



cutting through complexity

Procurement Fitness Check for: Monmouthshire

Output from the on-line survey and face-to-face
meetings

February 2014



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	Page
Executive summary	2
■ Site Specific Executive Summary	3
■ Output from the on-line survey	3
A detailed overview of the results per dimension	4-11
■ Procurement leadership & governance	4
■ Procurement strategy & objectives	5
■ Defining the supply need	6
■ Commodity/ project strategies and collaborative procurement	7
■ Contract and supplier management	8
■ Key purchasing processes and systems	9
■ People	10
■ Performance management	11
Profile of respondents	12
■ Profile of respondents	12

Fitness Check – Procurement Maturity Assessment

Monmouthshire Executive Summary

Overall Maturity Score

Developing towards confirming

Organisational Context

- Monmouthshire is a relatively small authority with third party spend of approximately £60m pa. The Authority agreed to create a strategic procurement unit of the Strategic Procurement Manager and one dedicated staff member and there are currently two full time CIPs qualified posts within the unit.
- Since its creation this strategic procurement team (SPT) have created a “buyer’s guide” for non-procurement staff in the Directorates to understand how to run a procurement, what factors to take into account and when to seek guidance from the SPT.
- The SPT have also completed spend analysis and created a contracts register, which is reasonable comprehensive, so that they can anticipate when contracts will expire and look to pro-actively support the Directorates.
- The SPT’s have limited capacity and their primary focus is on encouraging compliance to the standard procurement process outlined in the ‘buyers guide’ and running ‘OJEU’ procurements.
- Monmouthshire participate in a purchasing consortia but the Authorities influence on the consortia priorities is limited, ”, due in part to the size of its expenditure.

Model Dimension

Recommended Actions

Procurement leadership & governance

- There is good support for procurement at the senior level in the Authority, who recognise the value procurement can bring both in terms of cost savings and service quality, but also in helping to develop sourcing strategies that support local businesses. This support should be extended to enable the SPT to create procurement ‘super users’ in the directorates.

Procurement strategy & objectives

- A procurement strategy is in place which expired in December 2013 however it is still relevant and perhaps could be extended to describe the organisational operating model that will support the achievement of the strategic objectives.

Defining the supply need

- With limited SPT capacity there is an opportunity to develop a suite of easy-to-use templates to help directorates develop their own commodity strategies and conduct basic market analysis.

Commodity/project strategies and collaborative procurement

- SPT do not have capacity to be organised on a category basis or to take this more strategic approach. Templates should be developed to help directorates develop ‘light’ category strategies for the higher value/risk spend areas.

Contract and supplier management

- There is an opportunity for Monmouthshire to increase value for money by extending contract management disciplines more widely across the Council but given limited capacity this should be focused on a select few high value/risk contracts

Key purchasing processes and systems

- Procurement need to continue with their plans to roll out the e-procurement system across the Authority.

People

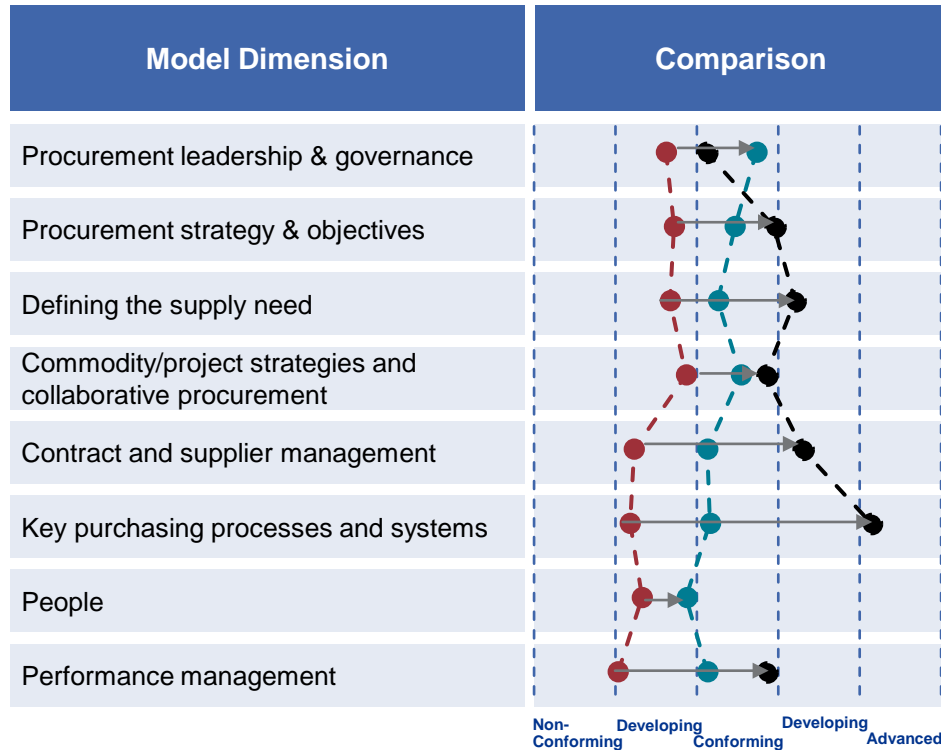
- To address the limited procurement capacity in the Authority SPT should consider development a resources plan for procurement that includes non-procurement staff, in a ‘matrix management approach.

