



Department of Corrections

Procurement – Executive Lease

Introduction

The Department of Corrections manages 20 prisons and correction facilities across New Zealand. In October 2008, construction began on new accommodation and support facilities to replace the ageing Mt Eden Prison (ME) after more than 120 years of service. The Auckland Central Remand Prison (ACRP) is on the same site and new facilities meant an integrated & more efficient site operation. The future use of the old Mt Eden prison – a heritage building – is yet to be decided. It was due to be decommissioned by December 2011 and the new accommodation and support facilities at ME/ACRP are due for completion by the end of March 2011.

The Issue

The Department required assistance to manage the set-up phase of the furniture, fittings and equipment (FF&E) work-stream of the ME/ACRP Redevelopment Project.

- This included review, modification, recommendation and upgrading of the business systems, processes and structure to ensure efficient on-going management; best value in terms of total cost of ownership; and adherence to the mandatory Government Rules for Procurement

In March 2009, a review of prison population forecasts showed that prisoner numbers were likely to increase rapidly by 2018 and 3,500 additional beds would be necessary. Double-bunking became a requirement in ME/ACRP and four other prisons which came with additional FF&E needs.

- These requirements altered what was necessary across all ancillary services which further complicated the FF&E project.

The scope of work continued to expand as various sub-projects associated with those above were instigated.

- The objective to develop the business systems, processes & structure to ensure efficient on-going management of FF&E was still valid but had to be managed within an increasingly complex and demanding project delivery schedule.

The Solution

Management Toolbox provided a full-time Executive Lease to ensure the smooth management of the deliverables and meet the requirements of the double bunking projects, the containerisation project, of the new ME/ACRP complex.

The Project

Management Toolbox established a strong project management framework and managed the implementation seamlessly with the other work-streams associated with the build of the new prison. Open lines of communication between the project team and wider management ensured smooth operations throughout the project. This was particularly necessary to respond quickly and effectively to changes in project scope. Robust systems and processes were also developed which can be used for future FF&E procurement.



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Results

With regards to the delivery of FF&E; greater than 98% of items were delivered on time and with any risk to operations mitigated so as to have minimal impact.

Sustainability

On an on-going basis changes were made to the *Basic Procurement Process* as follows:

Define Spec

FROM: A situation of no standardisation across the sites meaning that each site required site-specific sign-off of FF&E across the whole range of items. **TO:** Consultative sign-off process for new and existing spaces and items, with new specs that can be utilised for future similar projects.

Purchase Material

FROM: Inadequate business management system developed for single user low level procurement process. **TO:** Complex business system developed and enhanced expertise in centralised procurement for Prison Services.

Receipt & Report

FROM: Minimal reporting / drill down capability and little or no institutional warehousing or stores staff available. **TO:** Detailed drill down and reporting capability and own storage and staff to receive, store, issue / install FF&E.

Make Payment

FROM: Requiring a high degree of data entry transcription to interface with SAP as well as additional staff which delayed the process. **TO:** Fewer staff and minimal interface delay.

Review

FROM: Construction contractors doing receipt and installation process (admin and physical). **TO:** Post installation audit and sign-off and ability to drill down into any element of the database

This resulted in a more streamlined Procure to Pay Process overall which is more sustainable long-term.

Contact us:

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