

1. Introduction

This section sets out the purpose, vision and values of Scotland Excel – the centre of procurement expertise for local authorities – and provides an overview of the key activities that the organisation will undertake. It provides an overview of the key operating principles that be followed and details the main aims and objectives of the new organisation. These elements have been developed using a number of sources including:

- feedback from customer surveys
- input from key stakeholders during process workshops
- input from the Steering Group members
- research of and benchmarking with other centres of expertise
- experienced project team members
- Scottish Local Government Procurement Forum members
- The Scottish Procurement Directorate
- Public Sector Reform groups

2. Purpose

Scotland Excel’s purpose is to raise procurement standards and work in collaboration with local authorities and suppliers to secure best value for our customers.

3. Vision

Scotland Excel’s vision is to be recognised, respected and trusted by local authorities and suppliers as the leading procurement organisation in Scotland.

4. Values

Scotland Excel’s organisational values will be demonstrated by:

- Providing strong leadership and direction in the creation of contracts that secure best value, deliver value added services for our customers and promote sustainability.
- Setting and achieving the highest standards of corporate governance.
- Planning and organising ourselves effectively to deliver good contracts within the timescales agreed with our customers.
- Achieving best use of procurement resources and actively promoting and supporting sharing of best practice.

- Proactively communicating in a clear, careful, polite and respectful way on matters that are important to our customers.
- Responding quickly to changing circumstances in a way that does not disrupt or alter our objectives.
- Using sound analysis, reasoning and judgement to present innovative strategies for our contracts.
- Understanding the needs of our customers by maintaining high standards and striving to exceed the standards set.
- Focussing on the achievement of our goals and aims through commitment and determination.
- Delivering expertise in a range of professional procurement services necessary to support all procurement activity within our sector.

5. Key Activities

The key activities of Scotland Excel will be to work in collaboration with customers and suppliers to:

- Deliver best value, collaborative contracts for the sector
- Improve the level of best practice procurement capacity and capability by offering a comprehensive training and advisory service
- Create a forum network for engaging with the supply community on issues such as innovation, relationship management and business improvement and support.

A summary of each of these activities is included in the sections below.

5.1. Delivering Best Value, Collaborative Contacts

Scotland Excel's primary focus will be on leading and co-ordinating the delivery of sector specific commodities – the “B” commodities referred to in the McClelland Report. In addition, Scotland Excel will liaise closely with the National Centre of Procurement Expertise and take the lead for local authorities in facilitating and co-ordinating input from the sector in the development of national commodities strategies – the “A” commodities. Finally, Scotland Excel staff within the regional offices will be focussed on working with the local procurement staff, as required, to assist in the investigation and development of local clustering arrangements of the “C” commodities.

The main activity of Scotland Excel will be the delivery of best value, innovative contract solutions for sector specific requirements. Following a detailed analysis of spend data from all 32 authorities and input received from a number of procurement officers and end users at a series of opportunity assessment workshops, the initial portfolio of Scotland Excel contracts has been developed – known as wave 1 contracts. This grouping will be supplemented in the shorter term by some Category A commodity groups where the National Centre of Excellence cannot have a contract in place and where a need exists for a contract among local authorities. The list of wave 1 contracts is set out in Appendix 1, table 1 which is attached to this document. On the basis of the initial analysis of spend and the input from key stakeholders, the commodities that will form the next wave contracts that Scotland Excel will deliver have also been identified. These are set out table 2 below.

