

## **The Home Office utilises the new Crown Commercial Service Tail Spend Solution (RM6202) framework to improve efficiencies around its indirect procurement processes.**

**[March 2023] In August 2022, the UK Government's Home Office department selected Mercateo UK Ltd to provide a digital B2B marketplace solution to facilitate its tail spend purchasing through the RM6202 framework.**

The Home Office is a ministerial department of His Majesty's Government, responsible for immigration, security, and law and order. It is responsible for policing, fire and rescue services in England, visas and immigration, and the Security Service (MI5) in England and Wales. It is also in charge of government policy on security-related issues such as drugs and counter-terrorism. The Department employs approximately 35,000 people.

Since early 2018 The Home Office Commercial Team has been working to catalogue low-value, high-volume purchases using the Basware marketplace. This proved successful with approximately 75% of all transactions by volume going through the platform. However, the remaining 25% of non-contracted, non-catalogue purchases have been time-consuming and costly for the requisitioner, Finance and Commercial.

### **Solution seeking**

The Home Office was expending considerable effort and resource buying low-value (sub £10k) non-catalogue items and needed to address the problem. The time and associated costs spent setting up suppliers and process management had been disproportionate to the value of the transactions.

In response to this, the Home Office identified a need for an integrated digital marketplace solution to help streamline its tail spend (ad-hoc, low-volume, low-spend product purchasing) and deliver cost and resource efficiencies across the organisation's procurement processes.

The business case for digitising the Home Office's indirect procurement included reduced costs of acquisition, improved spend management, informed decision-making, supplier choice, and minimising the time and effort expended in comparing products, delivery options and price.

## Utilising the Tail Spend Solution framework (RM6202)

In January 2022, the Crown Commercial Service (CCS) launched a “first of its kind” Tail Spend Solution framework (RM6202) to address the long tail across the public sector; a significant gap highlighted by CCS through rigorous market engagement.

There are two named suppliers on the framework. The Home Office received demonstrations from both parties. The Commercial Team conducted analysis of the data to see which marketplace content best covered the Department’s non-catalogue, non-contracted spend.

Further user-based research was carried out with internal customers and stakeholders who frequently use catalogues. Their feedback was gathered on the proposed solutions in order to make an informed decision.

In a survey, participants were asked ‘How easy was it to use the platform catalogue?’ Responses included “Easy efficient service to use”, “Very good, easy to use, many more items can be ordered directly”, “Good range of products”, “Glad to be able to see many competitive prices from multiple suppliers”, “Saves time as we don’t have to get special quotes which are sometimes a lot more expensive”. 67% of respondents said they found all the products they were looking for.

It was decided that Mercateo UK Ltd (part of Unite Network SE) provided the best solution to meet the Home Office’s requirements through its Mercateo Procurement Portal. As the CCS framework allows direct awards, in June 2022 the Home Office awarded a contract to Mercateo using the RM6202 framework on that basis.

## Implementation and integration

The Home Office is the first central government department to implement this solution, launching it to 35,000 cross-agency users in August 2022. The Mercateo Procurement Portal has been implemented as a digital marketplace solution and integrated into the Home Office’s internal finance and procurement system, Oracle Fusion.

The new solution has introduced a fundamental change to low-value sourcing and self-service processes across the Home Office. The change to the business was communicated through all available Home Office channels and the uptake achieved through user initiative clearly demonstrates how simple the solution is to use.

All Financial and Commercial controls remain in place throughout the purchasing process, whilst liberating resources, retaining control and gathering richer data for future strategic contracting decisions.

## Delivering value

Sam Ulyatt, Chief Commercial Officer for the Home Office said, "There's a clear need to transform public procurement and ensure organisations and agencies purchase responsibly, compliantly and sustainably. We must work to save the taxpayer money and provide social and environmental value to the communities we serve.

Mercateo's solution offers fair competition and will open up opportunities for small, innovative and diverse businesses to become visible to our purchasing teams and end-users which is vital to support regional economic growth across the UK."

The Home Office is now sharing best practices and lessons learned with other government departments to support their own procurement processes and subsequent implementation of the solution.

Mercateo's platform is "an exciting opportunity to revolutionise the way we purchase low-value items via a competitive integrated marketplace" and "will allow colleagues to simply purchase goods that they need to do their job effectively."

To date (March 2023), the Home Office has placed in excess of 1,200 orders across 55 different suppliers, 36% of which are SME's, with a total value of over £700,000. This translates into an increased volume of catalogue versus non-catalogue spend, which is driving more efficient and cost-effective low-value sourcing.

## Further information

### Tail Spend Solution (RM6202)

<https://www.crowncommercial.gov.uk/agreements/RM6202>

### Crown Commercial Service

Email: [info@crowncommercial.gov.uk](mailto:info@crowncommercial.gov.uk)

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## Enquiries and to book a demonstration

### Mercateo UK Ltd (part of Unite Network SE)

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Phone: 029 2150 9669

Webinars: <https://unite.eu/en-gb/user-guides>

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