

Pan London Procurement Portal Feasibility Study

Prepared for

Capital Ambition



Produced by the following organisations

City of Westminster Council

Lewisham Council

Greenwich Council

London Borough of Havering

London Borough of Hammersmith and Fulham

The London Development Agency

Mouchel Management Consulting



Document Control Sheet

Project Title Pan London Procurement Portal Feasibility Study

Report Title Pan London Procurement Portal Feasibility Report

Revision V1.1

Status Final – Updated with comments from Capital Ambition

Control Date 5th January 2010

Record of Issue

Issue	Status	Author	Date	Check	Date	Authorised	Date
0.1	Draft	Andy Gray	21/12/09				
1.0	Final	Andy Gray	23/12/09	M Stokes	23/12	M. Stokes	23/12
1.1	Final	Andy Gray	05/01/10	M Stokes	05/01	M. Stokes	05/01

Distribution

Organisation	Contact	Copies
Capital Ambition	Julia Vernalls	1
London Development Agency	Michael Stokes	1

Contents

Document Control Sheet	i
Contents	ii
1 Executive summary	3
1.1 Introduction and approach	3
1.2 Scope	3
1.3 Landscape	3
1.4 Benefits.....	4
1.5 Delivery options	4
1.6 Funding options	5
1.7 Roll-out	5
2 Introduction and background	6
2.1 How did we get here?	6
2.2 Phase 1	6
2.3 Phase 2	6
3 Project Approach	7
3.1 How did we approach the project	7
3.2 Governance	7
3.3 Consultation	8
4 Project Scope	9
4.1 Possible future functions/considerations currently out of scope.....	9
5 Landscape	11
5.1 Landscape summary.....	11
5.2 Landscape conclusions.....	13
5.3 Landscape opportunity examples.....	14
6 High Level Requirements of Procurement Portal	15
7 Options	17
7.1 Benefits of a Pan London Procurement Portal	17
7.2 Challenges of a Pan London Procurement Portal.....	19
7.3 Delivery Options.....	21
7.4 Funding Model Options	33
8 Roll-Out Approach and Next Steps.....	34
8.1 Indicative Rollout Plan.....	37
Appendix A. Landscape data	38
Appendix B. Detailed Benefits Evaluation	40
Appendix C. Collaboration Benefits	41
Appendix D. Glossary	44

1 Executive summary

1.1 Introduction and approach

As part of an overall work programme focused on delivering significant efficiencies on behalf of all London Boroughs, Capital Ambition identified the potential opportunity for the creation of a London Procurement Portal. A portal can be defined as a central point of access for buyers and suppliers to access the workflow of procurement activity, collaborative tools and guidance. In essence this is the brigading of current functionality into a single point of access with additional cooperative functionality to enable proactive collaboration, as opposed to the current culture of a reactive approach dealt with through targeted projects and initiatives. This report represents Phase 2 of the initiative and focuses on the feasibility of a Pan London Portal.

Four key streams of activity have been undertaken:

1. Confirmation of the purchasing and contract management landscape
2. Analysis of high level user landscape - to inform user management requirements to support any change to tendering practices
3. Options analysis – functionality, opportunities and challenges for existing and possible future delivery solutions
4. High level consideration of CompeteFor integration

The project structure includes a sponsor role from Capital Ambition and a Project Board to act as the governance body, with representatives from a number of London Boroughs.

1.2 Scope

The following functionality was agreed by the Project Board:

- A restricted buyer access facility for systems, tools, information repositories and databases.
- A public facing facility with search and information access capability.
- A restricted supplier access facility with opportunity workflow capability.

1.3 Landscape

There are a number of systems, with only some correlation, in place across the Boroughs that deliver the workflow necessary to select and award contracts to suppliers. This is not considered unusual in the context of how the Boroughs currently operate.

The Contracts Register Service and Electronic Knowledge Exchanges have already demonstrated the advantages of collaboration across London but uptake is not absolute and CRS has taken some 4 years to gain momentum and is something that the London Portal would help to address.

CompeteFor is gaining impetus across the London Boroughs; however uptake is slow as many Boroughs are cautious as to whether it will provide them benefit.

15 Boroughs have introduced their own eTendering arrangements with varying contract arrangements and commercial timescales.

The workflow from opportunity inception through to contract award is supported by a number of disparate channels / systems available across London.

The launch of the London Portal should be considered as a key event that will market and promote the value of each of the current systems and the additional functionality that the portal will provide to aid proactive collaboration; changing behaviour so that this becomes business as usual.

1.4 Benefits

In understanding the benefits that can be derived through the Portal, it is important to realise that each system component will provide benefit in its own right. However in providing these together through one point of access, supported by collaborative tools, more benefit can be realised as it becomes normal practice to investigate and assess opportunities to collaborate.

There are over 5900 London Borough contracts (expiring within a 10 year period) held within Contracts Register Service (CRS) with a total value in excess of £16bn; at only 0.5% of this value there is prospective scope to deliver £80m in collaborative savings. For example, interrogation of a small number of sub categories has allowed us to identify a very conservative estimate of £1.67m of potential collaborative contracting opportunities within the next 3 years.

The availability of a Portal will allow for these, and other, collaborative opportunities to be explored, analysed and supported by appropriate functionality (these would include an events calendar, discussion forums, user-generated content, an MI dashboard through RSS feeds, news, blogs, etc) that enables the procurement officers involved to proactively cooperate amongst their peers in assessing viability and implementing contracting actions.

By providing a single point of access to contract opportunities, there is benefit to both suppliers and buyers; where this enables effective and appropriate market engagement.

1.5 Delivery options

There are 2 main delivery options discussed an “In-source” model that requires additional business functions to be undertaken within Capital Ambition and a “Service provider” model that represents the phasing out of these business roles into a single service provider and the migration of the technical services into a single solution / single hosting arrangement. However the cost of converging the current systems into a single solution may not be considered as viable for the level of benefit that this will introduce.

The estimated cost vary in accordance with the delivery option, however these range from build costs of £150k-400k and annual operating costs of £250-300k; these values are subject to actual procurement activity to derive true values.

1.6 Funding options

There are 3 main models for providing funding; total funding from a central body, shared funding where a central body provides support services and authorities provide a contribution and distributed funding where each authority pays a share of the total cost of on-going support.

1.7 Roll-out

The true value of implementing a Pan-London Portal rests in the bringing together of existing functionality into one point of access (providing an end to end workflow) and supporting these with collaborative tools that enable users to undertake the proactive analysis necessary to determine true opportunities and then to take these forward into realisable savings. Although individual systems will provide benefit in their own right, evidence to date suggests that the few examples of collaboration that have been, or are being, investigated are as a result of targeted initiatives rather than being driven by an ethos of cooperation. In addition, such initiatives are being delivered as projects owing to a lack of organisational business support and tools.

To take this feasibility study further, a business case for the London Portal will need to be developed to gain Efficiency Board approval. If this can be achieved by February 2010, it is envisaged that the solution can be specified and procured by late May 2010 (assuming a framework competition). On this basis we estimate the Portal could be delivered by November 2010, with a possible release of a more limited site a month or two earlier. These timescales are indicative until the business case and specification can be fully developed.

2 Introduction and background

2.1 How did we get here?

As part of an overall work programme focused on delivering significant efficiencies on behalf of all London Boroughs, Capital Ambition identified the potential opportunity for the creation of a London Procurement Portal.

A portal can be defined as a central point of access for buyers and suppliers to access the workflow of procurement activity, collaborative tools and guidance. In essence this is the brigading of current functionality into a single point of access with additional cooperative functionality to enable proactive collaboration.

To progress this initiative, Capital Ambition commissioned a collaborative project to research the opportunity, benefits / costs and return on investment for a procurement Portal for London. A decision can be taken as to whether to progress the development of a procurement Portal for London in light of how the Portal could be designed and operated.

This report relates to Phase 2 of the project with Phase 1 having been completed in September 2009.

2.2 Phase 1

Within Phase 1 the focus was to review the procurement hubs/Portals being operated or developed by the other 8 RIEPs across England; key findings included:

- Provide functionality that includes; access to public frameworks & best deals, contracts database, procurement information, standard procurement documentation, contract opportunities, eTendering.
- Initial setup costs - £8k to £300k, additional development costs - £5k to £400k
- Ongoing maintenance costs - £3k/yr to £9k/yr
- Savings include; helpdesk £321k pa, agency staff costs £1.7m, use of frameworks £1.6m during CSR07.

2.3 Phase 2

Phase 2 of the initiative builds on the results of phase 1, but focuses on the feasibility of a Pan London Portal. The Portal will need to enable a measureable transformation for each stakeholder, from supplier selection to an online process to ensure advances in efficiency, transparency, data storage solutions and retrieval systems.

The output shall be this report that covers:

- The possible delivery options, challenges, benefits and costs for designing a London Portal
- A proposed roll-out approach

3 Project Approach

3.1 How did we approach the project

In order to design a roadmap with associated cost and benefits, there were 4 key streams of activity:

1. Confirmation of the purchasing and contract management landscape
2. Analysis of high level user landscape - to inform user management requirements to support any change to tendering practices
3. Options analysis – functionality, opportunities and challenges for existing and possible future delivery solutions
4. High level consideration of CompeteFor integration

We undertook a technical and commercial review of what systems and contracts terms the majority of London Boroughs have in place. This was undertaken through on-line research (including sources such as CRS, eGovernment catalogue, Borough internet sites), following this a questionnaire was sent to each Borough Head of Procurement requesting further information; the output of which can be seen in section 5 Landscape.

As we have developed the delivery options we have had to consider the high level requirements and ensure that key to any options proposed is a smooth migration journey for each stakeholder that maximises the benefits and minimises the cost.

We have also given consideration to CompeteFor as part of the delivery options in respect to the functionality that it provides.

3.2 Governance

The following project structure and governance arrangements have been put in place. Now that time and effort has been invested in creating a Project Board, they should continue beyond Phase 2 of the project as they have a key role to play in all future phases.

Project sponsor:

- Julia Vernalls, Capital Ambition

Capital Ambition identified the requirement for a Project Board comprised of:

- David Loseby, Westminster (Chairman and Borough Procurement representative)
- Michael Stokes, LDA (Senior Responsible Owner)
- Alan Parry, Hammersmith and Fulham (Borough Procurement representative)
- Hassan Iqbal, Havering (Borough Procurement representative)
- Andy Murray, Lewisham (Borough Procurement representative)

- Peter Norman, Greenwich (Borough Procurement representative)

The Project Board is the key governance body within the project structure and is responsible for making decisions, escalating issues (that exceed the authority of the Board) to Capital Ambition, managing business issues associated with the project that are essential to the ensuring the delivery of the project outputs and the realisation of the project outcomes.

The Project Board members act as representatives for all London Boroughs, be accountable for their consultation and engagement and are empowered to agree the scope and user requirements.

Project team:

- Michael Stokes, LDA
- Andy Gray, Mouchel
- Hannele Palje-Rossi, Mouchel

3.3 Consultation

The consultation that has taken place to date includes an initial communication sent out on behalf of Michael Stokes and issued to all Heads of procurement, announcing the feasibility project and its objectives. As part of the Project Board's role, each member has taken responsibility to consult at appropriate opportunities and through appropriate groups (e.g. the South London Procurement Group, East London Solutions and the West London Alliance (WLA)).

The team has also worked towards answering any specific enquiries concerning the Portal that have resulted from the landscape information request.

We have also met with a representative of the London Business Network to discuss a supplier's point of view on the provision of the London Portal.

The South East, North West and East Midlands RIEPs were contacted to discuss the option of using their Portals to as a proxy service on behalf of London. To date only East Midlands RIEP has responded and it is their opinion that there isn't scope for systems collaboration. Owing to the different functionality each RIEP offers through their portals and the specific needs of London, the opportunity to piggy back does not seem viable at this time.

The team prepared and attended a presentation on the progress and objective of the project (delivered by the Chair of the project board) to the Heads of Procurement meeting on the 17th December.

Finally, a wider consultation exercise will be undertaken following the delivery of this report to Capital Ambition.

