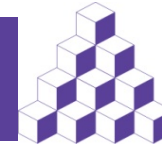


Wayne Welsby

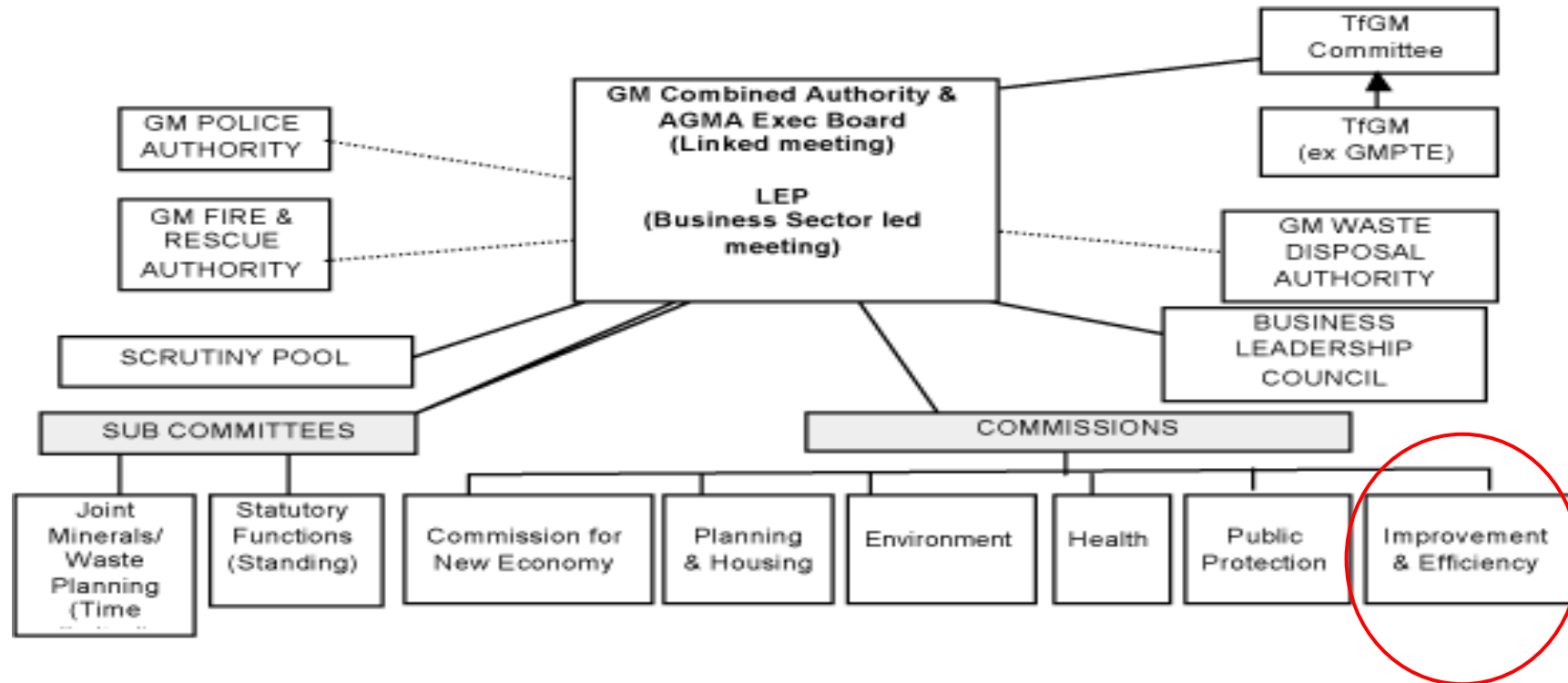
**Procurement Programme Manager
AGMA Procurement Hub**

**CIPFA Event
November 2011**

AGMA (Association of Greater Manchester Authorities)



