



Office of Government Procurement

Public Service Spend and Tendering
Analysis Report for 2014

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Foreword

*Foreword by the Minister of State at the Department of Public Expenditure and Reform with special responsibility for public procurement,
Mr. Eoghan Murphy T.D*

I am pleased to welcome the second report of the Office of Government Procurement (“OGP”) that analyses expenditure data across a range of public service bodies in the state. Under the centralised procurement model established by Government an estimated €6 billion of procurement addressable spend falls within the remit of the OGP and its sourcing partners in the Health, Education, Local Government and Defence sectors.

This report analyses two-thirds, €3.931 billion, of that public service procurement spend for 2014, across these sectors and, for the first time, the spend of a number of central government departments is included in the analysis. €1.2 billion in additional spend data has been analysed compared to €2.742 billion of 2013 expenditure in the OGP’s first report.

The 2014 spend data analysis indicates that 95% of the analysed expenditure is with firms within the State. This is in line with the 93% share in the original analysis of the 2013 spend data.

As in the 2013 report the majority of the expenditure analysed is with SMEs (Small and Medium Enterprises) and the amount of that spend has increased. SMEs have the greater share of spend in 11 of the 16 procurement spend categories. As is to be expected large companies are predominant in categories such as Utilities and Medical, Surgical and Pharmaceutical Supplies.

This report summarises the tendering activity of the public service in 2014 as recorded on the eTenders public procurement platform. The analysis shows that 77% of tender notices are smaller value (below OJEU threshold) tenders. The median contract value of 2014 tender notices is less than or equal to €100k in 12 of the 16 procurement spend categories. This would indicate that government contracts in Ireland are accessible to SMEs given the low median size of published estimated contract values.

Public procurement represents a major opportunity for SMEs. The OGP encourages SMEs to avail of that opportunity and works with government agencies and industry representative bodies on policy initiatives

and promoting supplier education and awareness of those opportunities both in Ireland and across the EU market. The Progress Report of the High Level Group on SME Access to Public Procurement was produced by the Office of Government Procurement (OGP), in conjunction with the Department of Jobs, Enterprise and Innovation, in early 2016.

The spend analysis in this report, along with the analysis of tender notices published on the eTenders public procurement platform in 2014, will assist businesses to understand the opportunity afforded by public procurement in Ireland.

While the OGP has prepared the 2014 spend analysis in this report it would not have been possible without the provision of expenditure data by public service bodies. I wish to acknowledge those organisations that furnish the OGP with spend data and contribute to increased openness and transparency on public expenditure and look forward to greater insights as more public expenditure data is gathered and analysed. This data is key to the development of the procurement strategies that will deliver sustainable value for money for the State.

Mr. Eoghan Murphy, T.D.
Minister of State at the Department of Public Expenditure and Reform with special responsibility for Public Procurement

About the Office of Government Procurement

The Office of Government Procurement (“OGP”) was established by the Government to integrate procurement policy, strategy and operations into a centralised office with the aim of reducing procurement risk and enabling savings for public service bodies across the State. The OGP is headed by the Government’s Chief Procurement Officer, and operates as an office of the Department of Public Expenditure and Reform.

The Procurement Reform Programme is a key whole of Government programme in the overall Public Service Reform Plan. The OGP is charged with leading procurement reform and building procurement capacity and capability along with sector sourcing partners in Health, Education, Local Government and Defence – in a centralised procurement model for goods, services and minor works.

The State’s procurement expenditure with suppliers, excluding major capital projects, totals approximately €8.5 billion. The procurement addressable spend under the remit of the OGP and its sector partners is of the order of €6 billion. The expenditure addressable by procurement relates to goods and services sourced through State purchasing processes by Public Service Bodies (PSBs). It excludes the General Medical Services Scheme (GMS), grants to Community and Voluntary bodies, interagency payments and rent on property. Minor Building Works and Civils are covered while major capital projects are not. The OGP is, however, responsible for national procurement policy relating to construction. Commercial Semi-State bodies are also outside the remit of the centralised procurement model. (See Appendix 6 for a definition of organisations in scope)

A key element of the Procurement Reform Programme is that the Public Service will speak with ‘one voice’ to the market. Since it commenced sourcing operations in 2014 the OGP has been working to put in place sectoral or whole-of-government arrangements. Some areas of expenditure such as legal costs, software, catering and cleaning have not previously been addressed at a whole-of-government level. For the first time, the OGP is looking at services across PSBs and putting in place commercial arrangements that leverage scale, bring consistency and manage risk. The estimated annual

spend value of arrangements put in place by OGP in 2015 is €357 million.

National procurement expenditure data is key to developing an appropriate approach to the market. It is an enabler to the development of effective procurement policies and optimal sourcing strategies. Historically, procurement was decentralised with individual PSBs making their own procurement decisions. While this is starting to change under the Procurement Reform Programme, expenditure data will continue to be held by the PSBs that purchase goods, services and works.

Since late 2013 the OGP has been engaged in a substantial project to gather source data on procurement expenditure from PSBs and create a central data repository that will support its sourcing and policy activities. The OGP published its first report – *Public Service Spend and Tendering Analysis Report for 2013* - in March 2015. This second report, *Public Service Spend and Tendering Analysis Report for 2014*, includes an update to the spend analysis contained in 2013 report, analyses spend and tendering activity data for 2014 and provides a comparison to 2013.

Executive Summary

This *Public Service Spend and Tendering Analysis Report for 2014* is the Office of Government Procurement's (OGP) second annual report that analyses expenditure and tendering activity on goods across Public Service Bodies (PSBs) in Ireland. One of the OGP's strategic objectives is to improve the transparency of spend across public service bodies to support more effective sourcing strategies, procurement execution and value for money.

The spend analysis in this report is based on expenditure data that has been gathered from PSBs and excludes expenditure that is not addressable by public procurement such as third party grants or payments made by one public service body to another. The procurement addressable spend, excluding major capital projects, under the remit of the OGP and its sourcing partners in the Health, Education, Local Government and Defence sectors is estimated at €6 billion annually. Two-thirds of this estimated procurement addressable spend is analysed in this report.

The analysis of tendering activity is based on data from eTenders, the Government's national web-based electronic tendering platform administered by OGP, excluding semi-state organisations as these bodies are not under the procurement remit of the OGP and its sourcing partners.

This report covers three main areas:

1. An update of the spend analysis contained in the 2013 report following the receipt of additional 2013 spend data since its publication. Section 2 compares the updated 2013 spend analysis against that contained in the original report.
2. Analysis of 2014 spend data and a comparison to the updated 2013 spend analysis (see Section 3)
3. Analysis of 2014 tendering activity and comparison to that in the 2013 report (see Section 4)

1. Update to 2013 Spend Analysis

The updated 2013 spend analysis is based on 2013 spend data from a total of 77 PSBs and compares it to that carried out on the data provided by 64 PSBs in the original report. The updated analysis contains spend data from eight central government departments (other than the Department of Justice and Equality) for the first time. (See Appendix 1 for a list of PSBs that provided spend data.) It should be noted that spend data is inclusive of VAT.

Since the publication of the *Public Service Spend and Tendering Analysis Report for 2013* development of the OGP's business intelligence capability has enabled improved profiling of suppliers and refinement of spend categorisation.

The key points to note in the updated 2013 spend analysis against the original are:

1. Total value of the spend data gathered from PSBs increased by 74% from €3.791 billion to €6.597 billion
2. Total value of the spend analysed (after exclusions) for 2013 increased by 43% from €2.742 billion to €3.910 billion, an increase of €1.168 billion
3. 95% of the analysed public service spend is within the State a slight increase from 93%
4. Over €1.0 billion in additional health sector spend data was analysed increasing from €1.181 billion in the original report to €2.187 billion

5. The largest spend category accounting for 17% of the updated total analysed spend is Medical, Surgical and Pharmaceutical Supplies (up from 9%) with over €400 million of the additional spend data analysed falling within this category (Appendix 2 lists procurement spend categories)
6. The majority of spend analysed is still with SMEs. The value of the SME share of spend analysed increased by 15.4% from €1.82 billion to €2.1 billion
7. The profile of SME to large suppliers in the analysed dataset has changed from 66:34% to 54:46% largely attributable to 76% (€888 million) of the additional spend data analysed being classified with large suppliers

2. 2014 Spend Analysis

2014 is the first comparative year for analysis and, compared to the updated 2013 figures, the total spend data analysed remains at €3.9 billion, reflecting the annual nature of demand for categories of goods and services. The *Public Service Spend and Tendering Analysis Report for 2014* report is based on spend data from 76 public service bodies.

The key points to note in the 2014 analysis compared to the updated 2013 spend analysis are:

1. Total value of 2014 spend data collected was €6.856 billion an increase of 4% on the 2013 updated total of €6.597 billion
2. Total value of 2014 spend analysed (after exclusions) was €3.931 billion which is in line with the comparable updated 2013 spend figure of €3.910 billion
3. 95% of the 2014 analysed spend is within the State as in the 2013 updated analysis
4. Medical, Surgical and Pharmaceutical Supplies remains the largest category with 18% share of analysed spend

5. The majority of the spend analysed is with SME's with a slight increase in the 2014 profile of SME to large suppliers to 55:45% from the 54:46% 2013 updated profile

3. 2014 Tendering Analysis

The 2014 tendering analysis looks at tender and contract award notices published on eTenders and compares them to those for 2013.

The 2013 report analysed contract award notices published in 2013 that related to tender notices published in 2013 i.e. 'in-year' awards. This 2014 report contains a 'total' 2013 awards figure as it includes award notices published in 2014 in respect of tender notices published in 2013.

The volume of 2013 total contract award notices (i.e. including award notices published in 2014 relating to 2013 tender notices) is more than double the in-year level increasing from 627 to 1,343. The corresponding estimated award values have increased over threefold from €395 million to €1.291 billion. It should be noted that, in contrast to the spend data, estimated contract values are exclusive of VAT.

The key points to note in the 2014 tendering analysis compared to that for 2013 are:

1. The volume of 2014 published tender notices analysed has increased by 17% to 4,121 from 3,518
2. The estimated contract value of analysed tender notices has declined by 18% to €3.561 billion from €4.361 billion. The drop in value is attributable to some large one-off contracts published in 2013 that were not repeated in 2014
3. The average estimated value of 2014 published tender notices analysed is €864,000 as against €1.24 million in 2013 while the 2014 median (typical) value is €100,000 compared to €80,000 in 2013

4. 77% of tender notices analysed are below the Official Journal of the European Union (OJEU) tender thresholds, accounting for an estimated value of €803 million (See Appendix 3 for details of OJEU thresholds).
5. The volume of 2014 'in-year' award notices published (i.e. award notices published in 2014 for tender notices published in 2014) has increased by 74% to 1,087 from 627 'in-year' awards in 2013
6. Total in-year award notices as percentage of tender notices published has increased from 18% in 2013 to 26% in 2014
7. The Construction and Civil works category accounts for 52% (€1.84 billion) of the total estimated contract value of published tender notices with an average value of €1.52 million and a median (typical) value of €170, 000;
8. While the average contract value of 2014 tender notices analysed by spend category ranges from €10.1 million (Utilities) to €115,000 (Veterinary), the median values range from €170,000 (Construction and Civil works) to €50,000 (Marketing, Print and Stationery)
9. The median contract value of 2014 tender notices is less than or equal to €100k in 12 of the 16 spend categories.

4. Conclusion

This is the second OGP report analysing procurement expenditure and tendering activity across the public service. Two-thirds of the estimated annual procurement addressable spend of €6 billion within the remit of the OGP and its sector sourcing partners in Health, Education, Local Government and Defence is analysed in this report. This 2014 report analyses an additional €1.168 billion in 2013 spend data available for analysis since the original 2013 report was prepared.

Comparison of the 2014 findings with those for the updated 2013 analysis shows that the total analysed spend for 2014 was €3.931 billion, an increase of just €21 million year on year. For both years 95% of the expenditure analysed is within the State.

There is a consistent spend pattern profile in both years between SME and large suppliers. 55% of the 2014 analysed spend is with SMEs as against 54% in the updated 2013 analysis.

The profile of spend is largely consistent across the 16 procurement categories in both the 2013 updated and the 2014 analyses.

The analysis of public service tendering activity on the national tendering platform, eTenders, managed by the OGP, looks at 4,121 tender notices and 1,087 contract award notices published in 2014. The volume and value of these tender and contract award notices are profiled by procurement spend category. Tender notices show some variation by category from the 2013 analysis. The recording of in-year award notices, while still low, has increased by 74% from 2013 levels.

This report gives a more complete view of the 2013 tender cycle. It is normal to have a time delay between the publication of a tender notice and a contract award notice including spanning calendar years due to the timeframe required to complete a procurement process.

Taking into account contract award notices published in 2014 that relate to tender notices published in 2013, the volume of total contract award notices (1,343) is more than double that published in 2013 (627). The total estimated award value of €1.291 billion is over three times the in-year value of €395 million. The median (typical) value of total 2013 awards analysed was €70,000 for below OJEU threshold tenders.

As this is only the second year of the analysis of public service spend and tendering activity it is not yet possible to determine trends and patterns. These will emerge over the coming years as OGP continues to gather and analyse PSB spend data and study activities on eTenders.

1. Introduction

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1. Introduction

1.1 About the Report Data

This *Public Service Spend and Tendering Analysis Report for 2014* report contains two types of analysis – the first is focused on addressable public service procurement spend and the second on tendering activity in the public service.

The 2014 spend analysis is based on expenditure data gathered by the OGP from 76 large public service bodies. These bodies are from across the five public sectors of Central Government, Education, Health, Justice and Local Government (a list is at Appendix 1). The OGP's first spend analysis in the *Public Service Spend and Tendering Analysis Report for 2013* was based on data gathered from 64 public service bodies. The additional bodies included in the 2014 report also provided 2013 expenditure data. Section 2 of the report provides an update to the 2013 spend analysis using this additional data along with some further 2013 data provided by the bodies in the original report.

The 2014 report contains data from eight Central Government departments that were not part of the 2013 report. Spend data from the Department of Justice and Equality for the department and bodies under its aegis was provided for the 2013 report and analysed as the Justice sector. The Education sector data gathered to date is from third-level institutions and does not include spend data from primary and secondary level schools. The gathering of spend data from across c. 4,000 primary and secondary schools would be a complex and labour-intensive exercise.

The spend analysis in this report is dependent upon payments transaction data from public service bodies. The spend data received from public bodies used in this analysis was not subject to extrapolation to generate estimates. No adjustments have been made for possible over or under-representation of sectors based on the number of organisations that provided data.

The analysis of public service tendering activity is based on data from 2014 transactions carried out on eTenders the Government's national web-based electronic tendering platform administered by the OGP. The analysis is dependent in the first instance on contracting authorities undertaking procurements publishing tender notices on eTenders. As the majority of the 2014 data was input on eTenders by end users in PSBs conducting tendering activity, the OGP analysis is dependent on the accuracy of the information entered.

Sections 1.2 and 1.3 below contain more information on the spend and tendering data and provide a useful reference point for the analysis contained in later sections of the report.

1.2 Spend Data

The spend data analysed is based on payments transaction data provided by PSBs from a range of financial systems. A standard data template was provided by OGP and assistance given where necessary to extract data from the PSBs financial systems and convert it to the required format. It is important to note that all spend data values are inclusive of VAT.

As the OGP's requirement is to analyse spend that is procurement addressable the following data is excluded from the expenditure transactions gathered from the PSBs to arrive at the dataset for analysis:

1. **Un-addressable** – Spend that cannot be directly addressed by procurement is removed from the scope of analysis. This is spend such as grants or expenses that does not arise from state purchasing processes.
2. **Interagency** – Payments by one public service body to another is not addressable and is also removed from the spend data for analysis.
3. **Unclassified Suppliers** – Spend transactions not yet associated with a classified supplier (i.e. supplier with known address and size classification) are also excluded.

In line with other leading procurement functions, the OGP follows a 'Category Management' approach to procurement, using an agreed standard taxonomy for categorisation of goods and services across all public bodies. There are 16 main categories grouping spend and procurement activities with comparable characteristics such as similarities in supply market profile, product type and end use. The expenditure categories have not changed since the publication of the 2013 report (category details are at Appendix 2). The spend data analysed for this report has been mapped to a category but cannot at this time be codified at a product level. Public finance systems typically capture payments to suppliers but not the quantities or prices of the goods or services involved. Spend data that could not be allocated to one of the 16 categories is treated as 'Uncategorised'.

