



P R O C U R E M E N T

Report to: STAR Joint Committee
Date: 15th March 2023
Report for: Discussion & decision
Report from: Assistant Director Delivery

Report Title

Driving more from Collaborative Contracts

Summary

The purpose of this report is to:

- Update STAR Joint Committee on the current position in terms of collaborative contracts
- Present STAR Joint Committee with the information on collaborative contracts to discuss the opportunities and agree next steps

Recommendations

The recommendation of this report is that Joint Committee:

- Discuss the information provided within the report
- Agree next steps in terms of collaborative contracts

Contact person for access to background papers and further information:

Name: Elizabeth McKenna
Phone: 07811983687

1. Current position

- 1.1 Collaboration is the 'raison d'être' of STAR, as STAR is a collaboration of 4 local authorities and was set up to drive efficiency through a collaborative service model to drive collaborative procurement. The STAR Core Offer states that STAR will consider collaborative contracts across our Partners and GM as well as identifying collaborative opportunities both within and between STAR partners.
- 1.2 There is a difference between joint procurement and collaboration; collaboration is mainly where specifications are aligned, joint procurement is where authorities buy different commodities (different specifications) but procure jointly both can bring efficiencies.
- 1.3 The current position on collaborative contracts is set out below:
- STAR currently run circa 550 procurement activities per annum
 - There are currently 67 live collaborative/joint contracts on the Contract Register as at January 2023 (See Appendix 1)
 - There are currently 59 opportunities within the STAR Pipeline identified as at January 2023 (See Appendix 1)
 - Most of these 'live' contracts are joint procurements and not true collaborative contracts with aligned specifications
 - 17 of the 59 'Pipeline/Opportunities' are already in development as collaborative contracts
 - AGMA/GMCA have a live contracts register and as at January 2023 it confirms that STAR leads 59%. STAR has pushed back on leading GM collaboration as we represent 40% of the 10 Districts and historically, we were leading over 70% which was deemed as STAR 'shoring' up other Council's procurement teams and GM collaboration is supposed to be on a Quid Pro Quo basis.
- 1.4 **Data and KPI**
STAR is currently capturing collaboration data to create a baseline with a view to drive improvement in 23/24 and to measure and report on collaboration activity. This will evidence improvement, further opportunities for consideration and missed opportunities and the rationale why these have been missed.
- 1.5 **Why collaboration is not always considered**
There are several reasons contracts that could be approached collaboratively but are not considered for collaboration include:
- Timing of the renewal to align with others
 - Lack of planning

- Specifications not aligned
- Lack of desire to collaborate - collaboration seen as too difficult
- Governance restrictions
- Path to collaboration not clear – confusion if a joint procurement or true collaborative contract
- Reluctance to be the lead authority
- Commercial models not seen as beneficial for all parties
- Recording and reporting call offs seen as unwieldy
- An understanding of the benefits of collaboration are not understood widely

2. Time for change

STAR want to drive change, challenge current ways of working and enhance the understanding of collaboration to ensure we drive a 'Collaboration First' approach and that we move to a position where we 'buy once' and align specifications across the STAR Partners at every opportunity or wider GM organisations. This will not happen immediately but by working together, supporting, and educating commissioners and utilising the tools available from pipeline planning, providing time to plan the collaborative approach, the result will deliver efficiencies within procurement activity contractual outcomes.

3. How to improve collaboration

3.1 Pipeline and opportunities

Utilising Intend contract register STAR officers continually review the 5-year pipeline activity specifically to identify opportunities for collaborative contracts. Looking at the 18-month pipeline and sharing the pipeline with service leads on a quarterly basis is providing a better environment to plan in collaboration which should create more collaborative opportunities going forwards. This will require extensions of contracts in some places to align end dates ready to collaborate.

