



create
innovation
potential
saving money
e-commerce
leadership
sustainability
using multiple skills
increasing capacity
improving services
stimulating markets and activating consumer benefits
cost reduction
recruitment benefits of being an innovative council
better quality of life
focusing on excellent services for citizens
working in expert partnerships
growth through trading on behalf of others
meeting customer requirements
building relationships that improve our services



national procurement strategy
for local government



Procurement Strategy

2007 - 2011

DECEMBER 2007

Foreword

The Council is one of the major buyers in the District spending some £9m on bought in goods and services annually. The Council is dependent on a small number of key suppliers to deliver safe, value for money, quality services to our community, particularly with regards to the collection of domestic waste and recyclables, the operation of our leisure centres, the maintenance of parks and gardens and the delivery of financial services. Our suppliers are therefore key stakeholders and we aim to manage our supplier relationships professionally and ethically in order to ensure that both parties and, most importantly, our community derive value from the relationship.

Every pound saved through good purchasing benefits our tax payers and we will strive to obtain value for money in all our purchasing.

This strategy supports the Council's Corporate Plan 2006/08, the Council's Vision, Objectives and Aims.

Councillor Jerry Patterson Leader of the Council

Councillor Jenny Hannaby Executive Member for Contracts and Procurement

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Glossary

Abbreviation	In full
BACS	Formerly the Bankers Automated Clearing Service - automated banking clearing house for electronic transactions
BREEAM	Building Research Establishment Environmental Assessment Method
BVPI	Best Value Performance Indicator
Byatt	Sir Ian Byatt prepared a report in 2001 "Delivering better services for citizens – a review of local government procurement in England" which set out 39 specific recommendations on how councils should improve their procurement function
CIPS	Chartered Institute of Purchasing and Supply
CMT	Council Management Team
CPA	Comprehensive Performance Assessment
CPG	Contracts and Procurement Group
DEFRA	Department for Environment, Food and Rural Affairs
DETR	Department for Environment, Transport and the Regions – became DTLR then ODPM
DTLR	Department for Transport, Local Government and the Regions – became ODPM
EO	Local Government Employers Organisation
EU	European Union
FSC	Forest Stewardship Council
Gateway	OGC process for reviewing major procurement at key milestones
Gershon	Sir Peter Gershon, who recommended spending target of a 2.5 per cent year on year saving for the three years 2005/06 to 2007/08, as identified in the Council's annual efficiency statement
ICT	Information and Communications Technology (service)
IDeA	Improvement and Development Agency
IEG	Implementing e-government (strategy)
KPT	Key Performance Target
LGA	Local Government Association
LPT	Local Performance Target
NEPP	National E-Procurement Project
NPS	National Procurement Strategy 2003
ODPM	Office of the Deputy Prime Minister
OGC	Office of Government Commerce

<i>Abbreviation</i>	<i>In full</i>
PFI	Private Finance Initiative
PPP	Public-Private Partnership
RRA / RR(A)A	Race Relations Act 1976 as amended by the Race Relations (Amendment) Act 2000
SECE	South East Centre of Excellence (hosted by Kent County Council)
SME	Small or Medium-sized Enterprise
SODC	South Oxfordshire District Council
SOLACE	Society of Local Authority Chief Executives
SOPO	Society of (Local Government) Procurement Officers
SPPO	Strategic Procurement Partnership for Oxfordshire

1 – Introduction

1. This procurement strategy sets out the key objectives and plans for procurement for the Council. It also forms part of the arrangements the Council has made for best value and performance management .
2. The status and importance of procurement in the public sector is growing and there is increasing pressure on Councils to improve procurement performance for a number of reasons. Most importantly:
 - procurement has a critical role to play in delivering strategic objectives and improving the quality of services delivered to the public
 - savings realised through improved procurement can be channelled into priority services or reducing the Council's net capital and/or revenue expenditure
 - councils are open to legal challenge under public procurement regulations (based on EU directives) and are accountable for achieving best value
 - councils are expected to meet the expectations set out in the National Procurement Strategy 2003
 - Councils are required to submit an Annual Efficiency Statement
 - Implementation of e-procurement processes is a key element in improving procurement efficiency
 - Sustainability issues need to be embedded in procurement processes
 - Equalities and diversity needs to be embedded in procurement processes
3. The Council has outsourced many of its services. In common with many other district councils the Council's procurement function for the procurement of 'routine' assets, goods, works and services is decentralised, with no dedicated procurement function. The professional head of procurement is the Deputy Director Contracts and Procurement reporting to the Strategic Director and Chief Finance Officer. A Contracts and Procurement Forum (CPF) will be established by April 2008 with the objective of developing standardised guidance and procedures for contract management and effective procurement.
4. In addition, the Council will set up an improved procurement section on the intranet, which shares latest guidance documents and templates, identifies best practice in other Councils and elsewhere, and provides links to relevant government and other websites.