The analysed spend dataset includes profiles by supplier location (Ireland or International) and supplier size - SME (Small and Medium sized Enterprises) or large. Supplier location is based on the supplier address contained in the payment transaction. The identification of spend with SME is of particular interest. The SME definition used to classify suppliers is European Union recommendation 2003/361 i.e. enterprises where the number of employees is less than 250 and, where data is available, they have either turnover of less than or equal to €50 million or a balance sheet with net assets of less than or equal to €43 million. While some data from eTenders is used for supplier classification the OGP is dependent on external data sources to classify suppliers. (See Appendix 4).

An overview of the spend data analysis methodology is at Appendix 5.

1.3 Tendering Data

eTenders (www.etenders.gov.ie) is the Irish Government's electronic tendering platform administered by the OGP. The site is designed to be a central facility for all public sector contracting authorities to advertise procurement opportunities and award notices. All tender and contract award notices are classified as either OJEU (above the thresholds that require publication in the Official Journal of the European Union) or as Non-OJEU (below those thresholds and subject to national procurement rules). eTenders displays, on a daily basis, all Irish public sector procurement opportunities currently advertised in the OJEU as well as below OJEU threshold tenders. Details of OJEU and national thresholds are at Appendix 3.

The eTenders data analysed in this report excludes activities by Non-Public Service Bodies such as Commercial Semi-State bodies as procurement by these organisations does not fall within the remit of the OGP or the sector sourcing organisations. See Appendix 6 for a complete definition of a public service body. The EU Common Procurement Vocabulary (CPV) associated with each tender notice is used to map tenders and award notices to the procurement spend categories. Where multiple CPV codes are entered for a tender notice the most prevalent CPV category

indicator is used as the basis for mapping. Where no CPV code is provided, the tender activity is excluded from the dataset for analysis.

In 2014 the OGP introduced *Circular 10/14: Initiatives to assist SMEs in Public Procurement* to strengthen measures aimed at facilitating SME participation in public procurement. Circular 10/14 required public sector buyers, in respect of tender notices issued from 1 August 2014, to publish Contract Award Notices on the eTenders platform for all awards over €25,000 (exclusive of VAT). Prior to this date there was no requirement for contracting authorities to publish contract award notices for below EU threshold contracts.

It is important to note that the values used in the tendering award analysis are the estimated contract values contained in the associated published tender notices. All monetary values in the tendering analysis are exclusive of VAT.

It should also be noted that as the majority of the 2014 tender and award notice data is entered on eTenders by public sector contracting authorities, data quality and accuracy is dependent upon end users in those organisations. During 2014, Central Purchasing Bodies such as OGP and sector sourcing organisations in Health, Education, Local Government and Defence began to put in place an increasing number of framework agreements on behalf of other public service bodies. Centralised procurement should improve the consistency of data input to eTenders over time.

An overview of the tendering data analysis methodology is at Appendix 5.

1.4 Report Overview

This report covers three main areas of analysis:

1. An update of the spend analysis contained in the 2013 report following the receipt of additional 2013 spend data since its publication. Section 2 compares the updated 2013 spend analysis against that contained in the original report.
2. Analysis of 2014 spend data and a comparison to the updated 2013 spend analysis (see Section 3).
3. Analysis of 2014 tendering activity and comparison to that in the 2013 report (see Section 4).



2. Update of 2013 Spend Analysis

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2. Update of 2013 Spend Analysis

2.1 Additional 2013 Spend Data Collected

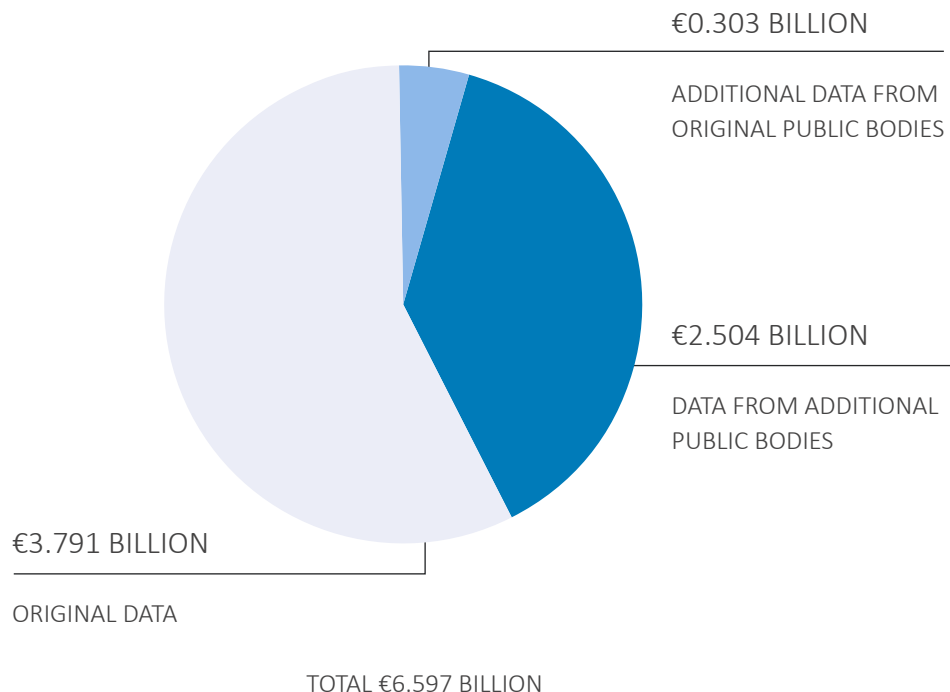
For the *Public Service Spend and Tendering Analysis Report for 2013*, published in March 2015, spend data to the value of €3.791 billion was collected from 64 public service bodies. However, since publication of that report, an additional €2.807 billion of 2013 spend data has been made available to the OGP.

As shown in Figure 1 below, €2.504 billion of this additional 2013 spend data has been collected from 13 public service bodies not included in the original 2013 report. An additional €303m has also been collected from the 64 public service bodies included in the original report as, at the time of publication, some public service bodies had not submitted complete 2013 data. Appendix 1 lists the PSBs that provided spend data for the original 2013 published report and those additional bodies that have since provided 2013 data.

All the 2013 spend data collected amounts to a total of €6.597 billion across 77 public bodies. It is important to note that not all of the expenditure data gathered is procurement addressable. This un-addressable spend is excluded from the analysis in this report.

FIGURE 1

UPDATED 2013 SPEND DATA COLLECTED

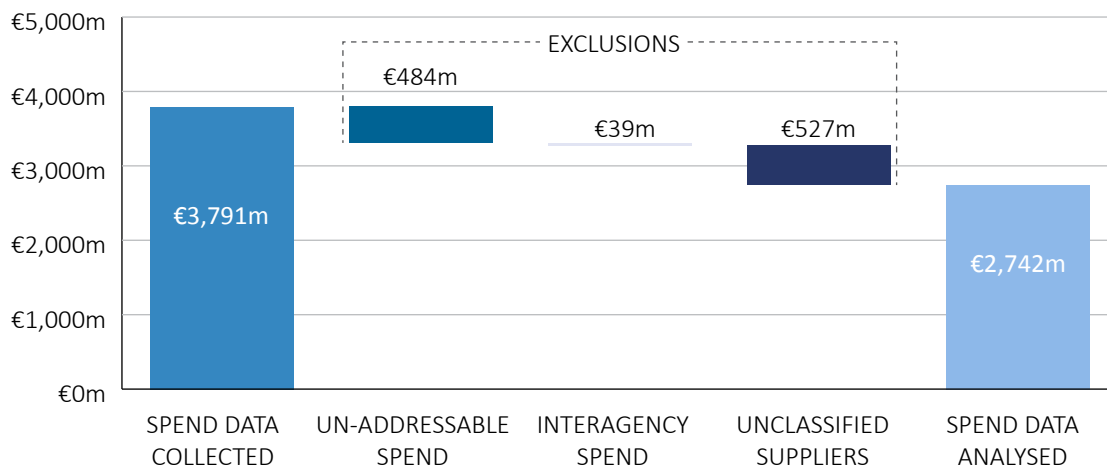


2.2 Updated 2013 Spend Data Analysed

The total spend data collected for 2013 increased from €3.791 billion to €6.597 billion due to the provision of 2013 data from 13 new PSBs and newly available data from the original 64 public bodies. Following the exclusion of un-addressable, interagency and unclassified spend data, the 2013 total analysed spend increases by €1.168 billion from €2.742 billion to €3.910 billion – two-thirds of the estimated €6 billion in procurement addressable spend. The following figures and commentary outline the changes to the spend data analysed in the original 2013 report.

FIGURE 2

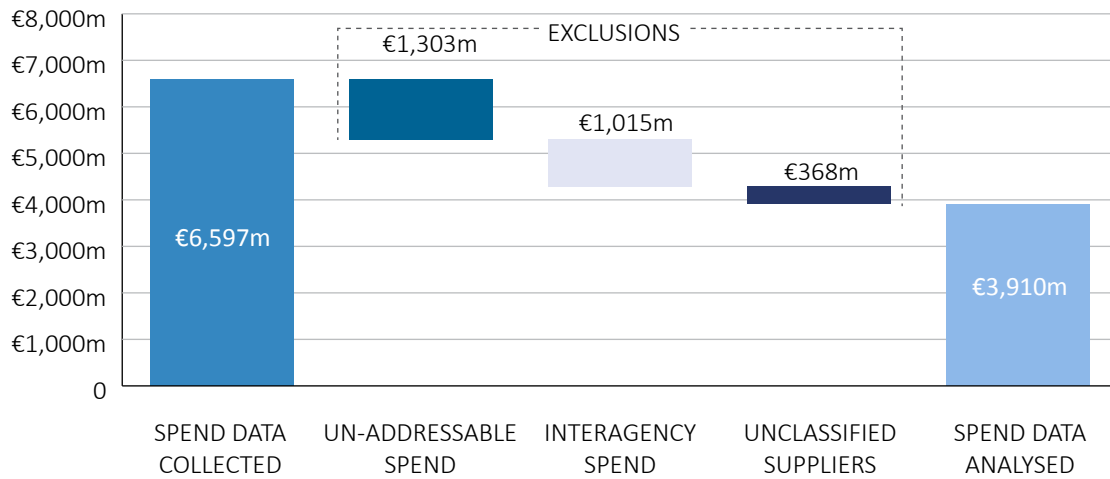
ORIGINAL 2013 SPEND DATA FOR ANALYSIS



Although the total 2013 spend collected increased by 74%, the spend analysed has risen from €2.742 billion to €3.910 billion – an increase of 43%. The gap is due to excluding higher levels of un-addressable and interagency spend from the additional data gathered. In particular, this reflects the increased expenditure data gathered from central government departments. Departments are often funding bodies and would have high levels of un-addressable and interagency spend. 90% of the €820 million in additional un-addressable spend excluded from the analysis is from government departments. 76% of the €976 million increase in interagency spend is accounted for by government departments.

FIGURE 3

UPDATED 2013 SPEND DATA FOR ANALYSIS



The total amount of unclassified supplier spend in 2013 has decreased from €527m (original) to €368m (updated) due to the improved classification of suppliers using additional third party data sources.

Table 1 below sets out the overall comparison of 2013 original and updated data to arrive at the net spend in scope analysed in this report and used as a comparator for 2014.

TABLE 1

SPEND DATA COLLECTED AND EXCLUSIONS APPLIED - ORIGINAL AND UPDATED 2013

SPEND DATA	2013 ORIGINAL (€m)	2013 UPDATED (€m)
Total spend data collected	3,791	6,597
Exclusions:		
Un-addressable spend	484	1,303
Interagency spend	39	1,015
Spend with unclassified suppliers	527	368
NET SPEND DATA FOR ANALYSIS	2,742	3,910

2.3 2013 Analysed Spend by Sector

This 2013 update includes a view of analysed spend across five sectors; Central Government, Education, Health, Justice and Local Government. Table 2 and Figure 4 below show the analysed spend by sector for the original and the updated 2013 data.

Central Government spend of €108 million is included for the first time. The Health sector spend analysed increased by 85% with €1.006 billion of additional data. Education spend increased by €74 million (21%) while Local Government dropped marginally by €16 million (2%) due to revised datasets. A drop of 1% in the Justice spend analysed is due to interagency adjustments. It should be noted that the Education data analysed is from third-level institutions and, as stated in section 1.1. above, does not contain spend in primary and secondary level schools.

FIGURE 4

ANALYSED SPEND BY SECTOR - ORIGINAL AND UPDATED 2013

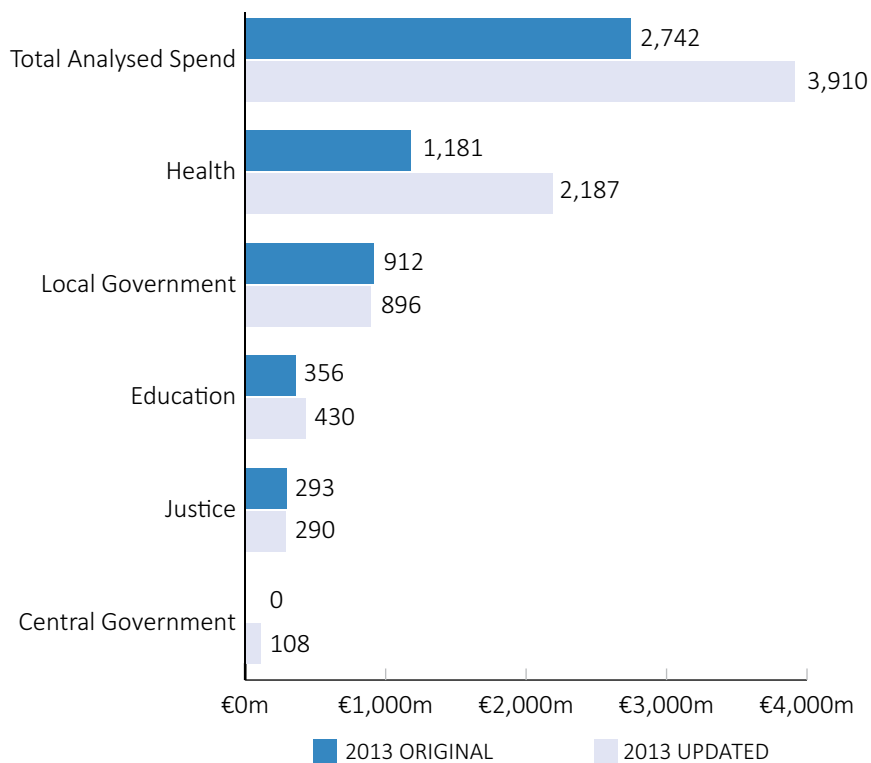


TABLE 2

ANALYSED SPEND BY SECTOR - ORIGINAL AND UPDATED 2013

SECTOR	2013 ORIGINAL		2013 UPDATED	
	SPEND (€m)	% OF TOTAL	SPEND (€m)	% OF TOTAL
Health	1,181	43%	2,187	56%
Local Government	912	33%	896	23%
Education	356	13%	430	11%
Justice	293	11%	290	7%
Central Government	-	-	108	3%
TOTAL ANALYSED SPEND	2,742	100%	3,910	100%

2.4 Updated Analysis of 2013 Spend by Category

This section analyses the 2013 original and updated spend data according to the 16 procurement spend categories - details of what each category includes is set out in Appendix 2.

In addition to the 16 spend categories two additional categorisations are included in the analysis – ‘Capital’ and ‘Uncategorised’. Capital refers to expenditure on major works and is currently out of scope for the centralised procurement model. While this data was not requested from customers some have provided it and it has been included for completeness.

Spend data under the heading ‘Uncategorised’ relates to expenditure that could not be allocated to one of the 16 categories. Uncategorised spend is 3.57% of total updated analysed spend as against 2.71% in the original report. As about 97% of analysed spend traceable is to a category this indicates that the categorisation taxonomy is logical.

The analysed spend has increased by €1.168 billion. €557 million (48%) of this additional spend is in the medical categories (Medical and Diagnostic Equipment and Supplies, Medical Professional Services and Medical, Surgical and Pharmaceutical Supplies). There is an increase in spend across almost all categories with the exception of Minor Building Works and Civils (Minor Works) where the drop is, in the main, attributable to spend moving to Capital due to refinement in the categorisation of capital spend.

Table 3 below shows spend by category in descending order based on the updated 2013 data. In the original 2013 report, Professional Services had the largest share of spend at 13%. The profile of the share of spend by category is largely similar in the updated analysis apart from the Medical, Surgical and Pharmaceutical category which now has the largest share of spend at 17% almost doubling from that in the original analysis. The increase of €408 million in this category accounts for 35% of the €1.168 billion in additional spend analysed.