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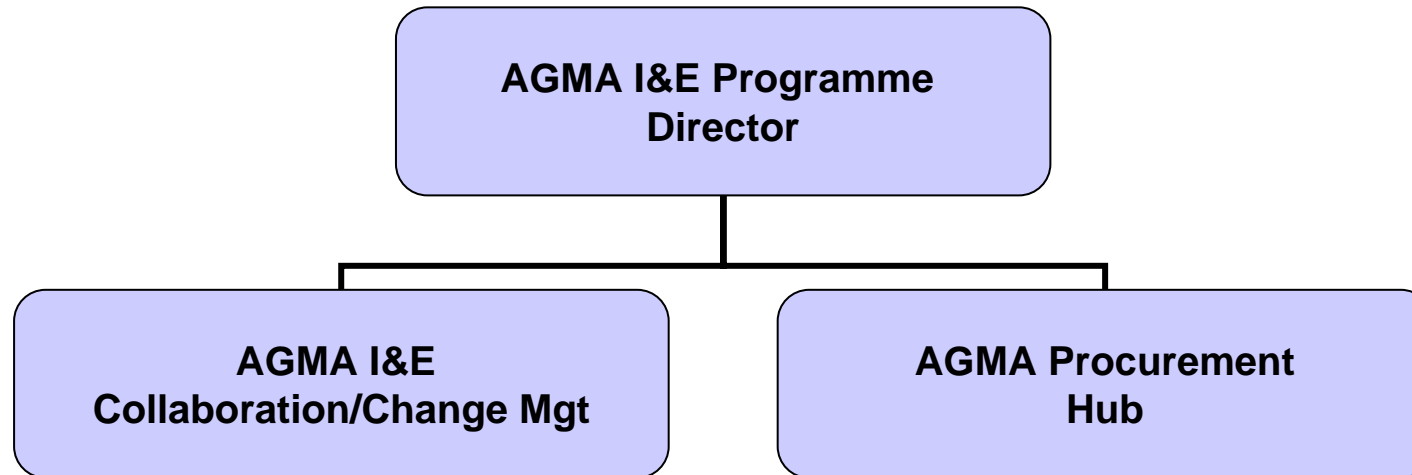
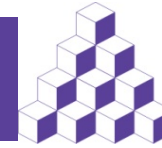


Member Authorities

Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford, Wigan

Associate Members & Partners

Blackburn with Darwen, Blackpool, Cheshire East, Warrington, GMFRS, TfGM, GM Police, GM Waste Disposal Authority.

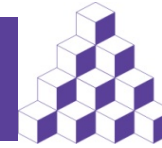


Tier 1

- Adults, Childrens, Corporate Services (Back Office), **Procurement**, ICT

Tier 2

- Customer Contact, Income Generation, Vehicles, Property & Asset Mgt, Workforce Dev'ment



* Procurement & Commissioning Workstream

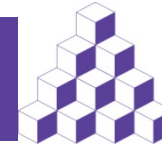
(SRO - Theresa Grant, Trafford - Acting Chief Exec)

(Chief Exec Sponsor - Roger Ellis – Rochdale)

