



By Morven MacNeil,
GO Features Editor

Widening the Horizon

The ever-changing agenda of the procurement profession, including collaboration and sustainability, was the main focus of the 2008 SOPO Annual Conference and Exhibition.



David Stewert Bell, Mayor of Solihull and Liz Welton, Chairman of SOPO

Widening the Horizon – the recent Society of Procurement Officers in Local Government (SOPO) Annual Conference and Exhibition – focused on the key issues raised by the expanding responsibilities facing Society members as they go about their daily tasks.

Organised by BiP Solutions, this was the 11th SOPO annual event, and was held for the first time outside London, at the St Johns Hotel, Solihull.

The conference spotlighted some of the best practice that is taking place within procurement, much of it being generated by SOPO members who are driving change through innovative ideas, in conjunction with many suppliers. Heavyweight speakers included David Shields, Programme Director, Markets and Collaborative Procurement at the Office of Government Commerce (OGC); Simon Sperryn, Chief Executive of the Chartered Institute of Purchasing and Supply (CIPS); and Barbara Morton, Director of Action Sustainability.

Welcoming SOPO members to the conference was Liz Welton, Corporate Procurement Manager for Solihull MBC and newly appointed Chairman of SOPO. Ms Welton explained the concept of the new Buyers Village area at the conference, and how it aimed to give private and third sector attendees and exhibitors the chance to network with local authority personnel, purchasing consortia, the Regional Improvement and Efficiency Partnerships (RIEPs) as well as representatives from the Department for Children, Schools and Families (DCSF).

Mr Shields informed delegates that 70 per cent of public sector spend comes from outside central



David Shields, Programme Director, Markets and Collaborative Procurement, OGC



Lorely Burt, Liberal Democrat MP for Solihull



The Buyers Village area was a hub of information



Simon Sperryn, Chief Executive, CIPS

government and that more than 40 buying organisations are purchasing on behalf of the public sector. The OGC is looking at how these consortia can become more connected and strategic in support of Comprehensive Spending Review 2007.

He said: “Collaborative procurement is a key strand of OGC activity. We are looking at driving pan-government strategies across commodity type expenditure in areas such as professional services, energy and office solutions – purchases that every organisation makes.

“We are also looking at developing supplier relationship management and a performance management system across the major categories.

“This is an opportunity to drive value by acting collectively and pooling resources – and I mean resources in their broadest sense. It is a difficult and complex challenge which will take time; it is not about quick fixes.”

Mr Shields also highlighted the benefits of regional and local delivery, where it adds value, saying that the OGC has a growing relationship with the RIEPs, sharing strategies, data and information.

He concluded: “Collaboration needs to be instinctive and it needs to be one part of a portfolio of options open to local government buyers.”

Lorely Burt, Liberal Democrat MP

for Solihull, talked about the role of small businesses in bringing about a more sustainable and productive economy, stressing that “ensuring SMEs get access to markets and enjoy a level playing field with the big boys is good for the health of the economy”.

Ms Burt continued: “In today’s punishing economic environment we need to ensure that businesses are helped as much as possible. I would also encourage local government attendees to pay their invoices in line with the new government policy of ten days, rather than 30, and to think about how to lower barriers to SMEs.”

Mr Sperryn spoke to delegates about raising standards in procurement and promoting the profession to the outside world. He noted that the economic trends appear to be recession in the short term and global competition in the long term. He stressed that the spotlight will be on procurement to buy sensibly as raw materials become more difficult to obtain. He also said that procurement professionals need to ensure they have strong buying partnerships and are prepared to take risks to deliver long-term solutions for their organisations, rather than just negotiating contracts.

Steve Baxter, Channel Development Manager at event sponsors Kyocera,

discussed the environmental impacts affecting both buyers and suppliers. He said: “Although we all want to embrace environmental sustainability, suppliers cannot expect buyers to disregard other important criteria such as budgets. If you are going to intensify the focus on environmental sustainability, it has to be based on products and not just company policies. Everybody has a company policy on environmental sustainability,

‘In today’s punishing economic environment we need to ensure that businesses are helped as much as possible’ – Lorely Burt, MP for Solihull

but there’s no point in having a good policy unless you have a product range that is built on good technology.”

