighting

**LED lighting** replaces traditional metal halide project-wide, using **1/6 the electricity and lasting 3.5 times as long**. Bulbs will only need to be replaced every 10 to 15 years.

*In this photo, LEDs illuminate the South Waterfront/SW Moody Ave station and conform to dark sky principles.*



## Solar on All Shelters

**Every MAX shelter includes solar panels on its roof**, which offset power usage at stations and by trains. A study of a similar project at CalPoly found that the solar panel installation at a single site would have a **complete investment return within 12 years** – much shorter than the lifetime of the panels.



## Regenerative Energy

The Orange Line will boast the **first supercapacitor in the U.S.** to use **regenerative energy for light rail**. It harnesses energy from braking trains and feeds it back to other trains for acceleration or uphill climbs. The system was championed by TriMet engineers and will create annual energy savings resulting in a **payback window of only 1.4 years**.

Find out more:

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***"This pilot project is positioned to bring a new and efficient technology to the U.S."***

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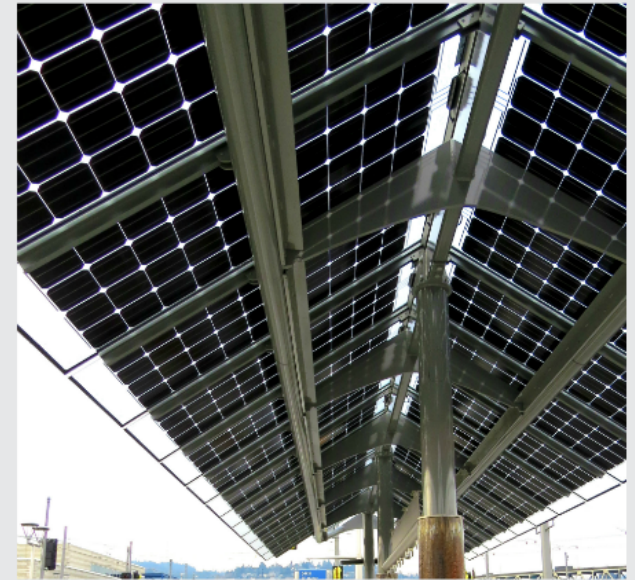
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South  
Waterfront



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Regenerative Energy

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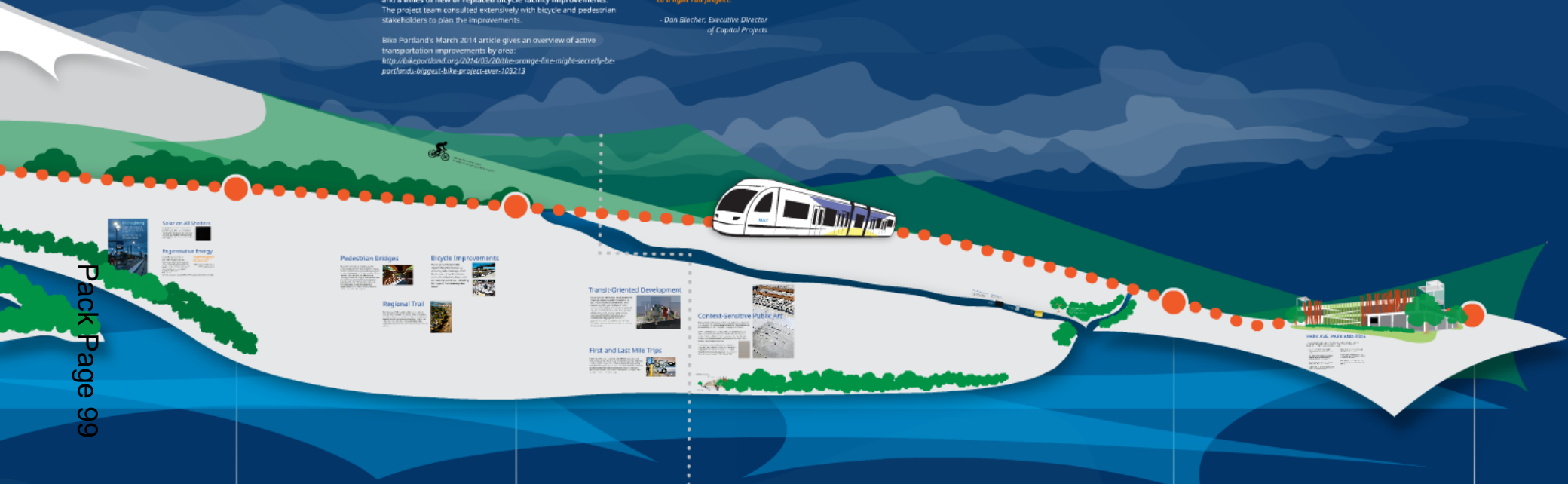
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Pack Page 99



SE BYBEE BLVD

SE TACOMA ST / JOHNSON CREEK

MILWAUKIE / MAIN ST

SE PARK AVE

MULTNOMAH COUNTY CLACKAMAS COUNTY

## Spotlights

- Park Avenue Park and Ride
- Tilikum Crossing

## Closing



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# Pedestrian Bridges

The team has worked to include pedestrian crossing improvements throughout the project to **resolve transportation safety and equity issues** in adjacent communities. For example, the Kellogg railroad bridge has been retrofitted with a “hanging” pedestrian bridge to **connect two sides of a community that have historically been separated**. The SE 17th Ave & Rhine St. station **addresses gaps in essential pedestrian connections** with a reconstructed multimodal bridge across the railroad yard.



# Bicycle Improvements

The project **enhances the region’s bicycle network** by providing **safe crossings** of rail tracks, new connections to and across the Willamette River, and on-road improvements – including the region’s first **advisory bike lanes**.



# Regional Trail

Working closely with local jurisdictions, the project is reconstructing a segment of Trolley Trail in conjunction with light rail construction. This is a key piece of planned **regional bicycle and pedestrian arteries** – linking two major multi-use trail systems and **providing a safe, continuous route** between Sellwood and Milwaukie town centers.



