

**PROCUREMENT ENGLAND LIMITED (PEL)**  
**Advisory Group Meeting (PELAG)**

**Wednesday 28<sup>th</sup> May 2014 at NEUPC Offices, Leeds**

<b>Attendees:</b>	Paul Tomany [Chairman]	NWUPC
	Alan Brookes	TEC
	Andy Davies	LUPC
	Alison Holmes	NEUPC
	Chris Philpott	LUPC
	Colin Reeve	SUPC
	Frank Rowell	NEUPC
	Susan Wright	SUPC
	Judith Hoyle [Secretary]	NWUPC

**1. Introduction, apologies and Welcome by host Paul Tomany**

Kevin Casey from Manchester had sent his apologies.

**2. Minutes of the Meeting and Matters Arising**

These were taken as agreed. Paul would amend the Terms of Reference following the Board Meeting to invite other bodies to attend.

**PWT**

The Category Strategy (Frank) and report by Paul has been overtaken by the SUMS Consultancy Report. Regarding government bodies, Richard has still to respond. Website developments will be reported on at the Heads of Consortia meeting. GeM Funding – we do not have a PEL presence on our website, this has been handed over to the Comms Group. Andy referred to the Contracts Database section of the previous Minutes and would like the wording “this would be a contingency fallback” changing to “this could be . . . . .” The Secretary would amend this.

**Secretary**

Andy had spoken to Sharlene Jobson and it appeared that Cloudbuy are keen to work with us on the GeM database. This is an option to be considered. Paul would rather wait for a statement from JISC. Susan pointed out that GeM actually does much more than we use as there are such things as the Request For Quotes (RFQ) facility etc. GeM is further complicated by its need to integrate with the marketplace. Alison does not use the marketplace as they have their own e-Procurement system. Chris uses Agresso and Colin buys online using purchasing cards. JISC have confirmed they will fund the GeM contracts database until July 2016. The commitment funding is to be transferred this year so a decision has to be made by July 2014. Paul suggested that this be raised with the Heads of Consortia as the HE sector are the main stockholders.

**3. EMM Survey**

Paul gave some background to this survey. HEFCE collated the original data into a report on savings. UUK were given the responsibility for doing this but they did not consider it as part of their remit. The post within HEFCE no longer exists for doing this report. HEFCE wished to report these figures to the government via BIS. These may not be required if a new government is elected next year. Paul had contacted H<sub>2</sub>O our website providers to develop this. Andy requested that this survey be kept as simple as possible to ensure that we did have some returns. Susan and Alison felt that the PPG should be putting on some pressure. Chris had reservations that this may be changed from year to year. Andy felt that Paul should get clarity from Steve Butcher as to what he actually expects. He recommended pressing HEFCE for a contract as to what exactly is required. Andy promised to send round an e-mail to his members encouraging them to complete this on the understanding that NWUPC do all the work.

#### **4. PEL Communications Group**

Paul reported that the Comms Group have met and devised a plan but they would like the Board to endorse it. They are unable to move forward until the Board has met. They now need to work on the TORs and develop a marketing plan in order to further develop things.

#### **5. GeM Guidance for Buyers Guides**

Susan had asked Carli Thorpe to go through GeM from a buyer's point of view. There needs to be much better guidance as to how to use the contract. A copy of the OJEU must be on there to check who can and cannot access the agreement and whether there is ERDF funding available. The Buyers Guide for books was used as an example of a good one and was felt to be better in Word than Excel format. Andy feels that we need a template with headers. He asked if the Procurement Heads at this meeting could look at these and make some suggestions. They would look at the report and exemplar and e-mail comments back.

#### **Heads of Procurement**

Chris will ask his staff for comments as he uses GeM for contracts. The deadline for feedback on this is the end of June. Alison asked for consistency with the documentation to make everybody's jobs easier. Andy requested a template, then any new information will be in the same format. Susan replied that this would be embedded in our internal consortium procedures and should be policed. We need to agree to do things in a standard way.