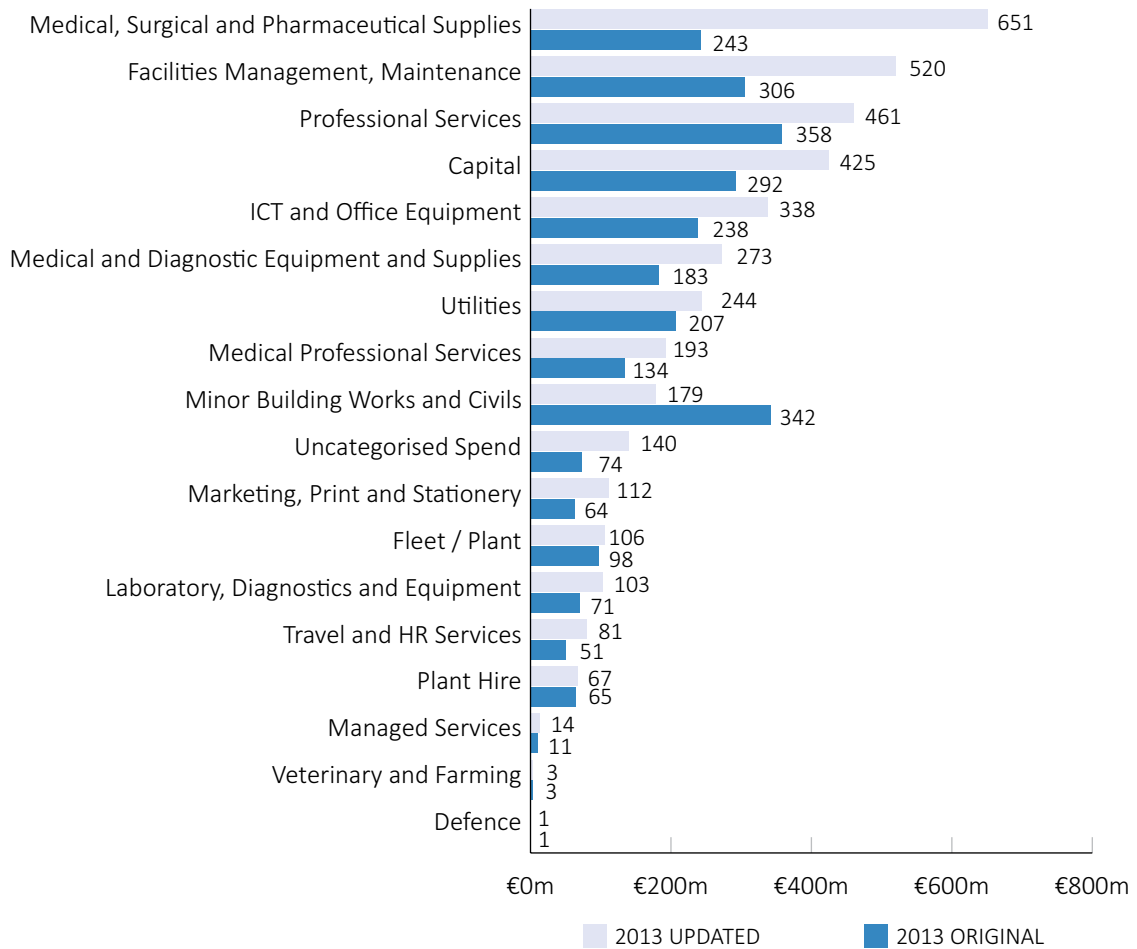
TABLE 3

SPEND DATA BY CATEGORY - ORIGINAL AND UPDATED 2013

SPEND CATEGORY	2013 ORIGINAL		2013 UPDATED	
	(€m)	% OF TOTAL	(€m)	% OF TOTAL
Medical, Surgical and Pharmaceutical Supplies	243	8.9%	651	16.65%
Facilities Management, Maintenance	306	11.2%	520	13.31%
Professional Services	358	13.1%	461	11.79%
Capital	292	10.6%	425	10.87%
ICT and Office Equipment	238	8.7%	338	8.64%
Medical and Diagnostic Equipment and Supplies	183	6.7%	273	6.99%
Utilities	207	7.6%	244	6.24%
Medical Professional Services	134	4.9%	193	4.93%
Minor Building Works and Civils	342	12.5%	179	4.57%
Uncategorised Spend	74	2.7%	140	3.57%
Marketing, Print and Stationery	64	2.3%	112	2.86%
Fleet / Plant	98	3.6%	106	2.72%
Laboratory, Diagnostics and Equipment	71	2.6%	103	2.62%
Travel and HR Services	51	1.9%	81	2.08%
Plant Hire	65	2.4%	67	1.71%
Managed Services	11	0.4%	14	0.37%
Veterinary and Farming	3	0.1%	3	0.07%
Defence	1	0.0%	1	0.03%
TOTAL ANALYSED SPEND	2,742	100.0%	3,910	100%

FIGURE 5

SPEND DATA BY CATEGORY - ORIGINAL AND UPDATED 2013



2.5 2013 Spend by Supplier Location Update

The profile of spend between Irish and international suppliers has remained largely unchanged with the share of spend with Irish organisations increasing from 93% to 95%. The value of analysed spend with domestic suppliers has increased by €1.174 billion while spend with international suppliers declined slightly by €5 million. Supplier location is based on the supplier address contained in the payment transaction.

FIGURE 6

2013 SPEND BY SUPPLIER LOCATION

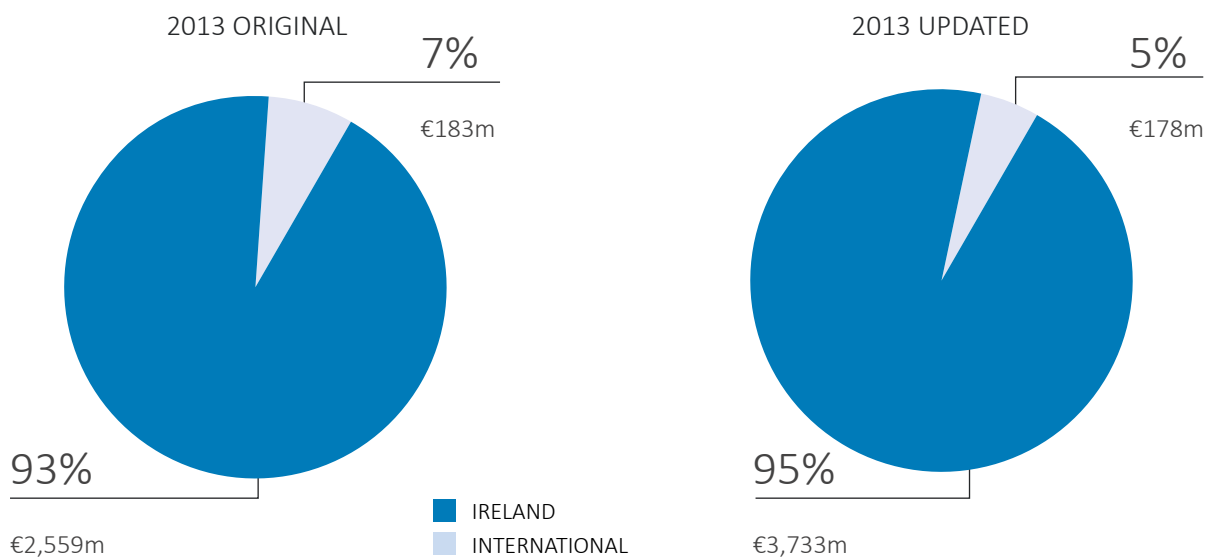


TABLE 4

SUPPLIER LOCATION SPEND - ORIGINAL AND UPDATED 2013

LOCATION	2013 ORIGINAL		2013 UPDATED	
	SPEND (€m)	% OF TOTAL	SPEND (€m)	% OF TOTAL
Ireland	2,559	93%	3,733	95%
International	183	7%	178	5%
TOTAL ANALYSED SPEND	2,742	100%	3,910	100%

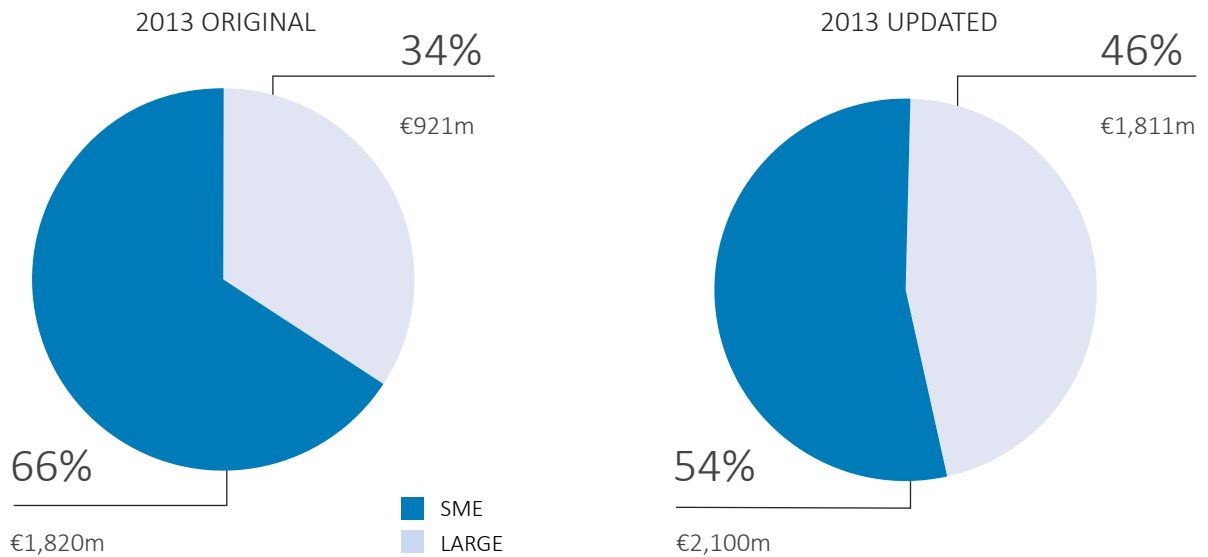
2.6 2013 Spend by Supplier Type Update

A key point of interest is how much of the state's procurement expenditure is with SMEs. As in the original 2013 report the majority of the spend data analysed is with SMEs. Figure 7 shows that the profile of the €2.724 billion spend data analysed in the original 2013 report was 66% with SMEs and 34% with large companies.

In the updated 2013 dataset the value of SME spend has increased by 15.4% (€280 million) to €2.1 billion representing 54% of the total €3.910 billion spend analysed.

FIGURE 7

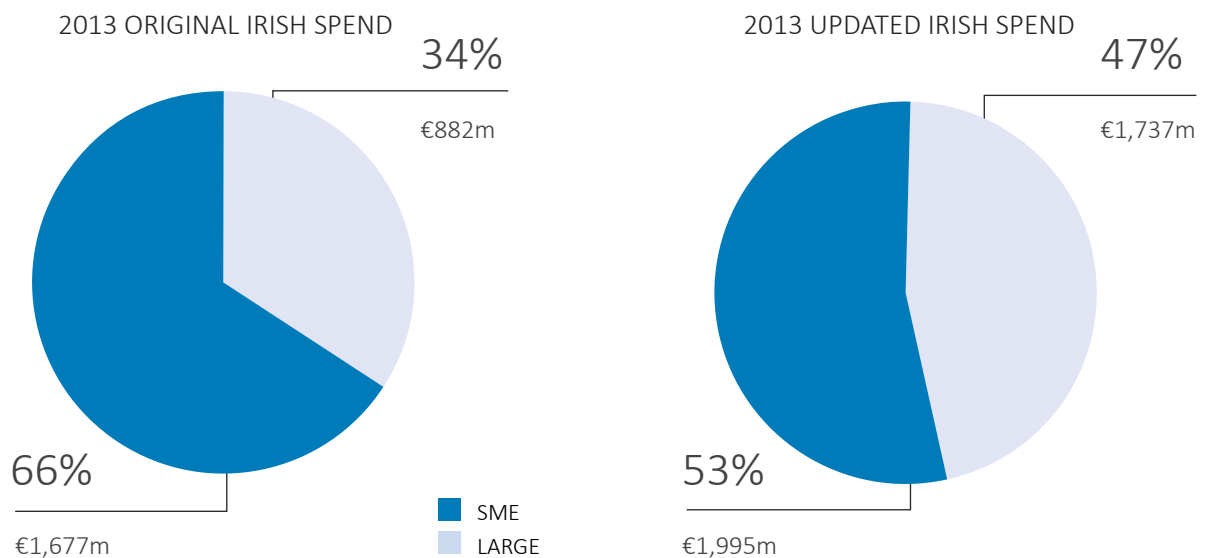
SUPPLIER PROFILE 2013 ORIGINAL AND UPDATED



For the 95% of total spend that is within Ireland the value of SME spend is just under €2 billion spend (53%) with SME (see Figure 8).

FIGURE 8

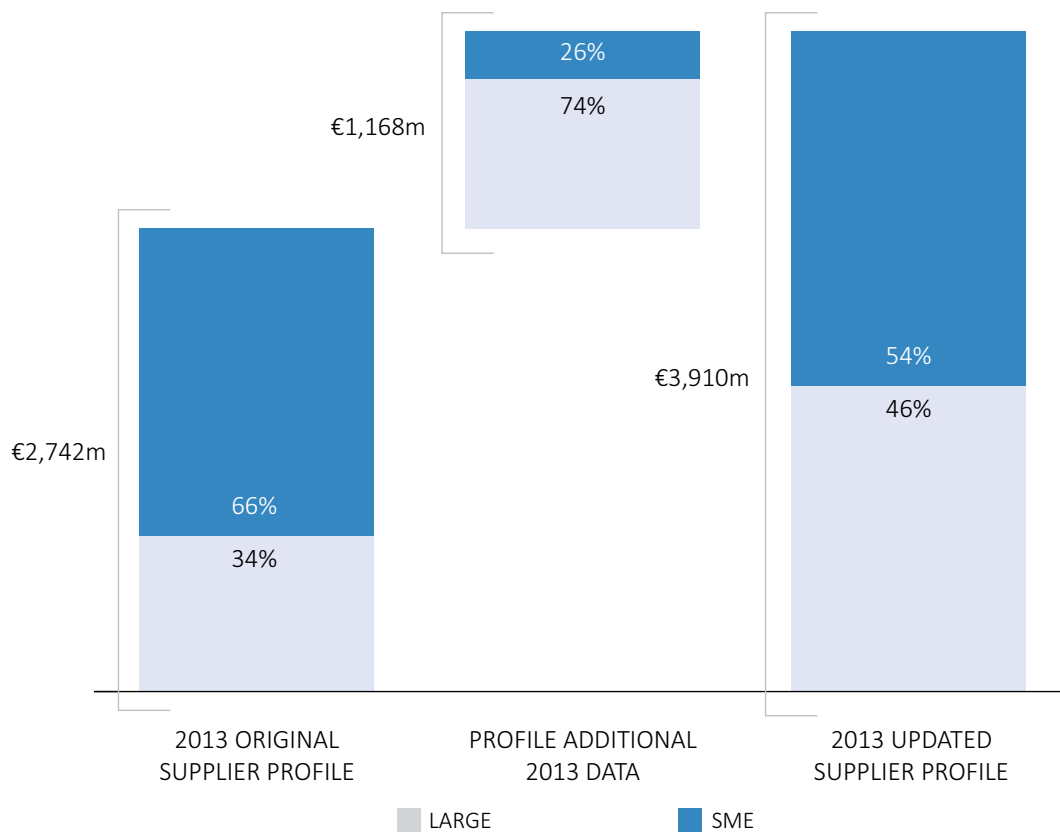
IRISH SPEND SUPPLIER PROFILE ORIGINAL AND UPDATED 2013



The key factor behind this change in supplier type profile, as Figure 9 illustrates, is that 76% (€888m) of the additional €1.168 billion in analysed spend data is classified as being with large companies resulting in an updated 2013 profile of 54% SME and 46% large. 47% (€545m) of the additional spend is in categories where large companies are dominant such as Medical, Surgical and Pharmaceutical Supplies.

FIGURE 9

MOVEMENT IN SUPPLIER SIZE PROFILE 2013 ORIGINAL TO 2013 UPDATED



Some of the movement between supplier types is also attributable to the introduction of new external third party reference data sources and developments in the business intelligence capability of the OGP leading to improvements in supplier classification. These improvements have enabled previously unclassified spend to be added to the analysed data and resulted in some reclassification of suppliers.

2.7 2013 Supplier Type Spend by Category Update

As can be seen from the 2013 Updated section of Table 5, spend in three-quarters (12) of the 16 categories is predominantly with SMEs i.e. the SME share of spend is above the overall 54% level. SME shares of these categories range from 95% in Plant Hire to 56% in Professional Services with a number of categories – Marketing, Print and Stationery; Fleet and Plant; and Laboratory, Diagnostics and Equipment – having shares above 70%.