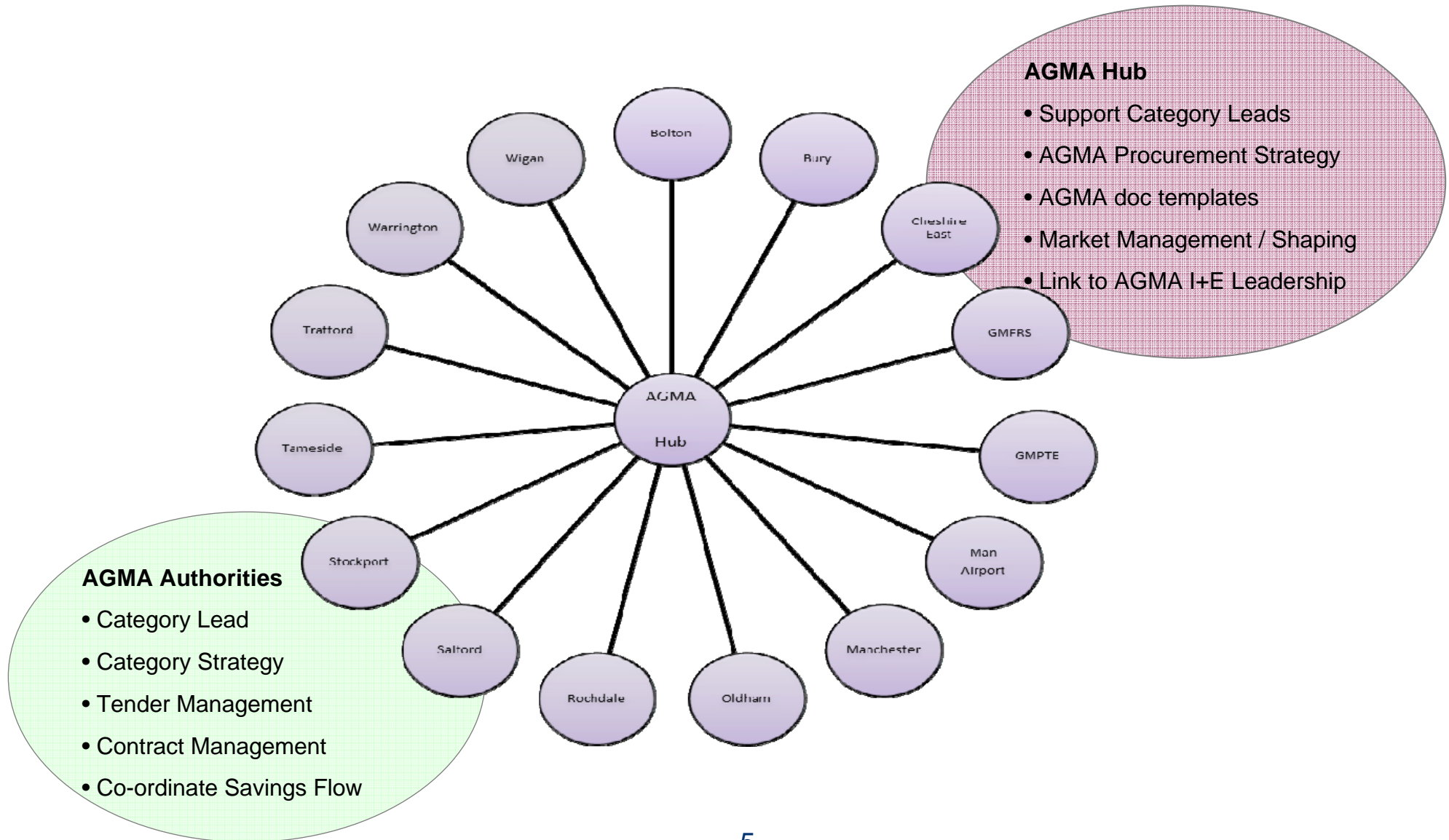
- encourage smarter/more collaborative procurement activity
- Target Savings = **£25m** over next 3 years
- 4 core activities identified as vehicles for delivering efficiency savings
 - Review & Re-let current AGMA Contracts (**£3.5m Savings Target**)
 - Consolidate Best Deals & negotiate with common suppliers (**£11.4m Savings Target**)
 - Aggregate fragmented spend (**£11.1m Savings Target**)
 - Support local suppliers

All Authorities have signed up to the Procurement & Commissioning Business Case

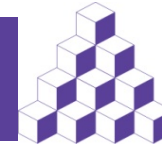
AGMA Procurement - Roles & Responsibilities



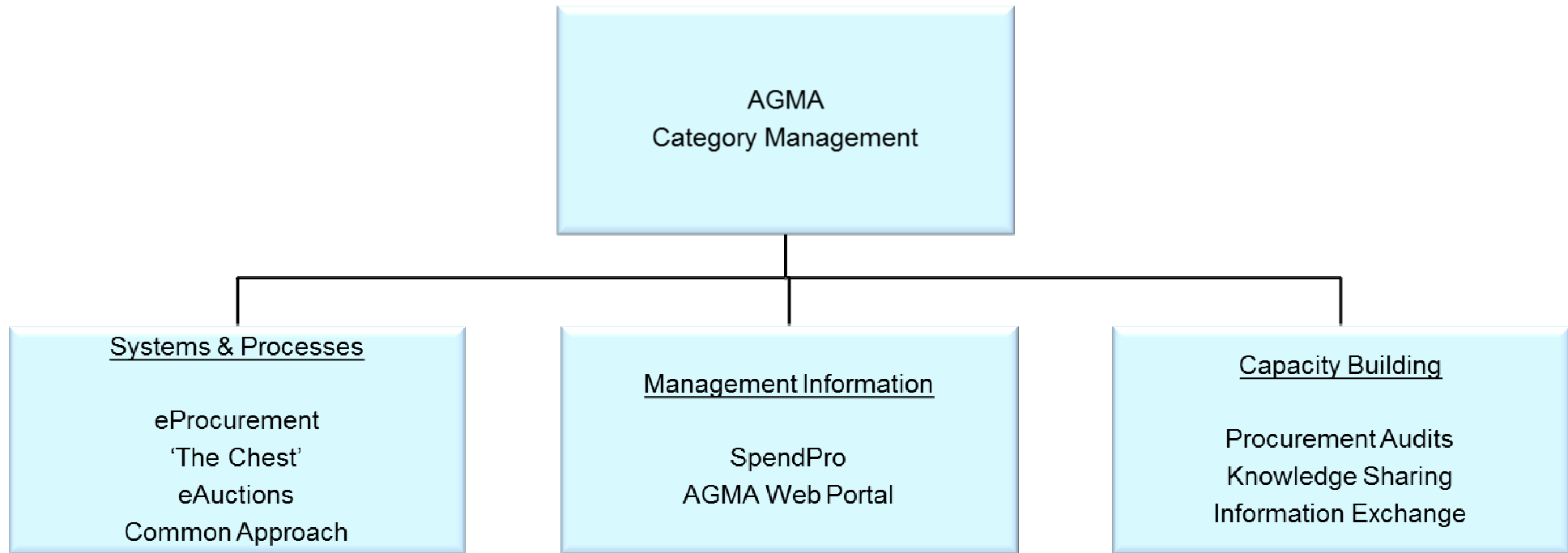
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Our Approach – AGMA Category Management