4 Project Scope

In undertaking the pan-London Procurement Portal feasibility study, the following functionality has been agreed:

A restricted buyer access facility for systems, information repositories and databases that includes the following:

- Contracts Register
- Expenditure Analysis
- Collaborative Knowledge Hub (providing further features to support collaboration among users; sometimes referred to as 'Web 2.0')
- Contract opportunities advertising repository
- eTendering
- Responsible Procurement Guidance and Tools
- Best Deals and Framework Agreements

A public facing facility with search and access capability for:

- Contracts Register Pipeline
- Contract Opportunities
- Procurement guidance and information on supplying to the London Boroughs

A restricted supplier access facility with access and workflow capability for:

- Opportunity applications
- eTendering (inc. possible links to existing eTendering systems)

System links will also be included for the supply2.gov.uk, other RIEP Portals and to each London Borough procurement internet site.

4.1 Possible future functions/considerations currently out of scope

Although the scope of the project has had to be bound to prevent creep in the available timescales, there are other value adding functions and areas of consideration that can be taken forward at some point in the development path, these include:

- eTendering has not included in depth analysis of vendor systems and other modules such as eAuction, however these are areas of interest to a number of the Boroughs and can deliver significant benefit. For example, Special Education Needs (SEN) transport services inevitably involve arranging home-school transport routes that go across more than one borough boundary. Through collaboration these routes could be tendered through e-auctioned in order to achieve savings.

- Boroughs updating their processes to include a check within their internal business case templates as to whether collaborative opportunities have been investigated.
- The development of a guidance pack on how to use tools such as CRS and OEA to leverage collaboration, and other savings opportunities.
- The extension of a supplier register to include accreditation; however this must be dealt with cautiously and there are a number of systems available that provide this service and each relies on a supplier to update out of date information to remain accredited.
- Expansion of the Portal to other beneficiaries i.e. interacting with other public sector organisations or groups within London (e.g. ALMOs, RSL, local PCTs, universities, etc) to provide a holistic procurement approach for the Capital's needs.
- Consideration will also need to be given to Suppliers becoming Buyers as they flow down contract opportunities, opening up the supply chain and addressing the SME agenda. To date this approach has only been delivered through CompeteFor; however the change in role will need to be accommodated within the Portal access rights.
- The ability to use the functionality and defined supporting role provided by the Portal (editorial management) to create a collaborative information knowledge exchange for development of standardised procurement guides, documentation, Terms & Conditions and Contract Standing Orders etc.

5 Landscape

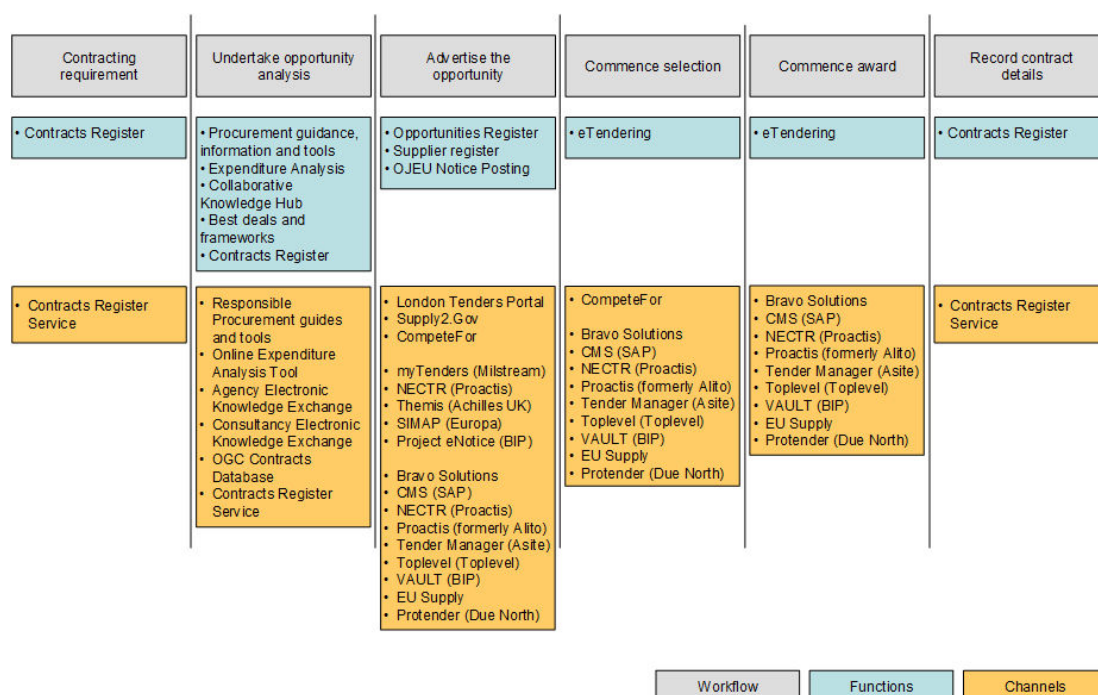
As part of the investigation to assess the opportunity for developing a procurement Portal, an analysis of the procurement “landscape” was undertaken across all 33 Boroughs.

In undertaking this review a data collection exercise was carried out from a number of information sources to identify the systems/repositories used by each London Borough. This identified that further detail was needed around existing contractual commitment to commercial suppliers. The Project Team, through the LDA's Head of Procurement, requested data from each of the Borough's by completion of a pro-forma.

A table of the results received are presented in Appendix A of this report.

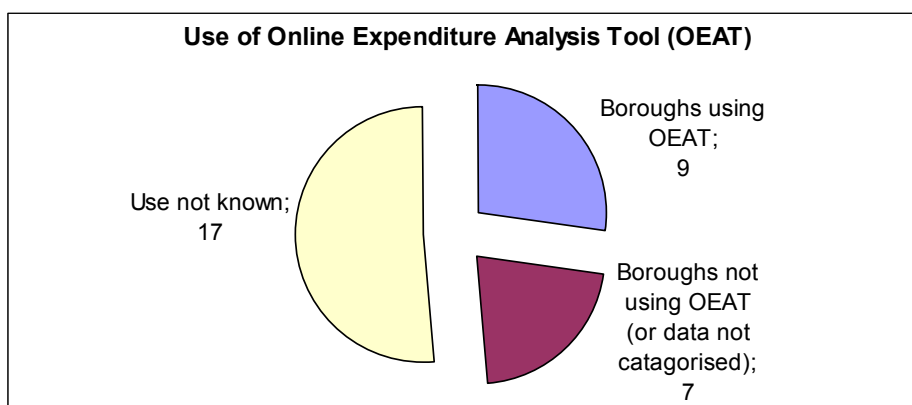
5.1 Landscape summary

The diagram below represents the workflow the Portal will provide, supported by the functions necessary to deliver this and the current available channels that support these functions.

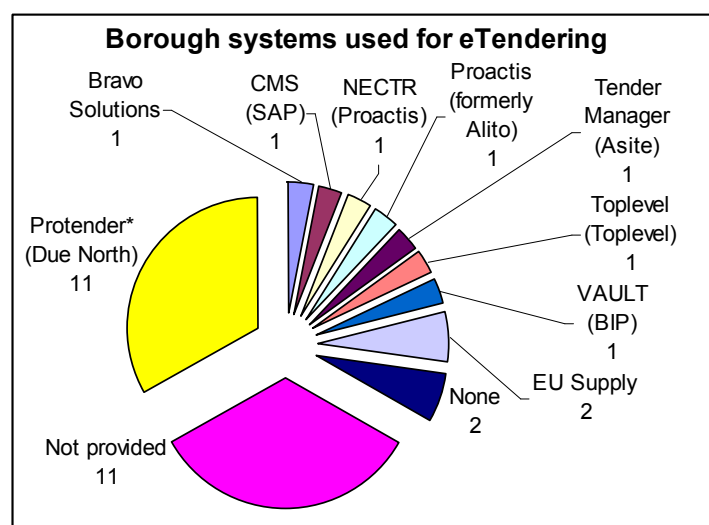
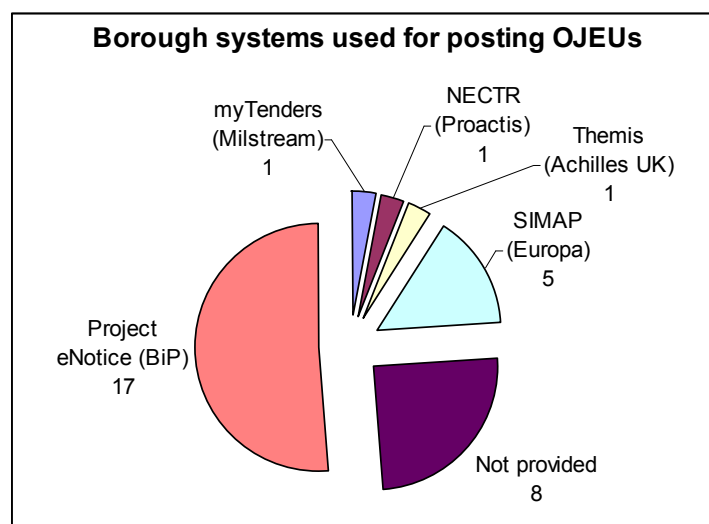


The follow tables summarise the findings from the data collection exercise:

System	Coverage / use
Responsible Procurement Guides and Tools	Coverage mainly the GLA Group
OGC Contracts Database	Coverage not known
Contracts Register Service	100% coverage (but usage varies)
Agency Electronic Knowledge Exchange	19 Boroughs registered (77 registered users)
Consultancy Electronic Knowledge Exchange	7 Boroughs registered (8 registered users)
Online Expenditure Analysis Tool	See chart below



System	Coverage / use
CompeteFor	12 / 33 (Boroughs)
Supply2Gov	17 / 33 (Boroughs)
London Tenders Portal*	8 / 33 (Boroughs)
OJEU posting	See charts below
eTendering	See charts below



[* London Tenders Portal provided by Due North for 8 Boroughs using Protender]

5.2 Landscape conclusions

From the data collection exercise the following observations and conclusions can be made:

- There are a number of systems, with only some correlation, in place across the Boroughs that deliver the workflow necessary to select and award contracts to suppliers. This is not considered unusual in the context of how the Boroughs operate.
- The CRS has already demonstrated that, when driven from a central organisation, take up and usage can reach full coverage. In addition CRS highlights the potential for collaboration across London. This has led to the further development of the OEAT and the Agency and Consulting EKEs; however uptake of these systems is not complete.
- CompeteFor is gaining momentum across the London Boroughs; however uptake is slow as many Boroughs are cautious as to whether it will provide them benefit. In functional terms CompeteFor offers a large supply base (c. 100,000), the facility to post and view contract opportunities and the ability to undertake the shortlist selection (akin to an eTendering system but undertaken in an anonymous environment) for sub-OJEU procurements. The facility to shortlist quickly is considered as valuable, however to gain further efficiency benefit this facility could include integration with an eTendering system so that the tender workflow can also be undertaken through to contract award.
- Boroughs are developing their own eTendering arrangements, and 8 of the boroughs now use the Due North software and have links to the “London Tenders Portal”, and 7 other boroughs use other eTendering solutions. The proposed Pan-London Procurement Portal should build on this initiative and promote the use of eTendering to other boroughs (either through the use of existing framework agreements or through a separate procurement exercise for a Framework of eTendering providers – following a dialogue to ensure sufficient interfacing can be provided).
- The commercial landscape has proven difficult to ascertain, however for those Boroughs that have invested in procurement IT, contract durations for service such as posting OJEU notices appear to be on a rolling annual basis (however this functionality is provided through a number of eTendering systems). eTendering seems to be on a 3 +1 arrangement with only one Borough having recently invested in a new contract; the information provided suggests contract values range from £40k to £130k. In terms of uptake, should a framework become available, c. 13 Borough could adopt a solution immediately with the remaining Boroughs migrating over the next 3 years. It is very likely that in using a framework approach a number of the current vendors will be included within this arrangement and there is the opportunity for Boroughs to remain with their current system provider into a new contracting arrangement within this time period.