Performance management

- Procurement are developing spend analysis report and should look to share these more widely with the directorates.

Fitness Check – Procurement Maturity Assessment

Monmouthshire Executive Summary



Welsh Gaps	UK Public Sector Gaps	Comments
23	10	<ul style="list-style-type: none"> Good support for procurement at senior level who recognise the value procurement can bring.
15	25	<ul style="list-style-type: none"> There is a procurement strategy in place which remains relevant.
12	31	<ul style="list-style-type: none"> SPT do support the directorates with defining the supply need but capacity to support is limited
14	20	<ul style="list-style-type: none"> SPT recognise do prepare commodity strategies but this is limited by capacity
18	42	<ul style="list-style-type: none"> On the whole contracts are managed by the directorates. SPT don't have capacity to support all and therefore support corporate contracts
20	60	<ul style="list-style-type: none"> eProcurement is behind plan, partly because the National eCatalogues programme lost credibility
11		<ul style="list-style-type: none"> The SPT have good procurement skills but is it a small team.
22	37	<ul style="list-style-type: none"> Spend is monitored and on/off contract is tracked to support procurements & contract management

- **Monmouthshire Average Maturity Grade**
- **Average of Welsh Authorities**
- **UK Public Sector Benchmark**

Benchmarks

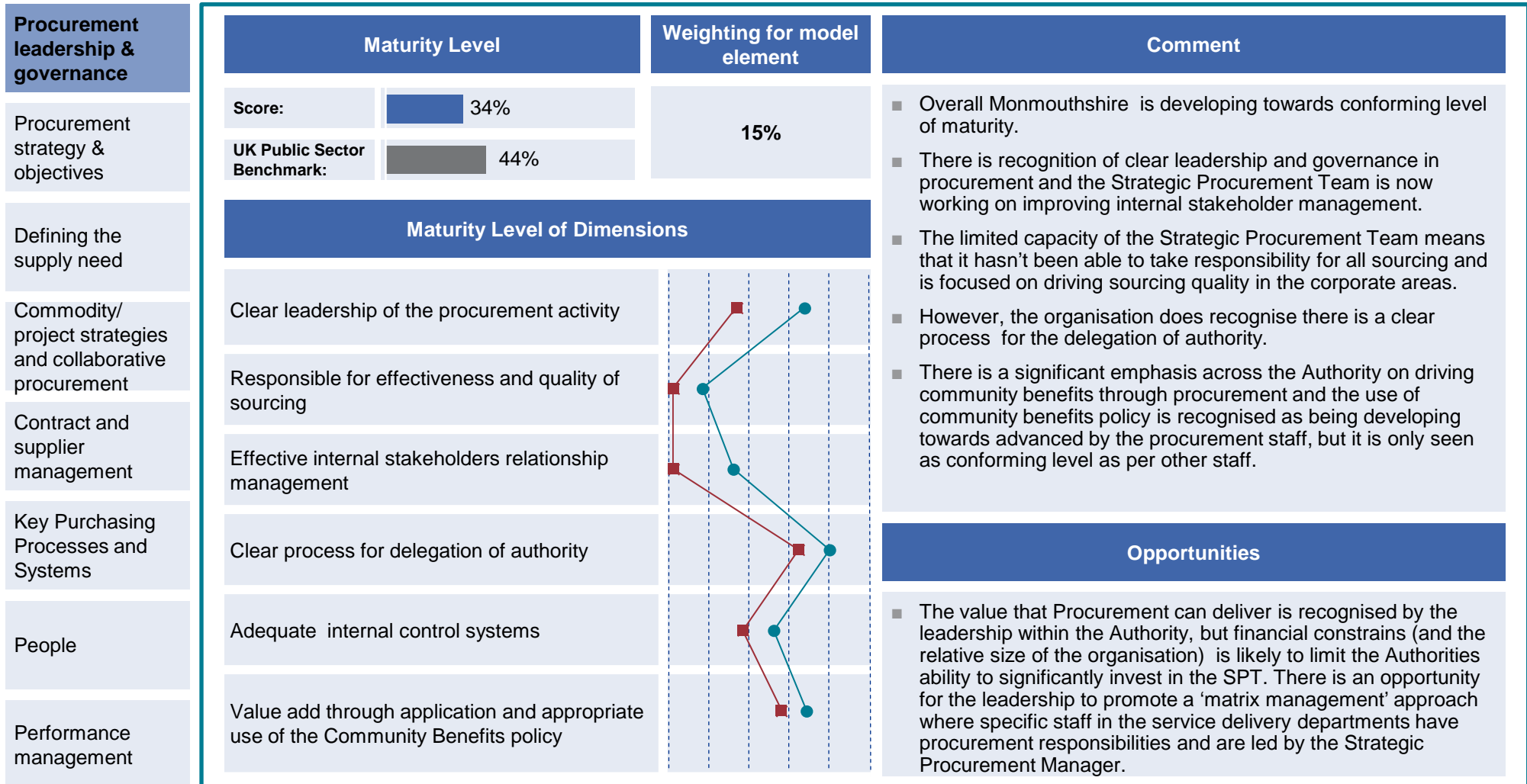
- Monmouthshire maturity is relatively low compared with the benchmarks. The benefits from moving forward one or two levels of maturity will be significant. It should allow Monmouthshire to take better control of its spend and drive increased value from that spend. Where similar organisations have been able to increase their maturity by two levels they have typically achieved savings and/or value added benefits of between 1.5% and 2.5% of total spend.

