



National Audit Office



# A review of collaborative procurement across the public sector

## Heads of procurement survey – key results

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**MAY 2010**

We conducted an on-line survey of the commercial directors/heads of procurement across a range of central government organisations, health trusts and local authorities. IPSOS MORI administered the survey on our behalf in Summer 2009. **Figure 1** provides detail on the number of organisations surveyed and the response rates.

**Figure 1**  
Survey of commercial directors/heads of procurement

Type of organisation	Number of organisations sent a survey	Number of responses	Response rate (%)
Central government	91	82	90
Health trusts	100	57	57
Local authorities	100	48	48
<b>Total</b>	<b>291</b>	<b>187</b>	<b>64</b>

The survey questions covered a range of issues and were divided into six sections:

- Overview of procurement spend on goods and services
- Views on the use of collaboration
- Prices paid for a range of standard commodity goods and services
- The procurement decision-making process of public bodies
- The role of professional buying organisations (PBOs)

The survey consisted of 42 questions. The following tables provide a summary of the key results.

## Results tables

### Use and views of collaboration

**Q** Was any of your organisation's third party spend in 2008-09 undertaken using collaborative arrangements?

	Central government	Local authorities	Health trusts	Total	Percentage
Yes	76	45	53	174	93
No	4	0	0	4	2
Don't know	2	3	3	8	4
Not stated	0	0	1	1	1
	<b>82</b>	<b>48</b>	<b>57</b>	<b>187</b>	<b>100</b>

**Q** Please estimate the percentage of your third party spend undertaken through collaborative arrangements in 2008-09? (table shows results for 3 out of 8 categories)<sup>1</sup>

Range	ICT		Office Solutions		Energy	
	Number	Percentage	Number	Percentage	Number	Percentage
0% to 20%	34	20	32	19	25	15
21% to 40%	16	9	4	2	2	1
41% to 60%	13	7	11	6	7	4
61% to 80%	22	13	21	12	5	3
81% to 100%	41	24	61	35	93	53
Unable to estimate	44	25	40	23	28	16
Do not purchase in this category	4	2	5	3	14	8
	<b>174</b>	<b>100</b>	<b>174</b>	<b>100</b>	<b>174</b>	<b>100</b>

#### NOTE

<sup>1</sup> This question was directed at the 174 organisations that stated they had used collaborative arrangements during 2008-09.

**Q** To what extent has using collaborative arrangements resulted in your organisation achieving better value for money than it could have achieved acting alone?<sup>1</sup>

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage</b>
Always	6	7	8	21	12
Often	56	34	36	126	72
Rarely	5	2	8	15	9
Never	0	0	0	0	0
Don't know	9	2	1	12	7
	<b>76</b>	<b>45</b>	<b>53</b>	<b>174</b>	<b>100</b>

**NOTE**

1 This question was directed at the 174 organisations that stated they had used collaborative arrangements during 2008-09.

**Q** Please indicate what you think the key benefits of using collaborative arrangements have been for your organisation? (Top 5 benefits listed)

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage<sup>1</sup></b>
Lower prices through volume leverage	52	37	40	129	88
Reduced number of contract tenders	50	36	34	120	82
Compliance with EU procurement legislation	53	30	34	117	80
Faster procurement	51	33	23	107	73
Lower prices through gaining access to category expertise	42	31	30	103	70

**NOTE**

1 Percentage is calculated by dividing the total number stating this as a benefit by the 147 organisations that stated they always/often achieve better value for money. The question was only directed at these 147 organisations.

**Q** Do you think that there is potential to improve value for money further for your organisation through increasing use of collaborative arrangements?<sup>1</sup>

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage</b>
Yes	63	37	44	144	83
No	6	2	3	11	6
Don't know	6	6	6	18	10
Not stated	1	0	0	1	1
	76	45	53	174	100

**NOTE**

<sup>1</sup> This question was directed at the 174 organisations that stated they had used collaborative arrangements during 2008-09.

### Category management and procurement management information

**Q** Is your organisation's procurement across the following categories delivered using a category management approach?

	<b>Yes</b>	<b>No</b>	<b>Don't know</b>	<b>Total<sup>1</sup></b>	<b>Percentage stating yes</b>
ICT	119	55	7	181	66
Energy	99	62	10	171	58
Office solutions	103	70	7	180	57
Fleet	78	61	5	144	54
Professional services	89	81	12	182	49
Travel	80	82	7	169	47
Food	59	57	10	126	47
Construction	60	70	16	146	41

**NOTE**

<sup>1</sup> Totals vary as a number of organisations stated they did not purchase in this category.

**Q** Please indicate whether you agree with the following statement:  
Your organisation's procurement function has sufficient resources to successfully implement category strategies.<sup>1</sup>

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage</b>
Strongly agree	5	4	3	12	9
Tend to agree	19	12	10	41	31
Neither agree nor disagree	10	6	9	25	19
Tend to disagree	10	11	10	31	23
Strongly disagree	6	6	10	22	16
Don't know	1	0	1	2	1
Not stated	1	0	0	1	1
	<b>52</b>	<b>39</b>	<b>43</b>	<b>134</b>	<b>100</b>

**NOTE**

<sup>1</sup> This question was only directed at those organisations that stated they used category management for at least one category of spend.

