

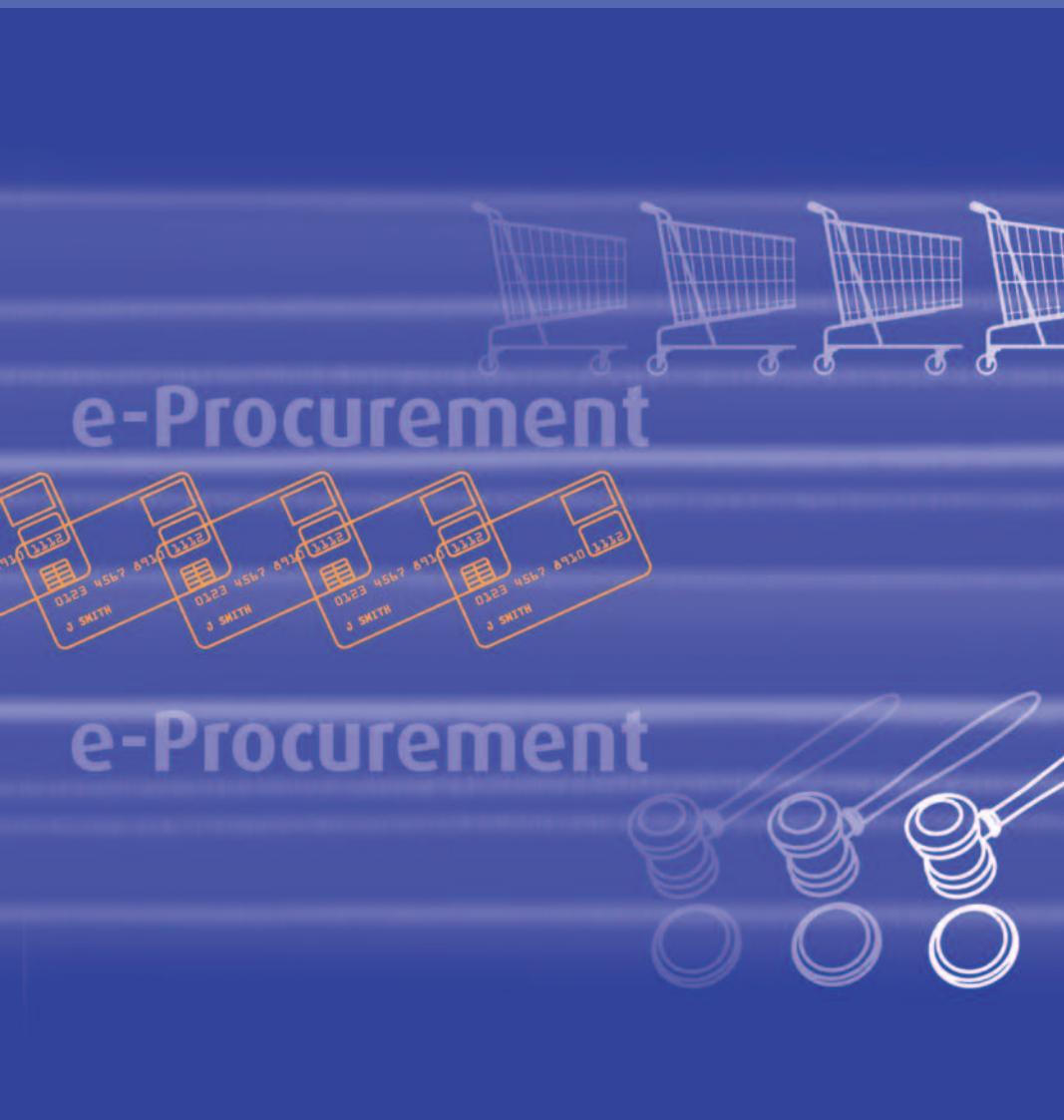


National e-Procurement Project

Delivering e-Procurement

Desktop Guide to e-Procurement

Part 1: Overarching Guide to e-Procurement



Supported by **Office of the Deputy Prime Minister**

1. Introduction

Background

The National e-Procurement Project (NePP) is working to support and enable councils to meet their e-Government targets and to gain the benefits available from e-procurement. As part of this work, the NePP has developed entry-level guidance notes for use by councils as they work to implement e-procurement. These 'How to' guidance notes are designed to cover the basic steps that councils need to take to implement e-procurement. The notes can be found at www.idea.gov.uk/knowledge/eprocurement and cover the following topics:

