

## Improving the efficiency and effectiveness of procurement to achieve faster delivery

### Fast, effective and efficient procurement is good

It is a common complaint that government procurement takes too long - and people ask why doesn't the government do something about it? Everybody benefits from fast, effective and transparent procurement. It reduces suppliers' costs, enables departments to fulfil commitments faster, and more effectively and gives citizens more responsive and better value for money (VFM) public services.

### Don't blame Brussels

The EC Rules are often cited as the cause of delay. Yet the minimum times that apply in the EC procedures are largely insignificant compared with the time departments need before the start of procurement and when measured against the whole procurement process. Of course it takes time to run a proper procurement but we can save everybody's time and effort by being absolutely clear in what we want and by keeping changes to an absolute minimum. Set appropriate evaluation criteria at the beginning and make sure suppliers understand those criteria and the nature of the requirement so that we only have credible bidders in the competition.

### Use of Frameworks

If frameworks exist, including frameworks managed by other government departments & OGC, that are accessible across government, which fully meet the department's requirements and deliver VFM, use them. They have already been competed, so we don't need a second competition. However, we must stay within agreed framework terms & conditions. If these do not fit the requirements, we cannot use the framework.

### Speeding up your projects

Effective and efficient procurement is rooted in professionalism - most delays spring from a lack of clarity and are exacerbated by the absence of the right people with appropriate skills. Senior management sets the tone for fast, successful procurement and correct, well-considered, timely decisions taken upfront are paramount. Make sure your project team has suitable experience and the appropriate skills.

### Not just procurement

Procurement can be fundamental to the development of a strategic business change and delivery programme. It is important to pay attention to the business-change elements. Having a clear and shared understanding of how the organisation is to work in its new state will help ensure that the procurement fully supports the business need and isn't delayed by decisions about the business change.

### Complexity and risk

Wherever possible avoid complexity but if we must run a complex project, break it down to reduce risks eg by piloting, modular development or time-boxing (what can be done by a defined point in time). Follow recognised good practice on risk identification, assessment and management. We should do as much as we can upfront to reduce project risks. *Remember that where the market hasn't done it successfully before, there is always a possibility that it could go wrong.* Once a risk is identified, it should be managed. If we are transferring risks to a supplier, make sure we allocate or apportion each risk to the party best able to manage it.

### Sound advice

Many projects need external advice and when this is necessary select the advisers with care. Look at their experience and track record. Make sure they are familiar with the government and departmental best practice we want to use. Try to incentivise them to facilitate a speedy and effective procurement and make sure they are under effective departmental control. After all they only advise - we decide!

### Competence and capacity

None of us would want to fly with an inexperienced pilot. Therefore we should not expect fast, successful projects from inexperienced project teams. The greater the risks the greater the need for experience and competence. The *Successful Delivery Skills Framework* lets us check whether or not our people have the necessary skills for the task. Inexperienced project teams can be a recipe for failure.

If we have to take on more projects than we have competent people to run them, there really are only three options - develop, recruit, or do less.

Knowledge of how to run projects is so important that it needs to be developed, extended and nurtured. In too many cases, hard-won knowledge is being thrown away at the end of the project, when the team is disbanded.

Project teams need to be clear on the decisions they can take and the ones they have to refer upwards. We should not keep them waiting for decisions. Confidence makes for rapid progress; fear of criticism or failure will slow things down.

### Keeping to time

Make sure our people know that we expect project teams to set realistic timescales and for the project to come in on time. Expect timely warning of any unavoidable delays. Remember that suppliers have to gear up for procurement projects, so make sure they're kept in the picture if things start to go wrong

### Practice makes perfect

As far as possible, all procurements should follow a proven path, based on recognised good practices such as those in the *OGC Successful Delivery Toolkit* or equivalent departmental standards where there is a successful track record. Remember, we must be prepared to tailor the generic timetable to take into account the particular circumstances of the project. However, the more repeatable the project processes are, the easier it is to sustain a cycle of improvement in project timescales and success generally. We should use the findings from the departments' Gateway Reviews and post-project reviews to learn lessons and improve our practices. We must learn from others so that we do not keep making the same mistakes.

### Role of the Procurement Professional

It is important that the project receives experienced professional procurement and commercial support. Departmental procurement professionals can fulfil this role and they should be engaged from the start of the project and throughout the procurement.

