

PURCHASING POWER

Issue 14

Spring 2005



www.norfolk.gov.uk

e-Auctions Go Live!

At the beginning of February Norfolk County Council joined up with King's Lynn & West Norfolk and Broadland District Councils to run our first-ever-reverse auction held on the Internet. It was a great success and helped us secure savings in excess of £230,000.

negotiations are reduced as it starts at or near the market price. e-Auctions may either be structured around lowest price or Most Economically Advantageous Tender (MEAT), and costs can be substantially reduced. Typical efficiency gains are between 15 and 35%.

'What is an e-auction?' I hear you ask, well...

Electronic reverse auctions (e-Auctions) are an innovative negotiation tool using secure Internet-based technology. The sense of competition is

heightened as suppliers bid against your requirements in real time, reducing their bids as the auction continues.

e-Auctions offer efficient, open and transparent negotiations as part of a full procurement process. This means that the time needed to carry out competitive



There are a few provisos for selecting appropriate markets in which to run an e-Auction and a degree of market intelligence is essential. There must be sufficient true competition available, the expenditure must

be of sufficient value to attract the appropriate suppliers and the specification needs to be clearly defined. Increasingly e-Auctions are being used across the public sector; indeed significant savings have been achieved in both health and central government.

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Editorial

Welcome to this latest issue of **PURCHASING POWER**.

As well as the latest procurement news and usual money-saving tips, this issue includes details of a new contract for booking air travel, see page 6.

Our lead article focuses on the e-Auction held recently, which proved to be very successful. By all accounts the whole venture was very exciting for all involved. Watch this space, there could be more e-auctions in the very near future!

We also have an update on the progress of the Centres of Excellence project. Steve Holland is now the Director and two new Assistant Directors have been appointed.

This newsletter is also available on the intranet. If you have any interesting articles or news items that could be included in future issues please let us know.

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e-Auctions Go Live!

Suppliers are becoming aware of the benefits of on-line bidding and are beginning to use this tool throughout the supply chain, potentially driving efficiencies back to the buyer. They also gain market knowledge through the visible process, helping them understand their competitors price structures and true market rates.

Our first auction, which was run by the Corporate Procurement Unit, consulting closely with Charles House Services on specifications, etc., was for 1000 desktop computers. Bidding involving national providers began at 2pm and continued for just over an hour, with the price repeatedly dropping as the auction climaxed. By the time bidding ended, almost 60 bids to provide four separate lots of equipment had been tabled, with savings of £230,000 which will be shared between Norfolk County Council, NPS Property Consultants Ltd and our partner district councils.

The e-auction took place in the Finance Department at County Hall, under strict rules of conduct, laid down by the Service provider (Lloyds TSB/BVP) and agreed to by all parties involved. The secure Internet-based technology used also recorded the whole process to provide an audit trail for future reference and review.

I am delighted to have led this collaboration and that the process has led to significant savings for all the Authorities taking part. We are analysing our spend to identify where we can use this new tool again, and hopefully in collaboration with other councils.



The opportunities are out there, we just need to make the most of them!

Jane Waring, 01603 223395
Head of Corporate Procurement Unit

iProcurement update

Firstly thanks to all of those who have used iProcurement and for your patience as we have gone through the initial learning curve. There have been a few discoveries that have kept us on our toes, but on the whole everything appears to be working as expected.

There are now 3 major pieces of work continuing:

- (1) Rolling out iProcurement to more users. Around 700 iProcurement users have now been set up and the rest should have access by the end of the financial year.
- (2) Ensuring a smooth transition as Oracle HR/payroll is introduced
- (3) Increasing the number of catalogues available. We all want to see more available and would like to be further ahead than we are in this area.

The general catalogues that are available at the moment are:

● ESPO	ESPO General Catalogue
● Shermond Surgical Supply Limited	Disposable gloves, aprons etc.
● BGU Internal Catalogue	Library equipment
● Saber Daynes	Office furniture
● Alexandra Workwear	Protective clothing
● Arco Safety	Safety wear
● Arriva Rental	Vehicle rental
● Kalon	Decorative products
● Nature Springs	Watercoolers, bottled water and cups
● PHS Group - Waterlogic	Plumbed in watercoolers, and cups
● Gresswells	Library equipment
● NCS Interprint	Paper and letterheads

Work is continuing with ESPO to make more supplier catalogues available, such as XMA for computer consumables.