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# Bicycle Improvements

The project **enhances the region's bicycle network** by providing **safe crossings** of rail tracks, new connections to and across the Willamette River, and on-road improvements – including the region's first **advisory bike lanes**.





**446** new bike parking spaces  
**5.7 miles** of new cycling or multi-use paths

# Energy

Green energy in Ballwin are being used to offset power usage, save electricity and create aesthetic design amenities. Partners and contractors increased their experience with these technologies and Tilted formed key partnerships to leverage these initiatives and include them in future light rail projects.

# Active Transportation

The PMLR transit project includes more than \$60 million in active transportation improvements, including 446 new bike parking spaces, approximately 10 miles of new or replaced sidewalks, and 8 miles of new or replaced bicycle facility improvements. The project team consulted extensively with bicycle and pedestrian stakeholders to plan the improvements.

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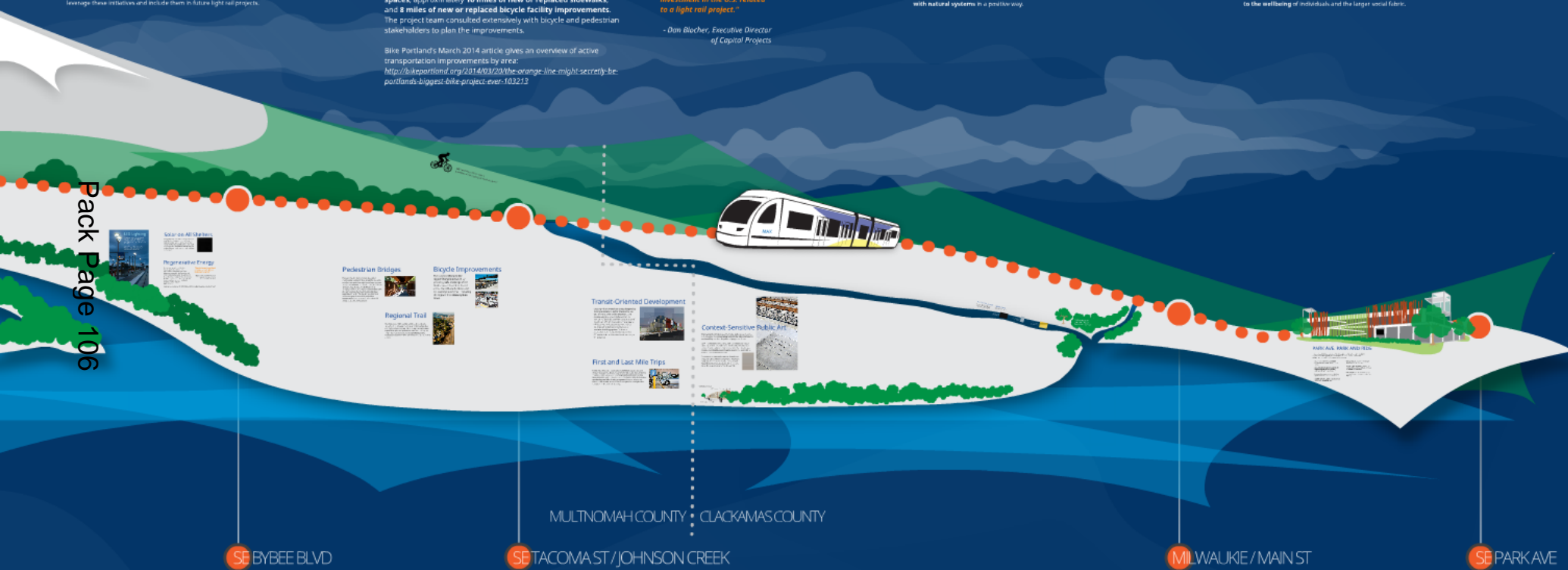
# Habitat

Improving the urban natural environment wherever possible is a project priority. The process focused on minimizing impacts to the environment during construction, restoring habitat, and finding ways for infrastructure to interact with natural systems in a positive way.

# Livability

At the heart of the project is improving the quality of life for the communities it serves. For the long term, from being a good neighbor by creating quiet zones to engaging the public to incorporate community values, the project is committed to the well-being of individuals and the larger social fabric.

Pack Page 106



SE BYBEE BLVD

SE TACOMA ST / JOHNSON CREEK

ML WAWUKIE / MAIN ST

SE PARK AVE

MULTNOMAH COUNTY | CLACKAMAS COUNTY

**Pedestrian Bridges**  
 Regional Trail  
 Bicycle Improvements

**Transit-Oriented Development**  
 First and Last Mile Trips

**Context-Sensitive Public Art**

# Spotlights

- Park Avenue Park and Ride
- Tillikum Crossing

# Closing



Tillamook's Orange Line moves beyond providing a new public transit option to the Portland metro area. The project placed new technologies and leveraged infrastructure to incorporate sustainable practices, environmental improvements, and human-scale design.

By the time the first train runs in 2015, the Orange Line will already have created a lasting legacy - by setting as a best practices standard for future large infrastructure projects in the Portland region, the Pacific Northwest and beyond.



# Habitat

**Improving the urban natural environment** whenever possible is a project priority. The process focused on **minimizing impacts** to the environment during construction, **restoring habitat**, and finding ways for infrastructure to **interact with natural systems** in a positive way.

## New Shoreline Habitat

The project contributed \$1 million in mitigation funds to **restore shallow water habitat along the Willamette River**. The South Waterfront project cut industrial fill from the riverbank and removed about 27,000 tons of concrete, contaminated soil and debris. An **innovative retaining wall is planted with native species** and protects the area from erosion. The 25,500 square feet of new riparian habitat will help **restore native fish populations**.

## Urban Creeks

Agency and railroad partners worked with community groups to **return natural water flows and healthy habitat** to three area creeks:

At **Johnson Creek** near Tacoma Street, large pieces of woody debris acquired during Orange Line construction were placed in the water to restore salmon habitat.