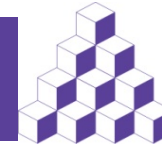


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AGMA Procurement involves a Category Management approach to Procurement which is underpinned by 3 core enablers - 1) Systems & Processes, 2) Management Information and 3) Capacity Building.

Scope for Efficiencies



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Standardisation

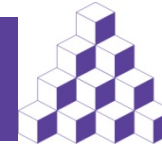
- Specification, Specification
- Variety Reduction
- Fit for Purpose

Demand Management

- Different Delivery Models – VCS?
- Better Planning
- Robust Contract Management
- Alignment of contract expiry dates

Aggregation

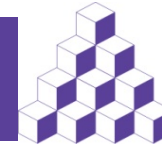
- Economies of Scale
- Increase Buying Power
- Market Engagement/Market Shaping



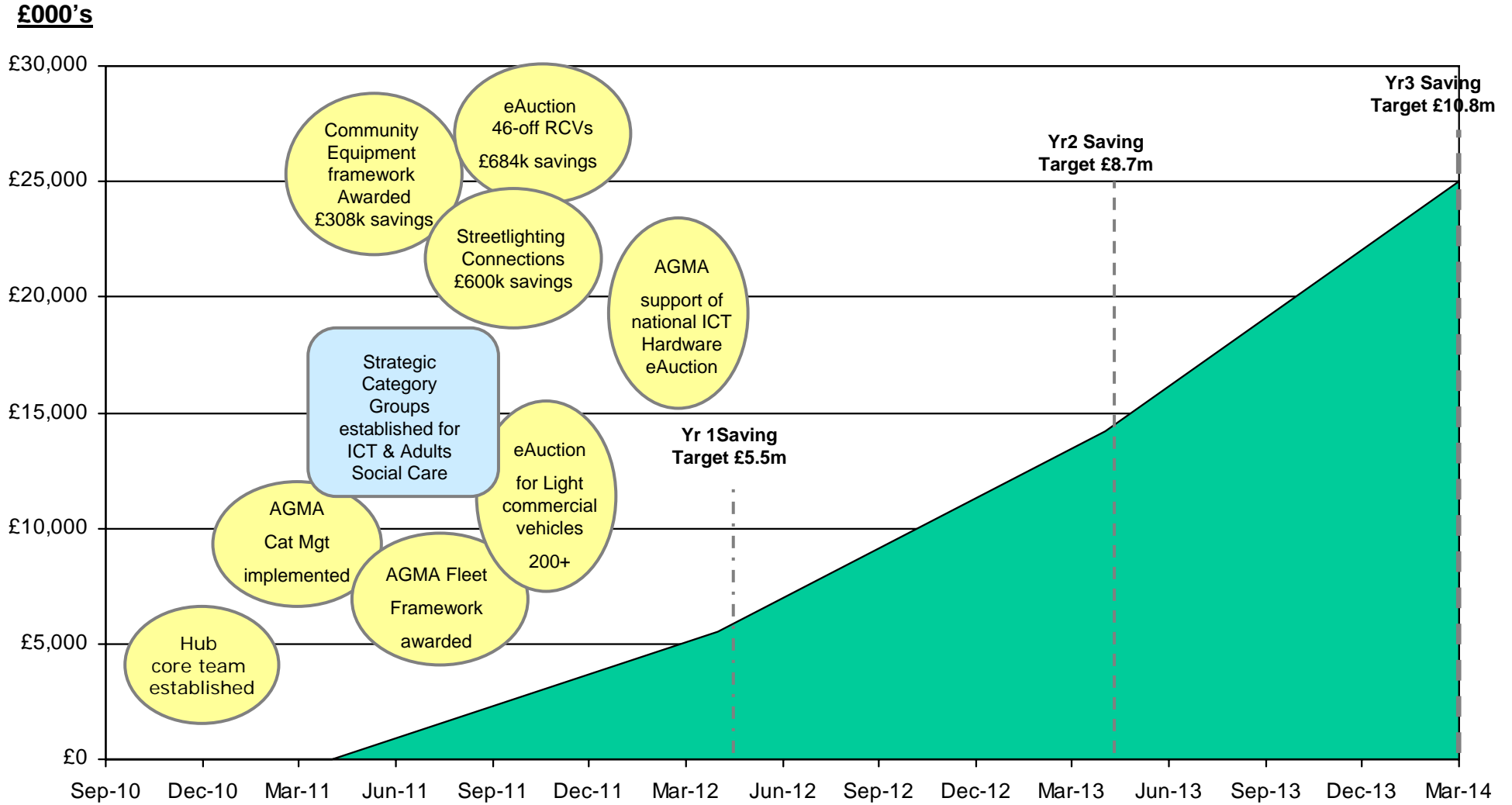
- **Criteria**
 - Reporting 1st full year effect only – unless further savings realised on yrs 2, 3 etc of contract.
 - Report savings monthly over 12 months.
 - Savings broken-down per authority
 - Reported savings are aligned with savings reported within authority