#### **6. Report from Joint Contracting Group**

Frank reported that the focus at the moment has been looking at category strategy. So far the Estates category structure has been developed and the ICT has just been finalized. We need to decide who has responsibility for taking the category structure forward. We need to look at Commodity Groups with a view to taking more of a category approach. We are also looking at Terms and Conditions for goods and services. These are with Martin Vincent so hopefully they will be ready in time for the next meeting in June. Martin has confirmed that he will now be doing this on a paid basis. We are all using the Hunter database to replace the Excel spreadsheets and this gives us all the necessary information. APUC are developing a text box to put in the details. There is still 25% of Q1 MI and 35% of Q2 MI unavailable. SUPC have got behind with their data due to staffing problems. Andy feels that the bigger the company the more difficult it is to get the spend data from them. Chris asked if there is co-ordination around the category strategies. Alison feels that this is an interesting exercise when you see the areas that are not covered. Chris sought reassurance that the spend is being categorized in the same way.

#### **7. SUMS Consultancy Report**

Paul suggested that everybody give their own views on this report.

*Alison*

The key focus is category management and we need to stop talking about it and do it. What they have referred to in the report is what we do now. The ultimate goal must be the category management Stage 3. They have missed out sustainability – CSR has been referred to but they have missed out the environmental part. The usability of the agreement and the KPIs are what we should be doing now as operational service improvements. Levels I and II are just continuous improvement points so we can skip to Level III.

*Frank*

Regarding Category Management, the sector contracting strategy is where we are now and we need to move towards category management. We can only go at the same pace as the sector and some institutions are more mature than others. This appears to be a 'classic' consultancy report and the costs mentioned are horrendous. We should be using the resources and the capabilities that exist. We should not be looking at spending that kind of money when we already have the resources and capability.

*Colin*

At the moment he does not see any definitive mechanism as to how we are measuring ourselves. He does not believe that the sector is ready to make these 'massive strides' in category management. Unless you have the structure to see what benefit category management will give the institutions then you cannot really 'trick' them into it. He would prefer to use Option 2 to start with, with some consultancy to move things forward.

*Susan*

A lot of the work surrounding KPIs can be done internally. The goal should be Level 3 but she does not believe that institutions are ready for this. On the PMAs, category management is the only area where nobody is superior at the moment, which suggests that the sector is not really ready for it. We need to get the institutions to a state where they can support it. The first approach we are already doing and the second one is some good work. We need to get some category expertise in there. What the report fails to mention are the resources required going forward. We definitely need Option 2 with possibly parts of Option 3, with one or two institutions as a pilot. We need the modus operandi of the four consortia into PEL.

*Andy*

He would agree with Alison and not be in favour of us getting any outside help for the KPIs etc as we should progress that least. On the effective contract management we are at Level I anyway but Level III feels like we would be running before we can walk but this is something we should be working towards as a goal. Investment figures quoted were only up to the pilot phase. The rest of it is not costed in and would be down to the consortia. These figures would then be much bigger over time. It recognizes that the four consortia have differences in their modus operandi but then does not acknowledge these differences in the recommendations. We need to commit towards a single business model and to a single office supplies agreement. The North West should give up its regional office supplies agreement and SUPC would have to become a not for profit organization like the other three consortia. If we need a sensible category strategy for office supplies it would have to be different from what it is now. He believes that this would require some outside help.

*Chris*

He agrees that the issues around KPIs etc is business as usual but we cannot arrive at Step 3 overnight. Our agreements need to be more usable and we need to establish why people are not using them in the first place. We should not be using our own resources if this would slow things down in any way. If we save money on consultancy we can use these funds for enabling data.

*Alan*

Looking at it 'from the outside in' £420K without a pilot is a lot of money. TEC is different in that it is a 'managed service'. It would be interesting to see what the PEL Board think as they are made up of members who are responsible for procurement and driving these things forward.