- The launch of the London Portal should be considered as a key event that will market and promote the value of each of the current systems and the additional functionality that the portal will provide to aid collaboration. This should be driven through the business engagement function described in the delivery options.

5.3 Landscape opportunity examples

CRS is currently populated with over 5900 London Borough contracts (over a 10 year period) with a total value in excess of £16bn; at only 0.5% of this value there is prospective scope to deliver £80m in collaborative savings.

In an effort to derive examples of where such savings could be achieved, CRS was interrogated to determine examples of where such collaboration could take place and a conservative estimate made against the potential saving. Realistic opportunities used were those that:

- had End Dates within the same quarter,
- had comparable contract titles,
- that were geographically close, where required by the service contracted.

A full list of the opportunities can be located in the Appendix C of this report. A summary of this list is presented below:

Main category	Description	Saving 0 – 2 years	Saving 2 – 3 years
Financial Services	Banking Services	£90K	£3K
	Debt Collection and Recovery	£10K	
Works – Construction, Repair and Maintenance	Buildings – lift maintenance	£3.5K	
	Roads – highways maintenance	£671K	£270K
	Street lighting	£25k	
	Ground maintenance (open spaces)	£157K	£357K
Catering	Food and beverage	£68K	£39K
Saving Totals		£1.03M	£669K

[Source: Contracts Register Service]

In evaluating the scale of these opportunities it was agreed to that only a conservative estimate be used when considering the return on collaboration to avoid the risk of determining an unrealistic figure. The estimates are based on a percentage benefit against the total contract value of the sub category and the number of Boroughs in collaboration:

- Less than 3 = 0.5%
- 3 to 5 = 1%
- Greater than 5 = 1.5%

6 High Level Requirements of Procurement Portal

The following table sets out the key high level functional requirements of the London Portal, which has been used as the basis for the later sections of the report which consider approaches to delivery and estimated costs.

Requirement	Description	Benefit
Single point of access to procurement applications	<p>The Portal will provide a single place where users can access the following existing systems:</p> <ul style="list-style-type: none"> ▪ CRS (OEA) ▪ AEKE and CEKE ▪ CompeteFor ▪ GLA's Responsible Procurement Web site ▪ supply2gov <p>Effectively this will provide access for registered users to:</p> <ul style="list-style-type: none"> ▪ Opportunity management ▪ Contracts register ▪ Expenditure analysis ▪ Knowledge exchange ▪ Content management ▪ eTendering buyer workflow ▪ OGC contracts database. 	<p>Brings together into one place all relevant applications</p> <p>Makes access to these applications easier</p> <p>Promotes 'cross-promotion' of the applications - e.g. a regular user of the CRS may not be aware of the AEKE or CompeteFor, and may be encouraged to use them</p>
Single sign-on	<p>Once a user has logged in, they will be able to access all the procurement applications without having to log in again to each application.</p> <p><i>Note:</i> Users will still have to initially register with each application, since they each have their own registration process including approval by individual Council administrators.</p>	
Open access	<p>The Portal will provide suppliers and other members of the public open access to:</p> <ul style="list-style-type: none"> ▪ Opportunities search and application facility (via CompeteFor) ▪ eTendering supplier workflow (via individual eTendering applications) 	

Access to editorial content	The Portal will allow users to browse, search, read and download useful content regarding procurement. This content can comprise guides, toolkits and other such resources in the form of documents, audio or video.	Promotes sharing of knowledge and tools for buyers and suppliers
Content management capability	In the first instance the editorial content will be centrally controlled and published by Capital Ambition. The solution will provide content management tools that will allow non-technical editorial staff to maintain the site content.	Allows Capital Ambition team to directly maintain editorial content on the site
Single helpdesk	Ultimately there should be a single helpdesk which users can call with queries regarding the use of the Portal and the linked applications	Improves user experience and so promotes continued use
Collaboration functions	The site will be capable of supporting further features to support collaboration among users. Sometimes referred to as 'Web 2.0', these would include an events calendar, discussion forums, user-generated content, RSS feeds, news, blogs, etc.	Promotes collaboration Makes a more dynamic site

7 Options

7.1 Benefits of a Pan London Procurement Portal

In understanding the benefits that can be derived through the Portal, it is important to realise that each system component will provide benefit in its own right, however in providing these together through one point of access, these benefits can be considered as more likely as they drive behavioural change and enable the ability to collaborate. In addition, the strength of a portal is not only to provide these systems through a single point of access, but to support them with collaborative functionality that enables users to work proactively in assessing and realising opportunities.

The table below considers the function identified within the landscape diagram in section 5.1 and shows where each can deliver benefit against a number of benefit types (where the larger the benefit the larger the tick).

		Benefits						
		Exploiting Frameworks and best deals	Category management	Workflow efficiencies	Standardised docs & reporting	Contracts pipeline	Contracts opportunities	Targeted supply base
Function	Contracts	✓	✓			✓		
	Procurement guidance, information & tools			✓	✓			
	Opportunities Register						✓	✓
	eTendering			✓	✓		✓	✓
	Expenditure Analysis	✓	✓		✓			
	Collaborative Knowledge Hub	✓			✓			
	Best deals and frameworks	✓						
	OJEU Notice Posting						✓	
	Supplier register							✓

A detailed table of evaluated benefits can be seen in Appendix B.

7.1.1 Potential cash savings key highlights

- West Midlands RIEP has quoted savings of £1.6m during CSR07 through promoting the use of OGC frameworks.
- In assessing collaborative opportunities in CRS, there is a potential saving of £1.67m within the next 3 years (see section 5.3 for a summary and Appendix C for details)

- The agency knowledge exchange was developed in accordance with identified savings of 5% against those without a managed service (£11.9m).
- In 2005 a London/Surrey-wide Stationery and Paper supply contracts was awarded through collaboration that made 39% savings on core items and 9% savings on non-core items. This demonstrates the advantages of boroughs collaborating in buying goods, works and services.
- West Midlands RIEP has quoted savings of £1.1m against stationery supplies.
- Saving due to reduced tender / bid cost - South West RIEP quoted a saving of £75 - £1000 per tender within the Phase 1 report, however 25% on existing cost is considered an average saving by NePP.
- Savings on advertising can be achieved by tender notices not having to go through the press, with South East RIEP reporting an average saving of £20,000 per council per year. NePP suggest an average 45% saving on advertising when exploiting electronic means.
- A small sample of private sector buyers using CompeteFor suggests an average of 5% saving through access to a large supply base. One buyer who posted 40 opportunities value <=£20K made savings on half of these, typically 10-15%. Other anecdotal savings include a 50% saving on courier savings and 40% on wood products.

7.1.2 *Efficiency savings key highlights*

- eTendering reduces the time and costs incurred compared to traditional paper methods. For example if an OJEU takes on average 184.5 hours of effort, NePP recommend an average efficiency saving of 25% (this includes the EU procedural time efficiency gained through using electronic tendering) which equates to 46.2 hours saved per exercise.
- The collaborative opportunities (identified in Appendix C) could reduce the number of tender actions from 54 to 19, potentially saving £203k and 6466 hours of effort (assuming each is an OJEU).
- By exploiting frameworks time can be saved where framework competitions can, on average, be completed 71% more quickly than an OJEU.
- The ability to share tools and information can assist a Borough in fast tracking a requirement. Suppliers have a clear steer on how to supply to London.
- A pipeline of procurement activity can allow the Borough to prepare resource requirements to meet the need.
- Through automated scoring buyers can get from a long list to a shortlist very efficiently. Using CompeteFor suppliers are able to apply for opportunities by filling in a simple online questionnaire.

The following assumptions have been used in evaluating any benefits concerning tendering.

Tender assumptions based on current LDA Information

Average Hourly Staff Rate

£31

Procurement Type	Total hours*	Cost	eTendering		
			Average time saving	Potential time efficiency (Hrs)	Materials cost per tender
Written Quotation	7	£ 219	7%	0.5	£0
Invitation to Quote (Sub OJEU)	46.5	£ 1,458	13%	6.0	£3
Invitation to Tender (Sub OJEU)	87.25	£ 2,736	21%	18.3	£7
OJEU (inc PQQ)	184.75	£ 5,793	25%	46.2	£7
Framework Mini-Competition	52.5	£ 1,646	12%	6.1	£3

* From advert to award

7.2 Challenges of a Pan London Procurement Portal**7.2.1 Technical**

- CRS/OEAT mis-coding can reduce the visibility of opportunities
- Some Boroughs are operating parallel contracts registers requiring dual input and management with no connectivity between these systems.
- In a service provider model; transfer of IPR for current systems and novation of contracts
- Cleansing other Portals e.g. London Tenders Portal statement that it is 'The' London procurement Portal.
- A mixture of eTendering systems without common contract end dates.
- eTendering system integration
- Single sign-on to each application

7.2.2 Non – Technical

- CRS is not fully populated
- There is sensitivity in adopting CompeteFor where Boroughs are unsure of the potential benefits.
- Services are not always aligned; at category level the contract may appear to be of a similar nature but at a more detailed level the actual service requirements may differ enough to make collaboration impractical.
- Aggregating the value of a contract in terms of collaboration may reduce competition. This may drive out savings in the first instance but following this, and at contract renewal, the market for delivery may be reduced further, negating any future savings.
- In extreme examples, the supply base could be impacted at a local level preventing suppliers from competing and causing them to withdraw from the market, this could impact local economies. The strategy to offer larger contracts also impacts the SME agenda.

7.2.3 Potential mitigations

- Identification of opportunities; where an individual Borough requires a new contract they will need to introduce steps to assess if there are any opportunities to contract with other Boroughs for the same service.

- There may be the need for the introduction of a commissioning framework approach, where the emphasis is on early market and customer analysis in the development of the outline business case. The key criterion is to determine the level of collaboration that can be considered acceptable without creating a negative impact on the longer term market and ensuring the solution is sustainable.
- There is a need for a business analytics role; to drive forward opportunities, a macro level role can be used to identify opportunities and liaise with Boroughs to assist in their realisation.
- Collaboration should be considered as one end of the contracting spectrum; there will also need to be a strategy for procuring lower value contracts to drive through sustainability (including the local economy) and SME agenda.
- The introduction of the ability to target smaller enterprise suppliers and to enable larger enterprise to 'flow down' opportunities into the lower tiers of the supply chain i.e. the supplier becomes the buyer.

7.3 Delivery Options

In this section we present a number of potential delivery models for the London Portal during its development and operational phases. To help with orientation we have included the 'As-is' picture as a starting point.

The following sections cover:

7.3.1 The 'As is' state

7.3.2 Delivery model 1: 'In-source'

7.3.3 Delivery model 2 'Service Provider'

7.3.1 The "As is" state

The 'As is' diagram depicts the current delivery arrangements for the main existing applications that will provide the content for the London Portal. The current role of each delivery body is summarised below.

New Information Paradigms

NIP (www.nipltd.com) are a software company that delivers web-based solutions. They developed the CRS (OEA) application and are currently responsible under a service level agreement for:

- hosting the live applications – i.e. providing and maintaining the live running environment for the applications, including servers housed in a secure data centre and Internet access;
- providing first-line helpdesk support to users; and
- maintaining the software, i.e. fixing defects and keeping it up-to-date
- enhancing the applications as required by Capital Ambition.

