

Procurement Task and Finish Group

Meeting Venue: **Committee Room 2 - Senedd**

Meeting date: **Thursday, 19 January 2012**

Meeting time: **11:30 - 14:30**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Concise Minutes:

Assembly Members:

Julie James (Chair)
Byron Davies
Eluned Parrott
David Rees
Leanne Wood

Witnesses:

Deryck Evans, Wales Audit Office
David Rees, Wales Audit Office
Jeremy Morgan, Wales Audit Office
Iolo Llewellyn, Wales Audit Office
Jane Hutt, Minister for Finance and Leader of the House
Alison Standfast, Deputy Director of Procurement, Value Wales
Michael Hearty, Director General for Strategic Planning, Finance & Performance
Jeff Andrews, Specialist Policy Adviser, Welsh Government

Committee Staff:

Lara Date (Clerk)
Meriel Singleton (Deputy Clerk)
Robin Wilkinson (Researcher)
Gwyn Griffiths (Legal Adviser)

1. Introductions, apologies and substitutions

1.1 The Chair welcomed everybody to the meeting. There were no apologies.

1.2 It was agreed the following Members would take the lead in the following themes:

Byron Davies – contracting authorities' experience

Julie James – support and guidance offered

Eluned Parrott – SME and third sector organisation access

David Rees – simplification of procedures
Leanne Wood – environmental and social policy objectives

2. Inquiry into influencing the modernisation of European procurement policy: Technical Briefing

2.1 The Chair welcomed Deryck Evans, David Rees, Jeremy Morgan, and Iolo Llewellyn from the Wales Audit Office.

2.2 Officials from the Wales Audit Office provided the Committee with an overview presentation about EU procurement. This included an overview of the current framework; non-compliance issues and value for money issues.

2.3 The Members and the witnesses discussed a number of issues around the reprioritisation of part B services in the Draft Procurement directives. It was agreed this was an area which the Committee may wish to raise in its correspondence to the European Commission.

2.4 There was a discussion about the challenges of being innovative against being risk adverse. It was thought that the new procedures should help people to take managed risks as long as there was adequate risk management in place.

2.5 Officials from the Wales Audit Office emphasised the need for people in Wales to be up-skilled in the procurement process to make sure they got the tender information correct at the outset. It was suggested that this would help with reducing delays in the system.

2.6 There was a discussion about the national oversight body which had been included in the EC proposals. It was suggested further consideration may be needed about how this may work at a devolved level.

2.7 The Wales Audit Office agreed to provide any further information that it considered useful to the group's inquiry following the briefing session with Members.

3. Inquiry into influencing the modernisation of European procurement policy: Evidence Session

3.1 The Chair welcomed the Minister and her officials to the meeting.

3.2 The Minister agreed to undertake the following actions:

- A note on the extent to which the UK Government Explanatory Memorandum on the Draft Public Procurement Directive (reference COMM 2011/896 final) reflected the Welsh Government's views on the proposals and any concerns about the proposals and/or the Member State position. Other points which it was agreed the Minister would include in the note were:
 - Response to the proposal for a 'national oversight' authority and its possible implications and any other subsidiarity issues raised by the EM;
 - Legal advice on whether the provisions on social and environmental policy objectives and supporting the Welsh Government's community benefits policy were sufficiently strong;

- The implications of provisions to abolish Part B services and introduce a new regime for social services;
- The implications of the Remedies Directive for Wales and any comparative information on the experience of Northern Ireland
- To consider seeking further legal opinion on the scope of the draft proposals to fit better with the implementation of Structural Funds/Cohesion Policy.
- To share the report of the Lessons Learnt review exercise of framework contracts in North Wales

3.3 The Committee agreed to ask the Enterprise Minister to provide a written response on work being undertaken to support Welsh firms to compete outside Wales (within the UK and in Europe) in the field of public procurement.