

Procurement Phase 1

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1. Recommendation

That the Joint Improvement Board agree that:

- 1.1 A Procurement Board be set up for Buckinghamshire comprising the directors responsible for procurement in the Pathfinder authorities.
- 1.2 An initial contingency sum of up to £50k to:
 - purchase procurement advice on specific matters identified from the initial work of the project (£20,000) and
 - create a temporary post with the specific remit to pull together spend, contract and other relevant information for the project (£30,000).

2. Project vision/objectives

- 2.1 The procurement vision that is being pursued under enhanced two tier working is to obtain best value through planned and appropriate procurement in respect of goods, works and services required by the public sector authorities in Buckinghamshire for the delivery of services.
- 2.2 The procurement vision leads to the following objectives:
 - The procurement process must be clear and transparent and capable of demonstrating value for money.
 - Procurement options are chosen on the degree to which they help the authorities fulfil their aims and the specific objectives of the services involved in the procurement process.
 - Procurement will take into account the issues of sustainability, and the capacity of the different organisations to manage procurement arrangements.
- 2.3 Creating a more joined up approach to procurement issues for Buckinghamshire will also enable the area to engage more effectively at regional and national levels on procurement.

3. Scope

3.1 Within scope

First phase of work to be completed by end of June 2008 is to:

- Establish a co-ordinating governance structure for procurement across the five authorities
- Identify capacity gaps for procurement and contract management across the authorities, and plans for how to address these
- Commence strategic procurement planning for Bucks

3.2 Out of scope

- Investigating a single ‘procure to pay’¹ solution for all the authorities, or the implementation of a ‘supplier portal’¹ for the authorities.
- Running specific procurement exercises

4 Benefits

4.1 Financial

Any savings would be identified by the first phase of work looking at current capacity, spending etc, and would be highlighted in the business case produced at the end of the first phase.

4.2 Non financial

The non-financial benefits would be:

- To put in place a mechanism to co-ordinate the work of five authorities on procurement, and thereby improve strategic procurement by identifying more opportunities for joint contracting or collectively entering framework agreements² that already exist.
- To identify ways to improve or strengthen the operational procurement capacity of Buckinghamshire as a whole, by the deployment of resources available to collective priorities across the authorities.
- To strengthen contract management capacity across the five authorities by making available to all access to expertise and advice on contract management.
- Greater ability to influence the market on issues of sustainability and equality. Other non financial benefits will be identified in business case produced in the first phase of the project.

5. Deliverables

The deliverables are outlined at Appendix 1.

6. Timescales and key milestones

6.1 Within Project

- Procurement Board up and running with agreed terms of reference by November 2007.
- Procurement roadmap and business case for investment produced by April 2008
- Prioritisation of 2008/09 procurement activity for Pathfinder authorities agreed by Procurement Board by March 2008

Further detail is provided at Appendix 1

6.2 Outside Project

Completion of Milton Keynes, Oxfordshire and Buckinghamshire (MKOB) Improvement Partnership¹ procurement project by March 2008

¹ See appendix 2 - Glossary

7. Estimated costs

- 7.1 In the initial phase funding is required to bring in external support to undertake specific pieces of work with the overall aim of producing a road map for procurement in Buckinghamshire, and a business case for any investment required. It is not possible to quantify accurately at this stage therefore suggestion is for initial contingency of up to £50k to fund work to progress the project. The funding would be to purchase procurement advice, £20k, on specific matters identified from the initial work of the project, and to create a temporary post with the specific remit to pull together spend, contract and other relevant information for the project, £30k.

8. Project Board

- 8.1 The Procurement Board would be the directors responsible for procurement in each of the five authorities.

9. Member Involvement

- 9.1 Progress reports will be made to the JIB, and Member involvement will be addressed as part of the project's communications plan

10. Related projects / Work streams

- 10.1 There is a significant relationship for this project with the MKOB Improvement Partnership project covering procurement. This project will help shape a work plan and will also bring in advice from the South East Centre of Excellence (SECE)¹. It is also a means by which thinking on procurement in Bucks can be influenced by learning from experiences in other parts of the region.