Overall Recommendations

- Monmouthshire has a small central procurement team and in the current financial climate it is unlikely that funding will be available to expand the team significantly. Monmouthshire therefore needs to take an alternative 'matrix management' approach, with the creation of procurement skilled staff in the directorates, who report jointly to the Strategic Procurement Manager and to their directorates. SPT will support these staff with training, guidance and tools (category and contract management etc), with these staff then able to undertake procurement activities professionally.

Procurement leadership & governance

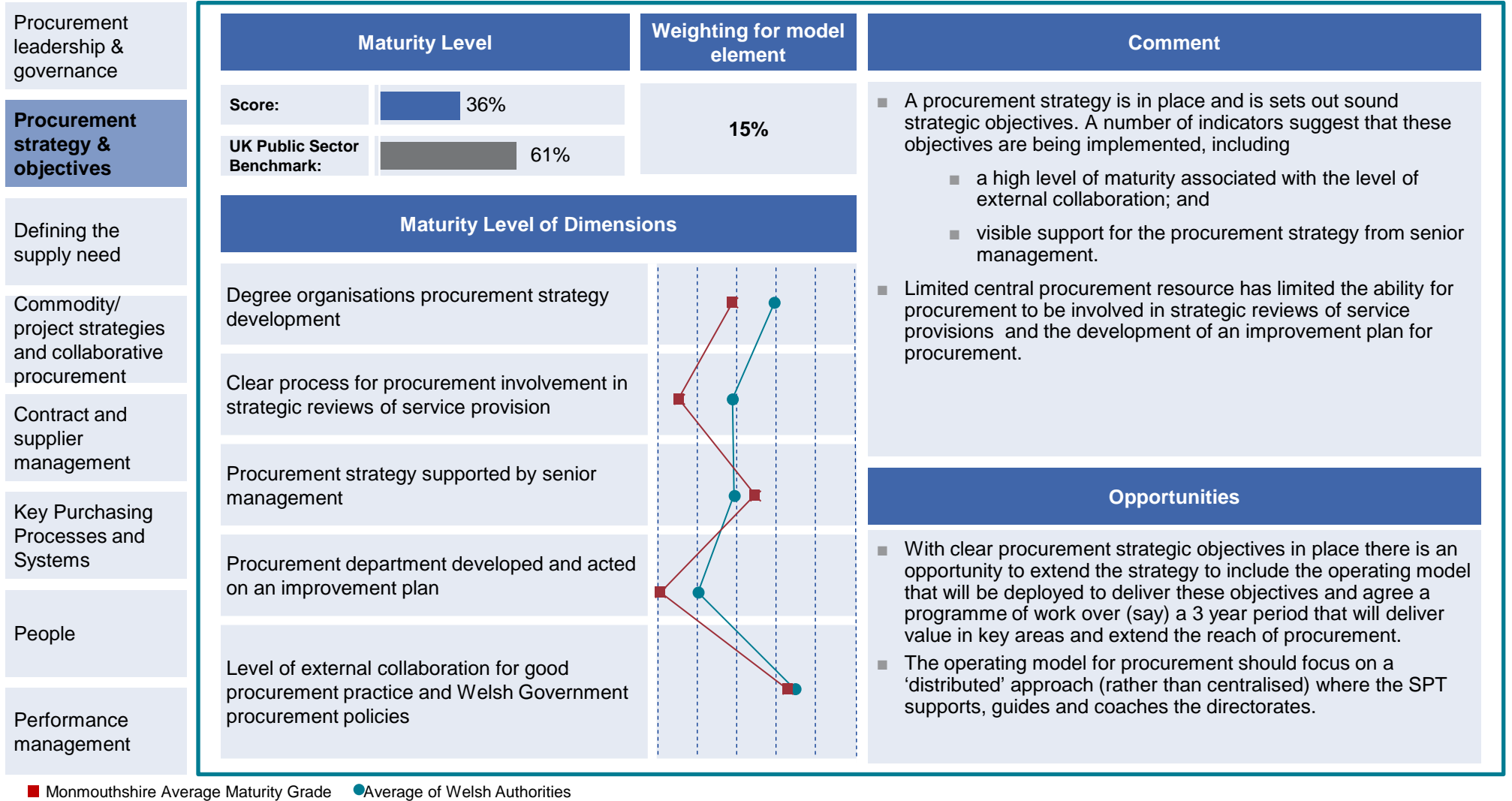
A detailed overview of the results per dimension KPMG found ...



