

Government Procurement Card

APECA / Etats
Généraux



Summary

- Introduction to English Local Government
- Introduction to Government Procurement Card (GPC)
- Office of Government Commerce & GPC
- GPC and Local Government
- Benefits
- GPC and Local Government – the future
- Why has GPC been so successful?

Local Government in England

- One department, with central government responsibility for Local Government
- Two tier system: county and district councils
- Unitary councils, single tier authorities.
- €61bn (£42bn) spent by local government each year
- 388 Councils
- 38 County Councils

What does Local Government spend €61bn on?

Social care

- Care for the elderly, infirm, those with disabilities
- Residential care and domestic care

Housing

- New homes
- Repairs & upkeep (decent homes initiative)

Schools

- Buildings, school equipment
- Supply teachers

Others

- Highways, leisure services, street scene, libraries.

What is GPC?

- A government card scheme for use by any public sector body, (hospitals, schools, councils etc).
- The contract was let by the Office of Government Commerce (OGC) and was awarded to a consortium of Visa issuing banks.
- The contract is managed by OGC and Visa in partnership.
- The contract provides preferential terms to all government bodies (e.g. basic service is free to implement and use).
- Visa support OGC by running user groups, providing consulting and monitoring the programme.



2006 GPC figures

- GPC Visa schemes in operation: 790
- GPC Visa cards in use: 93,867
- GPC Visa spend on cards: £676,052,175
- GPC Visa transactions: 3,878,588
- Average spend per transaction: £174.30
- Monetary savings: £108,600,4641

2006 GPC figures contd.

- Paper savings: 38,785,880 sheets of A4 paper²
- 2006 has seen the greatest growth in transactions on GPC Visa to date, over a million more transactions than in 2005
- 13 million transactions since 1997
- 1,872 cards in 1998
- 93,867 cards in 2006

Office of Government Commerce and GPC

- OGC let the GPC contract to Visa
- OGC is a central government department (like dept of Health)
- Responsible for helping all government become more effective in their spending
- OGC signs contracts for government (e.g. car hire, mobile phones, IT equipment, software and GPC)
- OGC also provides support for procurement initiatives across government.

GPC and Local Government

- In most cases, each council implements a separate scheme
- Council spend on GPC
 - Travel
 - Stationery & office supplies
 - Hotels
 - Building supplies
- 256 schemes in Local Government (388 authorities)
- 15% of spend on GPC is made by Local Government, 300% growth in transactions from 2005 to 2006
- Savings: €28.17m (£19.30m)

GPC – Benefits to Local Government

- Less work managing payments
 - Average cost of processing an invoice €30 - €75
 - Average cost of processing GPC payment €5 - €15
- Visibility of spend
 - Who spends what, where and when
- Control of spend
 - Embedding and Lodging gives total control
- Meet government targets
 - E-Procurement
 - Prompt payment

Cards & Local Government: the future

- More schemes in Local Government
 - More strategic approach
- Further integration with suppliers and e-procurement
 - Embedded cards
 - Lodge cards
- Greater numbers of suppliers
 - Bristol supplier adoption
 - Level 3 transactions
- Prepaid schemes
 - Kent County Council – Social Care
 - Benefits? Housing?

Lodge cards & embedded cards

- Lodge cards:
 - Supplier retains the card details
 - Orders sent to the supplier
 - Supplier processes the order using the card details
 - Multiple cards possible
 - Level 3 data common
- Embedded cards
 - Card details are 'stored' into an e-procurement system
 - Card details are appended to secure e-mails
 - Supplier receives e-mail and uses card details
 - No supplier adoption
 - Supplier needs to have an e-mail address
 - Good for infrequent spend

Why is GPC successful?

- Easy to buy - call a bank, say “I want GPC”
 - OGC framework enables easy purchase
 - GPC is free
- Excellent product
 - Easy to use / implement
 - Low cost compared to alternatives
 - Easy access to suppliers (less need to adopt suppliers)
 - Flexible (any size scheme, multiple options)
 - Promoted by Visa, not just by banks
- Government pressure
 - Targets for using purchase cards
 - Woven into the ‘efficiency agenda’

Clients

Portsmouth City Council
Cambridge City Council
Bristol City Council
Luton City Council
Gateshead City Council
London Borough of Newham
Belfast City Council
Exeter City Council
Plymouth City Council
Dorset County Council
Society of Procurement Officers

Visa Europe
South West Centre of Excellence
Office of Government Commerce
OGC Buying.Solutions
Deloitte
North West Centre of Excellence
Dept. for Communities
East of England Centre of Excellence
The National e-Procurement Project
Gloucestershire Electronic Partnership
Keytree Associates

Ian Makgill
www.ticon.uk.com

