

The HM Treasury OEP Action Plan confirms Zanzibar is critical to achieving procurement savings of £15Billion for the UK Public Sector

Following Chief Secretary to the Treasury, Yvette Cooper's announcement that 80% of public sector purchasing is to be delivered by a central procurement service that will deliver £15 billion in savings by 2010/11 and the subsequent Budget statement on the need for extra efficiencies and savings by 2013-14, the final action plan for the Collaborative Procurement strand of the Treasury Operational Efficiency Programme (OEP) Review has been published. The OEP Review, led by Invensys Chairman Martin Jay has concluded that the wider roll out and usage of the Government's strategic eProcurement system Zanzibar will be central to achieving this.

The Report, entitled '**Operational Efficiency Programme: Collaborative Procurement**', concluded that 'eProcurement or online marketplaces are essential to delivering the benefits of collaborative procurement to the wider public sector. They enable the collection of detailed management information on who buys what from whom, provide increased transparency and process efficiency, ensure that customers can access the best deals available to them online and provide a means of monitoring take-up of those deals and measuring procurement savings that result from them.'

The **Action Plan** highlights Zanzibar as '**An effective eProcurement tool for the Government**'. It discusses in detail two outstanding case studies of successful implementation namely xchangewales and OPEN for schools, both of which use the Zanzibar to underpin their systems. It applauds Zanzibar's delivery capability for;

- providing a single repository of cross government management information;
- helping to drive uptake of collaborative strategies and incentivisation through organisation and role specific access to content, providing improved access to suppliers, reducing process time and creating a secure environment to work in
- providing rich real-time management information (to line item detail with consistent classification) to enable Chief Financial Officers (CFOs) and Chief Procurement Officers (CPOs) to track and manage their spend. This will also support in performance management across Departments by facilitating comparisons in prices paid for common commodities within and between departments; and
- promoting the cross-government collaboration on procurement of common commodities from the collaborative contracts which are made available on the system.'

It adds that 'This review has found that Government has not yet realised the full potential benefits

of such technologies' and that 'Government must act to maximise the return on existing eProcurement investments by exploiting them more fully in its programme of pan-government collaboration.'

Veera Johnson, Chief Executive of ProcServe, who deliver the Zanzibar managed service on behalf of HM Treasury said; "The OEP will have a major impact on the way that government buys goods and services in future and sets challenging new post-Gershon savings targets for its professional procurement community. No matter how aggressive any sourcing strategy might be in driving down national costs and generating news headlines, if you don't have the tools to actually buy against those collaborative contracts and measure successful uptake then its all just background noise to the real business of saving money. While multiple parts of HMG expend time and effort maintain their own information in isolation from the rest, these efficiencies will not be achieved.

As the strategic government electronic marketplace, Zanzibar reduces the cost of procurement for both buyers and suppliers. It also provides a unique platform through which the public sector can collaborate with each other for specific categories of spend locally, regionally, by sector and cross-sector without the need for additional systems integration effort or replacing their existing systems".

About ProcServe

ProcServe provides fast, flexible and secure electronic marketplaces and trading connectivity solutions. ProcServe's hosted, custom-branded solutions provide customers with the unique ability to leverage a software-as-a-service solution and maintain their own uniquely branded and configured marketplace. Customers enjoy a faster solution set up, lower cost of maintenance, and a secure environment. ProcServe also delivers OPEN and xchangewales, which are underpinned by the Zanzibar system on behalf of the UK Public Sector. For more information, please visit <http://www.procserve.com/>.

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Notes to Editors

Zanzibar is an electronic procurement exchange, developed conceptually by the Office of Government Commerce between 2003 and 2006. It is used widely in the Department for Work and Pensions (central government's biggest buyer of goods and services), the Bank of England, the Crown Prosecution Service, the Department for Children, Schools and Families, the Welsh Assembly Government and a number of other public sector organisations.

The requirement for delivery of the service was tendered through the Official Journal of the EU, is managed by Buying Solutions and is available to any organisation in the UK public sector.

At the 2008 Management Consultancy Association (MCA) Awards, Zanzibar was awarded first

place, in the category 'Operational Performance'.