

How can we help you?

Saving money with the Government Procurement Card



- No cost to user or transaction fees
- Can be used anywhere in the UK

- Contract managed
- Guaranteed payment

The Office of Government Commerce

We're here to help you

All of us in the public sector face the challenge of making scarce resources go further by achieving efficiency savings. With ambitious targets of £21.5 billion annual savings by 2008, including over £6.5 billion from local government, there is no doubt that the challenge is tough. For those of us involved in procurement, which is expected to make the single largest contribution to efficiency savings, the challenge is even more urgent.

The first step in meeting these challenges is collaboration. We need to work together to secure better deals, by aggregating demand where appropriate and competing more effectively in the marketplace. As you will see in this short guide to the Government Procurement Card, the experienced procurement professionals and sector specialists here at the Office of Government Commerce are a resource for you. Whether you need an informal chat with an expert about managing an existing contract, or are looking for a new and better deal, our team offers you the advice, contacts, information, and tools to assist you to meet and exceed the strategic and financial goals of your organisation.



Please let us know how we can help. We look forward to hearing from you.

John Oughton
Chief Executive, Office of Government Commerce

How to find out more about saving money with the Government Procurement Card programme

Email us

Email the GPC team with your questions at:
gpc@ogc.gsi.gov.uk

Go online

There is a wealth of information on how to implement a GPC programme in your organisation on the OGC website at:
**[www.ogc.gov.uk/
tools_services_govern
ment_procurement_
card.asp](http://www.ogc.gov.uk/tools_services_government_procurement_card.asp)**

Call us

Whatever your query, the OGC Service Desk can direct you to the right person to help:
0845 000 4999
OGCBuying.Solutions
Service Desk:
0845 410 2222
Press enquiries:
020 7271 1318

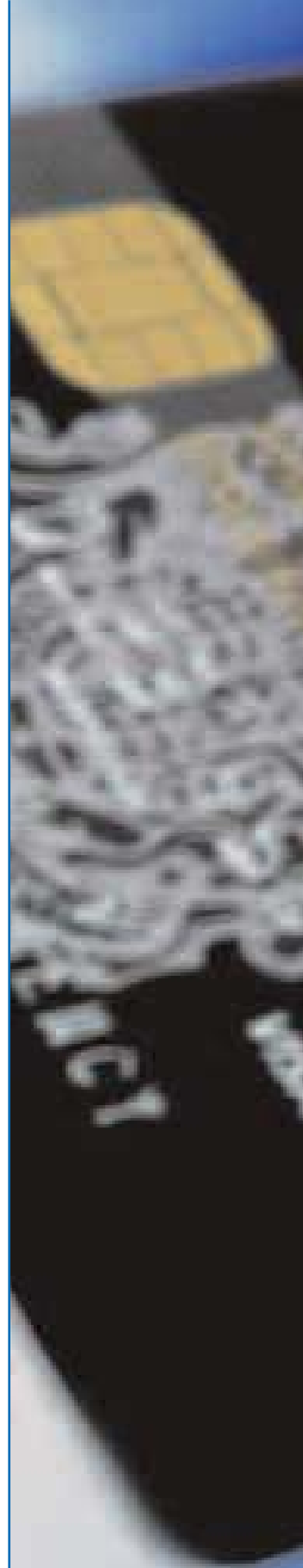
What is a Government Procurement Card?

Government Procurement Cards (or GPCs) are Visa branded purchasing cards used increasingly by organisations across the UK public sector to buy high volume, low value goods and services – from office supplies to taxi fares – in a cost and process efficient way. More than 85,000 cards have been used to buy goods and services worth more than £2 billion since OGCBuying.solutions and Visa launched the GPC framework in 1997. The framework is now open to every department, agency and organisation in the public sector.

How can a Government Procurement Card help your organisation?

By introducing GPC programmes, schools, colleges, police forces, local authorities and government departments have saved almost £338 million to date, and are achieving strategic efficiency and procurement objectives such as:

- A dramatic reduction in the number of low value purchase-to-pay (P2P) transactions processed (including the requisitions, purchase orders, invoices and remittance advices), contributing towards a minimum saving of £28 per transaction from reduced administrative effort and handling costs¹
 - a valuable contribution to the rationalisation and convergence of the P2P process with e-commerce or e-procurement agendas in the public sector
- promoting cultural change towards a sustainable, commercially aware approach to procurement throughout their organisation
 - improved understanding of demand and cost patterns in their organisation.
 - helping meet environmental and sustainability goals by reducing paper use
 - helping meet Government targets on prompt supplier payment.