Harlequin Solutions (www.solutions.co.uk)

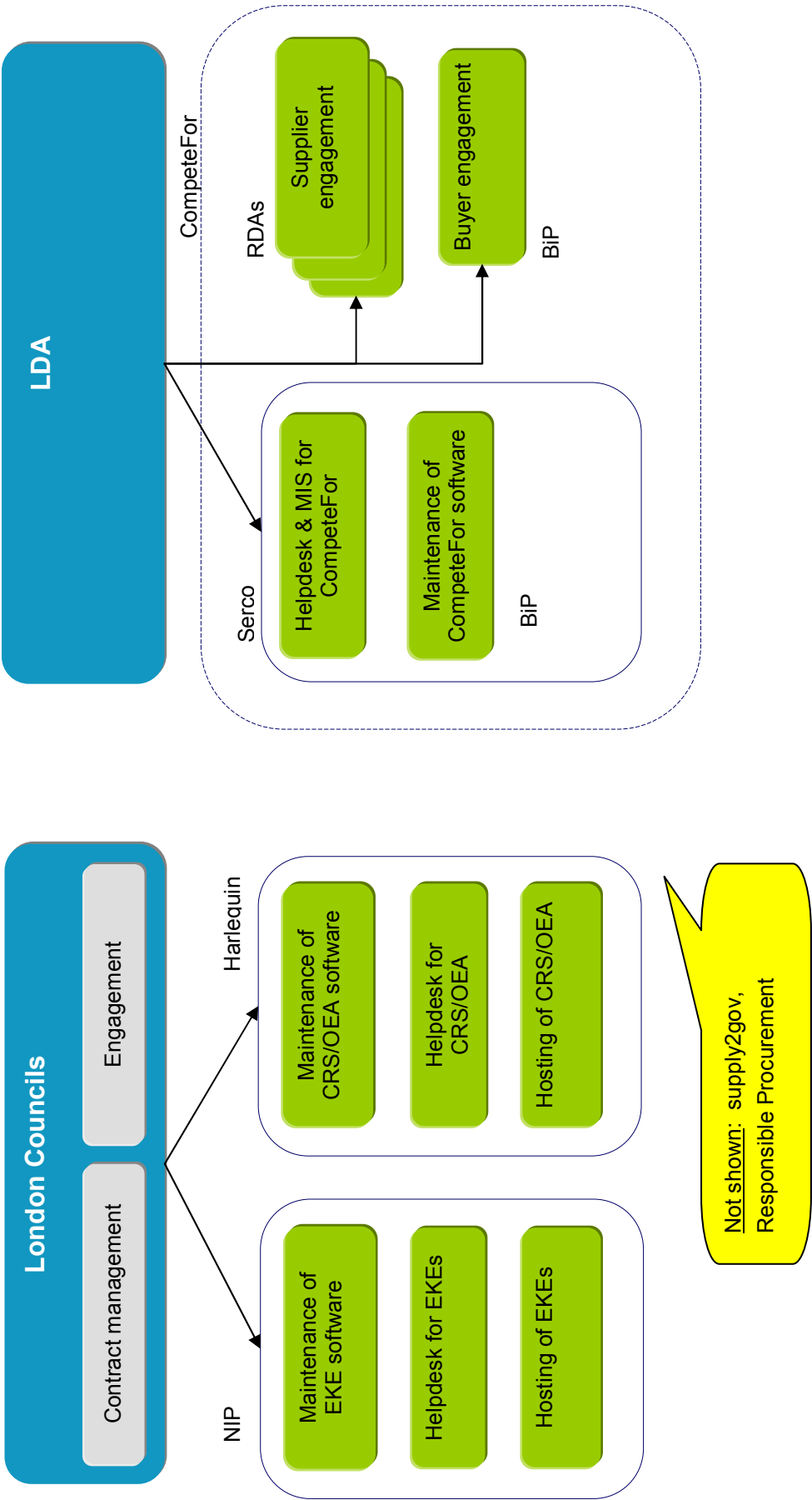
Harlequin are providers of IT knowledge management solutions. They developed the AEKE and CEKE applications and perform the same role as NIP with respect to these applications, under separate contract arrangements.

London Councils

We understand that London Councils is effectively responsible for:

- Contract management: managing the service contracts with NIP and Harlequin (although this may be via a London Borough contracting agent);
- Engagement: i.e. engaging with London Boroughs to promote the use of these systems.

Diagram: The “As Is” state



Current costs of provision

The current annual operating costs for the NIP and Harlequin applications are as follows:

	£ p.a.
NIP – hosting, support & maintenance ¹	118,600
Harlequin – hosting, support & maintenance	17,300
total supplier-side annual cost	135,900
Capital Ambition – nominal central costs ³	25,000
total annual costs including central client-side costs	160,900

Notes

1. NIP: Cost made up of £46,000 core cost plus £2,200 per organisation that signs up to the Expenditure data. In the total cost we have costed for all 33 Councils.
2. Both supply contracts runs to March/April 2011
3. Capital Ambition costs: As stated this is a nominal figure assuming 0.5 FTEs (for business engagement, contract management, etc.) costed at £240 pd
4. Application enhancements if required are an extra cost.

7.3.2 *Future delivery model 1: 'In-sourcing'*

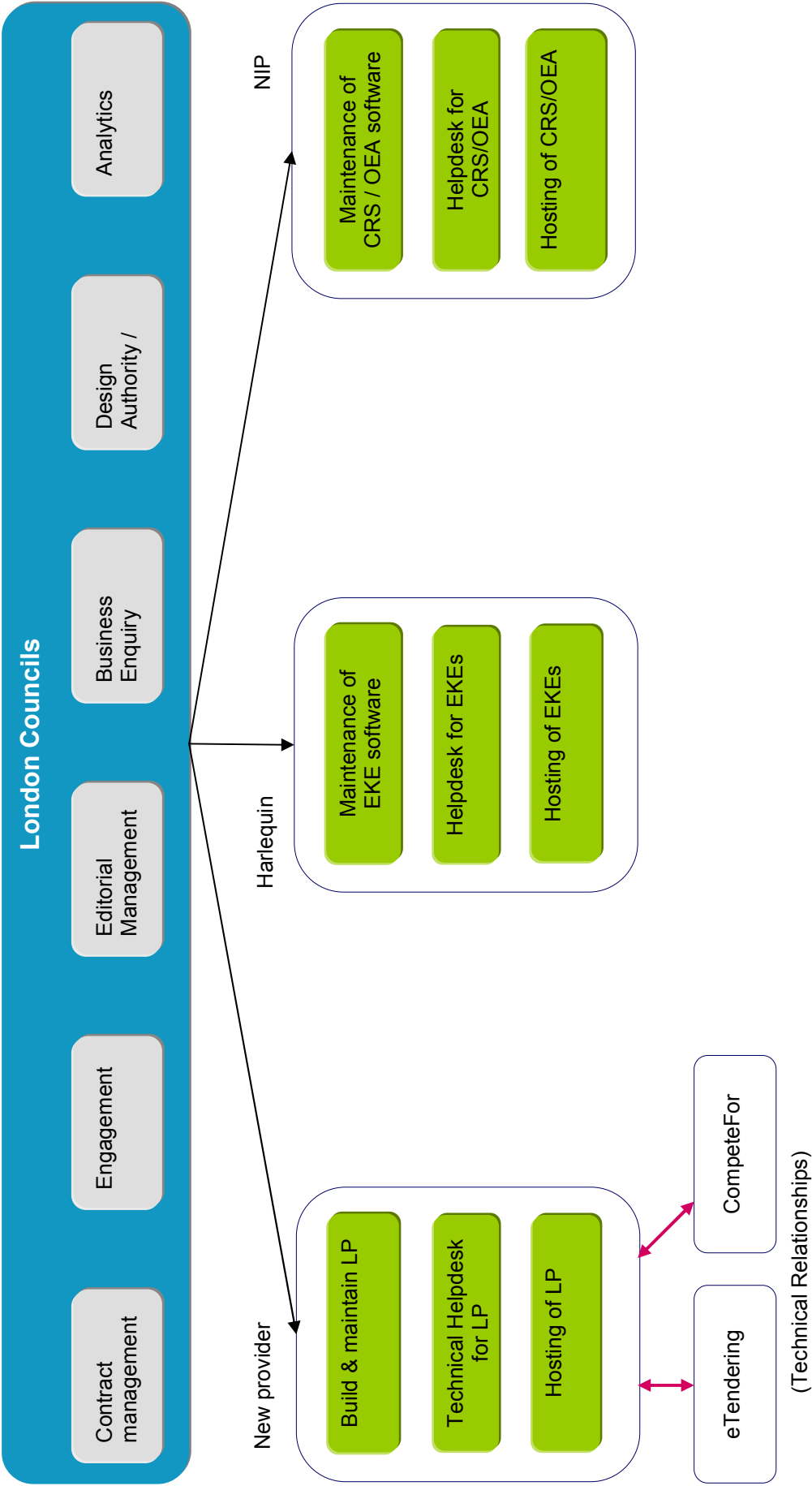
Description of model 1

In this model Capital Ambition would contract separately with a supplier to build and operate the new London Portal, and would retain the existing supply arrangements with Harlequin and NIP for the hosting and support of their respective applications.

Capital Ambition would maintain an in-house London Portal team who will provide the functions of business engagement, editorial management, business enquiries, analytics and the Design Authority (explained further below).

We assume the supplier contracted to build and operate the London Portal would be chosen by competition, but in principle the contractor could be NIP or Harlequin. If this were the case it may bring special advantages in terms of efficiency in development and operation, and future integration options.

Diagram: Model 1 - “In source”



Role of the new provider in model 1

The new provider would be contracted to:

- Design and build the London Portal to Capital Ambition's requirements.
- Liaise at a technical level with the providers of the other systems being linked to, including NIP, Harlequin, CompeteFor and eTendering, to ensure that linkages and single sign-on operate correctly.
- Provide hosting, i.e. the live running environment for the London Portal including servers housed in a secure data centre and Internet access.
- Run a London Portal helpdesk for users to call when they have any issues using the Portal. This helpdesk would be equipped to handle queries about the London Portal – e.g. issues with logging-in, browsers, accessing links or content on the site itself. Callers with queries about specific applications such as CRS (OEA), AEKE/CEKE or CompeteFor would be directed to contact the dedicated helpdesks operated by NIP, Harlequin, CompeteFor, etc. (However a single unified helpdesk is offered under delivery model 2.)
- Maintain the London Portal software, keeping it free of defects and up-to-date.
- Provide ongoing changes and enhancements as required by Capital Ambition.

Role of London Councils in model 1

In model 1 an in-house London Portal team at London Councils would be responsible for:

- Contract management: managing the service contracts with NIP, Harlequin and the London Portal provider.
- Engagement: i.e. engaging with London Boroughs to promote the use of the London Portal and related applications. This would include gaining senior-level commitment within individual Councils to using the London Portal, and then facilitating its adoption through training and appropriate follow-up activity. This could involve managing user group(s) for the purpose of collecting feedback and testing new ideas.
- Analytics: analysing data across the applications to identify potential procurement opportunities and reporting these to the Councils who could benefit.
- Product management/Design Authority: specifying detailed requirements and approving detailed designs for the London Portal while it is developed. Determining the future development of the London Portal based on user experience/feedback and service objectives.
- Business enquiries: The helpdesk operated by the London Portal provider will be limited to 'technical' enquiries about using the Portal. We assume some users will have other enquiries requiring specialist knowledge of procurement or of the data contained in the applications. In this model such enquires would be handled by the central team at London Councils.

- Editorial management: managing the editorial content on the Portal (best practice guidance materials, reports, toolkits, etc.). It is important that the content is kept fresh and relevant. This role would involve harvesting useful content from the Councils, identifying and commissioning new pieces of content, editing and publishing material onto the site, and retiring old material.

Estimated costs for model 1

Costs for model 1 have been estimated using a combination of experience and consultation with two suppliers of Web development/hosting services (one of which was Harlequin Solutions)

	Build cost £	Operating cost £ p.a.
London Portal – design and build (supplier cost) ¹	100,000 – 150,000	
London Portal - Hosting, support, & maintenance ²		60,000
NIP – hosting, support & maintenance (same as current costs)		118,600
Harlequin – hosting, support & maintenance (same as current costs)		17,300
total supplier-side costs	100,000 – 150,000	195,900
Capital Ambition – client-side project costs ³	50,000	
Capital Ambition – client-side operational costs ⁴		53,000
Grand totals	150,000-200,000	248,900

Notes

1. Design and build supplier cost includes:
 - Single sign-on to CRS (OEA), AEKE and CEKE, CompeteFor
 - Small content management system (CMS) implementation: up to 200 pages content using up to 4 templates. Client to enter content
 - CMS options to plug-in future elements - Web 2.0 collaboration, Wiki's etc, although these will not be implemented initially
 - full project costs including project management, usability design, development, testing, software licences (where applicable); set-up of hosting environment, helpdesk and operational procedures; initial training of client Editor.
2. Market soundings indicated a broad range of £20K to 90K range in the operating costs for the London Portal. It appears the helpdesk is a large factor. £90K seems disproportionate, but to derive a more accurate estimate will require analysis of the likely

helpdesk requirements and service levels. At this point we believe a £60K cost should be achievable, depending on expected helpdesk demand and service levels.