- Part 1: Overarching Guide
- Part 2: Purchase Cards
- Part 3: e-Auctions
- Part 4: e-Tendering
- Part 5: e-Marketplace
- Part 6: e-Procurement Business Case
- Part 7: Spend Analysis
- Part 8: Selling to the Council
- Part 9: e-Procurement Guide to Suppliers

Structure

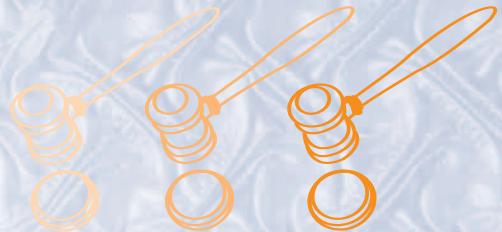
The purpose of this document is to provide an overarching introduction to the guidance notes. Its content is:

- Section 2 - What is e-procurement?
- Section 3 - Why does e-procurement matter?
- Section 4 - What are the stages of an e-procurement project?
- Section 5 - Checklist
- Section 6 - Frequently asked questions

This document contains a number of terms that may be unfamiliar and therefore, the following table provides a glossary.

Table 1: Glossary of terms used in this document

Term	Definition
Accounts payable	The module within a finance system that supports the processing of invoices and the payment of suppliers.
Business case	A business case is the document used to obtain management commitment and approval for investment in business change, such as e-procurement, which changes the way that suppliers are selected and goods and services are purchased. The business case provides a framework for planning and management of this change and ongoing identification of risks. The viability of the project will be judged on the contents of the business case.
Benefits realisation	The actions taken to identify where benefits should come from, assessing whether benefits are being achieved and taking steps to ensure that cashable and non-cashable benefits are achieved. Further information on benefits realisation can be found at www.idea-knowledge.gov.uk/idk/core/page.do?pagId=82701



Term	Definition
Cashable benefits	Cashable benefits result in a reduction in expenditure. For example, less money will be spent with suppliers but the volume or quality of goods or service will remain the same, or fewer staff will be required to deliver the same level of service.
Compliance	The extent to which orders for particular goods or services are placed with approved suppliers or contracts, in accordance with EU regulations and the council's Contract Procedures.
Contract	The legal agreement between the council and a supplier.
e-Auction	An e-auction is the means by which suppliers can place bids for a contract via the Internet.
e-Marketplace	This is an internet based facility that enables trade between one or more purchasing organisations and a variety of suppliers.
e-Purchasing	Automating the activities involved in purchasing goods and services from the creation of a requisition through to payment of suppliers.
e-Tendering	e-Tendering comprises: <ul style="list-style-type: none">• undertaking the tasks of advertising the requirement for goods or services, registering suppliers, and issuing and receiving tender documents via the internet• automating the evaluation of responses to a tender.
FTE	Full time equivalent employees. Calculated by dividing the total hours saved (for example through e-procurement) by the standard hours worked per week (eg 35 hours).
Non-cashable benefits	Non-cashable benefits are those that free-up staff from a task (because it is automated or eliminated) but the time saved for each staff member is not large enough to result in a reduction in the number of staff required. Other non-cashable benefits include better management information, a more robust audit trail and increased compliance with regulations.
Process efficiencies	A reduction in the cost of a process or the time taken to process (e.g. processing a purchase order) as a result of automating the process.
Procurement team	The officers responsible for leading the sourcing activities.
Purchase cards/pCards	pCards or purchase cards, are charge cards which work in a similar way to credit cards and can be used to purchase goods or services, they can be controlled effectively at both a transaction value, and spend type level.
Purchase-to-pay process	The end-to-end process of raising a purchase requisition, purchase order, goods receipt and making payment to suppliers.
Supplier	An organisation responsible for supplying goods and services. p-Cards can be restricted to particular suppliers.