Proclass 1	Proclass 3	Thomson
Construction	Construction - Buildings	Builders
	Construction - Roads	Civil Engineers Road Surfacing Contractors
Social Community Care	Social Care - Adult Services	Nursing Homes Residential Care Homes
	Social Care Supplies - Equipment	Stairlifts - Mnfrs & Installers
Vehicles not Buses	Vehicles - Fuel	Fuel Dealers Petroleum Products - Mnfrs
	Vehicles - Leasing	Car & Truck Leasing & Contract Hire Van & Truck Hire Mini Buses - Hire & Leasing Car Rental
	Vehicles - Maintenance	Commercial Vehicle Servicing, Repairs, Parts & Accessories Commercial Vehicle Bodybuilders & Repairers Garage Services
Transport	Transport - Fleet Management	Vehicle Fleet Management Consultants
Medical	Medical - Equipment	Disability Equipment - Mnfrs & Suppliers Mobility Equipment
Mail Services	Mail Services - Couriers	Delivery Services
	Mail Services - Postage	Mailing Machines & Equipment Post Office Services
	Mail Services - Freight	Freight Forwarders
Traffic Management	Traffic Management - Traffic Control	Traffic Management Systems
Clothing	Clothing - Protective	Safety Equipment & Clothing Workwear & Protective Equipment
	Clothing - Uniforms	Uniforms & Staff Wear
Domestic Goods	Domestic Goods - NEC	Electrical Goods - Sales
Consultancy	Consultancy - Construction	Construction Management Engineers - Consulting Architects Building Consultants
Financial Services	Financial Services - NEC	Leasing Services
	Financial - Insurance	Insurance - Other
Utilities	Utilities - Heating Oil	Oil Fuel Distributors
Vehicles Not Buses	Vehicles - Heavy Construction Equipment	Plant & Machinery Hire & Leasing Plant & Machinery Dealers Machinery - Industrial & Commercial Lifting Equipment Plant & Machinery Mnfrs Road Construction Equipment Mnfrs
Facilities Management	Facilities Mgmt - Travel	Hotels Guest Houses Tourist Information Railways Travel Agents & Holiday Companies Tour Operators
Environmental Services	Waste Management - Waste Disposal	Waste Disposal Services
Education	Education Supplies - NEC	Maps, Charts & Globes
	Education Supplies - Musical Instruments	Musical Instruments & Sheet Music
Legal Services	Legal Services - Legal Opinion	Solicitors

Appendix 1 - Table 2

The approach to addressing the next wave of contracts and potential savings will involve analysing the spend figures in greater detail and at the same time examine the supply base across the 32 Councils. The purpose of this is to develop a framework to help identify and prioritise those categories of spend that will realise benefits which are both or either

- High in value
- Without significant barriers to implementation

The areas of spend covered in these categories have not typically been procured through the corporate procurement route. Work will therefore need to be completed in conjunction with the Corporate Procurement teams within each authority to identify and liaise with specialist forums. Examples of such are given as Association for Public Service Excellence (APSE) Construction Group and the Association of Directors of Social Work (ADSW) Contract Officers Forum. It is anticipated that the first phase – developing a matrix to allow opportunities to be prioritise, will be completed by December 2007.

A summary of the savings targets for each area of spend (waves 1 to 3) is included within in the business case at Appendix 2. Table 2 within that Appendix sets out the range of savings for each category and the assumptions that have been made about the level of spend that is able to be influenced. A narrative that shows the key areas that will be investigated to deliver these savings is included in Appendix 2 at table 3.

5.2. Improving the level of best practice procurement capacity and capability

Training

Another key focus for the Scotland Excel organisation will be to work in partnership with councils, professional bodies and other Centres of Expertise to deliver initiatives that will help in the drive towards the achievement “superior performance” as defined in McClelland report.

Scotland Excel will lead and co-ordinate the development of consistent, cost effective and customer focused solutions to address the procurement training needs of the local authorities. This work is well underway and a number of programmes have already been delivered and others are currently being developed by Scotland Excel to meet demand.

The content and design of this first level training programme has drawn on a number of sources including Local Authorities Learning & Development Group, Scotland Excel process development workshops output, Local Authority Central Procurement Units and the Scottish Procurement Directorate – People & Skills Workstream.

A growing trend within the procurement community is demand for the development of behavioural skills training such as leadership, influencing and negotiation. Many of these aspects are covered in the first series of training programmes already planned for 2007/2008 which, in total, will provide 1,000 training days to local authority members. In addition, a further series of training events are being scheduled for 2008/2009.

These courses cover a range of stakeholders including:

- Elected Members
- Heads of Service
- Staff involved indirectly in the procurement process
- Procurement professionals
- Care commissioning staff.

The planned courses cover a variety of skills and competencies ranging from “Introductory Sessions to Procurement” through to “Strategic Procurement Master Class sessions” and “Supplier Relationship Management”.

Scotland Excel will add value to Local Authorities by delivering these programmes of procurement learning and development in a consistent and cost effective way. The aim will be to deliver these courses to Local Authorities at cost. As an example, the current training courses have been developed in partnership with CIPFA (Chartered Institute of Public Finance and Accounting). The training costs for these have been kept to a minimum with some course (Elected Members) carrying no charge and the others at basic administration level of approximately £50 per delegate per session. Benchmarking carried out shows that for a similar one-day introductory course courses available in the marketplace range from £275 + VAT to £499 +VAT.