■ Monmouthshire Average Maturity Grade ● Average of Welsh Authorities

Procurement strategy and objectives

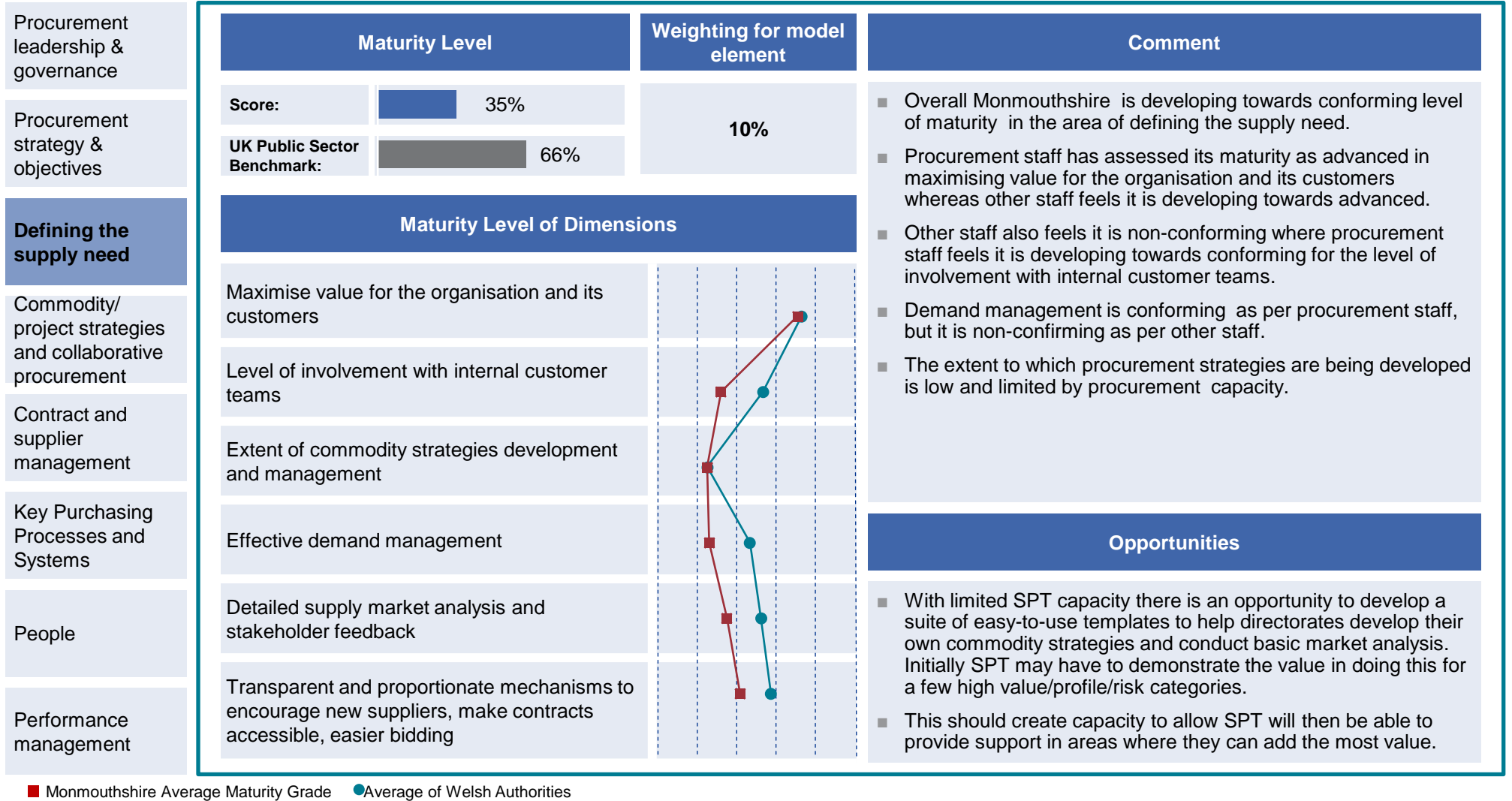
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Defining the supply need

