

Case Study: OGC Collaborative Procurement



Client: OGC Collaborative Procurement team

Assignment Goal: To identify and establish collaboration across Government departments in the procurement of FM Services.

Assignment Team: Rod Sowden and Neil Longley

Assignment Period: August 2005 – July 2007

Introduction

As part of the Gershon savings it was identified that significant opportunities were available from Collaborative Procurement across government departments. A team of consultants were appointed from the OGC framework that had specialist knowledge and a track record in procurement and a variety of disciplines, to search and evaluate opportunities for savings from joined up procurement.

An Aspire Europe consultant was appointed by the OGC to lead the Facilities Management category across the public sector.

The brief was to identify opportunities for cross government collaboration and savings to be made in the procurement of facilities management soft services in any part of the public sector. At initiation, there was no data on any existing contracts and OGC Buying Solutions did not have any frameworks in place for the provision of facilities management products or services.

Services provided

To achieve the requirements of the OGC team, the following approach was used to raise awareness and encourage collaboration:

- Identified the directors responsible for FM services in each of the major government departments.
- Meetings set up to outline the brief and identify any opportunities.
- Follow up by a cross government FM services working group with representatives from the NHS and Local Government.
- OGC representative on a National Audit Office study into the procurement of food by the public sector, with particular focus on developing opportunities that arose.
- Expert support for the OGC Buying Solutions team in defining and delivering the procurement process that established the first FM services framework.
- Established a government wide working party to collaborate on food procurement which resulted in an NHS PASA (procurement) to put in place a public sector wide procurement framework for food. As part of this work, £2bn worth of expenditure and estimated potential savings of £200m were identified.

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- Identified a number of tactical procurement opportunities that delivered over £1m in savings during the assignment period, including collaborative procurements in FM services which offered the market larger packages and reduced procurement costs and a single supplier approach to the procurement of popular products, for example, water coolers.

Client benefits

Savings of over £1m identified and work put in place to realise them.

Established the OGC strategic procurement category for food procurement with a savings target of £200m over 5 years.

Testimonial

Adrian Bonser, Head of Procurement Services

“Rod Sowden delivered a very effective and entrepreneurial approach to identifying opportunities and building a relationship with stakeholders that left a sustainable environment for the OGC to build its capability in this area. The difficult task was addressed with enthusiasm, professionalism and agility and delivered larger opportunities than had been anticipated, he established Food procurement as one of the Top 10 strategic procurement categories within government.”

Assignment legacy

There were a number of lessons learned from working within the OGC, namely:

- No data available on what contracts existed nor was there any particular desire from departments to collaborate, the assignment produced a significant legacy in contract information and key contacts.
- The assignment required a determined approach to stakeholder identification and engagement, as there was no existing information to work from.
- There was an apprehension towards providing information to the OGC, as historically this had been used to define cuts, so a level of trust had to be ‘built up’ with the key players across government resulting in a strong network that the OGC team were able to build upon.
- The work was the forerunner of the OGC work on asset management, which was just starting at the time.
- The client relationship was strong, the original assignment was for 6 months full time, however after this was delivered a supporting role based on 5 days per month was put in place until the OGC could put the team in to take the opportunities forward 15 months later.

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