



Procurement Development Programs

Why Should Procurement Matter?

The benefits to the enterprise

Drive efficiency and financial sustainability

Improve probity and process

Return on investment

Support council strategic objectives

Delivering services, projects and capital works programs

Regional/ Local Economic development

Sustainability and Social objectives

Act as an enabler of broader reform

Capital works and budget planning

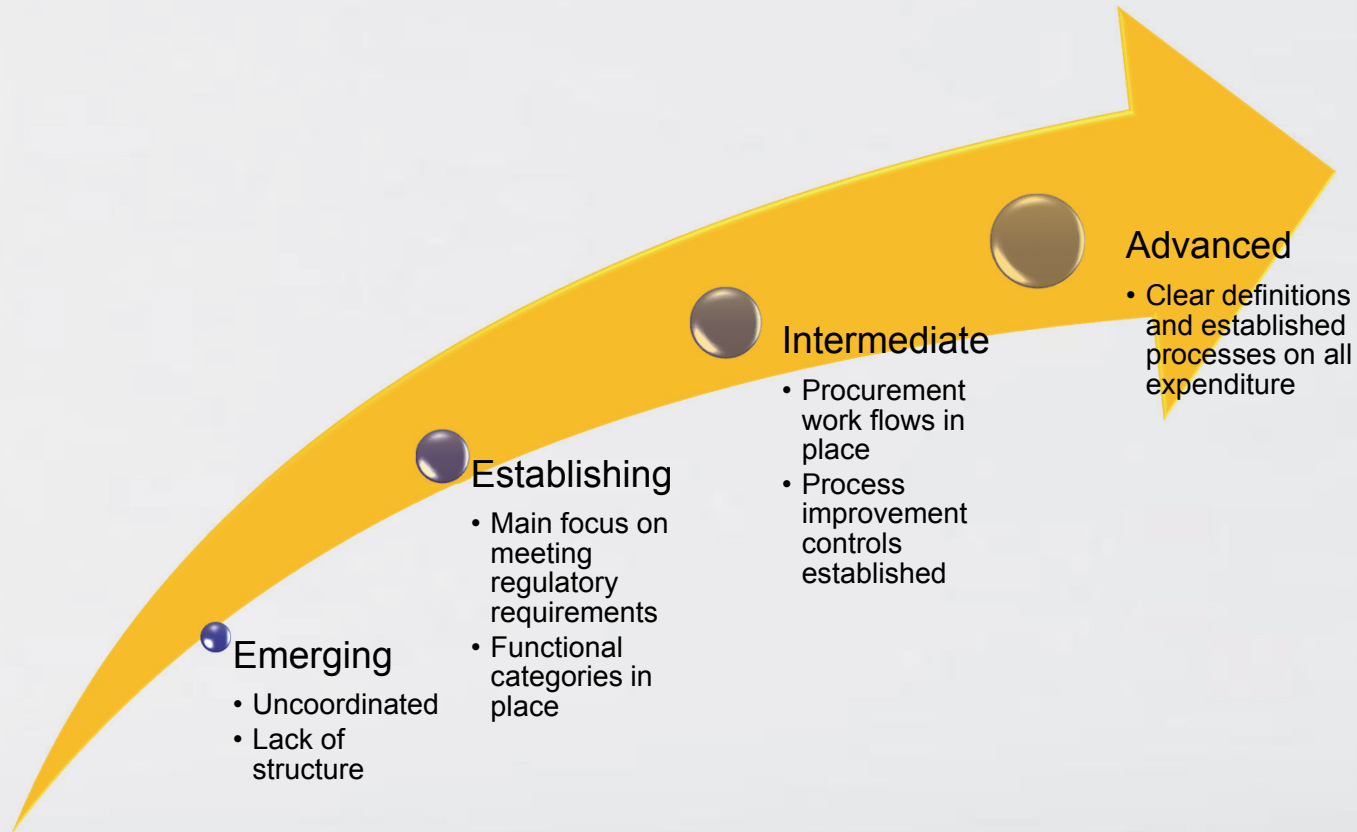
Project management and delivery

Regional and Sector Collaboration

No matter how small the procurement department is it makes a significant contribution to the company



