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News

OGC's role in the Lyons Study

Martin Booth, recently appointed Head of Property Co-ordination in OGC, and his team in London and Leeds have an important role to play in the Lyons Study. This study, announced in the 2003 Budget, aims to relocate up to 20,000 posts away from London and the South East, in pursuit of more efficient delivery of central government services. OGC has been providing data on significant property events and relocation opportunities on the Civil Estate in likely target locations.

The clearinghouse function will then help minimise exit costs in London and the South East by maximising the re-use of existing stock. In target areas, the Property Co-ordination function will prevent departments competing against each other for scarce supply, so as to minimise the price of any acquisitions and the generation of market evidence that may be used adversely against departments in rent reviews. Evaluation of the departmental responses to the Lyons Study is a complex matter, being undertaken by HM Treasury. OGC will provide input to this evaluation with particular emphasis on the delivery and potential cost of property disposals and acquisitions.

Property Co-ordination, part of the Supplier and Government Marketplace Development Directorate within OGC has a team of 17 in Trevelyan House and Leeds. They have national responsibility for Property Co-ordination matters and have a target of £39m savings to achieve in this financial year. The main work streams are running the clearinghouse for surplus government office property, co-ordination of departments' activities in the property market, and maintenance and development of the e-PIMS database, which is being rolled out across central government and ultimately to the wider public sector.

For further information contact: <mailto:martin.booth@ogc.gsi.gov.uk>

Relocation: interim report

The interim report of the Independent Review of Public Sector Relocation, published on 9 September by Sir Michael Lyons, said that it should be possible to relocate at least 20,000 public sector jobs out of London and the South East.

Whilst awaiting the final report, due to be published in November 2003, departments have been told not to renew or take

on new property leases in London and the South East without consulting HM Treasury.

Sir Michael has highlighted possible benefits of relocation as including improved recruitment and retention, lower labour and accommodation costs, better service delivery to customers and improved quality of life to employees due to lower house prices and commuter times which are often half those of staff based in central London. Departments had already submitted proposals which Sir Michael described as 'exciting' and he was expecting further 'creative and robust proposals' among departments' business cases based relocation proposals, which were to be submitted by 12 September.

Welcoming Sir Michael's interim report, Chancellor Gordon Brown said:

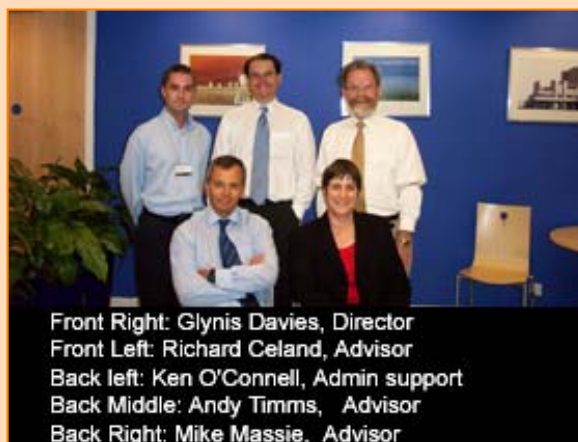
" ... I am convinced that further decentralisation of public sector activities can lead to improved service delivery as well as provide a good deal for the taxpayer. Following Sir Michael's review, I would expect relocation will more and more be employed for the efficient and effective management of the public sector."

The interim report describes the methodology and approach to the review and the context in which it is taking place. It also provides data on public sector staffing levels across the country as well as outlines of previous relocations. It can be found at: <http://www.hm-treasury.gov.uk/lyonsreview>.

Contract Innovation – New Team, New Guidance

HM Treasury announced in its July publication "PFI: Meeting the Investment Challenge" that IT-related projects would no longer be covered by PFI and that further guidance on alternative procurement options would be issued in the autumn.

Delivering this promise now rests with OGC's new team - Contracts Innovation. The guidance covering IT-related projects is part of OGC's wider remit to produce, by March 2004, guidance to assist departments in selecting the procurement approach and form of contract which best meets the needs of a particular project.



Priority has been given to the IT guidance and the Contracts Innovation team is currently analysing existing reports on the subject. NAO reports are a particularly fruitful source of information on what has worked in the past and what has not. Interviews with key public and private sector players in previous projects are also proving extremely useful.

The team intends to conclude these interviews by the end of September, and will then put together guidance that will set out a range of procurement approaches and "deal shapes", together with advice on what to consider when making the choice. New forms of contract will almost certainly not be issued, although drafting of key clauses for each "deal shape" will be an important output. The guidance will be practical, evidence based, clear about what it does not cover, and clear about when and where to go for further help.

If you have comments or useful experiences, email us in September on mailto:servicedesk@ogc.gsi.gov.uk with "Contract Innovation Feedback" in the subject line.

Faster Procurement

OGC's Faster Procurement project is well underway. The project has been set up to deliver one of OGC's challenging targets which aims to reduce the time taken on major procurements – from start of procurement to contract award – in government.

Significant progress has already been made. Data collection on procurement timescales of past and current projects is nearing completion and a 3-year implementation plan has been established. Delivery will be achieved via a mixture of direct support and use of existing channels such as the Centres of Excellence and the Gateway process.

For further information, please contact david.jordan@ogc.gsi.gov.uk

Email and Intranet Contract

A £40 million, 5-year contract to run the next generation Government Secure Intranet (GSI) has been awarded to Energis by OGCBuying.solutions.

The GSI, Government's internal private network, provides secure email services and acts as the communications hub for

shared government IT systems. The new network will offer an enhanced directory service and central portal and will be able to support voice, video, as well as data traffic.

