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Marketing & Communications Manager

Scotland Excel

Background

(What we are, Who we are
& How we got here)

“We know that there are major gains to be made from better procurement practice ... through joining together to maximise purchasing power”.

**Scottish Executive
Building a Better Scotland
November 2004**

Review of Public Procurement in Scotland

John F. McClelland CBE

Published March 2006

The McClelland Review

Key Conclusions Include:

- 1. Ministerial Support a Prerequisite – Establishment of Public Procurement Reform Board Proposed**
- 2. Action Required on Resources & Skills – Investment Needed**
- 3. More Collaboration Needed (Sectoral/Cross Sectoral)**
- 4. New “Commodity Centres of Expertise” – a Vital Step**
- 5. Achievement of Superior Performance Will Deliver Best Value and Long Term Savings Above Current Targets**
- 6. Categorisation of Contracts**
- 7. Annual savings of £600m by 2009/10**

Public Sector Procurement Vision (1)

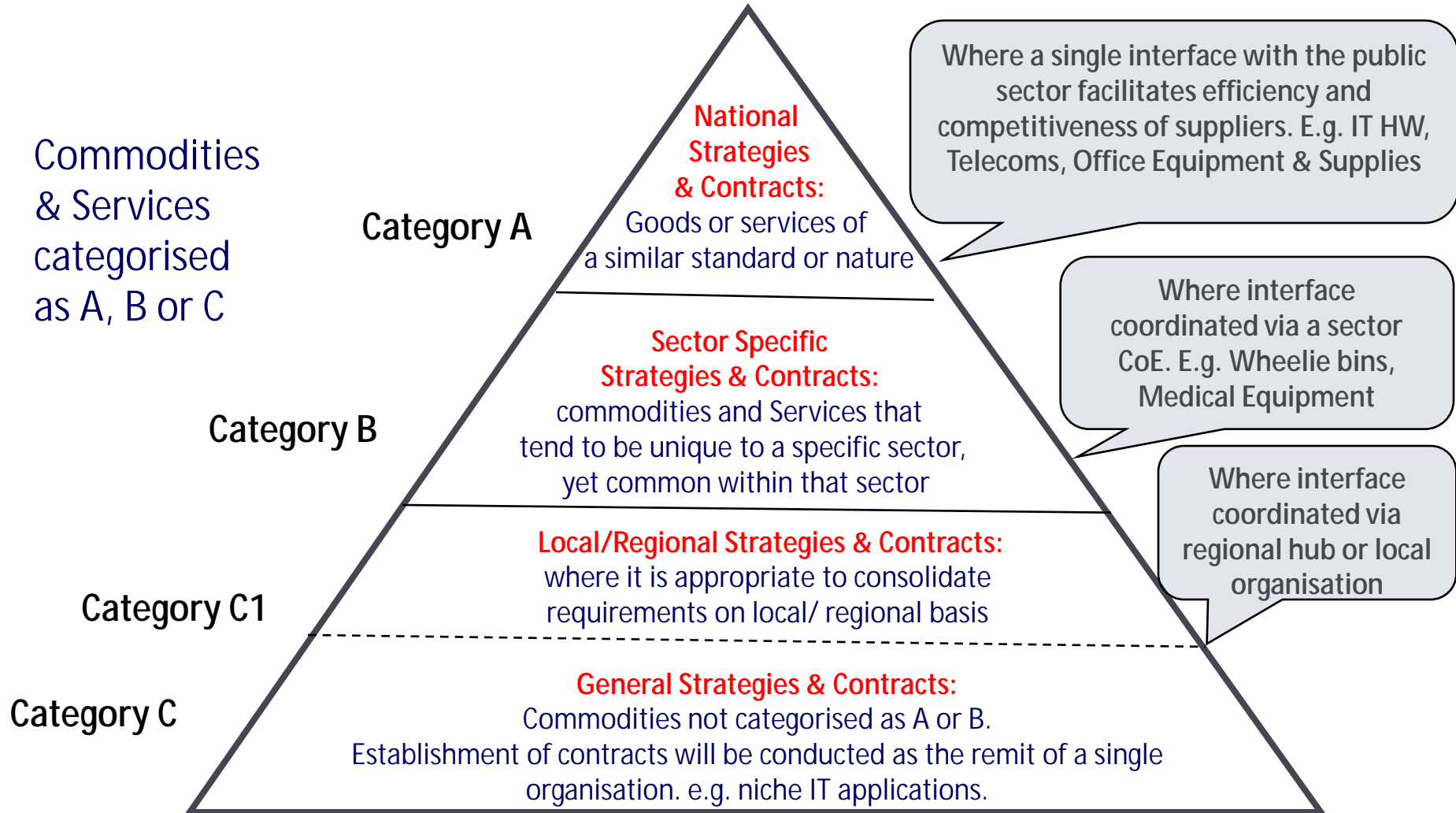
Procurement Landscape – Centres of Expertise