2. What is e-Procurement?

e-Procurement is a collective term for a range of technologies that can be used to automate the internal and external processes associated with strategic sourcing and purchasing: examples are e-tendering, e-auctions, e-marketplaces and purchase cards (p-cards). The guidance notes in this series cover individual e-procurement technologies:

- e-Auction, which is the means by which a supplier can place bids for a contract via the internet.
- e-Tendering, which comprises undertaking the tasks of advertising the requirement for goods or services, registering suppliers, issuing and receiving tender documents via the internet, and automating the evaluation of responses to a tender.
- e-Marketplace, which is an internet based facility that enables trade between one or more purchasing organisations and a variety of suppliers.
- Purchase cards or p-cards , which work in a similar way to credit cards and can be used to purchase goods or services, they can be controlled effectively at both a transaction value, and spend type level.

A fuller picture of the range of technologies available is contained in Appendix 1.

Strategic Sourcing is the corporate (central) function responsible for determining which suppliers are willing and able to compete for your business.

Purchasing goods and services is an activity that is undertaken by most members of a council during the day-to-day delivery of services. It is the process of raising purchase requisitions, creating purchase orders, receiving goods or services and paying suppliers.

3. Why does e-Procurement matter?

e-Procurement enables organisations to automate procurement activities, including sourcing, ordering and commissioning, receipting and making payments for the whole spectrum of goods and services that councils purchase. e-Procurement matters to councils because of government targets and the benefits that are available to councils from e-procurement - better value for money with less work and cost and efficiency savings.

Government targets

e-Procurement is involved in four areas of government targets:

- Best Value performance indicators
- National Procurement Strategy targets
- Implementing Electronic Government Priority Service Outcomes
- meeting the expectations from the Treasury Spending Review 2004.

Councils are expected to achieve these targets:

1. For the three years commencing April 2005

- e-Procurement is expected to be a significant source of the annual 2.5% efficiency saving that is to be re-invested in frontline services. (Treasury Spending Review).



2. By December 2005 every council has to achieve efficiencies in the procure-to-pay cycle to free resources for frontline services:

- Every council should implement an appropriate e-procurement solution and use Purchase Cards or p-cards for low value purchases (National Procurement Strategy).
- 100% of invoices paid within 30 days of receipt (BV8).
- Number of types of interactions that are enabled for electronic delivery as a percentage of all permissible interactions (BV157).
- As a mandatory outcome, an e-procurement solution has to be in place, that at a minimum, delivers paperless ordering, invoicing and payment (Implementing Electronic Government).

3. By December 2006

- Use e-marketplaces to assist councils to access framework agreements and contracts. Every council should be using an appropriate e-marketplace (National Procurement Strategy)
- Good outcome – regional collaboration on e-procurement between councils (Implementing Electronic Government)
- Excellent outcome – access to virtual e-procurement marketplace, inclusion of SMEs in the e-procurement programme and agreed target for efficiency savings (Implementing Electronic Government)

Failure to meet these targets will impact on a council's CPA rating. In effect, the National Procurement Strategy and Implementing Electronic Government mandate the use of e-procurement technologies such as p-cards, e-purchasing and e-marketplaces.

Benefits to councils from e-procurement

Benefits can be categorised as cashable and non-cashable.

Cashable benefits result in a reduction in expenditure. For example, less money will be spent with suppliers but the volume or quality of goods or service will remain the same, or fewer staff will be required to deliver the same level of service.

Non-cashable benefits free-up staff from a task (because it is automated or eliminated) but the time saved for each staff member is not large enough to result in a reduction in the number of staff required.

Other non-cashable benefits include better management information, a more robust audit trail and increased compliance with regulations. Compliance means the extent to which orders for particular goods or services are placed with approved suppliers or contracts, in accordance with EU regulations and the council's Contract Procedures. A contract is the legal agreement between the council and the supplier.

There is increasing evidence that by adopting both good practice procurement and e-procurement technologies a council will be able to deliver significant cashable and non-cashable benefits, as the following table illustrates:

Table 2: Cashable and non-cashable benefits

Sourcing	District	Unitary	County
A reduction in the cost of goods and services	£0.4m	£3.5m	£4.9m
Process efficiencies gained from e-tendering	0.9	2.4 Fte	7 Fte
Overhead cost savings as a result of e-tendering	£6k	£27k	£105k
Purchasing	District	Unitary	County
e-Purchasing & procurement card process efficiencies	1 Fte	15 Fte	18 Fte

Fte is "full time equivalent employees". It is calculated by dividing the total hours saved (for example through e-procurement) by the standard hours worked per week (eg 35 hours).

