Group 3 – Services – Mitie Group - Services

Operating in the private and public sector. Mitie provides Facilities Management to the Nuclear Energy Industry, MoD and large private sector companies like Amazon.

Considerations for procurement that we discussed were –

1. Geographical Location. As they operate nationwide would they access their materials from their own warehouses that would then distribute to their sites across the UK or would they use local suppliers and operate with a just in time approach. Benefits of Warehouse could be economies of scale for materials, centralized procurement would give more control but this would also come at a cost to run and staff warehouses, possibly in multiple locations across the country.
2. IT systems for procurement, stock management, billing, monitoring of works being carried out, planning of routine maintenance, PDA devices for employees that captures data and info like time taken to complete jobs and materials consumed. IT systems are also an important consideration to coordinate staff and manage shifts and emergency call outs.
3. Commercial considerations – Having accurate rate cards for jobs/tasks and standardized pricing across the company to ensure that jobs priced and quoted for are uniform for the various sites customers may have. With regards to the MoD and Nuclear, compliance and controls are an important feature that needs consideration for even the most standard jobs or tasks that need to be carried out on-site.
4. Tying in with the compliance and controls for MoD/Nuclear, the quality of materials (e.g OEM and ISO accreditation) is paramount and needs transparency and visibility of the supply chain to ensure standards and controls are met and followed.
5. Better or best – Mitie have won a lot of large contracts over the past year making them one of the largest FM providers in the UK. Procurement will have played it’s part helping the company achieve value and manage operating costs that lets them bid with confidence to win work.

By de-centralising the procurement the company are able to work to a budget per site and only buy what’s required. By using the data gathered on the PDA’s and the experience of the employees, they try to add value to their organization by controlling their spend, eliminating waste where possible.