![City of York Council logo]

**Meeting of the Executive Member for Corporate Services and Advisory Panel**  **11 September 2007**

Report of the Assistant Director Audit and Risk Management

## Supplier & Contract Management System (SCMS)

## Summary

1    The purpose of this paper is to inform Members of the progress made in implementing and deploying the Supplier and Contract Management System (SCMS) at City of York Council in particular:

   a.    an overview of the purpose and functionality of the system

   b.    progress in its delivery across the organisation

   c.    the development and project plan

## Background

2    SCMS is a regional (Yorkshire & Humberside) web based supplier and contract management system. Funding for the system has been provided by the Regional Centre of Excellence for the five year period 2006 – 2011. The system is currently available to all 22 Councils in the region with future plans to extend it to other public service contracting bodies i.e. Police and Fire Service.

3    The system is designed to replace any existing procurement information systems/registers that may be in use across the region. While the system is not mandatory all Council's are being encouraged to use it.

4.    The introduction of SCMS at York provides for the first time the opportunity to have a fully populated contracts register providing both inward and outward facing information. This will encourage a more strategic view to be taken on how goods, works, and services are procured across the organisation helping us to achieve the aspirations of the National Procurement Strategy and Gershon efficiency agenda. The public access element of the system should also reduce the number of FOI (Freedom of Information) enquiries dealt with by the team on an annual basis. The system once fully embedded should be complementary to the new FMS (Financial Management System) and

ensure a fit for purpose 21$^{st}$ century procurement environment at the Council.

## SCMS Overview and functionality

5.      The system comprises three separate but interrelated modules:

**Supplier Management:** The supplier management module allows suppliers to self-register with one, many or all Council's.  Suppliers can maintain their own company profiles and an on-line generic prequalification questionnaire (PQQ) is under development, which will allow suppliers to apply for approved list status with all Council's. The flexibility of the system allows administrators to inform Client officers of actions they may need to take with registered suppliers i.e. provision of insurance renewal documents. Equally the module enables the Council to recruit, administer, monitor & report on suppliers. All relevant documentation with regard to suppliers can be held against their profile. The holding of all supplier information in a single database should deliver efficiencies to the Council in terms of supplier administration

**Tender Management:** The tender management module is an electronic tendering system that can be used for tenders both above and below the EU thresholds.  It allows for the creation of workflow tasks with assigned actions and reminders.  This module provides a platform for the buyer to manage a procurement exercise that is compliant with best practice, financial regulations and OJEU (Official Journal of European Union) requirements.  This module will allow us to make administrative efficiencies across the organisation through the use of the resource planning tool, standard documentation and at the same time facilitate statutory compliance.

**Contract Management:** The contract management module provides a central repository for all awarded contracts and associated documentation including the contract document itself.  As with the tender module actions can be assigned including nomination of deputy client officers ensuring continuity where the client officer is away. Client officers can create automatic reminders that are generated by the system for key events, providing improved financial management including the tracking of staged payments or savings.  By holding a composite database in one place the module will allow us to understand and analyse contract spend and provide comprehensive contract information to the external community.

6.      There are a number of other key benefits for suppliers using the system including:

- there is no charge for using the system, which will provide suppliers with access to contract information across the Yorkshire & Humberside region.

- the system provides a high level of security, is not complicated to use, operates in a Windows environment and requires no special software/hardware

- the system is flexible allowing suppliers to manage their own data, provides access to contract information and utilises electronic communication allowing for tender submission out of hours

7. The system once fully populated will provide clear transparency with regard to Council contacts for all suppliers and potential suppliers. They will be able to see what contracts are let and when contracts are available to bid for. Plans to raise awareness within the local business community are already under development and preliminary consultation has already taken place with the York Chamber of Commerce to further this. The system is web based and allows access to both UK and EU suppliers. More details on the training and awareness plan are included in this report at Paragraph 11.

8. The spending of Council money in relation to FOI is deemed to be in the public domain and along with existing Council's using the system overall contract values will be published however full contract details will not be available to suppliers.

## Progress in SCMS deployment

9. The Council gained live access to the system in October 2006. Progress in deploying the system to date has been complicated by significant problems in identifying Council contracts across the organisation and the need to reorganise the corporate procurement team in the first quarter of 2007 to better meet the business needs of the organisation.

