

# Report

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Report to:	<b>Finance and Information Technology Resources Committee</b>
Date of Meeting:	<b>27 October 2009</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources)</b>

Subject:	<b>eProcurement Programme Update September 2009</b>
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## 1. Purpose of report

1.1. The purpose of the report is to:-

- ♦ update the Finance and Information Technology Resources Committee 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 that the eProcurement solution has been further implemented in Community Resources and fully within Housing and Technical Resources.
- (2) that it notes that planning has started on the reconfiguration of iProcurement to support the new centralised Procurement Service and also on the development within Education and Social Work Resources.
- (3) that there will be an overall extension to the three year programme by six months with an associated impact on the IT development fund of £165,000.

## 3. Background

- 3.1. The Council approved the implementation of Oracle iProcurement as the corporate eProcurement solution at the 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. 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 and partially within Community Resources and Enterprise Resources.

## 4. Implementation status

- 4.1. The value of spend through iProcurement since April 2009 to September 2009 is outlined by Resource:

Resource	No. of POs 09/10	PO £m 09/10
Community	12,350	2.805
Corporate	2,005	1.615
Enterprise	1,475	4.110
FIT	1,782	8.590
H&T	12,236	16.875
Sept 09	29,848	33.995

- 4.2. Some other key statistics for the live programme include:
- +1,100 trained in the application
  - 1,900 suppliers adopted for purchasing
  - 225 supplier catalogues in place
  - 2,996 helpdesk calls
- 4.3. Land and Contracts within Land and Fleet Services went live with iProcurement from 31 August 2009.
- 4.4. Following a centralised pilot for non modernised schools purchasing with Facilities and Cultural Services, a programme of rollout to all schools is now underway. From 1 September 2009 to 31 March 2010 the remaining 105 schools will be rolled out via a central requisitioning and receipting team within Facilities, made up of four people. This will be undertaken cluster by cluster.
- 4.5. Housing and Technical Resources went live with iProcurement from June 2009. This implementation covered all purchasing for the Resource and was rolled out across the three service areas during June. In excess of 400 additional users were rolled out across the Resource on a devolved self service approach. A technical integration to the stores and job costing system was delivered as part of the project.
- 4.6. Given the scale of the change there has been operational issues experienced as part of the change process. These operational issues are being handled via the support process from the Housing and Technical Resources buying team; the eProcurement team and generally by providing more reporting and focused training for the individuals involved.

## **5. Current development phase**

- 5.1. The remaining areas of Fleet Services are currently being implemented. This will be a two phased approach with areas of vehicle procurement and hire being implemented for 12 October 2009 and the remaining areas covering spares, workshops and maintenance from March 2010.
- 5.2. The implementation with Enterprise Roads is nearing completion with the rollout of iProcurement with the new Roads job costing system. The planned go live for this project is 2 November 2009.
- 5.3. The project implementation within the two remaining Resources of Education and Social Work has started. The Social Work project will be delivered by the eProcurement team and a lead officer and Head of Service have been identified to support the project. Commitment has also been made to dedicated resources for an implementation team as required.

- 5.4. The Social Work project will include integration to the care management system Swisplus as well as consideration to the purchasing implication around the provision of aids and adaptations via the Equipu arrangements.
- 5.5. Education Resources will be delivered via a consultancy partnership approach, similar to the Housing and Technical Resources implementation, and a tender has been issued for the contract. This was a successful approach used previously and will assist with the delivery of the overall programme within required timescales. The cost of the consultancy partnership will be managed within existing approved budgets.
- 5.6. The timescale for implementation of both these Resources is broadly similar and is outlined below:

Project Initiation	October 2009
'As-is' business analysis review	October 2009 – January 2010
Integration approach decision	January 2010
'To-be' design	February – April 2010
Development, integration & testing	April – July 2010
Phased rollout out	July – October 2010

- 5.7. South Lanarkshire Leisure (SLL) is one of the final areas of implementation. Several technical issues are being considered surrounding the fact that SLL is a separate legal organisation, separate accounting periods exist and the hosting of catalogues that both SLL and SLC can access and the technical capability of this.
- 5.8. SLL have approached the eProcurement team for an indication of possible implementation dates and are positive about the benefits iProcurement will bring to their organisation. It is within the plan to deliver by October 2010.

## **6. Programme timescales and implications**

- 6.1. Given the scale of the programme that has still to be delivered and primarily due to the changes that are being incorporated within the iProcurement system for the new Procurement Service; it is now reported that the programme will be extended to October 2010.
- 6.2. The original three year programme, starting May 2007, envisaged a completion date around March 2010. The reconfiguration and patching of the iProcurement system that is required to move to a central Procurement Service is adding around four months to the programme. Overall the planned completion date is October 2010 for all Resources to be live with the corporate eProcurement solution.
- 6.3. The remaining eProcurement programme will be delivered as follows:

Enterprise (Roads) & areas of Fleet Services	October 2009
Reconfiguration & patching of iProcurement to support central Procurement Service	November 2009 - March 2010
Remaining areas of Fleet Services	March 2010
All non modernised schools (Community)	by March 2010
Phased rollout of Education & Social Work	July 2010 – October 2010
South Lanarkshire Leisure	by October 2010

## **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. The tender for consultancy for the development and implementation of Oracle iProcurement within Education Resources will be met from the existing eProcurement programme budget. Budget earmarked within the original business case for the areas of Oracle advance support; marketplace setup and support; reporting and other interfaces has been vired to the consultancy budget to support this approach. These areas are no longer identified as key strategic deliverables given the project development to date.
- 8.3. The eProcurement programme extension to October 2010 will have an implication for the IT development fund. Further support for staff costs and minor revenue costs for the eProcurement team will be required for the extended period. The anticipated cost of this six months extension to the fund is £165,000.

## **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.
- 9.2. The start and completion of the iProcurement reconfiguration and patching exercise within the planned timescales will have an implication on the overall programme delivery should it not be achieved.
- 9.3. The financial risk associated with this will be via further costs to the IT development fund and the possibility that the contract in place with the consultancy partner for the Education implementation may incur further costs as a result of the extended delivery period. This is being incorporated within the tender process where possible at the outset. These risks will be managed and reported appropriately.

## **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)**

25 September 2009

## **Link(s) to Council Objectives**

- ◆ Values: Accountable, effective and efficient

### **Previous References**

- ◆ Report to Corporate Management Team dated 24 September 2009
- ◆ Report to Executive Committee dated June 2008
- ◆ Report to Finance and Information Technology Resources Committee dated 12 December 2006

### **List of Background Papers**

- ◆ Programme delivery options and budget virement to consultancy – report to eProcurement PRB July 2009
- ◆ Impact assessment – Scheduling of reconfiguration of iProcurement for centralised procurement service – report to eProcurement PRB
- ◆ Non catalogue purchasing strategy within iProcurement – report to eProcurement PRB
- ◆ Evaluation of centralised Accounts Payable pilot February 2009 – report to eProcurement PRB
- ◆ 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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