ANALYSIS OF SPEND

5. Appendix 1 shows a breakdown of the Council's revenue expenditure. This shows that the Council's highest expenditure is on employees and contracts.

DIRECTLY PROVIDED SERVICES

6. Expenditure on directly provided and contracted services is the most significant cost to the Council. The cost of directly provided services is under constant review by the Council's management team.

CONTRACTED SERVICES

7. By far the largest proportion of controllable spend lies in the major contracts between the Council and third parties for the provision of services. Many of the Council's services are currently outsourced including waste collection, financial services, leisure management, street cleansing, and grounds maintenance. These contracts currently cost the Council almost £5,000,000 per year. They should therefore be the focus for improving the Council's procurement and contract management methods.

COMMODITIES

8. The main opportunities to deliver savings on basic commodities (e.g. print, stationery) is through partnering with other public sector bodies such as the Strategic Procurement Partnership for Oxfordshire. In addition, the Council will explore savings opportunities through buying consortia accessible through Oxfordshire County Council (such as the Central Buying Consortium), Office of Government Commerce national contracts and the South East Centre of Excellence. However staff should always obtain comparison quotes.

PROCUREMENT PROCESS AND CHARACTERISTICS

9. Analysis of the Council's procurement (2006/07 figures) shows that:
 - the Council settles 7013 invoices per year (about 5,000 of these being paid electronically)
 - the average value of an invoice is £2275
 - the top 25 suppliers annual invoice total is £11.3 million
 - the highest number of invoices raised by a supplier in a year is 308.
 - 497 suppliers are paid electronically (and 442 by cheque)
10. The large number of invoices, the high non-electronically produced proportion, the low average invoice values; all provide an opportunity for the Council to improve its approach to procurement. The Council proposes to explore efficiencies through e-procurement measures with Capita.

2 – Council procurement strategy

DEFINITION & OBJECTIVE OF PROCUREMENT

11. The starting point for the procurement strategy is the definition of procurement.

Procurement is defined as:

The mechanism by which the Council acquires access to the assets, goods, works and services that enable it to fulfil its objectives.

OVERVIEW

12. Procurement is at the heart of everything that the Council does to achieve its objectives at every level. It covers the process of acquiring goods, services and works either from third parties or through in-house sources and covers the entire cycle from identifying needs through to the end of a contract. It is important that the Council sets clear rules for the procurement of these goods, services and works, this is to ensure that procurement is carried out with openness, integrity and accountability, that the probity and transparency of the process is evidenced and that the Council is fulfilling its fiduciary responsibilities.
13. The Council does not believe that it is necessary or appropriate for it to own all of the assets it uses, that it needs to directly purchase all of the goods that it uses or to directly provide all of the services for which it is responsible. The Council's focus is on securing access to the appropriate assets, goods, works and services that enable it to meet its objectives in the most cost effective way possible over the lifetime of those assets, goods, works and services.
14. The Council recognises that procurement is not the responsibility of one individual but requires an organisation wide approach. In the light of the Council's actual expenditure, it intends to concentrate on higher value procurement. In this way its approach to procurement will be proportionate and focus on areas of highest potential to improve performance. It will however also take reasonable measures to procure lower value goods or services more efficiently.

OBJECTIVES

- To ensure procurement plays a role in delivering the Council's objectives and contributes to the community strategy, workforce issues, diversity and equality and sustainability.
- To maximise whole life value for money from the procurement of assets, goods, works and services of the required quality.

