

ProClass

Powering a Contracts Register



Summary

The third party, influenceable spend of London local government is more than £9.4bn a year. Nearly 60% of this is delivered by 1,000 suppliers. In 2005, the London Centre of Excellence (LCE) adopted the Contracts Register Service (CRS), pioneered the previous year by the Procurement Agency for Essex (PAE). ProClass was chosen to provide the high-level classification needed for major contracts and will allow for dynamic integration into the LCE's Online Expenditure Analysis (OEA) tool.

Background

The LCE was one of nine regional centres of excellence set up by the Department of Communities and Local Government (DCLG). It has merged with the Improvement Partnership for London and London Connects, and is known as Capital Ambition.

In 2004, the 33 London boroughs and Greater London Authority (GLA) did not know which contracts were held by each authority or which suppliers they were with. 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 service was essential.

The Business Challenge

The LCE needed a solution that did not impose a huge administrative burden on the London boroughs. *"Finding and adding all the contract details has been a major headache for some,"* said Ken Cole, former LCE Director. Having to search and allocate large numbers of procurement codes would have been near-impossible for boroughs.

The screenshot shows the 'Contracts Register: LCE' web application. The search interface includes filters for Suppliers (LCSG), Categories, Letting Organisations, Availability (GRS), Contract Types, Start Date, Expiry Date, and Annual Value. Below the search filters is a table of search results with columns for Title, Organisations, Duration, Suppliers, Value, Contract, and Contact.

| Title | Organisations | Duration | Suppliers | Value | Contract | Contact |
|--|---------------|--------------------------------------|--|---------------------------|---|-------------------|
| Rock Salt | LCSG | 4 years (03 Jul 2006 to 02 Jul 2010) | Cleveland Potash, JC Peacock & Co Ltd | Total: £1* Annual: £1* | Contract-013271 Renewable or "Period" Contract | Mr Steve Iles |
| Categories: "Traffic Management" \ "Rock Salt" | | | | | | |
| Office furniture | LCSG | 4 years (01 Jun 2007 to 31 May 2011) | Eurotrek Office Furniture Ltd, Office Depot ROC Office Furn... | Total: £1* Annual: £1* | Contract-013419 Renewable or "Period" Contract | Mr Mark Batchelor |
| Categories: "Furniture" \ "Office" | | | | | | |
| Procurement Training | LCSG | 2 years (16 Oct 2006 to 15 Oct 2008) | LondonMet Enterprises Ltd | Total: £1* Annual: £1* | Contract-013420 Renewable or "Period" Contract | Mrs Lynsey Clarke |
| Categories: "Education" \ "Services" \ "Adult & Further Education", "Human Resources" \ "Training & Conferences" | | | | | | |
| Photocopier Contract | LCSG | 4 years (01 Jun 2007 to 31 May 2011) | Annodata, Konica Minolta, NRG a Ricoh Company | Total: £1* Annual: £1* | Contract-013476 Renewable or "Period" Contract | Mr Mark Batchelor |

“We needed something quick and easy to find, but also something that reflected the local government profile of third party expenditure.”

Ken Cole former LCE Director

The Business Solution

The PAE's contracts register had been designed by New Information Paradigms (NIP) 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'. It was particularly helpful to boroughs to know if another borough had a contract similar to their requirements. If further detail was needed, they could contact the relevant borough 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 in 2005. They recommended to the LCE that it be introduced across the whole of the region.

This happened on 1 April 2006, and included the full ProClass hierarchy. As of 31 March 2008, the CRS was being used by 32 of the 33 boroughs and contained the details of over 3,500 contracts worth in excess of £4bn a year. The Contracts Register Service is now available to the public.

London now has a mechanism to compare like with like contracts and boroughs are already using it to look at potential opportunities to work together and realise actual savings.

“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 online expenditure analysis tool will enable 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.”

Kirsten Roell Chair of the CRS User Group

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