However, there is much work to do here and we are trying to prioritise those suppliers where we place high volumes of orders.

If you have a supplier that you use regularly and need the catalogue loaded for them please let me know. This will help us to prioritise our catalogue and supplier loading.

Anton Bull
01603 495806

Alternative Fuels Roadshow rolls on . .

Since the last issue of Purchasing Power, the **Alternative Fuels Roadshow** has made a further two pit-stops at Fakenham High School and City of Norwich school. These events took place on 10th November and 2nd December, respectively, and although the winter weather was a little unpredictable - necessitating a mixture of classroom based discussion and outdoor exhibition of the vehicles - on both occasions there was a lot of interest from students who were studying Science, Design and Technology and Environmental Studies.



PUPILS ENJOYING THE ALTERNATIVE FUELS ROADSHOW WHEN IT VISITED FAKENHAM HIGH SCHOOL IN NOVEMBER 2004.

The students at Fakenham High School were able to see a demonstration of a Hybrid-Electric Honda Civic IMA car and a Liquefied Petroleum Gas (LPG) Vauxhall Astra van. The students at City of Norwich School also saw the Hybrid-Electric Car as well as the Proton LPG Pick-up Truck, plus the somewhat late (but speedy) arrival of an all electric vehicle the G-Wiz car. As we have found before, at other roadshows, the students were particularly interested in the design features and technical aspects of the vehicles on display.



At both venues the vehicle demonstrations were accompanied by a more in depth discussion of wider environmental issues relating to transport. With the aid of some careful planning at City of Norwich school, we were able to present the roadshow to numerous class groups throughout the day.

TEACHER, CHRIS SMITH, GETS READY TO TEST DRIVE THE HONDA CIVIC IMA HYBRID-ELECTRIC VEHICLE.

. . and on

Peter Watts, who teaches Science and Environmental Studies at City of Norwich School, commented in a subsequent e-mail of thanks that... "It was a good day. All the students enjoyed the experience and I also thought it was very useful and thought provoking."

In addition to the above roadshows, there were also a couple of visits to City College Norwich where the Hybrid-Electric vehicle was displayed for the benefit of the Mechanical Engineering students (some of whom also took a test ride in the vehicle) and also featured in the college's Open Day.

Many other schools have shown an interest in receiving a visit from the Alternative Fuels Roadshow, but tying down exact dates is sometimes a little more difficult. No doubt

some were a little unsure of holding such an event during the winter months. However, now that spring is on the way (and hopefully some better weather) I would encourage those schools who have previously expressed an interest to contact me again to establish a date for a visit.

Any Norfolk secondary school, or college, that is interested in receiving a visit from the **Alternative Fuels Roadshow** can contact me on the number below to discuss the matter. Unfortunately we will only be able to conduct roadshows up until the school summer break in 2005 - so book early!

Stuart Hutchinson

Project Manager - Alternative Fuel Trials

Tel: 01603 - 222740

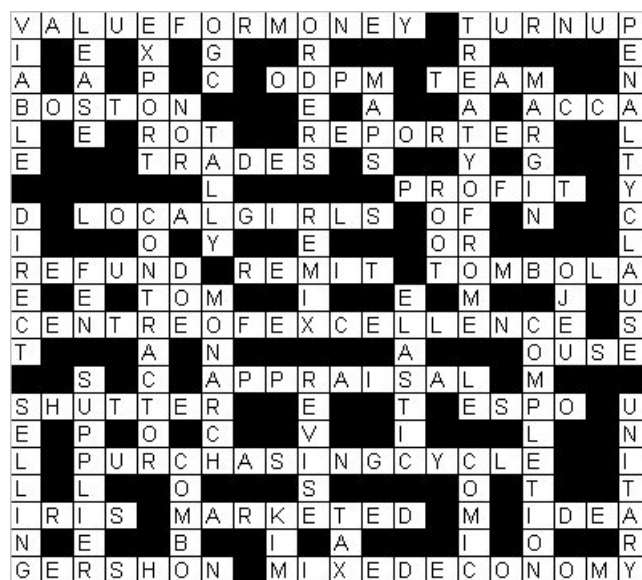
e-mail: stuart.hutchinson@norfolk.gov.uk