Procurement Maturity Model



The Dimensions Procurement Best Practice's



Dimensions of Procurement Excellence



Procurement Roadmap Process



What it is	1	2	3	4	5	6	7	8
	<ul style="list-style-type: none"> Background Process overview 	<ul style="list-style-type: none"> Data analytics pack Capability assessment Stakeholder questionnaire 	<ul style="list-style-type: none"> Documentation review Opportunity analysis Spend analysis Best practice comparison 	<ul style="list-style-type: none"> Single council Review analysis findings Validate opportunities Draft strategy and roadmap 	<ul style="list-style-type: none"> Preparation of Roadmaps Distribution to Key Stakeholders for review 	<ul style="list-style-type: none"> Presentation to Senior Management Team 	<ul style="list-style-type: none"> Brining together participating councils Sharing of roadmaps, issues and opportunities 	<ul style="list-style-type: none"> Regular reviews of roadmap progress Tracking at 6,12 and 24 monthly reviews

Who Attends	1	2	3	4	5	6	7	8
	<ul style="list-style-type: none"> All Council Project Leaders/ Teams 	<ul style="list-style-type: none"> Council Project Team Key Council Stakeholders PMMS Support 	<ul style="list-style-type: none"> Internal or external consulting support 	<ul style="list-style-type: none"> Council Project Team Key Council Stakeholders 	<ul style="list-style-type: none"> Council Project Team Key Council Stakeholders 	<ul style="list-style-type: none"> Project Leaders GM and Senior Management Team 	<ul style="list-style-type: none"> All Council Project Leaders/ Teams Key Council stakeholders 	<ul style="list-style-type: none"> All Council Project Teams Key Council Stakeholders



Procurement Roadmap in Detail

Phase 1 0-6 months

Direction, Roles and Procedures

1. Build Roadmap into Council Strategy/ Action Plan
2. Establish Procurement Steering Group
3. Finalise procurement processes, documentation and templates
4. Incorporate Procurement into key processes - Budget, Records, Corruption Prevention Plan
5. Introduce Leadership Training and Induction
6. Develop program for introducing purchase cards
7. Develop business case for procurement resource
8. Review application of Finance System for data and procure-to-pay model

Phase 2 6-12 months

Communication , Training and Annual Planning

9. Develop Procurement Portal on Intranet site
10. Staff Training Program
11. Develop contract management processes and systems
12. Review current contract coverage and plan for new panel contracts
13. Develop Annual Procurement Plan and Quarterly Reports
14. Develop Supplier Education Program to assist local businesses
15. Develop Category Coding Structure
16. Undertake Procurement Audit as part of internal audit program

Phase 3 12-24 months

Supplier Engagement and Strategic Opportunities

17. Develop ROI goals
18. Define contract management roles and undertake training
19. Audit compliance to preferred supplier contracts
20. Develop procurement skills development/ training plan
21. Hold supplier forums assist local businesses
22. Review Stores processes and opportunities
23. Incorporate Disposal of Assets into procurement procedures
24. Develop and implement Cost Savings Tracking Register



Key Benefits to the Enterprise

- ▶ **Collaboration across all divisions**
- ▶ **Centre-led procurement models**
- ▶ **Spend analysis and market intelligence driving decision-making**
- ▶ **Increasing contract coverage – panels/ supply contracts**
- ▶ **Innovative sourcing models**
- ▶ **Savings – procurement delivery of efficiency dividends**
- ▶ **Strengthened Contract and Supplier Management**
- ▶ **Streamlined and managed low-value transactions**
- ▶ **Technology – Better use of existing systems/ e-procurement/ panel management**



Key Benefits to Participants

- ▶ **Engagement and participation from all business units**
- ▶ **Developing a plan for continuous improvement**
- ▶ **An action plan with achievable and tangible benefits**
- ▶ **Staff enthusiasm and understanding of what council needs to do**
- ▶ **A focused approach to improving current procurement practices and developing a targeted savings program's**
- ▶ **Meeting peers and suppliers allowing for information sharing and exchange**
- ▶ **Networking and identifying similar across industry issues, collaboration to deal with "issues", increased collaboration and break down of barriers between divisions**



Procurement Enabling Strategies

Strategy	Outcome	Pros	Cons
Establish new contract	Leverage volume via new market approach	Potentially high impact	Requires time & resources
Renegotiate existing contract	Improve current contract including option to leverage added volume	Less time & effort – also less disruptive	Limited negotiating leverage
Piggy-back other contracts	Leverage benefits previously negotiated	Ease of implementation	May hamper large contract negotiations
Vary the supply model or change demand	Innovative solution and /or reduced demand	Breakthrough improvement	Potentially higher risk and effort to establish
Establish effective contract management	Achieve desired outcomes, manage change & target improvement	Short term return, eliminate waste & leverage supplier resource	Requires resource & capability to establish & maintain



Thank You



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