

Case Study - ProClass

Powering a Contracts Register

London's local government third party influenceable spend is almost £9.3 billion per annum with nearly 60% of this being delivered by 1,000 suppliers. The former London Centre of Excellence (LCE) adopted the Contracts Register Service (CRS) pioneered by the Procurement Agency for Essex (PAE). ProClass was chosen to provide the high level classification necessary for major contracts and allow for the integration into the LCE's Online Expenditure Analysis (OEA) tool.

PROclass
PROCUREMENT CLASSIFICATION

www.proclass.org.uk

Business Challenge

The 33 London boroughs and Greater London Authority had little knowledge of what contracts were held by each authority, when they expired or with which suppliers. The drive for greater collaborative working and the ability to exercise stronger market leverage in specific areas meant that adopting an easily set-up, low-cost contracts register service was essential. The LCE also needed a solution that did not impose huge overheads on the boroughs. "Finding and adding all the contract details has been a major headache for some", said SPS's Ken Cole, the former LCE Director. "Having to search and allocate large numbers of procurement codes would have been a nightmare for boroughs. We needed something quick and easy to find, but also something that reflected the local government profile of third party expenditure."

Business Solution

The PAE's contracts register had been designed to support a procurement classification structure. The logic being that high value contracts tend to be broad in their description often with a service department focus e.g. 'refuse collection vehicles', 'elderly care packages' or 'lift maintenance services'.

The important issue for most people was knowing that another borough had a contract for something similar to what was required. And if detail were needed, they could contact the relevant borough to get this or download any accompanying documentation.

The ProClass hierarchy was incorporated into the service and trialled for six months by the West London Alliance group of six boroughs. They recommended to the LCE that it should be introduced across the whole of the region complete with the full ProClass hierarchy. By March 2008, the CRS was being used by 32 of the 33 boroughs and contained details of over 3,000 contracts worth in excess of £4 billion per annum. London now has a mechanism to compare like with like contracts and boroughs are using it to look at potential opportunities to work together and realise actual savings.

Benefits

ProClass is ideal for use in a Contracts Register as it:

- Reflects the profile of local government expenditure
- Has a choice of over 200 descriptions written in plain language making it easy to assign to a contact
- Makes integration to expenditure analysis tools easy

Kirsten Roell, Chair of the CRS User Group at the time summed up the benefits of using ProClass.

“ The CRS uses ProClass to identify contracts that are classified within the same category across all London boroughs. At the same time, the implementation of ProClass in the on-line expenditure analysis tool enables us to integrate with the CRS and not only see how much we are spending with a given supplier, but what percentage is likely to be under contract. ”

Find Out More



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