

# **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

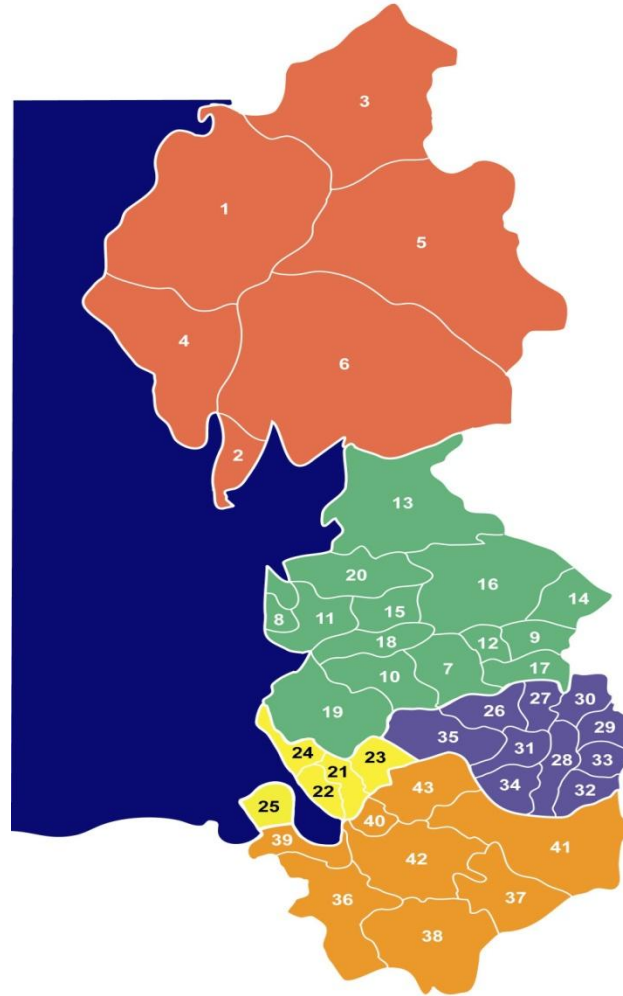
**3 County**

**4 Unitary**

**15 Metropolitan**

**24 District**

**1 National Park**



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# 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**

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# What do local authorities buy?

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

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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

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# CSR07

- **2010/11**      **£4.9bn**      **UK Wide**
- **2010/11**      **£700m**      **North West**
- **2010/11**      **£700m**      **GM**
  
- **58% to comes from Procurement**

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# 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](http://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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