



Office of Government Commerce

Transforming Government Procurement

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New Procurement Landscape

Transforming Government Procurement means:

Ensuring procurement is built on principles of value for money and sustainability to deliver high quality public services.

Key challenges:

- Raising procurement skills
- Strengthening procurement capability
- Collaboration
- Major Projects Review Group



New OGC

So what does this mean for OGC?

Becoming a smaller, more focussed organisation with the skills and powers to drive these changes across central government.

New areas

- Markets and Suppliers, GPS
- Capital Group
 - MPRG
 - Government Estate Transformation
- Collaborative Procurement
- Policy, Standards and Capability



Procurement Policy & Standards

- Developing, implementing and refreshing the policy framework that governs public sector procurement – structure published **Spring 07**, framework fully developed **Spring 08**.
- Informal complaints function for suppliers to the public sector **in 2007**
- Continuing to represent the UK for public procurement at EU/International level – negotiation, advice and infractions management. In particular, working towards common position on **Remedies**.
- Continuing contract management of OGC products and standards – **ITIL, PRINCE2** etc



Procurement Capability Reviews

- Challenge function at strategic & structural level.
- Wide definition of procurement.
- Small team of high calibre experts.
- Follow up work with departments.
- First review with DfES – completed.
- Next reviews set up with CLG and DWP – CLG review starts this week.
- PCR team to carry out 8 – 10 reviews in year 1.



Government Procurement Service

To create a sustainable balance of appropriately skilled and suitably managed procurement professionals, to match the growing scale and complexity of government's delivery agenda.

- New flexible routes of entry - reflecting profession's positioning and refresh flock
- Training and development initiatives - making best use of resources to improve capability
- Professional standards - graded to reflect need, linked to CIPS standards
- Professional templates - standard competence framework, job descriptions, career paths, competence matrices



Major Projects Review Group

Means: Better scrutiny and support for complex projects.

Chaired by the Treasury and composed of commercial experts, will ensure that, departments' most significant projects are subject to an enhanced Gateway review process – Gateway with teeth.

- OGC and HMT working to establish how MPRG will operate.

Formal MPRG scrutiny points

- A. Business case development
- B. Before tender
- C. Before contract award



Collaborative Procurement

Pan Government collaborative procurement activity using category management:

- Construction
- Energy
- Fleet
- Food
- Professional Services
- ICT
- Office Solutions
- Professional Services



Social Issues in Procurement

- What are the 'social issues'?
- Why should procurement include social issues?
- What legislation needs to be adhered to?
- How can social issues be included in procurement?

Social Issues in Procurement

- Social Issues – community benefit, core labour standards, equalities issues (race, disability, religion, sex, sexual orientation, age), fair trade, SME, VCS and BMEs
- Consideration towards social issues as public sector has responsibility for policies to improve living standards, procurement is one funding route to obtain services.
- Legislation includes EU Treaty and EU Public Procurement Directive
- Actions must be consistent with the Government's procurement policy based on value for money
- Must be relevant to the subject of the contract

Social issues at each stage of the procurement process

- Identifying a need and developing a business case
- Specifications
- Selection Stage
- Tender Evaluation
- Contract management