Secure interfaces will be provided to the wider public sector and to other EU governments and will offer a particularly good deal for smaller organisations through the use of broadband access. The GSI user base, already in excess of 200,000 is expected to continue to grow rapidly.

Visit website www.ogcbuyingsolutions.gov.uk

E-Auction used in Tissue deal

Britain's armed forces will soon be loading pocket-sized packets of tissues into their kit bags, bought over the Internet using a 'reverse auction', where bidders compete 'live' online to offer the best value-for-money deals on a wide range of goods and services.

OGCbuying.solutions is promoting the increased use of reverse auctions as an advanced buying tool in the public sector. They organised a high profile event, through specialist auctioneers Group Supplies Plc, in order to gain experience, share knowledge and provide broader publicity based on the reverse auction successes already being achieved by the Ministry of Defence (MOD).

MOD supply around 3 million packets of tissues to our armed forces each year and will make cost savings in excess of 65% (about £750,000) through the use of this advanced procurement technique.

This was the first e-auction conducted by OGCbuying.solutions. It is currently working, with OGC, towards awarding a series of framework agreements for the provision of e-auction services. The aim is to complete the tender process and award frameworks before the end of the year.

For further information visit <http://www.ogcbuyingsolutions.gov.uk/>

Making Crime Pay Back

Adam Ozakpinar, Head of Estates and Procurement at the Crown Prosecution Service (CPS), is working in collaboration with procurement and policy staff from HM Customs and Excise and the recently created Assets Recovery Agency in a new initiative to promote a successful programme of joint work designed to improve the way public sector manages high value, complex, pan-government requirements.

The initiative is designed to ensure that departments open up their supply base with the private sector by awarding framework agreements with a range of firms for the appointment of receivers under the Proceeds of Crime Act. The change will lead to more competitive pricing and maintain a quick and cost-effective procurement route reducing the bid and processing costs incurred by firms dealing with government which will be of particular interest to the SMEs.

The new arrangements represent an opening-up of the government market to an increased number of firms and is designed to ensure greater value for money from government contracts. They will also provide greater flexibility for the departments involved to get the benefits of continuing competition, at the same time providing choice in the way they meet their business needs.

Future efforts will now focus on the management of the firms and delivery of government targets.

The new Assets Recovery Agency, which has power to seize wealth obtained as a result of illegal activity, began operations in February this year. It has the powers to seize, investigate and recover assets, is able to take civil action to recover the proceeds of unlawful activity and to tax any individual or company where there are "reasonable grounds to suspect" they have gained financially from crime.

For further information contact:

Adam Ozakpinar

Email: <mailto:adam.ozakpinar@cps.gsi.gov.uk>

New Guidance on Risk

The Government has published principles to guide public sector officials in managing risks to the public. *Principles for Managing Risks to the Public* is intended to ensure that effective management of risk to the public is embedded in all areas of government and that the principles form part of a wider government programme to improve risk handling. The five principles set out good practice, stating that, in managing risks, government will:

- Be open and transparent about its understanding of the nature of risks to the public and about the process it is following in handling them
- Seek wide involvement of those concerned in the decision process
- Act proportionately and consistently in dealing with risks to the public
- Base decisions on all relevant evidence
- Allocate responsibility appropriately.

The principles are available at

http://www.hm-treasury.gov.uk/Documents/Public_Spending_and_Services/Risk/pss_risk_index.cfm They will be supported by implementation activity including training, guidance and seminars.

In-Depth

True North Well Underway

The delivery of joined-up e-government has become a step closer with the award of a five-year contract to ITNET. The contract means that government departments can share a dual data centre environment, giving them access to a range of services and support. The *True North* project, which has been designated as part of the UK Critical National Infrastructure, is being led by the Office of the e-Envoy. The first data centre is expected to be active by January 2004 and the second data centre Q3 2005.

[Page 8](#)

The Changing Government Workplace

Working patterns are changing and the range of choices open to most of us has been widened by advances in ICT, building design and informed management. OGC has launched a new survey of where we are now and how we should move forward.

[Page 9](#)

Involved in procurement of built environments?

A Senior Officials Policy Group (SOPG), chaired by OGC's Deputy Chief Executive, John Oughton, has been established at Ministers' request to secure continuous improvement in the value for money of public procurement, by identifying and agreeing ways to help frontline staff by integrating and clarifying the message, recommendations and requirements resulting from policy initiatives which impact directly or indirectly on government as a client and in particular on the whole-life procurement of built environments. The Group's first challenge was to identify the size of the problem by listing all the relevant legislation and policy, as well as foreseeable, forthcoming initiatives. The priority now is to identify what the key standards – and then make recommendations to Ministers on minimum acceptable requirements for implementation.

[Page 12](#)

Design Matters

With government committed to the largest public building programme for a generation, high quality design is an important consideration for everyone involved in the production and use of buildings. OGC's forthcoming guide on design quality, which is part of the Achieving Excellence in Construction suite, due to be published in December, will explain what is meant by good design and how a client can raise design quality standards. The guide will promote the use of the Construction Industry Council's web-based Design Quality Indicator; a tool for aligning design requirements and then assessing and measuring the quality of the built facilities, to be available from 1 October 2003 through the DQI website <http://www.dqi.org.uk/>

[Page 14](#)

Health and Safety in Construction

Government construction clients can have a major impact on Health & Safety in construction. OGC is investigating how its current best practice guidance can be better embedded to ensure continuing improvement of the construction industry's poor Health and Safety record. [Page 16](#)

MEPs vote on new EC Procurement Directives

On 2 July 2003, the European Parliament voted to reject 75% of 200 amendments to the new EC Public Procurement Directives. Two of the most controversial to be rejected were the repayment of bid costs in complex contracts and the application of the rules to contracts below the thresholds. Around 50 amendments, some of which would be difficult for the UK to accept, will be subject to conciliation, which must be completed by April 2004 - implementation would then be likely by early 2006. [Page 18](#)

Why Relationships Matter - The Role of the Supplier Relations Division

The Supplier Relations Division within OGC is responsible for developing strategic supplier relationships. Here they introduce team members (see photo right) and set out their key areas of work. [Page 20](#)



Wider Markets in DWP

The procurement team in the Department for Work and Pensions has taken the challenge of the Wider Markets Initiative out to all staff in the department.

