

Your latest challenge is how to maintain supplies?

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The global Covid-19 pandemic and the different impacts on Government services and the private sector alike have brought a new focus for professionals from all disciplines. One of the foremost areas affected has been that of procurement.

The pressures in this area have been many, including:

- Continuity of supply for essential products
- Drawing from and replenishing emergency stores
- Resisting increased prices from suppliers for established products
- Managing the supply chain where established suppliers have gone out of business at short notice
- Calling in large quantities of key supplies during a world-wide demand and supply shortage
- Managing logistics challenge when travel restrictions have been applied globally, affecting established delivery methods
- Finding new suppliers to support different ways of working
- Managing procurement demands in the light of financial regulations and national/international procurement legislation

For many procurement professionals, these issues have highlighted the need for organisations to have clear planning procedures, not just for service delivery or achieving the end product, but also in terms of the overall procurement process and examining how procurement is an essential contributor to the continuity of the supply of goods and services.

The crisis has also challenged the effectiveness of suppliers' management systems and their resilience to the abnormal pressures that have occurred.

What has been evident is the need for organisations to understand how their supply chain works - and what the impact will be on outcomes if it doesn't! Another major learning point for Government and businesses has been how to manage broken links in the chain when suppliers or component areas fail or go out of business. Finding another provider has not been easy because, either:

- Particular commodities may be specialist and there are limited suppliers in the market
- It seems that many other organisations are also searching for replacement suppliers and demand is beyond the normal peak expectation
- Alternative suppliers exist but they do not have the capacity to increase production to fill the market void
- Supplies are available but at premium prices or are not of the correct quality
- Procurement legislation requires a specific process to be followed and a permanent waiver to facilitate a new contract cannot be achieved

How can procurement teams and spending officers accommodate all of these scenarios but stay within the regulatory framework and maintain service outcomes? There are many potential ways forward.

In some cases, this has meant a review of the way in which we work. Do we really need this piece of equipment? Is there an alternative that can readily be sourced? Can we join with other purchasing organisations to present a more attractive sourcing requirement, greater market share and perhaps the

benefit of a lower price? Are we able to look at wider, world-stage, markets to source the goods and equipment that we need for our essential services?

Have emergency regulations been passed by the national Government to ease contracting restrictions? If so, how do we ensure that the very real considerations around value for money, competition and legitimacy are maintained?

For suppliers, it has meant that they may need to look at their approach to manufacturing or service delivery, including new ways of working, compartmentalisation of the production methodology, partnering with other companies or small businesses to ramp up output or create innovative products to meet high consumer demand.

What UK case study examples can we draw on since the pandemic crisis and restrictions have applied? Obtaining supplies of personal protective equipment (PPE) has been difficult for Government and business sources. Government PPE was sourced from various organisations, including suppliers based in the Middle- and Far East. Travel restrictions and the inability to inspect samples meant that delays occurred in delivery and some supplies did not conform to the pre-defined standards. For some private companies, placing repeat orders for selected PPE and components to support their manufacturing process resulted in established suppliers increasing prices by up to 500%.

A more positive UK example has been the construction, in less than two weeks, of emergency 'Nightingale' field hospitals fully equipped to cope with thousands of patients, using existing regionally-located buildings. This has involved excellent collaboration between the military, health service teams and contractors. From a supply perspective, there have been examples of creativity in producing face masks using 3-D printers or motor racing's Formula One engineering teams collaborating with manufacturers to produce alternative ventilating equipment for coronavirus patients.

What are the lessons that we can take forward for the future, plan and build into new contracts as they become due?

- Assess and identify the risks in procurement practices and the supply chain affecting the organisation's deliverables
- Consider how resilient the organisation is to handle and manage the risks
- Examine supplier selection criteria including qualitative standards
- Examine contract length to protect essential supplies and safeguard the organisation from unrealistic price-hikes
- Check that the specification accurately defines the product or service that is required
- Explore collaborative procurement with similar bodies for common products and services to enhance market share and support cost effectiveness in a competitive environment
- Consider whether emergency reserve stock volumes are adequate to meet demand in a major crisis and ensure that a process is in place to make certain that they meet current regulatory requirements and standards
- Ensure that an effective continuity plan is in place across the whole organisation

For a more comprehensive study of effective procurement practices and managing supply chains, sign up to PAI's professional development workshop on [Successful Procurement in the 21st Century.](#) We will be delivering the workshop remotely using video technology, in a series of one hour/one and a half-hour sessions spread over a few weeks. Dates are yet to be confirmed, but please do register your interest contacting us at pai@public-admin.co.uk

The aim of the programme is for participants to explore in practical terms the operation of an effective procurement system. An interesting comparison can be made between the systems in place in our participants' home nations, whether from Africa, Caribbean countries, the Middle and Far East, Eastern Europe or the UK.

As part of the programme we work through:

- *The planning process*
- *Key documentation*
- *Procurement risk*
- *Managing procurement*
- *Supply chain considerations*
- *Contract evaluation and award*
- *Using negotiation*
- *Procurement auditing and malpractice*
- *Managing contracts*

We also look at current developments, including supplier management, e-procurement and e-tendering.

During the face-to-face workshop in London, participants meet, visit and hear from a range of senior practitioners and examine how the process actually operates in the working environment. Both the face-to-face and the remote workshops include case studies and practice learning to support the delivery of more effective contract management and an efficient procurement service to organisations and the citizens that they support.