

Collaborative Procurement Annual Update

June 2017



Department of

Finance

An Roinn

Airgeadais

www.finance-ni.gov.uk



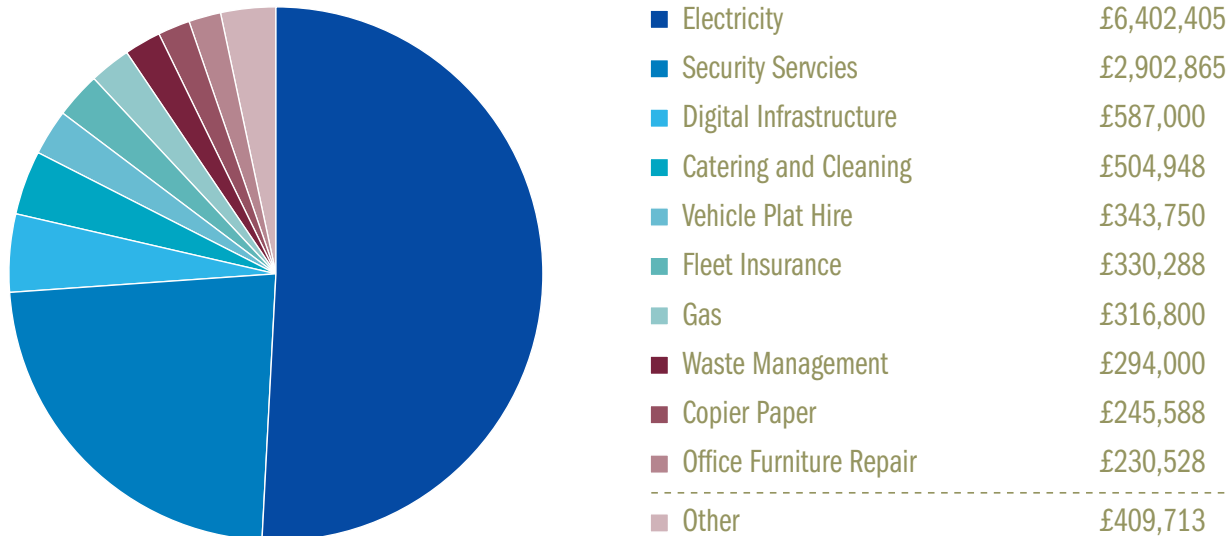
Collaborative Procurement Review

1. Between 1 April 2014 and 31 March 2017, CPD awarded 55 collaborative contracts for a range of common goods and services with a total value of approximately £643m.
2. Further details on the contracts awarded through CPD from the inception of the collaborative procurement programme can be found at Annex A. Details of awarded Collaborative Contracts are also available on the CPD website www.finance-ni.gov.uk/topics/procurement/collaborative-arrangements-supplies-and-services
3. Of the collaborative contracts awarded:
 - 32 (54%) contracts were awarded to Small and Medium Sized Enterprises (SMEs)
 - 3 (5%) contracts were awarded to Micro organisations
 - 23 (41%) contracts were awarded to large organisations (i.e. firms with 251 or more staff).