3. Client-side project costs include:
 - £15K for service specification and procurement
 - £30K for 1 internal FTE during the design and build project - assumed duration 6 months. To undertake project management, requirements management, design support, acceptance testing/delivery assurance, launch planning, and communications. Assumes an internal cost rate of £240 pd.
 - £5K for the cost of an independent accessibility audit of the site.
4. Client-side operational costs are based on 1.6 FTEs costed at £240 per day. This is the estimated effort to fulfil the central team roles identified above, namely contract management, business engagement, analytics, business enquiries, editorial management, and product management.
5. Costs of eTendering or integration with eTendering systems are not included.

7.3.3 *Future delivery model 2: "Service Provider"*

Description

In delivery model 2 a single Service Provider takes delivery management responsibility for the main applications (AEKE, CEKE, CRS (OEA) as well as the London Portal itself, and provides a single first-line helpdesk covering all these applications.

The Service Provider model assumes that Harlequin and NIP are willing to act as sub-contractors to the Service Provider, either now or when their current contracts expire.

Three variations of the basic model are presented where the Service Provider:

- takes over from the London Councils central team more of the non-technical business functions such as business engagement and analytics;
- merges aspects of the technical provision, such as co-hosting of the applications and ultimately re-implementing them as a single solution.

The three variations are depicted in the following diagrams and are summarised below. They can be seen as a set of progressive options or as alternatives. Other variations could be considered.

Model 2 - Phase 1

Key features:

- The Service Provider builds and operates the London Portal as per model 1
- In addition the Service Provider takes over the service contracts for NIP and Harlequin, and manages their performance

- The Service Provider also operates a unified helpdesk which acts a single help point for users irrespective of whether the query is about the Portal or the CRS (OEA). AEKE or CEKE.

Key benefits of this approach:

- Reduced service management workload for London Portal central team
- Users have a single contact point for help on the Portal and main applications (but not CompeteFor)
- Potential efficiency savings arising from having one first-line helpdesk rather than three.

Model 2 – Transition

Features:

- The Service Provider hosts the London Portal, CRS (OEA), AEKE and CEKE applications in a single data centre.
- The Service Provider takes over from the London Councils many of the non-technical roles, namely analytics, business engagement, editorial management and business enquiries.

The size and nature of these roles will be difficult to specify until London Councils have some experience of running the new service under the previous model. For this reason the Transition model is probably not appropriate for day 1 of the London Portal, but could be adopted later.

Benefits of the Transition model:

- Efficiency savings in hosting provision, arising from use of a single data centre and internet pipe
- Much smaller direct burden on London Councils for running the service.

Risk

This model implies having a main service contract covering business services as well as technical services. This will require a Service Provider with a broader set of capabilities, which may be more difficult to source at an economical price.

Model 2 – Final state

In the 'Final' version of model 2, the Service Provider has integrated the CRS /OEA, AEKE and CEKE applications with the London Portal so they can all be maintained and supported by a single support team. This may or may not be feasible, depending on technical and intellectual property factors not yet investigated.

Assuming it is feasible, the principal benefit would be reduced cost of maintenance, although this would need to be balanced against the cost of doing the integration.

Estimated costs for model 2

The table below shows the estimated incremental costs for each of the delivery models assuming they were adopted progressively. Costs for Build and annual Operations are shown in separate columns.

Delivery model	Incremental cost £K		Net total costs £K	
	Build	Operating p.a.	Build	Operating p.a.
Model 1 – 'In-sourcing'			200	249
Model 2 – 'Service Provider phase 1'	40	30	240	279
Model 2b - 'Transition'	10	15	250	294
Model 2c - 'Final'	150	-35	400	259

Notes

1. Service Provider phase 1: The additional 'build' cost costs allow for 45 days additional set-up effort at rates between £700-1,000 per day, to cover additional effort to develop and establish unified Helpdesk training and procedures, the performance management framework, and the new sub-contracts and management arrangements. The additional operating cost is based on extra cost of the expanded Helpdesk role, sub-contractor management, service management, 15% mark-up on NIP/Harlequin costs, and a £5K reduction in the costs of the NIP and Harlequin helpdesks since these would be providing only 2nd-line support.
2. 'Transition': The additional 'build' cost is an estimate of the cost of relocating the NIP and Harlequin servers to a single data centre, and assumes there would be no additional s/w licence costs incurred. The additional operating cost assumes a 10% saving in overall hosting costs; that 1.1 FTE of effort for business engagement, business enquiries, and editorial management will be now undertaken by the Service Provider at a cost of £40K p.a. plus 100% for employment overheads; and that the resource requirement on the London Councils team would therefore reduce by 1.1 FTEs, costed at £240 per day.
3. 'Final': The additional 'build' cost is a very approximate estimate of the cost of integrating or effectively redeveloping the CRS (OEA), AEKE and CEKE applications so it can be maintained as a single solution by a single team. This would result in a reduction in the ongoing software maintenance cost for these applications, which is reflected in the reduced operating cost above.

Diagram: Model 2 - “Service Provider Phase 1”