## Let us know what you think

See the successful delivery toolkit for related sources of best practice, tools and techniques; [www.ogc.gov.uk/sdtoolkit](http://www.ogc.gov.uk/sdtoolkit)

Address: Office of Government Commerce  
Trevelyan House  
Great Peter Street  
LONDON  
SW1P 2BY

OGC Service Desk: 0845 0004999  
GTN: 3040-4999

E-Mail: [ServiceDesk@ogc.gsi.gov.uk](mailto:ServiceDesk@ogc.gsi.gov.uk)

Website: [www.ogc.gov.uk](http://www.ogc.gov.uk)

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## Key questions to ask before commencing, and during, a procurement

### Preparation:

The people who are most able to influence procurement timescales are the department's senior management with input from other stakeholders.

If we cannot obtain a satisfactory response to the following questions, procurements will suffer delay and disappointment: we would be embarking on a journey unprepared.

- Why are we doing this project? What is it required to achieve? What assumptions have been made? What are the business drivers and constraints? What will constitute success? Who are the senior key stakeholders - do they understand and agree?
- Does the project fit with the business strategy and programmes?
- Is the business case sound? Have all the whole life cycle costs been assessed, including staff, training, accommodation and our costs in running the competition? Is the requirement affordable? Have we assessed the market to check? Has the necessary budget been secured?
- What are the risks? Are we biting off more than we can chew? Are we breaking new ground? Is the project too complex? Can it be phased or modularised? What can we do to minimise risks to an acceptable level?
- Have all dependencies been identified and is there full provision to manage them?
- Is the Board committed to delivery? Do we have a Senior Responsible Owner who will drive it through? Will the Board support this person, give them consistent advice and direction, and give them enough time and resources to do the job? Will we provide a competent project team led by an experienced project manager and give them enough time and support to do an effective job?
- Have we fully analysed the markets in which the procurement will take place? Can we guarantee a proper competition, which includes all credible bidders, especially in re-competition?
- Have we identified bidders' likely information needs during bidding, and taken adequate steps to provide the full range of data within the procurement timetable? Have we identified all the necessary contact points for each of the bidders throughout the procurement?
- Do we understand the extent of the change to be managed, of which the procurement is a part? Do we plan to engage relevant stakeholders, including technical authorities and customers, and to ensure their interests are identified and catered for? Will we invoke best practice for managing successful projects and programmes?
- Do we have the necessary capability and capacity to own and manage related business changes?
- Have we developed a realistic project plan? Do we have an effective control system, to ensure the project remains on track, with any changes to the plan, the timetable or the project's risks assessed for impact and communicated to those who need to know?
- Have we allowed sufficient time to obtain all necessary consents, permissions, or legislative changes and developed plans to manage possible public or stakeholder opposition?
- Are our procurement strategies well thought through and finalised? Has the procurement unit been properly consulted? Have we learnt from others and from past mistakes?
- Is the procurement timetable a generic one, or is it adequately tailored to take into account the particular circumstances of the project?

### During the procurement process:

Throughout the procurement we need to ensure that our processes are aligned for swift, effective and efficient delivery.

If we cannot obtain a satisfactory response to the following questions the procurement is not attuned to meet the requirement and deadlines may not be met.

- Is there a management framework to provide quick decisions on key issues?
- Have we an effective mechanism for communicating with and involving all key stakeholders?
- Have we effective mechanisms to manage risks and to resolve potential conflicts?
- Can we ensure on-going commitment from management at the appropriate level?
- Will there be continuity among the procurement team throughout the procurement process?
- Is there an effective change management procedure in place so we can be confident that we can manage any changes that might occur, and ensure that they are aligned to the business strategy?
- Do we have the necessary access to specialist resources to provide expert advice on legal or technical issues etc?
- Do our plans provide for the advance preparation of evaluation criteria etc to be done in parallel with the rest of the procurement process?
- Have we allowed the time for gateway reviews, if appropriate, in our plans?
- Do we have appropriate resources and procedures for effective supplier management post award?

Plan in advance

A clear requirement

## BEST PRACTICE

Improving the efficiency and effectiveness of procurement to achieve faster delivery

The right skills and experience

Meeting deadlines

Use proven good practice

Managing for success



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