In an article in the in-house magazine, David Greensmith, Procurement Policy Manager, encourages staff to come up with suggestions for market opportunities. *"HM Treasury allows departments the automatic right to retain all revenue obtained from Wider Markets Initiative (WMI) activities, so we are looking for ideas to exploit,"* he says. GCF will keep you posted on the success of his campaign. [Page 23](#)

People & Events

Procurement Recruitment Made Easy

The Government Procurement Service (GPS) has, through a strict selection process, created a pool of 160 procurement professionals who wish to be considered for procurement vacancies within government. This pool is available for any government department, agency or NDPB as a resource to assist in recruiting qualified procurement experts. To find out more and to see how this could help save recruitment costs please see [Page 24](#)

Strengthening Programme and Project Management (PPM) Skills

Since its launch by Peter Gershon at the Best Practice Showcase in June 2003, the PPM specialism has been going from strength to strength. Membership is approaching 400, comprising all grades across departments, agencies, NDPBs and the wider public sector. There is a proposal to further broaden the scope of the specialism allowing 'affiliate' membership to public servants outside central government.

Individuals are now registering their interest in joining the specialism ahead of the **Inaugural Conference on 23 October 2003 at the Central Hall, Westminster** to which all registered members will be invited to attend. There is an extensive agenda ranging from keynote speeches to case studies and from an awards ceremony to round table discussions. To be eligible for an award you need to be nominated and be a member of the PPM specialism. There are three award categories:

Individual Award – presented to the individual who, as a member of a PPM team, is judged to have provided a significant and influential contribution to the successful delivery of a programme or project.

Team Award – presented to the PPM team judged to have implemented the best PPM approach that enabled them to work effectively as a team and deliver the programme or project successfully.

Best Practice Award – presented to the department judged to have achieved significant success in the adoption and use of PPM standards, best practice and skills across the organisation.

Further details and registration/nomination forms can be obtained from the PPM specialism website via www.ogc.gov.uk or the OGC Service Desk email: ServiceDesk@ogc.gsi.gov.uk. Phone: 0845 000 4999

Report: Joint Planning Conference

The annual OGC/Departmental Joint Planning Conference took place on 10 and 11 September at the Royal Garden Hotel, Kensington in London. Over 70 senior representatives from the commercial and delivery communities across central civil government were joined by a number of OGC Directors.

The main aims of the conference were to engage customers as an integral part of the planning process and to seek their inputs to developing the agenda for the future. This included consultation on the outcomes that OGC and departments need to achieve jointly by the end of 2005-06 (the final year of the Spending Review 2002 period) and on the strategic direction for the Spending Review 2004 period (ie, 2006-07 to 2007-08).

The Conference heard keynote addresses from both Sir Andrew Turnbull and Peter Gershon. There were a number of

update presentations on current issues of mutual OGC and departmental interest, as well as interactive sessions focused on SR02 delivery and SR04 challenges.

There was very useful feedback from delegates on the strategic and delivery challenges being faced, and above all, the event provided an open and positive forum for delegates to exchange views.

Congratulations

Congratulations to the following students in the Inland Revenue who have achieved success in Commercial Management Training Level 3 which is equivalent to the CIPS Foundation Stage.

Duncan Riddell, Contract Management Team, Newcastle - Credit

Paul Telford, Corporate Procurement Operations, Longbenton - Credit

Publications

ECOE News is available as a PDF on the OGC website at <http://www.ogc.gov.uk/index.asp?docid=1000547>

Features include:

- the adoption of PRINCE in the USA
- the Parliamentary Office of Science and Technology report 'Government IT Projects' www.parliament.uk/post/report.htm
- Governance and Gated reviews.

Partnering and Procurement News, a market intelligence newsletter designed for local authorities and others with an interest in partnering and procurement service delivery arrangements. Issue 1 is available from http://www.odpm.gov.uk/stellent/groups/odpm_control/documents/contentservertemplate/odpm_index.hcst?n=3693&l=3. The purpose of this newsletter is to stimulate interest in and debate of the opportunities offered by various partnering and procurement arrangements and to create a network of knowledge and contacts. To receive copies email: <mailto:spt@odpm.gsi.gov.uk>

People

Glynis Davies joins OGC

Glynis Davies joined OGC as Director of the Contract Innovation team on 25 August. She had recently completed two years at Brighton and Hove City Council where she was on secondment from the Department For International Development. Glynis joined the Overseas Development Administration (now DFID) in 1984, moving into procurement in 1990 as part of the departmental policy to "grow their own" procurement experts.

Marcus Bennett – Strategic Communications

The Office of Government Commerce has appointed a new Head of Strategic Communications.

Marcus Bennett joined OGC during the summer, taking over day-to-day responsibility for the organisation's strategic communication team, which includes internal communication and corporate events, as well as marketing and print and publications support.

The newly-created position has been introduced in response to calls from OGC staff and customers to place a greater emphasis on improving the clarity, consistency and co-ordination of OGC's communications. So in addition to developing OGC's existing communication capability, Marcus' priorities include establishing a new long-term strategy for OGC's communication activities.