¹Source: 1999 KPMG/OGC study, endorsed by the National Audit Office.

The Government Procurement Card framework

Key features

Contract overview	Organisations already participating include
<ul style="list-style-type: none">■ The framework agreement negotiated by OGcbuying.solutions provides an environment in which the seven Visa-issuing banks in the framework actively compete for each potential user organisation's business <p>The current contract commenced in February 2003 and will run until January 2010.</p>	<ul style="list-style-type: none">■ London Borough of Barnet■ Bebington and West Wirral PCT■ Kensington and Chelsea College■ Humberside Fire and Rescue■ Hyndburn Borough Council■ Department for Constitutional Affairs■ William Sutton Housing Association■ Metropolitan Police■ Cornwall County Council■ Brunel University■ Health and Safety Executive■ Bristol City Council■ Environment Agency■ Notting Hill Housing Group■ Walsall College■ Coventry City Council■ Natural Environment Research Council■ Central Laboratory of Research Council
Key features	
<ul style="list-style-type: none">■ No card fees or transaction fees■ No cost to user■ Can be used anywhere in the UK where Visa is accepted, including online stores■ Contract managed by OGcbuying.solutions, including monitoring key performance indicators■ eSuppliers guaranteed to receive payment within four working days.	

“By introducing GPC programmes, schools, colleges, police forces, local authorities and government departments have saved almost £338 million to date”

Empowering employees, eliminating paper chasing, improving control

Further Education Colleges in England

Following a series of GPC seminars for FE colleges co-hosted by the Office of Government Commerce in 2006, the Learning Skills Council ran a mini tender exercise and selected Barclays as preferred GPC supplier to the sector. Now, one hundred and forty FE colleges have implementation underway, and are, or soon will be, rolling out GPCs to employees.

At Furness College, a mid-sized FE college in Cumbria, the GPC scheme has already proved so successful that the college wants to treble its initial credit limit. Peter Baker, Furness's Director of Corporate Services, was an instant convert.

"The light bulb went off at a GPC seminar I attended in Manchester in April 2006. By the end of June, 12 of our staff had GPCs, and another 12 received them over the next four months." With the GPC, the College has greatly reduced the need to use a time-consuming requisition order and approval system. "By trusting our employees to make their own buying decisions – within their budgets – they've started taking a much greater and more active interest in procurement," Baker says. "Even our site manager is now boasting about some of the bargains he's managed to achieve from suppliers!"

Jon Mold, Director of Finance at Derby College, the eighth largest FE college in the UK, has a lot on his plate. Aiming to deliver £250,000 in efficiency savings on his £10 million procurement budget, at the same time as finding cash for vital capital projects, Mold sees GPC as a key tool in achieving his college's goals.

"Until recently, we never had a central, coordinated approach to procurement. Now, having identified a procurement champion and a group of budget holders and technical specialists to hold GPCs, we have a more focused procurement unit which is making much better buying decisions," says Mold.

Mold particularly appreciated the convenience of having a preferred GPC supplier. "It saved me a lot of time going round talking to all the banks and we could get on with implementing the card and achieving efficiency gains: a straightforward purchasing process, and our finance staff not having to waste their time chasing bits of paper when they could be doing something else more productive."

As Financial Controller of South Nottinghamshire FE College, which employs 600 staff, Keith Gregory also has his work cut out to keep tabs on spending.

"As we couldn't afford to employ a dedicated procurement manager, buying used to be done ad hoc by programme area managers and department managers, without any real responsibility. Attending the GPC seminar organised by the Learning Skills Council, DfES and the OGC prompted us to analyse our spend. We discovered that while 80% of our invoices were for a value of less than £150, each one of those was costing us around £30 to process!"

Gregory began by identifying eight lead buyers in specialist areas – such as IT, stationery and reprographics – to hold GPCs and take responsibility for spending in their area.

"In adopting the GPC, we know there is a small adverse effect on cash flow, but nothing compared to the cash savings we expect to achieve on processing invoices and improved monitoring and control over spending in general."