PROCUREMENT PRINCIPLES

15. Procurement activity supports the Council's aims in several ways:
1. Where services are delivered via third parties, we will ensure that our suppliers provide **high quality public services** which meet the needs of people within the Vale and **improve the quality of life of the community.**

2. Wherever possible we will contribute towards **a strong and sustainable economy in the district** by providing opportunities to local suppliers to supply to the Council, without compromising the need to obtain best quality at optimum cost.
3. We will assist in controlling costs by cost effective procurement, through ensuring the best possible commercial deals with suppliers and the development of cost effective procurement processes.
4. We will endeavour to work only with suppliers with clear policies supporting equality and diversity and **opposing prejudice and discrimination**.
5. We will ensure that suppliers have appropriate health and safety policies, processes and procedures in place to ensure the safe delivery of products and services, thus contributing to a **safer community**.
6. We will endeavour to ensure that sustainability issues are fully taken into account in sourcing products and services to **protect and improve our environment**.

(Phrases in bold relate to the Council's Aims as set out in the Vision Statement).

PROCUREMENT POLICIES AND PROCEDURES

16. To ensure that we carry out our procurement in accordance with these principles we will ensure appropriate policies and procedures are in place, utilised by appropriately qualified staff. The policies and procedures are explained in the Vale's procurement manual which will be available on the Intranet.
17. A summary of these follows:
 1. We will provide potential suppliers with **clear specifications of our requirements** at the earliest possible stage and ensure these are understood. Wherever possible these will be European or equivalent standards (e.g. BSI).
 2. Our purchasing procedures allow **competition for business** from suppliers, having due regard for the urgency of the requirement and it's value. In cases of low value and/or urgency we may not obtain multiple quotes.
 3. For high value purchases (over the EU procurement thresholds) we will publish our **contract adjudication criteria** at the tender stage to make clear to prospective suppliers how we intend to select the preferred supplier.
 4. We will **debrief** (on request and in writing) all parties to a tendering process as to why they were or were not successful.
 5. Contracts will only be placed on the Council's **standard terms and conditions** or appropriate industry standards (e.g. JCT / ICE for works contracts), except with the authority of the Deputy Director of Contracts and Procurement and the Head of Legal.

6. The Council will only contract with suppliers who are committed to **continuous improvement** and all contracts (other than for one off supply) will include agreed improvement programmes and performance indicators, which will be subject to regular review.
7. There will be clear **segregation of responsibilities** within the procurement process to eliminate the potential for fraud or favouritism and all staff placing contracts on behalf of the Council will be appropriately qualified to ensure the **highest ethical standards**.
8. Procurement processes are expensive to operate and it is the Council's policy to move to **paperless trading** wherever possible, through the use of electronic procurement techniques.
9. We recognise that our annual spend makes us a small buyer in the local authority arena. We will work closely with and partner with other appropriate organisations within and outside the local government arena in order to be able to deliver best value to the council taxpayer.

PROCUREMENT TARGETS

18. The Council has eight procurement targets:

- Reduce the number of suppliers to the Council and create more economic, efficient and effective relationships with key suppliers
- consolidate invoices, deliveries and payments to reduce processing costs
- institute an approved list of suppliers, gain access to buying consortia, increase e-purchasing and, where appropriate, set up framework agreements to achieve volume discounts
- ensure the Council's project management methodology is used for all significant procurement
- institute a best practice options appraisal process (see below)
- ensure equalities, diversity and sustainability issues are taken account of in the procurement process
- assess the training needs of officers and Councillors for procurement, contract management and project management, developing competency frameworks and implement appropriate training and development.
- reduce cost of bought in goods and services.

PROCUREMENT OPTION EVALUATION

19. In reviewing procurement options the Council will decide upon the best option having considered which of the following will deliver the best outcome:
 - deliver or make in-house

- buy or lease from outside
 - partner with other councils, voluntary sector or not-for-profit organisations to deliver jointly
 - a combination of the above
20. Appendix 2 lists the criteria the Council will use in order to reach this decision. The Council reserves the right to introduce further criteria.

DIRECTLY PROVIDED SERVICES

21. The Council recognises that direct service provision is one of the options available to meet the needs of the communities that it serves. Directly provided services will be tested periodically against the market where it is believed that the investment of time and money warrants such a test. The Council will review the option to provide in-house, even if it has previously been or is currently outsourced.
22. In seeking tenders for service provision the Council will consider the development of an in-house bid to act as a benchmark for the provision of services. In this way external service providers will have to illustrate that they can add more value / produce better value for money than an in-house service provider. It will also mean that if successful, the in-house service provider will have been tested against the market, and the Council can have confidence that direct service provision will deliver added value and improved value for money.