As spend data moved to the Capital category due to refinement in the categorisation of capital spend the SME profile of the Minor Building Works and Civils category reduced from 85% to 67% while that of Capital increased from 62% to 70%. As in the original 2013 analysis, the spend in the following categories is predominantly with large companies – Utilities (94%); Medical, Surgical and Pharmaceutical Supplies (71%) and ICT and Office Equipment (56%) along with Defence at (96%) - see Figure 10. 47% (€545m) of the additional spend data analysed is in categories with a predominantly large company profile.

€312 million of the additional spend data is classified with large companies in the Medical, Surgical and Pharmaceutical Supplies category resulting in a large supplier profile of 71% as against 62% in the original analysis.

€92 million (8%) of the additional analysed spend data is with large suppliers in the ICT and Office Equipment category moving the large supplier share from 41% to 56%. Due to refinements in supplier classification the profile of the Utilities category has increased from 76% spend with large companies to 94%.

FIGURE 10

ORIGINAL 2013 SPEND DATA FOR ANALYSIS

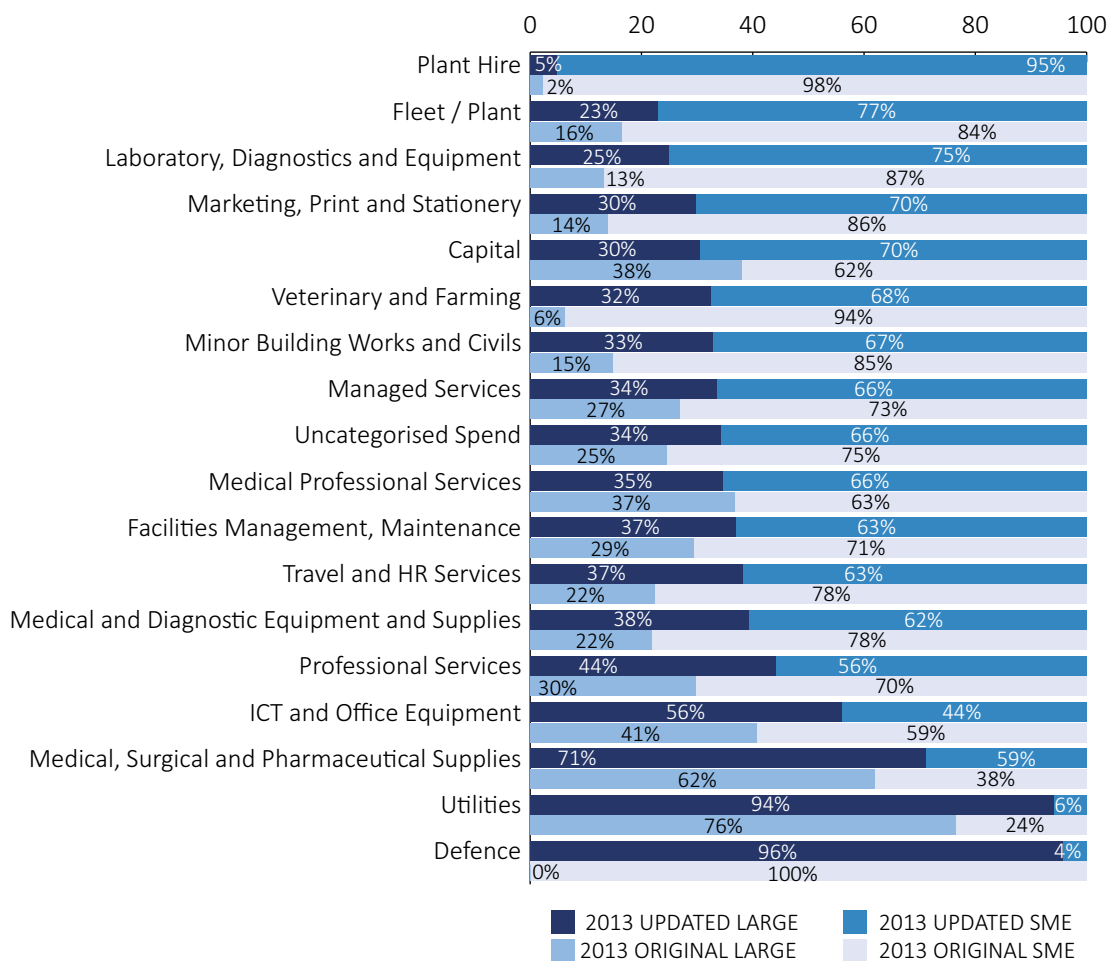


TABLE 5

SUPPLIER PROFILE BY CATEGORY 2013 ORIGINAL AND UPDATE

SPEND CATEGORY	2013 ORIGINAL				2013 UPDATED			
	TOTAL CATEGORY SPEND		% CATEGORY SPEND BY SUPPLIER SIZE		TOTAL CATEGORY SPEND		% CATEGORY SPEND BY SUPPLIER SIZE	
	(€m)	% TOTAL	SME	LARGE	(€m)	% TOTAL	SME	LARGE
Medical, Surgical and Pharmaceutical Supplies	243	9%	38%	62%	651	17%	29%	71%
Facilities Management, Maintenance	306	11%	71%	29%	520	13%	63%	37%
Professional Services	358	13%	70%	30%	461	12%	56%	44%
Capital	292	11%	62%	38%	425	11%	70%	30%
Information and Communication Technology, and Office Equipment	238	9%	59%	41%	338	9%	44%	56%
Medical and Diagnostic Equipment and Supplies	183	7%	78%	22%	273	7%	61%	39%
Utilities	207	8%	24%	76%	244	6%	6%	94%
Medical Professional Services	134	5%	63%	37%	193	5%	65%	35%
Minor Building Works and Civils	342	12%	85%	15%	179	5%	67%	33%
Uncategorised Spend	74	3%	75%	25%	140	4%	66%	34%
Marketing, Print and Stationery	64	2%	86%	14%	112	3%	70%	30%
Fleet / Plant	98	4%	84%	16%	106	3%	77%	23%
Laboratory, Diagnostics and Equipment	71	3%	87%	13%	103	3%	75%	25%
Travel and HR Services	51	2%	78%	22%	81	2%	62%	38%
Plant Hire	65	2%	98%	2%	67	2%	95%	5%
Managed Services	11	0.4%	73%	27%	14	0.4%	66%	34%
Veterinary & Farming	3	0.1%	94%	6%	3	0.1%	68%	32%
Defence	1	0%	100%	0%	1	0.0%	4%	96%
TOTAL ANALYSED SPEND	2,742	100%	66%	34%	3,910	100%	54%	46%

2.8. Summary of 2013 Spend Analysis Update

- Spend data from 77 PSBs analysed, up from 64 in the original analysis including, for the first time, central government departments
- Total 2013 spend collected increased by 74% from €3.791 billion to €6.597 billion
- Total spend data analysed has increased by 43% (€1.168 billion) from €2.742 billion to €3.910 billion
- €1.006 billion in additional Health sector spend data analysed
- Medical, Surgical and Pharmaceutical Supplies is the category with the largest share of the updated analysed spend at €651 million (17%) replacing Professional Services as the category with the largest share of spend analysed - €358 million (13%) – in the original 2013 report.
- 95% of analysed spend is with Irish based suppliers
- The majority of spend analysed is still with SMEs. The value of the SME share of spend analysed increased 15.4% from €1.82 billion to €2.1 billion. However the overall SME : Large supplier profile of the analysed spend data shifted from 66:34% to 54:46%
- 76% (€888 million) of the additional data analysed is with large suppliers across all categories



3. Public Service Spend Analysis for 2014

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3.1 2014 Spend Data Analysed

For the *Public Service Spend and Tendering Analysis Report for 2014* spend data to the value of €6.856 billion was collected from 76 public service bodies (a list of these PSBs is at Appendix 1). Following the exclusion of un-addressable, interagency and unclassified spend data the 2014 spend data set analysed in this report has a total value of €3.931 billion (including VAT). This represents 66% of the estimated €6 billion in procurement addressable spend across public service bodies. In this section on 2014 spend analysis, all comparisons to 2013 are made against the updated 2013 data contained in Section 2 above.

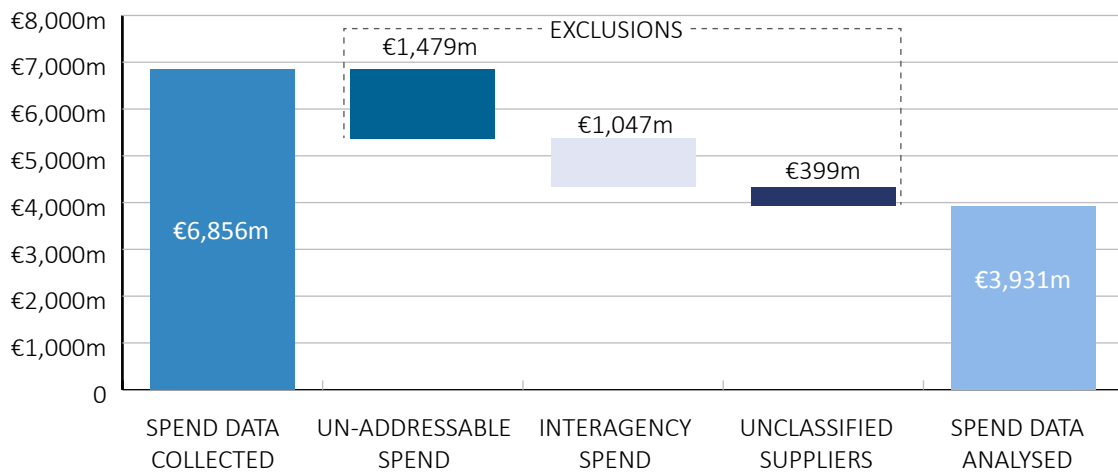
Figure 11 below shows the 2014 spend data gathered and the net spend data set for analysis after the following exclusions (see Section 1.2 for an explanation of these exclusions):

- Un-addressable spend (grants and expenses) of €1.479 billion
- Interagency spend (payments by one public sector body to another) of €1.047 billion
- Spend with unclassified suppliers (suppliers without a size classification) of €399 million

The 2014 total spend analysed has seen a small increase from 2013 by half of one percent, up €21m from €3.910 billion to €3.931 billion.

FIGURE 11

2014 SPEND DATA WITH EXCLUSIONS APPLIED SHOWING NET TOTAL OF €3.931 BILLION FOR ANALYSIS



3.2 2014 Analysed Spend by Sector

Table 6 below gives a breakdown of the 2014 €3.931 billion spend analysed across the five public service sectors; Central Government, Education, Health, Justice and Local Government and compares it to that for 2013.

TABLE 6

TOTAL ANALYSED SPEND BY SECTOR 2013 UPDATED AND 2014

SECTOR	2013 UPDATED		2014	
	SPEND (€m)	% OF TOTAL	SPEND (€m)	% OF TOTAL
Health	2,187	56%	2,283	58%
Local Government	896	23%	810	21%
Education	430	11%	435	11%
Justice	290	7%	306	8%
Central Government	108	3%	98	2%
TOTAL ANALYSED SPEND	3,910	100%	3,931	100%

The 2014 total spend analysed has seen a small increase from 2013 by half of one percent, up €21m from €3.910 billion to €3.931 billion. The allocation of spend year on year across the sectors is consistent with only minor movements year on year.

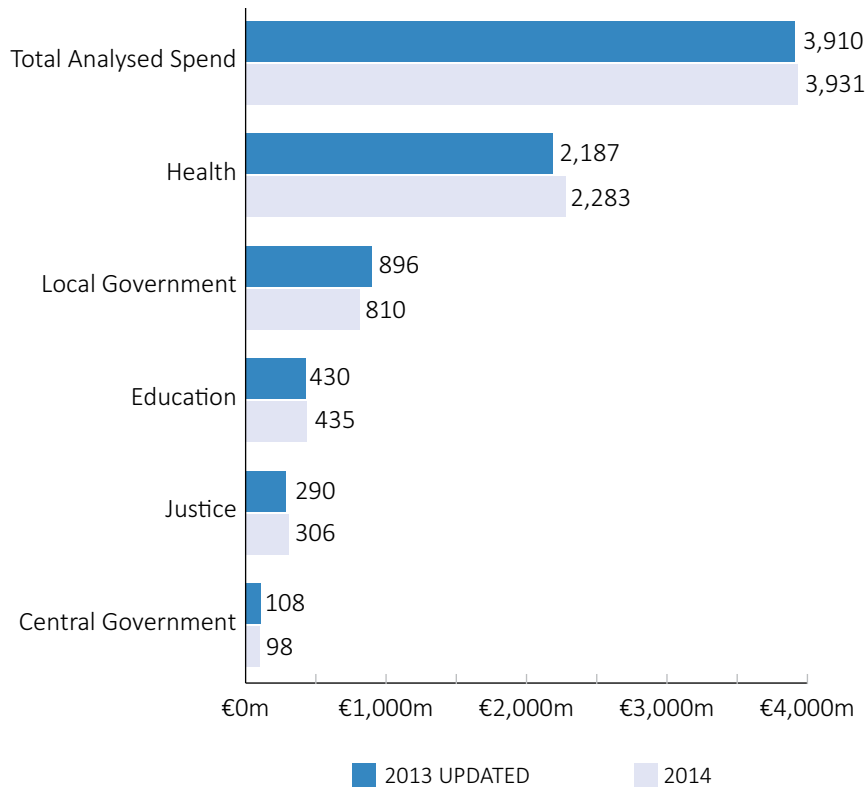
Spend data from the Health sector is still the largest analysed accounting for €2.283 billion (58%) of the total expenditure analysed. The Health sector analysed spend dataset has increased by €96m (4%) year on year.

Local Government bodies accounted for 21% of total public services spend analysed (€896m). The Local Government sector spend analysed has reduced by €86m (9.6%) from 2013.

The Education sector share of the spend analysed remains constant at 11% . Justice and Central Government accounted for 8% and 3% respectively of 2014 spend analysed with minor movements against 2013.

FIGURE 12

TOTAL ANALYSED SPEND BY SECTOR FOR 2013 UPDATED AND 2014



3.3 2014 Spend Analysis by Category

As stated earlier, the OGP follows a ‘Category Management’ approach to procurement, using an agreed standard taxonomy for categorisation of goods and services across all public bodies. These categories are listed in the expenditure tables below and details of what each category includes is set out in Appendix 2. The expenditure categories have not changed since the publication of the 2013 report.

2014 data allows the first year on year comparative analysis of spend by category. Table 7 shows the spend by category in descending order for 2014. The profile of spend by category is largely consistent between 2013 and 2014, albeit with some minor (less than 2 percentage points) movements in the share of the Utilities, Professional Services, Capital, and Minor Building Works and Civils categories.

The largest movement in value terms is a drop of €60 million in Utilities partly attributable to the transfer of functions from local authorities to Irish Water. Medical, Surgical and Pharmaceutical Supplies remains the largest category with 18% share of analysed spend.