Prize Crossword Solution

Thanks to all those who entered the crossword competition in the previous issue of Purchasing Power. There were many entries, although not many people got all the answers right. Interestingly enough, all of the entries that had an incorrect answer were floored by the same clue, 47 down. "A short musical pairing (5)" - which if you had got the other clues would have left C_M_O ... the answer was in fact... COMBO, not CAMEO as many of you thought.

However, of all the entries there were three people that had the whole puzzle correct. It was decided to extend the number of prizes on offer, so that each correct entry won a set of safety tyre pressure caps. The three winners were: **Vera Cooke, (Cultural Services); Colin Futter (Social Services); Peter Negri, (Norfolk County Services)**. Well done to each of the winners and I hope you find the safety tyre pressure caps useful.

Rest assured that if another crossword is included in a future issue of Purchasing Power, I will try to remember to leave a space for



entrants to fill in their name, department and contact number - although the variety of solutions that people used to overcome this problem was ample evidence of the ingenuity of "crossword solvers".

Stuart Hutchinson

01603 222740

Corporate Procurement Unit

Corporate Air Travel

Up until now Norfolk County Council has not had any corporate procedure for booking air travel tickets, which has meant that individual departments have had to make their own arrangements. However, travel by air on Norfolk County Council business is becoming more frequent, particularly for internal UK flights.

Whilst air travel can be a perfectly acceptable form of business travel, providing it is cost effective, we need to ensure that we are achieving value for money. CPU has heard of occasions where upwards of £300 per ticket has been paid for flights between Norwich and Manchester.

Corporate Procurement Unit has received several enquiries about booking air travel over the last few months and, as we like to respond to our customers needs, I am currently in the process of establishing a corporate arrangement for air travel with a company called Travelstore.

Travelstore is part of lastminute.com, which is also the parent company of First Option our contracted Hotel Booking agency. This means that we can utilise the services of Travelstore as an extension to our exiting hotel booking contract. Travelstore will conduct a thorough search by using the same technology as lastminute.com and guarantee to obtain the lowest priced flight applicable to the circumstances of travel.

For an advanced booking they will even continue the search after the booking has

been made and, should a better alternative arise, ask the traveller if they would like to take advantage of the cheaper option. Travelstore will provide a “bill-back” facility, whereby they will pay the fare initially and then centrally invoice NCC, thus saving the need for payment up-front and reducing process costs for NCC.

Travelstore will also give authorised bookers the facility to make bookings on-line.



Full details of how to use the service and the fixed charges for the service will be publicised via the intranet in due course. However, before we “go-live” with the system we need to establish authorised bookers for air travel in each department of Norfolk County Council.

Because we already have authorised hotel bookers in each department, the easiest way of achieving this is to give the authorised hotel bookers further authorisation to book air travel. The advantage of this method is that because Travelstore are a “sister” company of First Option, they will be able to duplicate First Option’s website information on NCC authorised bookers and add it to their own website.

However, I cannot automatically give the current hotel bookers the authority to book air travel as this would not provide a sufficient audit trail. I will need to contact all the relevant budget holders and gain their approval for their hotel bookers to become air travel bookers.

Corporate Air Travel

As a first step, an e-mail has been sent to all hotel bookers asking them to confirm the budget holders they currently make bookings for; I will then (hopefully) be able to contact all the relevant budget holders with one e-mail to seek authorisation for air travel bookings. But we must establish an audit trail for authorised air travel bookers before the system is put into full operation.

Thanks to all the hotel bookers that have already responded to the e-mail about air travel bookings and can I just remind those

who have not yet responded that I do need a response as soon as possible, please.

However, if there is too much delay in obtaining the outstanding response e-mails from hotel bookers, I will have to proceed on the basis of those who **have** already responded - which could, potentially, leave some departments under-represented with regard to authorised air travel bookers.