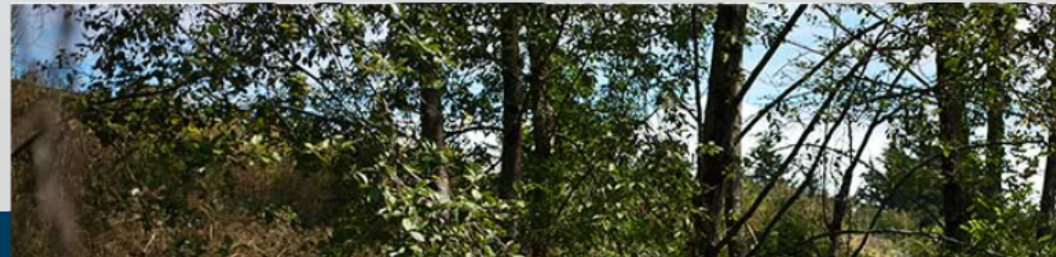


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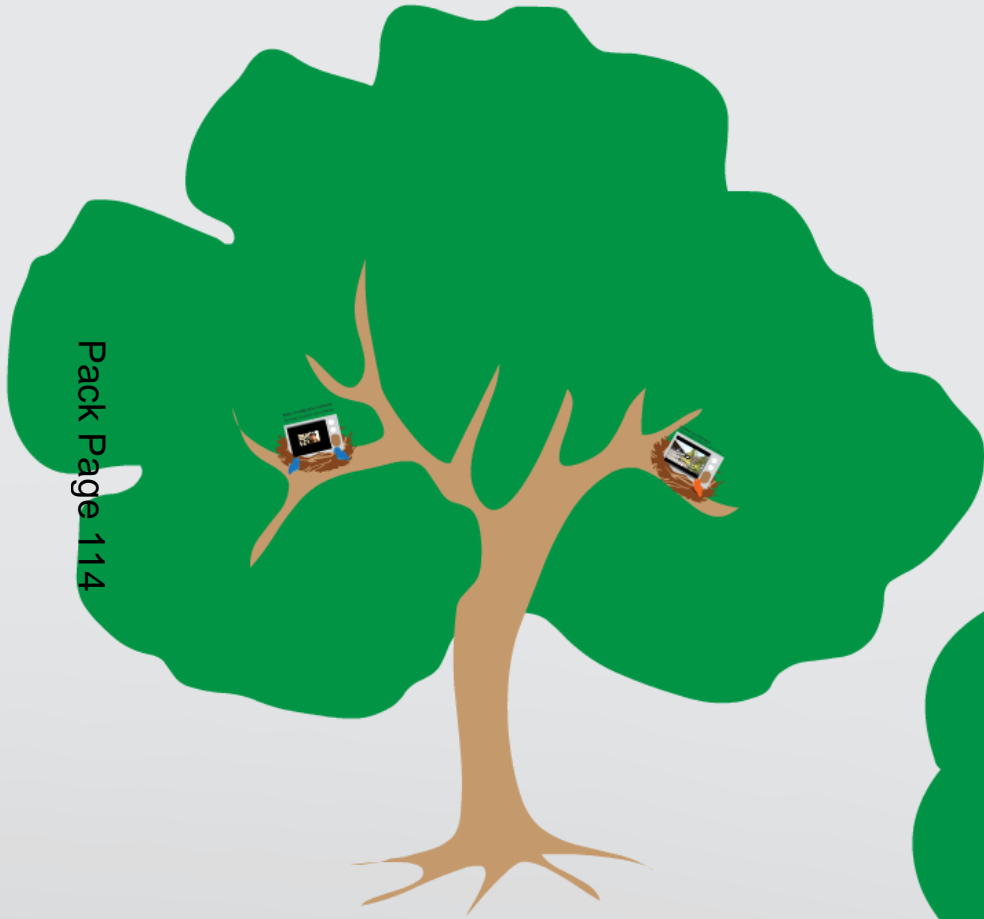


Project involvement on **Crystal Springs Creek** work allowed restoration of an entire watershed, from the mouth to the headwaters, to be completed in one coordinated effort.



The project helped local civic leaders restore 3,000 square feet of creek wetlands and mitigate impacts of the project bridge being constructed over **Kellogg Creek**.





**2,475 trees** planted -  
nearly four times as  
many as were removed



# Energy

Green energy solutions are being used to offset power usage, save electricity and create aesthetic design amenities. Partners and contractors increased their experience with these technologies and Tilted formed key partnerships to leverage these initiatives and include them in future light rail projects.

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# Livability

At the heart of the project is improving the quality of life for the communities it serves, for the long-term. From being a good neighbor by creating quiet zones to engaging the public to the corporate community values, the project is committed to the wellbeing of individuals and the larger social fabric.

Pack Page 115



SE BYBEE BLVD

SE TACOMA ST / JOHNSON CREEK

MILWAUKEE / MAIN ST

SE PARK AVE

MULTNOMAH COUNTY CLACKAMAS COUNTY

# Spotlights

- Park Avenue Park and Ride
- Tilikum Crossing

# Closing



TilMet's Orange Line moves beyond providing a new public transit option to the Portland metro area. The project placed new technologies and leveraged infrastructure to incorporate sustainable practices, environmental improvements, and human-scale design.

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Pack Page 116

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# Transit-Oriented Development

Creating vibrant **mixed-use areas designed to maximize access to public transport** a key goal of transit-oriented development. One creative example is taking place on a tiny remnant of land left over from construction of the Clinton/SE 12th Ave Station. The property will become a unique development, using **repurposed shipping containers as a modular building system**. It draws a connection to the industrial location of the SE Portland site and Portland's role as a major shipping hub.



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# First and Last Mile Trips

Transit ridership depends on **safe and efficient access** to station areas. The project worked with community members and partners to maximize station access, include **bicycle and pedestrian facility improvements**, and designated space for **electric vehicle chargers, car sharing, and bike sharing programs** along the alignment. These amenities offer transit riders more options to complete the "last mile" (or first mile) of their trip.



# Context-Sensitive Public Art

**Expressing the uniqueness** of individual station areas, inspiring civil discourse, and **encouraging connectivity, stewardship and sustainability** are what the public art program is all about.

Early in construction, the Orange Lining art installation used construction features, such as silt fences and sidewalks, as a canvas for poetic phrases from area writers. The initiative was intended to **stimulate public involvement** in the new rail line, even as it was being constructed.