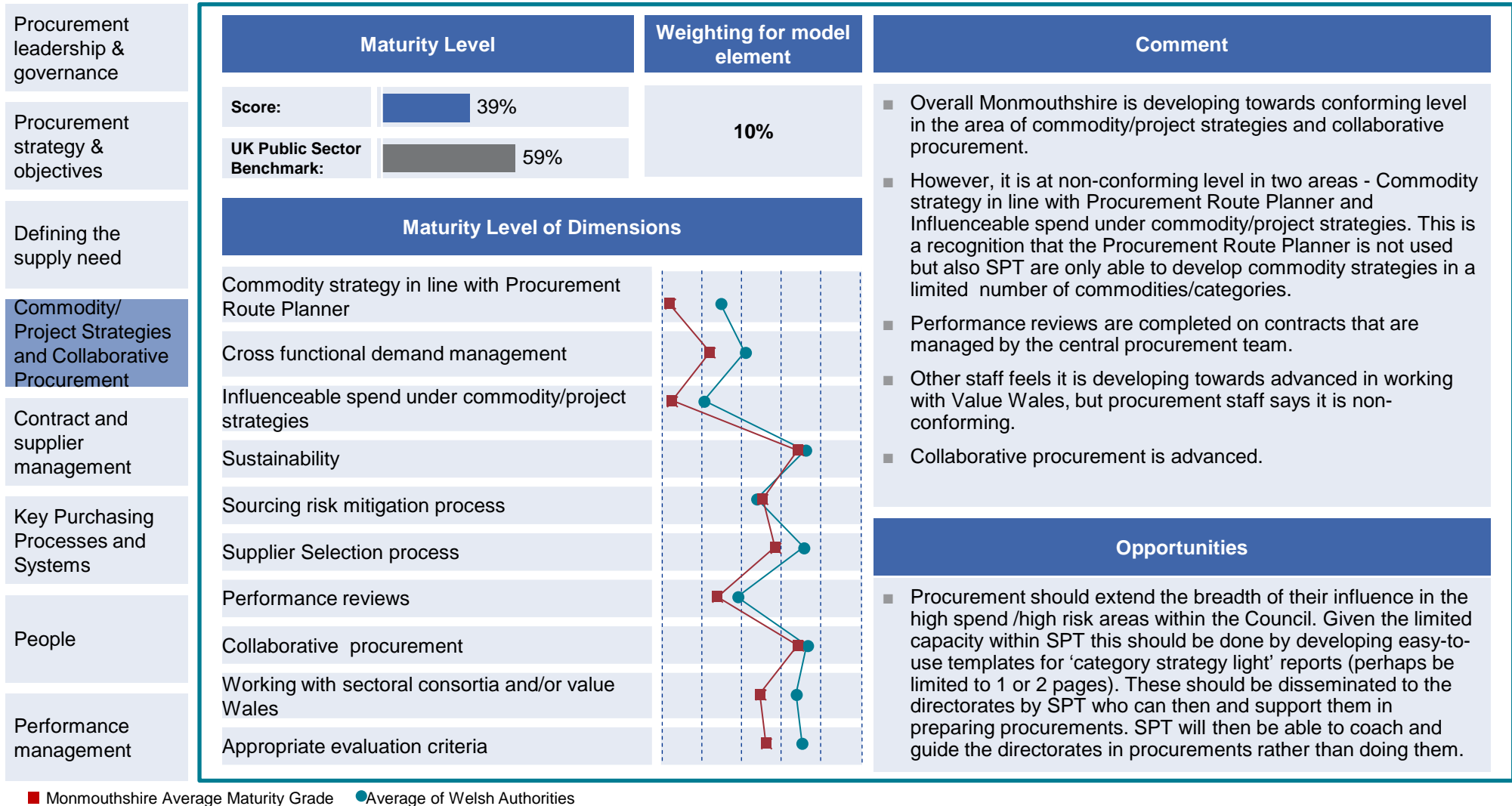
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Commodity/ project strategies and collaborative procurement

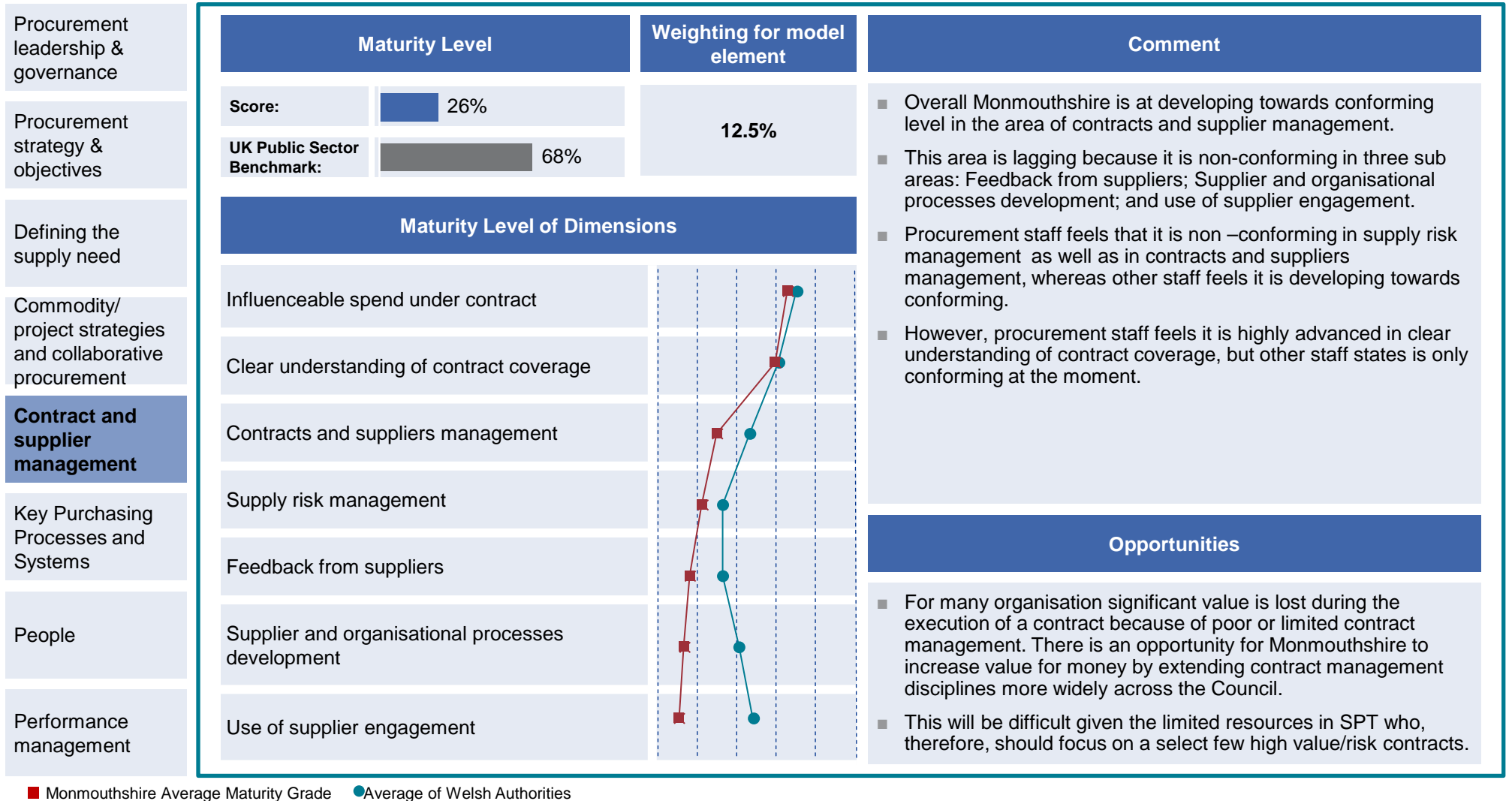
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Contract and supplier management

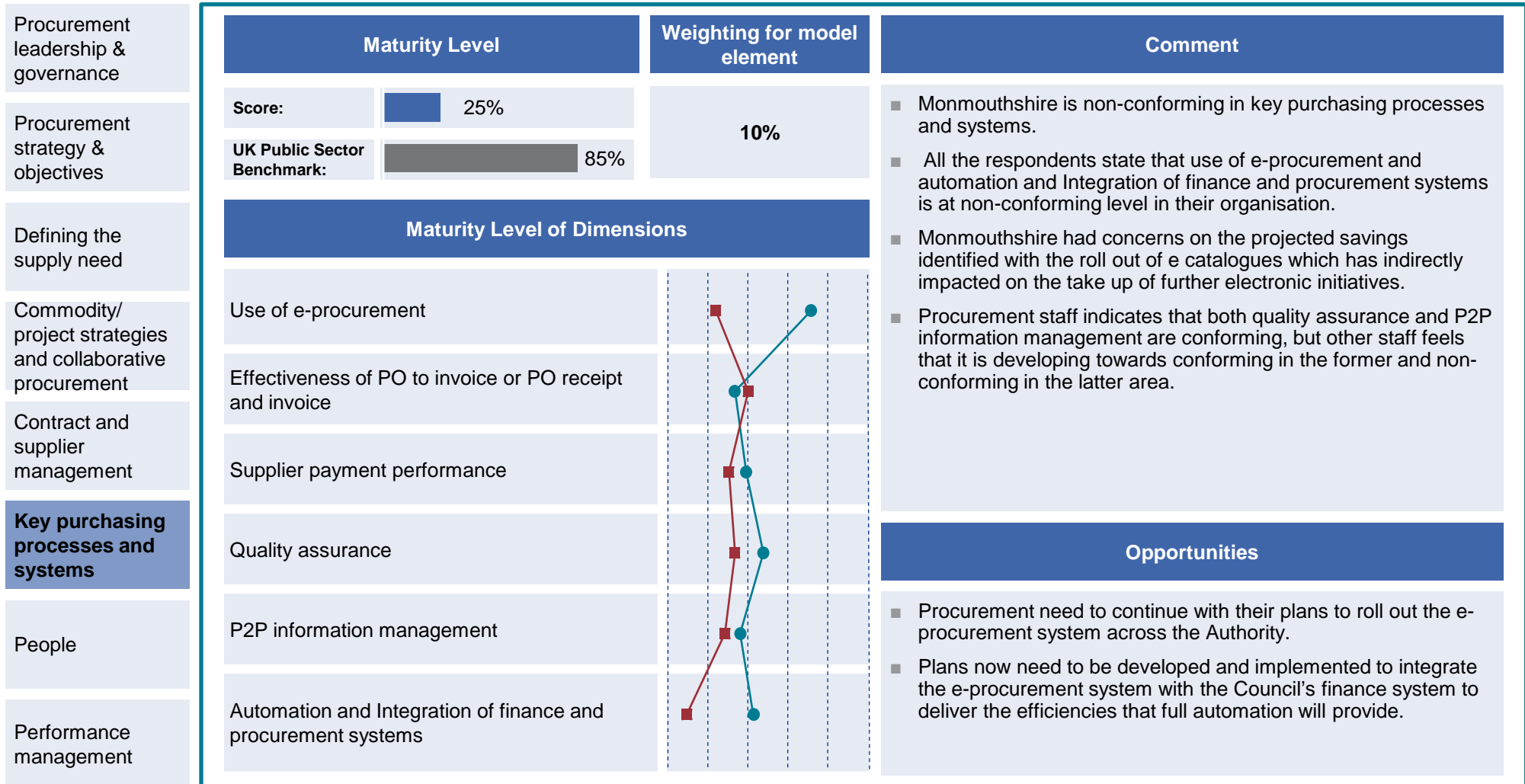
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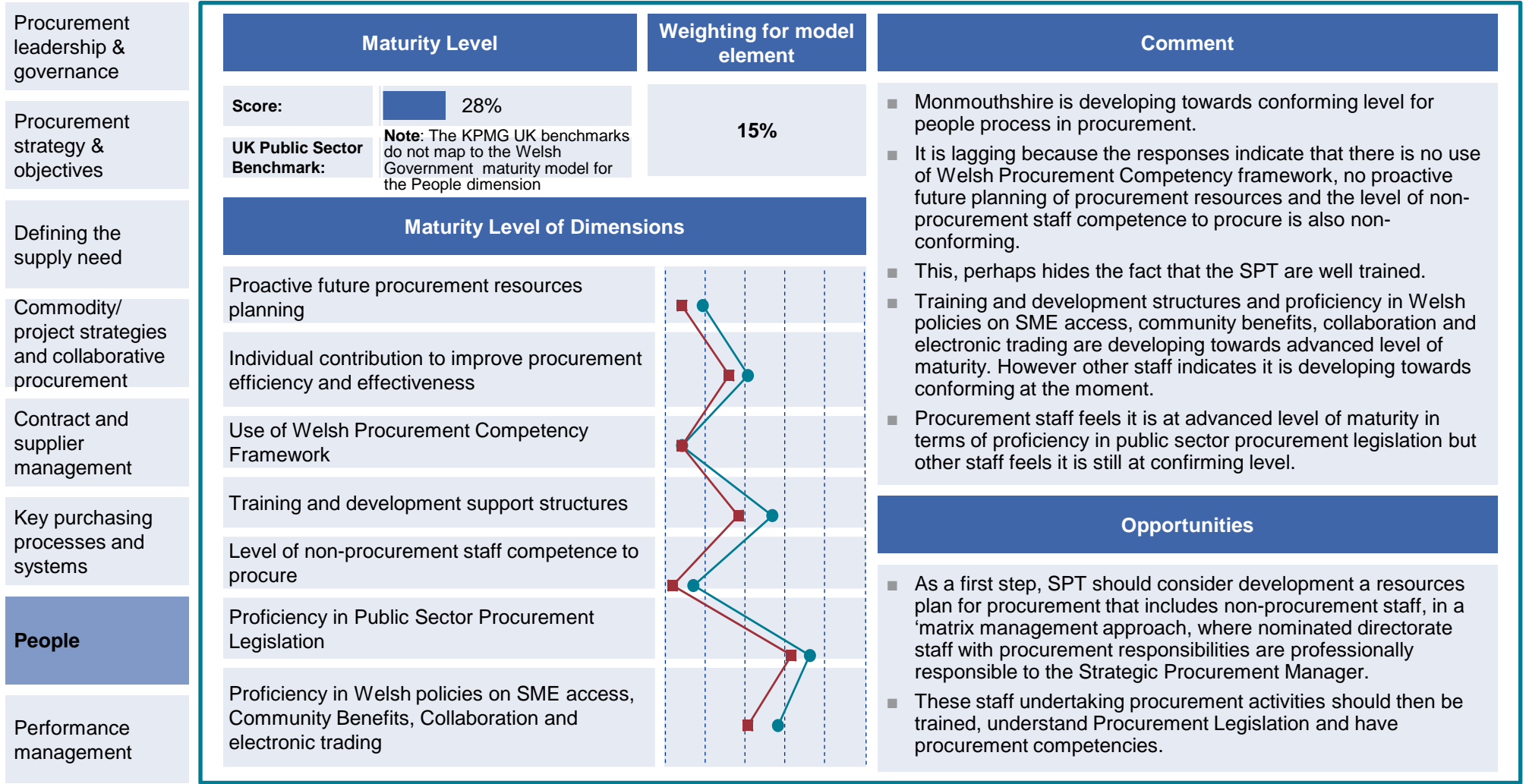
Key purchasing processes and systems

A detailed overview of the results per dimension KPMG found ...