The above table is taken from analysis undertaken by the NePP of the benefits available to councils from e-procurement. These benefits were expressed in a range of low, average or high; those in the above table are "average". The level of benefits attained will depend upon the circumstances of individual councils and the steps they have already taken to implement good procurement practices. In addition, benefits take time to achieve (due to the time it takes to roll out e-procurement across services / departments, waiting for existing contracts to expire), so that the above targets should be seen as fully achievable from years 3-4. The following are factors that will influence the level of savings that a council will achieve.

1. Have you already consolidated expenditure on goods and services across all services / departments? By consolidating expenditure across the council, suppliers are bidding for the total expenditure incurred by the council for particular goods or services. This means that the council is likely to receive more competitive prices.
2. Do you benchmark existing corporate contracts to ensure that they offer value for money? There may be opportunities to improve existing contracts, for example because market conditions have changed (suppliers are more willing to reduce prices).
3. Do you have a clearly defined and implemented procurement and e-procurement strategy? Councils need to be clear about the role of procurement and e-procurement and how they support the priorities of the council and the business needs of departments.
4. Do you have officers who are responsible for procurement across the whole council and who work closely with services / departments to understand their procurement requirements?
5. Do you have few suppliers (especially for major areas of expenditure)? This means the council offers more business to fewer suppliers and can therefore expect more competitive prices.
6. Is there a process of regular measurement of supplier performance?
7. Are you able to estimate the requirement for goods and services across the whole council?
8. Do you have an integrated ordering and finance system?
9. Do your ordering and finance systems provide comprehensive purchasing information?
10. Do you have collaborative arrangements with other councils for the purchase of goods and services?
11. Do you have many steps in your purchase processes?
12. Are you struggling to pay approved invoices within 30 days (BVPI8)?



If the answer to these questions is “no”, the benefits that a council should aim for will be at the higher end of the range.

Research undertaken by the NePP (see www.nepp.org.uk) suggests that around 60% of the cashable and non-cashable benefits are derived from good procurement practices and 40% from e-procurement technologies (such as e-purchasing). It is, therefore, the combination of good procurement practices and e-procurement technologies that delivers maximum benefits for a council.

Where sourcing is undertaken in a decentralised way (i.e. by an individual service / department without any central control), it may be that a new contract can be let that has a significant cashable benefit (e.g. lower prices) for an individual service / department. Applying e-procurement technologies in this situation will have a benefit, for example, by enforcing compliance with that contract in the individual service / department, but the overall effect could be marginal.

Implementing good procurement practices across the council as a whole, such as consolidating expenditure on particular goods or services and reducing the number of suppliers, could deliver a significant overall cashable benefit to the council. However, without e-procurement technologies to enforce compliance, the tendency will be for officers to go back to purchasing on a service / department basis and with their own favourite suppliers.

It is the combination of good procurement practices and e-procurement technologies that optimises the potential benefits. The following are examples of good procurement practices and how e-procurement supports them.

Good procurement practice	How supported by e-procurement
Reducing the number of suppliers that the council deals with can lead to the council being able to secure a more competitive contract with a particular supplier because you are providing them with more business and process efficiencies (fewer invoices and payments). Typically a council will have many suppliers for the same goods or services.	e-Procurement enforces compliance with approved suppliers by only allowing orders to be raised against these suppliers. Special approval is required for additional suppliers.
Consolidating expenditure on particular goods or services across a council can lead to better prices since the overall value and volume of business will be higher. When orders / contracts are placed by individual services / departments, the full purchasing power of the council is not exploited.	e-Procurement improves management information, such as what each service / department is purchasing, so that common requirements can be identified. Better information on when existing contracts are due for renewal allows sourcing to be co-ordinated across services / departments.
Market analysis to identify suppliers who are best able to offer value for money.	e-Tendering advertises all tenders on-line, so that any supplier is able to see the opportunity and respond to it.
Streamlined process, removing unnecessary steps to ensure that purchasing processes are efficient and effective.	e-Procurement automates the purchasing tasks (such as raising a purchase order, matching orders to invoices) thereby reducing cost and time taken to complete the purchasing task.

4. What are the stages of an e-Procurement project?

An e-procurement project typically follows the stages shown in the diagram below.

Figure 2: Stages of an e-procurement project



Gain the support of senior management

Implementing e-procurement requires an investment and therefore, councils will have to make sure that they have a sound business case for implementing e-procurement. However, before you write a business case you need to be sure that your senior management team understands what e-procurement is and what it can do for your council. The government targets for e-procurement may well have created a good deal of interest, but do not assume that the senior management team know what e-procurement is or why they should invest in it.

The best way to get the interest of the senior management team is to show them what would be different in the council if they implement e-procurement technologies. To do this you need to get some information together about the current procurement processes.

Initial data gathering

Initial data gathering will be required to demonstrate why e-procurement should be a priority. It will provide an understanding of what the Council purchases and how it purchases.

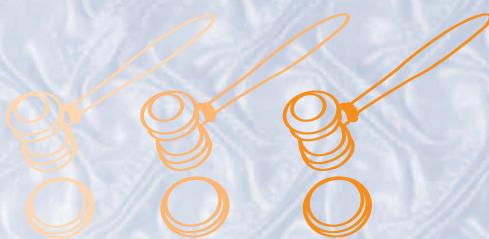
Some analysis needs to take place at this stage, but it can be brief since resources will not have been allocated to a procurement / e-procurement project. It typically will involve a high level assessment of the potential spend savings a council can expect from implementing e-procurement and the collating of characteristics regarding the current sourcing and purchasing processes and technology used.

The high level assessment of potential savings could be based around the indicative savings defined through the NePP (see the “Realising the Benefits” guides on www.idea-knowledge.gov.uk/idk/core/page.do?pgId=82701, as illustrated below.

Table 3: Assessment of spend savings

Assessment approach	Illustration
1. Estimate total non-pay expenditure (ie excluding expenditure on salaries and payroll costs such as national insurance), for example from the accounts payable system. This is the module within a finance system that supports the processing of invoices and the payment of suppliers.	£16m
2. Calculate potential spend savings by applying the average NePP percentage of 2.8%	£440k per annum

Identifying characteristics of the council’s current sourcing and purchasing infrastructure (technology and how it is organised) will provide additional insights into the spend savings opportunities available to your council and give an indication of the opportunities for process efficiencies, which are defined as a reduction in the cost of a process or the time taken to complete a process (e.g. processing a purchase order) as a result of automating the process.



An example of this analysis is shown below. These characteristics depict procurement practices that offer room for improvement.

Table 4: Characteristics of sourcing and purchasing infrastructure

Characteristics
<ul style="list-style-type: none">• Procurement is not managed by a corporate procurement team• Large number of suppliers• Minimal consolidation of expenditure across services / departments• The council uses limited contract management i.e. limited awareness of what contracts are in place, their renewal date and how the contract is performing• The council does not make use of a purchase ordering system - manual orders raised outside of the purchase ordering system• The council has no system to track and monitor procurement - to ensure that orders are placed with approved suppliers• The council makes little use of e-procurement technologies

Having completed the initial data gathering, you can now approach the senior management team, but be warned! Although you may think that e-procurement will be of real benefit to the council, the senior management team may take some persuading. Below are some examples of the reasons you may be given for not investing in e-procurement, alongside some responses you could use to argue for e-procurement.

Table 5: Key challenges

Challenge	Response
"How do I know that the benefits you suggest from e-procurement are achievable for this council?"	The council will prepare a detailed business case that will demonstrate in detail what savings are achievable for this council.
"We have a purchasing process that works. Changing will be expensive and chaotic."	Councils need to become more efficient and this will require investment to make sure that we change. A lot can be done to prepare for change so it won't be chaotic and a business case will be prepared to explain both the costs and the benefits.
"I'm not convinced by the security and robustness of e-procurement technology"	e-Procurement technologies are successfully in use in a number of councils. It is of the highest priority for software companies to design systems that are secure and reliable and it is in their best interests to ensure that systems run smoothly and operate with a maximum level of security. Councils should also ensure that virus protection measures are in place to maintain the integrity of the e-procurement systems.