Other Organisations & End Users - Customers

Local or Regional Strategies for Cat C Commodities

Public Sector Procurement Vision (2)



Efficient Government Fund (EGF)

1. Established 2004 (Merged with Modernising Government Fund 2006)

2. £60m Of Funding for Efficiency Projects which

- * Deliver Significant Efficiency Gains**
- * Are Joined Up**
- * Have a Number of Partners**
- * Can Be Replicated**

3. Priorities in

- * Procurement (including Consortium Procurement)**
- * Support Service Reform,**
- * Transactional Processing**
- * Productive Time**

Renfrewshire Council EGF Bid (March 2006)

- 1. 21 Partners**
- 2. Propose the Establishment of Centre of Procurement Excellence**
- 3. Objective to Deliver Best Value Public Services by**
 - * Securing Cost Reductions**
 - * Improving Best Practice Procurement Capacity & Capability**
 - * Creating a Forum and Communication Medium for Engaging with Suppliers**
- 4. Bid Approved Late 2006**

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- * **Established as Local Authority Centre of Procurement Expertise**
- * **Launched April 2008**
- * **27 Local Authorities Signed Up**

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Purpose & Vision

PURPOSE

To raise procurement standards and work in collaboration with local authorities and suppliers to secure best value for our customers

VISION

To be recognised, respected and trusted by local authorities and suppliers as the leading procurement organisation in Scotland

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Vision will be achieved by:

- * Delivering Best Value Collaborative Contracts**
- * Increasing Procurement Capacity & Capabilities**
- * Improving Engagement with Suppliers**
- * Promoting and Sharing Best Practice with Others**

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Operating Model

Governance

Centre of Procurement Expertise

4 x Regional Offices

Local Authority Corporate Procurement Teams

(UIGs

End Users

Suppliers

Other Centres/SPD)

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“What We Do”

Yvonne Yule

APSE – 22 August 08

Aims and Objectives

- To deliver best value collaborative contracts:
 - Primary responsibility for sectoral commodities
 - Assisting with national commodities
 - Facilitating clustering of local commodities
- To increase procurement capacity and capabilities
- To improve engagement with suppliers
- To promote and share best practice with others

Wave 1 Contracts

Grouping	Wave 1 contracts
Property & Facilities	Office furniture, education seating, dining room tables, security equipment etc
Education	Sports games and equipment, classroom materials, writing boards, audio visual and presentation equipment, fitness equipment, musical instruments, text and library books, paper and board etc
Trades	Building, plumbing, electrical, timber materials, tools etc
Roads	Road stone bitumen, rock salt, street lighting and associated materials etc
Fleet	Purchase and hire of light vehicles, tyres etc
Energy Utilities	Electricity, gas, unmetered electricity
Catering and Cleaning	Catering sundries, commercial catering equipment, groceries and provisions, frozen food, milk, disposables, butcher meat, soft drinks, crisps and confectionery, hygiene units, hygiene paper products, water coolers etc
Corporate	Advertising, vending machines, signage, courier services, personal protective equipment, franking machines, paper and board etc
Home Care/Occupational Health	Aids for daily living
Waste Management	Wheeled refuse containers,

Wave 2 Contracts

- Construction (to include consultancy)
- Social Care
- Vehicles and Fuel
- Financial Services

Trades Portfolio

Wave 1-
contracts
complete

Wave 1 –
Contracts in
progress

Wave 2 –
construction
opportunities

Wave 1 – Trades Contracts in place

Framework	Value £m (per annum)	Framework Start Date	Term	No of Lots	No of Contractors
Building Materials	£23 m	1 April 08	3 years	9	4 *
Electrical Materials	£30m	1 April 08	4 years	10	7 *
Plumbing Materials	£22m	1 April 08	4 years	11	7 *
Timber Materials	£8m	1 April 08	3 years	4	6 *
	Total = £83m				

Wave 1 – Trades Contracts in progress

Framework	Value £m	Contract Start Date	Contract Term
PPE (personal and protective equipment	£30M	1 March 09	4 years *
Ironmongery	£20M	1 October 09	4 years *
Tools and Sundries	£12M	1 October 09	4 years *
	Total = £62m		

Ways of Working

- Focus on customer needs
- Create and foster good relationships
- Share expertise and knowledge
- Communicate with all stakeholders
- Apply robust and transparent processes
- Approach in a professional and innovative way
- Demonstrate benefits and KPI's

Challenges



Opportunity Workshop

- Wave 2 Opportunity Workshop:
 - August 08,
 - Local Authority Specialists
 - Corporate Procurement Managers
- Objectives:
 - To review commodity profile data
 - To test assumptions
 - To agree and validate potential opportunities
 - To highlight and discuss potential risks
 - To consider the most appropriate way forward

Contacts

- Wave 1 commodities
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THANK YOU

ANY QUESTIONS?

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