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Workshop Summary

Opportunities for Collaboration in London Technology Procurement

Context

There's a desire across London boroughs to work more collaboratively within technology procurements to learn from best practice, exploit cost efficiencies, and achieve better value solutions and outcomes. The workshop on 30th September 2020 (the slides are available here) brought together key members from LOTI boroughs to discuss opportunities across:

- Collaborative commissioning and joint procurement exercises
- Sharing intelligence on market engagement
- Aligning contracts and supplier relationship management practices

Summary of Key Ideas

Theme	Ideas
To support… collaborative commissioning and joint procurement…	Boroughs should create shared 'memorandums of understanding' or 'master agreements' across boroughs, to mirror how shared strategic suppliers are handled in Central Government.
	Boroughs should publish and share information about their commissioning and procurement timelines to support identification of shared contracting opportunities.
	Boroughs should use an online repository to share procurement intelligence and best practice on specifications and contracts.
To support… shared supplier intelligence and market engagement…	LOTI could facilitate market scoping working groups focused on specific service area technologies.
	Boroughs should create a database to share information on technology pilots and on vendors (sharing structured reviews, or providing contact details of a peer that can speak to working with a vendor).
	LOTI could evolve City Tools database with up to date information, from a greater number of boroughs
To support… standardised contract and supplier management…	Boroughs should use an open forum for Contract Managers to share best practice on (i) contract clauses (ii) management approaches (iii) implementation risks and issues.
	LOTI could create basic contracting terms related to best practice contract management in high risk contracts (e.g. SLAs, service credits, exit management, and continuous improvement).
	LOTI could convene shared user groups of contract managers in high value, common technology contract areas to collectively hold shared strategic suppliers to account.

Full Workshop Notes

PUBLIC presented attendees with information and ideas around three areas of collaboration. Attendees were then asked to comment on the desirability, practicality, and sustainability of each area of collaboration.

Group 1: Collaborative commissioning and joint procurement

Participants

Procurement specialists, including: Steven Blantz, Mark Brickell, Paul Neville, Andrew Clark, Horuf Khan, Demola Ajeigbe, Genta Hajri, and Ricky Morton.

Insights and ideas we presented

Insights on the state of play
- Procurement collaboration can be divided into 'soft' and 'hard' collaboration. Softer collaboration relates to early stage partnerships, knowledge sharing and aggregation, while harder collaboration relates to jointly executing procurements.
- While there were sporadic examples of 'soft' procurement collaboration, 'hard' collaboration was rare, with few participants ever having been involved in a formal joint contracting exercise.
- There is not enough collaboration across boroughs with common suppliers, to share information about price, requirements, or even aggregate demand.

Ideas for collaboration
- Create a new process and working group for boroughs with a common supplier to meet and 'compare notes' - and, where relevant, jointly negotiate contracts / renewals.
- Negotiate prices with suppliers as a group, aggregating demand and minimising transaction costs for both sides.

Group discussion we heard

Appetite and Benefits
- There is more appetite for 'soft' collaboration than hard collaboration. Every attendee agreed that better early stage collaborations and partnerships could increase standardisation and drive better value

Great Ideas
- Creating common 'memorandums of understanding' / master agreements between multiple stakeholders 'strategic suppliers' and boroughs. This would mirror some of the ways that strategic suppliers are handled in the Cabinet Office (GCF).
- All boroughs should publish and share information about their commissioning / procurement timelines - to support the contracting opportunities identified through CityTools and other platforms.
- Use the LocalGovDigital Pipeline as a way of sharing useful common procurement information and best practice - including previous contract specifications and other

documentation.

Challenges and Risks
- Timelines and different governance requirements (especially spend control) make collaboration extremely challenging.
- Any common tool or platform will require sustainable and long-term uptake: Pipeline had a lot of early users and adopters, but is now barely used.
- More broadly, the introduction of new layers of administration or organisation (including regular working groups for boroughs with common suppliers may be challenging) - and boroughs need clear incentives and buy-in to get involved.
- There is a need to communicate the value of partnership with borough's leadership teams (including political leaders) - who may struggle to see the benefit of not 'going it alone'.

Insurmountable Barriers.
- These approaches can only work with suppliers who are willing to take a partnership and collaborative approach.

