**Procurement Journey**

**E- Capability ITT**

**eCommerce**

53. The effective use of technology is at the heart of procurement reform and Scottish Procurement is leading a number of core initiatives to ensure that public procurement delivers value for money and contributes to the Scottish economy.

54. The Scottish Government’s eCommerce Shared Service brings together all the steps involved in doing business with the public sector in Scotland. It is a collaborative electronic environment, that promotes improved capability across public procurement in Scotland. As well as enabling business to be conducted more simply, consistently and effectively, it plays a key strategic role in delivering and sustaining procurement benefits and best practices. The use of technology presents greater opportunities for procurement managers to influence business by streamlining and standardising procurement process, delivering more effective contracts, monitoring procurement activity and collaborating more effectively.

55. The eCommerce Shared Service delivers Purchase-to-Pay (P2P) capability through the following systems:

* PECOS P2P system provides a consistent interface to suppliers through standard order, receipt and invoice functionality. It enables business workflows and audited approval processes to be implemented to ensure compliance to procurement and finance guidelines.
* Catalogue Content Management (CCM) hub hosts electronic catalogues for contracts at national, sectoral and local level. It increases compliance to contracts, drives out appropriate contract management information and embeds standard procedures and processes. The hub allows suppliers and procurement teams to easily manage the upload, validation, approval and publication of electronic catalogues for use by public sector bodies. The hub also enables the distribution of catalogues in a variety of formats, such as the PECOS P2P catalogue file, to allow the upload of catalogues into different P2P systems.

56. PECOS P2P has been deployed to approximately 100 Scottish public sector Contracting Authorities including local authorities, central government, NHS, universities and colleges. CCM is currently being used by the procurement Centres of Expertise and a number of individual Contracting Authorities to manage the approval of catalogues and access to catalogues. CCM will continue to be deployed across the public sector over the next 18-24 months.

57. PECOS P2P and CCM provide a number of key benefits to Contractors:

* standard and consistent interfaces to the public sector in the presentation of catalogues, the receipt of purchase orders and payment mechanisms (including eInvoicing and Purchase Cards);
* where P-Cards are utilised, suppliers can receive payment in as little as 3 days from when the goods are dispatched from warehouse; • where catalogues are used, the supplier only needs to amend content once and it then flows to all Contract Authorities using that catalogue;
* receipt of accurate and standard purchase orders which should reduce the number of invoice mismatches; and
* development of eCommerce capabilities to support further business opportunities.

58. Supplier eEnablement is the process of enabling suppliers to conduct business electronically through the eCommerce Shared Service A clear and consistent approach is used by the Service in the e-enablement of suppliers to remove duplication of effort and mixed messages.

59. There are a number of different options available to suppliers in the provision of content, transmission of orders and payment of goods/services.

60. Content Options:

* eCatalogue - simple to create, using a standard excel template to detail products, pricing, UNSPSC (commodity) coding, images etc.;
* Punch-Out - where a transactional website has already been developed by the supplier, PECOS P2P shall connect to this website allowing users to create a shopping basket and bring back the details to complete the requisition within PECOS P2P;
* Non-Catalogue - allows requisitioners to enter free-text requisitions where none of the above content options are available.

61. Purchase Order Transmission Options:

* Post – a paper purchase order is produced by PECOS P2P and posted to the supplier.
* Fax - PECOS P2P creates an electronic fax purchase order that is sent automatically to the supplier.
* E-mail - PECOS P2P produces an PDF purchase order that is automatically sent to the supplier's e-mail in-box.
* cXML - PECOS P2P sends a cXML file directly to the supplier's back office system (please note that there is a one-off charge for this method but allows multiple Contracting Authorities to use the connection).

62. Payment Options:

* Paper Invoice - Supplier submits a paper invoice to the organisation as standard for each purchase order received.
* Embedded Purchase Card - This payment option allows the supplier to charge the cost of the goods/services provided to a VISA Government Procurement Card (GPC) belonging to a Contracting Authority . The supplier shall receive payment from VISA therefore negating the need to provide an invoice to the Contracting Authority.
* Consolidated Electronic Invoice - Supplier submits a single invoice covering multiple purchase orders in an electronic file.
* Self-Billing - Once the Goods Received Note (GRN) has been entered on PECOS P2P, a payment instruction is automatically sent to the Contracting Authority’s finance system to make payment to the supplier for the goods/services received.
* Electronic Invoices - Supplier submits an electronic invoice directly to PECOS P2P or a Contracting Authority’s finance system.

63. The Contractor when providing catalogue data or punch-out solution is required to maintain price and product data in accordance with that agreed in the Framework, including any updates.

64. The Contractor is required to work with the Authority and the Framework Public Bodies in the promotion of process efficiencies.

65. However due to the nature of this collaborative procurement, the Framework Public Bodies are at different stages of automation. Accordingly, the Contractor should still be able to provide ‘traditional’ forms of communication, such as, order via telephone and facsimile, paper timesheets and invoices.

66. Scottish Ministers (through the eCommerce Shared Service) have introduced and are aspiring to reach a level of 100% e-invoicing. The Contractor shall be required to work with the Authority and Framework Public Bodies in implementation and roll-out of e-invoicing during the lifetime of the Framework Agreement.