



WILTSHIRE COUNTY COUNCIL PROCUREMENT STRATEGY

(2005-2008)

EXECUTIVE SUMMARY

Purpose and Context

This document details the strategic direction for procurement related activities for Wiltshire County Council from 2005 to 2008. The direction has been developed by recognising many key drivers that shape procurement including influences such as: “**The Byatt Report**”, “**The National Procurement Strategy**”, the findings of the “**Independent Review of Public Sector Efficiency**” by Sir Peter Gershon, and the Council's own **service delivery and improvement plans**.

The Strategy contributes towards the achievement of the County Council's overall strategic goals and objectives by enabling the procurement of best value goods and services to benefit the County's diverse community.

It forms a link between the Overall Strategic Plan and the Departmental Service Plans, and also sets the framework by which each service department will develop and deliver its own Procurement Strategy. This will support the Council's vision for procurement: “**To provide a framework for the procurement of external resources in all areas to be managed in such a way as to ensure delivery of best value services that contribute effectively towards the Council's strategic goals and objectives**”.

Policy

The Strategy recommends a procurement policy that all service areas should promote and adhere to which describes the principles of Best Value Procurement. It includes the following topics:

- **Low Cost** - One example being to maximise purchasing power, widen procurement experience, harness economies of scale and promote consortium working.
- **High Quality** - One example being to encourage the participation of high quality tenderers.
- **Effective** - One example of this is to be driven by desired outputs and results, in effective dialogue with client (i.e. service department, or any of its sub-departments) and the market.
- **Local Economy** - One example being to develop the market and enable voluntary sector and small and medium sized local organisations to compete in a fair and level manner.
- **Process** - One example of this is to be transparent, ethical, accountable and open to scrutiny.

Objectives and Actions

The Strategy sets a clear objective for each area of procurement activity, highlights the key issues associated with it and then details the actions required in order to achieve the objective.

The areas of procurement activity include:

- Leadership and Competency
- Organisation
- Controls, Standards, Management of Risk, Ethics
- Procurement Training and Development
- Collaboration and Partnerships
- Value for Money
- Electronic Procurement
- Procurement Management Information
- Procurement Performance Management
- Sustainability, Equality, Regeneration
- Encouraging Suppliers and Developing Markets
- Schools Procurement
- Social Care Procurement
- Construction Related Procurement

PROCUREMENT STRATEGY

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1. INTRODUCTION AND BACKGROUND

1.1 Purpose

To identify both the objectives and the necessary actions to be taken by Wiltshire County Council in improving procurement throughout the organisation.

1.2 Definition of Procurement

Procurement is the process of acquiring goods, works and services from third parties. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset and its eventual disposal. It includes options appraisal and the critical 'make or buy' decision.

1.3 Key Drivers

Key influences in the development of Wiltshire's Procurement Strategy include:

- The Council's internal **service delivery and improvement plans** which collectively aim at delivering effective services to the people of Wiltshire;
- The recommendations of the **SX3** reports;
- "Delivering Better Services to Citizens" (*The Byatt Report*) of June 2001 sets out the importance of developing procurement as a key strategic process for local authorities;
- The Audit Commission's report on **Competitive Procurement** in March 2002 emphasised the importance of procurement in the Best Value framework: "effective procurement is fundamental to improving services";
- The response of the Government and the Local Government Association to the Byatt Report led to the publication of the **National Procurement Strategy** in 2003 and ongoing initiatives to improve capacity in local government procurement which in turn will measure and monitor Local Authorities' plans to meet stringent targets;
- The findings of the **Independent Review of Public Sector Efficiency** report by Sir Peter Gershon in 2004 setting out performance targets to be met by the public sector as a whole.
- The Council's strong **commitment to a mixed economy** of provision makes it imperative that its ability to engage positively and effectively with contractors and partners is of the highest order;
- The **Local Government Act 2003** offers new trading powers to stronger performing Councils. The Council aspires to meet and exceed these performance criteria and to examine the potential which these new powers offer;
- The **Modernising Government** agenda requires local authorities to implement the electronic delivery of services by the end of 2005. This has substantial implications in relation to the supply chain;
- The **OFSTED** requirement for Local Education Authorities to develop a brokerage service will engage procurement in effectively subjecting those Council services provided to schools to a competitive market;

