



# Denbighshire County Council Gaining Spend Control with PROACTIS

Local Authority Now Extending on Way to Vision of Full-Scope Procurement Process

## Goals

- Establish better control and visibility of overall spend
- Increase PO-driven purchases
- Provide a clear view of commitments against budgets
- Collect information for better spend analysis
- Streamline AP and redeploy resources to "front line" functions that directly serve citizens
- Establish an end-to-end procurement system that yields best value for the County's budget
- Improve supplier reach and process transparency for all RFQs and tenders
- Ensure proper sourcing procedures by all staff, most of whom are not professional buyers
- Closely manage contracts and suppliers

## Profile

Denbighshire County Council covers an area which runs from the North Wales coastal resorts of Rhyl and Prestatyn down through the Vale of Clwyd, south as far as Corwen and the popular tourist town of Llangollen. Largely a rural county, where tourism and agriculture are the main industries.

The county was formed in 1996 as one of Wales' new unitary authorities. At the outset a decision was taken not to have a single county headquarters, but to have a number of office bases throughout the area. County offices are found at Prestatyn, Rhyl, Denbigh, Ruthin, Corwen and Llangollen.

In terms of procurement, Denbighshire has an annual spend of about £130 million, over 4,500 suppliers, and about 180,000 invoices a year.

## Challenge

Like every local authority, Denbighshire County Council must constantly strive to gain the best possible value from limited funds in order to provide the services its citizens need and expect. One of the most important ways of doing that is to closely control the way money is spent for the many goods and services the county procures each year. Of course that means making sure purchases are properly authorised and accounted for within established budgets, but it also means finding and using suppliers who deliver the best value, and who consistently perform well.

Effective spend control is a challenge for any organisation – especially so for a local authority

like Denbighshire County Council, with staff spread across five directorates, six county offices, nearly 70 schools, and dozens of other locations.

When an audit report made it clear Denbighshire needed tighter controls over spending processes, managers quickly recognised that a more robust purchase-to-pay system was needed. But rather than address that issue in isolation, the County Council wisely decided to lay the groundwork for a comprehensive procurement and spend control system that would enable Denbighshire to fully leverage emerging Public Sector initiatives like framework agreements, electronic marketplaces, and consolidated supplier portals to truly gain the best possible value for their citizens.



## Results to Date

- PROACTIS framework in place spanning county-wide offices, schools, and other locations
- 300 users today, growing to 1000+
- PO-driven purchases increasing with use of catalogs for major purchase categories and web site punch-out for select suppliers
- Information for better spend analysis and supplier rationalisation now being captured
- Implementation of sourcing and contract management solutions now under way

## Why PROACTIS?

*"We needed to start with the primary purchasing and payment process, but we wanted a solution provider that could also help us put in place the integrated sourcing, supplier management, and contract management solutions we envisioned,"* says Arwel Staples, Denbighshire's Strategic Procurement Manager. *"We wanted to do some pretty sophisticated things, and when we looked around, we found there were very few software companies with that scope of solution."* Denbighshire also needed a solution that could integrate with their legacy financial system, Masterpiece.

PROACTIS was one of the few software companies that could deliver the type of solution Denbighshire was looking for. Once the Denbighshire team saw the PROACTIS solution, and that they had the knowledge, resources, and track record to make it happen, the decision was made.

*"In the end, we selected PROACTIS because we felt they really understood procurement and were willing to work with us as partners,"* says Staples.

## Results

Today, PROACTIS is deployed to approximately 300 Denbighshire users, with that number growing to 1000+ as more functions are brought onto the system and more purchases become PO-driven. Catalogues and supplier website punch-outs have been established for commonly purchased items.

*"PROACTIS purchase authorisation and invoice processing workflows are very flexible,"* says Rhys Jones, Denbighshire Senior Management Accountant and P2P Project Manager. *"It was quite easy to set up budget checking and purchase approval rules based on the organisational structure, financial thresholds, and other factors; and to establish invoice matching tolerances and troubleshooting workflows."*

Most day-to-day purchases are handled directly by department staff. Purchases for items requiring special knowledge, such as IT equipment, are handled by designated people.

In those cases, a PROACTIS requisition/PO workflow is used. Department managers and other authorisers receive email alerts for purchase requests requiring approval, and link directly into PROACTIS to see the details, check budgets, and make approvals. "Managers are especially happy with PROACTIS because they have much better visibility of commitments against budget when processing a PO request," says Jones.

All County offices, schools and other locations access the PROACTIS system via the web. Purchases and invoice registration are handled at the office level while keeping all information consolidated in the central database. Utilising PROACTIS multi-language capabilities, all online functions are available in either English or Welsh. The largely decentralised procurement system is integrated with Denbighshire's centralised financial system for budget and commitment checking, and an in-house AP system for payment processing.

With deployment of the purchasing solution well underway, Denbighshire is now beginning implementation of PROACTIS procurement solutions to manage sourcing and contract management. *"The PROACTIS applications allow us to establish process templates for each type of sourcing event and contract, then guides users through the designated steps in a consistent manner, enforcing rules and providing full transparency,"* says Staples. *"That's an extremely important point to us since the people who do the sourcing and manage contracts are people who do these things only occasionally as part of their normal functional responsibilities. Without this type of control, it would be much harder to ensure compliance."* The sourcing solution also makes it practical to open up the RFQ process to more potential suppliers using electronic notifications and automated response grading. *"That's also very important to us – especially in today's economy where more potential suppliers want the opportunity to submit proposals, and of course we want to get the best possible value,"* adds Staples.

In summary, Staples states: *"We feel PROACTIS has a very comprehensive spend control and eProcurement solution that is well suited to the Public Sector. Partnering with PROACTIS, we feel we're well on the way to realising our full-scope procurement vision."*

---

*"We feel PROACTIS has a very comprehensive spend control and eProcurement solution that is well-suited to the public sector. Partnering with PROACTIS, we feel we're well on the way to realising our full-scope procurement vision."*

**Arwel Staples** Strategic Procurement Manager, Denbighshire County Council