

# Public Procurement in Ireland A Critical Review

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# Introduction

**Timely to review as €85 billion  
to be procured over next five  
years**

# Literature Review

**Serious gaps in data**

# Metrics

**As only 23% of tenders valued  
over EU threshold this allows  
flexibility to set business  
friendly rules**

# BMS Survey

**There is a major  
communications gap  
between buyers and  
suppliers**

# Frameworks

**An average of 17.6 bids  
received for every framework  
tender**

# OGP Spend Analysis

**Totally misleading in relation to  
success of small and micro-  
businesses**

# The Cost of Bidding

**As transaction costs are far too high this raises serious issues about cost effectiveness of current processes and policies**

# Win Rates

**Contracts over €300,000  
beyond reach of most small  
businesses**

# Contract Leakage

**Unless there is a change in policy  
the Exchequer will lose at least  
€2 billion and 4,000 potential  
jobs will be generated outside  
Ireland paid for by Irish  
taxpayers**

# Savings

**Will €500m in savings be  
captured by buyers?**

# Oireachtas Oversight

**OGP does not publish annual  
report as it is not a statutory  
body**

# Communications

**Near total silence about €100  
billion market on island of  
Ireland**

# Regulatory Impact

**2014 Directives implemented  
without RIA**

# Brexit

**Status quo should be  
anticipated**

# Using Procurement to Achieve Public Policy Objectives

**Falling short in areas of  
innovation, sustainability and  
social rights**

# Benchmarks

**Ireland one of EU's high  
performing Member States**

# Room for Improvement (1)

1. Establish OGP as statutory body/regulator
2. OGP needs to invest in communications, research and training
3. Public Procurement Plans should be mandatory
4. Contracts below EU thresholds should be 'reserved' for Irish small businesses
5. DPS should become default procurement option

# Room for Improvement (2)

6. Detailed guidance should be published
7. Independent mediator needed
8. Reduce leakage rate from 11% to 3%
9. Reduce transaction costs through process efficiencies
10. Need for EI/LEOs to invest in successful Irish suppliers

# Conclusions

**A comprehensive efficiency  
(VfM) review of procurement  
in Ireland should be  
undertaken by DPER**