

High supply risk

Strategic Security

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Strategic Security			
Total spend in quartile	£24.9m	£30.4m	£29m
Contracted spend in quartile	£14.4m	£20.6m	£22.3m
% with contracted suppliers	57.8%	68%	77%
% not contracted suppliers	42.2%	32%	23%
Number of suppliers	351	451	403
Number of Local Suppliers	203	230	216

Strategic Critical

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Strategic Critical			
Total spend in quartile	£54.6m	£58.2m	£70.4m
Contracted spend in quartile	£48.1m	£48.1m	£62.7m
% with contracted suppliers	88%	83%	89%
% not contracted suppliers	12%	17%	11%
Number of suppliers	282	292	301
Number of Local Suppliers	179	136	162

Low cost

Supplier Positioning (Kraljic) - CCBC Spend Comparison

High cost

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Tactical Acquisition			
Total spend in quartile	£31.7m	£35.7m	£33.4m
Contracted spend in quartile	£14.1m	£19.1m	£19.6m
% with contracted suppliers	44.4%	56%	59%
% not contracted suppliers	55.6%	44%	41%
Number of suppliers	1028	1277	1006
Number of Local Suppliers	541	553	476

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Tactical Profit			
Total spend in quartile	£29.1m	£26.1m	£30.3m
Contracted spend in quartile	£17.7m	£16.6m	£19.3m
% with contracted suppliers	60.89%	64%	64%
% not contracted suppliers	39.21%	36%	36%
Number of suppliers	457	591	508
Number of Local Suppliers	193	234	214

Tactical Acquisition

Low supply risk

Tactical Profit

Strategic Security

Strategic Security might be goods obtained from a monopoly supplier or items with a very tight or 'bespoke' specification. These items are critical to the operation, but are low in cost. For most councils this will include materials and parts used in property maintenance governed by old specifications and also some contract services such as specialist teachers and carers where there is a very high specification but a low demand.

High supply risk

Strategic Critical

Strategic Critical are categories that are high cost and either have a specialist nature or are sourced from a difficult market in which there are relatively few suppliers or suppliers. These are critical to the overall profitability, competitiveness or capability of an organisation to deliver services. In most councils this will include a significant amount of spend on waste and outsourcing and social care, where specifications are tight and there is a supply shortage. From that base data, Caerphilly selected the categories that they felt were Strategic Critical to them. These are the categories that are of strategic importance to Caerphilly and have a high potential cost of replacement should they no longer be available. Caerphilly added a number of categories that did not appear in this quartile in the exercise carried out in the 10 LA's in the South East. These were included on that bases that they were of strategic importance due to the potential risk to health and reputation (e.g. food & drink) in the event of a supply chain problem.

Low cost

High cost

Definitions - Supplier Positioning (Kraljic) - CCBC Spend Comparison

Tactical Acquisition categories will be of low value and with a low business exposure because they have no special quality, safety, reliability or environmental implications and there are probably many suppliers in the market able to meet the demand. For the most authorities, this would include stationery items, IT consumables and some catering supplies.

Tactical Profit categories are of relatively high cost but where there are no quality, safety, reliability or environmental issues and where there are likely to be plenty of suppliers. Purchases here are unlikely to contribute directly to the provision of services and often include items such as vehicles, contract services, IT equipment and utilities.

Tactical Acquisition

Tactical Profit

Low supply risk