Report

SOUTH LANARKSHIRE COUNCIL

Report to:	**Finance and Information Technology Resources Committee**
Date of Meeting:	**1 June 2010**
Report by:	**Executive Director (Finance and Information Technology Resources)**

Subject:	**eProcurement Programme Update June 2010**

1. Purpose of Report
1.1. The purpose of the report is to:-

♦ Provide an update on the progress of the corporate eProcurement programme system implementation.

2. Recommendation(s)
2.1. The Committee is asked to approve the following recommendation(s):-

(1) that it notes the progress to date in the implementation of the corporate eProcurement solution.

3. Background
3.1. The Council approved the implementation of Oracle iProcurement as the corporate eProcurement solution at the Finance and Information Technology Resources Committee in December 2006. As part of the business case, an implementation team was set up in May 2007 to support the programme implementation over three years.

3.2. The original three year programme envisaged a completion date around March 2010. As reported at the Finance and Information Technology Resources Committee in October 2009 the eProcurement programme has been extended by six months to October 2010.

3.3. iProcurement has been live since May 2008 across Council Resources. The live programme implementation to date includes five Resources; Finance and Information Technology Resources; Corporate Resources; Housing and Technical Resources, Enterprise Resources and partially within Community Resources.

4. Implementation status
4.1. The value of spend through iProcurement from April 2009 to March 2010 is outlined by Resource:

Resource	No. of Purchase Orders 09/10	PO £m 09/10
Community	35,227	11.674
Corporate	3,602	2.285
Enterprise	3,879	6.761
FIT	2,710	18.161
H&T	30,879	41.011
March 10	76,297	79.892

4.2.   Some other key statistics for the live programme include:
- Over 1,100 users trained in the application
- 2,188 suppliers adopted for purchasing
- 239 supplier catalogues in place
- 4,416 helpdesk calls

4.3.   Community Resources
Since the last update to the Finance and Information Technology Resources Committee there have been further i:Procurement developments:

4.4.   The contract hire purchasing of vehicles within Fleet Services is now implemented.

4.5.   The new central requisitioning unit within Facilities and Cultural Services is working well and the programme of rollout to all schools is nearing completion. This unit will process food orders from the cooks in all school kitchens. The new process will roll out to the final cluster of schools on 10 May 2010. This will take the number of units being processed through the centralised team to 125.

4.6.   The areas of Community still outstanding are:-
- Fleet Services - Short term/casual hire; Workshop/ Stores and Passenger Services
- Facilities and Cultural Services – Waste uplift; Hygiene units maintenance; Performances; Equipment repairs; Hungry for success.

Work has started on the Workshop and Stores area and the processes are currently being reviewed.

4.7.   Housing and Technical Resources
Due to operational issues experienced within the Building Services area, the ordering process was centralised. This centralised team was set up from current resources and is a similar model to the Community Resources unit. This new set up seems to be working well and the majority of operational issues have been resolved.

4.8.   One of the main issues encountered was with the 'Bulk Order' process.   This is the process used for purchasing kitchens and bathrooms. To try and address the issue, a review of the process was carried out, which looked at the current issues associated with the bulk order process and explored other ways of doing this type of ordering. A proposed new solution is currently being tested.

4.9. Enterprise Resources
The new Enterprise Roads stores and costing system (CPA) went live on 25 January 2010. All iProcurement interfaces are in place and some minor issues are currently being addressed.

5. Current development phase
The project implementation within the two remaining Resources of Social Work and Education is well underway.

5.1. Social Work Resources
A way forward for capturing care services invoice information within Social Work's SWiSplus system has been agreed and is being developed.

5.2. A review of the current purchasing process via Social Work's Equipu system for aids and adaptations took place and it was agreed that this would not be part of the iProcurement implementation. Equipu has an online ordering facility.

5.3. The Social Work new i:Procurement processes have been agreed for purchasing non-care goods and services including general supplies. The plan is to go live with non care services early July 2010.

5.4. Education Resources
Rocela was appointed as the consultants for the Education Resources implementation. This is a partnership approach similar to the Housing and Technical Resources implementation.

5.5. All new iProcurement processes for Education have been drafted and are currently being reviewed. The integration between iProcurement and the Education Seemis system is currently being developed.

5.6. The timescale for implementation of both these Resources is broadly similar and is outlined below:

Integration approach decision	March 2010
'To-be' design	March– April 2010
Development, integration & testing	April – July 2010
Phased rollout out (including Training)	July – October 2010

5.7. Other Developments
Discussions have started on the iProcurement implications for the Cultural Services move to South Lanarkshire Leisure Ltd (SLL Ltd). As SLL Ltd require a full set up for iProcurement, it is not possible to start this work until after Social Work and Education have been implemented. Consideration will have to be given on the impact of the users moving to SLL Ltd and the transactional issues this may cause.

6. i:Procurement Benefits
6.1. Clear benefits are now being realised from the implementation across the Council:-

- Improved year end processes: This includes the automation of key year-end accounting processes
- Improved management information: A range of reports are being produced by the system which are facilitating procurement and financial management improvements within Resources

- Improved control of purchasing: Through restriction of items which can be purchased and increased transparency in terms of what is actually being bought.

6.2. The benefits realised are being considered as part of the Council's ongoing efficiency process.

7. Employee Implications

7.1. Resources for the support of the eProcurement programme implementation and rollout are required from all Resources.

7.2. Arrangements are now in place for the staff transfers associated with centralised Accounts Payable in line with iProcurement rollout. Staff have transferred from Housing and Technical Resources and Enterprise Resources and will continue to do so during the final year of the programme for the associated areas.

8. Financial Implications

8.1. The eProcurement programme implementation has approved funding via the IT Development Fund.

8.2. There are no additional financial implications contained within this report.

9. Other Implications

9.1. There continues to be significant risk associated with the programme implementation and these are managed and reported via the project review board.

10. Equality Impact Assessment and Consultation Arrangements

10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

10.2. Consultation has been undertaken with all Resources as necessary in the collation of information for the production of this report.

Linda Hardie
Executive Director (Finance and Information Technology Resources)

5 May 2010

Link(s) to Council Values and Objectives
♦ Value: Accountable, effective and efficient

Previous References
♦ Finance and Information Technology Resources Committee dated 27 October 2009

List of Background Papers
♦ eProcurement Project Review Board papers (2009/10)
♦ eProcurement Business Case November 2006
♦ eProcurement Implementation Strategy June 2007

Contact for Further Information
If you would like to inspect the background papers or want further information, please contact:-
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