In addition to the obvious economies of scale and consistency of content that Scotland Excel can deliver, there is an added benefit in that it is intended that these sessions be delivered on a regional basis using available local authority premises to keep accommodation and travelling costs to a minimum. A final added benefit of this co-ordinated approach is that these training courses will provide an excellent networking and best practice sharing opportunity.

Other Professional Development and Support

Scotland Excel will also promote other professional development initiatives that will support capacity building. It is intended to link all training into a competency framework and where appropriate professional learning modules i.e. Chartered Institute Purchasing & Supply (CIPS). A number of initiatives are being developed which Scotland Excel aims to deliver in 2008.

- CIPS Qualifications/learning sessions/ links to professional learning support and potential delivery of CIPS modules towards qualifications
- Develop easier access to learning/ coaching and mentoring scheme
- Skills Assessment Toolkits
- Knowledge management systems
- CPD (Continuing Professional Development) – ensuring all training is accredited with CPD points

Cross-Profession Training Opportunities

Scotland Excel intends to develop partnerships with other professional bodies to assist in the delivery of well-formed training which is relevant to both the Procurement function and the other professions involved in delivering services for local government. In the first wave of Scotland Excel training there are two sessions which bring together procurement professionals with social care commissioning staff in an aim to share best practice and gain knowledge in similar operational environments. These sessions have been supported by both the Association of Directors of Social Work and the Joint Improvement Team.

Regardless of commodity areas, there are likely to be expert professional bodies who exist to promote best practice in their discipline and support and guidance to their members. As experts in their field they often offer training and it is this resource that Scotland Excel will explore in the setting up of specialist training sessions/seminars. The aim of this is to increase commodity knowledge/best practice and to link into the current thinking and plans that other professional services openly offer their support in. e.g. The Royal Institution of Chartered Surveyors (RICS) is one of the most respected and high profile global 'standards and membership' organisations for professionals involved in land, property, construction and environmental issues. RICS currently run modules in contracting for construction which is a specialist commodity area which local government can be heavily involved in. Scotland Excel is challenged by researching and developing these professional partnerships with the main aim of increasing local authority procurement capability where required.

5.3. Improved Supplier Development, Engagement and Management

The McClelland Report recognised that the existence of a high quality and cost competitive supply base is a vital ingredient to achieve best value. Developing improved supplier relationships in conjunction with local authority procurement teams, Scottish Procurement Directorate, partner organisations, end users and suppliers will therefore be a key activity of Scotland Excel.

A number of initiatives will be implemented to target improved supplier and buyer performance.

The initiatives will include:

- Promoting and organising Supplier Forums for buyers and suppliers to share information and seek solutions to common issues
- Regular contract review and development meetings to assess buyer and supplier performance and agree improvement targets
- Supplier evaluation programmes to measure and assess overall performance and drive improvement in all areas of delivery – cost, quality, safety etc.
- Supplier Development programmes to encourage new sources of supply, keep up to date with new products, introduce process improvements into the supply chain etc

These initiatives will ensure that:

- Suppliers are encouraged to bid competitively for our business
- Supplier and buyer performance is measured consistently and improvement areas identified
- Suppliers are encouraged to bring innovative solutions to the table
- Our knowledge and understanding of the key marketplaces and products is up to date and informed
- Suppliers understand and can help achieve our aims and objectives

6. Support Activities

In order to deliver the key activities outlined in the section above, a number of support areas will also be provided. These include Information Technology, Customer Service and Communications. The sections below give an overview of the key activities in each of these areas.

6.1 IT

An IT strategy has been developed to define the technological direction that will be taken by Scotland Excel. The key focus of the strategy is on:

- the implementation of systems to support business processes. These include e-Customer Relationship Management and Supplier Relationship Management & Contract Management systems;
- a move to new and more resilient infrastructure to support both the primary site and satellite offices;
- increasing the quality and availability of management information;
- increasing the use of web-enabled systems; and
- enhancing existing support arrangements.

It is expected that these core elements of the strategy will contribute to savings by:

- streamlining business processes;
- maximising the availability of systems;
- providing improved management information to ensure the focus on achieving strategic objectives is maintained; and
- making more information available online for customers and suppliers.