3 – Contracts

23. Procurement is governed by the Council's local code of corporate governance and the constitution including the contract procedure and financial rules. In order to assist major procurements, a protocol will be prepared giving guidance on the processes to be followed and where appropriate examples of good practice.

CONTRACT SPECIFICATION

24. In order to achieve maximum benefits from contracts with third parties, the Council will focus on improving the specification for contracts and the terms of the contracts. It will seek specialist advice on the drafting of specifications for its major contracts with a view to helping improve in-house staff drafting skills. Where appropriate it will consider innovative contractual arrangements which provide the flexibility to respond to changing needs over the term of the contract. Lessons learned from the preparation of contracts will be shared across the council, so that awareness and performance generally is improved.

EVALUATION OF TENDERS

25. In evaluating tenders prior to selection, the Council will consider appropriate evaluation criteria, Appendix 3 lists examples. The Council will also comply with any legal requirements for evaluation of tenders.
26. The use of evaluation criteria will be proportional to the size of the procurement. A simplified version will be used for small procurements.
27. Wherever possible the Council will seek to award contracts on a competitive basis. All contractors will be expected to participate in performance reviews. This will enable learning to facilitate on-going performance improvement.

SERVICES PROVIDED JOINTLY WITH OTHER COUNCILS

28. The Council recognises the potential opportunity of sharing service provision with other public sector bodies, especially other similar councils. The Council will always consider whether, when major contracts are due for renewal, a service should be provided jointly, either using in-house staff or contractors. It will also work with other councils to align contract end dates, thus making joint working feasible in the future. The Council will seek an external view on service provision to inform possible contract extensions.

PERFORMANCE REVIEW

29. The Council is committed to active performance management which applies to all services whether provided internally or by a third party. Officers and councillors both consider reviews of performance.
30. An important element of this performance review will be an action plan to secure improved performance, with all major contractors being rated on an annual basis.
31. The Council's Executive and if appropriate Scrutiny Committee will consider the review including questioning of the contractor and officers if appropriate, thus providing an opportunity for direct involvement by councillors in monitoring key service delivery.

32. The Council seeks to develop a partnership approach with contractors working together to continuously improve performance. Where, however, a contractor consistently fails to perform to a satisfactory level, the Council will use all of the options available to it under the contract to achieve either an increase in performance from the contractor, or ultimately terminate the contract for failure to perform to meet the requirements of the contract.

CAPITAL ASSETS

33. The same principles apply to the procurement of capital assets. As with major revenue contracts, the Council recognises that it does not have the necessary in-house expertise to manage the procurement of major capital assets and will continue to appoint consultants to advise it on the procurement of specific capital assets. It learns from the involvement of the consultants and will build its corporate capacity / knowledge to ensure that it is an effective client and can ensure that it receives value for money from consultants and future procurements of capital assets.
34. The procurement of capital assets can be a long and expensive process with potentially major revenue implications. The Council has a project management methodology and will seek to review the procurement process for all significant capital asset procurements at key stages to ensure that it learns from experience and has the opportunity to improve its (and its partners') future performance. The Council recognises that procurement doesn't end with the provision of the capital asset but involves the whole life cost and use of the asset.
35. Recognising lack of capacity and skill in-house, the Council's preferred strategy is to outsource design, build and project management for major capital schemes.

COMMODITIES

36. The spend analysis has shown that the Council has limited opportunity for cost saving through purchase of common commodities such as utilities, administrative supplies, recruitment advertising, temporary agency staff, telephony etc. This arises partly from the relatively low levels of spend in these areas, but also from the economies and efficiencies which the Council has put in place over a number of years.
37. The Council will seek to achieve economies of scale through longer term contracts and/or seek partnerships with other organisations to aggregate purchasing power. It will also seek volume discounts through buying consortia, or through nationally-negotiated contracts such as those provided by the Office of Government Commerce (OGC), or achieved through the activities of the Strategic Procurement Partnership for Oxfordshire. SPPO is a collaboration of the procurement functions of Oxfordshire councils. Its agreed purpose is to "facilitate the development of strategic and collaborative procurement for the benefit of the citizens in Oxfordshire." Its specific aims and objectives are included in its terms of reference (appendix 4). The Council will also follow this approach for non capital equipment.

