**Procurement Journey**

**Best Value Triangle**

**Best Value Triangle**

* + Design / development
	+ Integrate logistics
	+ Frameworks to reduce for lengthy tender processes
	+ Implement ‘Lean’ supply techniques to minimise waste
	+ Work with suppliers to identify and prioritise options and alternatives

Improve

Specification

Restructure Relationships

Consolidate Spend

Increase

Competition

Restructure

Supply Base

Reduce Consumption

Optimise Total

Supply Chain Costs

Reduce / Eliminate

Transactions

Total Cost Management

Purchase Demand Management

Supply Base Management

Reduce Total Life cycle

/ Ownership Costs

Cost

Cash

Quality

Service

Innovation

Sustainability

* + Develop strong relationships with preferred suppliers
	+ Introduce supplier development programmes
	+ Review / establish service level agreements
	+ Establish incentivised contracts
	+ PPI/PPP contracts where appropriate
	+ Build sustainability into contract management where appropriate
	+ Tender requirements for all spend
	+ Open book contracts
	+ Supplier consolidation – framework agreements
	+ Rationalise requirements and suppliers
	+ Low value ordering systems (e.g. GPC)
	+ e-Procurement Scotland
	+ Consolidate invoices
	+ Reduce resource consumption through streamlined process and enablement
	+ Optimise delivery schedules, lot sizes and network to reduce impact on ecosystem
	+ Common specification
	+ Leverage across departments
	+ Collaboration with other public sector bodies
	+ Implement framework agreements
	+ Manage sustainability compliance
	+ Detailed specifications
	+ Lower cost specification
	+ Optimal service level
	+ Quantify spend volumes
	+ Future proof cost of supply considering sustainability
	+ Low impact/cost of disposal
	+ Durable products where appropriate
	+ Price / performance benchmarking
	+ Value for Money – cost vs benefits
	+ E- Auction
	+ Cost breakdown analysis
	+ Build supplier performance on sustainability into evaluation where appropriate
	+ Business case to include estimated savings
	+ Eliminate need
	+ Challenge demand
	+ Find alternative ways of meeting needs (curtains instead of void protection; DIY grant instead of home redecoration)
	+ Policy changes
	+ Reduce maverick spend
	+ Re-use and sharing of products and services
	+ Re-engineer processes
	+ Outsourcing
	+ Reduce inspection
	+ Reduce stock holding
	+ Build disposal costs into TCO model
	+ Build sustainability into NPD process
	+ Mini competition using existing collaborative contracts, e.g. SPD or OGC contracts

**Blank Best Value Triangle**

* + XXXXXX
	+ XXXXXX
	+ XXXXXX

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| **Best Value Option – Table Version**  **Best Value Opportunity Assessment**  |
|  |  | Description | Ease | Time | Benefits  | Resources | Pros | Cons |
| **Purchase Demand Management** | Reduce Consumption |  |  |  |  |  |  |  |
| Consolidate Spend |  |  |  |  |  |  |  |
| Improve Specification |  |  |  |  |  |  |  |
| **Supply Base Management** | Restructure Relationships |  |  |  |  |  |  |  |
| Increase Competition |  |  |  |  |  |  |  |
| Restructure Supply Base |  |  |  |  |  |  |  |
| **Total Cost Management** | Optimise Total Supply Chain Costs  |  |  |  |  |  |  |  |
| Reduce Total Ownership Costs  |  |  |  |  |  |  |  |
| Reduce Transactions |  |  |  |  |  |  |  |