

Appendix 9 – Extract from Three Counties Procurement Project Business Case

A summary of the key issues and challenges highlighted in way service areas undertake procurement activities are listed below:

- The expertise, skills and knowledge of service department staff with procurement, commissioning and contract management responsibilities varies significantly across different parts of each Council.
- In tandem, service departments are adopting varying approaches to procurement, commissioning and contract management activity across each Council, resulting in a number of negative ramifications, including adoption of an inconsistent approach to the supply market.
- The above 'silo mentality' is also not conducive to each Council operating in a collaborative fashion internally and hence opportunities to adopt more efficient and effective ways of working are not being capitalised upon.
- Category management, which is generally accepted as a progressive approach, is currently not in place in any of the Councils, and this means that there is no strategic approach to purchasing, nor to ensuring that there is sufficient transparency in category purchasing. Without the visibility that category management brings, the councils are unable to really be in a position to know whether they are achieving value for money, nor whether they are aligning their distribution of human asset resource to areas where it is most needed.
- Due to a lack of resources and executive power, there is a disconnection between the promulgation of good procurement policy by the CPUs and the implementation of such policies consistently across each Council. The influence of the CPUs of each Council on the purchasing practices of the service departments is inevitably more limited than it ought to be, and is resulting in the CPUs engaging in too much 'fire-fighting'.
- Additional wider procurement support, such as legal support, is also inadequate in terms of capacity, which is leading to bottlenecks and unnecessary complications. Service departments require additional training on the European Procurement Regulations.
- Training and development support structures for procurement, commissioning and contract management within service departments appear to be highly informal and under-developed.
- Performance Measurement of individuals engaged in procurement, commissioning and contract management activities within service departments is infrequent to non-existent. KPIs are not directed at assessing

staff procurement competency, capability or performance, and so do not act as drivers for change in procurement practice.

- Service departments perceive that the CPUs of each Local Authority rarely have the required 'local' service knowledge and understanding, and hence do not involve the CPUs as much as they could. When the CPUs become involved, it can sometimes be too late in the process. Reciprocally the CPUs often feel that service department procurement, commissioning and contract management skills are sometimes lacking.
- Contract Procedure Rules are not always complied with and adherence to Corporate Procurement Strategies is inconsistent.
- There is often a lack of proper planning of procurement activities, resulting in inefficient and ineffective approaches that create unnecessary barriers for suppliers.
- Service department personnel are generally not specialists in procurement, commissioning and contract management, and perceive these activities as just one of a number of roles they are required to perform alongside other responsibilities that also place significant demands on their time.
- Contract Management and Supplier Relationship Management approaches vary significantly from the formal to the informal, and the effective to the ineffective.
- There appears to be a general lack of recognition and awareness within each Council of the wider significance and impact of good procurement, commissioning and contract management practices. Procurement in general is not viewed as a strategic function.