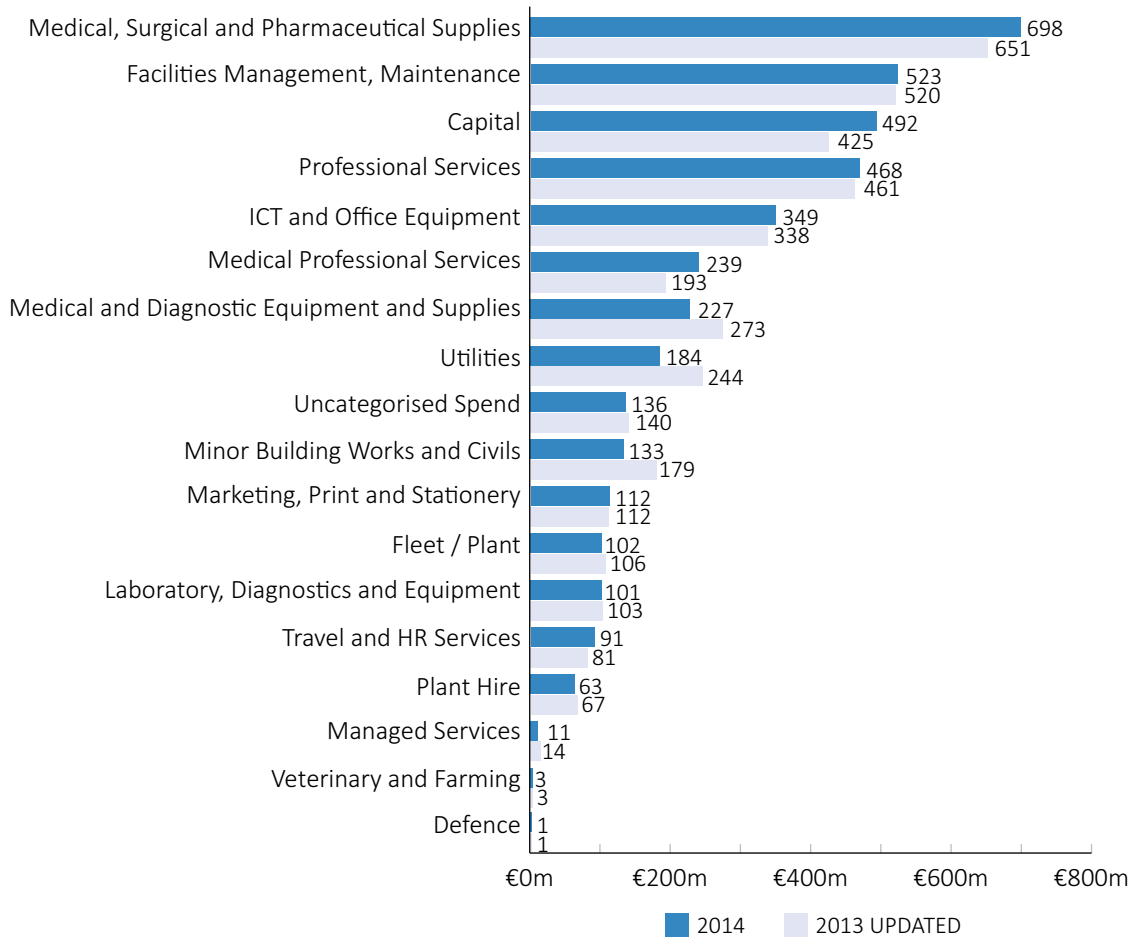
TABLE 7

TOTAL ANALYSED SPEND BY CATEGORY 2013 UPDATED AND 2014

SPEND CATEGORY	2013		2014	
	SPEND (€m)	% OF TOTAL	SPEND (€m)	% OF TOTAL
Medical, Surgical and Pharmaceutical Supplies	651	16.6%	698	17.8%
Facilities Management, Maintenance	520	13.3%	523	13.3%
Capital	425	10.9%	492	12.5%
Professional Services	461	11.8%	468	11.9%
ICT and Office Equipment	338	8.6%	349	8.9%
Medical Professional Services	193	4.9%	239	6.1%
Medical and Diagnostic Equipment and Supplies	273	7.0%	227	5.8%
Utilities	244	6.2%	184	4.7%
Uncategorised Spend	140	3.6%	136	3.5%
Minor Building Works and Civils	179	4.6%	133	3.4%
Marketing, Print and Stationery	112	2.9%	112	2.9%
Fleet / Plant	106	2.7%	102	2.6%
Laboratory, Diagnostics and Equipment	103	2.6%	101	2.6%
Travel and HR Services	81	2.1%	91	2.3%
Plant Hire	67	1.7%	63	1.6%
Managed Services	14	0.4%	11	0.3%
Veterinary & Farming	3	0.1%	3	0.1%
Defence	1	0.0%	1	0.04%
TOTAL ANALYSED SPEND	3,910	100%	3,931	100%

FIGURE 13

TOTAL ANALYSED SPEND BY CATEGORY 2013 UPDATED AND 2014



3.4 2014 Spend Analysis by Supplier Location

Spend with suppliers within Ireland was €3.753 billion in 2014, 95% of total analysed spend, as was the position in the updated 2013 analysis. Supplier location is based on the supplier address contained in the payment transaction.

FIGURE 14

SPEND ANALYSED BY LOCATION FOR 2013 AND 2014

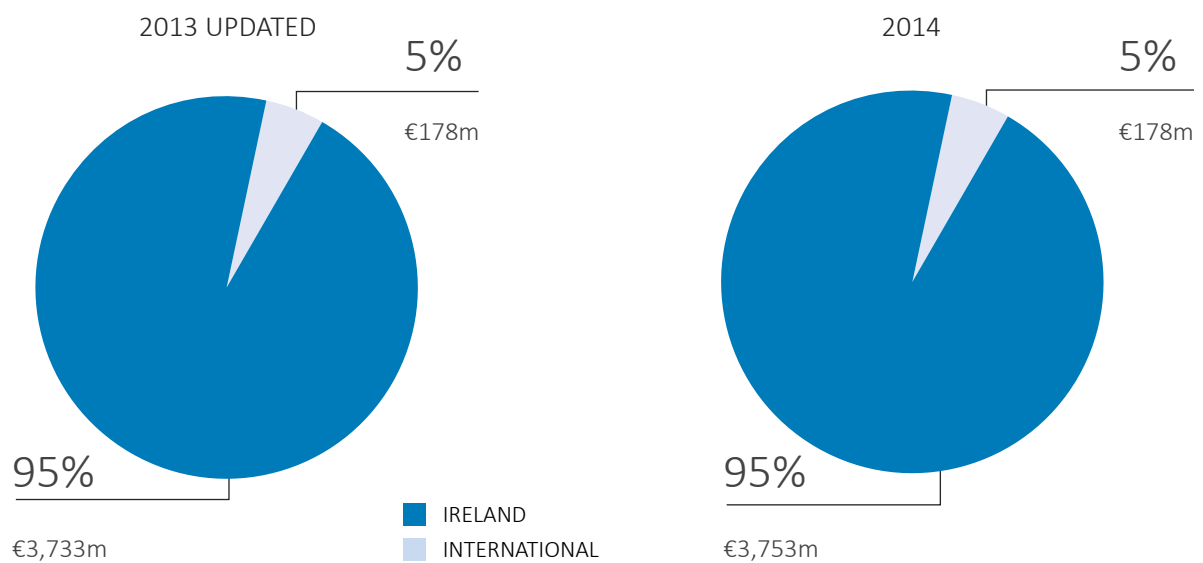


TABLE 8

SPEND ANALYSED BY LOCATION FOR 2013 AND 2014

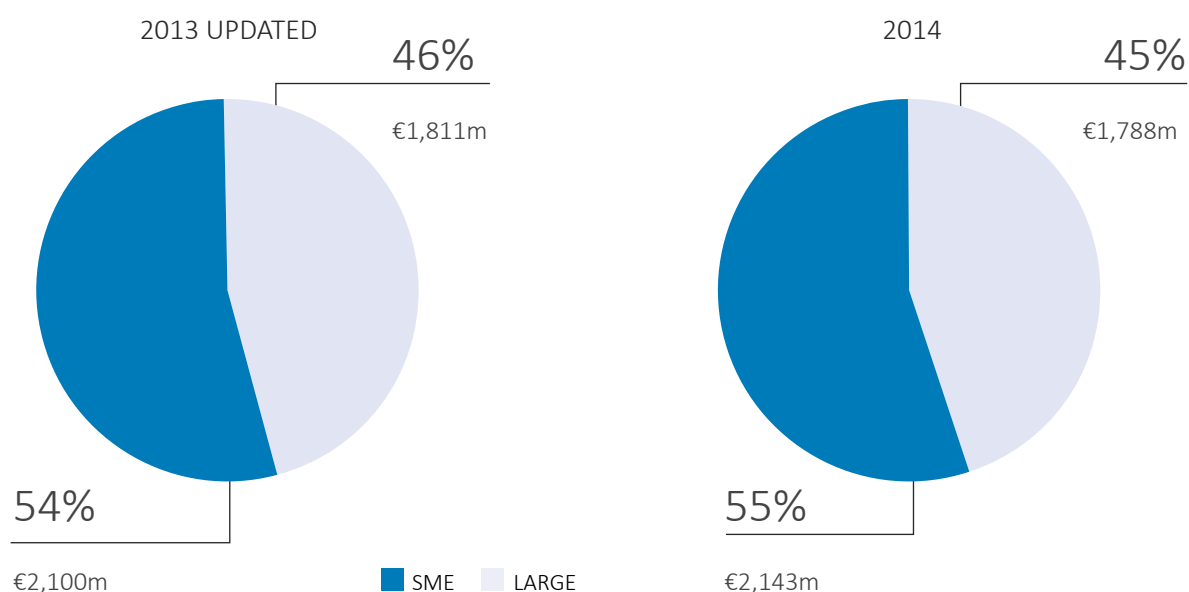
LOCATION	2013 UPDATED		2014	
	SPEND (€m)	% OF TOTAL	SPEND (€m)	% OF TOTAL
Ireland	3,733	95%	3,753	95%
International	178	5%	178	5%
TOTAL ANALYSED SPEND	3,910	100%	3,931	100%

3.5 2014 Spend Analysis by Supplier Type

The supplier profile of level of analysed spend is constant across 2013 and 2014. The majority of spend analysed (55%) is with SMEs amounting to €2.143 billion in 2014. This is a one percentage point increase relative to 2013. Spend with large suppliers decreased by €23m in 2014. The split by size for each dataset is shown in the Figure 15 below.

FIGURE 15

ANALYSED SUPPLIER SPEND PROFILE 2013 AND 2014



3.6 2014 Supplier Type by Category

Figure 16 and Table 9 show the Category Spend by Supplier Type for 2013 and 2014. The 2014 profile of 11 of the 16 procurement spend categories remains predominantly SME (i.e. greater than 55% SME share of spend) ranging from 96% in Plant Hire to 59% in both Travel and HR Services; and Veterinary and Farming. The SME share of Minor Building Works is 86% with Fleet and Plant; and Laboratory, Diagnostics and Equipment having shares above 70%.

Four categories maintain their large supplier profile i.e. more than 45% of the category spend is with large companies – Utilities (95%); Medical, Surgical and Pharmaceutical Supplies (70%), ICT and Office Equipment (56%) and Defence (87%). Professional Services has moved just above the overall 45% level with 47% of spend with large companies.

FIGURE 16

2013 AND 2014 TOTAL SME SHARE OF CATEGORY SPEND

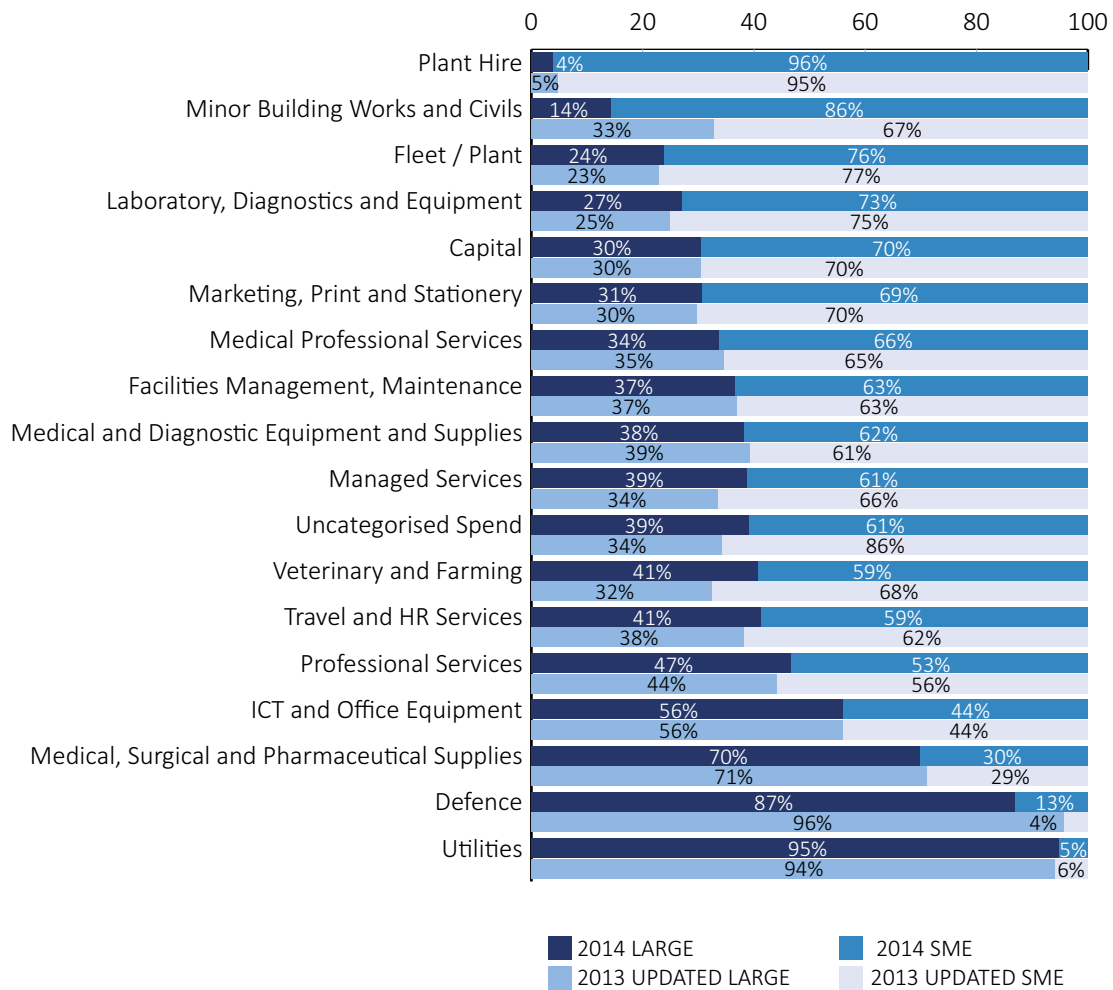


TABLE 9

2013 AND 2014 SME SHARE OF CATEGORY SPEND

SPEND CATEGORY	2013 UPDATED						2014		
	TOTAL CATEGORY SPEND		% CATEGORY SPEND BY SUPPLIER SIZE		TOTAL CATEGORY SPEND		% CATEGORY SPEND BY SUPPLIER SIZE		
	(€m)	% TOTAL	SME	LARGE	(€m)	% TOTAL	SME	LARGE	
Medical, Surgical and Pharmaceutical Supplies	651	17%	29%	71%	698	18%	30%	70%	
Facilities Management, Maintenance	520	13%	63%	37%	523	13%	63%	37%	
Professional Services	461	12%	56%	44%	468	12%	53%	47%	
Capital	425	11%	70%	30%	492	13%	70%	30%	
Information and Communication Technology, and Office Equipment	338	9%	44%	56%	349	9%	44%	56%	
Medical and Diagnostic Equipment and Supplies	273	7%	61%	39%	227	6%	62%	38%	
Utilities	244	6%	6%	94%	184	5%	5%	95%	
Medical Professional Services	193	5%	65%	35%	239	6%	66%	34%	
Minor Building Works and Civils	179	5%	67%	33%	133	3%	86%	14%	
Uncategorised Spend	140	4%	66%	34%	136	3%	61%	39%	
Marketing, Print and Stationery	112	3%	70%	30%	112	3%	69%	31%	
Fleet / Plant	106	3%	77%	23%	102	3%	76%	24%	
Laboratory, Diagnostics and Equipment	103	3%	75%	25%	101	3%	73%	27%	
Travel and HR Services	81	2%	62%	38%	91	2%	59%	41%	
Plant Hire	67	2%	95%	5%	63	2%	96%	4%	
Managed Services	14	0.4%	66%	34%	11	0.3%	61%	39%	
Veterinary & Farming	3	0.07%	68%	32%	3	0.1%	59%	41%	
Defence	1	0.03%	4%	96%	1	0.04%	13%	87%	
TOTAL ANALYSED SPEND	3,910	100%	54%	46%	3,931	100%	55%	45%	

3.7 Summary of 2014 Spend Analysis

For the 2014 spend analysis, all comparisons to 2013 are made against the updated 2013 data contained in Section 2 above.

- Spend data from 76 PSBs analysed
- Total 2014 spend data collected increased by €259 million from €6.597 billion to €6.856 billion
- Total spend data analysed has increased marginally by €21 million from €3.910 billion to €3.931 billion
- 95% of analysed spend is with Irish based suppliers
- Medical, Surgical and Pharmaceutical Supplies remains the category with the largest share of analysed spend at €698 million (18%)
- The overall supplier profile, SME: Large, of the analysed spend data shifted from 54:46% to 55:45%
- The profile of spend data analysed is largely consistent across categories and supplier classification year on year

4. Tendering Analysis

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4. Tendering Analysis

The data used for this section of the report comes solely from the eTenders platform. As the majority of the 2014 tender and award notice data has been input on eTenders by public sector contracting authorities, the accuracy is dependent on that entered by those public service buyers. The management of the electronic tendering process for a public contract and the administration of the contract once awarded is a matter for each contracting authority. While the tendering process is facilitated through the electronic procurement platform, eTenders, the complete data on public contracts is held by the contracting authority concerned. As Central Purchasing Bodies such as OGP and the sector sourcing organisations in Health, Education, Local Government and Defence manage an increasing number of framework agreements on behalf of other public service bodies the consistency of the data in eTenders should improve over time.