- The Office of Government Commerce (OGC) document ***Think Smart, Think voluntary sector a guide to procuring services from the voluntary sector***
- The importance of progressing the procurement agenda vigorously in order to meet the future requirements of any future ***Comprehensive Performance Assessment***,
- Other statutory requirements, including the duty to promote equalities, require a co-ordinated response if the Council is to carry out its responsibilities to all its citizens.
- The **Rethinking Construction Toolkit (relating to The Egan Report), Procurement through Partnering and Top Ten Tips for a successful Procurement Process** feature prominently in the construction procurement guidance published by the Local Government Taskforce and Housing Forum. The broad principles of OGC's **Achieving Excellence in Construction** guidance also apply in local government.

2. THE COUNCIL'S PROCUREMENT STRATEGY

2.1 Corporate Plan

The purpose of this Procurement Strategy is to help the Council deliver its strategic goals and objectives by enabling the procurement of best value goods and services to the benefit of the County's diverse Community.

2.1.1 This Strategy feeds directly from the Overall Strategic Plan and links in with Departmental Service Plans. In turn Service Department Procurement Strategies must reflect this Plan and dovetail both with their own Service Plans.

2.1.2 The Council's strategic objectives are to:

- provide excellent services at an affordable cost
- improve public satisfaction with the County Council and the services it provides
- take decisions and provide services in a transparent and inclusive way

2.1.3 Which:

- reflect the special features of a large and diverse rural County
- are accessible to everybody who lives and works in Wiltshire
- are co-ordinated to meet individual people's needs and preferences
- help communities to be better places to live, and
- provide good value for money.

2.1.4 The Government has also established a best value regime, which aims to secure continuous improvement in services by carrying out reviews that challenge, secure comparison with the performance of others, consult, and use fair and open competition where practicable.

2.1.5 The Council's procurement strategy will seek to support the delivery of the Council's objectives, and to underpin the implementation of the best value regime.

2.2 Procurement Vision

The vision for procurement in Wiltshire is:

To provide a framework for the procurement of external resources in all areas to be managed in such a way as to ensure delivery of best value services that contribute effectively towards the Council's strategic goals and objectives.

2.3 Procurement Policy

The Council requires all service areas to promote and adhere to the following principles of Best Value Procurement, so that it will:

Low costs

- Maximise purchasing power, widen procurement experience, harness economies of scale, and promote consortium working
- Minimise the burden on administrative and monitoring resources
- Expedite simple and routine transactions
- Incorporate an assessment of the resources needed for effective contract management in the contract strategy

High quality

- Encourage the participation of high quality tenderers
- Be timely
- Generate value for money - the most advantageous balance of quality and cost

Effective

- Encourage innovation; but manage, assess and evaluate risk at all stages in the procurement process
- Be driven by desired outputs and results, in effective dialogue with clients (i.e. Service Departments or any of its sub-departments) and the market
- Challenge whether the goods and services to be procured are required at all
- Allow flexibility in developing alternative procurement and partnership arrangements

Local Economy

- Encourage fair competition unless there are compelling reasons to the contrary
- Develop the market and enable the voluntary sector and small and medium size local organisations to compete in a fair and level manner
- Incorporate the Council's core values, and its corporate aims and objectives

Process

- Apply a consistent and common approach to effective procurement throughout the organisation
- Comply with all applicable legislation and with the Council's regulatory framework
- Identify strategic and non-strategic purchasing and deal with each appropriately
- Establish a contract strategy for every significant procurement, incorporating the specific objectives, market conditions and potential changes during the life of the contract
- Be transparent, ethical, accountable and open to scrutiny
- Support the Council's corporate procurement strategy

3. PROCUREMENT OBJECTIVES AND ACTION PLAN

3.1 Leadership and Competency

Objective: *The strategic objective is that there should be a commitment from the top to procurement and that all Councils should manage procurement strategically and resource it properly.*

National Procurement Strategy for Local Government, July 2003

Key Issues:

- 3.1.1 This Procurement Strategy is aimed at promoting and securing effective procurement across the whole Council. Effective procurement requires the commitment of members and officers at all levels throughout the organisation, with sponsorship from the Chief Executive and the various tiers of Management Board. It is recommended that the appropriate Cabinet Member – a “procurement champion” - should have specific responsibility for overseeing procurement matters and for reporting on them to the Cabinet.
- 3.1.2 The National Procurement Strategy for Local Government sets a target that, by 2004, all Councils should adopt a Corporate Procurement Strategy that is owned by members and senior managers, and should monitor its application regularly.
- 3.1.3 The corporate focus, however, must not undermine the responsibilities of service directors for the services they manage, especially as an increasing proportion of those services will be delivered by third parties. It is vital that service knowledge and core procurement activity which supports that service, work closely together. Service directors and managers will therefore have an important role in improving the Council's procurement delivery.

3.2 Organisation

Objective: *To work towards the provision of best in-class service delivery by ensuring that procurement resources are deployed effectively and those systems are in place to deliver the priorities of the Council and of its services.*

Key Issues:

- 3.2.1 The continued development of a viable strategic procurement operation is vital. In the words of the Byatt Report (Delivering Better Services to Citizens), “Local authorities should develop a corporate procurement function to collect management information, oversee devolved buying, co-ordinate training and act as an internal source of expertise”.
- 3.2.2 A key building block is the identification of categories of procurement activity and the creation of category teams (i.e. Social Care or Child Care or Construction) which involve the appropriate service experts together with appropriately skilled procurement input. This will lead to the development of strategies for categories of procurement activity, linking-in to both this corporate procurement strategy and to service plans.
- 3.2.3 Accordingly the Corporate Procurement Unit (CPU) is to be led by a head of profession, with a broad remit, in line with the recommendations of the SX3 initial and follow up reports, covering all of the Council’s procurement activity, to implement the Council’s Procurement Strategy and to be an integral part of best value reviews.
- 3.2.4 Each departmental centre of procurement expertise should have a manager at a senior level with responsibility for procurement; that manager shall report to a service director or manager, and shall be responsible for implementing the Procurement Strategy in that area. They shall also be accountable to the Strategic Procurement Manager for the standards of professional competence within their department and for recruitment and training of procurement staff.

Action Points:

- 3.2.5 **Those involved in procurement need to be identified and mapped, and a mechanism established to foster procurement development and excellence across the Authority.**
- 3.2.6 **To ensure that each department appoints a representative to act on the Virtual Procurement Team (VPT) and that they are empowered to act on behalf of their Chief Officers in order to secure sign-up to the procurement agenda.**
- 3.2.7 **The CPU is to map out the major areas of procurement activity in the Council. Identify procurement activity involving high risk (e.g. where markets are underdeveloped, where there are few suppliers or where the consequences of a contract failure would seriously impact on service delivery) and high value (including opportunities to aggregate spend with others). Identify high volume transactions where there may be opportunities to reduce transaction costs; they are to further put in place procedures to capture and measure this activity.**
- 3.2.8 **The CPU is to establish centres of procurement expertise (category management teams) based on the nature of the goods, services or works procured; develop these together with the VPT across service groupings where the issues are similar; e.g. packages of social care, and out of county education placements; ensure clear leadership on technical specifications and contract management issues from the appropriate specialists, e.g. ICT.**
- 3.2.9 **Category management procurement strategies should be developed, which are revised and agreed annually by the Strategic Procurement Manager.**

3.3 Controls, Standards, Management of Risk, Ethics

Objective: *To ensure that risk is appropriately managed and that all procurement remains legal, ethical and transparent whilst embodying the Council's core values*

Key Issues:

- 3.3.1 Contract Regulations should form, along with this Strategy, the suite of documents to control, instruct and guide staff within the procurement community, including departmental strategy documents.

