

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Executive Director of Corporate Services

### Corporate & Efficient Governance Committee – 16 February 2011

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**Subject: Procurement Best Practice Indicators 2009/10**

#### **1. Purpose**

- 1.1** This report advises Members of Procurement Best Practice Indicators (BPIs) that have been produced for the year 2009/2010.

#### **2. Background**

- 2.1** BPIs for public procurement in Scotland were first introduced by the Scottish Government in May 2008. The fundamental objective of the Indicators is to enable organisations to track their procurement performance and deliver measurable improvements over time.
- 2.2** Data is input through a web based reporting tool which is part of the Scottish Procurement Information Hub. This allows organisations to track their own progress over time and to make comparisons with other public sector organisations.
- 2.3** The 2007/08 and 2008/09 indicators were reported to the Corporate and Efficient Governance Committee for the first time in May 2010. The 2009/10 indicators have been prepared sooner this year and it is, therefore, possible to report these at an earlier Committee cycle.

#### **3. Main Issues**

- 3.1** Thirteen best practice indicators and two financial indices have been compiled and the results for 2009/10 are contained in Appendix 1, together with the results for last financial year for comparison purposes. As well as the WDC results, the appendix also shows the number of Councils that provided a response, the average result for the group that responded and the Council's ranking within the group.
- 3.2** It should be noted that these are not statutory performance indicators and results are not published. They are produced so that individual bodies can measure their own performance and demonstrate improvements over time.
- 3.3** It should also be noted that the gaps in the numbering system (2, 3 and 6) relate to the following three indicators which are not yet operational through the hub:
- BPI2 - Overall satisfaction score from customer satisfaction survey
  - BPI3 - Overall satisfaction score from supplier satisfaction survey
  - BPI6 - % of scorecard BPIs that show improvement since the previous report

- 3.4** It is encouraging that results for 2009/10 have improved in 8 of the 15 indicators since 2008/09. Five have stayed the same and 2 have shown a very slight decline. These are:

BPI 4 Annual Spend with Collaborative Contracted Suppliers as a % of Core Spend (-1.79%)

The main reason for this is that spend on collaborative contracts dropped from £10.7 million in 2008/09 to £8.6 million in 2009/10. This may be as a result of the freeze on non essential spend and also improved unit rates through renegotiated contracts. It is notable, however, that we are still 3.98% better than the group average and our ranking is 4<sup>th</sup> out of 22 Councils as opposed to 3<sup>rd</sup> out of 13 Councils last year.

BPI 7c - % of spend actively influenced by Procurement staff (-1.26%)

Spend influenced by Procurement staff fell from £15.3 million in 2008/09 to £13.4 million in 2009/10. It is notable that in this indicator, the WDC result of 16.26% compares adversely with the group average of 44.73%. This reflects the limited capacity of the existing team to influence procurement decisions across the Council. This is an area that will be addressed in the forthcoming review of the Procurement operating model.

- 3.5** It is also encouraging that in 8 of the 15 indicators, the Council's results for 2009/10 are better than the group average.

**4. People Implications**

- 4.1** There are no people implications associated with this report.

**5. Financial Implications**

- 5.1** There are no financial implications associated with this report.

**6. Risk Analysis**

- 6.1** The main risk associated with the Indicators is being unable to demonstrate continuous performance improvement. The Council's Procurement Operating Model is being reviewed in the current year and this will take account of the need to demonstrate ongoing improvements in these areas.

**7. Equalities Impact**

- 7.1** No significant issues were identified in a screening for potential equality impact of these indicators.

## 8. Conclusions and Recommendations

- 8.1 The procurement BPIs for 2009/10 show a positive, improving picture in most areas and it will be necessary to ensure that this trend continues under the revised procurement arrangements.
- 8.2 Members are asked to note the contents of this report and Appendix 1.