This section includes an update to the contract award analysis contained in the 2013 published report along with analysis of the 2014 data and a comparison to 2013. It should be noted that all monetary values contained in the tendering analysis are exclusive of VAT. Some more background information on tendering data is available at Section 1.4 in the Introduction chapter.

Caution should be applied when considering the total estimated contract value of the analysed tender notices. This figure relates to the estimated value over the entire contract term that typically ranges from one to four years. These estimated values are included in the individual tender notices before going to market and the actual value of the awarded contracts may differ.

It is important to note that the values used in the tendering award analysis are the estimated contract values contained in the associated published tender notices.

The total number of tender notices may include tenders that have been withdrawn or not actually awarded. Tenders cancelled after they are published may not always be recorded via eTenders and this should also be borne in mind in reviewing the analysis.

4.1 2013 Tendering Analysis Update

The *Public Service Spend and Tendering Analysis Report for 2013* analysed contract award notices published in 2013 that related to tender notices published in 2013 i.e. ‘in-year’ awards. It is normal to have a time delay between the publication of a tender notice and a contract award notice including spanning calendar years due to the timeframe required to complete a procurement process. Contract award notices information published in 2014 for tender notices issued in 2013 gives a more complete view of the 2013 tender cycle i.e. ‘total’ awards. Table 10 below summarise the volume and value of both in-year and total contract award notices issued in respect of tender notices published in 2013.

Taking into account contract award notices published in 2014 relating to tender notices published in 2013, the volume of total contract award notices (1,343) is more than double the in-year number of 627 award notices. The total estimated award value of €1.291 billion is over three times the in-year value of €395 million.

Circular 10/14: Initiatives to assist SMEs in Public Procurement encourages the sub-division of tenders into lots as this facilitates access for SMEs. A tender that has been sub-divided into lots is covered by a single tender notice while contract award notices are issued in respect of each lot. The value contained in the published tender notice is used in the 2014 award analysis and covers contract notices issued in respect of any lots awarded for that tender.

It has been necessary to adjust the in-year contract award values contained in the 2013 report to take account of multiple contract notices issued in respect of lots on 167 tenders. This adjustment reduces the estimated 2013 award values from €522m to €395m. The number of in-year awards remains unchanged.

TABLE 10

2013 CONTRACT AWARD NOTICES

	2013 IN-YEAR AWARDS	2013 TOTAL AWARDS
Number of Contract Award Notices	627	1,343
Total Estimated Award Value (€m)	395	1,291

All tender and contract award notices are classified as either OJEU (above the thresholds that require publication in the Official Journal of the European Union) or as Non-OJEU (below those thresholds and subject to national procurement rules). (Please refer for to Appendix 3 for threshold details.)

Table 11 below breaks down the number and value of 2013 in-year awards and 2013 total contract awards notices by OJEU and Non-OJEU thresholds and includes the average and median award values. The

median (middle value) is a better measure of the typical contract award value than the average as a low number of high value contracts would skew the average value. As would be expected, OJEU award notices have higher average estimated values than Non-OJEU notices. While the average values for OJEU and Non-OJEU awards have increased by 41% and 45% respectively the corresponding increases in median award values are 67% and 17%.

TABLE 11

2013 CONTRACT AWARDS OJEU AND NON-OJEU12

	2013 IN-YEAR AWARDS			2013 TOTAL AWARDS		
	TOTAL	OJEU	NON-OJEU	TOTAL	OJEU	NON-OJEU
Number of Tender Notices with contract award details in eTenders	627	332	295	1,343	774	569
Total Estimated Award Value (€m)	395	364	31	1,291	1,201	90
Average Estimated Award Value (€m)	0.63	1.10	0.11	0.96	1.55	0.16
Median Estimated Award Value (€m)	0.10	0.27	0.06	0.17	0.45	0.07

3,518 tender award notices were analysed in the 2013 report. As illustrated in Table 12, the percentage of 2013 in-year contract award notices relative to tender notices published is 18%; and that for the total 2013 awards is 38%. For OJEU and Non-OJEU awards the comparable percentages for total awards are 84% and 22%. It should be noted that as withdrawals or cancellations of tenders may take place after publication of the notice and may not be recorded on eTenders this could adversely impact the ratio of awards to tender notices.

TABLE 12

2013 CONTRACT AWARDS RELATIVE TO TENDER NOTICES

	2013 IN-YEAR AWARDS		
	TOTAL	OJEU	NON-OJEU
Number of Tender Notices Published	3518	918	2600
Number of In-Year Award Notices	627	332	295
In-Year Awards as % of Tender Notices	18%	36%	11%
Number of Total Award Notices	1343	774	569
Total Awards as % of Tender Notices	38%	84%	22%

Publishing of contract award notices on eTenders for below threshold competitions was made mandatory for tender notices published from 1 August 2014. As a result, eTenders will increasingly become a valuable data source for reviewing tendering activity by public bodies and the resulting contract awards made to successful tenderers.

4.2 2014 Tender Notices Analysis

As Table 13 shows, a total of 5,440 tender notices were published in 2014 by all contracting authorities. Not all of these have been analysed as this report considers only the procurement activities of public service bodies. Tender notices that have no CPV (EU Common Procurement Vocabulary) codes have been excluded as it is not possible to analyse those notices by procurement spend category. While the volume of tender notices analysed increased by 17% in 2014 to 4,121 the estimated contract value of tender notices analysed in 2014 declined by 18% to €3.561 billion.

TABLE 13

2013 AND 2014 TENDER NOTICES ANALYSED

TENDER NOTICES FOR 2013 AND 2014	2013		2014	
	VOLUME	VALUE* (€m)	VOLUME	VALUE (€m)
Total Tender Notices on eTenders	5,826	5,962	5,440	5,591
Non-Public Service Body Tender Notices (excluded)	2,078	1,570	1,154	2,011
PSB Tender Notices with no stated CPV code (excluded)	230	31	165	19
PUBLIC SERVICE BODY TENDER NOTICES ANALYSED	3,518	4,361	4,121	3,561

**Estimated contract value*

This variation in tendering activity may be indicative of a cyclical pattern of addressing categories of spend over a number of years to allow the establishment and use of procurement framework agreements. However, as this is only the second year of tendering analysis across PSB's it is not an established pattern and will require additional years' data to validate this hypothesis. For example there were number of high value procurements in 2013, particularly in the construction area, that are unlikely to be repeated in the short-term.

4.3 2014 OJEU and Non-OJEU Tender Notices

Table 14 shows that OJEU tenders account for 23% of tender notice volume but 77% of the estimated contract value. Figure 17 shows that, as expected, OJEU notices have higher published estimated values than Non-OJEU notices. The median (middle value) is a better measure of the typical contract award value than the average given that a low number of high value contracts would skew the average value.

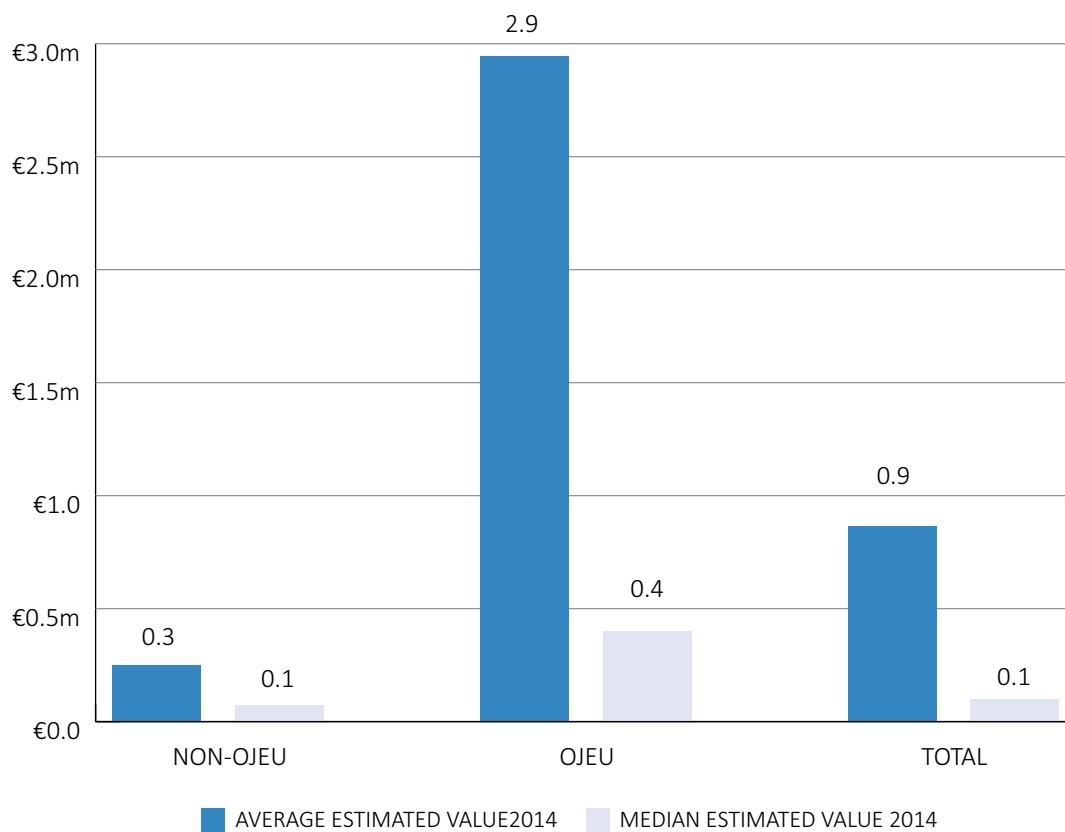
TABLE 14

2014 TENDER NOTICES - OJEU AND NON-OJEU

2014 TENDER NOTICES						
PUBLISHED TENDER NOTICES	TOTAL VOLUME	% TENDER NOTICE VOLUME	TOTAL ESTIMATED VALUE (€m)	% TOTAL ESTIMATED VALUE	AVERAGE ESTIMATED VALUE (€m)	MEDIAN ESTIMATED VALUE (€m)
Non-OJEU	3,184	77%	803	23%	0.3	0.1
OJEU	937	23%	2,758	77%	2.9	0.4
TOTAL	4,121		3,561		0.86	0.1

FIGURE 17

2014 TENDER NOTICES – AVERAGE AND MEDIAN VALUES



4.4 OJEU and Non-OJEU Tender Notice Comparison 2013 and 2014

Table 15 shows the split of 2014 tender notices analysed between OJEU and Non-OJEU and compares it to that for 2013. The number of OJEU tender notices for both years is similar, however there has been a 25% drop in total estimated OJEU values in 2014. This is attributable to large once-off projects tendered in 2013. Non-OJEU notice volumes have increased by 22% and the estimated contract value of those notices by 16%.

Figures 18 and 19 break down the volume and value of tender notices across 2013 and 2014 by OJEU and Non-OJEU.

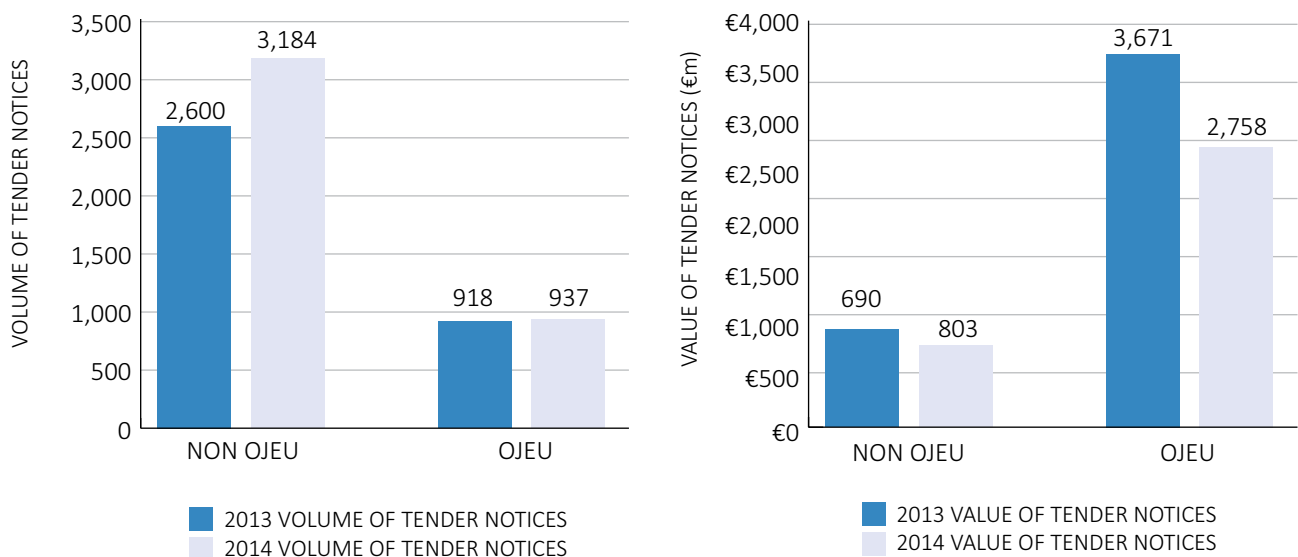
TABLE 15

COMPARISON OF 2013 AND 2014 OJEU AND NON-OJEU TENDER NOTICES

PUBLISHED TENDER NOTICES	2013		2014	
	VOLUME	VALUE (€m)	VOLUME	VALUE (€m)
Non-OJEU	2,600	690	3,184	803
OJEU	918	3,671	937	2,758
TOTAL	3,518	4,361	4,121	3,561

FIGURES 18 AND 19

2013 AND 2014 OJEU AND NON-OJEU TENDER NOTICES VOLUMES AND VALUES



4.5 Tender Notices by Category Comparison 2013 and 2014

As stated earlier in the report, the OGP follows a 'Category Management' approach to procurement, using an agreed standard taxonomy for categorisation of goods and services across all public bodies. Details of what each category includes is set out in Appendix 2.

Table 16 analyses the volume and value of tender notices published by spend category for 2013 and 2014. The categories are arranged based on the 2013 data in descending order of total value. It should be noted that Construction and Civils Works category includes both major and minor building works and civils. This category would be equivalent to combining the Minor Building Works and Civils category with the Capital category in the spend analysis in Sections 2 and 3. The Common Procurement Vocabulary (CPV) codes associated with a small number of tender notices could not be mapped to a spend category and these notices are described as 'Uncategorised'.

The number and value of tender notices varies considerably by category as can be seen in Table 16. The following points should be borne in mind when reviewing this table. The median is a better measure of the typical contract value than the average in situations where the distribution is skewed i.e. the population data includes a small number of very large value tenders and a much larger number of smaller value tenders. The capacity of many SMEs would be better matched to smaller value tenders and this analysis indicates that there are tender opportunities accessible to this business sector.

Construction and Civil Works remains the highest value tender notice category with a 23% increase in the volume of total tender notices over 2013 by 227 to 1,210. However, the overall value for this category has dropped by €330 million. This can be attributable to some high value road construction projects advertised in 2013 that were not repeated in 2014. The mean (average) tender notice value for this category in 2014 is €1.52 million, the typical median tender notice value is €170,000.

The value of Managed Services tender notices has decreased by €355m in 2013 to €170m. This is due to a single high value tender notice published for managed services during 2013. Similarly the Plant Hire category has decreased in value from €140m in 2013 to just €130,000 in 2014. This can be attributed to one single high value tender notice published by Local Government that was not repeated in 2014. These changes are reflective of the nature of public procurement with a mix of large once-off contracts and cyclical framework agreements sourced over a one to four year period by contracting organisations across the public service.

The average estimated value of 2014 published tender notices analysed is €864,000 as against €1.24 million in 2013 while the 2014 median value is €100,000 compared to €80,000 in 2013. The median values remain unchanged for 2014 in four categories - Managed Services; Laboratory Diagnostics and Equipment; Fleet and Plant and Marketing Print and Stationery. There are only marginal differences in the median for five categories - Construction Works; ICT and Office Equipment; Medical and Diagnostics Equipment; Facilities Management and Travel and HR. The largest variation in the median value is appears in Utilities with a drop from €500,000 in 2013 to €150,000 in 2014 attributable to large value framework notices published in 2013.