In response to community concern about losing trees along the Milwaukie alignment, PMLR's art program commissioned six local artists to **use wood from the trees to create art** to be placed along the new extension of the Trolley Trail.



6,576 jobs created...

1,787 direct professional and technical jobs



4,789 on-site construction jobs



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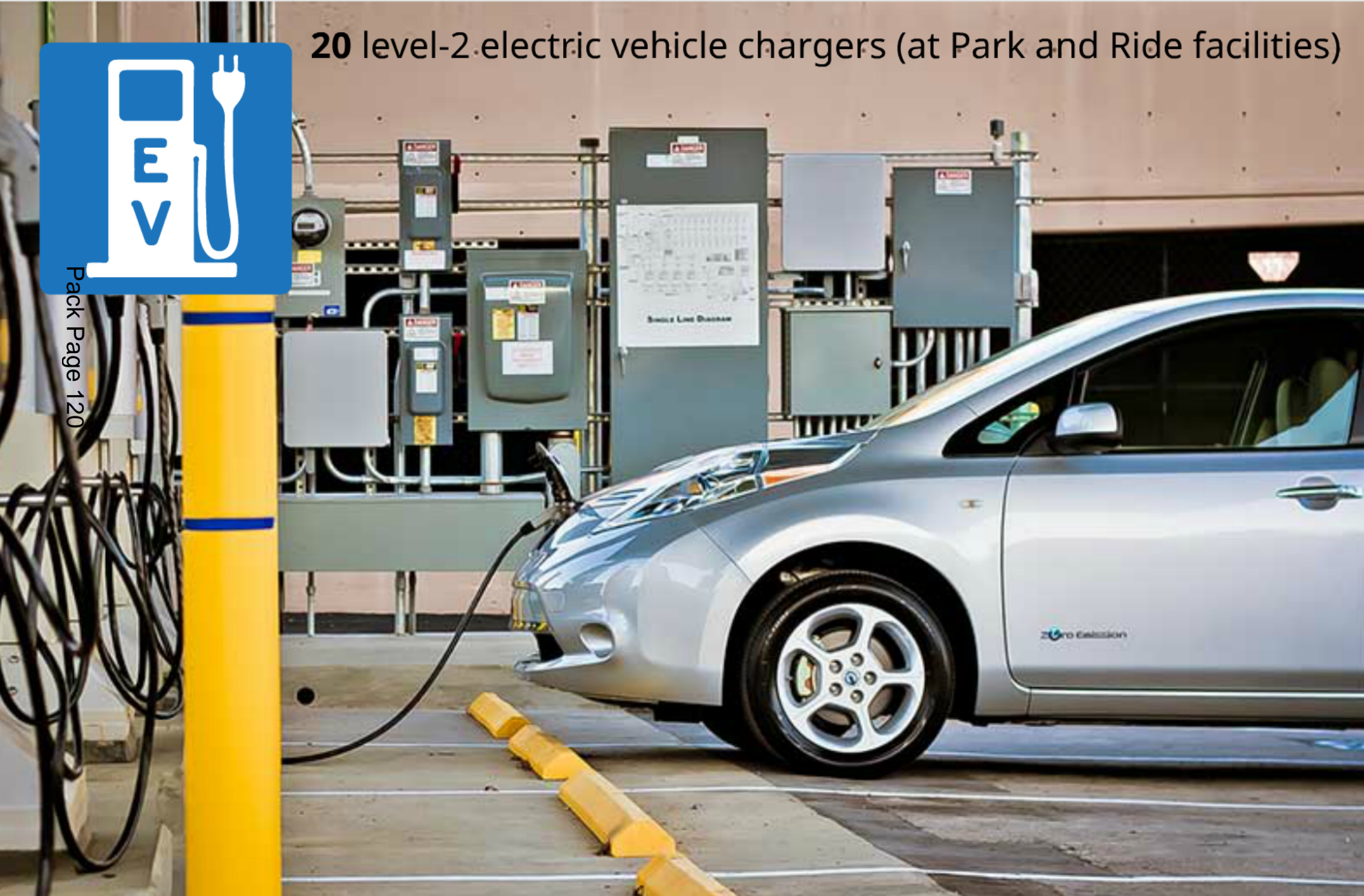
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Park and Ride 119

20 level-2 electric vehicle chargers (at Park and Ride facilities)



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# Energy

Green energy initiatives are being used to offset power usage, save electricity and create sustainable design solutions. Planners and contractors reviewed their experience with these technologies and TRM's former key partners to leverage these initiatives and include them in future light rail projects.

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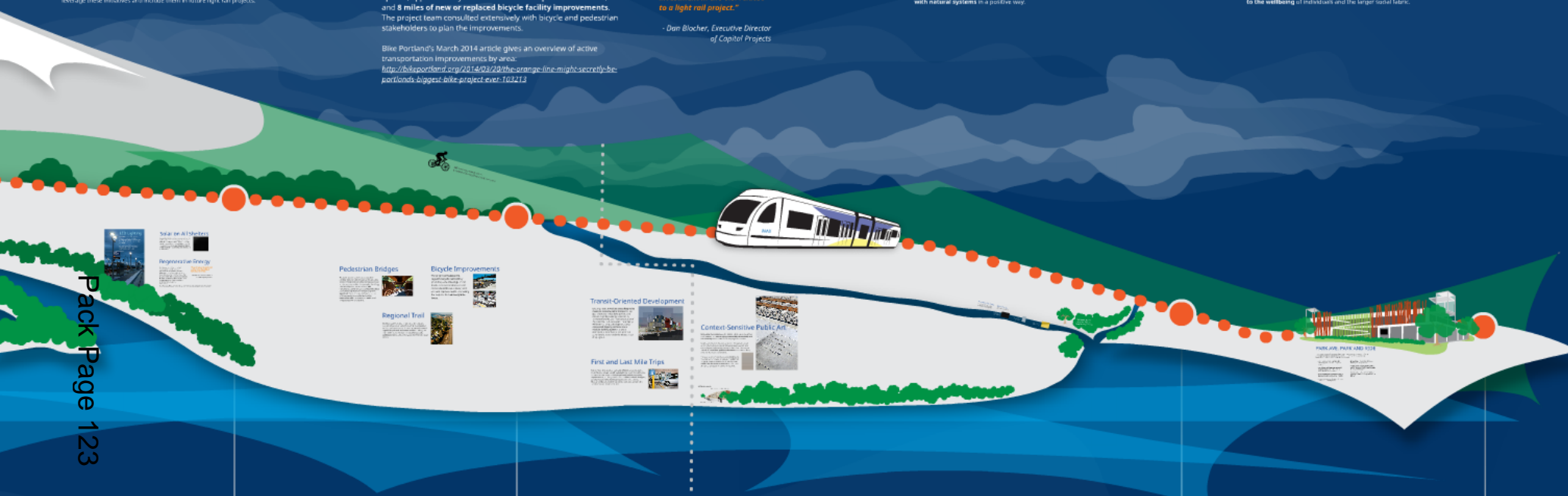
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### Pedestrian Bridges



