

Case Study Scottish Councils

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South Ayrshire Council (SAC) and East Ayrshire Council (EAC) are two local authorities lying in the southwestern corner of Scotland. Each operates a centralised procurement function, responsible for supervising the strategic spend of up to £150 million annually on a wide range of goods, services and works, to deliver best value to the local community. SAC delivers services to a population of about 113,000 residents, and employs about 6,000 people to make sure that is done well. East Ayrshire is a diverse area covering some 490 square miles with a population of 122,440 spread over both urban and rural communities. Both procurement functions aim to promote robust, compliant and transparent procurement processes in line with the objectives of Scottish Government, Scotland Excel, and Crown Commercial Service. They are equally committed to maximising value through procurement, not just by improving process efficiency, but by increasingly seeking out collaborative opportunities on contracts with other local authorities, to share knowledge and benchmark performance – an overarching strategic aim of Scottish Government.

About a year ago, both councils adopted BravoSolution's contract lifecycle management software, a natural choice which complemented their use of (public contracts Scotland) PCS-Tender. In doing so, they not only gained visibility, tracking, negotiation and compliance benefits, but discovered a collaborative way of sharing knowledge and market intelligence to take their supplier value management to a superior level.

Challenge: to take a collaborative approach to contract and supplier management to obtain the same value for both councils and better delivery of public services

Whether in the public or private sector, the management, control and value tracking of contracts and the suppliers that deliver on them is an essential contributor to the performance of a business. As both councils experienced, it is a continuous and often repetitive task which, without a systemised and automated approach, can be time-consuming and resource-heavy.

At South Ayrshire Council, Lynsey Bennet, Procurement Officer (Contract and Supplier Management) explained how they, like many other local authorities, had a functional but manual supplier and contract management system in place, in fact, she said, *"There was no automation at all in this process, everything was manual, based on spreadsheets and emails. It took an awful lot of admin time to locate and collect information from different stakeholders and transfer that into a master spreadsheet, so we couldn't rely on absolute accuracy. One procurement officer managed the whole thing alongside the evaluators, who also had to record everything manually."*





BravoSolution provided them with a demo of the software's functionality. *"Once we had assessed it against our internal development path, we decided it was exactly what we needed,"* said Lynsey. *"BravoSolution were very hands on in helping us to align the tool to our view of what we wanted contract management to be for South Ayrshire Council. Whatever we wanted to do, they invested the time to find a way of doing it. KPIs, for example, were a bit of a challenge. The whole idea behind PCS-T is to standardise measurements across authorities, so that all information would be comparable. But no two contracts are the same, and we were restricted by the KPIs available. We had to find a way of maximising their use to all stakeholders, and widening the range to make them more applicable to different contracts, without limiting their potential for comparative measurements. BravoSolution helped us develop a wider range of KPIs, which could still be used by any authority, thereby facilitating cross-organisational benchmarking. We didn't want to have to write a process to fit their system, so it was hugely beneficial to have BravoSolution work with us to adapt the system to suit our process."*

At East Ayrshire Council, Tommy Burns, Procurement Project Officer explained that: *"East Ayrshire Council previously had well established contract management processes and procedures in place, however these were also mainly manual processes which required allocated time and resources to administer. In terms of contract performance scorecards, we were using Survey Monkey to obtain feedback but the production of management reports such as scoreboards that compared supplier performance took a lot of effort to produce. Now, BravoSolution does that instantly."*

The Council made a strategic decision to implement BravoSolution's contract lifecycle management software across its whole contract portfolio. However, in discussions with BravoSolution, it decided to incorporate a formal and standardised document management structure behind the system to ensure proven best-practice contract management controls to automate and streamline contracting processes, including the ability to generate and capture contractual information and legal agreements, these are now embedded into the system for all contracts.

"The contract tracking software," he explained, *"also provides easy and flexible options to audit, track and report on any required contract data (including enabling easy data extraction for more in-depth analysis) and improves business controls, like integration and accessibility for departments for optimised contract value and performance, faster workflow cycles and corporate governance adherence."*

“For East Ayrshire Council, the system has completely transformed how we work, giving us a transparent and formalised online contract management database which allows on-demand, searchable access to all key contract data by contract administrators and managers, other internal users/stakeholders and external collaborators (anytime, anywhere, any device). The automation has streamlined the Council’s contract management and supplier performance processes and as such we feel that this has increased our business efficiency and improved internal and third-party collaboration by reducing operating expenses.”

Rolling up the scorecards drives better supplier value management

It was during the time when Bravosolution was working closely with both councils to understand their individual needs and tailor the system accordingly, that they saw an opportunity to leverage similarities and bring both councils equal, and better value from their service agreements. It was a simple, yet highly effective change to how they derive best value from service provision, which benefited both the council and the supplier.

The persistent need to find savings has driven many councils to explore new ways of commissioning and delivering services. And as they enter more third-party arrangements to fulfil these needs, good contract management and supplier value management have become increasingly important. BravoSolution suggested to each council, that as they were now adept at using the same system, the separate scorecards could be rolled up together, so both would be visible in one scoreboard. Being able to compare notes and work collaboratively on certain contracts would do more than just ensure suppliers meet their contractual obligations, it would help the councils to identify risk, and achieve savings and continuous improvement throughout the life of the contract, while making sure both parties received the same level of service.

