

Eastern Shires Purchasing Organisation

Collaborative Procurement - making it work

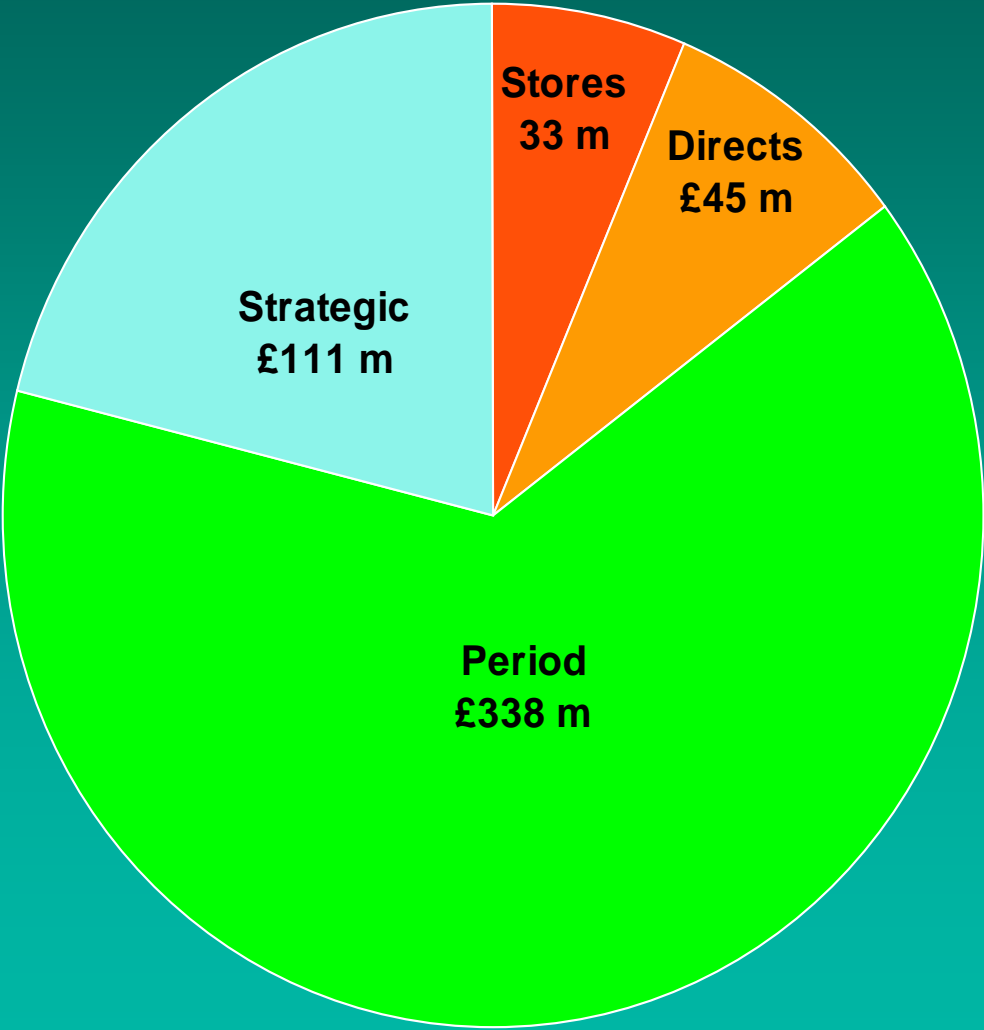
Karen Grewcock, ESPO Food.





- ESPO Owned by seven local authorities:
 - Cambridgeshire County Council
 - Leicester City Council
 - Leicestershire County Council
 - Lincolnshire County Council
 - Norfolk County Council
 - Peterborough City Council
 - Warwickshire County Council

ESPO's Annual Turnover 2008/09 (£527)





Area cover by ESPO Food

LB Haringey

Leicester City

LB Barnet

Leicestershire

Norfolk

Nottingham City

Essex

Nottinghamshire

Cambridgeshire

Warwickshire

Peterborough

Derbyshire

Lincolnshire



Collaborative Procurement - making it work

Pro 5 involvement

The market size

The restrictions

The advantages for suppliers

The opportunities

Sustainability

Conclusions from experience gained



Central
Buying Consortium

ESPO
EASTERN DISTRICTS PURCHASING ORGANISATION

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po
North Eastern
Purchasing Organisation