This is likely to see the development of OGC's communication channels as well as the introduction of new procedures for co-ordinating the dissemination of information and the enhancement of communication skills across the organisation.

In explaining his priorities, Marcus commented:

"OGC has achieved some extraordinary successes but also faces some very significant challenges. We must listen to, and understand, what our internal and external customers are saying they want from us. Then we must put in place the right communication channels and processes to allow us to communicate clearly, succinctly, engagingly and with the right people at the right time. It is only by achieving this that we can expect



Marcus Bennett

our customers to understand and accept the value of what we are offering them."

Marcus joins OGC from Kerry Group plc, one of the world's largest and most successful manufacturers of food ingredients and flavours, where he was global head of internal communication. Before joining Kerry Group, Marcus worked in a number of communication roles including time with Cable & Wireless, British Rail and BT.

Martin Booth – Head of Property Co-ordination

Martin Booth has been appointed as the new Head of Property Co-ordination within OGC, following open competition. He was previously the Deputy, reporting to John Huggins, who retired in June. Martin joined Property Holdings in 1992, having previously worked for a public corporation, a property developer and the retail oil industry. His work for government has largely been on major rationalisation schemes in central London and disposal of the Residual Estate, inherited by OGC from PACE. He played a key role in the disposal of the 2 Marsham Street site to the Home Office, OGC's largest-ever property receipt, and the linked transaction whereby the Department of Constitutional Affairs has taken over 50 Queen Anne's Gate to refurbish as their new Headquarters.



Future Events

Date	Event	Location
Oct 2	Centres Of Excellence Event: Networking opportunity for depts, agencies and NDPBs service.desk@ogc.gsi.gov.uk	Congress Centre, London
Oct 8/9	CIPS Conference ann.stannage@cips.org	Victoria Park Plaza, London
Oct 8	eCommerce Awards Ceremony paola.bassenese@ogc.gsi.gov.uk	London
Oct 8	EU Procurement Directives Roadshow 3 events@ogc.gsi.gov.uk	Cardiff University
Oct 15	eProcurement User Group http://www.ogc.gov.uk/index.asp?docid=1000722	The Grange Ramada Jarvis, Bristol
Oct 15	European Summit Conference http://www.bipcontracts.com/	ICE, 1 Great George Street, London
Oct 23	PPM Specialism: Inaugural Conference karen.west@ogc.gsi.gov.uk	The Great Hall, Central Hall, Westminster, London
Oct 27/28	e-Commerce Summit paola.bassenese@ogc.gsi.gov.uk	Rome
Nov 5	Society of Purchasing Officers – Annual Conference http://www.bipcontracts.com/events/sopoconf_03/	Novotel London Euston

If you have any comments or would like to contribute to *GC forum*, please contact the editor on: phone 01689 838104 or christine.barnicoat@btinternet.com

The Editorial Board Members are:

Bryan Avery, Chair (OGC), Nic Hopkins (OGC), John Kitching (British Library), Sandy Flatman (The National Archives), Jason Skill (Department for Education and Skills), Sue Broyd (OGC), Suzanne Fred (OGC), Philip Cunliffe, Deputy Editor and Christine Barnicoat, Editor.

True North Well Underway

The Office of the e-Envoy's (OeE) *True North* project is now well underway, following contract signature with ITNET on the 25 July 2003. The project will provide a dual data centre environment out of which the e-government Central Infrastructure, provided by OeE - the Government Gateway, DotP and the Knowledge Network - will be managed and provided.

Under the terms of the contract, ITNET will manage the delivery of these services to agreed service levels, using best practice processes based on compliance with OGC's ITIL process framework and BS15000. For the last 12 months availability has exceeded 99.95% - a level it is planned to exceed with the new contract. All appropriate protective, security and resilience measures have been designed in to the Data Centre which will provide over 12,000 square feet of useable data hall, giving plenty of room for forecast growth.

Also, the scope of the contract allows for other government departments to share the *True North* environment, which has been designated as part of the UK Critical National Infrastructure (CNI).

Varying levels of service requirement can be accommodated depending on need, ranging from simple IT hosting services (where the customer department retains responsibility for its software configurations and applications) up to fully-managed service provision, which includes support for applications and bespoke code. In most cases, the e-Delivery team (eDt), within the OeE, will act as the "intelligent customer" and deal directly with ITNET, providing insulation for the relevant government customer. This is a role that the eDt has filled for the last two years with a variety of suppliers and a dozen government departmental customers.

A core *True North* project team within the e-Delivery team of OeE has responsibility for implementing the transition to the new environment. They are working closely with ITNET and OeE resources to ensure the success of the programme.

The primary data centre is now well into the construction process, with partial completion due by mid-October and full completion by mid-December. The site will be approved secure premises by the beginning of January 2004. The second data centre will be brought live in Q3 2005.

The ITNET contract is for five years, with provision for a two year extension (subject to performance exceeding our benchmarks, in line with present OGC guidance), which for the first time provides a firm planning basis for the delivery of joined-up e-government.

For further information contact:

Alan Mather: alan.mather@e-envoy.gsi.gov.uk

The Changing Government Workplace

Business is changing worldwide. Government departments, like any large organisation, face issues of service delivery, efficiency, personnel and resource management. Increasingly, the drivers for changing the ways in which we work are having an impact in government both in terms of how government works and in workplace design.

It is time to take stock of how far we have come and we are looking to you to help us decide how we move forward.