SUSTAINABILITY

38. In its procurement processes the council will take into account appropriate sustainability factors, social, economic and environmental including climate change. Relevant considerations will depend on the nature of the procurement and advice will be sought as part of the preparation of the specification.

39. The Council will work with the South East Centre of Excellence who is the lead procurement organisation for sustainability, and our Principal Energy Officer to produce a sustainable procurement policy and action plan by 31st March 2008.

STIMULATING MARKETS

40. The Council is committed to encouraging a mixed range of suppliers including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers. This will help to stimulate a varied and competitive marketplace and support the local economy.
41. We will work to understand the supplier's perspective and market the council to suppliers. We are aiming for a diverse and competitive supply base to help improve value for money and to develop suppliers to meet new or emerging requirements. The Council will work with representatives of SMEs and other community organisations to ensure that they become aware of the opportunities for supplying the Council. The Council will sign up to the SME Friendly Concordat statement of principles by 31st March 2008.
42. The council will work with prime contractors – both at tender stage and during the life of a contract – to establish the contribution that small firms, ethnic minority businesses, social enterprises and voluntary and community sector suppliers can play in the supply chain. We will provide details of our prime contractors on our website.

EQUALITY AND DIVERSITY

43. As a Council, we deliver services to customers and value our employees equally, irrespective of their ethnicity, gender, age, religion or belief, disability, sexual orientation or any other irrelevant factor. We recognise and value difference and respect our staff and service users as individuals
44. To ensure that the Council procures goods, works and services in a way which promotes equality and diversity, we need to:
- have a fair and accessible procurement process
 - make sure that where contractors deliver services on our behalf, they do so in a way which meets the needs of all our residents and/or employees
45. By being pro-active in these two areas, the Council will help to achieve its vision of building and safeguarding a fair, open and compassionate community. We will also be meeting our statutory duties to eliminate unlawful discrimination and promote disability, race and gender equality.
46. The Council will have a fair and accessible procurement process by:
- simplifying the guidance available to potential suppliers about how we procure goods, works and services

- making information about the Council's procurement opportunities more accessible ('meet the buyer' event, information on the website)
47. When we use contractors to deliver services on our behalf, we will make sure that they do so in a way which meets the needs of all our residents and/or employees by:
- Seeking information from tenderers about their equality and diversity policies and practices and using this to help shortlist suitable candidates
 - Prompting officers to consider any equality and diversity issues when they are procuring goods, works or services
 - Including standard equality and diversity clauses in major contracts to ensure contractors meet relevant statutory duties
 - Consulting our major contractors on any statutory equality and diversity policies/schemes we develop

BUSINESS CONTINUITY

48. Business continuity is the process of preparing for and responding to a disaster event or situation that could have a serious impact on the delivery of the Council's services. All procurement should consider and include provision for business continuity wherever appropriate.

4 – E-Procurement

49. The Council has automated a large part of the purchase to pay process, by removing paper documents from the purchasing process e.g. requisitions, orders, goods receipt notes and invoices. The Council fully recognises that e-procurement provides significant opportunities for substantial expenditure savings, reduced transaction costs and improved operational efficiency.

E-PROCUREMENT OF COMMON COMMODITIES

50. Many of the goods and services procured by the Council are common to other Councils. SPPO has become the main forum for jointly purchasing common commodities throughout Oxfordshire councils. In many of the cases, electronic reverse auctions are used to achieve the lowest price against a pre-defined basket of measures. Commodities amenable to e-auctions include paper, stationery and ICT consumables (already undertaken), telecoms, etc. The Council's strategy is to continue with this partnership with other Councils wherever sensible, and to this end maintains regular contact with SECE to identify when suitable opportunities arise.

E-MARKETPLACES

51. An e-marketplace is an online trading forum, often software based, designed to make it easier for organisations and suppliers to trade with each other. Some councils are now implementing e-marketplace solutions, which capture their existing suppliers in a database, allow suppliers to be shared between councils (with possible economies of scale), and permit electronic ordering. The Council is currently working with SPPO and SECE to identify the best options.