WMS

Yorkshire Purchasing

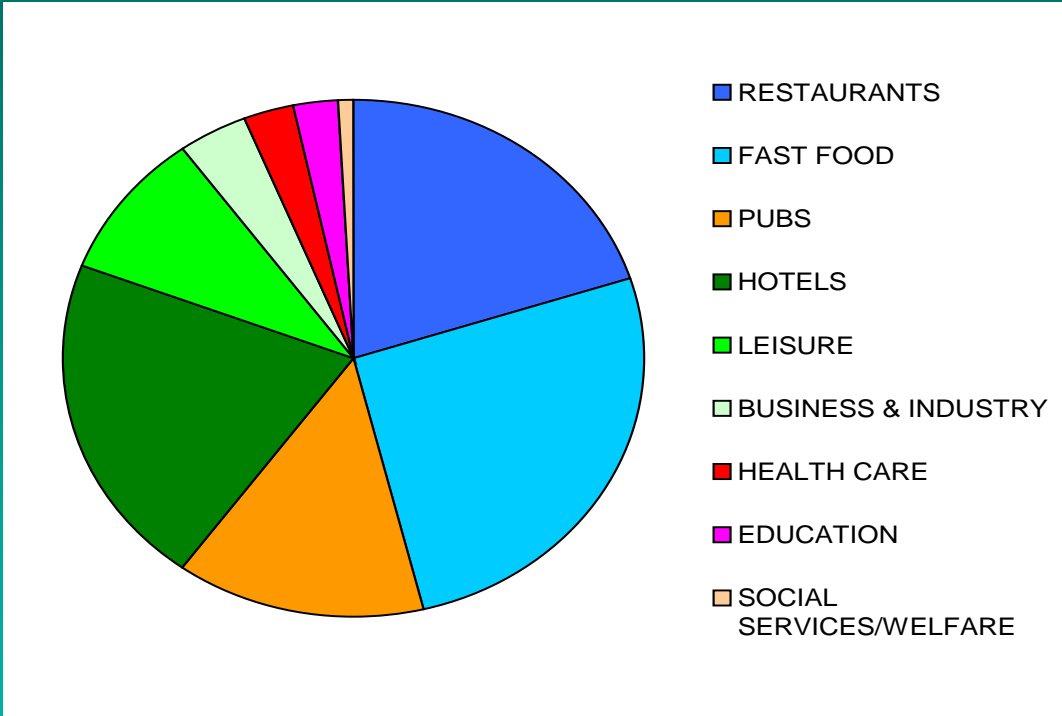
Commitment !

- PRO 5
- Commitment from the customer, buyer and supplier is paramount in supporting business objectives and the sustainability agenda
- Projects will not work if there are any parties losing out
- Spending reviews, OEP etc will target authorities to produce cashable savings BUT reconciling the dichotomy of sustainability and efficiency is the a key objective of food buyers
- Pro 5 – Has considerable power to influence the food supply chain



THE FOODSERVICE MARKET

OPERATOR TYPE – £ SHARE OF MARKET %



Restaurants	19.9%
Fast Food	26.3%
Pubs	13.9%
Hotels	20.8%
Leisure	9.1%
Business & Industry	4.0%
Health Care	0.4%
Education	0.4%
Social Services/Welfare	0.4%



The Restrictions for the Cost-Sector

The overall market is Profit-Sector Driven

Complexity equals cost

The product usage is low (regionally)

The customers are many (nationally)

The customers are region based

The customers have financial regulations

Contracts are tendered regularly (security)

Procurement strategy is regulation based



The advantages for the Cost-Sector

Contracts are for 4 years

Contracts can allow for long term planning

Customers are loyal to the contracts

Contracts cover a region

Contracts are financially secure

Contracts are multi-sites but central organisation

Contracts can be strategic



ESPO activities

No compromise on food safety or procurement regulations

Engaging with SME's and all other interested parties well in advance of the tender process

SPECIFICS

Free Range Eggs

Local English Red Apples

Frozen Minced Venison

Tomatoes

Frozen vegetables UK grown

ACTION !!

- Collaborative agenda Developed by OGC
- Food Category sponsored by DCSF
- Food Category Board and Workstreams



Collaboration in operation – what has been achieved?

The Collaborative Food Programme identifies how public sector organisations can work together when buying food catering services and catering equipment to achieve better value for money improve sustainability and enhance quality

www.ogc.gov.uk/food

On behalf of Pro5 k.grewcock@espo.org

Pro 5 activities and the National scene

Canned Fish - First of 25 national contracts for commodities

OJEC to be placed this week followed by Flour, pulses etc

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The Future

What can I do to assist you ?

Questions please –