

**LEEDS**

1. Clearly Leeds is a much bigger authority than Darlington and their Corporate Procurement Unit has a significantly larger budget. We want to deliver the best service we can within the resources we have and to do this we need to introduce best practice from other authorities regardless of their size. Leeds has a Corporate Procurement Unit (CPU) that sits within the Chief Executive's Department. The operating budget for the unit is £1.7 million, the revenue and capital budget for the authority is £1.2 billion.
2. Their Corporate Procurement Model has 3 dimensions; -
  - (a) Functions – responsible for strategic links with specialist procurement within departments e.g. Adult Social Services;
  - (b) Strategy – Includes supplier management; efficient, effective procurement; socially responsible procurement;
  - (c) Service – Client Service (advice and assistance to departments); Improvement Tools; Control/Standards
3. The CPU has seven sections, managed by the Chief Procurement Officer and a Deputy Chief Procurement Officer; -
  - (a) there are 4 sections directly responsible for procurement. Three link with departments, procuring specialist goods and services i.e. Construction, Adult Social Services, Children's Services, DLO (City Services) and ICT. The 4<sup>th</sup> group negotiate Corporate Contracts and monitor and control spend against these contracts. Any procurement over £100k has to be project managed by an officer from the CPU and they are called upon to assist with procurement exercises as required. The Strategic Procurement Managers of each of these teams sit on Departmental Management Teams;
  - (b) there is a section responsible for providing legal advice on TUPE, the execution of contracts and adherence to EU Directives, managed by the Procurement Compliance and Regulation Manager;
  - (c) another section looks at opportunities for improvement in areas like sustainability, regeneration and training and is managed by the Procurement Initiatives and Projects Manager;
  - (d) the final section is responsible for e.procurement and performance management for procurement within the authority, looking after the Council's e-Tendering and Contract Management System, P.Cards etc. The Procurement Performance and Systems Manager manages this section.
4. They have a competency framework and training programme for officers involved in procurement, with progression through the roles in the department only when the relevant qualifications have been achieved. Project management is integrated into the procurement process. Project boards are set up for all major procurements. When producing a business case for major project, officers have to consider the procurement strategy for that exercise.
5. Procurement is delegated fully to officers based on either level or function. The Leader of the Council has responsibility for procurement and is supported by a Lead Member. Members are involved in the quality assurance of projects. Regular reports are taken to the 'Transforming Services' Scrutiny Board to keep them updated of any waivers to standing orders, and performance against KPIs. Leeds does not have a Tender Panel

## WAKEFIELD

1. Wakefield is also a larger authority than Darlington; they were awarded Beacon Status for their speed of travel, socially responsible procurement, comprehensive e-procurement solutions and supplier engagement. They have a Corporate Procurement Unit, made up of a Service Director, Strategic Procurement Manager, e-Procurement Coordinator, Technical Officer and 3 Procurement Officers. There were 4 existing officers in corporate procurement roles, the other 5 were new posts created to support the function and recruited externally. The operating budget for the unit is £340k per annum. The CPU estimates they make £1million savings per annum, cashable and non-cashable.
2. The CPU is responsible for reviewing and updating the Corporate Procurement Strategy and Contract Procedure Rules on an annual basis. Contract Procedure Rules have been changed to encourage buyers to use the Voluntary and Community Sector for low value purchases well below the quotes level. Specialist procurement such as Social Care and Highways Maintenance and Construction is carried out in departments; purchasing is devolved to 400 staff in departments. Prince 2 Project Management Methodology is employed for all projects, with project boards and sponsor; they also carry out Gateway Reviews. They have developed a Skills and Competency Framework against which procurement staff are assessed: if a training need is identified they offer job shadowing and in-house training.
3. They have concentrated a lot of effort on engaging local Small Medium Sized Enterprises (SMEs), Black & Minority Ethnic Companies (BMEs) and the Voluntary & Community Sector (VCS). They introduced a Supplier Engagement Strategy which help increase their spend within West Yorkshire from 40% to 52% in the last 3 years. 85% of the authority's suppliers are SMEs. A Spikes Cavell Spend Analysis was carried out to assess how much these companies rely on the local authority for their livelihood and who would be at risk if the business was taken away. This information helped the Economic Regeneration Department and Business Link target these companies to help them find alternative sources of income.
4. They run a very successful annual Meet The Buyer Event, with 500+ attendees over 2 years. This year they are inviting the Police and PCT and are expecting this number to increase to 800. They held workshops with the VCS, funded by the Regional Centre of Excellence, and maintain a database of all e-mail contact details to allow them to send out information about possible funding opportunities. The authority works closely with the Federation of Small Businesses, Social Enterprise Support Centre, Social Enterprise Link, and ATL (who worked specifically on BME engagement) to keep them appraised of what is happening in the authority.
5. 95% of all goods and services are delivered under contract, however a large number of the suppliers are under the £1k threshold. The authority will be embarking on a supplier rationalisation programme early in 2007. This will be done without undermining the positive work already carried out with the Voluntary & Community Sector and SMEs.
6. Member involvement is through reports taken to scrutiny panels and attendance at workshops. They are only involved in procurement decisions over £200k, when a report goes to Cabinet. There is no tender panel, a legal representative opens tenders and members are invited but are not required to attend.