How People Work

For many years, civil servants have been employed flexibly – part-time, casual, on contract and so on. For most of us in government, however, work still revolves around offices, desks, commuting and office hours - “going to work” remains associated with having to make a journey to our employer's place of business. Nevertheless, as technology improves, new ways of working are emerging. Terms such as teleworking, hot-desking, touch-down areas and virtual offices are increasingly common. More and more work can be done anywhere – in an office (any office), at home, on the move. It is becoming easier to move the work to the worker. Where once we had flexible working hours or possibly flexible contracts, increasingly flexibility in location is an option as well. If properly implemented, flexible working offers the prospect of substantially reduced costs, improved productivity and the delivery of a host of other benefits to departments, staff and customers. *So, has the era of flexible working in government arrived?*

“Flexible Working” is the broad term used to describe the overlapping fields of

- **changes in the nature of employment - essentially moves to greater variety and flexibility in individual's work patterns; and**
- **changes in technology – enabling work to be carried out in different ways, often described as “new ways of working”.**

We Want Your Help

During 2000, the University of Reading was commissioned to examine the impact of flexible working on departments and agencies within government's core office estate. In addition, the study investigated the way in which flexible working might have an impact on the use of office space and its supporting infrastructure in the future. That investigation was undertaken at a time when a number of pilot schemes involving new working practices and alternative workplace solutions were being introduced by departments. The impact of these schemes and subsequent

initiatives on working behaviour, allied to developments in information and communication technology, have resulted in significant changes across government.

OGC believes that it is timely to conduct a further study, again led by Reading University, to review the extent of changes over this period using the 2000 study as a baseline; to find out what has helped or hindered change, how far departments now recognise workspace change as an enabler of business transformation and to assess whether the rate of change in working practices and workspace infrastructure will be sufficient to meet the anticipated future business-driven demand for flexibility.

During September, OGC will be sending out questionnaires to those we know are involved in the management of change and many of you will have received your copy by the time this issue of GCF hits your desks. However, if you would like to be involved in this increasingly important area and we have not been in touch – let us know. The questionnaires will be followed up by interviews.

Your contributions are extremely important as the findings will inform and focus OGC's future support for departments - to help embed better practices and to support business change through the development of appropriate workspace strategies. This study will be particularly relevant in light of the work currently being undertaken by Sir Michael Lyons.

Where People Work

Many of these changes in working patterns reflect the significant developments in the design and use of offices. Information and communication technology (ICT) is introducing more irregular and intermittent working patterns and other practices are transforming the daily use of the office. Increasingly, more time is spent away from the desk – often in meetings (both formal and ad hoc) and in other activities that are highly interactive and mobile. Offices, traditionally viewed as inhibitors to organisational development, are now being seen as key components in contributing to the organisation's culture and in the delivery of its business objectives. The traditional, mistakenly held, belief that good design is a costly luxury is changing and we are seeing increasing numbers of excellent workspace projects being taken forward by government departments. Government collectively needs to benefit from the valuable lessons learned in these projects and OGC is reviewing how this experience might best be captured and shared.

One option, currently under consideration, is a publication - co-authored with the private sector - capturing and exploring these workplace developments and highlighting emerging best practice. This will serve both to acknowledge and understand the important progress and achievements that have been made and to encourage and inspire improvement and innovation by others.

The publication would encourage a holistic strategic approach to the role of workplace in business transformation by:

- raising awareness
- offering examples and encouraging sharing of good practice
- celebrating those pioneering change.

The concept is based around themed chapters, with each chapter discussing the issues and setting out good practice. The themes will be illustrated with case studies highlighting examples of workspaces in government that have employed good practice. Again, if you are aware of a successful workspace change project and would like to contribute to this publication, or would simply like more information, please let us know.

For further information on OGC's role in supporting design and workspace issues please contact:

Bridget Hardy
Workspace Guidance
OGC Successful Delivery Directorate

Email: bridget.hardy@ogc.gsi.gov.uk

Phone: 020 7271 2708

Involved in procurement of built environments? Information overload? Watch this space...

In November 2002, Paul Boateng, Chief Secretary to the Treasury, held a Ministerial Meeting to discuss ways in which improvements in the procurement of property and construction in the public sector could be achieved. The meeting clearly showed that there was genuine cross-government commitment to improved performance and underscored that obtaining value for money is the primary purpose of procurement.

The meeting resulted in strong support for providing greater clarity and a unified focus to the different impacting policy agendas through the identification of key, minimum procurement standards and agreed the establishment of a cross-government group of senior officials to take this work forward.

The result is the Senior Officials Policy Group (SOPG), chaired by John Oughton in OGC, which began meeting in March this year with the following Terms of Reference:

“To secure continuous improvement in the value for money of public procurement by identifying and agreeing ways to help frontline staff by integrating and clarifying the messages, recommendations and requirements resulting from policy initiatives which impact directly or indirectly on government as a client and, in particular, on the whole-life procurement of built environments.”

Departments represented on SOPG are:

Department for Culture Media & Sport
Office of the Deputy Prime Minister
Department for Work and Pensions
Department of Trade and Industry
Commission for Architecture and the Built Environment
Health & Safety Executive
HM Treasury
Department for the Environment, Food and Rural Affairs.

The Group's first challenge was to identify the size of the problem by listing all the relevant legislation and policy, as well as foreseeable, forthcoming initiatives. That task is nearing completion.

The priority now is to identify just what are the key standards - and then, what are the minimum acceptable requirements for implementation across government. Any conflicts that may exist

between different policy objectives will need to be resolved in the process. Once SOPG has agreed a uniform set of benchmark standards, these will be submitted to Ministers for approval.

Once the standards have been approved, a web-based solution – utilising the existing OGC Successful Delivery Toolkit - will be the most likely means of making them accessible by all public sector procurers, including the devolved administrations. Links to the relevant, associated policy statements and supporting information will need to be included.