TENDER NOTICE BY CATEGORY 2013 & 2014

SPEND CATEGORY	2013						2014					
	ESTIMATED VALUE OF TENDER NOTICES			NUMBER OF TENDER NOTICES			ESTIMATED VALUE OF TENDER NOTICES			NUMBER OF TENDER NOTICES		
	TOTAL VALUE (£m)	% TOTAL VALUE	AVERAGE VALUE (£m)	MEDIAN VALUE (£m)	NUMBER	% TOTAL VALUE	TOTAL VALUE (£m)	% TOTAL VALUE	AVERAGE VALUE (£m)	MEDIAN VALUE (£m)	NUMBER	% TOTAL VALUE
Construction and Civil Works	2,171	50%	2.2	0.15	983	28%	1,841	52%	1.5	0.17	1,210	29%
Managed Services	526	12%	1.5	0.06	344	10%	171	5%	0.4	0.06	458	11%
Professional Services	272	6%	0.7	0.07	391	11%	348	10%	0.7	0.10	479	12%
ICT and Office Equipment	212	5%	0.4	0.07	531	15%	232	7%	0.4	0.08	566	14%
Medical and Diagnostic Equipment and Supplies	185	4%	2.3	0.11	79	2%	63	2%	0.9	0.10	72	2%
Utilities	160	4%	4.7	0.50	34	1%	112	3%	10.1	0.15	11	0.3%
Facilities Management, Maintenance	149	3%	0.4	0.07	383	11%	264	7%	0.6	0.08	438	11%
Travel and HR Services	142	3%	0.9	0.07	160	5%	178	5%	0.7	0.06	240	6%
Plant Hire	140	3%	46.7	0.10	3	0.1%	0.13	0.0%	0.13	0.13	1	0.0%
Laboratory, Diagnostics and Equipment	123	3%	1.0	0.08	119	3%	108	3%	0.9	0.08	115	3%
Fleet / Plant	111	3%	0.4	0.08	246	7%	67	2%	0.3	0.08	257	6%
Medical Professional Services	103	2%	2.2	0.08	46	1%	127	4%	1.7	0.17	76	2%
Marketing, Print and Stationery	18	0.4%	0.4	0.05	52	1%	8	0.2%	0.2	0.05	41	1%
Defence	15	0.4%	0.4	0.05	35	1%	19	0.5%	0.5	0.09	41	1%
Uncategorised	15	0.3%	0.5	0.05	27	0.8%	11	0.3%	0.4	0.06	30	0.7%
Veterinary & Farming	10	0.2%	0.1	0.05	70	2%	8	0.2%	0.1	0.07	73	2%
Medical, Surgical and Pharmaceutical Supplies	8	0.2%	0.5	0.13	15	0.4%	4	0.1%	0.3	0.10	13	0.3%
TOTAL	4,361	100%	1.24	0.08	3,518	100%	3,561	100%	0.86	0.10	4,121	100%

4.6 2014 In-Year Contract Award Notices

In accordance with the EU Directive 2004/18/EC, since 31st January 2006, contract award notices for above threshold values are required to be published in the OJEU and on eTenders. Until the introduction of requirements under Circular 10/14, effective from August 2014, contracting authorities were not obliged to enter contract award details or notices for Non-OJEU level awards on eTenders. While there has been an increase in the number of contract award notices published in 2014 compared to 2013, any impact assessment of this requirement of Circular 10/14 will involve analysis of contract award notice levels over a number of years.

This section analyses 2014 'in-year' awards – award notices published in 2014 for tender notices published in 2014. It is important to note that the values used in the tendering award analysis are the estimated contract values contained in the associated published tender notices. As these estimated values are made before going to market the value of contracts actually awarded may be different depending upon the prices received.

Table 17 below sets out the level of contract award notices published in 2014 and the associated total, median and average values.

TABLE 17

2014 IN-YEAR CONTRACT AWARD NOTICES

CONTRACT AWARD NOTICES	TOTAL	OJEU	NON-OJEU
Number of Tender Notices Analysed	4,121	937	3,184
Number of Award Notices	1,087	412	675
Total Estimated Award Value (€m)	506	390	116
Average Estimated Award Value (€m)	0.47	0.95	0.17
Median Estimated Award Value (€m)	0.10	0.42	0.07

4.7 In-Year Contract Award Notices Comparison 2013 and 2014

Table 18 below compares 2014 'in-year' (i.e. contract award notices published in 2014 for tender notices published in 2014) with the in-year contract award notices for 2013. In 2014 the volume of in-year contract award notices increased by 74% to 1,087. The number of Non-OJEU award notices increased by 129% in 2014 while OJEU award notices increased by 24%.

3,518 tender notices were analysed in the 2013 report. The percentage of total 2013 in-year contract award notices relative to tender notices published was 18%. For 2014 the equivalent ratio has increased to 26% (see Table 18). The Non-OJEU ratio for 2014 (21%) is almost double that in 2013 (11%) while the OJEU level has also increased from 36% to 44%.

While there are a number of large volume award percentage changes between 2013 and 2014 it is important to note that these are awards made within the calendar year and do not represent the value or volume of all 2014 tender notices to be awarded. There will be a pull through effect in 2015 of awards made against tender notices issued in 2014.

TABLE 18

IN-YEAR CONTRACT AWARD NOTICES COMPARISON 2013 AND 2014

	2013			2014		
	TOTAL	OJEU	NON-OJEU	TOTAL	OJEU	NON-OJEU
Number of Tender Notices	3518	918	2600	4121	937	3184
Number of In-Year Award Notices	627	332	295	1087	412	675
Awards as % of Tenders	18%	36%	11%	26%	44%	21%
Estimated Award Value (€m)	395	364	31	506	390	116
Average Estimated Award Value (€m)	0.63	1.10	0.11	0.47	0.95	0.17
Median Estimated Award Value (€m)	0.10	0.27	0.06	0.10	0.42	0.07

4.8 In-Year Contract Award Notices by Category 2013 and 2014 Comparison

Table 19 contains a breakdown of the volume and value of contract award notices by procurement spend category for 2013 and 2014. As pointed out earlier in this section the Construction and Civils Works category includes both major and minor building works and civils. This category would be equivalent to combining the Minor Building Works and Civils category with the Capital category in the spend analysis in Section 3. The Common Procurement Vocabulary (CPV) codes associated with a small number of tender notices could not be readily mapped to a spend category and these notices are described as 'Uncategorised'. The data has been presented based on the descending order of award value by category in 2013.

It is important to note that it is typical to put in place frameworks for a number of years. Therefore comparing the level of awards between two consecutive years may not provide a sufficient timeframe to fully analyse

the pattern of tendering and awards across categories. Changes in procurement patterns could be better validated when additional years' tendering activity data has been gathered and analysed.

The volume and value of in-year awards notices published in 2014 has increased by 74% and 28% respectively when compared to 2013. The average estimated value of 2014 award notices analysed is €465,000 as against €631,000 in 2013 while the 2014 median value of €100,000 remains the same as in 2013. As was mentioned above in section 4.5, the median values are a better reflection of the typical contract in the Irish public service. The median values for in-year award notices are only marginally different for 2014 in seven of the 16 categories when compared to 2013. The most notable changes in the median award values appear in Utilities and the three Medical categories where higher value tenders can be expected.

TABLE 19

2013 AND 2014 IN-YEAR AWARDS BY CATEGORY

SPEND CATEGORY	2013 IN-YEAR AWARD NOTICES				2014 IN-YEAR AWARD NOTICES			
	VOLUME	TOTAL (£m)	AVERAGE (£m)	MEDIAN (£m)	VOLUME	TOTAL (£m)	AVERAGE (£m)	MEDIAN (£m)
Utilities	5	95.83	19.17	2.50	4	80.39	20.10	0.30
Minor Building Works and Civils	60	78.37	1.31	0.16	161	199.71	1.24	0.15
Professional Services	66	56.05	0.85	0.08	175	48.79	0.28	0.10
Facilities Management, Maintenance	150	54.09	0.36	0.12	147	43.70	0.30	0.16
Medical and Diagnostic Equipment and Supplies	15	31.23	2.08	0.03	16	2.67	0.17	0.08
ICT, and Office Equipment	83	25.27	0.30	0.10	157	31.88	0.20	0.10
Managed Services	59	19.74	0.33	0.12	122	30.86	0.25	0.10
Laboratory, Diagnostics and Equipment	36	9.50	0.26	0.09	47	8.81	0.19	0.07
Fleet / Plant	43	8.24	0.19	0.12	93	18.81	0.20	0.08
Marketing, Print and Stationery	23	6.73	0.29	0.07	18	1.44	0.08	0.09
Travel and HR Services	20	3.98	0.20	0.19	55	12.33	0.22	0.07
Medical, Surgical and Pharmaceutical Supplies	9	3.17	0.35	0.07	2	2.60	1.30	1.30
Medical Professional Services	5	1.33	0.27	0.15	36	17.64	0.49	0.21
Veterinary & Farming	31	1.11	0.04	0.07	19	2.51	0.13	0.06
Defence	14	0.62	0.04	0.03	14	0.83	0.06	0.06
Uncategorised	8	0.23	0.03	0.01	20	2.95	0.15	0.05
Plant Hire	0	0	0	0	1	0.13	0.13	0.13
TOTAL	627	395.47	0.63	0.10	1087	506.05	0.47	0.10

4.9 Summary of 2014 Tendering Analysis

- The volume of 2014 published tender notices analysed has increased by 17% to 4,121 from 3,518
- The estimated contract value of analysed tender notices has declined by 18% to €3.561 billion from €4.361 billion. The drop in value is attributable to some large one-off contracts published in 2013 that were not repeated in 2014
- The average estimated value of 2014 published tender notices analysed is €864,000 as against €1.24 million in 2013 while the 2014 median (typical) value is €100,000 compared to €80,000 in 2013
- 77% of tender notices analysed are below the Official Journal of the European Union (OJEU) tender thresholds, accounting for an estimated value of €803 million (See Appendix 3 for details of OJEU thresholds).
- The volume of 2014 'in-year' award notices published (i.e. award notices published in 2014 for tender notices published in 2014) has increased by 74% to 1,087 from 627 'in-year' awards in 2013
- Total in-year award notices as percentage of tender notices published has increased from 18% in 2013 to 26% in 2014
- The Construction and Civil works category accounts for 52% (€1.84 billion) of the total estimated contract value of published tender notices with an average value of €1.52 million and a median (typical) value of €170,000;
- While the average contract value of 2014 tender notices analysed by spend category ranges from €10.1 million (Utilities) to €115,000 (Veterinary), the median values range from €170,000 (Construction and Civil works) to €50,000 (Marketing, Print and Stationery)
- The median contract value of 2014 tender notices is less than or equal to €100k in 12 of the 16 spend categories.



5. Conclusion

DISCLAIMER:

Copyright © 2016, Minister for Public Expenditure and Reform. All rights reserved. This report, based on information collected by the OGP, using an audited methodology, seeks to inform the reader as to the generic nature and spread of public monies, categories of spend and supplier segments affected (i.e. SMEs and others). This is the second analysis of its kind from information made available to the OGP by third party sources, from the eTenders website and from the spend data returned by Public Service Bodies (Data). OGP has analysed the Data and provides a report in the broader context in which the Public Service operates. Readers should note that this report reflects the results of an analysis of spend at a point in time.

The OGP makes no representations as to the accuracy or completeness of the Data and does not represent that the Data is free from errors or omissions, or that it is exhaustive. The Data and analysis within this report is provided for informational purposes only. The OGP disclaims all warranties, representations or endorsements, express or implied, with regard to the Data and the analysis based thereon.

5. Conclusion

The OGP is leading the Procurement Reform Programme and, along with sector sourcing partners in Health, Education, Local Government and Defence, is creating centralised procurement structures for goods, services and minor works. A key element of this reform is the gathering by the OGP of national procurement expenditure data to enable the development of effective procurement policies and optimal sourcing strategies.

The 2014 spend analysis of two-thirds of the estimated annual procurement addressable spend of €6 billion in this report indicates that 95% of the State's expenditure is with firms within Ireland and the majority (55%) of the State's expenditure is with SMEs. SMEs have the greater share of spend in 11 of the 16 procurement spend categories. As PSBs do not, in general, record price and volume information relating to expenditure understanding is limited to a high level across the procurement spend categories.

This report summarises the tendering activity of the public service in 2014 as recorded on the eTenders public procurement platform. The analysis shows that 77% of tender notices are smaller value (below OJEU threshold) tenders. The median contract value of 2014 tender notices is less than or equal to €100k in 12 of the 16 procurement spend categories.

The tendering analysis gives a more complete view of the 2013 tender cycle by looking at contract award notices published in 2014 that relate to tender notices published in 2013. This shows that the volume of total contract award notices (1,343) is more than double that published in 2013 (627).

Over the coming years OGP anticipates additional spend data being received and analysed enabling further value to be derived from procurement activity at a central and sectoral level. The OGP's investment in its analytical capabilities will, over time, enable greater insights into spend and tendering activity supporting procurement policy development and the delivery of procurement reform to the benefit of the State.



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Appendix 1 Public Service Bodies that provided Spend Data

The table below lists the public service bodies that provided spend data for the original 2013 report, those whose data is included in the updated 2013 spend analysis, and those included in the 2014 spend analysis.

SECTOR	PUBLIC SERVICE BODY	2013 ORIGINAL	2013 UPDATED	2014
Central Government	Department of Communications Energy and Natural Resources	-	✓	✓
	Department of Environment Community and Local Government	-	✓	✓
	Department of Finance	-	✓	✓
	Department of Foreign Affairs and Trade	-	✓	✓
	Department of Public Expenditure and Reform	-	✓	✓
	Department of Transport Tourism and Sport	-	✓	✓
	Department of the Taoiseach	-	✓	✓
	Houses of The Oireachtas	-	✓	✓
Education	An Cheim*	✓	✓	✓
	Athlone Institute of Technology	✓	✓	✓
	Cork Institute of Technology	✓	✓	✓
	Dublin City University	✓	✓	✓
	Dublin Institute of Technology	✓	✓	✓
	Dun Laoghaire Institute of Technology	✓	✓	✓
	Dundalk Institute of Technology	✓	✓	✓
	Galway/Mayo Institute of Technology	✓	✓	✓
	Institute of Technology Tallaght	✓	✓	✓
	Institute of Technology Tralee	✓	✓	✓
	Letterkenny Institute of Technology	✓	✓	✓
	Limerick Institute of Technology	-	✓	✓
	Waterford Institute of Technology	-	✓	✓
	SOLAS	✓	✓	✓
	Trinity College Dublin	✓	✓	✓
	National University of Ireland Galway	✓	✓	✓
	University College Cork	✓	✓	✓
University College Dublin	✓	✓	✓	
University of Limerick	✓	✓	✓	

*An Cheim merged with HEANet in 2014

SECTOR	PUBLIC SERVICE BODY	2013 ORIGINAL	2013 UPDATED	2014
Health	Beaumont Hospital	✓	✓	✓
	Cappagh Hospital	-	✓	-
	HSE East Region	✓	✓	✓
	HSE Mid West Region	-	✓	✓
	HSE Midlands Region	✓	✓	✓
	HSE North East Region	✓	✓	✓
	HSE North West Region	-	✓	✓
	HSE South East Region	-	✓	✓
	HSE Southern Region	-	✓	✓
	HSE West Region	✓	✓	✓
	Marymount Hospice	✓	✓	✓
	Mater Hospital	-	✓	✓
	Our Lady's Hospice	✓	✓	✓
	Royal Victoria Eye and Ear Hospital	✓	✓	✓
	St James' Hospital	✓	✓	✓
	The Adelaide and Meath Hospital, Dublin, Incorporating the National Children's Hospital	✓	✓	✓
Temple Street Children's Hospital	✓	✓	✓	
Justice	Courts Service	✓	✓	✓
	Garda	✓	✓	✓
	Irish Prison Service	✓	✓	✓
	Justice and Equality	✓	✓	✓
	Property Registration Authority	✓	✓	✓

SECTOR	PUBLIC SERVICE BODY	2013 ORIGINAL	2013 UPDATED	2014
Local Authorities	Carlow County Council	-	-	✓
	Cavan County Council	✓	✓	✓
	Clare County Council	✓	✓	✓
	Cork City Council	✓	✓	✓
	Cork County Council	-	-	✓
	Donegal County Council	✓	✓	✓
	Dublin City Council	✓	✓	✓
	Dun Laoghaire Rathdown Council	✓	✓	✓
	Fingal County Council	✓	✓	✓
	Galway City Council	✓	✓	✓
	Galway County Council	✓	✓	✓
	Kerry County Council	✓	✓	✓
	Kildare County Council	✓	✓	✓
	Kilkenny County Council	✓	✓	✓
	Laois County Council	✓	✓	✓
	Leitrim County Council	✓	✓	✓
	Limerick City and County Council†	✓	✓	-
	Longford County Council	✓	✓	✓
	Louth County Council	✓	✓	✓
	Mayo County Council	✓	✓	✓
	Meath County Council	✓	✓	✓
	Monaghan County Council	✓	✓	✓
	Offaly County Council	✓	✓	✓
	Roscommon County Council	✓	✓	✓
	Sligo County Council	✓	✓	✓
	South Dublin County Council	✓	✓	✓
	Tipperary County Council††	✓	✓	✓
	Waterford City and County Council†††	✓	✓	✓
	Westmeath County Council	✓	✓	✓
	Wexford County Council	✓	✓	✓
	Wicklow County Council	✓	✓	✓

† Limerick City Council and Limerick County Council have been merged to form Limerick City and County Council

†† North Tipperary County Council and South Tipperary County Council have been merged to form Tipperary County Council

††† Waterford City Council and Waterford County Council have been merged to form Waterford City and County Council

Appendix 2 Spend Categories

The OGP has developed a procurement category taxonomy that is used to classify, analyse and report on the type of spend across public service bodies. The following table illustrates the high level category description and the sub-categories contained within that category.

