



2006-2007
Delivery of Quality Services
Through Procurement



Cambridgeshire
County Council

Case Study 1

Procurement in Cambridgeshire – an Introduction

Feature 1

The service we provide to customers, both internal and external: procurement has been considered a critical element of excellent service delivery in Cambridgeshire County Council for many years. Since our Best Value Review of Procurement (October 2000), we have taken a pro-active approach to improvement that has resulted in our winning a number of awards that recognise our approach to service delivery.

Customer focus – putting the customer at the heart of everything we do – is a Council Value expressed in our corporate plan. All our contracts seek to focus on securing high quality services and ‘added value’ activities from suppliers rather than simply the lowest cost – ensuring that wherever suppliers can provide something of additional benefit to us, we tap into it to provide better services for our customers. We also encourage suppliers to propose innovative solutions or changes to meet our needs, especially where the changes will result in better customer service or reduced costs.



Another of the Council’s longstanding core values is Equity – serving all our communities well, making sure services are accessible. Key suppliers to the council are required to ensure that our core values are fully reflected in the services they provide.

Our corporate procurement activities require us to consult with our internal as well as external customers. Our building cleaning contract was recently re-tendered, and this is a particularly emotive topic, as it not only impacts on the working environment of our staff, but in front line services (such as libraries and Register Offices) it also affects our external customers. We recognise that our staff want to be proud of all the elements of the services they provide to the public, the appearance of the facilities included, and so this contract was the subject of user consultation on current service and future requirements. Robust mechanisms for feedback and complaints have been developed, and a new approach to monitoring at individual building level will empower our customers to secure the standards they desire.



Feature 2



Our culture of partnership and collaboration: within this authority, a common belief is “don’t reinvent the wheel” – sharing our learning (and learning from others), collaborating with neighbours, colleagues, and organisations across the country, and joining together to make best use of our time and resources, are all part of the Cambridgeshire culture.

Improving services by pulling in the same direction with our partners is a third Council value which comes into play with procurement. The Audit Commission (2004) noted that “the council has continued to build on the strengths... It has continued to invest in innovative partnerships to deliver complex aims... This is an area of strength for the council.”



In 2003, we created the Cambridgeshire Collaborative Procurement Group – a group where all the District Councils and the County share good practice, agree joint procurement agendas and strategies, and identify opportunities to work together on procurement activities. Recent examples include our Print framework contract (which one District used to save £36,000 on a number of printing projects), and the creation of a standard training programme, with a council-specific section (to be tailored to cover Contract Standing Orders, internal policies, etc) and a generic procurement section (covering EU procurement, best practice, etc) that can be used by all councils.



Feature 3

Our focus on Efficiency and Continuous Improvement: our customer service and our culture of collaboration combine with a positive attitude to innovation, improvement and challenge. This means that for many years we have been addressing the principles identified in the 2004 Spending Review. We had already achieved many efficiency gains before the introduction of the Efficiency Agenda as a result of this focus.

“Speed through Simplicity”

The Council has standard procedures for procurement set out within our Contract Regulations. However, in order to ensure competition is a central part of all processes, and to make it as easy as possible for staff to understand it, we have a number of other initiatives:

- quotation pads issued to staff to make it quicker to issue hard-copy requests for quotations
- an electronic version available for staff should they prefer to obtain quotes in this way and where suppliers can accept e-mail or fax – it is not only quicker and cheaper.



- for Framework Contracts, electronic request for quotation forms (specially designed to require minimum information and pre-loaded with the necessary addresses) make the process fast, cheap, and straightforward.
- template documents as part of our Procurement Handbook (on the Intranet) with guidance on undertaking procurement activities, to make it easy for staff to tender, including a 'Quick Calculation' tool to provide timescales for procurement projects by just entering a start or contract award date.
- no additional competitive processes are required when purchasing from Eastern Shires Purchasing Organisation or contracts let by them.



Corporate Contracts - Temporary Staff

The labour market in Cambridgeshire is an unpredictable one, with low unemployment meaning that it can be very hard to recruit staff for a short fixed period. Rather than forcing agencies in this market to cut their prices (and therefore reduce the wage staff earn), we focused on the quality of the staff agencies can provide and the proportion of the fee that is paid to the temporary worker (the more that goes to the employee, the more the agency values their ability and the more likely they are to stay in that post for the duration of the placement).

In 2004, we let a framework contract for Temporary Staff in the Authority. The contract removes commission fees that used to be paid to the agencies when we took on as a permanent employee a temp who had worked for us for over 6 months. We estimate this alone will save us around £75,000 a year.



Under the framework contract, our users invite all the agencies in each category of provision (administrators, IT staff, social care staff, etc) to 'bid' for each placement. Benefits are that:

- agencies are offering higher-quality temps to improve their chances of winning the placement
- the hourly rates are being reduced as agencies try to gain a competitive edge
- we are paying the market rate so the agencies no longer seek alternative, better paid positions to move staff to and they stay in post for the duration of the placement (thus we only need to recruit and train one person).

Not only are we getting better value for money, but the services we deliver are providing a better quality of staff to help our frontline services.





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Contract Management & Performance

As part of our drive to improve the way we manage contracts and the value for money they deliver, we have introduced a Contract Management Review programme. Contract Managers provide a self-assessment of their contract management and performance on an annual basis; these assessments undergo a peer review by experienced contract managers, who make recommendations to improve the management and performance. Steps are being taken to develop the focus on benefits realisation and efficiency gains, to link in with the Efficiency Agenda.



e-Procurement

Cambridgeshire, a forerunner nationally in implementing e-procurement, went live with Oracle i-Procurement in January 2002 and had 800 users online within three months. Users can order from catalogues for our Corporate Contracts (providing them with quick and easy access to best value options), and can raise free-text orders for other purchases (but are required to provide evidence of competition and Value for Money before being able to add another supplier – in these cases, users are often then made aware of existing, better value options to use instead). We also have purchase cards for use by staff when off-site, or for ad-hoc and low value purchases (such as travel, accommodation, or buying from websites).



We have taken a decision to undertake e-auctions through ESPO as they can achieve the volumes – and therefore larger savings – more easily than we can. Current e-auctions include bottled water and mail services, in collaboration with the Central Buying Consortium (CBC) to maximise savings and ensure as many authorities as possible can benefit. We are also producing our business case for implementation of the ESPO Electronic Marketplace for suitable categories of procurement, thus meeting one of the e-procurement Priority Service Outcome targets.

Cambridgeshire's Approach to Procurement – a Summary

- Taking a strategic approach to procurement with senior level support
- Focus on Core Values – using procurement to deliver our corporate agenda
- “Don't Let and Forget” – the work doesn't stop when the contract starts
- Challenge, collaborate, and be willing to try something new.
- Work with Partners to deliver services, in particular with early Contractor involvement

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