Stuart Hutchinson, 01603 222740
Corporate Procurement Unit

Utilities Management in Schools

With the ever-increasing pressures on school budgets it is important that utilities such as water, electricity and gas are effectively managed and efficiently used, so that schools do not incur unnecessary expenditure. However, due to more pressing educational matters - or the lack of an individual member of staff with the necessary skills to tackle the issue - utilities management can often find itself way down the list of a school's priorities.



But never fear - help is at hand! The NPS Energy and Water Management Unit can provide Norfolk schools with a comprehensive utilities management service that will help them to reduce their budget spend on energy and water and use energy more efficiently.

Energy costs can represent over £44 per pupil, on average, and we are confident that the NPS Energy Monitoring Service can assist schools to save at least 10% on their energy/water bills. Details of the NPS Energy Monitoring Service for schools are outlined below.

Energy Monitoring Service

Both subscribers and non-subscribers to the BMPP (Building Maintenance Partnership Pool) can participate in the NPS Energy Monitoring Service for an additional fee, and there are two payment options, as shown in the Fee Level Table below.

School Population Bands	OPTION 1 Without Annual Visit	OPTION 2 With Annual Visit
Up to 49 Pupils	£0-55p/Pupil	£1-00p/Pupil
50 to 149 Pupils	£0-50p/Pupil	£0-85p/Pupil
149 to 249 Pupils	£0-40p/Pupil	£0-75p/Pupil
Over 250 Pupils	£0-35p/Pupil	£0-60p/Pupil

Utilities Management in Schools - continued

This service will enable you to benchmark fossil fuel, electricity and water consumption against Government benchmarks for poor, medium and good performance criteria in comparison with similar establishments.

The service will highlight potential problems at an early stage. Follow up specialist advice may be given if requested, on a time-charge or agreed lump sum basis. **Please note:** in the case of joint user sites it is essential that all schools on the site participate in the scheme.

The benefits of joining the scheme are:

- Use of the service should result in savings on utility expenditure of at least 10%
- A named energy advisor will be appointed.
- The advisor will visit the client once a year to discuss energy-related issues providing option 2 has been selected and to investigate other potential savings.
- The client will send copies of all invoices relating to fuel use and water charges to the consultant at regular intervals, so that NPS can monitor utility usage and patterns of use, allowing them to provide advice relevant to the particular utility requirements of the school.

Additional energy related services are also available at an additional cost. For example: - Energy Audits, Fuel Procurement Advice, Resolution of Billing Problems, Apportionment of Energy and Water Costs on Shared Sites

If you require any further information on the scheme please do not hesitate to contact me on the number below, or alternatively you can contact my colleague Michael Dawson, Assistant Environmental Officer on 01603 223913.

John Cobb, 01603 - 222674
Environmental Manager (NPS)

Comment from Corporate Procurement Unit (CPU)

CPU and ESPO try to ensure that all Norfolk County Council sites benefit from competitive prices for energy, via the ESPO energy contracts. However, a competitive price per unit of energy is only half the battle - more effective use of energy and reduced consumption can also result in substantial savings. For school sites it can often be the case that they would like to reduce their consumption and increase energy efficiency but - with the best will in the world - do not have the time to devote to such matters.

I believe the NPS Energy Monitoring Service can enable schools to increase their energy efficiency and make valuable savings. Although there is a small charge for the service, this is more than outweighed by the potential savings. NPS advertise savings of 10% but in some cases the savings achieved have been far greater than 10%. Moreover, because savings are often achieved through reduced consumption they could, technically, be regarded as year on year savings in comparison with the starting position.

I would strongly urge schools that are not part of the scheme to get in touch with NPS to find out more about the service and how it can help them save money.

Stuart Hutchinson, 01603-222740
Energy Contract Manager, Corporate Procurement Unit

Centres of Excellence and The Efficiency Review - Update



New role for the Centre

The role of the Centres of Procurement Excellence has been broadened to encompass the wider Efficiency Agenda and the Centres have been re-named as Centres of Excellence.