SELLING TO THE COUNCIL

52. The Council's website already includes a section called 'Selling to the Council' which is specifically designed to make it easier for SMEs and other potential suppliers to do business with the Council. It includes a list of currently advertised opportunities with downloadable information packs, an overview of the Council's procurement rules and contact information. A downloadable 'selling to the council' handbook will be made available. The Council will be adopting an e tendering solution to enable suppliers to submit bids and tender documents electronically.

5 – Implementation Responsibility

MANAGEMENT TEAM

53. Strategies are only as good as the people who implement them and the commitment of the leaders within organisations to the achievement of their objectives. Management team is responsible for owning, leading, driving and challenging services to implement the procurement strategy and to ensure its success. A strategic director has lead responsibility for overseeing the implementation of the strategy.

EXECUTIVE

54. To reflect the political commitment to this strategy the executive Councillor for Contracts and Procurement has assumed responsibility for procurement. This Councillor will ensure that procurement is recognised and proactively considered in the political processes of the Council and its partners and will also lead councillor engagement with the procurement strategy and will be involved in overseeing major procurement decisions and processes.

DEPUTY DIRECTORS AND TEAM LEADERS

55. Operational responsibility for procurement rests with individual managers throughout the Council. They will manage and undertake procurement activity in line with the Council's strategy and acting within the contracts and financial procedure rules specified in the constitution. They will be expected to learn from best practice elsewhere, from their own experience and to contribute to the dissemination of learning to improve the procurement performance of the Council. The Deputy Director Contracts and Procurement and the organisational change team will provide support to teams in implementing the strategy.

CONTRACTS AND PROCUREMENT FORUM

56. The CPF is responsible for overseeing the letting, management, monitoring and review of Council contracts, and for coordinating and advising on procurement initiatives designed to help the Council achieve best value. The terms of reference for CPF are included in Appendix 5.

KEY PROCUREMENT PERFORMANCE TARGETS

57. In order to monitor the performance of the Council's procurement, the corporate plan will include appropriate local performance targets. These will be based on the targets set out in this strategy or as required by BVPIs.
58. When adopted these local performance targets will form part of the Council's performance management system. In this way, progress against procurement targets will be monitored regularly and reported to management team, executive and the appropriate scrutiny committee.

PROCUREMENT PERFORMANCE REVIEW

59. The Council is fully committed to the review of all of its strategies to ensure that its performance continuously improves and that its strategies remain relevant and effective. This strategy will be subject to review both externally and internally.
60. Internal review will be by:
- quarterly review of local performance targets relating to procurement by Executive as part of the existing performance review process
 - annual review of procurement by Scrutiny Committee as part of their annual workplan

6 – Conclusion

61. This Council has long been committed to cost effective procurement and wants to build on the progress it has already made in relation to procurement and to continue to improve. This strategy focuses on those areas of greatest priority to the Council.
62. The Council has a number of large contracts which provide the greatest opportunities for more effective procurement improving value for money and/or reducing costs. This will be the focus of the Council's activities. It will however always take reasonable steps to ensure that it is obtaining value for money in its smaller contracts and commodities by continually testing the market and by working with others.
63. This strategy has been developed from the national procurement Strategy for Local Government . The successful implementation of this strategy will make a significant contribution to the on-going improvement of the Council's performance and the value it adds from the investment in assets, goods, works and services necessary to enable it to meet the needs of the communities it serves.

Appendix 1 – Spend analysis 2006/07

Spend by service

	Employees £	Utilities £	* Premises £	** Transport £	Equipment £	Supplies £	Contracts £	Capital expend £
Audit & Performance Management	180,027	231		5,169	742	4,445		
CE Strategy	27,207	127	2,361		110	10,755		
Commercial Services	897,109	13,631	63,408	115,089	8,387	141,751		737,816
Contracts & Procurement	1,282,588	79,303	772,880	43,573	99,993	462,783	4,584,855	137,534
Environmental Health	865,001	4,239	3,703	51,173	125,243	104,716		598,042
Estates	318,063	123,496	1,077,240	12,008	11,972	152,064	27,977	324,296
Finance	1,052,723	2,670	256,457	16,396	30,948	1,231,477	1,069,328	
Housing & Community Safety	965,662	34,071	58,295	28,910	59,302	821,467	30,000	1,234,738
Legal & Democratic Services	664,393	2,235	23,243	14,840	57,200	508,651		27,524
Organisational Development & Support	1,627,789	28,697	12,709	15,505	178,270	272,557	14,635	30,800
Planning & Community Strategy	1,524,954	37,107	172,645	65,324	43,277	710,592	64,951	55,643
SB Strategy	846,863	1,268	545	6,673	334	246,810		
TS Strategy		914	32		203	7,850		
Grand Total	10,252,379	327,988	2,443,518	374,661	615,980	4,675,917	5,791,746	3,146,394

Note: This expenditure analysis excludes expenditure on grants, parish precepts, housing benefits, and notional charges as these are outside the control of the Council's procurement process.

Premises include insurance, business rates and CT, contract cleaning, repairs and maintenance, leases, rent/hire of rooms, service charges and waste management

Transport includes: car allowances – lump sum and mileage, fuel, hire of plant, leased car costs, licences, repairs and maintenance or vehicles and insurance.

Spend by contract

VALE OUTSOURCED CONTRACTS

SERVICE	CONTRACTOR	COMMENCEMENT DATE	END DATE	ANNUAL COST 06/07
FINANCIAL (e.g. Revs/Bens)	Capita	2006	2013	1,143,612
SPORTS CENTRES	SOLL (Vale)	2004	2014	378,650.00
	DC Leisure	2002	2012	£500 (Five hundred)
WASTE COLLECTION	Veolia (recently took over Cleanaway)	2003	2010	3,428,000
PARKS/GROUNDS MTCE	ISS Waterers (recently took over JV Strong)	2005	2009	462,317

Some of these services have been outsourced for many years (e.g. Waste), the detail above relates to there current contractor NOT the original date of outsourcing

Appendix 2 – Option evaluation

In order to decide whether to provide in-house, outsource or partner with other organisations, the Council will consider the following evaluation criteria:

1. the needs of the asset, goods or service user/stakeholders
2. the degree to which the asset, goods or service being procured is of a specialist nature
3. the quality of the asset, good or service required
4. the time pressures for provision
5. legal requirements
6. cost comparisons, including the adoption of the Most Economically Advantageous Tender (MEAT) principle
7. the availability of a market of suppliers with good past performance and financial standing
8. the ability to aggregate and share purchasing power
9. the need to gain access to assets, goods, works, skills and services where investment could not be justified based on the Council's requirement acting in isolation
10. the Council's duty to promote sustainability and race equality and other social issues including how contractors can meet the Council's requirements
11. exploring the use of the voluntary sector in service provision
12. other criteria relevant to procurement.

Appendix 3 – Evaluation of suppliers

ASSETS

In evaluating suppliers for the provision of assets, the Council will consider:

1. compliance with the tender specification
2. evidence of innovation
3. project management performance
4. track record of performance in delivering to time, budget and specification
5. track record of working in partnership and client satisfaction
6. repair and maintenance performance to minimise whole life costs
7. the ability of suppliers to offer alternative options that meet the specification and deliver additional social and environmental benefits
8. compliance with health and safety, equality and other statutory requirements
9. financial standing
10. materials and employment sourcing policies and performance
11. payment requirements/methods.

GOODS

In evaluating suppliers for the provision of goods the Council will consider:

1. compliance with the specification
2. evidence of product and supply chain innovation
3. initial purchase unit costs
4. whole life costs
5. the ability of suppliers to offer alternative products that meet the specification and deliver additional social and environmental benefits
6. willingness to allow aggregation of purchasing power and sharing of economies of scale
7. flexibility of pricing based upon volume and value
8. flexibility of delivery in terms of timescales, volumes and locations
9. warranty and support services
10. track record of performance and customer satisfaction
11. financial standing
12. payment requirements/methods
13. compliance with health and safety, equality and other statutory requirements.

SERVICES

In evaluating suppliers for the provision of services the Council will consider:

1. compliance with the specification
2. evidence of, and scope for, innovation over time
3. the willingness to develop a partnership approach to service provision
4. initial purchase costs
5. whole life costs
6. the ability of suppliers to offer alternative services that meet the specification and deliver additional social and environmental benefits
7. track record of service provision performance and client satisfaction
8. access to the competencies and support services required for effective performance
9. flexibility of delivery in terms of timescales, volumes and locations
10. track record of investment in training and development
11. financial standing
12. payment requirements/methods
13. compliance with health and safety, equality and other statutory requirements
14. commitment to performance improvement and the willingness to invest in systems etc
15. willingness to share the financial benefits of increased economy, efficiency and effectiveness achieved through business process improvements.
16. Ability to retain staff in a competitive market place.

