

The procurement pressure cooker

Pressure on local authorities to drive through cost reductions is leading to radical changes in the way cleaning and other contracts are delivered.

E-auctions are already being used by some local authorities in a bid to make cost savings. At the other end of the spectrum, a more collaborative approach is being fostered whereby local authorities work closely with contractors to find innovative ways to achieve best value.



The driver for change is partly the Government remit to deliver 3% savings per annum but also grant settlements which fall short of local authority expectations.

Kim Medhurst, Procurement Strategy Manager for West Sussex County Council (WSSC), said: "I do not think the remit to reduce costs is anything new. What I do think is new is the way the Government is forcing some local authorities to make drastic changes to drive out these savings. It is important to make savings but the limited time we have to make them is making the procurement process quite difficult."

WSSC has used e-auctions for IT hardware, stationery and building condition surveys, and is now considering using e-auctions for the delivery of other services such as building cleaning. Kim Medhurst added: "Our view is that e-auctions should be able to deliver savings but the ability of an organisation to deliver a good service comes first. It is not just about price."

Commenting on cleaning services, Kim Medhurst said WSSC is keen to develop collaborative, output-based contracts. "We must be very clear and very specific in knowing what we want and the supplier must be innovative and creative in how they deliver. We have to work more collaboratively to minimise the time it takes to bid as well as saving time in the procurement process."

NViro approach pays off

A collaborative approach to achieving best value has been developed by NViro with local authorities across the South of England.

NViro works extremely closely with local authorities at all stages of the procurement and delivery process to develop innovative new ways to improve cleaning services while also saving money.

Stephen MacDonald, NViro's Sales and Marketing Director, said: "We now include in our tenders a commitment to carry out an Efficiency Review during the first year of a contract. This means the number of hours originally estimated to clean the building will be reviewed as we go along. When we have identified a potential saving in the cleaning hours needed we are happy to return those hours to the client by way of a price adjustment or by offering to redeploy the hours on additional services."

Andy Maskell, Manager of Brighton & Hove City Council cleaning contract, said NViro's approach is achieving the objective of delivering good value services, adding: "We have previous experience of poor cleaning services from other companies but we are proud to be involved with NViro."