Challenge	Response
"There are a lot of e-procurement systems available, how will I know that I am choosing the right technology?"	If the council writes a good specification for the system we require, it will be able to both evaluate alternative systems and understand what they are getting. This will give confidence that the council is purchasing a system closest to its needs. Remember, this isn't just about purchasing a system but a service partner who will be providing the council with implementation, training and other services.
"Won't smaller suppliers be disadvantaged by e-procurement?"	Suppliers only need access to a computer and the internet to take part in e-procurement. We will work with suppliers to ensure that they understand how we wish to Purchase goods and services and what they need to do.
"We can't afford e-procurement"	The council will gradually implement e-procurement, using the savings gained from the early projects to invest in later projects.

Sponsorship

After you have been successful in gaining the support of your senior management for e-procurement, the next step is to create a business case. However, the job of creating a business case is time consuming and will require some investment of resources (at the very least). If you are to get the commitment you require to create the business case, it will be necessary for the senior management team to appoint a sponsor for the project. Sponsorship is critical at this point both to raise e-procurement onto the agenda of the senior management team but also to manage the work and funding required to develop the business case. Clearly, sponsorship will be required during the later stages of the project as well. An ideal sponsor will be the Director of Finance.

Evidence that effective sponsorship has been achieved includes:

- there is a nominated sponsor for the project,
- that the sponsor is at a senior management level,
- that the sponsor is actively seeking advice and progress reports from the project manager and is championing the project and getting buy-in from peers.

The output from this stage is a high level assessment of the benefits to the council from e-procurement and sponsorship of an e-procurement project.

Build the business case

Having raised the profile of procurement / e-procurement, a business case needs to be prepared. This document should:

- set out potential benefits for the council, for example by undertaking a spend analysis and use this to show where efficiencies can be made. Guidance on how to undertake spend analysis is included in the spend analysis guidance note;
- define the e-procurement technologies that fit the council's needs;



- recognise the implementation costs, for example, of the technology, the project team, of changes to the ways in which councils select suppliers and Purchase goods and services (process redesign), the roles and responsibilities of officers (change management) and project management;
- produce a project implementation plan;
- identify the potential challenges to delivering the expected benefits from e-procurement and anticipating how they can be overcome.
- identify project risks and mitigating actions
- define the resources required to implement e-procurement.

Council's should actively pursue opportunities for collaboration, which not only increases the potential benefits from e-procurement but which can also share the costs of e-procurement technologies.

The tasks to prepare a business case are described in the guidance note "e-Procurement Business Case".

The conclusion from the business case stage is to:

- establish a business case that provides evidence of the benefits available to the council, describes how the benefits will be achieved and highlights the challenges that the council will face
- obtain a commitment from the sponsor of resources (people and money) for the next stage of the project ("Commit Resources").

Commit resources

Once the business case has been approved, the next task is to implement the preferred e-procurement technology. Implementation is not just about technology - there will be process and organisation changes to consider, and a change management programme should be agreed to ensure that users not only accept the new ways of working but are able to adopt them to best effect. The key tasks to be undertaken during this stage are to:

- establish the project organisation - structure and skills
- set out the implementation approach
- to highlight the key challenges that will arise and how they will be met.

Project Organisation

Typically, the project organisation will comprise:

- a Sponsor, who owns the project, has the council to commit resources (people and money) and is responsible for the success of the project;
- A Project Board, which will include a cross-section of stakeholders such as Finance, Procurement, Internal Audit and key services
- A dedicated Project Manager
- A Project Team, comprising a cross-section of specialists from the key stakeholder groups
- A methodology to manage the project (such as Prince 2 and the gateway process).

You will need dedicated resources throughout the project, ideally on a full time basis, but this may be difficult for some councils. The adoption of best practice procurement usually requires changes across the organisation and this must be properly resourced. e-Procurement is part of the mechanism for addressing the savings to be delivered as part of the Efficiency Review, so is an important area to address. Where possible, councils should look at collaboration for the funding, implementation and resources required. For example, are other councils or public sector bodies undertaking a similar project and is there potential for joint working?

