

**APSE Wales Seminar – Innovation, Income  
Generation and efficiencies  
22<sup>nd</sup> June, 2012**

**Workshop B  
Procurement : Welsh Purchasing  
Consortium**

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**WPC – What is it ?**

- A collaborative procurement organisation of 16 Local Authorities in South, Mid & West Wales
- Procurement activity undertaken by member Authorities on behalf of member Authorities on a reciprocal basis
- Work coordinated and supported by a small Central Management Team (CMT)
- “Lean” organisation by design – CMT has 3 staff  
**CRITICAL ISSUE**
- Cooperation = Action and Progress
- No cooperation = No action or progress



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**Brief History**

- WPC originally formed in 1974 – West, Mid and South Glamorgan County Councils
- 12 Unitary Authorities following LGR - 1996
- Making the Connections Project - 2006
- Expanded from 12 to 16 Local Authorities in 2008
- Covers South, Mid and West Wales
- CMT established 2009
- 6 Authorities in North Wales make up the North Wales Procurement Partnership



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### Governance

- **Written Constitution signed by 16 Authorities**
- **Strategic Management and Policy through Management Board - Quarterly**
- **Operational Management and Policy Development through Officers Group – Monthly**
- **5 Strategic Aims – see APSE Publication**



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### The WPC has adopted a Category Management Approach to contracting activity

- **Business” divided into 7 categories**
- **Construction**
- **Building Materials, Environmental Services and Highways**
- **Social Care**
- **Food**
- **Corporate Needs & Professional Services**
- **Fleet**
- **Energy**



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### Category Groups

- **Groups meet on a bi monthly basis**
- **Elected Chairs in place**
- **Procurement representatives from each member Authority**
- **Representation from other Professions and Disciplines essential**
- **Reviewing whole portfolio on an ongoing basis to ensure maximum benefit from collaboration**



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### How is procurement undertaken ?

- KEY – STANDARD APPROACH
- Overarching reciprocal arrangement – effort shared equally across members
- Actual spend data within Authorities analysed by Category Groups to identify potential areas for WPC contracts
- Scoping exercise undertaken to determine practical potential
- Parameters
  - Minimum of 8 Authorities committed
  - Minimum total projected spend - £200k pa
- Lead Authority appointed based on product/service area knowledge, experience and resource availability



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### How is procurement undertaken ? (2)

- Outline Business Case produced by Lead Authority
- Business Case reviewed at Officers Group
- Once "signed off" Project Team established and procurement exercise undertaken
- When exercise completed Commodity (Outcome) Report submitted by Lead Authority to Officers Group and recommendations endorsed.
- Lead Authority concludes the exercise, appoints contractors and formally advises member Authorities
- Ongoing 18 month Forward Contract Programme reviewed at Officers Group meetings



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### Progress - Efficiencies

- Project Teams responsible for projecting and agreeing efficiency potential
- CMT responsible for collecting and reporting efficiencies :-
  - 2008/9 - £2.3 million
  - 2009/10 - £3.01 million
  - 2010/11 - £3.96 million
- Efficiencies broken down and reported to each member Authority



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### Progress

- Currently 65 WPC arrangements in place
- 40 arrangements established between 1<sup>st</sup> April, 2009 and 31<sup>st</sup> March 2012
- Standard Processes and Documentation developed and adopted (Tender Documentation, Standard Letters, OJEU Notices, Report Templates, Terms and Conditions of Contract)
- Reciprocal Arrangement



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### Progress

- Suite of Procurement Legal Guidance
- WPC Website developed
- First Annual Report produced
- Excellent working relationship with WLGA Procurement Support Unit
- Formal MOU signed with North Wales Procurement Partnership (consisting of the six North Wales Authorities)



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### Progress

- Introduction of Associate Member Scheme – currently 5 organisations :-
- Mid & West Wales Fire and Rescue
- South Wales Fire and Rescue
- Gwalia Housing
- Valleys to Coast Housing
- National Library of Wales
- Annual membership fee based on total procurement spend



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### National Context

- Represented on various “national” procurement projects and initiatives and leading innovation eg use of Community Benefits in procurement, Supplier Development, e procurement etc
- “Smarter Buying in Tougher Times” Recommendation - Potential for a National Procurement Service
- Develop an Outline Business Case (OBC) to “Consider Shared Service model whereby common & repetitive spend is identified and procured once for Wales”
- Asset Management & Procurement Board to consider OBC – July 2012



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### Opportunities and Challenges for the WPC

- WPC is the largest collaborative procurement organisation in Welsh Public sector
- Need to take an increasingly pragmatic approach to procurement “risk”
- In an increasingly “challenging” environment we will need to be clear about commitment to WPC procurement projects - pre tender
- Expand “standard” approach



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### Opportunities and Challenges for the WPC

- Need to make the very best use of scarce procurement resource
- Build representation on Category Groups from other Professions and Disciplines essential
- Further support indigenous suppliers and make it as easy as possible for them to bid for WPC and individual Authority business
- Further support contractors in building and enhancing their e trading capabilities to maximise the opportunities available



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**Diolch yn fawr  
Thankyou**

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