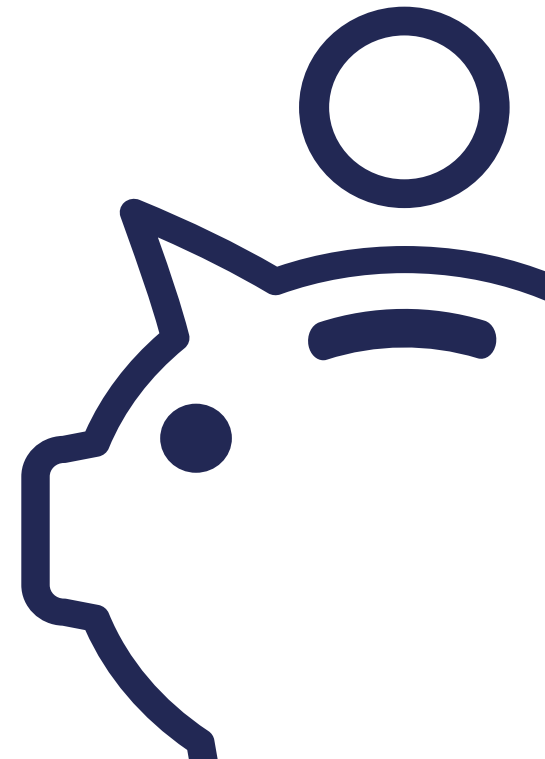


4. The 55 contracts awarded through CPD have achieved total cumulative savings of approximately £12.6m¹. These savings will increase over the duration of the contracts and as additional organisations onboard.
5. Savings for contracts awarded through CPD are calculated by comparing the unit price paid under previous arrangements against the prices secured under the collaborative deal.
6. Details of the categories where the £12.6m total cumulative savings were achieved from 1 April 2014 to 31 March 2017 are shown in the diagram below.
7. In addition to the savings delivered through CPD arrangements, further savings are made through the use of Crown Commercial Service (CCS) frameworks and contracts under a Memorandum of Understanding between the Cabinet Office and the Department of Finance. Cumulative CCS savings for the period 1 April 2014 to 31 March 2017 total £12.6m. When combined with the CPD cumulative figures above for the same period, a total value of £25.2m is realised.

Top 10 Cumulative Savings



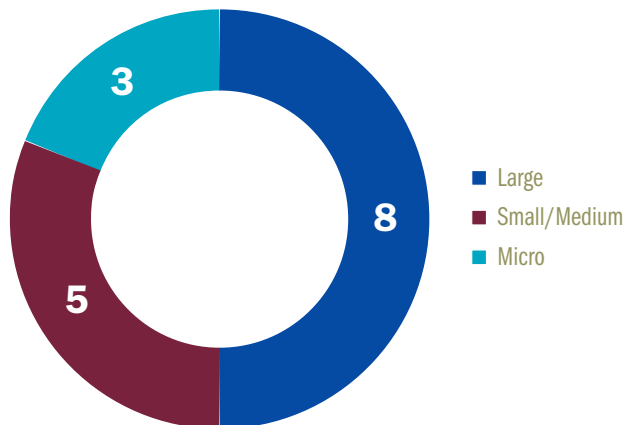
¹The cumulative figure includes actual savings delivered through contracts awarded during this period.



Collaborative Procurement Update 2016/2017

8. CPD awarded 12 new collaborative arrangements from 1 April 2016 to 31 March 2017 with an estimated annual value of £57.5m. The arrangements have 16 suppliers associated with them, nine being registered in Northern Ireland.
9. Savings of £7.5m are anticipated² on collaborative contracts awarded through CPD in 2016/2017. This equates to 4.2% saving which exceeds the savings target of 3%.
10. The 2016/2017 collaborative arrangements were awarded to a variety of different sized organisations from micro (one to ten staff) to large (with 251 or more employees) as shown in the diagram below.

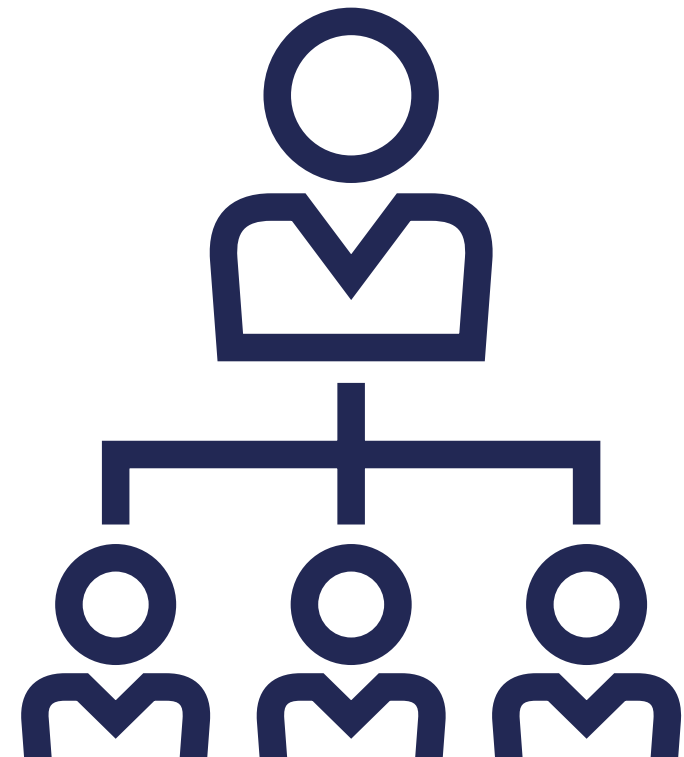
Organisational Size of Suppliers 2016/17



11. £3.9m savings were also achieved through use of CCS arrangements during 2016/2017.