STEVE HOLLAND

Steve Holland, who was acting as interim Project Director, has now been appointed as Director of the Centre of Excellence East. Two new Assistant Directors have also been appointed: Michael Worrton, Improvement and Collaboration; Nicol Thornton, Procurement. Additional funding of £2.96m from now until 31/03/06 has been made available by the ODPM for the Centre to take forward the Efficiency Agenda.

Business plan

A Business Plan is being devised which will identify projects supporting individual local authorities, and collaborative working between authorities across sectors. All 54 local authorities in the eastern region are being encouraged to put forward proposals for the Centre to consider for inclusion in the Business Plan.

The Plan will be submitted to the ODPM at the end of April. Various innovative and exciting projects being considered for inclusion in the plan include:

- Ongoing discussions with COPROP (Chief Corporate Property Officers) to develop models for the Building Schools for the Future Programme.
- Bringing groups of like minded authorities together to explore opportunities to deliver efficiencies in the Revenues and Benefits Sectors.
- Public Service Village Initiative involving district and county councils, police and other public bodies with a view to rationalising the various property/accommodation needs onto a single site.

Events

The Centre arranged a series of events and activities to help local authorities agree the region's efficiency savings priorities and produce their Annual Efficiency Statements that are due in April 2005. Events, under the banner 'Delivering Efficiency: Leading Cross-Cutting Change in Public Services', funded by ODPM, are being managed by the BuyIT Best Practice Network and Cap Gemini.

The Buy IT and Cap Gemini Project include hour-long telephone or face to face interviews with Chief Executives representing Management Board members to collect views on progress and the opportunities and challenges ahead.

A conference briefed Chief Executives on the resources available to support efficiency saving work and to develop an understanding of any potential blockages to making progress. Also, following a Management Board Symposium, we now have a high quality analysis and understanding of the situation across the region and have drafted our work plan featuring key projects to be supported by the Centre of Excellence.

Steve Holland - Director
01603 704014



Supplier Support Scheme - update

Companies of all kinds have been keen to take advantage of the **free** advice and support on offer by Norfolk County Council's Supplier Support Scheme. The scheme was established to help current and potential suppliers improve their environmental performance through waste, energy and fuel reductions, improved pollution prevention and compliance management - in response to the ever-increasing legislative requirements and demands from key customers, the council being no exception!

The team aims to ensure that companies demonstrate good environmental management through seminars, training events and hands on advice and support. Demonstrated by some recent successes including the Scheme's Health, Safety and Environment Seminar on 29th September, which was very well received by nearly 80 delegates. The all-day event emphasised the link between H&S and environmental issues.

Site visits form an important part of the work we do and following an environmental health check for *The Imperial Hotel*, Great Yarmouth realised the potential commercial benefits of good environmental management. This has led them to develop an environmental statement of intent which sets out objectives and targets for energy and water reductions for the coming year, as well as diverting waste from landfill by utilising the NORWRAP recycling scheme.

Another company to benefit, due to genuine concern about the impacts the printing industry has on the environment, *Anglia Printing Services* have made a concerted effort to improve their environmental performance. Not only have they made a commitment to gain the Internationally recognised environmental standard ISO 14001 but have already implemented a number of initiatives following the formulation of their environmental policy, including:

- Using energy efficient IT equipment and lighting
- Switched to green electricity and making steps towards becoming carbon neutral.
- Replaced traditional inks with biodegradable alternatives.

We're very pleased with results so far, with many companies benefiting from the business advantages that sound environmental management can deliver. However, we're keen to ensure that the awareness raising continues so companies continue to take advantage of the help on offer, which can benefit both the environment and the bottom line.

The Supplier Support Scheme is also pleased to have been one of the key components that formed part of the Norfolk County Councils successful bid for the nationally recognised '**Green Apple**' Environmental Award for Local Authorities.

Simon Best, Project Manager

Save money on your phone calls

Many sites are starting to discover the savings that can be made by using ESPO Contract 7 for Call Charging with Cable & Wireless. Making the switch is completely painless and requires little work on the part of individual sites however savings of between 10 - 45% are typical depending on who you are currently using.

To make the first step to saving, contact ESPO Norfolk Account Manager, Peter Legind on 07787 128778 with a copy of your phone bill for independent analysis and comparison.