**Q** Does your organisation use a category strategy to support decision making about which supply option to use?

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage</b>
For all key spend categories	6	2	2	10	5
For most key spend categories	11	10	13	34	18
For some key spend categories	30	21	29	80	43
For no key spend categories	26	13	9	48	26
Don't know	7	2	3	12	6
Not stated	2	0	1	3	2
	<b>82</b>	<b>48</b>	<b>57</b>	<b>187</b>	<b>100</b>

**Q** Please rate the following aspects of the procurement management information available to your procurement function.

	Frequency of information		Level of detail of information		Accuracy of information	
	Number	Percentage	Number	Percentage	Number	Percentage
Very good	20	10	20	10	15	8
Good	74	40	66	35	83	44
Neither good nor poor	56	30	58	31	50	27
Poor	18	9	20	11	19	10
Very poor	9	5	13	7	9	5
Don't know	9	5	9	5	10	5
Not stated	1	1	1	1	1	1
	<b>187</b>	<b>100</b>	<b>187</b>	<b>100</b>	<b>187</b>	<b>100</b>

**Q** For your organisation's key categories of spend, please rate the information your procurement function holds in the following areas.

	Market information across each category		Performance on current suppliers		Information on potential suppliers	
	Number	Percentage	Number	Percentage	Number	Percentage
Very good	11	6	2	1	2	1
Good	66	35	66	35	15	8
Neither good nor poor	58	31	64	34	64	34
Poor	23	12	25	14	44	24
Very poor	7	4	8	4	15	8
No information	16	8	14	7	32	17
Don't know	5	3	7	4	14	7
Not stated	1	1	1	1	1	1
	<b>187</b>	<b>100</b>	<b>187</b>	<b>100</b>	<b>187</b>	<b>100</b>

**Q** Across the following categories do you think there is enough information about the collaborative options open to your organisation to allow you to make an informed decision about supply options?

	<b>Yes</b>	<b>No</b>	<b>Don't know</b>	<b>Total<sup>1</sup></b>	<b>Percentage stating yes</b>
Office solutions	131	44	9	184	71
Energy	123	34	16	173	71
ICT	122	44	14	180	68
Fleet	86	41	13	140	61
Professional services	107	59	18	184	58
Travel	99	54	19	172	58
Food	56	46	20	122	46
Construction	63	45	34	142	44

**NOTE**

<sup>1</sup> Totals vary as a number of organisations stated they did not purchase in this category

**Q** Which of the following does your organisation use to support decision-making about which supply option to use?

	<b>Business case</b>		<b>Supply option/ contracting route evaluation</b>		<b>Evaluation of existing collaborative options</b>	
	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>
For all significant procurement exercises	77	41	59	31	41	22
For most significant procurement exercises	50	27	46	24	51	27
For some significant procurement exercises	38	20	52	28	58	31
For no significant procurement exercises	12	6	16	9	21	11
Don't know	7	4	11	6	13	7
Not stated	3	2	3	2	3	2
	<b>187</b>	<b>100</b>	<b>187</b>	<b>100</b>	<b>187</b>	<b>100</b>



**Q** Does your organisation assess the impact its category strategies have on the supply market (e.g. small and medium sized enterprises, suppliers in the local area)?

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage</b>
Yes – for all categories	2	7	3	12	6
Yes – for most categories	9	7	9	25	13
Yes – for some categories	22	22	24	68	36
No	44	10	18	72	39
Don't know	4	2	3	9	5
Not stated	1	0	0	1	1
	<b>82</b>	<b>48</b>	<b>57</b>	<b>187</b>	<b>100</b>

**Q** Does your organisation measure the total cost of letting a contract (including staff salary costs, any consultancy or legal costs)?

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage</b>
Yes	7	4	10	21	11
No	66	39	44	149	80
Don't know	8	5	3	16	8
Not stated	1	0	0	1	1
	<b>82</b>	<b>48</b>	<b>57</b>	<b>187</b>	<b>100</b>

**Q** When determining user requirements within your organisation, are product specifications compared against industry standards, or those used for existing collaborative arrangements, to check whether your organisation's requirements are reasonable and appropriate for the market?

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage</b>
Always	9	7	10	26	14
Often	51	29	42	122	65
Rarely	15	5	3	23	12
Never	2	0	0	2	1
Don't know	5	7	1	13	7
Not stated	0	0	1	1	1
	<b>82</b>	<b>48</b>	<b>57</b>	<b>187</b>	<b>100</b>

#### Wider landscape

**Q** How well informed are you about the OGC's overall Collaborative Procurement Programme?

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage</b>
Very well informed	13	6	4	23	12
Fairly well informed	35	24	20	79	42
Not very well informed	24	15	26	65	35
Know nothing about it	9	3	6	18	10
Not stated	1	0	1	2	1
	<b>82</b>	<b>48</b>	<b>57</b>	<b>187</b>	<b>100</b>

**Q** To what extent do you agree with the following statement: Professional buying organisations need to work together more effectively to improve value for money across the public sector.<sup>1</sup>

	<b>Central government</b>	<b>Local authorities</b>	<b>Health trusts</b>	<b>Total</b>	<b>Percentage</b>
Strongly agree	38	23	35	96	55
Tend to agree	30	19	17	66	38
Neither agree nor disagree	2	2	2	6	3
Tend to disagree	2	2	0	4	2
Strongly disagree	1	0	0	1	1
Don't know	0	1	0	1	1
Not stated	0	0	0	0	0
	<b>73</b>	<b>47</b>	<b>54</b>	<b>174</b>	<b>100</b>

**NOTE**

<sup>1</sup> This question was directed at the 174 organisations that stated they had used contracts or framework agreements provided by professional buying organisations during 2008-09.