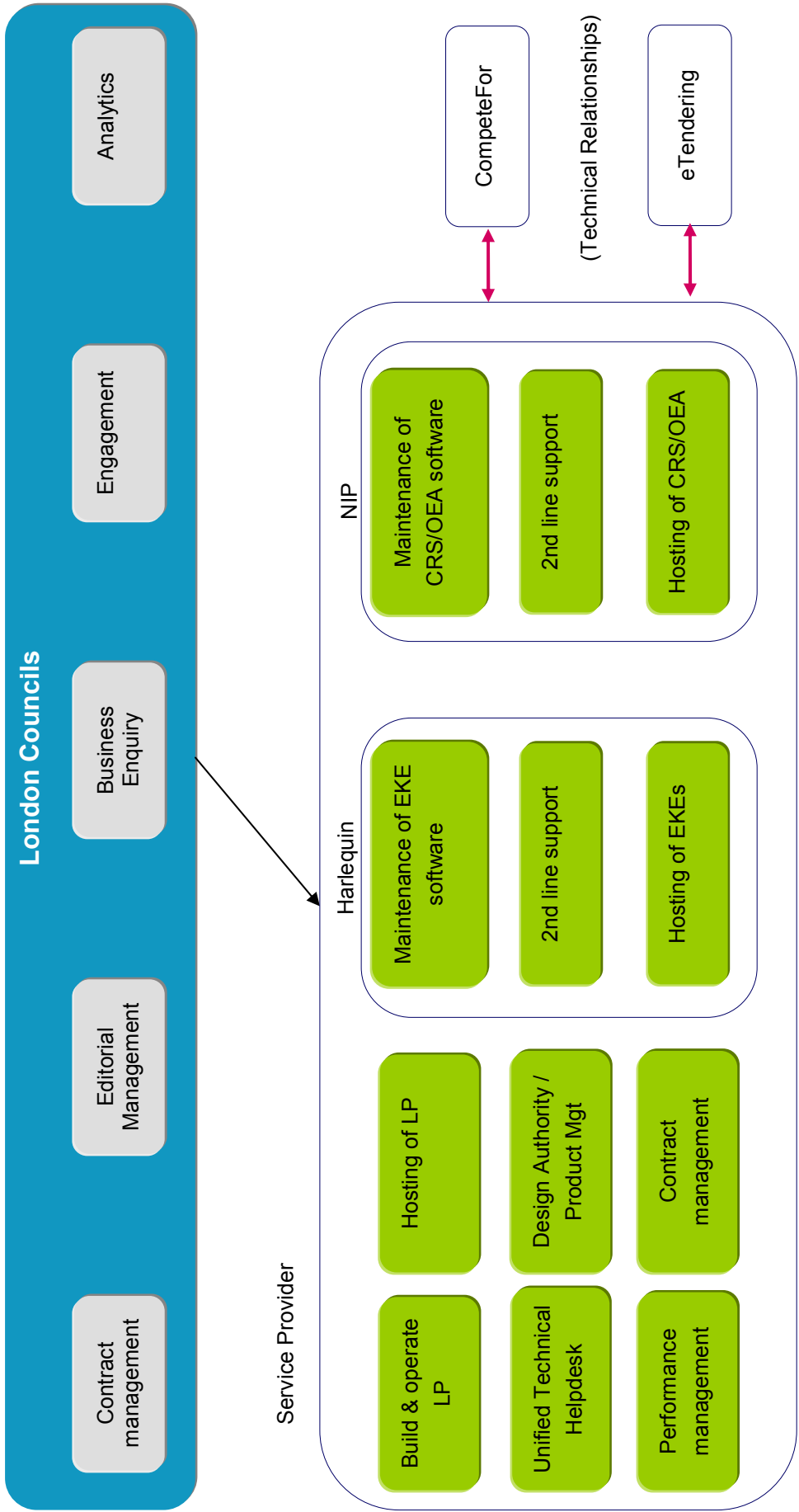


Diagram: Model 2 - “Service Provider” – Transition

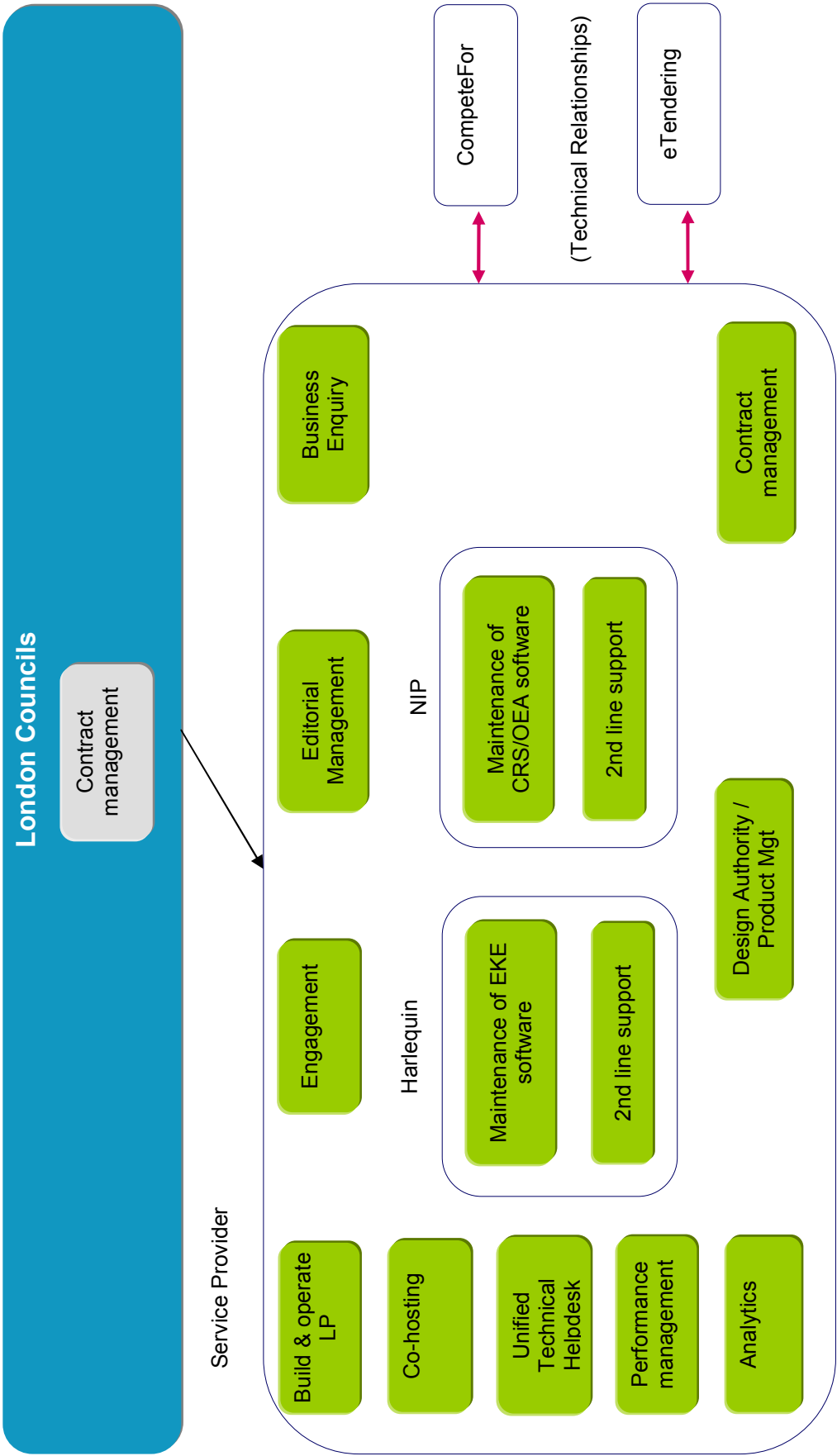
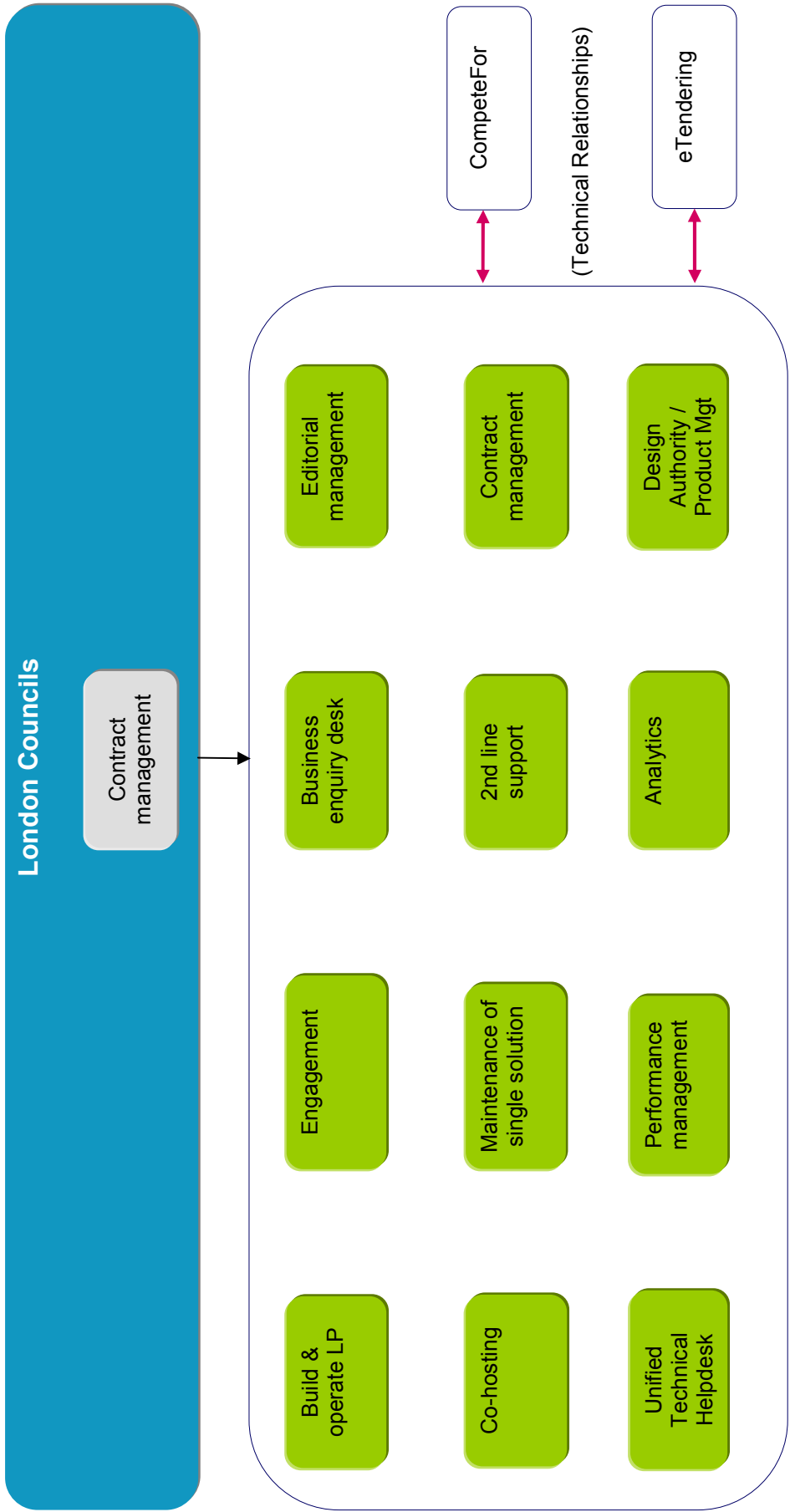


Diagram: Model 2 - “Service Provider” – Final State



7.4 Funding Model Options

In determining how the London Portal can be funded there are a number of current funding considerations:

- The current funding for system channels is varied but in essence the main components for CRS and the EKEs are provided through Capital Ambition with additional funding of the expenditure component of CRS covered through a contribution from each Borough in the region of £2,200 per annum.
- The funding arrangement for Capital Ambition as a RIEP are time bound and there is a need to consider how any funding from CA is provided post 2011.
- CompeteFor is solely funded through the LDA and is no additional cost is required from its users, however the system was originally intended for use to support the 2012 Olympics and therefore funding beyond this point has not been allocated.
- Other system channels such as eTendering and OJEU notice posting are funded through direct contract arrangement between the Borough and the vendor.
- Supply2.Gov does require a subscription for additional services but opportunity notices are considered free of charge.

Options available to support on-going funding include:

- A central funded approach where all development, operational and maintenance is provided to users free of charge.
- A core funded approach where development and operational costs are funded centrally with the provision of a contribution from each participating Borough.
- In line with a central funded or core funded approach other major system channels such as eTendering can be funded by each Borough as each contracts with a supplier on the eTendering framework of choice..
- The cost of the Portal (assuming development will be centrally funded) is distributed across all participating Boroughs based on either an equal share or through other distribution arrangements based on geography/ number of users etc.
- In line with distributed funding, there is also option to introduce a saving based approach where each Borough funds their participation through savings made. This will require a rigorous baseline and benefits tracking process to ensure only cash released directly related to Portal usage is used for funding.
- Suppliers could be charged a fee to gain access to the system components, similar to the Supply2.Gov model.
- In addition to each of the above options there is scope to use the public access point available to targeted advertising and thus introduce a subsidised revenue stream.

8 Roll-Out Approach and Next Steps

The accompanying plan shows at a high level the major activities (client-side and supplier-side) required to deliver the first release of the Portal, and an indicative timescale.

Project approval and initiation

Project approval	Seek approval, from the project sponsor, of the feasibility study findings and next steps including resources required to support project longer-term. Also agree governance and engagement frameworks.
Business case development	<p>We will, on approval of the associated PID by Capital Ambitions, prepare the business justification for the project on the basis of the feasibility report, This document will include:</p> <ul style="list-style-type: none"> ▪ Purpose ▪ Strategic context ▪ Case for change ▪ Available options ▪ Preferred option ▪ Procurement route ▪ Funding and affordability ▪ Project Management arrangements <p>To accommodate the EB governance we will prepare the business justification between the 5th and 29th of January.</p>
Stakeholder engagement & governance	Following approval by Capital Ambitions on 5th January, we will initiate wider stakeholder engagement through the project sponsor and board. This will include establishing a user steering group to ensure that future design and functionality roll out meet the needs of the users.
Project documentation	Develop key project initiation, management and governance documentation e.g. PID, risk register and communications plan.

Delivery management

Specification and	Develop service specification and performance management
-------------------	--

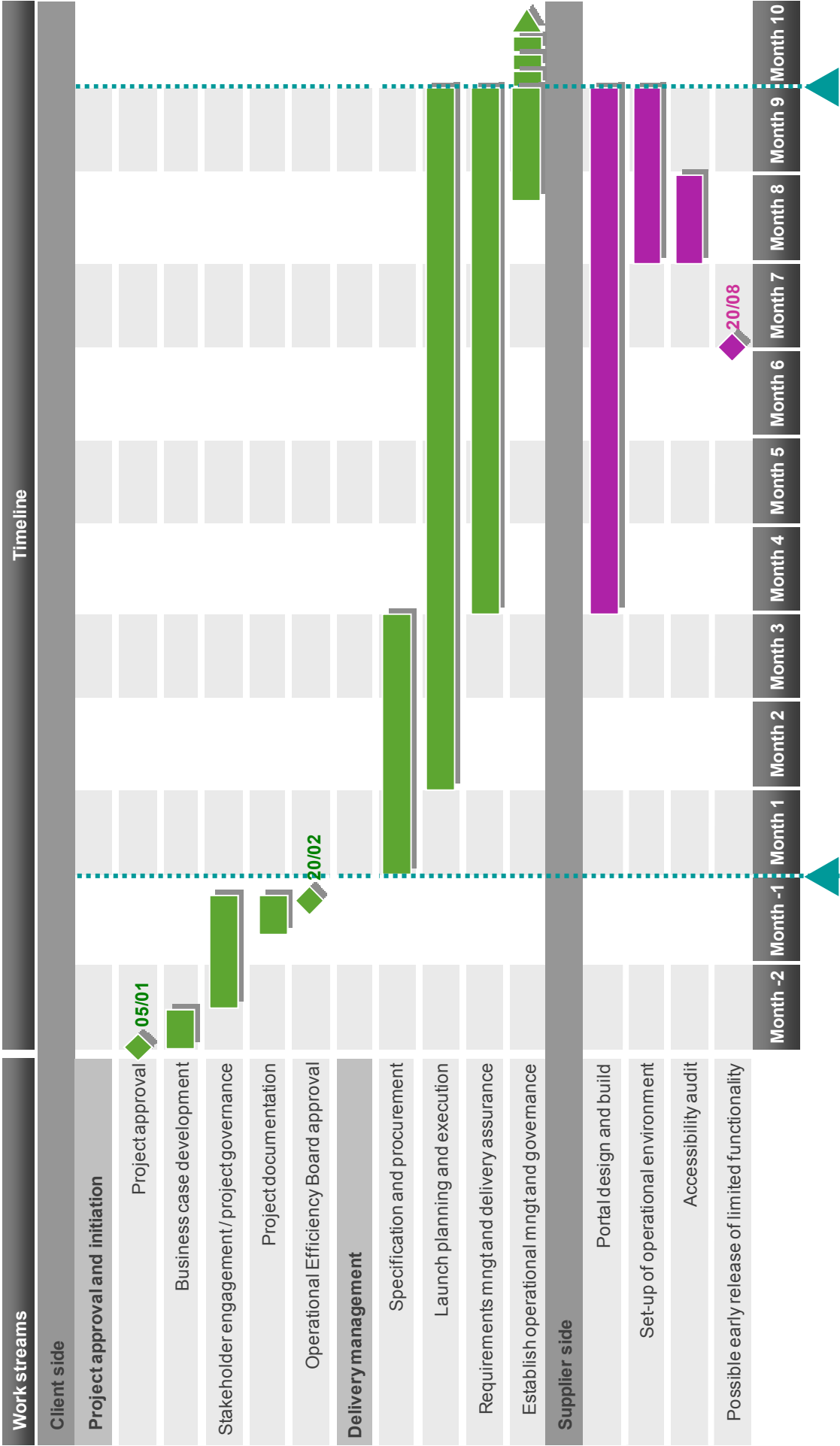
procurement	<p>framework to support procurement.</p> <p>Identify most appropriate sourcing approach such as Buying Solutions framework/existing arrangements and key enabling contract terms to enable longer term service evolution.</p>
Launch planning & execution	<p>The launch of the new service - including launch strategy (phases, soft vs. hard launch, etc.), internal and external marketing and communications, Search Engine Optimisation, promotion on other websites, engagement of launch 'customers', preparation of support resources, launch events at London or local level, launch readiness criteria, launch follow-up activities</p>
Requirements management and delivery assurance	<p>Work with Supplier to manage the detailed Portal requirements, agree site architecture, navigation and general user interface standards. Consult with client Design Authority as appropriate.</p> <p>Agree branding for site (possibly commission branding design – not included in costs).</p> <p>Review and approve wireframes for the site.</p> <p>Provide site content.</p> <p>Review interim deliverables. Plan and manage user acceptance tests</p>
Establish operational management and governance	<p>Plan client-side governance and service management arrangements post-launch, including the operational roles of editorial management, user engagement, and analytics.</p> <p>Recruit and mobilise the roles. Develop processes and tools as required in readiness for launch.</p> <p>Work with Supplier to agree supplier-side operational arrangements and hand-offs with client-side ops team</p>