## **ROTHERHAM**

1. There is a 12 year joint venture partnership with BT to deliver HR, ICT, Revs & Bens, Procurement and a Contact Centre, on a RMBC 19.9% BT 80.1% split. 98% of the staff are operational and are employed by Rotherham on secondment to the partnership. BT brought a large injection of cash and expertise for a share of efficiency savings. There are five main procurement managers covering PFI, Bought in Goods & Services, Adult Services.
2. They have Procurement Champions Group and there are 2 elected member champions for procurement. They have a Procurement Panel consisting of the 2 member champions, scrutiny member, 3rd sector reps and the 5 procurement managers.
3. When BT were contracted to look at procurement there was no standardisation of processes, there was no ownership of the process, administration was mainly paper based and there was limited visibility of what was happening. They were tasked with the transformation of procurement through the use of ICT and improved processes.
  - a. The Best Practice Team creates plans for the categories of spend, the initiative is established and then the contract is tendered. The team consists of 10 people.
  - b. Fixed term contracts were given to the P2P people, which fitted in with the transformation issue.
  - c. At the beginning there was spend of £100m and Total Transactions £190k pa
  - d. All purchases are through catalogues and they have end user requisitioning. The budget holders authorise requisitions, which then creates an e-purchase order.
  - e. Quarterly meetings with suppliers.
  - f. Expect to be receiving 50k invoices electronically by the end of December 2006 via CSV or xml files, big suppliers (utilities, stationery).
  - g. Each invoice payment person processes approximately 10k invoices per year
  - h. Category managers work on 5 projects per year and then manage them.
4. They have developed a category management toolkit with a 3-stage approach - Strategy, Implementation, Management. There are four key elements –
  - a. Traditional but high quality procurement.
  - b. Project Management (Prince 2).
  - c. Customer Care.
  - d. Marketing (internal & external inc supplier development).
5. They have an inclusive approach with stakeholders, Council sponsorship (officers champion procurement plans), cross-functional teams, and consultation.
6. The desired outcomes from procurement are as follows; -
  - a. There has been an increase in local expenditure, in April 2006 approximately 57% of the authority expenditure was local
  - b. There is an improvement in environmental compliance
  - c. There is a reduced expenditure on goods & services, currently down by 3% and this figure is growing.
  - d. There is a reduction in administration costs, which are down by 30% (lost to staff)
  - e. A greater percentage of goods and services are delivered on time, lead times cut by 50%?

- f. Improvement in staff satisfaction, staff feel more valued as they are making a contribution and therefore a difference
  - g. Client satisfaction with RBT is nearly 60%
7. Client relationship manager sits between RBT and the Council, it sets the strategy for the authority and organises the agenda for the procurement panel.

### **Construction**

8. They have a framework of partners do deliver construction, all projects are managed using project management methodology, and their consultants framework partners help across all projects. They have 2 teams delivering project management, one for construction and one for service re-engineering and working on PFI.
9. The PFI teams have developed programmes for working with schools to help them improve. They have subcontracted the Facilities Management contract and have multi disciplinary teams finance, legal, comp head teacher, procurement nucleus to carry on with other projects. They have an 'I love my school' award which is paid for by partners and is awarded to schools for improving school facilities within the PFI programme for schools. Other PFI projects include, Waste Management Partnership PFI with Barnsley and Wakefield, 11 pools to be closed and 4 new state the art pools provided.