"By trusting our employees to make buying decisions, they have started taking a much greater interest in procurement"

■ Peter Baker, Director of Corporate Services, Furness College of Further Education

If you represent an FE college and would like to find out more about joining the FE GPC programme, please contact our team by emailing us at GPC@ogc.gsi.gov.uk or calling the OGC Service Desk on 0845 000 4999.

Achieving savings and flexibility with GPC

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Coventry City Council

Delivering better value services to its 300,000 residents is a key objective for Coventry City Council. To help achieve this goal, Council members and employees introduced a Government Procurement Card programme, which is already achieving efficiency savings in purchasing and administration, and freeing up valuable resources for front line public services.

“With GPC it costs us just 58p to make a purchase, compared to at least £20 processing a traditional paper invoice”

■ Mike Revis,
Lead Accountant
Coventry City Council

Mike Revis, lead accountant at Coventry City Council, decided to start looking into the option of Government Procurement Cards in 2002 following the council's value review on procurement. The review's results had suggested that using procurement cards could reduce costs compared to traditional methods of processing paper invoices.

Revis's team tested the water with a pilot scheme of just four cards, administered by Barclaycard Business. The pilot scheme was successful, and procurement cards were rolled out council-wide. Three hundred cards were issued in the first phase of roll-out, and there are now over 700.

The council has found that its GPC programme has delivered real efficiencies for all its service directorates. Revis estimates that it costs just 58p to make a purchase using the card, compared to a minimum £20 cost of processing a traditional paper invoice. But the efficiency savings Coventry have identified go far wider than streamlined invoice administration:

“Using the purchasing card means that staff are able to quickly and securely purchase goods and services, which saves time and money,” says Revis.



“At the moment, we are finding them particularly useful for the council's reactive repair teams, who are now able to purchase goods from trade suppliers and wholesalers while out on a job, instead of wasting time travelling back to the council store to pick up materials. This is a lot more convenient for the staff and council as a whole.”

Effective implementation strategy delivers results

Hertfordshire Constabulary

The introduction of procurement cards at Hertfordshire Constabulary is the latest move in a three year programme to support operational policing through a new strategic approach to the procurement function.



Procurement project managers decided early on that implementation needed to start much earlier than the appointment of a procurement provider. The key to effective implementation would be to include all contributors to the purchase to pay process from the beginning.

First, potential card users were identified by developing and streamlining the procurement process. This clarified thinking and helped managers to understand how far the project could extend across the Constabulary, opening up the potential beyond the key procurement teams. At this stage in the process, it was agreed that the maximum transaction size would be limited to £1,000.

Concerns then started to emerge regarding fraud, trust, budget development and auditability. Should managers be the only ones to be allowed to hold cards? Should transactions be limited to purchases from VAT-capable suppliers? Should payment of the card account occur before user approval? Restriction of card holders was a key concern which could have had a big impact on implementation and realisation of the full potential of the programme. This hurdle was cleared by discussions with managers and users to establish where lay the true need for the card. Managers did not actually want to be involved in day-to-day operation and purchasing low value items. Communication with GPC-using organisations willing to share their experiences also helped to clear up internal concerns.

Now in the first year of implementation, the project continues to evolve. Transaction limits, for example, have been changed: they are now flexible and set to meet business needs.

Mrs P Davies, one of many satisfied users at Hertfordshire Constabulary, described her experience using the card:

“My card provided the quickest delivery. I ordered a mobile phone and accessories and had them delivered to my desk within one and a half hours. It used to take days!”

“potential card users were identified by developing and streamlining the procurement process”

How to find out more about implementing the Government Procurement Card in your organisation.

Email us: gpc@ogc.gsi.gov.uk

Go online: www.ogc.gov.uk/tools_services_government_procurement_card.asp

Call us: OGC Service Desk can direct you to the right person to help: **0845 000 4999**

OGCBuying.Solutions Service Desk: **0845 410 2222**

Press enquiries: **020 7271 1318**



Office of Government Commerce

About OGC

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OGC Service Desk

OGC customers can contact the central OGC Service Desk about all aspects of OGC business.

The Service Desk will also channel queries to the appropriate second-line support. We look forward to hearing from you.

You can contact the Service Desk 8am - 6pm Monday to Friday

T: 0845 000 4999

E: ServiceDesk@ogc.gsi.gov.uk

W: www.ogc.gov.uk

Press enquiries

T: 020 7271 1318

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