Scotland Excel will support the implementation of e-procurement to ensure that best value is achieved through not only through reduced unit costs but also through business process improvements. Scotland Excel will co-ordinate and work closely with the Scottish Government's e-Procurement Scotland (ePS) team to champion the roll out of ePS and ensure availability of collaborative contract content through ePS. Scotland Excel will also co-ordinate with non ePS users to help them maximize the benefits from their IT applications and to work with the closely to ensure that they are able to upload and maintain collaborative contract content within their systems.

Scotland Excel will also support the development of new and improved systems and technologies to drive further process efficiencies through available emerging technologies. A key driver will be the reduction or elimination of non-value added activities from the procurement cycle and the provision of essential procurement and contract management information to assist with contract negotiations and ongoing contract and supplier management.

6.2 Customer Service

Scotland Excel will operate a helpline to assist customers with any issues relating to their requirements. Details of contract, product and pricing information will be made available to customers through the production and distribution of electronic and paper based catalogues to meet customer demands. Relevant up-to-date informative material on contracts and suppliers will also be available on the Scotland Excel web site that will be developed to meet customer and supplier requirements.

6.3 Communication

Good two-way communications will be essential in the new organisation. A communications strategy has been developed on the basis of a 3-phased approach across our 6 stakeholder groups (Local Authorities, key decision makers, customers, end users, suppliers, the staff of abc, project team members and interested parties such as COSLA and SOLACE) in the first year through to March 2008. A summary of the three phases is set out below.

Phase 1 - August – October 2007. During this phase work has gone on to develop information for all stakeholders to raise their **awareness** of Scotland Excel, the benefits it aims to deliver to the procurement community and the timescales to which it is working Workshops have been used to capture data and seek out perceptions. More communications are being prepared and will concentrate on targeting specific groups of stakeholders.

Phase 2 – November 2007 - March 2008. This phase will concentrate on promoting more widespread **acceptance** of Scotland Excel as the local government Centre of Procurement Expertise. Face to face communication will continue to be used with other techniques to ensure relevant enablers and barriers are identified and overcome. A key event in this phase is the Scotland Excel Conference on 28 November 2007.

These phases allow for the **involvement** of stakeholders and recognise that **commitment** may occur at any phase of the plan.

Phase 3 - Post-conference - April 2008 and beyond, will concentrate on **promotion and development** of the new organisation. A key focus for this phase will be to cement and develop further commitment to Scotland Excel and possibly identify further market place opportunities for the organisation. Case study successes will be used and the key lessons learned will be shared. Opportunity will be taken to reinforce the key project messages and generate further commitment to the long-term benefits.

Communications will be delivered via existing communications channels and networks within each Local Authority utilising electronic means where possible. In addition, there may be occasions which require focus on a particular group (e.g. suppliers) and specific events will be arranged in such cases.

This breadth of approach will ensure that we reach all of our stakeholder groups, in creative and novel ways. The development of products and branding will support the transition through the 3 phases.

7. Organisational Resource

Developing a first class team of procurement and customer focussed support professionals will be a key success factor for Scotland Excel. The ability to build relationships with all parties involved in the procurement process and to lead and drive commodity strategies will be critical.

Staff in the new organisation will be developed using a competency framework that has been developed to incorporate behavioural as well as technical competencies. This will ensure that the organisation trains, develops and recruits staff of the quality required to meet its vision.

The organisational structure affords the development of specialist commodity teams and, in order to give a particular focus to the development of the essential relationship management activities, a new Head of Relationship Management post has been created. This person will be responsible for leading staff in the regional offices which are an essential component of the overall organisation structure as they provide a means of ensuring that local requirements and issues are heard and that Scotland Excel remains a customer focussed organisation.

This structure will be built up as Scotland Excel develops and opportunities will be sought to work with partner organisations on a “lead role” basis where appropriate to ensure that the limited procurement resources across public sector is used as effectively as possible and knowledge is shared and transferred.

The policies and processes that will be used in the organisation will incorporate the Scottish Procurement Directorate’s strategic sourcing best practice tool kit and will ensure that the key success factors are delivered. Consideration is currently being given to the CIPS Gold Award or ISO accreditation as a means of demonstrating a recognised standard of excellence in our operations.