



Political

ISSUE
Government policies

IMPACT
Changes in public expenditure or taxation can impact buyer behavior and procurement strategies – placing increased pressure on public spend.

ACTION
Ensure you assess any governmental changes and consider how this will impact on your procurement activity and the markets you work within. Various sectors (e.g. health, education, transport) experience different impacts. Undertake a SWOT analysis based on the change/s and develop your strategy following this.



Economic

ISSUE
The economic uncertainty of Brexit

IMPACT
This uncertainty impacts cost management (through significant exchange rate fluctuations and suppliers increasing prices) and could have a potential impact on public procurement long term. There has not been an announcement on the intention to review public procurement legislation in the UK following Brexit. The Public Contracts Regulations 2015 are built into UK law, however cost management remains a tough challenge!

ACTION
Investigate the use of existing frameworks as your route to market; Fusion21 frameworks support members to provide cost certainty, cost avoidance and efficiency savings against significant price fluctuations. This is achieved through effective supplier relationship management (SRM) and commercial management.



Social

ISSUE
Changing demographics

IMPACT
This creates risk for public procurement organisations to ensure that the goods, works and services delivered are flexible to meet these changes. For example people living longer impacts on the demand for social care services.

ACTION
Engage and create strong relationships with your economic development department (or assess local market factors and challenges) to ensure you can access vital information that shapes your procurement strategy; ensuring contracts meet the demands of the market and are flexible to changes. Equally, make sure your procurement strategies consider impacts on local communities and weigh up how your supply chain can support you to maximise social value for your communities and local economy.

Managing *challenges* in public procurement

ACTION
Build e-sourcing requirements into your procurement activity. Fusion21 frameworks are procured managing a fully electronic sourcing process which mitigates risk and cost to public organisations and supports compliance requirements.

IMPACT
E-submissions will be mandatory for all contracting authorities by October 2018. Whilst e-sourcing requirements can bring challenges in ensuring staff are trained and can implement e-sourcing activity, it has a range of benefits that can support you including:

- Greater transparency and audit;
- Shortened procurement timescales;
- Potential to deliver increased savings;
- Greater innovation;
- Opens up opportunities to bigger markets including improvement to SME bidding and standardisation;
- Reductions in administrative burdens and subsequent cost savings.

ISSUE
E-sourcing and e-procurement

ACTION
Ensure compliance with procurement legislation whilst making use of the opportunities that come with delivering best practice procurement and significant efficiencies for your organisation. Fusion21 mitigates legal risk on behalf of our members and creates procurement strategies that deliver strong commercial outcomes and compliance.

IMPACT
The legislation sets out to provide transparency and equal treatment in how public procurement professionals operate. Whilst this supports consistent practice it can also create a platform for legal challenge from unsuccessful bidders.

ISSUE
Ensuring compliance with EU Procurement Directives and Public Contracts Regulations 2015

ACTION
Undertake sustainability risk assessments as part of your pre-procurement activity to ensure sustainability issues are considered and plans are in place to positively impact the environment and economy through your third party spend.

Delivering social value should feature as contractual requirements and within contract award criteria where it is suitable to the subject matter of the contract.

IMPACT
There is a requirement for organisations to deliver sustainable outputs through their procurement activity, such as creating social impact through the Public Services (Social Value) Act 2012.

ISSUE
Delivering sustainable procurement



Technological



Legal



Environmental