

Appendix 2

Benefits of Welsh Purchasing Consortium Membership.

The WPC consists of the sixteen Unitary Authorities in South Mid & West Wales.

Governance is provided by a Management Board which consists of Members/Senior Officers from each Authority.

Member Authorities currently pay an annual membership fee of £14,892. The WPC Management Board has decided to reduce this fee to £13,500 from April 2013 in order to ensure a balanced budget i.e. with no further contribution to the reserve.

In addition there are five Associate members who pay an annual fee based on their non-pay spend (currently £11,000 per annum in total). Associate members do not play any part in governance arrangements but are entitled to attend WPC Category Group meetings and are included in WPC Framework Scoping exercises.

The Central Management Team was created in 2009 and consists of three Officers whose role is to support and coordinate WPC procurement activity which is operationally undertaken by member Authorities on a reciprocal basis.

Benefits – The WPC has :-

- Established a portfolio of compliant procurement arrangements that can be accessed by all member Authorities. Under our reciprocal arrangement each full member Authority is expected to undertake a “Lead” role for a maximum of 4 Frameworks and has in return access to over 60 framework agreements. This will be amended incrementally over the next 2/4 years as the NPS is develops.
- Established a standard procurement efficiency identification and recording model /mechanism that ensures a robust approach. Cumulative efficiency savings amounting to £14.1 million have been realised since 2009. These are detailed below:-

<u>Authority</u>	<u>Cashable</u>	<u>Non-Cashable</u>
Swansea CC	£1,259,799.00	£423,574.00
Neath Port Talbot	£625,166.00	£320,686.00
Bridgend	£521,791.00	£341,182.00
Vale of Glamorgan	£338,297.00	£316,166.00
Rhondda Cynon Taff	£873,015.00	£396,341.00
Merthyr	£231,515.00	£230,417.00
Caerphilly	£776,828.00	£648,341.00
Cardiff CC	£1,187,656.00	£423,044.00
Newport	£602,042.00	£309,039.00
Torfaen	£399,777.00	£266,760.00

Monmouthshire	£416,419.00	£262,403.00	
Blaenau Gwent	£413,330.00	£365,813.00	
Pembrokeshire	£438,618.00	£260,467.00	
Powys	£344,797.00	£221,732.00	
Ceredigion	£24,428.00	£176,000.00	
Carmarthenshire	£432,038.00	£230,034.00	
Total	<u>£8,885,516.00</u>	<u>£5,191,999.00</u>	<u>£14,077,515.00</u>

- Adopted an optional approach to contracting in that each member Authority unilaterally decides whether to take part in the exercise or not, which fully recognises the local policy decisions and pressures within Authorities
- Worked positively through the following Category Groups in order to define a forward work programme and to ensure that as much as possible in our procurement strategies to support our indigenous supply base. This includes completion of a Sustainable Risk Assessment for all WPC Arrangements which will determine individual lotting strategies, together with Project specific Supplier Awareness Events
 - Energy Group,
 - Building Materials, Environmental Services & Highways Category Group,
 - Corporate Needs and Professional Services Group
 - Social Services Group
 - Construction Services Group
 - Fleet Category Group
 - Food Category Group
- The success of these initiatives is reflected in the fact that evidenced in that of the 260 suppliers that were formally appointed to WPC Procurement Arrangements during the period 1st September 2010 to 31st August 2012, 73% were detailed as being based in Wales.
- Developed a suite of standard documentation including ITT templates, Standard Letters (debrief, standstill, award etc) together with common sets of Terms and Conditions of Contract for Goods, Services and ICT. We have created a WPC pre- procurement and procurement process that is used for all WPC procurement projects.
- Suppliers are continually asking for a more consistent approach to procurement by public sector organisations and this initiative has been very positively received. The intention is to develop and expand standardisation in everything we do.
- Commissioned practical “risk based” procurement guidance relating to compliance with EU Procurement Directives in the context of collaborative contracting. This is aimed at reducing the potential for legitimate challenge

and gives organisations using WPC arrangements further confidence in the arrangements.

- Developed a Category Management approach to collaborative procurement ensuring that our Category Groups consist of product/service/technical specialists as well as procurement professionals which maximises potential for practical progress and “fit for purpose” collaborative procurement arrangements.
- In conjunction with Environmental Health colleagues WPC Food Group has developed a Food Complaints process which is viewed as best practice.
- As the largest public sector collaborative organisation in Wales the WPC is seen as a leading reference Group in terms of the relationship with Welsh Government. This is evidenced through input into “Smarter Buying in Tougher Times”, the National Procurement Service Business Case, xchangewales Futures project and the Construction related Collaborative Works Group.
- The WPC has a comprehensive website which provides comprehensive information on our strategic aims, structure, contract portfolio and Forward Contract Plan.

: