

PROCUREMENT STRATEGY

EXECUTIVE MEMBER: Councillor N Williams, Portfolio Holder for Resources and Local Democracy

LEAD OFFICER: Mrs S Bamforth, Head of Finance and Business

REPORT AUTHOR: Mr C A Lloyd, Business Development Manager

Summary and Recommendation: This Report provides Executive with the Procurement Strategy and Action Plan for this Council, and recommends that Executive approves the Procurement Strategy and endorses the Action Plan; approves the proposal that the Portfolio Holder shall be nominated as the 'Procurement Champion' and approves that a 'Procurement Board' is not required.

1 INTRODUCTION

- 1.1 The Office of the Deputy Prime Minister produced the National Procurement Strategy for Local Government in October 2003. The aim of the strategy was to assist local authorities to achieve the highest standards of service delivery through effective, efficient, resourceful and prudent procurement. It sets out a series of milestones over a three-year period that all local authorities are expected to achieve. This has been found to be unrealistic with this Council relatively in tune with progress of others (as demonstrated with the Cumbria shared service EPiC).
- 1.2 Further initiatives have supported the Government's aims and this Council is involving with the North West Centre of Excellence and the Cumbria Procurement Initiative (now rebranded EPiC Efficient procurement in Cumbria), the latter being one of the Cumbria Local Authorities Strategic Board shared service projects, and at present the most substantially progressed project.
- 1.3 The Council Strategy follows the principles of the National procurement Strategy and is tailored to meet the scope and demands of Procurement within this particular Authority. It is deliberately as concise as possible in order to make it reasonably easy to read whilst containing the high level objectives and an acceptable level of detail.
- 1.4 Aligned to the Procurement Strategy is an Action Plan to map out the way in which the Strategy is to be implemented. This takes into account the procurement officer temporary 12 month Contract, and recognises that development must be concentrated as best possible within this period of time. Additional resources in the form of a Procurement officer have been

allocated for a 12 month period, so the action plan concentrates on use and application of this valuable resource.

- 1.5 Procurement applies to all services and goods obtained by the Council. This extends from purchase of consumables such as pens and paper to leasing such as photocopiers through to outsourcing services such as Valuation and Estates Services, and all types of contracts for consultants and works, including partnerships and PFI contracts.
- 1.6 Members are asked to note that local and small businesses are being considered to ensure that they are not adversely prejudiced by changes and developments. We are about to write to these firms to advise about the introduction of the IDeA market place and to encourage them to register. This is an opportunity for them to widen their markets.
- 1.7 The Procurement Strategy has been considered by the overview and Scrutiny Committee Policy and Resources which has given approval for it to proceed to executive. The Council Corporate Team and Management Group have been consulted, and the Procurement Representatives in all Service Units have been advised.

2 KEY STRATEGY AIMS

- 2.1 Some of the key points of the procurement Strategy are mentioned below:
 - To support the aims of the Corporate Plan; enabling efficiencies and savings to be made in all areas of procurement so that best value for money is obtained over full lifecycle of products and services
 - To disseminate the advantages of effective procurement, embody procurement techniques in staff day to day activities.
 - To foster and develop shared services through the Cumbria Procurement Initiative taking advantage of all available opportunities and the establishment of a common supplier base.
 - To register with a marketplace, supplier portal to widen the availability of competitive prices for products and services.
 - To reduce the supplier base to an effective level.
 - To recognise the reliance of small and local suppliers on Council business, encourage small businesses to trade with the Council and the wider business community (supplier adoption).
 - To provide detailed analysis of spend patterns, regulate and monitor spend characteristics, both within the Council and within the CPI.

- To nominate a 'Procurement Champion'. It is recommended that the Portfolio Holder should be nominated for this activity (Executive view sought).
- To consider, related to the size of authority, if it is necessary to establish a 'Procurement Board' (Executive view sought).

3 CONCLUSIONS

- 3.1 The report seeks Executive approval of the Procurement Strategy and endorsement of the Action plan as a preferred means of moving forward.
- 3.2 The report also seeks an Executive decision on the nomination of the Portfolio Holder as the 'Procurement Champion', which is recommended by the author.
- 3.3 The report further seeks an Executive decision on creation of a Procurement Board, which, due to the size of the Authority, the author is not recommending, although a Procurement forum of stakeholders is proposed.

4. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 4.1 Existing resources will be deployed to implement the Strategy although it is noted that the Procurement officer post is for a 12 month period only.

5. PROJECT AND RISK MANAGEMENT

- 5.1 There are no project and risk management issues at this stage.

6. IMPACT ON CORPORATE PLAN

- 6.1 The Procurement strategy is an essential component contributing to the Corporate Plan..

List of Appendices

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| Appendix A | Procurement Strategy |
| Appendix B | Action Plan |

List of Background Documents: Project files, correspondence

List of Consultees: Portfolio Holder, Corporate team, Management Group, Procurement Representatives.

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed . This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	No issues
Impact on Sustainability	No issues
Impact on Rural Proofing	No issues
Health and Safety Implications	No issues
Project and Risk Management	No issues
Impact on Equality and Diversity Issues	No issues
Children and Young Persons Implications	No issues
Human Rights Act Implications	No issues

Please say if this report will require the making of a Key Decision NO