Supplier-side activities

Design and build Portal	<p>Design the overall site architecture and navigation. Agree general user interface standards with client, including how accessibility requirements will be met.</p> <p>Produce wireframes for key parts of the Portal, for client approval.</p>
-------------------------	---

	<p>Liaise technically with partners (NIP, Harlequin, CompeteFor, GLA) re linkages and single sign-on.</p> <p>Develop and test site functionality. Support user acceptance testing</p> <p>Train editor on content editing and management</p>
Accessibility audit	Commission an independent audit to demonstrate compliance with accessibility standards. (Alternative: Capital Ambition to commission audit)
Set-up operational environment	Establish hosting and networking infrastructure. Deploy Portal to live environment. Establish helpdesk and 2 nd -line support.

8.1 Indicative Rollout Plan



Appendix A. Landscape data

No response
Response received
Data set complete

KN = Not Known

Authority	CRS	OEAT	EKE	Opportunities OJEU	Start Date	Finish	Value	Opportunities Sub OJEU	Completing	Start Date	Finish	Value
Barking and Dagenham	Y	NK	NK	Not provided				Supply2.gov.uk	Y	Tender Manager (Asite)		£14,000pa
Barnet	Y	Y	N	Project eNotice (BiP)	Aug-09	Jul-10	See comment		None	not provided	not provided	not provided
Bexley	Y	N	NK	Project eNotice (BiP)	not provided	not provided	£800pa	Supply2.gov.uk	Y	Protender (Due North)	not provided	not provided
Brent	Y	N	N	SIMAP (Europa)	not provided	not provided	not provided		VAULT (BiP)	not provided	not provided	not provided
Bromley	Y	Y	NK	Project eNotice (BiP)	not provided	not provided	not provided		Protender (Due North)	not provided	not provided	not provided
Camden	Y	NK	Y	Project eNotice (BiP)	2009	2010	£600		EU Supply	2010	2013	not provided
The City of London	Y	NK	NK	Project eNotice (BiP)	not provided	not provided	not provided		Protender (Due North)	not provided	not provided	£42,000pa
City of Westminster	Y	NK	NK	Not provided	Aug-09	Ongoing	Free		Toplevel (Toplevel)	Aug-09	Aug-10	£9,000
Croydon	Y	NK	NK	Project eNotice (BiP)	not provided	Mar-10	not provided	Supply2.gov.uk	Protender (Due North)	not provided	Aug-11	not provided
Ealing	Y	Y	NK	myTenders (Mistream)	not provided	not provided	not provided	Supply2.gov.uk	Not provided	not provided	not provided	not provided
Enfield	Y	NK	NK	Project eNotice (BiP)				Supply2.gov.uk	Not provided			
Greenwich	Y	Y	N	SIMAP (Europa)	not provided	not provided	not provided	Supply2.gov.uk	Not provided	not provided	not provided	not provided
Hackney	Y	NK	N	Themis (Achilles UK)	Jun-09	May-10	£695	Supply2.gov.uk	Not provided			
HammerSmith and Fulham	Y	Y	N	SIMAP (Europa)	not provided	not provided	not provided		Protender (Due North)	Oct-08	Oct-10	not provided
Haringey	Y	N	N	Project eNotice (BiP)	not provided	not provided	not provided		CMS (SAP)	not provided	not provided	not provided
Harrow	Y	NK	NK	Not provided					Bravo Solutions			£45,000pa
Havering	Y	N	Y	Project eNotice (BiP)	Aug-09	Jul-10	£150		None	not provided	not provided	not provided
Hillingdon	Y	Y	N	Project eNotice (BiP)	not provided	not provided	£100pa	Supply2.gov.uk	Y	Protender (Due North)	not provided	£7,800pa
Hounslow	Y	NK	NK	Not provided				Supply2.gov.uk	Not provided			
Islington	Y	NK	NK	Not provided				Supply2.gov.uk	Protender (Due North)			
Kensington and Chelsea	Y	NK	Y	Project eNotice (BiP)	not provided	not provided	not provided		Protender (Due North)			
Kingston	Y	Y	N	Project eNotice (BiP)	Mar-09	Feb-10	£150pa		Not provided	not provided	not provided	not provided
Lambeth	Y	NK	Y	Project eNotice (BiP)	not provided	not provided	not provided		EU Supply	Oct-09	Oct-12	£100,000
Lewisham	Y	N	N	SIMAP (Europa)	not provided	not provided	not provided	Supply2.gov.uk	Y	Not provided	not provided	not provided
Merton	Y	N	N	SIMAP (Europa)	not provided	not provided	not provided	Supply2.gov.uk	Y	Proactis (formerly Alito)	Jan-05	Ongoing
Newham	Y	NK	N	NECTR (Proactis)	not provided	not provided	not provided	Supply2.gov.uk	Y	NECTR (Proactis)	2007	£130,000
Redbridge	Y	NK	NK	Project eNotice (BiP)					Protender (Due North)	May-08	Apr-13	£52,400
Richmond	Y	Y	Y	Project eNotice (BiP)	not provided	not provided	OPO Members		Not provided	not provided	not provided	not provided
Southwark	Y	NK	NK	Not provided					Not provided			
Sutton	Y	Y	Y	Project eNotice (BiP)	not provided	not provided	not provided	Supply2.gov.uk	Protender (Due North)	Nov-09	Nov-13	£80,000
Tower Hamlets	Y	NK	NK	Not provided				Supply2.gov.uk	Protender (Due North)			

Further detail concerning financial systems, eProcurement tools and the top 10 spend categories was also collated to aid in requirements development.

Electronic Knowledge Exchange Users

Consultancy Electronic Knowledge Exchange User numbers

Organisation	Number of users
City of London	1
Hillingdon	1
Islington	2
Kensington and Chelsea	1
Lambeth	1
London Centre of Excellence	2
London Councils	3
Merton	1
Richmond upon Thames	1

Agency Electronic Knowledge Exchange User numbers

Organisation	Number of Users
Barnet	1
Bromley	10
Camden	1
City of London	4
Croydon	3
Ealing	1
Greenwich	3
Havering	7
Islington	3
Kensington and Chelsea	6
Lambeth	2
London Centre of Excellence	10
Newham	1
Office of Government Commerce	1
Redbridge	1
Richmond upon Thames	6
Southwark	3
Sutton	3
Tower Hamlets	11
Waltham Forest	8
Wandsworth	3

Source: Harlequin Solutions

Appendix B. Detailed Benefits Evaluation

Benefit Description		Cash Savings	Efficiency Savings	Benefit Type		Reduced Risk of challenge	Improved Service	Intangible
1. Assists in the identification of available frameworks and best deal contracts 12. Can assist in comparing spend and that may lead to the identification of best deals 15. May assist in the identification of available frameworks and best deal contracts 17. Identifies available frameworks and potential best deal contracts		West Midlands regional councils achieved: o savings of £1.6m during CSR07 through promoting the use of OGC frameworks o £1.1m savings against stationary supplies.	Mini-competition on average can be completed 71% more quickly than an OJEU.	Cost Avoidance				
2. Assists in the identification of contracts by category and the development of a collaborative strategy		Sharing contract and information increases potential combined buying power. In assessing collaborative opportunities in CRS, there is a potential saving of £1.67m over the next 3 years In addition collaboration will reduce the number of tender actions (from 54 to 19), this could potentially save £203k and 6466 hours of effort.						
13. Assists in the analysis of spend by category and the development of a strategy for contract renewal 4. Can offer best practice advice and tools to make the process more efficient		In line with contract information Boroughs can collaborate on demand management.						
8. Can automate the tender process and provide time and material efficiencies		Reduces the consumable costs incurred compared to tendering using traditional paper methods. At an average of £7 per tender, if 10 Boroughs undertook 100 OJEU's each, this could equate to a saving of £7,000 per annum.	The ability to share tools and information can assist a Borough in fast tracking a requirement. Suppliers have a clear steer on how to supply to London. Reduces the time and costs incurred compared to tendering using traditional paper methods. For example if an OJEU takes on average 184.5 hours of effort, NePP recommend an average efficiency saving of 25% (this includes the EU procedural time efficiency gained through using electronic tendering) which equates to 46.2 hours saved per exercise.			Increased transparency and compliance audit trail Reduced risk of challenge in light of new remedies directive		
5. Can reduce the effort required to develop documentation and streamline the approach 9. Standardises the documentation and reporting and improves compliance		Saving due to reduced tender / bid cost South West quote a saving of £75 - £1000 per tender					Increased service delivery	
14. Standardises spend reporting and information 16. May identify best practice documents, reports and methodologies		The Agency EKE has been developed to assist in the recommendation made by LCoE that London local authorities without an Agency managed service in place may return 5% cashable savings (£1,935,110) across London. The consultancy EKE when used with a brokerage approach allows Boroughs to gain control over their spend on consultants.						Assists in the development of collaborative opportunities and spend analysis and provides a uniform way to report requested information.
3. Reduces the risk of contracts expiring before a new contract can be let			A pipeline of procurement activity can allow the Borough to prepare resource requirements to meet the need.	Ability to commence a procurement exercise in good time and avoid contract extensions through necessity.		Negates reactive approach that may be non compliant.	Avoids cessation in service	
6. Can be used to advertise opportunities to a large supply base 10. Can be used to advertise opportunities to a large supply base and post OJEU notices 18. Post OJEU opportunities automatically		Savings on advertising can be achieved by tender notices not having to go through the press. A average saving of £20,000 per REP council per year. NePP suggest an average 45% saving on advertising when exploiting electronic means. CompeteFor Benefits; a small sample of private sector buyers using	Through automated scoring buyers can get from a long longlist to a shortlist very efficiently. Using CompeteFor suppliers are able to apply for opportunities by filling in a simple online questionnaire. Reduces effort in preparation and submission of OJEU notices					Provides visibility of contract opportunities and support for SMEs by improving access and reducing barriers.
7. If used with a supplier register can target the supply base by category / location / size 11. If utilising a supplier register can aid targeting the supply base by category / location / size 19. Can be used to target the supply base by category / location / size						Compliant Process		Can support local economies by buying locally and address the SME agenda

Y & H RIEP state that the Regional SCMS Help Desk deals with over 31,000 emails per year. Previously, this work would be carried out by individual Councils, which it is estimated enables a regional saving of £73,800 per annum. 19 of the region's 22 Councils utilise the SCMS Tender Module. A 'snapshot' of the tender and contract modules as at February 2009 showed that there were 5,091 tender and contract records on the system at all stages, equating to approximately £6.1bn of spend.