Collaborative Procurement 2017/2018

12. CPD continues to develop its collaborative procurement programme and has highlighted a number of key areas to target in 2017/2018. Details of the future collaborative procurement programme can be found in Annex B.
13. Monthly updates on collaborative opportunities are provided in the Collaborative Procurement Pipeline which is published on the CPD website at www.finance-ni.gov.uk/publications/currentprocurement-pipeline.



²The savings figure includes all forecast savings for the duration of the arrangement.

14. The Strategic Investment Board (SIB) 'Buy Social' model has been piloted in a number of Collaborative contracts including Cleaning and Catering Services and Postal Services to create paid employment and training opportunities for long-term unemployed people, young people leaving education, apprenticeships and paid student work placements.

15. The key lessons learned from the pilots include;

- Early engagement with service users and suppliers is essential to manage users expectations and help the market develop in this area;
- Provide clear and unambiguous guidance to tenderers on the requirements and what resources are available to assist contractors deliver the requirements; and
- Ensure the monitoring arrangements are detailed within the tender documents and the roles and responsibilities of all parties are clear.

16. Cleaning and Catering services and Postal Services contracts were awarded during 2016 on behalf of multiple public sector organisations and both include challenging recruitment and training opportunities for new entrants. To date 16 new jobs have been created from cleaning and catering contracts and a further three new opportunities from the postal contract, including the employment of a registered disabled person and an apprenticeship.

17. Details on the Buy Social model is available from www.buysocialni.org. In addition the SIB Buy Social Brokerage website has been developed to help contractors who win public work find employability brokers who will help them deliver their Buy Social obligations - www.buysocialnibrokerage.org



Annex A - Collaborative Contracts Awarded

2014/15

- Courier Services lot 2 specialised and secure
- DFP Fixing and Repair of Office Furniture, Furnishing and Accessories
- DFP Postal Services (Path finder for future Collaborative Contract)
- Fuel Card Service
- Garage Sundries
- NICS Security and Ancillary Services Contract
- NICS Supply of Motor Vehicle and Motor Cycle Batteries
- Offsite Storage
- Supply, Delivery and installation of eCar Charging Points
- Supply of Biomass
- Supply of Electricity to Public Sector Buildings
- Supply of Natural Gas to Public Sector Buildings
- Unmetered Electricity
- Vehicle oils, greases and anti freeze
- Waste Management Services

2015/16

- Auction Services for the Sale of Vehicles and Associated Garage Equipment
- Banking Services
- Cash in Transit
- Copier Paper
- DFP supply and fitting of window blinds and curtains for the NICS estate
- ePurchasing Card Solution - Central Government
- ePurchasing Card Solution – Wider Public Service
- Fleet Industrial Gas
- Motor Fleet Insurance Brokerage Services
- Motor Fleet Insurance Cover
- NICS Cleaning, Catering and Ancillary Services
- Office Supplies and IT Consumables
- Porterage Services and Furniture Storage
- Provision of Taxi Services
- Provision of Merchant Acquiring Services
- Public Sector Data Centre
- SIB/AMU Professional Services Framework Agreement
- Supply, Delivery and Installation of Steel Storage Units
- Supply and Delivery of Tyres and Associated Services
- Supply of Electricity to Public Sector Buildings - Metered
- Supply of Electricity to Public Sector Buildings - Unmetered
- Supply of Liquid Fuels
- Supply of Liquefied Petroleum Gas and Associated Equipment
- Travel Management Services
- Vehicle and Plant Hire

Annex A - Collaborative Contracts Awarded

2016/2017

- Agency Workers
- Campaign Advertising
- Courier Service for the transportation of dangerous / hazardous goods
- General Insurance
- IT Consumables
- Learning and Development Framework
- Natural Gas
- Office Supplies
- Postal Services
- Property Professional Services
- Unmetered Electricity
- Window Blinds – supply installation cleaning and repair

Annex B - Procurement Pipeline for 2017/2018

- CHECK Services
- Counselling Services
- External Cleaning
- External Professional Services
- Floor Covering
- Floor Fitting
- Grounds Maintenance
- Ice & Snow Prevention & Clearance
- Insurance advice and subsequent policy checks
- Legal Services
- Merchant Acquiring Service
- Non OEM Parts
- Office Furniture
- Personal Protective Equipment
- Removal of Paper, Optical and Magnetic Waste
- Supply, delivery of Desktops, Laptops, Mobiles Devices, Monitors and associated Deployment Services
- Translation & Interpretation Services
- Vermin & Pest Control
- Waste Management Services
- Window Cleaning