Looking further ahead to its long-term role, it will be important that the SOPG continues as a functional organisation in order to act as a “clearing house” for future policy and legislation initiatives and to facilitate a robust analysis of the impact of such proposals across government.

If you have any questions about this article, please contact Jennifer Stonehouse, SOPG Secretariat on jennifer.stonehouse@ogc.gsi.gov.uk

Design Matters

The Government is committed to the largest public building programme for a generation with a massive increase in public capital investment, doubling the level over the last four years to £38 billion per annum. Among the main products of this commitment will be the procurement of new and improved hospitals, schools, courts, recreation facilities and infrastructure. The scale of this public sector building programme will present a significant challenge for years to come.

At the same time, the Prime Minister is committed to a step-change in the quality of public buildings. Government initiatives such as Rethinking Construction, Achieving Excellence in Construction and Better Public Buildings are all intended to reform the procurement process to deliver better design quality.

Good design is about much more than style or appearance – it is about the integration of functionality, whole-life value in relation to maintenance, management and flexibility, sustainability and environmental impact, visual impact including relationship to context, and in particular health and safety. It is about whether a building works well for all users and the community it serves.

Throughout the working life of a public building and beyond, good design will help to make services delivered within and from it more efficient and effective, and will enhance the experience of all who use and live with it.

Achieving Excellence in Construction – Design Quality

The OGC/CABE Report *Improving Standards of Design in the Procurement of Public Buildings* underlined the message that sound, creative design is an essential ingredient in achieving value for money. To support this, OGC is developing specific guidance within its Achieving Excellence procurement guidance suite.

This new guide will explain what is meant by good design and describes how a client can raise design quality standards by putting the right procedures and best practices in place throughout the project, from the identification of need through to occupation and ongoing use of the facility. The guide uses the OGC Gateway Review structure to illustrate the relevant design quality issues and activities that need to be considered at each stage in the procurement process.

The guide will promote the use of the Design Quality Indicator; a tool for aligning design requirements and then assessing and measuring the quality of the built facilities. The DQI focuses specifically on assessing and measuring the value of the product – the completed facility – and is a unique tool for everyone involved in the production and use of buildings to gain more value from design. The Construction Industry Council has led its development with sponsorship from the DTI - Rethinking Construction, CABE and OGC. The web-based DQI On-line will be available from 1 October 2003 through the DQI website <http://www.dqi.org.uk/>

Achieving Excellence in Construction Procurement Guide 09: Design Quality is due to be published in December.

For further information on OGC's role in supporting design and workspace issues please contact:
Bridget Hardy
Workspace Guidance
OGC Successful Delivery Directorate
bridget.hardy@ogc.gsi.gov.uk
Phone: 020 7271 2708

Health and Safety in Construction

"It is totally unacceptable that, for much of last year, two construction workers were killed each week and, that in the space of nine days, five people died.

"In industry generally there has been a 75 per cent reduction in fatalities over 25 years since the Health and Safety at Work Act. But this industry is bucking the trend and is still six times more dangerous than the average industry. There have been significant improvements in the past, but these have slowed down and the past year has shown a significant increase in fatalities."

These chilling words were delivered by the Deputy Prime Minister, speaking at the Construction Health and Safety Summit in February 2001.

Calling on all sides of the industry to deliver tough new safety plans and targets to prevent 3,000 major injuries and deaths a year by the end of the decade, he also set out clearly the vital role of the client in tackling these appalling statistics. The Summit won clear commitment from all sides including one of the industry's largest clients, Government.

As part of OGC's commitment to be a best practice client, it published Construction Procurement Guidance No. 10 (PG10) – *Achieving Excellence through Health and Safety* - in October 2001 to provide advice on how government departments, as clients of the construction industry, can influence Health and Safety through design, procurement strategy and tender assessment and management of their contractors.

The Guidance was well received and gained the support of the industry. But the Major Contractors' Group (MCG) whose members undertake around £20 billion worth of construction annually – this represents a third of the total output of the total UK construction industry – considers that compliance with the Guidance across government is sporadic. It claims, for example, that departments are not undertaking visits to current construction sites of short-listed contractors during the selection process and are not following through with physical checks on-site to verify that actual performance reflects the original undertakings given.

In view of the Government commitment to improve Health and Safety in the construction industry, it is vital that departments ensure that sufficient priority is given to Health and Safety in the procurement process.

The OGC guidance provides the framework to ensure that departments can contribute to the overall improvement and, as part of OGC's efforts to increase the pace of take-up of recognised best practice guidance and, in turn, raise standards, OGC is conducting a pilot series of interviews with departments, focused on the current guidance, to try to identify how it can work with departments to ensure improved and continuing implementation of its guidance.

If you wish to find out more or discuss issues to do with the data to be collected at project level to

inform Health and Safety key performance indicators, please contact John Ioannou, email:john.ioannou@ogc.gsi.gov.uk or Stuart Northrop, email: stuart.northrop@ogc.gsi.gov.uk.

MEPs vote on new EC Procurement Directives

Progress continues on the proposals for updating, clarifying and simplifying the current EC Public Procurement Directives. These proposals consolidate the existing three separate Directives for works, supplies and services contracts in the public sector into one single Directive. There are also parallel proposals for updating the Utilities Directive.

The proposals represent significant advances in several areas. Benefits include a new competitive dialogue procedure providing the necessary flexibility for complex procurements such as PFI/PPP projects; clarification of how framework agreements should be awarded; new provisions on e-procurement, including e-auctions; and greater clarity on the scope to take environmental and social issues into account in the procurement process. In order to be adopted, the proposals have to be agreed by the European Parliament as well as the UK and the 14 other countries in the European Union.