### Bicycle Improvements



### Regional Trail



### Transit-Oriented Development



### First and Last Mile Trips



### Context-Sensitive Public Art



**Park Ave Park and Ride**  
 200,000 sq ft  
 100 parking spaces  
 100 bicycle spaces  
 100 transit spaces  
 100 transit spaces

SE BYBEE BLVD

SE TACOMA ST / JOHNSON CREEK

MULTNOMAH COUNTY | CLACKAMAS COUNTY

MILWAUKIE / MAIN ST

SE PARK AVE

# Spotlights

- Park Avenue Park and Ride
- Tilikum Crossing

# Closing



TRM's Orange Line moves beyond providing a new public transit option to the Portland metro area. The project piloted new technologies and leveraged infrastructure to incorporate sustainable practices, environmental improvements, and human scale design.

By the time the first train runs in 2015, the Orange Line will already have created a lasting legacy - by setting a benchmark standard for future large infrastructure projects in the Portland region, the Pacific Northwest and beyond.

# Spotlights

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- Park Avenue Park and Ride
- Tilikum Crossing



## PARK AVE. PARK AND RIDE

The SE Park Ave Park & Ride is a nexus of the Orange Line's sustainability program. The facility goes **beyond providing a platform for commuters** - it is designed to be a **community gateway** and an example of **sustainable practices in action**.

- A public square creates a **community gathering place** and links existing transit services.
- **68% of the site's footprint is set aside for restored habitat**, while still providing sufficient parking for commuters.
- **Invasive plants were removed** and **native species planted** to restore former habitats.
- A **green roof** provides stormwater treatment and creates a **vertical garden**.
- **Bike parking** and space for a future **car sharing** program is provided.
- **Electric vehicle charging stations** will be used by TriMet and Portland State University to research travel patterns.
- **Solar panels** will offset all of the building's operating functions, including elevators and lighting.

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Pack Page 126

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- **Solar panels** will offset all of the building's operating functions, including elevators and lighting.

## TILIKUM CROSSING: BRIDGE OF THE PEOPLE

The **first new Willamette River crossing** in more than forty years, Tilikum Crossing is exclusively dedicated to **transit, bicycles and pedestrians**.

- Connects existing routes to create a **new, four-mile bike/ped loop** across the river.
- **Bike counters** display cycling patterns and support future infrastructure investment.
- **LED bridge illumination mimics the rhythms of the water below** – changing color based the river’s speed, height and temperature.
- Rainfall on the bridge will be **transferred to stormwater treatment facilities**; runoff from other Portland bridges currently goes directly into sewer overflow.
- Provides a unique site for research on **wind-generated energy in urban environments**.



Twelve proposed wind turbines on the bridge would break ground in urban wind-generated electricity.

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# Closing



TriMet's Orange Line moves beyond providing a new public transit option to the Portland metro area. The project piloted **new technologies** and leveraged infrastructure to **incorporate sustainable practices, environmental improvements, and human-scale design**.

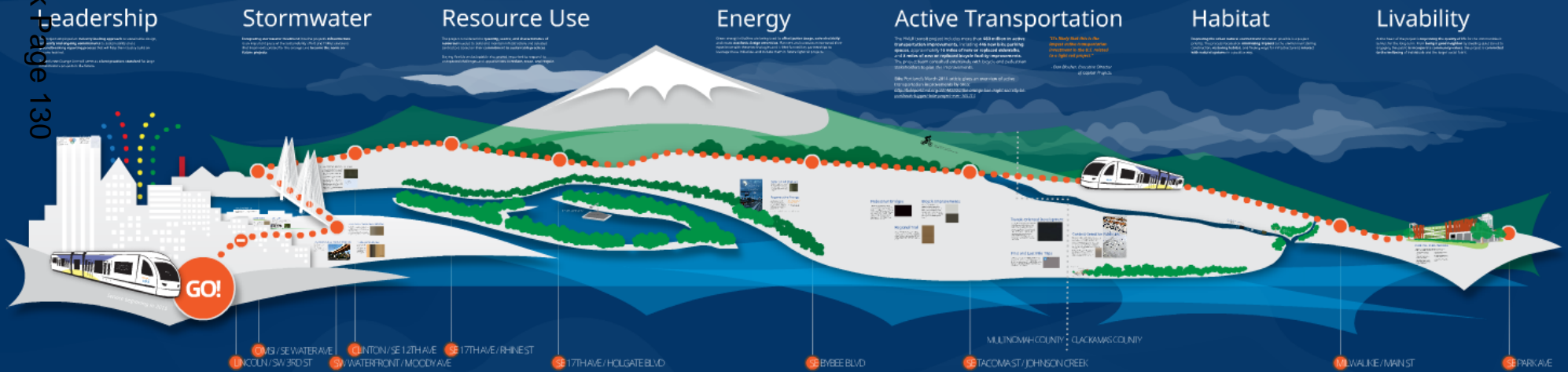
By the time the first train runs in 2015, the Orange Line will already have created a **lasting legacy** – by serving as a **best practices** standard for future large infrastructure projects in the Portland region, the Pacific Northwest and beyond.