SOPO Awards for Outstanding Achievement in Procurement – sponsored by Visa Commercial

The conference was also the occasion for presentation of the 2008 SOPO Awards for Outstanding Achievement in Procurement, which took place at the Gala Awards Dinner on the evening of the event. ▶

‘This is an opportunity to drive value by acting collectively and pooling resources – and I mean resources in their broadest sense’ – David Shields, OGC



Pictured are representatives from Southwest One, with Jonathan Holden, Visa Commercial (second from right) and Ken May, SOPO Secretary (far right)

► These are the only national awards to specifically cater for procurement within the local government arena. Now in their seventh year, the SOPO Awards attracted a record number of entries. In addition, all submissions received under the four regular award categories to involve education (schools, colleges and universities) were considered separately under a special Education Award category, which was sponsored and evaluated by the DCSF.

THE WINNERS:

County Council Category – Worcestershire County Council

Worcestershire County Council has a relatively small Strategic Procurement Team consisting of Michael Howard, Strategic Procurement Manager; Joe Stock, Strategic Procurement Officer; and Michelle Birtwistle, Support Officer. The council won the award in recognition of the excellent work they have undertaken on their passenger transport e-auction programme. This programme has reduced total life costs by around 25 per cent over the length of the contract, equating to savings of over £900,000. This has clearly achieved one of the project's aims – to reduce costs and produce cashable savings.

These savings have been realised despite increases in fuel prices and the current economic crisis.

Joe Stock said: "Winning a national award like this is invaluable for raising our profile, not only internally but also externally. It's good for our reputation as a high-profile, high-performing department within Worcestershire CC, and reassures the public that their money is being effectively spent."

"The award highlights the benefits that can be realised by working with the procurement team. Early buyer involvement is extremely important for better supplier relationships, effective development of specifications, and a greater innovation opportunity."

"The procurement team are now looking to build on the success of this award and are looking to other potential areas where we can achieve similar success."

Single Tier Authority Category – Wakefield Metropolitan District Council

Wakefield Metropolitan District Council Highways Contracts Team received the Single Tier Authority Award for their work on the Castleford Footbridge Project. This project was the final and most ambitious element of the Castleford Project, aiming to unlock urban renewal and spark new confidence in the former coal-mining town. Initiated by Wakefield MDC along with Channel 4 and local community and civic groups, the project sought to deliver a high-quality footbridge fitting the aspirations of the local community within the restrictions of a fixed budget. The footbridge opened in July 2008 to wide acclaim, and was completed within budget.

Tim Wheeler, Design and Contracts Manager at Transportation and Highways, Wakefield MDC, said: "Within Wakefield there is recognition that our innovative approach to procurement was central to achieving successful delivery of the project. We are delighted to receive the SOPO Award, as peer

group recognition of what we delivered, which will help us to push forward with further innovative ideas."

District Council Category – Waveney District Council

Following a CPA Assessment at the end of 2004 which resulted in Waveney District Council being rated a 'Weak' council, a decision was taken that would see Waveney moving towards becoming an enabling council.

One priority highlighted was to find an alternative method of delivering the services provided by the Operations and Facilities Section. In September 2007 authorisation was given to procure a long-term strategic partnership to deliver these services, ensuring that value for money would be achieved.

The council's Procurement Section consisted of five full time employees, and at the point of notification they were working on 26 tenders. The team was advised in late September 2007 that the engagement of a strategic partner was required by 1 July 2008. This was a challenging prospect considering that a procurement of this nature would reasonably expect to take 18 months.

The contract, however, was signed on 27 June 2008 and resulted in cost savings for the 15-year partnership, with an underspend of 1.56 per cent over and above the Gershon efficiencies reduced budget of £1,373,334.

Stephen Baker, Chief Executive at Waveney DC, said: "This was an intricate procurement for any contracting authority and the dedication, commitment and tenacity of the procurement team showed what can be accomplished at a non unitary authority level. The team is delighted and proud that their achievement has been recognised; it is an endorsement of the team's hard work."