OGC on the European stage

On the 2nd July the European Parliament voted on amendments to the proposals. In total, over 200 amendments were suggested by Members of the European Parliament (MEPs), covering a wide range of issues. Peter Bennett, Jonathan Denison Cross and Caleb Deeks, of OGC's Procurement Policy Unit, provided briefings on each amendment in advance of the vote. Amongst those that caused the most concern were an amendment that would have required contracting authorities to repay bid costs in complex contracts; and another that sought to apply the detailed rules to contracts below the thresholds set by the Directives.

Multi-talented

This was a demanding task given the number of amendments and the short timescales involved. The fact that many amendments were not available in English until the very last minute, added to the challenge. Amendments put forward in French, German, Dutch, Spanish and even Swedish were tackled by the multi-lingual team - with the aid of a helpful dictionary or two.

The team arranged for the lead DTI Minister, Jacqui Smith, to brief several key UK MEPs personally on the amendments. This, combined with the team's more detailed briefing delivered to MEPs with the support of the UK's Permanent Representation in Brussels paid off extremely well. Over 75% of the amendments put forward were rejected by the Parliament, including the most problematic, discussed above.

It's not over yet...

Around fifty amendments still remain. These will be the subject of a conciliation process between Member States and the Parliament this autumn, as there are several amendments that Member States, including the UK, will have difficulty accepting.

The conciliation process must be completed by April next year, when the current European Parliament will dissolve. If conciliation is successful, and the Directives are adopted, the UK will then have up to 21 months to implement the Directive in domestic legislation. This is likely to occur in the second half of 2005, or even early 2006.

In addition to continuing to work with other Member States and the European Commission to achieve the UK's objectives in the remaining stages of the legislative process, the Procurement Policy Unit will also be considering what guidance is needed in advance of implementation. This process has already begun (with recently issued guidance on framework agreements – available from http://www.ogc.gov.uk/embedded_object.asp?docid=1000330) and will assist procurers and suppliers in planning ahead and preparing for the changes.

For further information please contact: <mailto:Peter.Bennett@ogc.gsi.gov.uk>

Why Relationships Matter - The Role of the Supplier Relations Division

Supplier Relations Division (SRD) led by Ian Tough, is part of the Supplier and Government Marketplace Development Directorate (SGMD) headed by Martin Sykes. SRD was formed in April 2003 as a component part of OGC's Medium Term Strategy.

The team is dedicated to initially developing strategic supplier relationships within five targeted market sectors of IT, Telecommunications, Construction, Professional and Consultancy Services and Support Services on the basis that closer relationships will serve to bring better understanding and improved relationships between departments and the private sector.

SRD has four areas of work:

- 1) **SRD's Supplier Management** team, led by Alan Cross, aims to forge strategic relationships with key strategic suppliers across Central Civil Government (CCG) to significantly enhance government's ability to collectively manage strategic supplier relations and maximise the outcomes and benefits from its commercial activity.
- 2) **The Supply Intelligence Service (SIS)**, led by Will Farnell, provides the underpinning knowledge, information and briefing about key suppliers to CCG. This incorporates commercial and financial intelligence and for the future will include market sector analysis, capacity analysis, skills, client and supplier dependence and risk exposure information.
- 3) **The Senior IT Forum (SITF)**, led by Paul Everist, brings together key representatives from the IT/IS industry with senior IT clients from government to look at ways of improving the success of IT/IS projects in the public sector.
- 4) The final area, developed by the whole team, is a project addressing supplier capability issues, aimed at embedding this facet of strategic supplier management across the procurement process.

The sector teams are well underway with their plans to engage suppliers and departments, by establishing strong chains of communication and offering a forum for the discussion of strategic issues. Responses so far have been very positive; the views expressed are open and honest, and all whom we have met have welcomed the opportunity to build a strategic discussion framework.

IT & Telecomms team - Stephen Squires, Julie Bright and Frances Clarke

IT and Telecommunications suppliers have been scrutinised over recent times as the 'boom' experienced in the 1990s ended suddenly, resulting in significant changes in the telecommunications market. Several high profile technology project failures highlighted the need for improved supplier relationship management in this area. This has been emphasised by new,

strategically important government IT contracts due to come online, eg, Inland Revenue ASPIRE project and the MOD's Defence Information Infrastructure Programme. With these important projects comes the need to understand the market capacity and capability to undertake such roles.

Construction – Hilary Gillies and Alan Pincombe

The Construction Team is tasked with understanding the issues facing Construction suppliers and the government department clients, and ensuring that sufficiently strong relationships exist to deal with those issues. Investment in public sector construction is entering the most active period to date, raising a range of questions; such as does the industry have the capacity and skills to cope with the demands now facing it?

Consultancy and Professional Services (CPS) and Support Services – Nick Streets and Alison Edwards

CPS and Support Services (including Facilities Management) are new areas of focus for SRD. This team is charged with understanding the challenging environment in which these services operate. Recent reports state that more than £600 million per year is spent on CPS within CCG. Key issues facing this team include the wealth of services covered within Consultancy; dissemination of knowledge; the rapid growth of the Facilities Management sector as departments increasingly outsource non-core activities and PPP/PFI projects, often including building management and FM contracts.

The Role of the Supply Intelligence Service (SIS)

SIS consists of Sandra Lilley, Richard Hassett, Ralph Burton, Emma Scotcher, Liz Larke, Ben Walsingham, Melanie Elvin and Glen Matten. Their aim is to provide a comprehensive and proactive information service on the activities of key suppliers across CCG. SIS is continually developing its intelligence sources to assist CCG in the strategic management of its supply base.

