

Sustainable procurement test phase evaluation 2011

Period: 03.05.2011 until 31.12.2011

1 General

On the basis of the sustainable procurement strategy adopted by the management in early 2011, internal and external processes to implement it were started in 2011. This included

- a) designation of procurement managers for each department, by the heads of department,
- b) provision of procurement guidelines and documentation,
- c) training the procurement managers,
- d) and setting up an IT solution to record procurements.

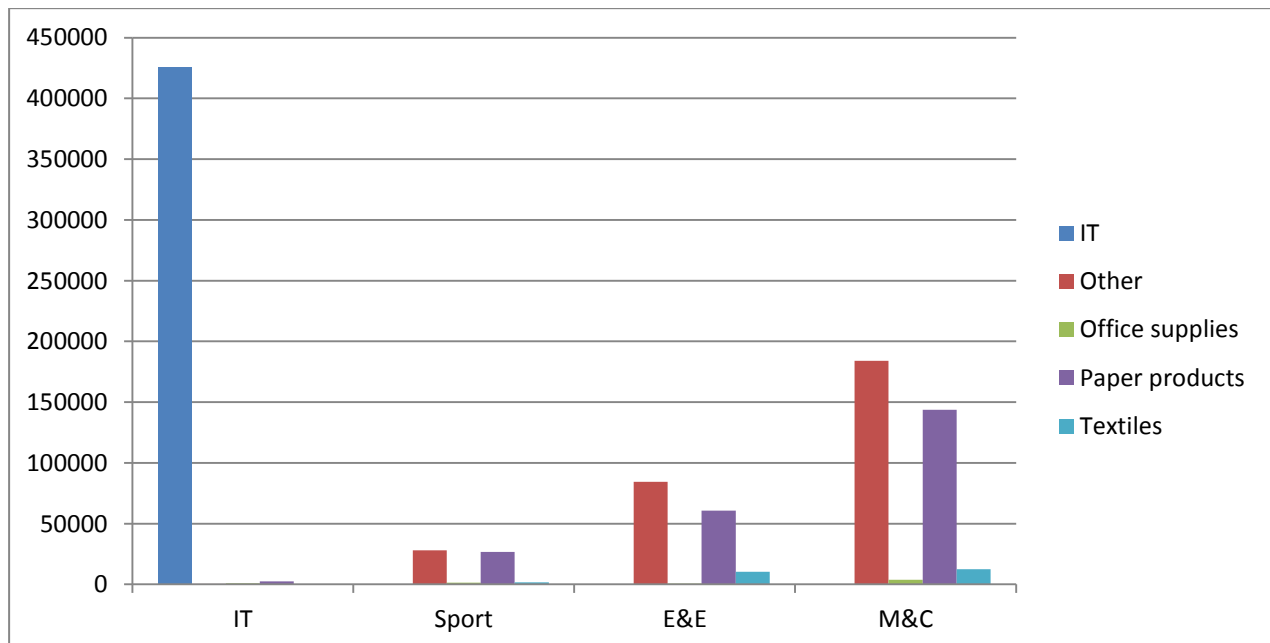
From May 2011 onwards, the employees were trained, the IT system was operational and all information was accessible to the public. The strategy was implemented in a test phase from 03.05.2011 until 31.12.2012.

2 Overview of procurements (as at 31.01.2012)

The chapter gives, by way of example, an overview of the procurements during the test period. In addition, the system allows for more detailed analyses of the procurements, which can be requested by the heads of department.

In Head Office and the Finance and Personnel Department (now Finance, IT and Personal), no procurements were made during the test period 01.05.2011 until 31.12.2011.