# PORTLAND-MILWAUKIE LIGHT RAIL TRANSIT PROJECT



## Sustainability Overview

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### Spotlights

- Park Norman Park and Park
- Transit Crossing

### Closing

The project is a testament to the power of community and the ability to bring together diverse voices to create a better future. It is a model of public-private partnership and collaboration, and a testament to the power of the community.



Directorate Team	Contract No.	Title	All Wales	Contract Completed By:	Expiry Date	Option to Extend	OJEU Yes / No	Future Sourcing Strategy
Corporate Services	EQ1063/RJ	Supply, Delivery & Hosting of a Digital Public Communications Platform	CCS	30/05/18	30/06/18	12 months	No	CCS
Corporate Services	PS896/RJ	Supply, Delivery & Hosting of a Common Housing Register & Associated Modules	CCS	30/06/19	31/07/19		Yes	CCS/NPS
Corporate Services	PS871/NA	Estates Professional Services	CCS	21/07/21	21/08/21		Yes	CCS
Corporate Services	RM1076	Corporate Energy Arrangement - Gas	NPS	28/02/19	31/03/19	12 Months	Yes	NPS
Corporate Services	S-CFM-0071	Corporate Energy Arrangement - Electricity	NPS	28/02/19	31/03/19	12 Months	Yes	NPS

Note: Caerphilly CBC sometime use CCS because the NPS has chosen to use them as the nominated framework. The energy contracts are CCS but it was via a NPS deal.

# Agenda Item 4

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

National Assembly for Wales  
Public Accounts Committee: Public Procurement  
Evidence from Welsh Government

## Welsh Government Leadership Role

Welsh Government plays an important role in setting direction, developing policy on areas important to Wales and providing strong, clear leadership in relation to public procurement in Wales. It has done this through the Wales Procurement Policy Statement (WPPS), which clearly sets out ten principles and outlines what is expected of public sector bodies and the Welsh Government in order to secure improved outcomes through procurement. Welsh Government also seeks to lead by example wherever possible and has adopted many of the procurement policies and tools in the WPPS through its own procurement activities.

## The Wales Procurement Policy Statement

The Wales Procurement Policy Statement (WPPS) was first issued in 2012 by the then Minister for Finance. A [refreshed WPPS](#) was published in 2015 so that its principles reflected the recent changes to the Public Contracts Regulations 2015 and signalled intent to meet the requirements of the recently passed Wellbeing of Future Generations Act. The public sector in Wales signed up to the Wales Procurement Policy Statement, recognising it as setting Welsh Government's policy direction for procurement in Wales. Sign-up has taken the form of formal letters and/or endorsement at Procurement Board.

The impact and progress achieved against each of the principles of the 2015 WPPS is summarised below:

### Strategic

The WPPS requires that procurement be recognised and managed as a strategic corporate function that organises and understands expenditure; influences early planning and service design and is involved in decision-making to support delivery of overarching objectives.

To help achieve this, a programme of Procurement Fitness Checks was facilitated by the Welsh Government in 2014, delivered across 31 organisations. Welsh Government offered support to enable organisations to address improvement plans which had been identified through the reviews. Following stakeholder engagement in 2015, an updated review approach was developed, based on a self assessment approach which was then piloted with a small number of public bodies. A new capability review programme is now being developed, in line with the review

of the National Procurement Service and Value Wales, as announced by the Cabinet Secretary for Finance on 21 September 2017. The WAO Report on Public Procurement recommends more consistent application of Fitness Checks, with better guidance and analysis provided by Welsh Government, and through collaboration it is intended that a new approach to these checks will be achieved through a new programme for procurement.

### Professionally Resourced

The Welsh Government has promoted the Chartered Institute of Procurement and Supply (CIPS) global standard as the framework to which Welsh public sector bodies should be aligned to support development of professional capability and provide individuals with routemaps for skills development to aid future career progress. The ESF Home Grown Talent project, which ended in June 2015, delivered amongst other things 28 new procurement trainees, who helped a range of host organisations save in excess of £7 million.

### Social, Economic and Environmental

The Welsh Government has provided clear leadership and direction to support delivery of wider, positive impacts through procurement. Public bodies have been encouraged to adopt the wider definition of 'Value' in line with the WPPS and to avoid awarding contracts based on price only. Value Wales has developed policy advice and guidance in this area to support the WPPS principles and made it publicly available on the Procurement Route Planner – specific guidance has been produced on the following key policy areas:-

#### The Code of Practice

The Code of Practice on Ethical Employment in Supply Chains, published in March 2017, ensures fair treatment and terms for employees involved in public contracts and addresses issues such as modern day slavery, living wage and false self-employment. All organisations in receipt of public funding, directly, or through grants or contracts, are expected to sign up.

#### Reserved Contracting

The Welsh Government was the first administration to take advantage of the opportunity to reserve contracts for sheltered workshops. Engagement with these arrangements was disappointing and there remains a perception that such reserved arrangements do not provide the same value for money as can be achieved through open market competitions. The Welsh Government is leading on

clarification of the eligibility requirements to facilitate use of reserved contracting provisions and is working with Social Business Wales to improve market information for the public sector and supply side.

### **Better Jobs Closer to Home**

Work is also progressing on Better Jobs Closer to Home – this programme is focused on coordinating a range of policy interventions, across Welsh Government, to utilise public procurement to create jobs and training in our poorest communities. The programme is included within the ‘Our Valleys Our Future’ delivery plan and is implementing four pilots, models of commercial interventions that, if successful, can be replicated elsewhere.

### *Atamis Spend Analysis Tool*

In order to better understand how the potential of public procurement can be realised, Welsh Government has provided a centrally funded spend analysis service to the public sector. The access to up to date and regular stakeholder spend information was seen as important area to individual organisations, across the public sector and Welsh Government including NPS and Value Wales and the Digital and Data group. Since August 2015, through the current service provider, work has been ongoing with NPS and organisations across Wales to gather and provide access to this.