Appendix 4 – Strategic Procurement Partnership for Oxfordshire

TERMS OF REFERENCE

Purpose

The purpose of the Strategic Procurement Partnership for Oxfordshire is to facilitate the development of strategic and collaborative procurement for the benefit of the citizens in Oxfordshire.

The practical working arrangements will also enable all of the partners to opt in or out of any joint project as best fits the needs of their organisation.

SPPO is not a legal partnership but an agreement of the authorities listed below and any other partners to work together for mutual benefit. Any contractual relationships will be specific to any joint procurement arrangements that councillors agree to be involved in.

Strategic aims

- make savings, and/or achieve better value for money, through the joint purchasing of common commodities
- make it easier for suppliers to do business with councils
- develop a common supplier base
- import and share good procurement practice
- support the delivery of National Procurement Strategy and South East Centre of Excellence objectives
- create capacity through delivering procurement projects jointly
- reduce the in-house processing costs of orders and invoices, through back office improvement and e-marketplace solutions
- work together in a flexible way that allows all councillors to opt in and out of any work plans as best meets the needs of their organisation
- make savings, and/or achieve better value for money, in shared services through alignment of contracts and tenders and sharing of risk

Specific objectives

- generate deliverable and measurable financial savings for all through the setting up of joint procurement contracts for common indirect purchases
- produce a joint guide for suppliers on “how to sell to Oxfordshire Councils”

- develop options for E commerce solutions in conjunction with the Countywide joint IEG group
- generate deliverable and measurable process savings through more efficient “procure to pay” processing
- align each authority’s procurement strategy with the strategic aims of the group
- ensure, the tasks and objectives of SPPO support the deliverables set by the South East Centre of Excellence at regional and sub-regional level

Membership

The members of the SPPO are:

- Cherwell District Council
- Oxford City Council
- Oxfordshire County Council
- South Oxfordshire District Council
- Thames Valley Police
- Vale of White Horse District Council
- West Oxfordshire District Council.

Membership of the group and or opportunities to enter into joint procurement arrangements will also be offered to other public bodies both within the Oxfordshire and the neighbouring counties. This may include:

- Primary Care Trusts and other NHS bodies
- Universities
- Berkshire Unitary Authorities
- other members of the South East Centre of Excellence
- other public and voluntary sector organisations.

Appendix 5 – Contracts and Procurement Forum

TERMS OF REFERENCE

1. oversee the letting, management, monitoring and review of Council contracts.
2. provide guidance on performance-related and other issues arising from contract monitoring.
3. share best practice on contracts and procurement issues.
4. lead on strategic procurement issues affecting the Council as a whole.
5. contribute to the operation and review of Contracts Procedure Rules.
6. co-ordinate the preparation of a Contracts Guidance Manual.

It is part of this strategy that these terms of reference will be expanded to include the following:

7. develop an action plan to ensure that the procurement strategy is implemented successfully.
8. co-ordinate the review of the Council's procurement performance.
9. promote and facilitate the most economic, efficient and effective procurement of assets, goods, works and services by and for the Council.
10. ensure that the procurement strategy and its implementation helps the Council to meet its strategic objectives, Best Value Performance Indicators and local performance targets.
11. be a focal point and conduit for procurement issues raised by the Council.
12. lead future reviews of the procurement strategy.
13. establish corporate guidelines, frameworks, documentation and evaluation systems to ensure a consistent approach to procurement across the Council that complements the corporate performance management system/Best Value review process and promotes continuous improvement.
14. provide Best Value Review teams with advice and guidance on competitive procurement and assist review teams during the service delivery option appraisal process.
15. ensure procurement practices and policies contribute to the Council's priorities on equality, sustainability, and regeneration.
16. advise councillors and senior managers on the implications of partnering arrangements, contractual frameworks, compliance with standing orders and EU procurement guidelines and processes.

The CPG is accountable to the management team and will produce regular progress reports to management team, Cabinet and Corporate Improvement Scrutiny Committee as appropriate.