CATEGORY	DESCRIPTION OF GOODS/SERVICES/WORKS
Professional Services	Actuarial, Advisory, Architect, Audit, Banking, Communication, Creative Services, Financial, Information Technology, Insurance, Legal, Public Relations, Surveying, Research, Temporary Staff/Contractors
Facilities Management, Maintenance	Building Maintenance, Catering Equipment / Supplies and Services, Cleaning Equipment / Supplies and Services, Document Management, Fittings / Furnishings, Health and Safety, Laundry, Rental, Security, Sports Equipment, Uniforms / Clothing, Waste Management
Utilities	Electricity, Gas, Fuels, Water
ICT and Office Equipment	Hardware, Software, Services, Telecoms – Data / Equipment / Mobile / Voice, Postage, Couriers
Marketing, Print and Stationery	Advertising, Creative Media, Promotional Events, IT Consumables / Peripherals, Marketing Printing, Office Printing, Office Supplies, Production Printing
Travel and HR Services	Car Hire, Employee Assistance Programme, Health and Safety, Hotel / Meetings / Incentives / Conferences / Events, Pension, Recruitment, Travel Agency/Travel Services, Training, Transport–Air/Rail/Road
Fleet and Plant	Equipment, Fuel, Maintenance, Other Plant (Lifter, Generator etc.), Vehicles Purchased, Vehicle Fit Out, Vehicle Rental/Leasing/Fleet Hire
Managed Services	Outsourced Services
Minor Building Works and Civil	Building, Civil, Electrical, Materials, Mechanical, Road
Plant Hire	Plant / Equipment Hire (including Driver / Operator)
Medical Professional Services	Carers (Disability Care, Senior Care), Care Services, Locums (Medical Professional)
Medical and Diagnostic Equipment and Supplies (including; Health Informatics)	Medical Equipment, Medical Diagnostic Equipment, Medical Diagnostic Services, Health Information Systems
Medical, Surgical and Pharmaceutical Supplies	Surgical Equipment and Supplies, Blood / Blood Products, Drugs and Medicines, Medical Gases
Laboratory, Diagnostics and Equipment (including; Health Informatics)	Laboratory Equipment, Laboratory Diagnostic Systems and Supplies
Defence	Aircraft, Aircraft Maintenance Military Equipment, Military Equipment, Maintenance, Naval Vessels, Naval Vessels Maintenance, Ordnance Equipment, Other Military Supplies, Military Vehicles / Maintenance
Veterinary and Farming	Livestock, Feed, Consumables, Equipment, Other, Services, Supplies, Veterinary

Appendix 3 OJEU Procurement Thresholds

Thresholds (exclusive of VAT) above which advertising of contracts in the Official Journal of the EU (OJEU) is obligatory, applicable from 1 January 2014:

	THRESHOLD	APPLIES TO
WORKS		
Contract Notice	€5,186,000	Government Departments and Offices, Local and Regional Authorities and other public bodies.
SUPPLIES AND SERVICES		
Contract Notice	€134,000	Government Departments and Offices
Contract Notice	€207,000	Local and Regional Authorities and public bodies outside the Utilities sector.
UTILITIES		
Works Contracts / Prior Indicative Notice	€5,186,000	Entities in Utilities sectors covered by GPA (Government Procurement Agreement as part of the WTO arrangements)
Supplies and Services	€414,000	Entities in Utilities sectors covered by GPA

Tendering activity across the public service consists of opportunities published as “tender notices” on the OGP’s electronic tendering platform, eTenders. Notices greater than a certain threshold are also published in the Official Journal of the EU (OJEU). Under EU Directives on public procurement, public works, utilities, supplies and service contracts above certain thresholds must be advertised (tender notice) and details of the contracts awarded published (contract award notice) in the (OJEU).

The eTenders platform processes both national (below threshold) and OJEU-level Request for Tender (RFT) notices, Responses to RFTs and Contract Award notices. Its use is mandatory for all procurements by public bodies for supplies and services greater than €25,000 (exclusive of VAT) and €50,000 (exclusive of VAT) in respect of works and works related services.

Appendix 4 Supplier Classification

The analysed spend dataset includes profiles by supplier location (Ireland or International) and supplier size - SME (Small and Medium sized Enterprises) or large.

The SME definition used to classify suppliers by size is European Union recommendation 2003/361 i.e. enterprises where the number of employees is less than 250 and, where data is available, they have either turnover of less than or equal to €50 million or a balance sheet with net assets of less than or equal to €43 million.

Employee numbers data and turnover data are more readily available than balance sheet totals for Irish businesses. Where available, both employee numbers data and turnover data have been used for classification. Otherwise, only employee numbers data has been used.

While some data from eTenders is used for supplier classification the following external third party data sources have been used to enable the OGP to classify supplier data contained in the payments transaction data provided by PSBs:

- Source Dogg
- Dun and Bradstreet
- Irish Times Top 1000 Business List
- Central Statistics Office (CSO) Classification
- SoloCheck.ie

Appendix 5 Overview of Data Analysis Methodology

This *Public Service Spend and Tendering Analysis Report for 2014* report contains is based on two data sets – the first is expenditure data provided by PSBs and the second is related to tendering activities on eTenders, the national procurement platform.

There are different methodologies for the collection, mapping, classification, categorisation and generation of outputs for each of these datasets. An overview of the methodologies used for both the spend and tendering analysis is set out below.

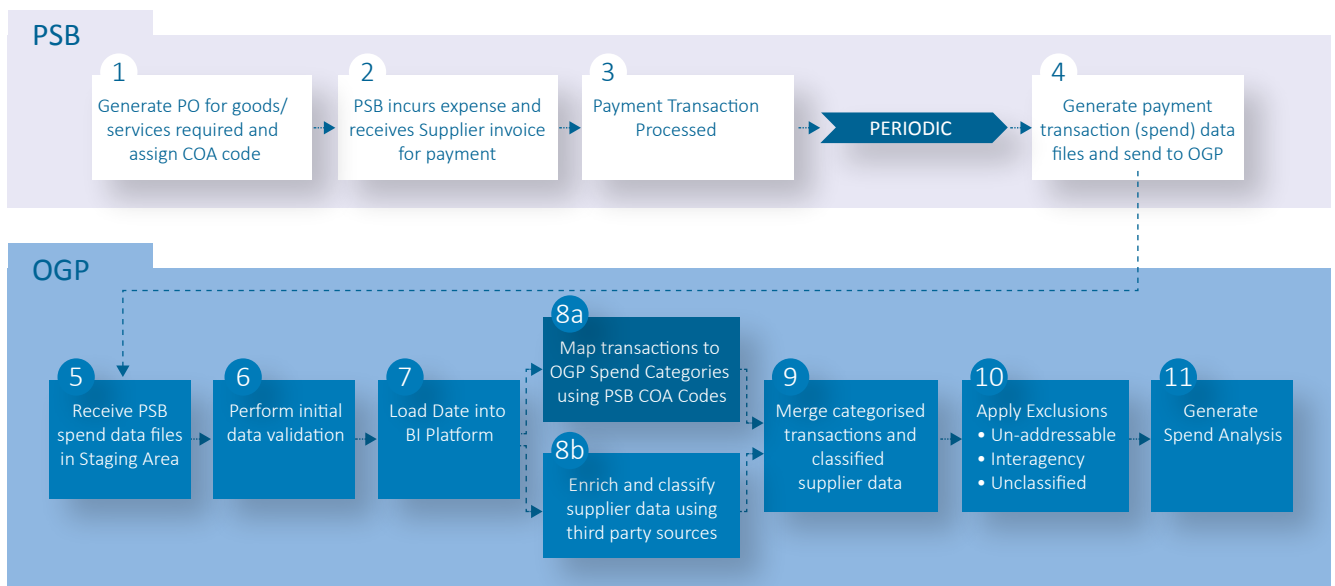
5.1 Spend Data Analysis Methodology

The spend data analysed is based on payments transaction data provided by public service bodies (PSBs) from a range of financial systems. Figure 20 gives an overview of the analysis methodology showing the steps that take place in PSBs and within OGP.

While the methodology used for the 2014 spend data analysis uses the same ETL (extract, transform and load) system designed and developed for the 2013 report it is carried out on a new BI (Business Intelligence) platform. Appendix 5 - Overview of Data

FIGURE 20

SPEND DATA ANALYSIS METHODOLOGY

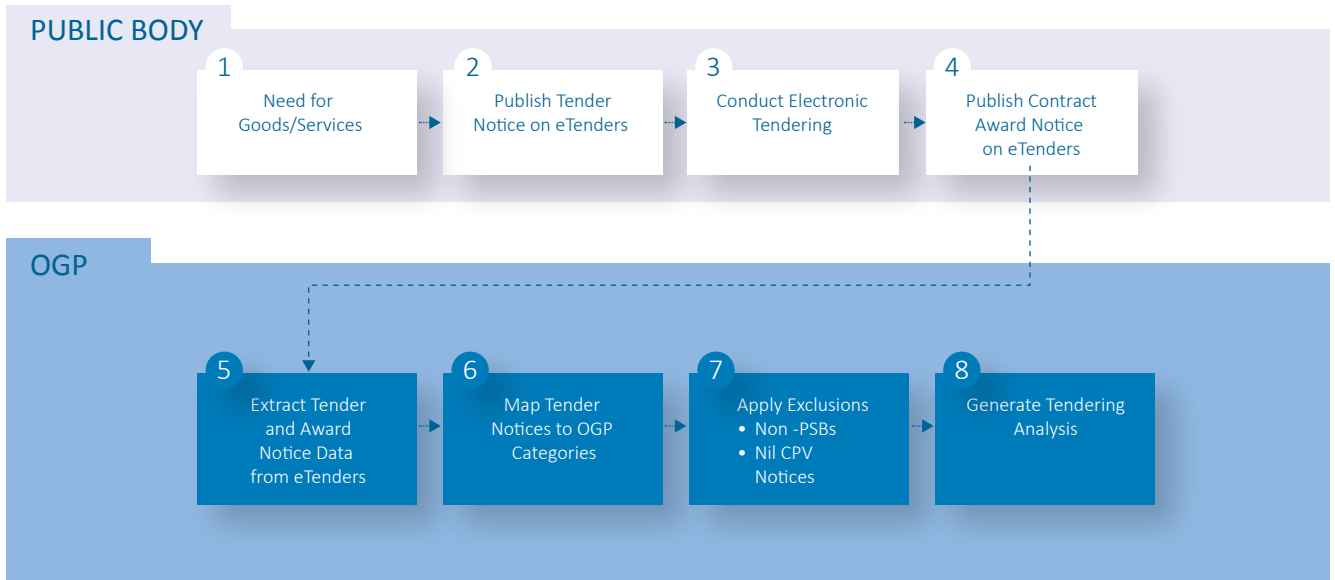


Spend Data Analysis Methodology

- **Steps 1-3:** take place in the PSBs and represent the standard purchase to payment process carried out on an ongoing basis. Payments are assigned to the relevant COA (Chart of Account) code for that organisation.
- **Step 4:** The PSB generates a spend data file from their financial management system in a standard data template provided by the OGP. The OGP provides assistance where necessary to extract data and convert it to the required format. This step occurs periodically at least once a quarter. The spend data files are transmitted electronically to a secure file storage area hosted by the OGP.
- **Step 5:** The OGP transfers the PSB spend data files to a staging area.
- **Step 6:** An initial validation takes place to ensure the data provided is in the correct format. Validated files are marked for loading into the OGP BI platform. OGP engages with the PSBs directly to rectify files that fail initial validation.
- **Step 7:** Validated PSB spend data files are loaded into the OGP BI platform. Since the publication of the *Public Service Spend and Tendering Analysis Report for 2013*, the OGP has replaced its interim BI platform with an enterprise solution.
- **Step 8a:** COA codes contained in the transaction data are mapped to the procurement spend categories based on a reference table created following engagement between the OGP and the PSB. This reference table requires ongoing manual matching of individual PSB COA codes to the procurement spend categories. It is important to note that not all transactions are allocated to a category as the payments concerned are not procurement addressable (e.g. grants).
- **Step 8b:** The supplier data is enriched using external third party data sources (see Appendix 4) to enable classification of suppliers by size i.e. SME or large and location (Republic of Ireland or International). It is important to note that it is not possible to classify all suppliers due to reference data limitations.
- **Step 9:** The spend transaction data that has been allocated to a procurement spend category is merged with the classified supplier data.
- **Step 10:** Excludes the following data – un-addressable spend i.e. not within procurement scope; spend associated with unclassified suppliers and interagency spend.
- **Step 11:** Generates the category, sector and supplier classification views of the data contained in Sections 2 and 3 of this report.

FIGURE 21

TENDERING DATA ANALYSIS METHODOLOGY



5.2 Tendering Data Analysis Methodology

- **Steps 1 - 4:** are conducted by public bodies (including commercial semi-state companies) for the publication, processing and awarding of tenders. It should be noted that the majority of the 2014 tender and contract award notices were entered on eTenders by end-users in the public bodies. The resulting tendering analysis is therefore dependent on the accuracy of the information entered.
- **Step 5:** involves the periodic extraction of the tendering data from the eTenders system. Where abnormally large tender values (e.g. for several billion) have been entered these are treated as an error in data entry and classified as 'outliers' and removed from the dataset for analysis.

- **Step 6:** is the mapping of Tender Notices to the procurement spend categories using Common Procurement Vocabulary codes (CPV). The most prevalent matching CPV code contained in each tender notice is used as the basis for selection of the procurement spend category. The category mapped to the tender notice is also applied to the associated contract award notices.
- **Step 7:** is the stage where exclusions are applied. These exclusions include tender notices with no CPV code and notices published by Non-PSB Organisations.
- **Step 8:** generates the OJEU and category views of the tender and award notice data contained in this report.

Appendix 6 Public Service Body Definition

Definition as per Ministers and Secretaries (Amendment) Act 2011

Public Service Body:

For the purposes of this Act, each of the following is a public service body, and “public service” shall be construed accordingly:

- a. the Civil Service of the State;
- b. the Civil Service of the Government;
- c. the Garda Síochána;
- d. the Permanent Defence Force within the meaning of the Defence Act 1954 ;
- e. a local authority within the meaning of the Local Government Act 2001 ;
- f. the Health Service Executive;
- g. a vocational education committee established by section 7 of the Vocational Education Act 1930 ;

Commercial Semi-State Bodies Definition

Definition as per Ministers and Secretaries (Amendment) Act 2011:

Section 10(2) In this section “public service body” does not include a body specified in Schedule 1 or a subsidiary (within the meaning of section 155 of the Act of 1963) of such a body.

SCHEDULE 1 - Section 10

1. A body whose activities are commercial in character and that was established by or under a statute that—
 - a. was in force in Saorstát Éireann immediately before the date of the coming into operation of the Constitution, and
 - b. continues to be of full force and effect by virtue of Article 50 of the Constitution.
2. Dublin Airport Authority, public limited company.
3. Cork Airport Authority, public limited company.
4. Shannon Airport Authority, public limited company.
5. Bord Gáis Éireann.
6. Bord na gCon.
7. Bord na Móna, public limited company.
8. Córas Iompair Éireann.
9. Coillte Teoranta.
10. Electricity Supply Board.
11. EirGrid.
12. A harbour authority within the meaning of the Harbours Act 1946 or a company to which section 7 of the Harbours Act 1996 applies.
13. Horse Racing Ireland.
14. The Irish National Stud Company, Limited.
15. The Irish Aviation Authority.
16. An Post.
17. An Post National Lottery Company.
18. Raidió Teilifís Éireann.
19. Teilifís na Gaeilge.
20. Railway Procurement Agency.
21. Voluntary Health Insurance Board.

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