The service has given secure access to both view and analyse procurement spend data, providing increased visibility on a number of key spend indicators. This spend data has supported collaborative procurement opportunities in key category areas, also the development and planning of procurement strategies and wider policy and programme requirements such as Better Jobs Closer to Home and the Decarbonisation agenda. The work undertaken has progressed positively and has been successful in meeting its objectives, most notably in the scope and scale of spend data collected from organisations

In response to the recent WAO Report on Public Procurement in Wales WG is reviewing its guidance for engagement with the spend analysis project. An invitation has been extended to the FE sector to engage and we are exploring opportunities for involving sponsored bodies.

It is intended that a summary of actual spend through its Frameworks will be included in NPS Annual Reports.

## Joint Bidding

Innovative approaches like our Joint Bidding guidance is helping ensure public contracts are written in a consortia-friendly way and helping overcome challenges faced by SMEs in winning large value, collaborative public sector contracts which, on their own, they couldn't compete for. Sell2Wales reporting data shows that during 2017, 25% of all contract notices advertised on Sell2Wales ticked the Joint Bidding box indicating the tenders were suitable for consortia bids (928 of 3599 notices).

## Blacklisting

The Welsh Government was the first administration to take a firm stance on blacklisting and the Procurement Advice Note that was developed provided much-needed clarity for buyers on the instances where suppliers involved in using blacklists could be excluded. Its use across Wales has had a positive effect on the industry

## Community Benefits

Welsh Government has provided support and guidance to enable the Welsh public sector to optimise the value of procurement through delivery of community benefits. A series of Community Benefit pilot schemes is being facilitated by the Welsh Government to enable public bodies to embed Well-being of Future Generations considerations in procurement. A Community of Practice for public sector officers with an interest in or a role in delivering Community Benefits meets twice yearly. We have developed drivers to promote application of Community Benefits and incentivise its use. A new Community Benefits eLearning module will be launched in early 2018 which will help build capability and further promote its use.

## Open, accessible competition

Ensuring public contract opportunities are open and accessible is vital to small suppliers and third sector firms and advertising all contracts over £25k on Sell2Wales is requirement of the WPPS.

## Low Value Notices

The number of low value contract notices advertised on Sell2Wales (i.e. those which are below the OJEU – Official Journal of the European Union – threshold and more likely to be won by smaller Wales-based suppliers and Third Sector firms), have increased from 80% of all adverts placed in 2015–16 to 84% in 2016–17. This

has driven up the number of low value contracts being won by Wales-based businesses from 50% in 2015-16 to 55% in 2016-17.

Welsh Government notes the WAO recommendation that it should promote better use of the SQuID (Supplier Qualification Information Database) and will establish a survey to establish usage and clarify further support for embedding its use.

### Simplified Standardised Processes

A number of initiatives have been taken forward to help ensure procurement processes are open and transparent, based on standard approaches and use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers.

#### eProcurement Service (ePS)

The centrally funded eProcurement Service programme ended on 31 March 2017. The ePS programme comprised a range of eProcurement services (electronic tendering, trading, payments) and change support to enable deployment of the technology. Welsh public sector bodies were able to access the services and change support free of charge. Whilst the programme formally ended on 31 March 2017, contracts remain in place to January 2019 up to which Welsh public sector bodies may continue to use the technology without charge.

Advice is being prepared to recommended way forward after the contracts come to an end.

#### Project Bank Accounts

To address the issues often faced by small firms in relation to late payment, Welsh Government led on the introduction of Project Bank Accounts (PBA). This ensures fair and timely payment to sub-contractors and improves supply chain relationships.

#### Collaboration

The WPPS required that areas of common expenditure should be addressed collectively using standardised approaches and specifications managed by the National Procurement Service (NPS) to reduce duplication, to get the best response from the market, to embed the principles of this Policy Statement for the benefit of Wales; and to share resources and expertise. Since its inception the NPS, alongside Value Wales, has enabled progress in maximising the value of procurement in its

broadest sense through growing the number of Welsh suppliers, in particular SMEs, in winning public contracts and embedding the Wales Procurement Policy Statement in public sector procurement in Wales. Through the NPS, the Welsh public sector has access to collaborative procurement solutions developed and delivered in Wales for Wales.

The Wales Audit Office (WAO) NPS report recognises the challenges faced in delivering collaborative procurement solutions acknowledging the great difficulty in meeting the needs of all organisations. It is worth reflecting that the higher performing areas of NPS collaborative activity are evidenced in those areas where organisations have specific staff with responsibilities for those areas. So collaborative models within energy, fleet, agency staff and ICT have generally delivered successful solutions and provided an environment for regular feedback and improvement.

### Supplier Engagement and Innovation

The WPPS encourages dialogue with suppliers to help get the best response from the market place, to inform and educate suppliers, and to deliver optimum value for money. To support this, Welsh Government introduced the Supplier Feedback Service (SFS) to enable suppliers to raise concerns and provide feedback on public procurement in Wales. By providing a single point of contact for suppliers, public procurement issues can be dealt with effectively by an independent and impartial team (the SFS is managed by the Value Wales team which develops policy and capability and is independent of contracting authorities). The SFS has been actively promoted to business and contracting authorities. We are taking steps to more widely advertise the service to suppliers – for example asking authorities to advertise it and provide a link on their websites.

### Policy Development and Implementation

Since the launch of the 2015 iteration of the WPPS, Welsh Government has supported the Welsh public sector to undertake public procurement through development of a range of policy initiatives which have concentrated on matters important to Wales. Guidance and policy advice has been developed and published through Procurement Advice Notes (PANs) covering Community Benefits, Project Bank Accounts, Blacklisting, Code of Practice on Ethical Employment Practices in Supply Chains, Joint Bidding, Supporting the Sourcing of

Steel in Major Construction and Infrastructure Projects, Umbrella Payments, Framework



Agreements, Speculative Framework Agreements, Reserved Contracting, updated SQuID (Supplier Qualification Information Database), Revised Code of Practice on Workforce Matters and eProcurement Tools.

## Measurement and Impact

A range of indicators designed to measure the impact of the WPPS and to support development of procurement maturity across Wales are appended to the WPPS. These were developed through discussion with public sector stakeholders, but for a variety of reasons, have not been universally adopted.

