

Playing to Win

Paul Clayton of ProcServe speaks to GO about their recent contract win with the Welsh Assembly Government and Welsh Local Government Association to deliver a key part of the eProcurement platform for the Value Wales xchangewales programme

Q. What does your contract with Value Wales involve?

The xchangewales programme, designed to establish a standard electronic purchasing and payment system available to the whole of the Welsh public sector. We are providing the eMarketplace and Purchase-to-Pay components of the solution together with a series of associated managed services. These services are specifically designed to support all types of organisations from the smallest schools to larger bodies such as councils and the Welsh Assembly Government itself.

Q. What is the contract worth and how long is it for?

The contract is for 5 years and the value will depend upon the levels of take-up by organisations over the duration of the programme.

Q. What are the main differences between working for public sector and private sector clients?

Overall the public sector is targeted on providing benefits to the community at large rather than shareholders. This means that the services we offer have to be tailored to meet the policy objectives of the public sector and not just be based upon delivering something for the absolute lowest cost. As an example, in the eProcurement arena we would argue that the public sector and in particular the UK public sector are much more leading edge in terms of their use of eProcurement tools and technologies. This is leading to better value-for-money for the taxpayer as the public sector is now able to procure goods and services in a more efficient and cost effective manner.

Q. How were considerations on key public procurement issues such as sustainability, ethics and value for money taken into account in your bid?

The xchangewales programme is being delivered under the terms of the Zanzibar Framework Agreement that ProcServe won in a competitive tender process in 2005. The evaluation criteria for winning the Zanzibar Framework agreement included the normal public sector assessments on ethics and value-for-money. However, there was a significant focus on how the service was designed to support the sustainability targets of the public sector at large. For example, the service is free for all suppliers and provides a platform where even small businesses have access to electronic trading tools that are normally the preserve of larger companies, levelling the eBusiness

playing field.

Q. What were the greatest challenges you encountered in the tendering process?

Maintaining momentum in the negotiations and support for the programme overall when there was an election in the middle of our discussions. We did this by demonstrating that we were able to deliver a customised service that meets the needs of the Welsh public sector and ensuring that all the stakeholders remained bought in to the vision set out by Value Wales during and immediately after the election period.

Q. What advice would you give to others embarking on a public sector contract?

You really need to understand how the public sector operates in terms of the way in which they contract for goods and services and how these contracts are then operated and managed. Being able to provide our services under the terms of a Framework Agreement is both an advantage and a disadvantage. The main advantage is that this reduces the tendering and contracting costs and effort on both sides. However, the big disadvantage is that using a Framework means that there is not necessarily a deadline for a decision to be made. In our view this often results in extended decision making cycles beyond what you would see under a formal OJEU procurement process for example.

Q. What feedback have you received from the client?

Andrew Davies, Minister for Finance & Public Service Delivery says "This programme shows Wales at its finest, using cutting edge technology to deliver the best value possible for the Welsh pound, creating public services we can be proud of. Crucially, this programme, available at no charge to suppliers, has the potential to deliver up to £200 million of savings over five years. This money can be reinvested back into better citizen focused services."

Q. Is there anything you would like to see changed in the tendering process?

Not in this process as we believe that Value Wales did an excellent job at looking at their options for procuring the services they needed and chose the one that represented best value for them in the most cost effective manner. However, we and many other private sector organisations would like to see it made more difficult for public sector bodies to undertake their own procurement exercises (at the tax payers expense), when framework agreements already exist for the provision of the exact same or similar services.