

NePP Strand 5: Supplier Adoption & Economic Development
Supplier Analysis and Impact Assessment Specification
Standard Outline Statement of Requirement

Introduction

Carrying out a supplier analysis from the thousands of records available on your Financial Management System is costly in time and effort but is a fundamental requirement if you wish to build a business case for e-procurement and develop an appropriate supplier adoption strategy. One answer is to give the data to companies which can cleanse and match the data and provide you with a supplier analysis and assessment of the potential impact on your local business community.

This paper has been developed as a standard for specifying a supplier analysis and impact assessment in the event that you decide to put this requirement out to contract. It can be freely adapted and used in an invitation to tender. It can also be used to set benchmarks for the process should you decide to undertake the analysis in-house.

We hope this specification is of use to you. Please feed back any comments and experience of using it to: nepp@imaginist.co.uk.

The Requirement

This document outlines the requirement for a rapid and cost-effective analysis of [] Council's suppliers, including an assessment of the impact on the local small business community and identification of those local small businesses likely to be at most commercial risk as a result of a significant reduction or cessation of trade, as [] Council and other public sector organisations in the [Borough/District] move to e-procurement.

Required Deliverables

- A cleansed list of matched suppliers, ranked by consolidated transaction value, suitable for use in a supplier/spend analysis by the Council;
- An impact assessment summary presentation that will place the 'at risk' suppliers within the context of the Council's economic and skills profile;
- A list of 'at risk' suppliers in a format designed to facilitate subsequent policy and collaborative activity with local business support organisations;
- A face-to-face presentation to the Council of the results.

Expected Approach

To deliver these elements we would expect you to:

1. standardise and cleanse [] Council's supplier database, including flagging of records that are no longer trading;
2. append relevant modelled attributes and other relevant data to as many of records in the local authority supplier database as possible;

Supplier Analysis and Impact Assessment - Proposal

3. provide a high level insight (in the form of a presentation) into the impact of the adoption of e-procurement on the local SME business community;
4. return the data analysis file of matched suppliers in a sufficiently 'clean' form (standardised company name & address along with a consolidated transaction value and an 'at risk' score) to be readily utilised for a programme of supplier recruitment and accreditation. This will include:
 - o consolidation of transactional history;
 - o removal of records with a consolidated transactional history below an agreed threshold;
 - o elimination of any duplicates;
 - o a general profile by sector, size and geography of [] Council's SME business community;
 - o a general profile by sector, size and geography of [] Council's SME supplier base;
 - o a method for identifying 'at risk' companies*
 - o a high level analysis designed to determine what impact implementation of e-procurement is likely to have on [] Council's supplier base along with recommendations as to how any impact might be minimised.

* *one recommended approach is to rank the companies by spend per employee*

We will supply sufficient data (business names, addresses, post codes, telephone numbers, contact names as a minimum and, where possible, a unique identifier such as a D-U-N-S or VAT/registration number) along with 12 months transactional history for all the records in [] Council's supplier database. Our estimate for quotation purposes is that we have [] records on our financial management system.

Project Management

The supplier is responsible for ensuring the quality (within the limitations of the data provided) and timeliness of delivery of the analysis.

Costings should be broken down into two elements:

- Supplier Analysis, including match & processing fees to undertake the file preparation and data fees for the data that is required to facilitate the analysis
- Impact Assessment, including analytical fees to undertake the analysis and preparation of the summary presentation and a face-to-face presentation of the results

The price should include all costs, including an estimate of any travel and incidental expenses, but exclude VAT.

Fees will be payable 50% on commissioning of the project and 50% upon delivery of the data and analysis.

Pricing guide: A benchmark price for this work has been obtained from SpikesCavell&Co and Local Futures, working together to provide the full analysis and impact assessment. This suggests that a County Council should be looking to pay no more than £20,000 for this work, a District (with fewer records) no more than £12,500. A group of Councils who jointly contract for the work should be looking for a scale discount of up to 25%, reflecting the opportunities this brings for optimising the analytical processes. You should expect the results to be available within a working month.