- **Challenges**
 - Capturing savings over multiple organisations
 - Most authorities have different starting points to baseline savings against
 - Different rates of implementation
 - Different funding position can impact of realisation of savings
 - Direct Purchase
 - Significant procurements may be capitalised over longer-term
 - Asset/Debt sold to finance house and leased back

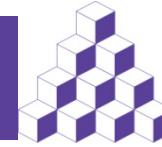
Our Journey - Key Milestones



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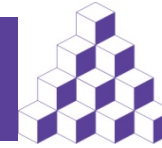
Barriers to Collaboration



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- Service Specification - can limit ability to collaborate
- Appetite for risk - what's in it for us
- Capacity to deliver – competing priorities with internal work issues taking priority
- Contractual obligations preventing buy in from authorities
- Data gathering – lack of good quality comparable information on activity & costs
- Organisational structures can hinder collaboration

Collaboration Success Factors



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Appropriate
Governance
Structure

Shared
Vision

Open
Communication

Appropriate
Distribution
of Power

Inclusion of
Stakeholders

Political
Influence

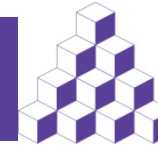
CEO
Support

Honesty

Reliability

Mutual
Trust

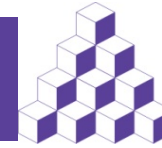
Current Projects



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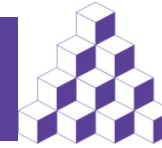
- **Childrens**
 - Regional Foster Care Framework – (AGMA savings = £1.5m pa)
 - AGMA Residential Care - £1.4m
 - AGMA 16+ Accommodation & Support = £500k
- **Adults**
 - AGMA Community Equipment Frameworks = £308k
 - Adults Residential = £3m
 - Dom Care contracts negotiations/benchmarking = £1.16m
 - Adults Category Team established
- **ICT**
 - Mobilephones = £566k
 - ICT Procurement Category Team established
 - Existing contracts data gathered complete – identifying opportunities, include:
 - National eAuction = £350k target
 - Negotiations with common suppliers
- **WFD**
 - Training framework established = £150k savings
 - 10% Channel shift to eLearning = £210k savings (projected)

Current Projects



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- **VPMM**
 - AGMA Fleet contract = £500k pa (including eAuction programme)
 - Fuel (Pro5) = £48k
 - CPC Driver Training = £124k
- **Food**
 - AGMA framework = £1.55m
- **Temp Agency Staff**
 - MSTAR = £400k savings
- **Streetlighting Connections**
 - AGMA Framework = up to £600k
- **Social Transport**
 - Taxi Negotiations = £350k
 - eAuctions being explored.



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Thank you