

Regulatory & Audit Committee

Title:	Contract Management update
Date:	January 2014
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Local members affected:	N/A

Summary

This report provides a summary on progress with the implementation of the County Councils' Contract Management Framework and the Contract Management Application.

Recommendation

Members are asked to note this report.

Background

Buckinghamshire County Council made a decision to invest in its Contract Management capability in 2012. The project included two distinct work streams.

- 1 Contract Management Framework (CMF)
The system, policies and methodology to support our best practice approach.
- 2 Contract Management Application (CMA)
A purpose built web based software tool to automate many of the Contract Management tasks, provide a corporate Contract Register to support strategic procurement and commissioning. In addition the CMA provides a portal for suppliers to upload performance information as well as Compliments and Complaints.

The two work streams have now been brought under 1 project team. The work is governed by the Contract Management Implementation Group and Neil Gibson remains the SRO to ensure continuity.



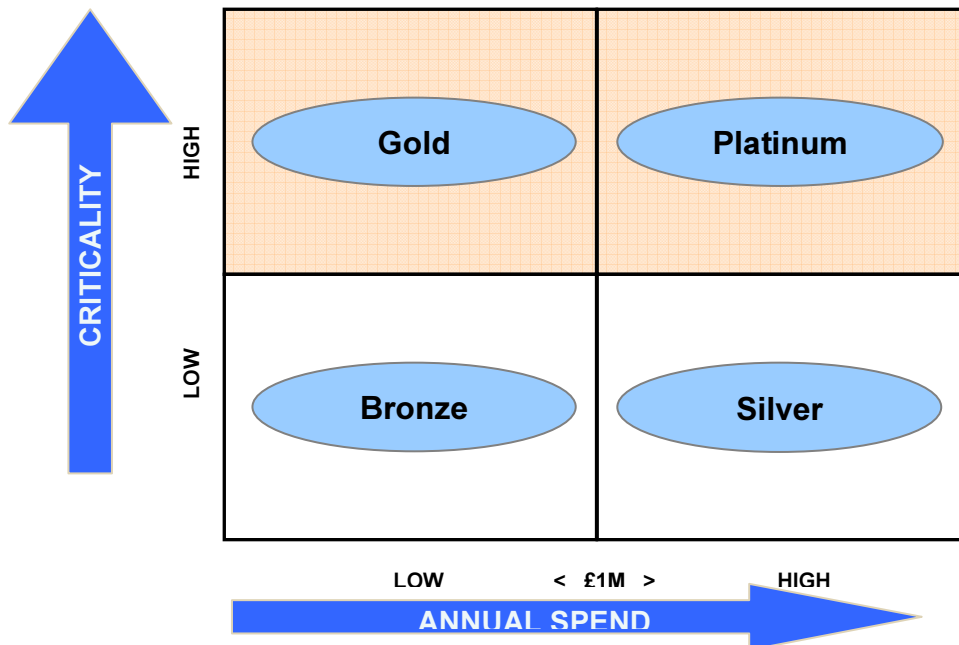
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Contract Management

BCC contracts have been categorised into Platinum, Gold (High risk) and Silver and Bronze (low risk). The value threshold is £1million.

Table 1: Contract Segmentation



Best practice assessments were undertaken on all Platinum contracts. Training on the CMA was completed for all Platinum Contract Managers in November. The training highlighted some issues with some programming requiring us to delay the target dates. In particular the supplier portal wasn't functioning correctly.

The project manager was seconded to Transformation, necessitating new resources to be identified. The project team now includes 3 who have undergone technical training and are now able to make some of the required changes to the system. This is increasing the speed of development.

The supplier attends each week to support the user acceptance testing. We hold a weekly surgery allowing the Platinum Contract Managers to work directly with the project team and supplier, to discuss and resolve issues in real time. The surgery is proving successful and we are working closely with the service areas to ensure their needs are met. Platinum Contract Managers are now uploading their contracts, the results of the last best practice assessment and undertaking a refresh best practice assessment.

We have identified a super user for each service area to enable us to better support contract managers.

Senior managers at the implementation group have agreed that the time is now right to move to a new phase and consider how we report on the value that Contract Management adds to the Authority. The project will therefore move from compliance

monitoring to delivering and reporting on the value delivered by the project. This value can be either cashable or non-cashable.

Contract Managers

A pilot group of eleven of the Platinum Contract Managers went through a contract management training course. Feedback from the pilot group and their managers indicates that the training has been successful and increased the Contract Managers understanding of their role, and developed both technical and soft skills. We are rolling out the training to the balance of the Platinum and the Gold cohorts in the first half of 2014.

