

Procurement and Commissioning (2007-2008)

In recent years Procurement, as a subject, has been elevated to the status of “the hot topic” with successive national reviews and initiatives (Gershon et al) extolling the public sector to pursue best practice procurement. Best practice requires the involvement of professional staff at the earliest possible opportunity in the procurement cycle. In practice each body makes decisions about balancing a range of choices and determining how the goods or services should be obtained; through direct employment of staff, straightforward contracting with suppliers and service providers or entering into more modern partnership approaches with the private, public or voluntary sectors.

The Procurement & Commissioning Team is directly involved in the procurement process for a wide range of services, goods and assets and predominately works in conjunction with officers from different service areas and in some cases other Agencies.

Commissioning led Procurement is about making choices, sometimes-difficult choices. It ensures that the needs of users or the business need predominates the process and therefore avoiding supply led demand. It also ensures that emerging needs, best practice, market analysis and available resources are taken into full account when developing procurement strategies. It further ensures historical provision patterns (including in-house) do not unduly distort future purchasing decisions.

The expectation is that Service Plans will in future include Commissioning Strategies. This entails a detailed review of the needs of users of a service e.g. Older People, Children & Young Adults, Learning Difficulties etc. The Commissioning Strategy is developed by a combination of:

Consultation: users & stakeholders

Needs analysis

Policy & best practice horizon forward look

Defined Outcomes

KPI's

Business Case: <£3m Simple >£3m Full

A full business case includes:

Funding inc. Capital & Revenue

Benefits Realisation Plan

Continuous Improvement Targets

Procurement Strategy

Resource map

It is best practice that the strategic aspect of Commissioning is an integral element of service planning and in the main led by Head of Service. In the case of support services e.g. legal or finance, there maybe a need to develop a slightly different approach to commissioning but we need to demonstrate the same rigours and test of value for money.

Major Projects

The spend between April and December 2006 with the top 87 companies in terms of value, was £116M of which the team were involved in 22% (approx.£25M).

There are a number of large procurement exercises that our currently taking place. These include:

Waste

Build Environment: Construction related consultancy/ client procurement.

Client Transport Services: Planning, procurement and contract management of Client Transport Services. This includes Home to School Transport, Special Home to School Transport and personal supported transport planning.

Strategic Resourcing project: recruitment advertising and the hire of temporary staff.

Although these contracts will not be in place until April 2008 or April 2009 the Procurement & Commissioning team are involved in projects/ contracts totalling 73% (over £85M) using the same data as for April to December 2006.

During 2007/ 08 financial year it is anticipated that the Procurement & Commissioning team will be providing support to these major projects and in some case project managing them.

In addition the team will be project managing the SAP ebp upgrade and supporting the business transformation partner.

Corporate contracts

The team have the responsibility for corporate contracts for goods and services:

- Contract management of those that are used across portfolios. E.g. mobile phones, stationery, photocopiers and furniture.
- Arranging contracts for specific areas e.g. Recruitment advertising, lease cars and other vehicles, ICT hardware/ software.

Pathfinder bid

The team is expected to be involved in developing the thinking of Buckinghamshire Procurement. The Four District Councils and the County Council of Buckinghamshire have jointly bid for "Pathfinder Status" to develop innovative approaches to working collaboratively in an Enhanced Two-Tier environment. Joint Procurement has been identified as an area of potential "early wins". However, experience shows that the larger paybacks from procurement related savings are delivered, in the main, by "doing things differently" rather than just "buying smarter".

Our team is moving towards a "consultancy based" way of working which is beginning to gain momentum and impact. A combined County – wide unit would provide the critical mass of work to justify the employment of a highly professional cadre with the gravitas and professional acumen to fulfil the potential expected from "procurement related activity". A unit such as this could be formed fairly quickly without jeopardising any future direction of travel for shared services generally nor any future plans for any emerging Buckinghamshire Public Sector

wide initiative.

Working group/ project roles

The team have roles in the following procurement based activities:

External:

- CBC Management Committee & working groups
- SE Centres of Excellence lead contact for the Council
- SE Centres of Excellence (Equipment and Supplies work stream)
- Bucks Procurement Group (The County & Districts)
- Bucks Multi Agency Group: Procurement (County, District, Fire, Police, NHS, FE)Links

Internal:

- Corporate Procurement lead for the Council
- Waste Project Board
- Build Environment project manager
- Market test of Client Transport services project manager/ Project Board
- SAP ebp upgrade implementation project manager/ Project Board
- Strategic Resourcing Project Board
- Client Transport Transformation Board
- Home Options Project
- Corporate Procurement & Commissioning Board
- School meals Board?
- SAP Procurement lead for the Council

Outcome 1: A comprehensive range of (well utilised) Corporate Contracts for goods and services - Aim 1

Target Description	Last Year		Targets			Improvement Plans
	Target	Actual	2007-2008	2008-2009	2009-2010	
Reduce maverick spend by reviewing all of the generic category areas through Contract officers	0%	0%	80%	90%	99%	

Outcome 2: Written procedure for tendering process in place - Aims 2 & 7

Target Description	Last Year		Targets			Improvement Plans
	Target	Actual	2007-2008	2008-2009	2009-2010	
Review, update Contracts Procedure manual to make more			Review and update every 6 months	Review and update every 6 months	Review and update every 6 months	

customer friendly					
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Outcome 3: EBP upgrade implemented - Aims 2 & 7

Target Description	Last Year		Targets			Improvement Plans
	Target	Actual	2007-2008	2008-2009	2009-2010	
EPB upgrade and additional functionality assessed and implemented as per Business case/ PID						
Reduce transaction costs		220,000 invoices	190,000 invoices	175,000 invoices	150,000 invoices	

Outcome 4: Improved Procurement & Commissioning - Aims 2 & 7

Target Description	Last Year		Targets			Improvement Plans
	Target	Actual	2007-2008	2008-2009	2009-2010	
All major procurement spend is influenced by Procurement & Commissioning	0%	40%	60%	80%	90%	
The team help service areas in meeting their MTP savings	1 million	300k	2 million	2 million	1 million	
Raise awareness of the team through procurement clinics	3	3	3	3	3	

Further Service Plan Information:

Associated Plans:

Accountable Officer
David O`Donnell

Strategic Director
Ian Trenholm

Cabinet Member
Frank Downes

Associated Resource Plan: