

Trends in Procurement

Addressing Procurement Challenges in the Purchase of
Bus Services



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Procurement

Is the process by which we identify and deliver organisational benefits through an effective supply chain and supplier engagement.



- Three phases of Procurement
 - Planning
 - Execution and Evaluation
 - Benefit Realisation

Procurement in the Wild

- Political priorities
- The completion between price and value
- Overly heavy handed risk exchange
- A focus on execution over planning
- Trust deficits between contracting parties
- Transactional Focus

“Government must formally acknowledge at the highest level that the procurement and contract management tools appropriate for buying ‘paperclips’ – highly commoditised, easily specified goods and services – are not appropriate for commissioning complex support services and front-line human services”. – Sturgess 2017 *Just another Paperclip?*

Rethinking the Market for Complex Public Services

A person's hands are shown holding a Rubik's cube against a dark teal background. The cube is partially solved, with red, blue, and yellow faces visible. The text "How we might address these issues" is overlaid in white, with a vertical line to its left.

How we might
address these
issues

Emerging Themes



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Enabling Technology

Technology that changes the tasks, provides insight or creates new ways to address the complexity of our systems



Supplier Engagement

Finding the balance between probity and partnership to deliver value and governments policy outcomes



Value Focus

Using procurement principles and new approaches to help define, build in and discover new value through the process



Enabling Technology

Automation

Artificial Intelligence

Leveraging Data

Blockchain

Democratisation of Scale



Supplier Engagement

Strategic Commissioning

Probity

Enabling the Specialist

Positive Contract Relationships



Value Focus

Social Procurement

Modern Slavery Legislation

Sustainability

Bringing Expertise into the Process



Questions and Opportunities

Key points for government and industry to ponder and discuss in the future.



- Planning is important, embrace the idea that we do not “buy” things for fun.
- How do we identify and use the right technology and data.
- How can we properly measure and focus on quality in the procurement process not just in our suppliers?
- Can we collaboratively define performance and customer outcomes to help deliver the public good in a dynamic environment.
- What sort of bus operator market does government want, and what benefits should they deliver?
- What role does government play in the new mobility market and how do models of procurement and the industry we are building play in a world of MaaS?