



PROCUREMENT

Implementation of Reverse e-Auctions within the East Midlands

Introduction

This case study highlights the experience gained from the pilot e-Auctions project in the East Midlands, from the viewpoint of Nottingham City, Nottinghamshire County and Northamptonshire County Councils. It also highlights how the project is working in partnership with the East and West Midlands Centres of Excellence (EMCE and WMCE), the Eastern Shires Purchasing Organisation (ESPO), the Office of Government Commerce (OGC) and the remaining 43 local authorities within the region to develop a longer term e-Auction programme to deliver significant cashable savings and benefits.

Quote

“The Nottingham City Council reverse auction for 600 personal computers was a great success with a 28% like for like saving compared to the previous tender, this saved the Council over £180k. To date over £500k has been achieved from five e-Auctions. The results speak for themselves.”

Andrew Foster,
Assistant Director (Procurement)

Improvement through efficiency



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Key benefits

- Delivered true market price and better value for money
- Significant financial benefits, averaging over 20% saving
- Use of improved and modern procurement techniques
- Streamlined tendering systems and processes delivering improved efficiency
- A case study for national best practice

Auctions conducted within the region

Nottingham City Council pioneered the use of reverse e-Auctions in March 2004 when a collaborative procurement exercise with the County Council and three District Councils achieved an 18% saving, 5% of this was attributed to the auction. Nottingham City Council has conducted a further four auctions for PC's, laptops, agency staff and tyres. Total savings of over £500k have been identified as a direct result of these e-Auctions.

Nottinghamshire delivered savings of £250k on a collaborative PC consumables contract worth £1.25m. Further e-Auctions are planned for building supplies in 2006.

Northamptonshire delivered savings of £1m following a Telecoms e-Auction (48% saving), and Agency Staff e-Auction (20% saving).

A total of £1.75m in savings have been achieved over the last 18 months as a direct result of the e-Auctions conducted within the region.

The ESPO and EMCE programme

The EMCE team are co-ordinating a 'two pronged' approach to the implementation of auctions across the region. It is working in partnership with ESPO and the WMCE to deliver a long term e-Auction programme to deliver significant savings. A positive working relationship exists with the OGC to share experience, skills and knowledge and to share resources to deliver 'joined up solutions' where relevant.

The "local" programme - 46 Councils within the region

The EMCE is working with councils in the region to develop a 'local' auction programme that is specifically aimed at encouraging Unitary, County and District Councils to work collaboratively within their respective County areas to implement e-Auctions. The first "local" auction for central heating boilers was pioneered by North East Derbyshire District Council and was held in March 2006. This contract is being made available to all Councils within the East and West Midlands and Eastern regions.

Supporting the National Auction Programme

The East Midlands Centre of Excellence is committed to playing a full and active role in promoting the use of e-Auctions nationally within the commodities, goods and services strategic delivery plan. The EMCE offers advice to Councils within the region and will continue to promote the use of e-auctions where the benefits are feasible and can be realised.

Contact

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