Group 2: Sharing intelligence on market engagement

Participants

Procurement specialists, including: Rehana Ramesh, Adrian Gorst, Eduardo Whaley, Melanie Rose, Jay Saggar, Onyeka Onyekwelu.

Insights and ideas we presented

Insights on the state of play
- Peers are inspired by others' processes (e.g. supplier lists) but don't necessarily share outcomes (e.g. supplier contact details)
- Market engagement and pre-commercial procurement efforts can be duplicative
- Boroughs have a limited understanding and no systematic process to engage with innovative suppliers

Ideas for collaboration
- Shared supplier lists including experiences with pilots
- Collaborative demo/supplier days and hackathons

Group discussion we heard

Appetite and Benefits
- General interest - have had good experiences when shared services exist
- Considerable wariness about demand on time - when it comes to events, the organisational and logistic burden outweighs the value
- Most useful when there is little experience with vendors (e.g. emerging technologies) and where only London boroughs are peers - where there aren't other buyers that could provide insight

Great Ideas
- LOTI could run market scoping working groups, focused on specific service area technologies (modelled on Assistive Technology workshops). A single borough could lead with others participating voluntarily, with attendance by IT, commercial and

service delivery teams.
- Create a shared database to store information about borough's pilots and vendor reviews (similar to Booking.com). It should store contact details for peers at other boroughs who can share experiences of working with particular vendors. Structured to provide standardised feedback on aspects of vendor experience which they won't advertise (e.g. implementation ability or cost of customisation).
- Evolved City Tools database with up to date information

Challenges and Risks
- Difficulty of making information shared on a database objective
- Legal risk of information sharing, NDA agreements with suppliers, etc.

Insurmountable Barriers
- Jointly-organised one-off events were considered generally too time-consuming and complex to organise

Group 3: Aligning contract and supplier relationship management

Participants

Technology transformation and IT category specialists, including: Sienna Gardner-Hillaire, Joyce Menan, Geoff Hay, Neeraj Mittra, Jason Sam-Fat.

Insights and ideas we presented

Insights on the state of play
- When managing supplier performance, some boroughs take a firm approach, while others are more relaxed
- Some boroughs do not retain central IT contract registers across the organisation
- Boroughs find encouraging or enforcing continuous improvement with suppliers difficult

Ideas for collaboration
- Contract Design: Share best practice SLAs and service credit schedules
- Implementation: Share intelligence of key risks and issues at mobilisation
- Performance Management: Share knowledge about suppliers' continuous improvements
- Performance Management: Form joint user groups able to hold suppliers to account collectively

Group discussion we heard

Appetite and Benefits
- Collaboration would definitely help less mature boroughs plug skills gaps by learning from others
- Working together to collaboratively manage shared, high-value, high-interest contracts would likely encourage better supplier outcomes
- Even small groups of buyers can achieve much better value together
- Even one good SLA can demonstrably improve the value of a contract, so it is worth sharing best practices

Great Ideas

- There should be an open forum for Contract Managers to share best practice on (i) contract clauses (ii) management approaches (iii) implementation risks and issues. This could be facilitated as a new shared workspace on MS Teams with document sharing and live Q&A. This would work best for commodity or off-the-shelf technology products.
- LOTI could be responsible for creating basic contracting terms related to contract management: for instance, SLAs, service credits, exit management, and continuous improvement. This would be most valuable in high risk contract types, e.g. adult social care technology, where stipulating common, high standards of supplier performance is most valuable.
- LOTI could convene user groups of contract managers in high value, common technology contract areas where there are a few strategic suppliers. For example, a user group for Northgate Housing system owners, or for Mosaic Social Care system owners. The groups would meet at regular intervals to collectively hold the supplier to account for their performance, and as a group push collectively for better outcomes. This replicates how borough IT teams often feedback as a group to large, strategic suppliers on their technical features and issues.

Challenges and Risks
- Besides in commodity goods, each borough will have slightly different technology requirements so we much be cognisant of that when seeking to learn from best practice contract information
- Moreover, each borough will adopt a different risk appetite around technology which will also be reflected in the design and management of their supplier contracts
- Applying service credits as a performance management technique is often necessary, but not sufficient to good outcomes. We must also consider good supplier relationship management as key to good performance.
- It must be easy for Contract Managers to engage in shared working practices, as everyone is busy.

Insurmountable Barriers
- Some large suppliers may be unwilling to work with London-based user groups, particularly if they know that this will lead to firmer performance management.