*Paul*

He ran through the e-mail he had received from Kevin Casey of University of Manchester, who believes that collaboration is not obligatory. Manchester support standardized documentation but not significant changes to category management. The sector is made up of autonomous bodies of varying sizes. Frank had consulted with his Procurement Strategy Group and they are very supportive of the category structure. Manchester are looking to 'dis-aggregate' contracts in order to use the SMEs. Susan stressed that the National Contracting Programme does not necessarily mean all national contracts. Paul feels that there has always been a 'top down' approach to procurement at national level and believes that it should be a 'bottom up' route to consider the needs of the members. North West contracts are driven by the membership and all the things they do come through the Heads of Procurement and Finance Directors. He added that to be driven by a mandate would be conceptually wrong. Frank feels that we are actually in danger of going round in circles. Chris remarked that the North West in general is different from the other three consortia with its aims. Paul stressed that there is a huge sense of ownership with the members and the consortium wants to have a 'regional' focus. We are not against collaboration, but we cannot mandate anything.

Susan added that whatever we do cannot impact on the consortia governance. We must respect each other's business models and let each other have regional contracts. Chris stated that if we cannot agree on a fundamental strategy for one category then we will not move forward from where we are now. At times we all need to go off and do something different for our members. Chris declared that at consortia level they need to agree on a strategy and stick to it. Alison believes that we need to look at the wider, bigger picture and we are in danger of putting this into the 'too difficult' box. Colin confirmed that he will not use the stationery contract as there are aspects of it which his institution is not happy with.

Paul explained that he had had contact from two professors from the Institute of Physics accusing him of 'distorting the market' with the HVLE agreement. He perceives this as giving up some of the consortium independence to all work together. The two stumbling blocks to bringing LUPC on board would be the corporate governance and the regional stationery agreement.

Andy is of the opinion that there is no point in having a category strategy if people are going off doing their own thing. Paul replied that the North East and London have gone off and done their own thing in the past. The other consortia are justified in doing their own agreements. Alison declared that everybody is going to have to change to make this happen and they are deluded if they think that they are not. Susan added that we need to sit down and make some changes even to get to Level 2, then look where the contentious areas are. Paul just had a problem with being mandated to change. Andy asked if Paul accepted that collaboration sometimes requires concession. Paul would not make any changes unless his members supported it. Chris feels that we need to see what we are measuring against as we have not even done the EMM survey yet. Category management is looking at areas of spend and putting a framework in there where it is required. Susan stated that there should be common areas of agreement but if people do not wish to sign up to this then they do not have to. Alison commented that this had saved her millions in time and money so we must not look on this as too difficult. If we are going to adopt the strategy then we have to work within it. Paul confirmed that it is the corporate governance which he had a problem with. However Alison stated that we cannot justify anything to the PEL Board if we cannot agree on something such as Office Supplies. Colin posed the question – if we hit the 80 – 90% does it matter about the other 10 – 20%? Andy added that if we are investing resources into a problem then they should be fairly allocated.

SUPC will put the resources in that they need to commit to this. At operational levels I and II we are going forward. We can take the KPIs and make them more usable. Options I and II are fine going ahead.

Regarding category management, Frank confirmed that the Joint Contracting Group will have all the structures done for all the categories within a certain timescale and these deadlines need to be supported by all consortia. Everyone was in agreement with KPIs and making the contracts more usable. Frank asked if we could use the same KPIs as BUFDG PPG but these are institution specific so it would not work. He confirmed that the data analysis in terms of understanding category management would be done with existing resources.

#### *Summary*

KPIs and usability of contracts : members are in agreement.

Category management : consortia and institutions must accept that there will be change and pre-commit to abide by it. Frank has been happy to take this forward but if not everybody supports it then he would not be willing to continue with it. Paul will go along with this if the process is something up front whereby the consortia can show that they might wish to go ahead and do something else. Susan would not be willing to change the corporate governance for SUPC.

#### **8. Any Other Business**

Alison declared that she would prefer to have 100% success on this rather than have 80% but Susan feels that if you initially have the 80% then the other 20% will follow.

#### **9. Date and Place of Next Meeting**

Secretary to circulate Doodle poll to obtain most convenient date for members.