“East Ayrshire Council are the lead authority on a collaborative C1 Waste Management Contract with South Ayrshire Council” said Tommy. “So it made perfect sense to share scorecard and supplier contract performance information. Also, after having conducted some analysis of the contract registers of both Councils, it was identified that we were using the same suppliers, contractors and service providers for very similar contracts. We considered it beneficial for both councils to meet to discuss current KPIs and scoring methodology to see if we could re-align these to some of the national performance indicators.”

East Ayrshire Council often leads on collaborative contracts and is actively considering ways of implementing a standardised KPI approach across its collaborative contract portfolio which will ensure a consistent method of evaluating supplier performance.



“There is clear evidence that solid, consistent and constructive feedback enhances performance at all levels across the Council, we know how our contracts are performing and can address any areas which require improvement,” he continued. *“Executing the Council’s contract portfolio is absolutely crucial, but so is implementing the strategic initiatives that ‘future proof’ the Council. Designing our scorecards to be contract-specific ensures the right balance of operational and strategic measures that are being monitored, measured and recorded.”*

“Collaborating on this has been so beneficial,” said Lynsey, *“because we can compare different elements like cost, quality, service, lead times, response times, etc, and where we have issues, we can determine what each other is experiencing and what each other is doing to remedy or change them. We can cross check what performance looks like for another authority, and talk about receiving the same service or results. So we are going into review meetings with accurate information, we can ask the right questions and make the right decisions to help the supplier develop. This is very valuable to us – an effective, ongoing way to secure value for the longer term.”*

The collaborative approach opens up three-way communication

Not only do both councils benefit from a collaborative dialogue, openly exchanging information and ideas on what they can do to change or improve metrics, the supplier is also involved in the discussions and can respond to both LAs. *“The suppliers can also have controlled access to the system and the data from the scorecards,”* said Lynsey. *“This has a two-fold advantage for them: it helps them focus on what is important to us, and in doing so, can demonstrate how good their performance can be. After all, it is in their interest to make sure everyone gets an equal service. This is made simpler with the system now, we used to have to collate the documents and issue them in a shared folder somewhere, but now they are easy to access and download – making sure everyone has the same versions.”*

The supplier has the opportunity to respond to the combined scorecards in advance of each quarterly review. *“They can see the evaluators’ comments, and where performance has wavered, can qualify the remarks or talk about an improvement route. They can review any concerns and investigate queries – there are no surprises. On the other hand, where a supplier does not agree with our scoring, we can demonstrate our reasons behind it, because we have all supporting information to hand and up to date in the system. So it comes down to complete visibility, for us and for them, which ultimately enables us to receive a better service and deliver a better service.”*





Supplier relationships are based on trust

The shared process has now produced three quarters' worth of data, and the councils are starting to build up a very useful picture of supplier performance. They can see whether the contracts are doing what they are supposed to be doing, and use the data to demonstrate where they are getting real value for money. It bodes well for more reciprocal work on contracts going forward.

“BravoSolution provides a comprehensive solution to streamline and automate supplier performance management processes across the extended sector. By using the system we can configure and distribute supplier performance surveys, manage certifications, define and monitor supplier KPIs, and create and manage supplier scorecards with closed-loop support for performance sustenance / improvement. The team at BravoSolution are very pro-active and are keen to discuss and develop system enhancements with us,” said Tommy.

“At East Ayrshire, we have also taken the time to conduct one-to-one training with our suppliers on the system in order to provide them visibility of their own contract information eg: minutes of performance meetings, price schedules, variation orders and various other contractual documents, thus reducing the need to duplicate work and information eg: copies of contract documentation, and so on,” he said.

Lynsey agrees, and adds: *“When contracts are up for renewal, whether due to contract expiry, changing business requirement, service user needs, newer technology, or market or legislative developments, we are better placed to negotiate terms and conditions because our relationships are more founded on trust.”*

With the ability to invite other evaluators to contribute, they can aggregate all information and build on what they've learnt going forward for the next generation of contracts. *“The functionality of the software makes it open to a wider audience participation,”* she continued, *“so we can involve other stakeholders, and, who knows, even garner the experience of the recipients one day – the citizens themselves.”*

A process that can cross the sector divide

The single process has introduced a mechanism for collaboration that could be appropriate for any set of authorities, or even for businesses in other sectors. Both Lynsey and Tommy have worked in the public and private sectors and feel the system has benefits for both, through its ease of use, flexibility and the range of management reports it can produce.

“It is definitely beneficial to work as one organisation,” said Lynsey. *“Sharing supplier and services information, and employing our aggregated knowledge to make informed decisions, has got to be the sensible way forward, for anyone, especially at a time when we are all focusing on making savings, but still want quality.”*

About BravoSolution

- **Leverage Proven Global Results** - 100,000 purchasing executives across 70 countries and 700,000 suppliers globally rely on BravoSolution products and services.
- **BravoAdvantage™** - BravoAdvantage is the strategic procurement platform that enables organisations to generate more value, influence innovation and reduce risk. Powered by a unique supplier-focused approach that integrates supplier lifetime value throughout the entire procurement process, BravoAdvantage provides the visibility, insight and transparency required to power and improve every procurement initiative and decision.
- **Engage a Team of Global Procurement Experts** - BravoAdvantage is powered by the combination of a team of global procurement professionals with years of practitioner experience and cutting-edge, proven processes designed to help with organisational transformation and management, implementation, adoption, support, and procurement strategy.
- **Connect with a BravoSolution Professional** - Learn more about BravoAdvantage and how we can help you unlock your organisation's hidden value and savings throughout the procurement processes.

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