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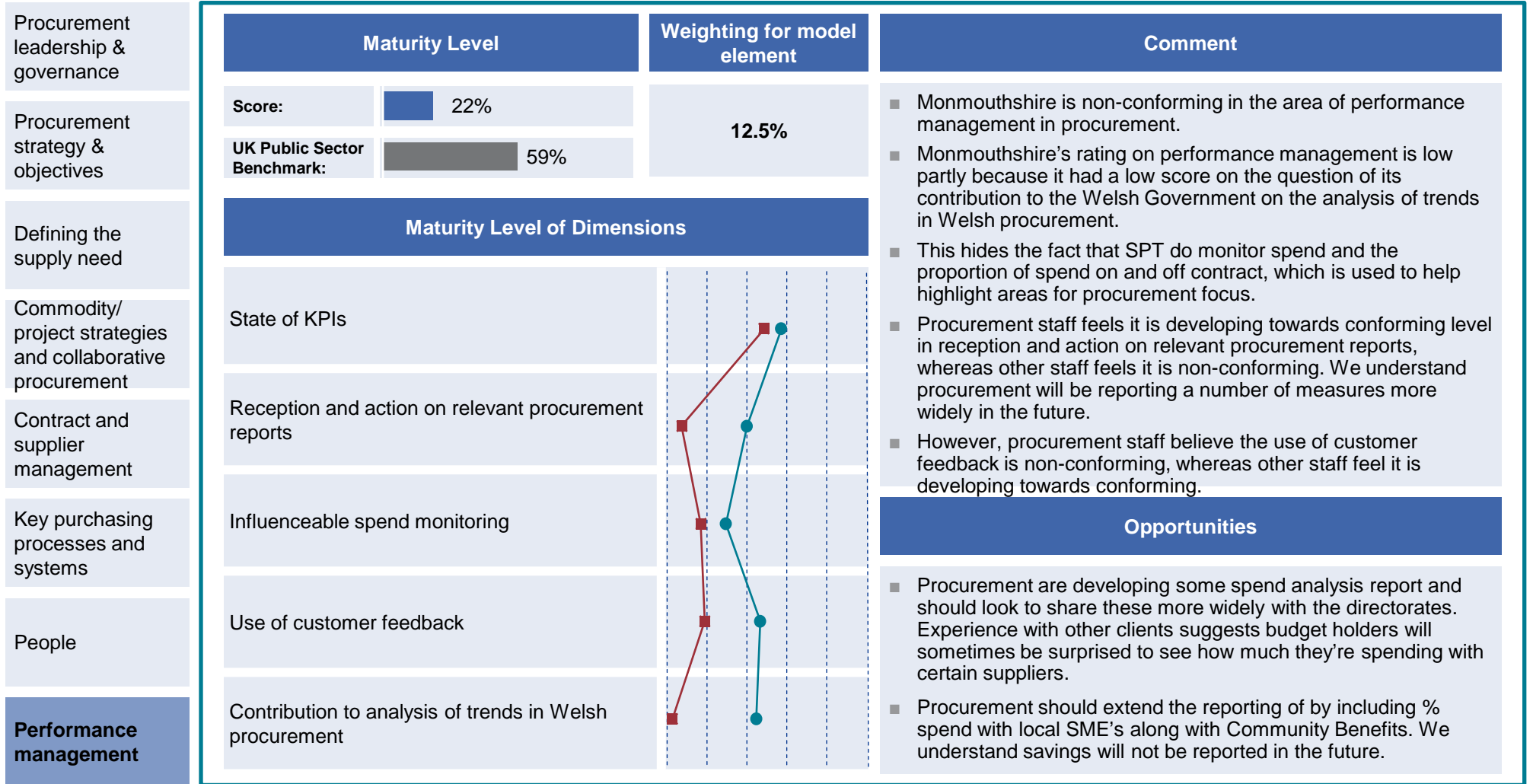
A detailed overview of the results per dimension KPMG found ...



■ Monmouthshire Average Maturity Grade ● Average of Welsh Authorities

Performance management

A detailed overview of the results per dimension KPMG found ...



■ Monmouthshire Average Maturity Grade ● Average of Welsh Authorities

Fitness Check – Procurement Maturity Assessment

Profile of respondents

Position	Number of respondents
Quantity Surveyor	2
Lead Commissioner - Transformation	1
Finance Manager	1
Strategic Procurement Officer	1
Sustainability Surveyor	1
Purchasing Officer	1
Public Transport Officer	1
Waste Strategy & Resources Manager	1
Special Projects Manager	1
Total	10

Contract Value responsibility	Number of respondents
Between £0 -£500K	4
Between £500K - £10m	5
Greater than £10m	1
Total	10

Qualification	Number of respondents
Degree (or equivalent)	50%
Masters	10%
MBA	0%
CIPS	0%
MCIPS	10%
Other	50%
Total	10

Years Experience	Number of respondents
0-5	0
5-10	6
10-15	1
15-20	1
20-25	0
25-30	1
More than 30	1
Total	10



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