Some fundamental skills (both hard skills such as IT and technical knowledge, and soft skills such as people and change management) are required during the implementation period:

- It is important to understand the impact of the e-procurement technology on the council's structure, roles and skills, therefore, clear communication is required at all stages of the project. This will enable staff affected by the project to understand why the project is taking place and how the impact will be managed. Staff who are informed and involved are less likely to be resistant to changes in the procurement process when they are implemented.
- Understanding how the e-procurement technology will change ways of working e.g. how a supplier is selected? How orders are raised and how invoices are approved?
- It is vital to communicate with suppliers to ensure that they understand the reasons why the council is implementing e-procurement and how it will affect them.
- It is essential to ensure that staff involved in e-procurement understand the new technologies, processes and roles.

Implement e-procurement technologies - Implementation approach

Good practice is to implement e-procurement in bite-sized chunks for reasons of investment, capacity for change and focus on realising benefits. Trying to do too much at once will be expensive and difficult for the organisation to cope with, and is likely to detract attention from achieving the expected benefits. Councils may be able to implement "quick win" e-procurement initiatives such as using e-mail for the issue of tenders, using their financial management system to issue orders electronically and using p-cards for low value purchases.

It is likely that you will need a service provider (e.g. software company or e-marketplace organisation) for the e-procurement project. Your selected service provider is likely to have their own methodology for implementation, based on their past experience, and this needs to be understood by the council's project team. The approach taken to roll out should draw upon the experience of the service provider with other councils.

Implementation should be approached in a way that maximises the early achievement of cashable and non-cashable benefits. It may be appropriate to implement the solutions through an initial pilot with part of the council (e.g. one department or one supplier) to enable you to understand what the technology can do and what changes are required to ways of working or organisation. Once the pilot has been successfully completed, the e-procurement technology can be rolled out to more council services and suppliers.

Project Plan

A Project Plan needs to be agreed between the council and the service provider (since the service provider will have experience of how long the implementation of their technology typically takes). Timescales must be realistic and achievable and therefore must take account of resources available, the skills and experience of the team and the willingness of the council to accept the new technology.



Deliver and measure the benefits

Delivering the expected cashable and non-cashable benefits depends upon a range of internal and external factors. The guides in this series provide advice on how to ensure that expected benefits are achieved, including establishing key performance indicators to measure progress.

5. Checklist

The following checklist relates to the "Gain the support of senior management" stage only.

Table 6: Checklist

Activity	Done?
1. Calculate potential spend savings	<input type="checkbox"/>
2. Collate characteristics of the current procurement process, technology and organisation infrastructure, and capacity for change	<input type="checkbox"/>
3. Secure sponsorship from a senior manager, such as the Finance Director	<input type="checkbox"/>
4. Have resources been committed to undertake the business case?	<input type="checkbox"/>

6. Frequently Asked Questions

Is e-procurement compatible with supporting local suppliers, particularly SMEs?

The National Procurement Strategy actively encourages councils to work with SMEs:

- Every council should publish a "Selling to the Council" guide on its corporate website, so that suppliers are clear about how the council intends to trade with them
- Where large contracts are let, councils should encourage the use of sub-contractors
- The use of Purchase Cards for low value transactions

Is e-procurement compatible with EU procurement directives?

Yes - the EU procurement directives have been updated so that:

- e-Procurement technologies can be used for goods, services and works
- e-Tenders are permitted if there is sufficient security and confidentiality arrangements in place
- Following an initial evaluation, successful tenderers can be invited to participate in an e-auction.

What support is available to help councils through the stages of an e-procurement project?

A range of support and expertise is available to councils. Examples include:

- NePP - see nepp.org.uk.
- Regional Centres of Procurement Excellence
- IDeA - see idea.gov.uk/eprocurement

Are there specific audit requirements for electronic trading?

Currently there are no new audit requirements for public sector organisations using e-procurement systems. Councils should continue to follow the existing fundamental principles that cover:

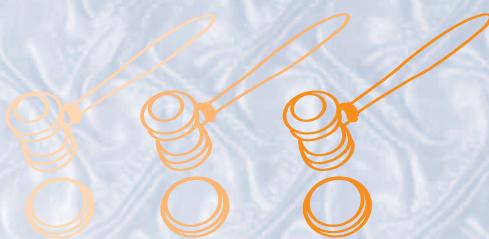
- An audit trail being available from all stages of the transaction process (from request through to receipt of goods / services and payment)
- The visibility of the transaction, which means, for example, that information is available regarding, who raised the transaction and who has been involved at each stage (e.g. the person who approved a purchase)
- Adequate controls and security
- The separation of duties, so that the same officer cannot raise a purchase order, approve the purchase order and authorise an invoice for payment
- e-Procurement procedures must be aligned with guidelines for public procurement.

