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Olympic Delivery Authority

Equality Impact Assessment

Procurement programme: iProcurement



MAYOR OF LONDON



1 EqlA Lead and Assessor details

Please complete the following information:

EqlA Lead: Peter Sell

Assessor name/s and role/s: Jonathan Bailey

Programme/service/department Team: Corporate Procurement

2 Programme of work details

The iProcurement system is software designed to electronically automate the traditional purchase order raising and sending system. The process starts at the requisition stage and finishes with the order being receipted or closed on the system. It links to the Oracle finance system which contributes to the ledgers of ODA.

The product chosen for the ODA is an Oracle system, one of the most widely-used products in the world and as such has high compatibility with a large range of hardware and other software.

It replaces a paper-based purchase order system and requires no separate filing system –either electronically or physical. Documents (where relevant) such as quotations or correspondence can be attached and saved to each purchase where necessary.

Purchase orders are, in nearly all instances, emailed to the supplier. Physical posting of a purchase order is used when necessary (i.e. supplier has no email account) but this is infrequent.

iProcurement is used across the ODA to support all programmes in delivering the objectives of the London 2012 Games. The iProcurement system supports and contributes to all London 2012 programmes via interaction with financial systems/ledgers, but has been assessed as a “stand-alone” process.

3 Programme outcomes

The iProcurement process contributes to delivering ODA programme objectives by ensuring appropriate procurement and financial principles for all ODA programmes.

It will also deliver administrative efficiencies which can be measured by cost-benefit analysis. iProcurement enables the purchase order process to be completed on average in five days compared to three weeks under the previous manual paper based system. A daily report produced to monitor this which shows the requisition creation date in line with the approval date.

This process is intended as the basis of the financial administration relationship between the ODA and all of its suppliers. Therefore it has the potential to involve suppliers from all E&I target groups in London and the UK.

4 Benefits of programme of work

The iProcurement process ensures that a purchase order is delivered instantly to suppliers, making their business relationship with ODA more efficient and auditable than a paper-based postal system.

An automated system is less costly than a labour-intensive manual system. It provides financial administration such as document creation and storage and reduces costs (i.e. stationery). It enables workflow efficiencies and thus saves labour. This benefit is also partly realised in the Accounts Payable system as part of the payment process is already electronic and easily accessible. A typical transaction cost in Government from the purchase to payment process is estimated at approximately £45. A fully automated process can reduce this to approximately £15.

5 Consultation and engagement

No external consultation has taken place of the iProcurement system for this assessment as the process is considered extremely low-risk and is seen to benefit our suppliers and staff as outlined.

Brief consultation was undertaken with internal ODA staff on any issues they had experienced in dealing with people from E&I target group suppliers. These were:

- iProcurement Project Manager: In pursuing the system implementation to completion and conducting User Acceptance Testing (UAT), the Project Manager has not been aware of any issues affecting people from the E&I target groups, however it is noted that active target group inclusion in this UAT was not documented.
- Accounts Payable staff (responsible for supplier management duties; account setups, resending orders etc. From work experience with the system, phone discussions with A/C payable staff produced no evidence of target group-related issues.
- As an assessment of the adaptability of iProcurement has not been documented, an investigation into the responsiveness of the ODA was briefly conducted. It has been assumed that a widely-used Oracle product would interact with assistive technologies suitably. However this is to be confirmed with the implementers of the system – Fujitsu Services.

6 Research and evidence

The following were used in conducting this assessment:

- Internet research (such as www.isalmicmortgages.co.uk) to fill gaps in knowledge on certain issues which may be faced by members of the E&I target groups as necessary. There were no issues found with any major world religions' principles regarding commercial transactions, financing or cash-handling that would impact on the use of iProcurement. iProcurement does not impact on any credit management system. It increases the likelihood of positive impacts as payment terms can be improved removing any disadvantages occurring to Islamic suppliers who cannot charge interest on aged debt that ODA might have incurred.

7 Assessing the impact

The iProcurement system could have both positive and negative impacts across several of the E&I target groups.

7.1 Positive impacts

The following positive impacts of the iProcurement process for people within the E&I target groups have been identified:

- Disable people may benefit from an electronic transmission of orders as the use of speech recognition software, screen readers, high-resolution screens and ergonomic input devices enable people to understand and access the information in a way that a manual order paper based system may restrict their access or be more time consuming.
- An electronic transmission method also enables more people to use a variety of IT technologies to access this information.

7.2 Negative Impacts

The following negative impacts of the iProcurement process for people within the E&I target groups have been identified and are addressed here or within the EqIA action plan:

It is reasonable to conclude that an automated system which carries part of the financial administration of a relationship between suppliers and the ODA may prove difficult for certain people within the E&I target groups for example:

- Older people, people from long-term unemployment backgrounds and people from low socio-economic backgrounds, or black, Asian or minority ethnic groups which form the majority of Small and Medium Enterprises (SME) in the five Host Boroughs may not be sufficiently IT literate or have access to IT equipment which is compatible with the system and therefore may be more likely to use paper-based systems.
- A lack of access to IT training result in people not having the IT skills required to process the information supplied through the system. The ODA should not assume that all SME have access to electronic systems. A supplier in this situation may experience a negative impact if they do not receive purchase orders in a timely manner and therefore may be exposed to late payment. Should payment difficulties arise, this may present difficulties in future procurement activities concerning this supplier.
- A supplier is informed that the ODA utilise this financial administration system after they have won a contract.
- There is also a concern that the cost of purchasing the technologies required to run these systems could also be prohibitive for SMEs. Suppliers may however be eligible for Central Government small business grants if they meet set criteria.
- ODA staff from E&I target groups may require additional training in the use of the iProcurement system However the ODA currently does not have a documented assessment of the interactive capabilities of iProcurement with assistive technologies.

8 Action Plan

The following impacts will be reviewed and addressed as part of the ongoing assessment of the iProcurement process and delivery. The action plan addresses the identified actions required to implement the impacts and recommendations from the assessment. The plan will be reviewed regularly by the Programme Board on a quarterly basis.

Positive impacts and negative impacts identified	Equality target group affected	Mitigation of adverse impact (recommended action) or Promotion of positive impact	Resources (time, budget, personal) committed / required to mitigate or promote impacts	Responsible person Date due to be completed / reviewed
Investigate the adaptability of the Oracle-based iProcurement software for compatibility with the ODA IT catalogue.	Disabled people and BAME groups.	Fujitsu to carry out an assessment of the compatibility of the system with the ODA IT assistive technology catalogue.	Fujitsu to confirm costing and scope of any adjustments necessary.	Andrew Croston
Requirement to inform all potential successful suppliers about the ODA financial admin systems and process prior to contract award.	All	A change request to be submitted to the Standard Document Change Group to suggest that template documents used for procurements include information outlining the ODA's methods of electronic financial administration.	Submit proposal to Standard Document Control Group	John Fernau 23/01/09
Possible impact of the electronic system on SMEs who use paper based financial admin systems.	All	Assessment of possible impacts affecting existing suppliers will be undertaken. Reporting upon suppliers who receive postal purchase orders should be produced and reviewed with a view to developing mitigation for arising problems.	Analyse iProcurement and/or supplier feedback data and create appropriate documentation and communications.	Andrew Croston (Ongoing)