Action Points:

- 3.3.2 **The CPU is to develop and maintain a web enabled corporate procurement guide, with the object of supporting purchasers through the project planning and appropriate procurement processes, and to achieve common corporate standards and effectiveness of engagement with the supplier community.**
- 3.3.3 **The Strategic Procurement Manager is to create a schedule for reviewing Contract Regulations and Procurement Guide annually, and monitor its application.**
- 3.3.4 **The CPU is to keep under review policies regarding ethical behaviour in relation to procurement activity.**
- 3.3.5 **The CPU, in concert with the Finance and IT Department is to develop a risk assessment checklist to enable those departments that let contracts to effectively rate each contractual arrangement, giving weight to such risks as:**
- **Shortage of providers**
 - **Criticality of the service delivered**
 - **History of performance problems**
 - **Potential impact of having to change provider unexpectedly**
 - **Where the current contractual arrangement does not adequately protect the Council's interests.**
- 3.3.6 **The CPU is to develop use of the "gateway" controls instigated by the OGC, which provide for planned reviews throughout major procurement projects.**

3.4 Procurement Training and Development

Objective: *To ensure a structured and implemented approach to training and development for Members and staff with procurement responsibilities*

Key Issues:

- 3.4.1 The programme of skills enhancement will provide appropriate training to enable the necessary knowledge to be in place for a licence to procure to be awarded to Council officers. Those who have not undertaken relevant training and are not issued with an appropriate letter of delegation by the end of 2005 will no longer be able to undertake procurement activity on behalf of the Council.

Action Points:

- 3.4.2** The CPU is to identify skills gaps and establish with departments a programme of tailored procurement training across the identified procurement community, and for appropriate new starters, which will equip relevant staff to secure their respective licence to procure by the end of 2005.
- 3.4.3** In particular they are to instigate a regime of project management training such as PRINCE 2, for procurement professionals across all departments with the responsibility for delivering major procurement projects.
- 3.4.4** The CPU is to establish, via the offices of the departmental representatives on the VPT, an effective sanctions mechanism, which will prevent staff without an appropriate licence to procure from undertaking procurement activity on behalf of the Council with effect from December 2005.
- 3.4.5** The Strategy and Partnership Group are, by December 2005, to develop a pool of experienced and skilled negotiators who can be called upon to lend their expertise to major contractual undertakings, such as partnerships and Private Finance Initiatives.
- 3.4.6** The CPU by December 2005, in consultation with colleagues in Democratic Services and the Cabinet Member for Procurement, is to undertake training for Members where appropriate.
- 3.4.7** The CPU is to incorporate in the project plan for all major procurements a requirement for contract managers to be recruited or receive training and development prior to contract award. The skills needed by contract managers should be discussed with potential service providers. All non-procurement staff managing contracts should undertake appropriate contract management training.

3.5 Collaboration and Partnerships

***Objective:** Promote collaborative procurement arrangements on behalf of the Council with public, private and voluntary sector organisations.*

Key Issues:

- 3.5.1** Partnerships can be more difficult to develop, manage and maintain than conventional procurements, but they can, if successful, also bring additional added value. Partnerships need a fundamental culture shift by both the Council and by the contractor/partner. Common purpose and shared objectives are vital, as are a high level of mutual trust, transparency, and probity.

Action Points:

- 3.5.2** The Strategy and Partnership Group are to explore further opportunities for procurement partnership working/collaboration, especially in areas of higher value/higher risk where the Council working alone lacks resource, experience or leverage; including areas such as e-procurement where Government funding for collaborative working may be available.
- 3.5.3** The CPU is to actively work with the new Regional Centre of Excellence when it is formed.

3.6 Value for Money

***Objective:** To obtain value for money on all procured goods, works and services, and to reduce the cost of the procurement process*

Key Issues:

- 3.6.1 Value for money is the optimum combination of whole-life costs and quality (or fitness for purpose) to meet the user's requirements.
- 3.6.2 Value for money decisions may be influenced by non-cost factors, as allowed by law and determined by the Council's policies. These could include environmental issues and purchasing from local suppliers, etc.
- 3.6.3 Assessing whole life costs may lead to a different contract outcome from simply accepting the lowest price at point of purchase.
- 3.6.4 Taking full advantage of the Council's purchasing leverage, either alone or within collaborative or partnership arrangements, will maximise existing value for money opportunities. Consequently the Council needs to take appropriate steps to restrict off-contract purchasing which weakens that leverage.
- 3.6.5 Contracts should make provision for continuous improvement by the supplier, through cost reductions, service improvements, or community benefits consistent with the Community Plan "A County fit for Children". Automatic price indexation (for example simple adherence to the Retail Pricing Index) needs to be challenged.
- 3.6.6 Procurement process costs can be high – sometimes higher than the cost of what is purchased. Simple supplier reduction and invoice rationalisation can yield significant benefits.