SIS analysts conduct strategic assessments of suppliers' commercial and financial positions, assessing the supplier's ability to do business with government. Intelligence information includes details on contract performance, outstanding litigation and recent media issues relating to the supplier that may affect government's ability to do business with them. SIS is currently extending its remit to analyse capacity and capability issues and to assess market sectors, in order to gain a greater depth of understanding of key players strengths and weaknesses.

Senior IT Forum – Paul Everist

SRD also provides programme management and the OGC secretariat for the Senior IT Forum. The Forum is jointly hosted by OGC and Intellect, the trade body representing the IT, electronics and telecommunications industry, and its membership consists of an equal number of senior representatives from government and the IT industry. It is an excellent model of industry and government working together to identify and design solutions to deep-seated, systemic problems that exist at the interface between the public sector and the IT industry. The Forum has recognised that good leadership is vital to the success of projects and has introduced a new project role, the Senior Responsible Industry Executive, as an industry equivalent to the Senior Responsible Owner.

The Forum has also worked closely with OGC on the development of the Government Procurement Code, high-level guidance on value for money in complex procurements and has just released guidance on Effective Partnering, highlighting the benefits of a partnering approach on complex projects. The Forum has recently initiated a new programme of work, through Intellect, aimed at raising corporate and individual capability and professionalism. Some of the products from this programme will be launched at the Senior IT Forum Conference in December.

Rewarding Work

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SRD faces a very real challenge. We are continuously keeping up with the latest contracts, understanding the impact of changes within industry and working to improve government's ability to manage strategic supplier relationships in this fast-changing environment. The work is very rewarding; relationships, whilst hard to measure, can make a very significant difference to the way in which government deals with its suppliers and vice versa. The team is developing open dialogue with the supplier community, in conjunction with the OGC's Senior IT Forum, with a view to better understanding suppliers' capabilities. The teams are constantly researching and meeting key suppliers, trade bodies and government departments to keep their fingers on the pulse and to improve the working relationships between government and the private sector.

Additional members of SRD include Lea Ragsdell (Personal Assistant to Ian Tough) and Lisa Stubbs, anxiously anticipating the birth of her first child.

Any member of the SRD team can be contacted through the OGC Service Desk.

Widening Our Horizons: Wider Markets in DWP

Have you got the nous to spot a potential non-core business money-making opportunity within the Department for Work and Pensions? If so, you could do everyone a favour and start making under-used assets work for the Department, allowing budget to be targeted where it's needed most.

"HM Treasury allows departments the automatic right to retain all revenue obtained from Wider Markets Initiative (WMI) activities, so we are looking for ideas to exploit," said Procurement Policy Manager, David Greensmith.

WMI guidance is now available within the procurement area of the Intranet and provides comprehensive information on every step of the process.

Market opportunities may come in the form of business assets that are underused, a source of intellectual property, or a group of staff with marketable skills. It could be a local scheme, come from an approach from a potential external buyer, be a tried and tested idea or a response to an advertisement.

"One example might be staff car parks, which can be used by the public for a fee during the weekend, when not in use by staff," said David. *"Internal conference facilities could perhaps be used in much the same way."*

"There must surely be possibilities in a Department of 120,000 people? For the answer, we are looking to our people who are closer to the coalface than we are – entrepreneurial people within our businesses who can identify opportunities."

A key consideration of the initiative is that it should in no way undermine the Department's core business. Once someone comes up with an idea, their proposal should be submitted to the Wider Markets Officer and the Financial Management and Control Division for assessment.

For further information contact: Jack Salter on 0113 2327224 or jack.salter@dwp.gsi.gov.uk

Procurement Recruitment Made Easy

The GPS team within OGC has recently conducted a Generic Recruitment exercise to attract applications to join a pool of procurement professionals. OGC carried out this initiative on the advice of the GPS Management Board who felt that there would be a significant number of vacancies over the coming months for procurement professionals and that the current employment market would offer some excellent candidates.

On this advice, OGC advertised in April 2003 in *Supply Management* and received over 300 applicants. Members of the GPS Communications Forum then conducted a sift on the basis of qualifications and experience to provide a pool of around 160 well-qualified procurement professionals who have met strict selection criteria and are keen to be considered for future vacancies across government.

Heads of Procurement and Human Resource Directors are invited to consider using this pool:

- When an internal trawl would not provide sufficient candidates alone to make a viable competition
- In addition to a requirement to advertise where internal and external candidates would be considered
- Instead of advertising on the open market where an external recruitment process is used.

Advantages of using the Pool include:

- Reduced advertising costs
- Reduced time and costs of sifting through CVs to obtain interview list
- Reduced time in checking suitability for post
- Reduced time in ensuring that candidates meet minimum criteria to be considered for procurement role
- The pool members have already been approved as suitably qualified for working in government

How to use the Pool

If you would like to take advantage of this initiative, please contact The GPS Administrator, Office of Government Commerce, Trevelyan House, 26-30 Great Peter Street, London SW1P 2BY or email: gpsrecruitment@ogc.gsi.gov.uk or Service desk 0845 000 4999. You will need to provide a copy of the full job description, salary range, location, contact and dates for reply and website address for further information. GPS recruitment will then forward details of the vacancy to the pool, requesting expressions of interest to be returned within 5 days. GPS will then forward the full CVs and supporting professional pen pictures to the recruiting department for those who wish to be considered for the vacancy. The recruiting department is then responsible for contacting the applicants if they wish to pursue the application further.

Overall, this should provide a cost-effective way of providing candidates to fill the many

procurement vacancies within central government, agencies and NDPBs. If you wish to know more or take advantage of the service please email: gpsrecruitment@ogc.gsi.gov.uk