In addition contract managers have undergone a number of training sessions (in the context of contract and commercial environment):

- 1 Risk management
- 2 Business continuity management

The Platinum cohort has made a significant contribution to the project by identifying a number of issues with the CMA system during the training sessions and helping to resolve issues— a positive example of collaborative cross-service working.

We have developed standard DSP contract management objectives and targets for Contract Managers

Note: many of our contract managers undertake this function as part of their job – i.e. are not full time contract managers.

Platinum Contract Supplier Conference:

A Platinum supplier conference took place in September 2013 with a view to:

- Engage directly with our major suppliers,
- Set out the key challenges that the County Council faces,
- Discuss how we see providers playing a role in meeting those challenges
- Invite feedback as to how we behave as client
- Start a dialogue with providers to enable us to understand suppliers' issues.

The supplier conference was evaluated and the feedback has been positive (*the press release is attached*). We are hosting a Supplier reference group in January 2014 to discuss the feedback in more detail and come up with some solutions/actions.

Contract Register

The contract register relies on the completion and upload of contract details. This can be a very lengthy process for complex contracts and has been delayed due to technical issues with the application.

The target dates for completion of the upload are:

Platinum	by end January 2014
Gold	by end March 2014
Silver	by end April 2014
Bronze	to be decided

Demonstration

Regulatory & Audit committee requested a demonstration of the Contract Management Application. Officers are arranging a number of informal sessions for Members as interest has also been expressed by the Select Committee .

Licenses

We have purchased a variety of licenses to enable access to the system. A decision is required regarding what level of access Portfolio holders and Members require. This will be requested once demonstrations to members are complete.

Sales Opportunities

A number of authorities have expressed interest in the system; however we want to ensure that the system is working correctly before marketing. Our membership of the Central Buying consortium offers an opportunity to market the system to a large number of authorities, and some interest has already been expressed from this group.

Issues:

The development Future Shape – will HQ require business units to continue to use the Contract Management systems and processes – i.e. will the investment continue to payback

Next Steps:

- 1 Benefits reporting – what have we achieved
- 2 Contract Management Training for Gold & balance of Platinum Managers
- 3 Consider Contract Management evolution in light of Future shape decisions
- 4 Contract Register for Platinum, Gold and Silver Contracts

Rose Younger
Commercial Manager
20th January 2014

Buckinghamshire County Council
Excerpt from Contract Management Business Case

- To create consistent approach to Contract Management across BCC
- To significantly upgrade the performance of contract management activity and its contribution to the transformation agenda by:
 - Developing a culture of continuous improvement systematically across the supplier base
 - Identifying and delivering savings of at least 3-5% of contract value per annum and working co-operatively to maximise non-commercial benefits such as sustainability or better local economic or health outcomes
 - Ensuring that there is a strong link between sourcing strategies and market knowledge and contract management activity across the business
 - To recognise the distinctive commercial skills and capabilities that contract management requires and ensure these are embedded as business as usual and factored into new business activity
 - To manage BCC's exposure to commercial, contractual and reputational risk through better contract management
 - To build a pragmatic and flexible approach that draws upon NAO/OGC and other best practice.
 - To ensure that contract management has the right profile within BCC and that the framework has a sufficient mandate to deliver the expected benefits.

Press Release following supplier event

The challenge of finding £60m in savings was laid before Buckinghamshire County Council's key suppliers at a special event on Tuesday (September 24). About 40 companies were invited to The Waterside Theatre, Aylesbury, for the Council's first 'Platinum Suppliers' conference.

The purpose of the event was to introduce the County Council's new Contract Management Framework which advocates a more commercial and collaborative approach to working with its key suppliers.

Guests were welcomed to the event by Martin Tett, the Leader of the County Council, who set out the scope of the task facing the council as a result of significant reduction in central Government funding. Mr Tett set out how £60m in savings were required by 2018 and said: "We have to rise to the challenge."

Chris Williams, the County Council's Chief Executive, said: "We have to go further, faster and do things cheaper. We want to be known as a commercially-minded council."

The 100-strong audience was told the County Council is keen to work with its supply chain to reduce costs. To that end, guests were asked to join in a group workshop exercise answering questions such as: "What is the biggest challenge facing your organisation? Are there processes and requirements that increase costs and how could we work together to reduce these?" There were lots of ideas generated by the enthusiastic attendees which County Council officers will work up into a prioritised action list.

The feedback to date has been very positive and to quote one supplier "Just wanted to thank you for organising yesterday's event. It was good to share issues with other suppliers and meet a range of County Council officials and cabinet members. To the best of my knowledge you are the first and we deal with 30 odd Local Authorities."