**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 |  |  |  |  |  |  |  |