Document shredding service

With the Data Protection Act, Freedom of information Act and other legislation it is becoming increasingly important that all establishments ensure that they dispose of documents in a secure way. To put documents in a rubbish bin or even to burn them (with the possibility of half burnt documents blowing away or not being burnt properly) is no longer secure particularly with old financial documents, personnel records and even general correspondence.

ESPO Contract 981 can solve all your document disposal problems with their service from The Shred-Safe Ltd. This contract offers a shredding service which can be used on a regular or ad-hoc service depending upon your requirements.

The Shred Safe service, unlike many other shredding services is an onsite service where their lorry attends your site complete with shredding equipment on board, your documents are shredded onboard and then taken away for recycling. Users of this ESPO contract have so far achieved savings of up to 50% compared to previous non ESPO contractors used.



For more information or to obtain a no obligation quotation please call Chris Hills on 01480 880088 or email sales@shred-safe.co.uk quoting ESPO contract 981.

Contract news

Removal services

You may recall from the Summer 2004 edition of Purchasing Power that the **Departmental Purchasers Forum** had agreed that a contract for removal services be established. Since then, ESPO have written to member authorities asking whether they would be interested in participating in a consortium wide contract. Most authorities declared themselves happy with their current service providers but did express an interest in a future arrangement ESPO might set up from 2007. As a result, ESPO is proposing a delay to the tendering process.

Norfolk has already indicated that it would be interested and CPU has provided turnover information and a list of companies that currently supply these services to the Council. In addition to this, a focus group has been formed from the main user departments and a draft specification for the type of service required has been drawn up. Discussions are continuing with ESPO with a view to setting up an interim arrangement for Norfolk County Council until a consortium wide contract can be established.

ESPO Contract 113 - IT related goods and services

At the time of going to press, ESPO were in the middle of analysing the tenders for this contract which has a start date of 1 April 2005. The tender process was heavily influenced by the consultation process that the ESPO ICT Team conducted with member authorities throughout 2004.

Further developments on the IT procurement front include CPU establishing a dialogue with representatives of Charles House Services. This will take the form of regular meetings with the primary aim of establishing a process of continuous improvement.

It's rubbish . . .



. . . but every organisation creates it and has to arrange to dispose of it.

ESPO have recently completed the tender process for refuse collecting and an all inclusive contract has been awarded to Biffa Waste Services Ltd. Containers are available from 120lt to 1100lt Eurobins as well as Front End Loader Systems. There is also provision within the contract for separate collections of Paper/Cardboard and plastics. Pricing information is available from ESPO Norfolk Account Manager Peter Legind on 07787 128778 or from ESPO Senior Buyer Chris Roberts on 0116 265 7877.



Peter Legind 07787 128778 - ESPO Norfolk Account Manager

Buyer beware

Contract 272D Digital Photocopiers has recently been retendered by ESPO and a new contract awarded which will start from 1st April 05. The result of the tender process has meant that 2 suppliers rather than the previous 3 have been awarded the ESPO contract and these are Danka and Konica Minolta.



A number of **non ESPO suppliers** are known to be active in Norfolk promoting non-ESPO contracts.

These include: Copyfax, Copylt, Danwood, Datasharp, Easy Copiers, EBS, Norfolk Copiers & Vision Group. As non approved suppliers their contracts have not been checked by ESPO. Even if they offer the

same range of machines, these suppliers are **not approved** by Norfolk County Council.

Full details of the contract can be found in the **new** ESPO Dealing Direct catalogue (April - October 05) or by calling Charles Ellis at ESPO on 0116 265 7942 or ESPO Norfolk Account Manager, Peter Legind on 07787 128778.

If in doubt please ask for advice from the CPU helpline 01603 222820.

Be quick - it could be your last chance . . .



. . . to tidy up your washroom facilities **FREE of charge**.

ESPO can provide **soap dispensers** and **hand towel dispensers** FREE and in some instances fitting can be FREE too. Please call ESPO Norfolk Account Manager Peter Legind on 07787 128778 for details.



If you need this newsletter in large print, audio, Braille, alternative format or in a different language, please contact the Department of Finance on 01603 223488 (minicom 223833) and we will do our best to help.