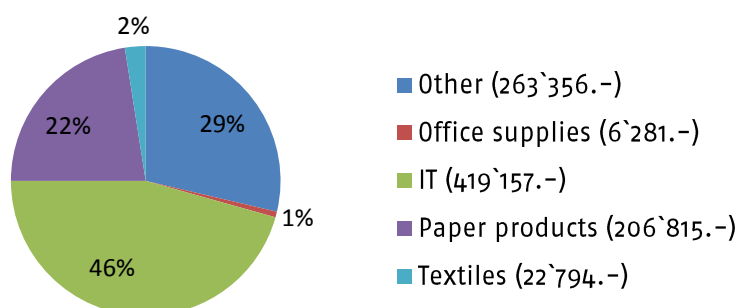
2.1 Volumes and distribution per department (customers)



	Other	Office supplies	IT	Paper products	Textiles	Overall result
E&E	79,355	620		60,664	10,360	150,999
IT	82	890	419,157	2,452		422,581
M&C	183,919	3,739		143,700	12,435	343,792
Sport		1,031				1,031
Overall result	263,356	6,281	419,157	206,815	22,794	918,403

2.2 Volumes and distribution per category

Overall result **918,403.-**



According to SSAM, during the phase from 3.5. until 31.12.2011, procurements of a total value of around 1 million CHF were made overall. IT products accounted for the largest proportion of that.

2.3 Overview of the number of procurements and degree to which the guidelines were met

	Total procurements	Guideline available?	Met	Partly met	Not met
Other	80	No			
Office supplies	12	No			
IT	52	No			
Paper products	88	Yes	42	3	43
Textiles	6	Yes	3	2	1
Overall result	238		45	5	44

Of the 238 procurements (100%), there are 144 procurements (60.5 %) **WITH NO guidelines**.

Guidelines available (Paper and textiles) and...	Number	In percentage	Comment
Met	45	47.8 %	
Partly met	5	5.4 %	
Not met	44	46.8 %	Most (43 of 44) for paper products, where clarifications were effected re corporate paper in 2011
Overall result	94	100.00%	

Currently, the guidelines cover around 40% of procurements (and nearly 30% of the procurement volume). Only approx. 50% of the procurements, for which the guidelines were mandatory, also actually complied with the guidelines in 2011. This can be explained mainly by the fact that, in 2011, corporate paper was still being used, which did not comply with the guidelines. Clarifications on this were, however, pushed ahead and were concluded by 2012. So, it can be assumed that, in 2012, it was possible, in most cases, to adhere to the guidelines.

3 Partners

Swiss Olympic partners signed one set of guidelines valid for the whole term of the contract. Currently, 5 out of 8 partners are complying with those guidelines fully. One partner partially and, for two partners, clarifications are still underway.

The Sporthilfe (Sports Aid) partners have not been asked yet. This process will be started in spring 2012 within the framework of the negotiations for 2013 onwards. The action to be taken in the case of SOVOL partners has not been determined yet.

4 Conclusion

In order to organise the procurements in a truly efficient and sustainable way, the current system requires adjustments:

- Owing to the large number of purchasers and changes in responsibilities, it has not been possible to give all purchasers the same know-how. This means that the (collective) experience of the purchasers is not growing to the extent that real synergy effects can be achieved. The aim should be to reduce the size of the procurement team. A useful possibility could be to create a central procurement unit with category managers.
- Only some of the purchasers regard the IT system (SSAM) as a working tool. Additional information and support is needed from the Heads of Department so that the system can also be used efficiently.
- Some of the guidelines require a lot of work to process. It would be easier if they were given to the supplier in the form of principles and did not have to be signed by the supplier. The purchaser would check the guidelines.
- Some of the functions in the SSAM noticeably reduce the generation of synergy effects. Small adjustments to the system are, therefore, necessary, in order to optimise the way it functions.
- There is uncertainty regarding the definition of procurements to which the current strategy applies. Thus, it is clear that services are not, in the first instance, seen as procurement, and, accordingly, do not have to be recorded in the system either. As a general rule, all procurements (i.e. purchase of goods) for 100 CHF or more come under the current strategy. Uncertainty prevails in the case of bills for expenses, subsistence costs, etc.

To ensure that the procurement strategy can be successfully continued, clear instructions need to be given from the management to the employees. Reducing the size of the procurement team more towards a central procurement unit seems a suitable means of coordinating the procurements more effectively, using synergies, saving costs, ensuring quality, demanding sustainable standards and, thereby, organising procurement more efficiently.