## WPPS Conclusion

As has been outlined in this document, widespread adoption of the WPPS principles has had a positive impact in a number of key areas and has seen direct benefit to Wales. In summary:-

Suppliers have benefited: Simplifying procurement and ensuring contracts are open and accessible has meant spend with Wales-based suppliers has remained around 50% and in key sectors like construction, adoption of WPPS principles is resulting in over 70% of major contracts awarded through Sell2Wales now going to Welsh contractors.

The economy and citizens of Wales have benefited: Community Benefits policy is helping tackle poverty in the poorest parts of Wales, ensuring money spent in Wales, stays in Wales and providing disadvantaged people with employment and training opportunities.

Public sector stakeholders have benefited: Value Wales has provided clear direction and guidance to public sector bodies to enable them to maximise positive outcomes from their procurement activity. Through the Procurement Fitness Checks coupled with financial support, public sector bodies were able to improve their capability and benchmark themselves against other organisations.

Employees working on public contracts have benefited: Policies like the Code of Ethical Employment, Blacklisting, Umbrella Payments have helped ensure fair the ethical employment down public sector supply chains.

The NPS has commenced the production of a series of case study reports to help raise awareness of the provision it is making to support opportunities for small and medium enterprises.

The planned 'Programme for Procurement' and actions that the Welsh Government is taking forward to review the fitness of individual public bodies' procurement arrangements, to promote e-procurement

A full Programme for Procurement will be finalised through the process of the review which was announced by the Cabinet Secretary for Finance in September 2017. In the meantime, the Welsh Government will continue to provide leadership and support to enable the Welsh public sector to realise the value of procurement.

Value Wales will continue to manage the creation of policy, monitoring practice, supporting and advising professionals, developing the procurement profession and enabling compliance with EU regulations. It will deliver this work with and on behalf of everyone spending money on goods and services in the Welsh public sector (including Welsh Government and the NPS).

An interim programme of policy and capability projects has been agreed with customers. This programme of work will be taken forward during the term of the review and in advance of the full Programme for Procurement. Projects being progressed include:

- Wellbeing of Future Generations pilots (covering standardised support tools; food procurement; plastic and packaging; and training);
- Decarbonisation policy and support;
- Better Jobs pilots;
- Circular Economy pilot;
- Development of a new capability programme, including a new approach to procurement fitness checks; and
- Developing a new definition of procurement value which delivers against Prosperity for All and the Economic Action Plan.

The NPS will continue to put in place and manage contracts and frameworks for the common things that most organisations buy. The NPS has a pipeline of future activity and plans to deliver these contracts and frameworks will be delivered in conjunction with its 73 customer organisations in Wales.

Value Wales will also maintain the relationship on procurement policy matters with UK

Government; provide policy input into the Brexit process as it relates to procurement; advise Welsh Ministers on the impact of commercial and procurement policy; and manage corporate Welsh Government commissions.

### Issues relating to access to the recruitment and retention of key procurement capability

There is great awareness of the value that strong procurement and commercial capability can deliver for organisations, both public and private. This has led to strong demand for expenditure which can be scarce in parts of Wales or within sectors. The need to explore the impact of differential pay, across different sectors, for procurement staff, is acknowledged in the WAO Public Procurement Report. The presence of large UK Government agencies with a strong commercial and procurement function has increased pressure on the Welsh public sector due to better terms of employment being offered by UK Government.

These issues have previously been expressed at Procurement Board as a concern for NHS Wales. Customers have advised that they wish to work with Welsh Government to develop a future procurement capability programme, through which an approach to considering and developing joint solutions to this recommendation may be progressed.

The new Programme for Procurement includes a new Capability and Leadership arm dedicated to raising procurement capability and professionalism across the Welsh public sector.

The effectiveness of national governance arrangements, also in the context of the Cabinet Secretary for Finance and Local Government's recent statement (21 September 2017) and the Welsh Government's plans to merge the NPS Board and the National Procurement Board.

There have been various levels of governance in existence for Value Wales and NPS in recent years. The Procurement Board has provided the most senior layer of governance for the implementation and delivery of public procurement policy across Wales, reporting directly to the Cabinet Minister with responsibility for Procurement. The NPS is accountable for its performance to the member stakeholders through an NPS Board which provides strategic direction and to a NPS Delivery Group which provides operational direction.

Governance of procurement will be reviewed as part of the work to refocus the NPS and Value Wales, as announced in the Written Statement issued by the Cabinet Secretary for Finance and Local Government on 21 September 2017.

The effectiveness and impact of collaborative procurement arrangements through the main Wales-based procurement consortia and public buying organisations, with a particular focus on the role and development of the National Procurement Service.

This has been covered under the 'Collaboration' section on page 5. The National Procurement Service (NPS) established in November 2013 acts as a focus for procurement collaboration across the Welsh public sector securing efficiencies and embedding Value Wales policy within its activities. The principle is to buy once for Wales and its impact and success is based upon all organisations utilising it for common and repetitive spend categories.

The Wales Audit Office (WAO) NPS report acknowledges the challenges faced in delivering collaborative procurement solutions acknowledging the great difficulty in meeting the needs of all organisations. It also recommends that further work should be put in hand to promote usage of NPS Frameworks and articulating the benefits, and this work is in hand. This will also include introducing a new process to ensure clarity regarding the opt-out process

[Views on the Auditor General for Wales' reports on Public Procurement in Wales in October 2017 and the National Procurement Service in November 2017.](#)

We are pleased that the Wales Audit Office recognises the importance role procurement plays in delivering public services for Wales. The findings of the reports on Public

Procurement in Wales and the NPS are both welcomed. The recommendations in both reports have been accepted; they will greatly assist in building upon progress to date and are very timely in respect of the repositioning of Value Wales and the NPS announced by the Cabinet Secretary for Finance on 21 September 2017 . Work is underway to address the recommendations from both reports in consultation with public sector stakeholders, business and social partners. For ease of reference copies of the WG responses issued on 6

November 2017 and 14 December respectively are attached below:-



2017-11-06 Letter to WAO - Re... 2017-12-14 Ltr to AGW re NPS s...