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**Joyce White**  
**Executive Director of Corporate Services**  
**Date: 21 January 2011**

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**Appendices:** Appendix 1 - West Dunbartonshire Council – Procurement  
Best Practice Indicators 2008/09 and 2009/10

**Background Papers:** Procurement Best Practice Indicators 2007/08 and  
2008/09. Corporate and Efficient Governance Committee  
26 May 2010.

**Wards Affected:** All

BPI no.	Description	2008/09				2009/10			
		WDC Result	No. authorities responding	Group Average	WDC Ranking in Group	WDC Result	No. authorities responding	Group Average	WDC Ranking in Group
		%		%		%		%	
1a	Annual Cash Saving achieved as % of Core Spend	<b>0.46</b>	<b>8</b>	<b>0.41</b>	<b>5</b>	<b>0.54</b>	<b>13</b>	<b>0.78</b>	<b>6</b>
1b	Annual Non Cash Saving achieved as % of Core Spend	<b>0.04</b>	<b>8</b>	<b>0.14</b>	<b>4</b>	<b>0.39</b>	<b>13</b>	<b>0.10</b>	<b>1</b>
4	Annual Spend with Collaborative Contracted Suppliers as % of Core Spend	<b>12.27</b>	<b>13</b>	<b>7.57</b>	<b>3</b>	<b>10.48</b>	<b>22</b>	<b>6.50</b>	<b>4</b>
5	Annual Spend with Contracted Suppliers as % of Core Spend	<b>33.56</b>	<b>14</b>	<b>29.29</b>	<b>5</b>	<b>43.67</b>	<b>24</b>	<b>31.39</b>	<b>8</b>
7a	% of Procurement Staff MCIPS Qualified	<b>16.67</b>	<b>10</b>	<b>22.89</b>	<b>8</b>	<b>16.67</b>	<b>13</b>	<b>20.47</b>	<b>9</b>
7b	% of Procurement Staff with Appropriate Qualification	<b>50.00</b>	<b>10</b>	<b>44.71</b>	<b>4</b>	<b>50.00</b>	<b>13</b>	<b>32.11</b>	<b>4</b>
7c	% of spend actively influenced by Procurement staff	<b>17.52</b>	<b>7</b>	<b>50.83</b>	<b>5</b>	<b>16.26</b>	<b>13</b>	<b>44.73</b>	<b>11</b>
8	% of Procurement staff in training	<b>45.83</b>	<b>10</b>	<b>22.18</b>	<b>1</b>	<b>66.67</b>	<b>11</b>	<b>32.60</b>	<b>2</b>
9a	% of Contract Notices Published Electronically	<b>100.00</b>	<b>11</b>	<b>97.74</b>	<b>1E</b>	<b>100.00</b>	<b>14</b>	<b>91.96</b>	<b>1E</b>
9b	% of Contract Award Notices Published Electronically	<b>100.00</b>	<b>11</b>	<b>94.65</b>	<b>1E</b>	<b>100.00</b>	<b>14</b>	<b>97.67</b>	<b>1E</b>
9c	% of tenders managed electronically	<b>0.00</b>	<b>11</b>	<b>43.96</b>	<b>8E</b>	<b>0.00</b>	<b>10</b>	<b>48.15</b>	<b>11E</b>
9d	% of transactions carried out electronically	<b>2.62</b>	<b>11</b>	<b>25.45</b>	<b>10</b>	<b>11.99</b>	<b>14</b>	<b>34.50</b>	<b>11</b>
9e	% of payments carried out electronically	<b>2.62</b>	<b>10</b>	<b>18.73</b>	<b>6</b>	<b>11.99</b>	<b>14</b>	<b>17.49</b>	<b>7</b>
FI1	Cost of Procurement as a % of total spend	<b>0.25</b>	<b>8</b>	<b>0.43</b>	<b>5</b>	<b>0.30</b>	<b>13</b>	<b>0.41</b>	<b>9</b>
FI2	Spend per procurement staff member as a % of total core spend.	<b>16.50</b>	<b>11</b>	<b>14.12</b>	<b>3</b>	<b>16.67</b>	<b>13</b>	<b>15.42</b>	<b>5</b>