11. Key Risks,

The risk register is attached at Appendix 1

¹ See appendix 2 - Glossary
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Project Deliverables & Milestones

	Deliverable <i>(tangible product of the project)</i>	Target Date	Method <i>(how to check the quality)</i>	Measure(s) <i>(the level of quality)</i>
1	Governance arrangements in place 1. Procurement Project Board 2. Procurement Project Team	Oct 07	Minutes and actions from meetings	External evaluation by SECE
2	Skills and capacity analysis completed, and roadmap and business case produced	Feb 08	Report and action plan produced	Progress on addressing gaps
3	Strategic procurement plan for Bucks produced from analysis of contract registers and agreed by Procurement Board	Apr 08	Plan agreed and in place across five authorities to shape major procurement decisions from 2008/09 onwards	Opportunities for joint procurement, increased use of same framework agreements identified in plan
4	Procurement Project Team to have work programme to achieve operational improvements for procurement	Apr 08	Programme for 2008/09 agreed	External evaluation by SECE
5	Support arrangements in place to help managers across all five authorities, with procurement, commissioning and contract management	Jun 08 onwards	Directory of key contacts on procurement available Commonly agreed procurement guidelines and good practise notes	Information disseminated to relevant managers and available on authorities intranets.

Risk Register

Event Which may or may not occur	Likelihood 1-4	Impact 1-4	L x I 1-16	Action To mitigate the risk
Unwillingness of authorities to collaborate on procurement	1	4	4	Issues goes to heart of Pathfinder project. Initial work must be done to establish agreement to the project, and ideally a shared vision.
Lack of leadership on procurement within individual authorities	2	4	8	Authorities must identify suitable senior officer to lead/champion procurement work

Event Which may or may not occur	Likelihood 1-4	Impact 1-4	L x I 1-16	Action To mitigate the risk
Lack of capacity to undertake work required to improve collaboration	3	3	9	Will need to be assessed to identify where the capacity gaps are. And how best to address them. In short term MKOB project may provide some support.
Failure to identify resource to undertake skills/capacity analysis work	2	4	8	Undertake discussions with SECE and MKOB about how tasks could be approached. Secure some contingency funding from JIB to bolster capacity.

GLOSSARY**Appendix 2****Framework Agreements**

A contract that has been competitively tendered and negotiated at a national or regional level for goods and services, that are open to all local authorities to use at the prices set for the goods and services specified. These agreements are typically negotiated by the Office of Government Commerce (OGC), or Regional Buying Consortia.

Milton Keynes Oxfordshire & Bucks Partnership (MKOB)

A partnership of the authorities in Oxfordshire, Bucks and Milton Keynes establish with DCLG Capacity Funding with the vision:

“to work collaboratively across boundaries and tiers to develop our skills, capability and capacity to deliver excellent and continuously improving services in our area.”

The Partnership is setting out to deliver a programme comprising six projects:

- A Partnership Approach to Service Improvement
- Service Improvement through Community Engagement
- Building Capacity through Leadership Development
- Building Capacity in Change Management
- A Partnership Approach to Addressing Future Skills Needs
- Partnership Performance Management

Office of Government Commerce (OGC)

The Office of Government Commerce (OGC) is an office of HM Treasury, responsible for improving value for money by driving up standards and capability in procurement. This covers a range of activities from commodities buying to the delivery of major capital projects, maximizing the effective use of 60% of Government spending and a £30 billion property estate.

The OGC has negotiated a range of *framework contacts* for goods and services at a national level that are open to authorities to use where terms and rates have already been negotiated by a competitive process.

Procure to Pay

The term to cover the whole process from the ordering of works, goods or services to their receipt and payment. The term is used in the context of software applications to describe ordering and payment modules which may or may not have workflow facilities embedded and which to greater or lesser extent can allow the whole process to be electronic or paper free.

South East Centre for Excellence (SECE)

The South East Centre of Excellence (SECE) is the Efficiency Partnership of South East Councils. It is one of nine centres in England and Wales. The Centre is led by officers and members in the South East and has a Board of South East Chief Executives chaired by Peter Gilroy, Chief Executive of Kent County Council. SECE's Member Champion on the Regional Improvement and Efficiency Board is Paul Bettison, Leader of Bracknell Forest Council. It is funded by the Department of Communities and Local Government and is hosted by Kent County Council. The work of the South East Centre began in

April 2005 and is divided into a number of work streams such as Waste Services, Back Office Services, Building, and Procurement.

Supplier Portal

Software, usually based on internet browser technology that allows purchasers to log contract, order or tender requests, and for suppliers to indicate their areas of expertise and their capabilities. It is a means to make more efficient the process of “buyers and sellers” to match up.