Top 10 Collaboration/Joint Procurement Opportunities for 23/24:

1. Bereavement Services and Public Funerals
2. Bike ability Training
3. Constellia – agreement for professional services
4. Independent Travel Training
5. Liquid Fuels
6. Mediation and Disagreement Resolution Service
7. Purchase of Wheeled Bins
8. Surface Dressing/ Slurry/Micro Seal
9. Toxicology

10. Translation and Interpretation Services

** These are STAR collaborative/joint procurement opportunities but can include GM

*** These have been identified because they could potentially be aligned in terms of specification and can therefore be procured collaboratively to create even better efficiencies than a standard joint procurement

3.2 More collaborative contracts

To enhance the collaboration position for STAR Partners there will be a requirement to set up more collaborative contracts and joint procurement contracts. The collaborative contracts will provide more benefits to STAR Partners as these will result in not just resource efficiencies (once established) but 'bulk buying' efficiencies too, however where a true collaborative approach is not achievable due to specification alignment requirements joint procurement contracts are the next best solution to provide resource efficiencies.

There is a risk to the much-improved local spend figures for collaborations where there is a standard specification. As these contracts will be delivered by a single supplier, STAR will work with suppliers through market engagement to strive to keep the GM spend figure stabilised, however when a joint specification is not available the joint procurement can achieve local spend through locality lotting strategies. We will also review the supply chains of the Tier 1 suppliers to drive local commitment through the contract and social value.

3.3 Successful collaborative contracts

Examples of successful collaborative contracts STAR have led on:

| Contract | GM/STAR | Benefit |
|--|---|--|
| The Home to School Transport Flexible Procurement System | STAR | Service redesign based on the efficiency |
| Highways Collaborative Contracts | GM | Social Value |
| The Energy Collaboration | STAR | Working together during a crisis |
| The Sexual Health | Lot 1 Oldham, Rochdale Bury Lot 2 Stockport and Tameside | Specification alignment |
| The Greater Manchester Human Resources | GM | Widely utilised across GM |

3.4 **Benefits of collaborative contracts**

- Procuring once increases productivity which reduces time, resources, and effort
- One set of documentation including T&C's
- 'Bulk buying' provides better VFM
- Due diligence already completed when doing a 'call off'
- The market only responds once
- Quicker route to market once the collaborative contract set up
- A standardised approach across partners which is better for businesses
- Innovation and market engagement can allow us to get better outcomes for all
- Shared learning
- Enhanced communication
- Collaborative contract management (Not in STAR Core Offer)

3.5 **Time, resource, and efficiencies**

STAR intend driving this 'Collaboration First' approach now and into 23/24 utilising our existing resources. This will be reviewed and monitored as there is a recognition that this approach will take more resource initially but over time should start to evidence increased collaboration therefore less procurement activity and/or the ability to do more. This efficiency may not be seen in terms of resources until 24/25.

4. **What STAR has already in progress**

To increase the use of collaborative contracts STAR have already completed the following actions:

- Regular pipeline planning undertaken quarterly with service leads to plan in collaboration
- Started working with service leads to support and educate on different approaches and likely efficiencies in order that all understand urgency to drive improvement
- Creating a baseline of procurement activity in 22/23 split into types of procurements and where joint or collaborative approaches have been undertaken
- Set out a governance framework and routes to market to enable service leads to understand how collaboration works
- Set out the different options of joint procurement and collaboration
- Set out a 'one pager' highlighting the benefits of collaboration to be shared with service leads
- Reviewed and improved process and guidance on recording and reporting collaboration

- Further education within the STAR team to ensure awareness of the other frameworks available
- Drive consistency of approach and scrutiny across the STAR team
- Created an action plan for the next 18 months to keep Board updated of key spend areas that can lead to collaboration

5. What's next

- Develop the current cross partner engagement to be more frequent and planned to galvanise relationships providing a regular overview to STAR Board
- Develop training and education to support this drive for 'Collaboration First' across commissioners and key officers
- Standardise the governance structure for collaborative working to including IAA/MOU ready for approval
- Promote 'collaboration first' across the STAR Partner's service leads and Management teams to ensure we have support from the top
- Monitor and report on procurement activity during 23/24 to assess resources
- Evidence success, impact, and outcomes as well as challenges to STAR Board
- Business case to set up frameworks

6. Recommendations

6.1 It is recommended that STAR Joint Committee:

- Discuss the information provided within the report
- Agree next steps in terms of collaborative contracts

Report Appendices

1. Collaborative Contracts