Appendix C. Collaboration Benefits

Financial Services Contracts

Borough	Sub Categories	Value	Expiry date	Contract Title
Financial Services				
LB Greenwich	Banking	£525,000	31-Mar-10	Banking Services
LB Hounslow	Banking	£210,000	31-Mar-10	Banking Services
LB Lewisham	Banking	£210,000	01-Apr-10	Banking Services
LB Hillingdon	Banking	£5,440,000	01-Apr-10	Banking Services
	Opportunity within 2 years =	£6,385,000		
	Possible saving with 3 - 5 LA's (1.0%) =	£63,850		
LB Wandsworth	Banking	£858,740	31-Mar-11	Banking & Customer Services
LB Havering	Banking	£375,000	31-Mar-11	Banking Services
LB Waltham Forest	Banking	£890,000	31-Mar-11	Banking Services
LB Brent	Banking	£494,144	31-Mar-11	Banking Services
	Opportunity within 2 years =	£2,617,884		
	Possible saving with 3 - 5 LA's (1.0%) =	£26,179		
RB Kingston	Banking	£48,000	31-Mar-12	Banking Services
LB Barnet	Banking	£500,000	31-Mar-12	Banking Services - Merchant Services
	Opportunity between 2 and 3 years away =	£548,000		
	Possible saving with fewer than 3 LA's (0.5%) =	£2,740		
LB Lambeth	Banking	£445,000	31-Mar-13	Banking Service
LB Bromley	Banking	£346,000	31-Mar-13	Banking Services
LB Sutton	Banking	£187,185	30-Jun-13	Banking Services
	Opportunity greater than 3 years away =	£978,185		
	Possible saving with 3 - 5 LA's (1.0%) =	£9,782		
LB Brent	Debt Collection & Recovery	£593,320	02-Jan-10	Bill Payment Collection Service
LB Camden	Debt Collection & Recovery	£450,000	01-Apr-10	Bailiff Services For Recovery Of Council Tax & Business Rates Debts
	Opportunity within 2 years =	£1,043,320		
	Possible saving with fewer than 3 LA's (0.5%) =	£5,217		
LB Croydon	Debt Collection & Recovery	£500,000	01-Aug-11	Bailiff Contract
LB Sutton	Debt Collection & Recovery	£191,720	31-Aug-11	Debt Collection Services
	Opportunity within 2 years =	£691,720		
	Possible saving with fewer than 3 LA's (0.5%) =	£3,459		

Works – Construction, Repair and Maintenance Contracts

Borough	Sub Categories	Value	Expiry date	Contract Title
Works - Construction, Repair & Maintenance				
LB Bexley LB Greenwich	Buildings	£200,000	31-Jan-10	LIFT MAINTENANCE
	Buildings	£480,000	01-Feb-10	Maintenance of Domestic Lifts
	Opportunity within 2 years = Possible saving with fewer than 3 LA's (0.5%) =	£680,000 £3,400		
RB Kensington and Chelsea LB Ealing	Roads	£3,750,000	31-Mar-10	Minor Highway Maintenance
	Roads	£19,225,000	31-Mar-10	Highway Maintenance Wo...
	Opportunity within 2 years = Possible saving with fewer than 3 LA's (0.5%) =	£22,975,000 £114,875		
LB Croydon LB Bromley LB Sutton LB Hackney	Roads	£5,841,000	31-Mar-10	Carriageway Maintenance Contract
	Roads	£7,765,000	30-Jun-10	Highway Maintenance Re...
	Roads	£7,500,000	31-Mar-10	Highways Maintenance
	Roads	£500,000	31-Mar-10	Roads & Footpaths - 05-005 SCP
	Opportunity within 2 years = Possible saving with 3 - 5 LA's (1.0%) =	£21,606,000 £216,060		
LB Sutton LB Greenwich	Roads	£4,000,000	30-Apr-10	Streetlighting
	Roads	£1,077,159	30-Jun-10	Street Lighting Maintenance & New Works
	Opportunity within 2 years = Possible saving with fewer than 3 LA's (0.5%) =	£5,077,159 £25,386		
LB Merton LB Bromley	Roads	£20,000,000	31-Aug-10	Highway Maintenance & Improvement
	Roads	£9,202,500	30-Sep-10	Highway Maintenance Co...
	Opportunity within 2 years = Possible saving with fewer than 3 LA's (0.5%) =	£29,202,500 £146,013		
LB Greenwich LB Waltham Forest	Roads	£22,000,000	06-Apr-11	Highway Maintenance Term Contract
	Roads	£6,500,000	31-Mar-11	Term Maintenance Contract 2006 - 2011
	Opportunity within 2 years = Possible saving with fewer than 3 LA's (0.5%) =	£28,500,000 £142,500		
LB Hounslow LB Wandsworth	Roads	£8,750,000	31-Mar-11	Carriageway Resurfacing
	Roads	£1,500,000	31-Mar-11	Carriageway Resurfacing & Ancillary Works
	Opportunity within 2 years = Possible saving with fewer than 3 LA's (0.5%) =	£10,250,000 £51,250		
LB Bexley LB Tower Hamlets LB Tower Hamlets	Roads	£42,000,000	31-Mar-13	HIGHWAYS MAINTENANCE & CIVIL ENGINEERING
	Roads	£6,000,000	31-Mar-13	Highway Maintenance - Major Works with an option to extend
	Roads	£6,000,000	31-Mar-13	Carriage Ways - Major Works with option to extend
	Opportunity between 2 and 3 years away = Possible saving with fewer than 3 LA's (0.5%) =	£54,000,000 £270,000		
	Open Spaces Maintenance	£2,695,000	31-Dec-10	Grounds Maintenance (North)
LB Bexley LB Bexley LB Croydon	Open Spaces	£5,915,000	31-Dec-10	Grounds Maintenance (South & Cemeteries)
	Open Spaces	£17,312,491	31-Jan-11	Green Spaces Management Contract (Grounds Maintenance)
	Opportunity within 2 years = Possible saving with fewer than 3 LA's (0.5%) =	£25,922,491 £129,612		
LB Newham LB Hillingdon	Open Spaces	£3,200,000	30-Mar-11	Grounds Maintenance
	Open Spaces	£2,315,103	31-Mar-11	Grounds Maintenance (Hayes & Harlington)
	Opportunity within 2 years = Possible saving with fewer than 3 LA's (0.5%) =	£5,515,103 £27,576		
LB Islington LB Hillingdon LB Wandsworth LB Richmond upon Thames	Open Spaces	£7,500,000	31-Dec-12	Grounds Maintenance
	Open Spaces	£3,342,000	01-Jan-13	Grounds Maintenance (Uxbridge)
	Open Spaces	£12,810,361	23-Feb-13	Grounds Maintenance at Parks, Open Spaces, Commons and Social Service sites
	Open Spaces	£12,000,000	31-Mar-13	Grounds Maintenance & Related Services
	Opportunity between 2 and 3 years away = Possible saving with 3 - 5 LA's (1.0%) =	£35,652,361 £356,524		

Catering Contracts

Borough	Sub Categories	Value	Expiry date	Contract Title
Catering				
LB Bexley	Food & Beverages	£220,000	30-Aug-10	MILK (SCHOOL)
LB Havering	Food & Beverages	£200,000	31-Aug-10	Bread, Morning Goods and Rolls
LB Havering	Food & Beverages	£500,000	31-Aug-10	Milk and Associated Products
LB Merton	Food & Beverages	£2,851,875	31-Aug-10	School Meals
LB Waltham Forest	Food & Beverages	£750,000	31-Aug-10	Supply of Fresh Meat
LB Waltham Forest	Food & Beverages	£500,000	31-Aug-10	Supply of Fresh Fruit & Vegetables
City of London	Food & Beverages	£930,000	02-Sep-10	City of London School Catering
		£5,951,875		
	Opportunity within 2 years =			
	Possible saving with 3 - 5 LA's (1.0%) =	£59,519		
LB Tower Hamlets	Food & Beverages	£915,000	31-Jul-11	Supply of Fresh Fruit and Vegetables
LB Havering	Food & Beverages	£720,000	31-Aug-11	Fruit and Vegetables
		£1,635,000		
	Opportunity within 2 years =			
	Possible saving with fewer than 3 LA's (0.5%) =	£8,175		
LB Havering	Food & Beverages	£2,500,000	31-Dec-13	Frozen Food Items
LB Havering	Food & Beverages	£2,500,000	31-Dec-13	Food - Dried and Chilled Foods
LB Barking and Dagenham	Food & Beverages	£2,500,000	31-Dec-13	Frozen Food Items
	Opportunity between 2 and 3 years away =	£7,500,000		
	Possible saving with fewer than 3 LA's (0.5%) =	£37,500		
LB Havering	Food & Beverages	£150,000	31-Dec-13	Groceries, Dried Tinned and Chilled Foods
LB Barking and Dagenham	Food & Beverages	£150,000	31-Dec-13	Groceries, Dried Tinned and Chilled Foods
	Opportunity between 2 and 3 years away =	£300,000		
	Possible saving with fewer than 3 LA's (0.5%) =	£1,500		

Appendix D. Glossary

Term / Acronym	Definition
CSR07	Comprehensive Spending Review 2007
CA	Capital Ambition
LDA	London Development Agency
RIEP	Regional Improvement & Efficiency Partnership
CompeteFor	CompeteFor is a free service that enables businesses to compete for contract opportunities linked to the London 2012 Games and other major public and private sector buying organisations. With a particular focus on supply chain opportunities, CompeteFor acts as a brokerage service, matching buyers with potential suppliers. It also facilitates access to focused business support, through the national Business Link network, helping to boost the long-term competitiveness of businesses.
Contracts Register Service (CRS)	<p>The Capital Ambition Contracts Register system, incorporating the On-line Expenditure Analysis tool.</p> <p>Lists contracts held by all London Local Authorities and contains information on:</p> <ul style="list-style-type: none"> ▪ Letting organisation ▪ Title ▪ Contract ID ▪ Description ▪ Type ▪ Framework ▪ Category ▪ Start & expiry dates ▪ Total & annual value ▪ Supplier ▪ Responsible department & contact
Portal	A central point of access for buyers and suppliers to access the workflow of procurement activity and collaborative tools and guidance.
eTendering	Electronic tendering workflow management tools (this may include eEvaluation, eContract Management and eAuction – these modules will be considered as part of the wider aspect of an eTendering solution).

Online Expenditure Analysis (OEA)	<p>A subset of CRS providing authorities with the ability to analyse and benchmark spend characteristics across their main grouping (uses Proclass). Benefits include:</p> <ul style="list-style-type: none"> ▪ Understand the importance of third party expenditure to the planning and efficiency process ▪ Prepare their own reports and identify significant trends ▪ Interpreting the information to improve services, reduce costs and measure performance ▪ Identify areas of risk ▪ Define appropriate strategies
Responsible Procurement (RP) Guidance and Tools	Accessed via http://www.london.gov.uk/rp/ this GLA Group led resource provides guidance, tools and case studies for embedding RP into an organisation.
Contract Opportunities Advertising Repository	Functionality currently provided by CompeteFor, Supply2.Gov and eTendering systems in use by the London Boroughs (including the London Tenders Portal)
P2P	Purchase 2 Payment – electronic enablement of purchasing from electronic catalogues or market places and the automation of the invoice PO matching process to make payment – commonly provided as part of the Financial management system.
Supply2.gov	Launched in June 2006, an official government lower-value contract opportunity Portal, created specifically to provide small businesses with visibility of public sector contract opportunities typically below £100,000.
OGC	Office of Government and Commerce
Electronic Knowledge Exchange	Systems that enable the sharing of information between the London boroughs on the cost of engaging agency and temporary workers and Consultancy. This Electronic Knowledge Exchange captures information via automatic downloads from managed services for each London borough and will become a tool for benchmarking and trend gathering.

OJEU	Official Journal of the European Union
SME	Small to Medium Enterprise
ROI	Return on Investment
NePP	National eProcurement Project
Web 2.0	Commonly associated with web applications that facilitate interactive information sharing, interoperability, user-centred design and collaboration on the World Wide Web. Examples of Web 2.0 include web-based communities, hosted services, web applications, social-networking sites, video-sharing sites, wikis, blogs etc. A Web 2.0 site allows its users to interact with other users or to change website content, in contrast to non-interactive websites where users are limited to the passive viewing of information that is provided to them.