

PUBLIC SERVICE COMMISSIONING AND CONTRACTING

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North West Centre Of Excellence

**Purpose: To support Local Authorities
in the Delivery of Efficiencies**

- **Initiate**
- **Sponsor Initiatives**
- **Support Delivery of Programmes**
- **Identify Opportunities**
- **Practical Support**
- **Share Best Practice**

Improvement through efficiency

The North West

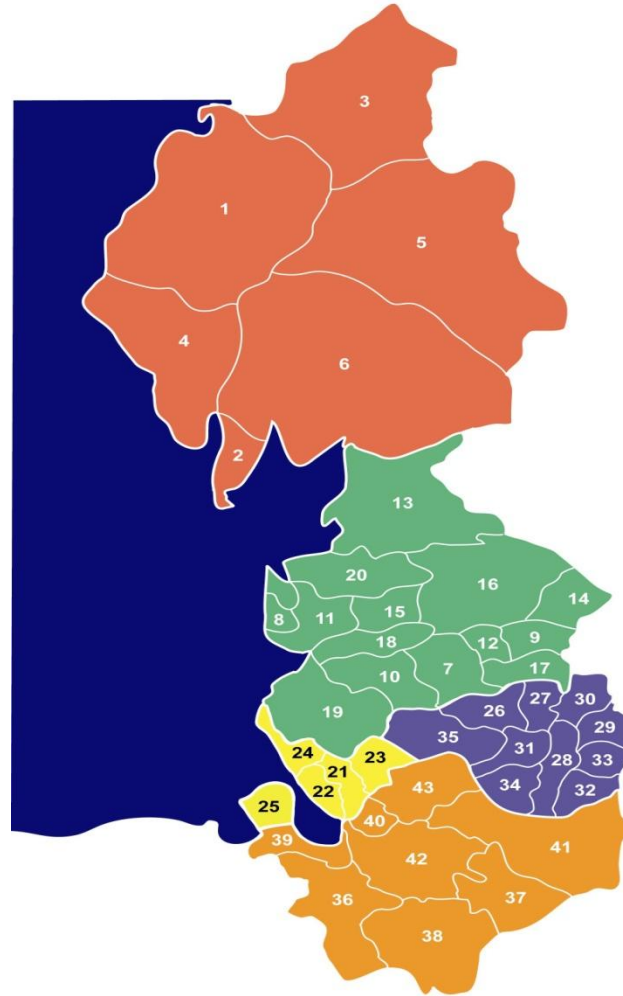
3 County

4 Unitary

15 Metropolitan

24 District

1 National Park



Improvement through efficiency

WHY IS PROCUREMENT IMPORTANT?

North West Local Government: £6.5bn pa

£900 per Adult and Child

45% of Local Authorities' Costs

Greater Manchester Procurement: £2.5bn pa

Improvement through efficiency

What do local authorities buy?

Construction	28%
Commodities, Goods and Services	20%
Health and Social Care	18%
Waste	7%
Transport	5%
Stationery and IT Consumables	0.1%

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Key Priorities for Procurement

Comprehensive Spending Review (CSR07)

Government Policies

- Sustainability, Local Economy, Social
- Supporting Innovation

Transforming Government

- Deliver Improved/Transformed Services/Performance

Improvement through efficiency

CSR07

- 2010/11 £4.9bn UK Wide
- 2010/11 £700m North West
- 2010/11 £700m GM

- 58% to comes from Procurement

Improvement through efficiency

The NWCE Strategy for Third Party Spend

Procurement Landscape

- Purchase Spend Analysis
- Price Benchmarking
- Procurement Resources

Short to Medium Term Gains

Transforming Procurement

- CSR07 Benefits
- Procurement Structure
- Advanced Procurement Practices
- Procurement Competencies and Expertise

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Where are we now?

- **15% of spend within Local Authorities' borders**
- **70% of spend within North West**
- **40% of spend with SMEs**
- **60% of spend with suppliers common to more than one Local Authority**
- **1% of suppliers account for 60% of spend**
- **0.1% of suppliers account for 30% of spend**

Locally Sourced and Produced

- **70% of businesses with North West suppliers**
- **Increased local sourcing e.g. food**
- **Use of local labour**
- **Every £1 spent in the North West is £1.76 to the local economy**
- **Every £1 spent elsewhere is worth £0.36 to the local economy**

Councils' Issues

- **Standing Orders**
- **EU Procurement Directives**
- **Environmental Standards**
- **Commissioning vs Procurement**

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Responding to Tenders

- Respond to specification
- Be aware of evaluation criteria
- Tenders are your shop-front
- Be aware of forthcoming Tenders
- Try to gain competitive advantage through environmental factors
- What are your key selling points
- Provide what is required – not what you want to sell
- Collaborate on Tendering

What is NWCE doing?

- Supplier database
- ePortal for adverts – www.thechest.nwce.gov.uk
- Contracts database
- Developing sustainability initiatives within the NWDA
- Best practice manual
- Harmonising procedures

What can the Third Sector offer? How can it increase its business?

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