Electronic evidence is most at risk during its capture, whilst in storage and during transmission over networks. Risks include deliberate or accidental duplication, deletion or insertion of invalid records. Particular areas for consideration include:

- **Evidence** - any e-procurement system must support specific procedures and provide evidence of conformity to them.
- **Control** - system controls must be implemented that are appropriate to the importance of the record, they must also protect authentication and be consistent and reliable.
- **Accountability** - individuals who make transactions must be identifiable and accountable for their actions.

What if staff are unwilling to adopt new ways of working and make use of e-procurement technology?

It is highly likely that you will encounter some resistance to the changes you are making, and this is extremely common. There are a number of steps that can be taken to ensure that the implementation is as smooth as possible and that users adopt it - practical Change Management guidance and case studies by Councils who have gone through e-procurement implementations are available at www.idea.gov.uk/knowledge/eprocurement



Appendix 1: e-Procurement technologies

The following table contains a fuller list of e-procurement technologies.

	Function	Option	Description
Controlling	Sourcing	e-Tendering	Facilitates the complete tendering process from the advertising of the requirement through to contract placing. This includes the exchange of all relevant documents in electronic format.
		e-Auctioning	An electronic auction where suppliers bid on-line against each other for contracts against a published specification.
	Managing	Contract Management	Software systems used to automate the processes associated with establishing contracts with suppliers and managing their termination, completion and re-letting.
		Spend Analysis	Tools to compare complex spend and bid information by enabling automated electronic analysis and real-time collaboration among multiple evaluators.
	Invoicing	e-Invoicing	An internet based solution for the secure exchange of electronic invoices between suppliers and buyers.
	Cataloguing	e-Catalogues/Content Management	Creation and maintenance of product data and electronic catalogues.
Purchasing	Purchasing	e-Purchasing	An ordering application included within the back office system.
		e-Marketplace	A web-based application facilitating electronic trade between one or more buying organisations and several supplier organisations.
		Supplier Websites	Transactional websites maintained by a supplier organisation which enable the placing of orders on-line.
	Paying	Bankers Automated Clearing Service	An automated payment method, BACS payments are usually processed as batches using dedicated software linked with the banks system.
		P-Cards	Charge cards which work in a similar way to credit cards and can be used to purchase goods or services.

Appendix 2: Acknowledgments

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 North East Derbyshire District Council
 Pendle Borough Council
 Shepway District Council
 South Cambridgeshire District Council
 Tendring District Council

NePP Project

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NePP User Advisory Group

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Contact Points and Information

NePP Project Board

- Staffordshire County Council (Colin Whitehouse, Chair and lead on Communications)
- Bristol City Council (Russell Darling, lead on Standards)
- Cambridge County Council (Olivia Thompson, lead on Web Toolkit Development)
- Gateshead Council (Bill McNulty, lead on Web Toolkit Development)
- IDeA (David Hunter)
- London Borough of Newham (Martin Scarfe)
- Office of Government Commerce (Patrick Box)
- e-Government Unit (Nigel Pommills)
- Portsmouth City Council (David Pointon, lead on support for Local Authorities)
- SOPO (Peter Howarth)

Project Office

- Buy IT Best Practice Group (Frits Janssen, Strategic Advisor)
- Project Secretariat (charles.brooksbank@neep.org.uk)

Further sources of e-Procurement Best Practice Guidelines

- OGC e-Procurement guidelines for the public sector - www.ogc.gov.uk
- Buy IT Best Practice Group e-Procurement guidelines - www.buyitnet.org

e-Government National Projects aim to ensure that all councils have access to key electronic services and building blocks, without having to build them from scratch. The 22 National Projects have developed products and services, by authorities, for local authorities. National Projects are the heart of local e-Government and are designed to help local councils to improve services, increase efficiency and to help create sustainable communities.

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www. localegovnp.org.uk