



Commercial know-how on demand



Peterborough City Council established a commercial office in 2008 to tip the balance of power in the procurement process from the 'supplier' side to the 'buyer' side. The commercial office has become a trusted collaborative partner for budget holders, and has brought about a greater commercial awareness across the council.

THE CHALLENGE

- ➔ Procurement teams can sometimes lack the commercial and negotiation expertise needed to create the ever greater savings required.
- ➔ In 2007/08 around 60 per cent of Peterborough City Council's non-salary spend was not associated with any commercially negotiated contract. This meant that the council was not effectively exploiting its position as a significant buyer of goods and services to obtain best value.
- ➔ There was no end-to-end overview of the purchasing and contract management process; poor procurement and disparate relationships with suppliers caused systematic value for money and compliance issues.

THE SOLUTION

- ➔ Peterborough City Council worked with AMTEC Consulting plc and its delivery partner V4 Services to set up a commercial office – a specialist, expert team which takes an end-to-end view of procurement.
- ➔ Its express goal is to maximise the commercial effectiveness of every penny spent, by constantly challenging if, why, what, and how we need to buy.
- ➔ In the short term, the commercial office fills the skills gap with expertise 'on tap'. In the mid to long-term, it teaches the required skills across the organisation, building capacity within the council to drive improvement and lead transformation.



THE BENEFITS

- ➔ Over £1.5 million savings delivered and repeatable each year.
- ➔ A strong focus on securing the best value for money and compliance across the board.
- ➔ Corporate-level visibility over spending where previously the view was fragmented along departmental lines.
- ➔ Procurement officers now have access to the information and expertise to have well-informed commercial conversations with suppliers.
- ➔ On-demand know-how in specialist disciplines such as demand management, category management, negotiation, and supplier relationship management.

“Peterborough’s commercial office is an indispensable addition to the way we think about procurement. It has enabled us to extract immediate savings and to be more astute in our dealings with suppliers. I am confident that the further development of this project, including the collaboration with other bodies, will add further value and deliver greater benefits to the people of Peterborough.”

John Harrison,
Executive Director – Strategic Resources, Peterborough City Council