

# Unlocking procurement savings in local government

**UKprocure makes eProcurement work for local authorities. Harnessing a proven track record spanning five years, UKprocure helps local government strip cost from every step of the procurement process and maximise collective buying power through collaborative eProcurement. Our unrivalled sector and category expertise empowers local authorities to negotiate the best value contracts. With over seventy public sector organisations and orders placed with more than 600 suppliers each month, ours is the most active eMarketplace in the UK public sector, delivering the true savings promised by eProcurement.**

## **The eProcurement Challenge**

Local government is one of the biggest purchasers in the UK. Each year, the local authorities of England and Wales spend around £25 billion on bought-in goods and services, many of which are purchased through catalogues.

The procurement process itself costs money. Raising around 38 million purchase orders to 800,000 suppliers, local government spends £2.5 billion each year on the purchasing process itself. The Modernisation Agenda, National Procurement Strategy for Local Government and Gershon Efficiency Review have put the spotlight on the procurement process. The objective for local authorities today is to purchase smarter and more efficiently, to

deliver better value for money to local tax payers and re-direct savings to front-line services.

**“UKprocure has provided the support and technology to enable us to work together collaboratively to cut our processing costs and get the best value for goods and services.”**

## **Regional Group of UK Local Authorities**

eProcurement will provide fast yet sustainable savings to local government, helping them meet an estimated third of the 2.5% cashable

efficiency gains outlined in the Spending Review. The National e-Procurement Project (NePP) estimates that eProcurement will deliver a £1.1 billion reduction in the cost of goods and services for local government.

But the groundswell of support for eProcurement is about more than adopting new online working for individual authorities. Collaboration is now a driving force within local government. The product and process savings made possible by eProcurement are magnified when local authorities work together to place contracts and transact with suppliers. Nine regional Centres of Excellence were established in 2004 to help local authorities achieve these enhanced savings through

collective purchasing, whilst also improving the economic vitality of their regions.

Strategic procurement that harnesses proven technology and capitalises on the collective buying power of local government is the key to meeting the political and economic targets facing local government today.

### **The Leader in public sector eProcurement**

UKprocure makes eProcurement work for local authorities, by helping them to purchase smarter and more efficiently. But we understand that cost savings aren't the only driver for local authorities. UKprocure's proven eProcurement solutions support the way local authorities purchase and help them manage the simultaneous challenges of efficiency targets, local economic rejuvenation, e-government and the constant drive to deliver the best value services to tax payers.

In just five years and with no government assistance, UKprocure has built up the largest eProcurement network in the public sector. Over seventy public sector organisations are placing orders with more than 600

suppliers each month. These organisations have voted with their feet, embracing the streamlined, strategic and collaborative procurement made possible by our solutions.

Harnessing our robust technology solutions, our unrivalled knowledge of how and what local government purchases and our ability to facilitate electronic trading with the leading suppliers to local government, we are helping local government achieve the savings promised by eProcurement.

### **UKprocure Solutions**

With in-depth experience of local government procurement and suppliers, UKprocure understands where and how to take the cost out of procurement. Our solutions empower local authorities to negotiate better prices for goods and services and facilitate the achievement of significant efficiency savings from every transaction. Our solutions are used by individual authorities and collaborative networks of authorities to make eProcurement deliver real benefits.

### **UKprocure Sourcing Solutions**

Our Sourcing Solutions team combines innovative

eSourcing technology with proven category management and domain expertise, to help local authorities identify, create and deliver sustainable and significant savings from procured goods and services.

UKprocure Sourcing Solutions' professionals include local government consultants who combine an understanding of procurement processes with an in-depth knowledge of the supplier base. We have a proven understanding of UK public sector procurement regulations and the ability to implement OJEU-compliant procurement cycles.

Our experience in helping local authorities work collaboratively to leverage their strengthened buying power helps our customers achieve the lowest costs for products and services, whilst maximising quality. Working with UKprocure Sourcing, local authorities and regional groups have already saved between 10-50% on the value of contracts with suppliers.

**“The savings of 35.5% that we achieved in the online auction can be diverted back to front-line service improvements.”**

**Duncan Olive  
Strategic Project  
Manager,  
North Tyneside Council**

#### **UKprocure eMarketplace**

The UKprocure eMarketplace is a Catalogue Management and eCommerce Transaction Hub that automates trade between buyers and suppliers, from requisitioning to invoicing. It is the largest trading network in the UK public sector. With over seventy public sector members able to transact with over 600 of the leading public sector suppliers, we deliver the highest levels of efficiency savings and transaction volumes.

Where the UKprocure eMarketplace is used with a modern eProcurement system, significant efficiency savings are achieved and the cost of managing content and delivering electronic orders is greatly reduced. Members of the UKprocure eMarketplace

have shown that a typical cost of the procure-to-pay cycle is £30. This can be reduced to as little as £4 when transactions are processed through the UKprocure eMarketplace.

Used by individual local authorities or collaborative groups, the UKprocure eMarketplace helps reduce maverick spending, deliver accurate management information to inform future strategic procurement decisions and help local authorities balance the need to achieve value for money with the requirement to support local suppliers.

The eMarketplace is inherently flexible. It can be seamlessly integrated into the eProcurement module of your authority's existing Finance Management System, so you can benefit from a single purchasing environment. Local authorities without eProcurement functionality in their Finance system can also use and benefit from the eMarketplace. Our unique Procure-to-Pay solution enables these authorities to shop and buy direct from the UKprocure eMarketplace, whilst maintaining purchasing controls.

UKprocure understands that excellent catalogue management and transaction hubs alone are not enough to make eProcurement deliver cashable savings. As part of our solution, we deliver a proven Network Development Service, to maximise the trading connections, transaction volumes and savings for all buyers and suppliers.

**“Since the system went live, Warrington staff have processed 8,500 transactions, which equates to a process cost saving of £493,000.”**

**National e-Procurement  
Project Case Study of  
UKprocure**

#### **Collaborative Procurement**

Local government will only achieve the highest savings from eProcurement when it capitalises on its collective buying power. That's why our solutions have been designed to cost-effectively facilitate collaborative procurement.

Our Sourcing Solutions team has a proven track record of helping local authorities make huge savings on the negotiation of group or regional contracts.

The UKprocure eMarketplace helps local authorities procure collaboratively, so that they can share resource, set-up costs and best practice. A key strength of the UKprocure eMarketplace is that it enables different levels of collaboration. Local authorities can access local, regional or national contract-based catalogues and can purchase from them using their existing eProcurement solution. It does not matter what back-end finance and procurement system an

authority has or whether the platforms differ across the regional group of authorities. This means that all local authorities can quickly benefit from the high efficiency savings delivered by procuring from centrally held catalogues, without having to rip out and replace their existing systems.

#### **The UKprocure Difference**

Value-for-money, efficiency savings and collaboration are all key drivers for local government. Working with UKprocure, local authorities can meet these drivers. Our proven track record within local government, our understanding of how local authorities purchase and our ability to strip cost from each stage of the purchasing process, make us the eProcurement partner of

choice for local government. With UKprocure, potential savings become a reality.

**“Before the eMarketplace was implemented, the average time to complete the purchase-to-pay cycle was 4.5 hours. The process now takes less than one hour.”**

**National e-Procurement Project Case Study of UKprocure**

## **Contact UKprocure**

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