Left to right: Jonathan Holden, Visa Commercial; Brian Thomas, Senior Contracts Engineer, Wakefield MDC; Tim Wheeler, Design and Contracts Manager, Wakefield MDC; and Ken May, SOPO Secretary



Left to right: Jonathan Holden, Visa Commercial; Michael Howard, Strategic Procurement Manager, Worcestershire CC; Joe Stock, Strategic Procurement Officer, Worcestershire CC; and Ken May, SOPO Secretary



Left to right: Jonathan Holden, Visa Commercial; Ian Gregory, Service Manager (Waste, Commissioning and Partnerships) Waveney DC; Debra McMurtry, Senior Procurement Officer, Waveney DC; Ian Purdom; Service Manager Procurement, Waveney DC; and Ken May, SOPO Secretary



Left to right: Ian Taylor, Commercial Director, Centre for Procurement Performance at the DCSF with Kaja Shaw of ESPO and Ken May, SOPO Secretary

Other Category – Southwest One

Southwest One was set up by Somerset County Council, Taunton Deane Borough Council, Avon and Somerset Police Authority and IBM to provide cost savings and improved efficiency in the delivery of services to Somerset residents. The company won the SOPO Award for its tactical procurement programme and other initiatives promoting the effective buying of goods and services.

The overall contract target for savings from Southwest One is £200 million over ten years. Originally, the procurement savings target was £140 million; that has now risen to £150 million. It aims to provide cost savings and improved efficiency in the delivery of services to residents in areas such as customer services, workforce development, purchasing and the management of members' shared IT systems.

Councillor Sam Crabb, Portfolio Holder of Strategic Resources and Finance at Somerset CC, said: "We are delighted that this groundbreaking change in our operating procedures has been recognised so quickly. The achievements of Southwest One are really good news for Somerset council tax payers."

Councillor Ross Henley, Leader of Taunton Deane Borough Council, added: "We joined the Southwest One partnership because we wanted to deliver better value for money for local people. We are now starting to reap the rewards from the partnership, which is good news for our local community. We look forward to further savings and improvements to frontline services."

Education Award – Eastern Shires Purchasing Organisation

Eastern Shires Purchasing Organisation (ESPO)'s submission outlined the provision of a hosted and

managed internet-based virtual learning environment (VLE) for primary and secondary schools.

In 2007 ESPO was engaged by Norfolk County Council, Milton Keynes Council and Southend-on-Sea Council to run and manage a procurement exercise to identify and appoint a provider of a new VLE for primary and secondary schools.

The potential value of the contract for Norfolk CC is £900,000 over an initial three-year period, depending upon the actual mix and scale of components procured by the council. For the other two authorities, the sums will be pro rata, totalling £470,000 over the same period. These sums include quantifiable cost savings arising from the aggregated contract award made possible by the collaborative approach to procurement provided by the three authorities.

Ken May, Director of ESPO, said; "The organisation has put in place a considerable number of innovative framework contracts specifically focused towards meeting the needs of the education sector, so it was pleasing to hear from Ian Taylor of the DCSF at the Awards Gala Dinner that the award to ESPO was particularly well deserved. Such a glowing plaudit will obviously result in the organisation submitting an entry in 2009."

Conclusion

Widening the Horizon was a great success, confirming SOPO's position as one of the leading representative bodies involved in UK public procurement and setting a number of challenges for purchasing professionals – all with the aim of further transforming procurement practice and performance.

Full speaker list...

- Steve Baxter, Channel Development Manager, event sponsors Kyocera
- Andy Burford, Transport Project Manager, Gloucestershire County Council
- Lorely Burt, Liberal Democrat MP for Solihull
- Dorothy Cowie, Director, Scotland Excel
- Stephanie Favell, Programme Manager (LCE & VNMS), Business Development Unit, London Borough of Havering
- Paul Gilbert, Envirowise
- Ashley Gould, Head of Procurement, The Highland Council
- David Hansom, Solicitor, Eversheds LLP
- Mel Jones, Contract Development Manager, Exeter City Council
- Dr Andrew Larner, Director, Improvement and Efficiency South East
- Barbara Morton, Director, Action Sustainability
- Michael Mousdale, Head of Procurement, Eversheds
- Lin O'Hara, Acting Director of Market Development, Futurebuilders England
- Richard Painter, Commercial Group, Department for Children, Schools and Families
- Joyce Redfearn, Chief Executive, Wigan Council
- David Shields, Programme Director, Markets and Collaborative Procurement, OGC
- Simon Sperryn, Chief Executive, CIPS
- David Stewert Bell, Mayor of Solihull
- Liz Welton, Chairman, SOPO

Further information...

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