

Delivering e-procurement

LGOL I National Project

www.nepp.org.uk

Supplier Adoption & Economic Development (Strand 5)

What the Management Team needs to know and do



local e-gov

Introduction:

e-Procurement as part of e-Government

- e-Procurement is a tool that enables the Council to improve its procurement practices, rationalise its suppliers and buy smarter
- Historically procurement has been seen as a 'back office' function and has not been viewed with great significance
- But the way in which procurement of goods, services and works is managed across a Local Authority impacts on the performance of the organisation as a whole
- It links to the Council's strategic plans for business vitality, sustainability and well-being
- So e-procurement is a strategic part of e-government



e-Procurement: the Elected Member's agenda

- **Elected Members should be looking for an e-Procurement implementation that:**
 - **Supports the political manifesto and the aims and objectives of the council**
 - **Contributes to CPA measures, including better performance on environmental, sustainability and quality measures through improved management information and practices**
 - **Recognises the contribution suppliers can make to the council and deals with supplier relationships in a way that satisfies duties to the local business community**



e-Procurement: the Chief Executive's agenda

- e-Procurement is central to the Chief Executive's corporate and e-government agendas, in that it:
 - Meets IEG targets
 - Encourages adoption of e-technology by staff to communicate internally and externally – essential culture change
 - Requires collaboration with and between strategic partners, externally and internally
 - Facilitates business vitality, sustainability and well-being in the local community



e-Procurement: the Finance Director's agenda

- **e-Procurement is central to the Finance Director's agenda:**
 - **Compliance to financial and Best Value statutory duties**
 - **Efficiency benefits in transaction process time**
 - **Potential savings from rationalised and smarter buying**
 - **Reductions in resources allocated to invoice processing**
- **Savings of 5-7% year on year are achievable in most Councils**



e-Procurement: What the Management Team needs to do

- The Management Team needs to satisfy itself that it is using e-procurement to procure strategically and that it facilitates the attainment of the authority's aims and objectives
- It must:
 - Understand the strategic issues and opportunities
 - Ensure a thorough risk/benefit analysis is carried out
 - Champion e-procurement and supplier adoption
 - Recognise and understand the needs of the supplier
 - Ensure sufficient resources are allocated to communicating with suppliers
 - Ensure that a coherent policy is developed for dealing with local suppliers



e-Procurement: Supplier Adoption

- Achieving these objectives requires that suppliers are willing and able to transact with the council electronically
- The reluctance or inability of suppliers to adopt electronic trading can act as a road-block to successful implementation
- The NePP Supplier Adoption guidelines provide best practice advice on how to avoid the ‘supplier adoption road-block’
- They also suggest ways to ensure that your e-procurement programme does not damage vulnerable local suppliers



e-Procurement: The Supplier Adoption guidelines

- The following guidelines are available as part of the National e-Procurement pages on the IDeA Knowledge website:
 - **Checklist:** a quick way to establish your status and monitor progress
 - **Practical Steps to Successful Supplier Adoption:** 'how to' guidance for managers responsible for implementation of e-procurement
 - **Key Questions:** answers to the questions that come up again and again
 - **Detailed Guidelines:** guidance and technical specifications for unfamiliar and new aspects of supplier adoption
 - **Supplier Case studies**
 - **Resources:** exemplar materials