10. Significant progress his now been made including:

- preliminary staff workshops to introduce the system to key client officers

- review of existing corporate & directorate contracts

- system configured for use at CYC

- development of SCMS project plan

- involvement in regional SCMS user groups

## Project Plan

11.  The current position of the project and development plan is shown at Annex 1 and is set out in three phases and sub stages where appropriate:

   - Phase 1 - implementation of contract register & supplier module

     Stage I: System familiarisation and configuration

     Stage 2: Creation of documentation

     Stage 3: User training and data entry

   - Phase 2 – development and implementation of performance monitoring reports

   - Phase 3 – implementation of electronic tendering module

12.  The first stage of the project plan system configuration is now nearly complete with stage 2 (System familiarisation and creation of documentation) due for completion by the end of September.  Once stage 2 has been completed data entry and user training sessions will be rolled out across the Council.  The successful delivery of the plan requires the support of all relevant client officers and should provide the Council with a fully populated and functional contracts register by January 2008.

13.  Stage 3 of the project plan is to be developed to include a training and awareness programme delivering:

   - comprehensive training to officers who need to use the system

   - ongoing training programme to deal with new users and releases

   - training and communication with suppliers

   - Member communication and training where required

   - a communication programme including news and jobs articles

   - communication to local business community through York Chamber of Commerce

   - development of the selling to York site on Council internet site

14.  The system for the first time will provide the Council with visibility of all contracts their related details and information on committed

expenditure. This will allow for a more informed and strategic view to be taken with regard to what we procure across the piece and how and what we want to procure in the future. In addition it will specifically support large areas of the medium term procurement plan allowing a step change in Council performance and efficiency including:

- aggregation of spend and targeted use of framework contracts

- review and rationalisation where appropriate of the number of suppliers

- analysis of accurate information to drive improvement and/or innovation

- development of an accurate procurement community including external suppliers

- ability to provide information in relation to equality, sustainability and inclusion

15.  The final Phase (3) of the current project plan will see the introduction of the electronic tendering module. Work is scheduled to start on this early in January 2008 with the intention of a phased go live from 1 April 2008. The use of electronic tendering will facilitate universal compliance with the Council's Financial regulations and EU regulations and once fully embedded will facilitate administrative efficiencies across the organisation relating to:

- reduced time elapsed through procurement process (especially during EU procurement processes)

- reduction in process costs i.e. postage, paper & staff time

- increased flexibility for suppliers & commissioning officers as tender opening and communication can be done electronically

- increased transparency during the procurement process for staff and suppliers

- consistent procurement practice and process across the organisation underpinned by the use of standard documentation reducing the risk of non-compliance, third party challenge and unlawful practice

## Summary

16.  The introduction of the SCMS system will significantly improve the way in which procurement is carried out at the Council providing accurate management information, transparency, formal commissioning

processes and engagement of suppliers.  Once fully populated it will assist in identifying any un-contracted spend or spend outside of corporate contracts. A robust approach is been taken to its implementation to ensure the successful delivery of the project.

## Consultation

17    No consultation was required for this report.

## Options & Analysis

18    As this report is for information only, there are no options or analysis included in this report.

## Corporate Priorities

19    This report contributes to the achievement of Corporate Priority Improvement Statement 13: *"To improve efficiency and reduce waste to free up more resources"*.

## Implications

20    There are no financial, HR, Equalities, Legal, Crime & Disorder, IT or Property implications to note.

## Risk Management

21    There are no risks associated with the recommendations made by this report to note.

## Recommendations

22    The Advisory Panel are asked to advise the Executive Member for Corporate Services to:

a)    note the progress made to date in implementing and embedding the SCMS system.

Reason

To advise Members of the progress made to date in delivering the SCMS project plan

b)    note and comment on the Project plan attached as Annex 1 to this report.

Reason

To advise Members of the contents of the project plan developed to deliver SCMS across the organisation

**Contact Details**

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|---|---|
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**Report Approved** | Y | **Date** *23 August 2007*


**Specialist Implications Officer(s)** Not applicable

**All** | x |

**Wards Affected** Not applicable

**For further information please contact the author of the report**

**Background Papers**
None

**Annexes**

Annex 1 – SCMS project plan