Action Points:

- 3.6.7 **The CPU must continue to identify contract areas where "quick wins" may be expected and seek to realise those advantages.**
- 3.6.8 **Where practicable, departmental procurement teams are to undertake appropriate benchmarking of current prices achieved.**
- 3.6.9 **The CPU is to continue its development of a programme of prioritised action to address those areas where performance shows potential to be improved, and establish strategies to achieve those savings, through collaboration, applying leverage, reducing transaction costs, process re-engineering and continuous improvement.**
- 3.6.10 **The CPU is to, in concert with departmental representatives, continue to develop tender evaluation models based on complex criteria, including service, technical merit, aesthetics, quality, etc., and incorporating an assessment of whole life costs.**
- 3.6.11 **The CPU, in concert with the Finance and IT Department, in consultation with the VPT, is to identify those suppliers with which no business is undertaken, or with which there is no contractual arrangement, and remove them from the Council's payments system; thus enabling them to challenge those who order from non-approved suppliers.**

3.6.12 The Strategy and Partnership Group Manager is to agree targets with the Strategic Procurement Manager and service department procurement representatives to seek to reduce the number of invoices submitted by contractors.

3.7 Electronic Procurement (e-procurement)

***Objective:** The use of ICT to reduce the cost, and improve the efficiency and effectiveness, of all aspects of the procurement process for the Council, its suppliers and contractors*

Key Issues:

3.7.1 Government targets require electronic government, including electronic procurement, to be implemented across all services by the end of 2005. Following on from the SERCO Business Process Re-engineering (BPR) process, there are three vital strands to the development of e-procurement:

- Streamlining the procurement process and reducing transaction costs by the implementation of computer assisted procedures.
- Technology by reducing the incidence of purchasing goods and services which are not supported by a Council contract.
- The use of computer assisted markets to achieve low cost solutions and easy access to all suppliers.

3.7.2 There are simple measures to reduce transaction costs. These include invoice reduction, supplier rationalisation, better control over the buying process and the introduction of purchasing cards.

Action Points:

3.7.3 The CPU is to increase its role by managing and paying centrally for corporate contracts for common non-strategic bought in goods and services. The action of devolving low spend budgets by service departments to sub-service departmental budgets is to be urgently reviewed. To enable this action to progress the Finance and IT Department in compliance with the recommendations of the BPR process is to implement a streamlined Accounts Payable system. CPU is to centrally manage and pay for the following common contracts:

- **Stationery**
- **Mobile Communications**
- **Land Line Communications**
- **Drinking Water**
- **Lease Vehicles (less those independently operated by service departments)**
- **Office Furniture**
- **Photocopy Equipment**

3.7.4 The CPU, in tandem with Finance and IT Department is to introduce purchasing cards across the entire authority to reduce transaction costs.

3.7.5 The CPU is to develop enabling policies on ordering over the internet, e-procurement, e-tendering, e-auctions, e-marketplaces, and similar developments to be in place by December 2005.

3.8 Procurement Management Information

***Objective:** To provide appropriate information upon which procurement management decisions can be based.*

Key Issues:

- 3.8.1 The Council needs to know corporately what it spends when and where. It needs to plot expenditure against risk, and expenditure against transactions. It needs to know who its buyers are and what they are (or should be) accountable for. It needs to be able to communicate key information to its suppliers and other stakeholders.

Action Points:

- 3.8.2 **Accordingly the CPU, in concert with the Corporate Information Computer Technology Unit (CICTU) is to develop and populate a database, which is available to all internal departments, which includes the following information:**

- **All contractual arrangements, including those for which no formal contract exists**
- **Contract start date, contract finish date, options to extend**
- **Person accountable for the renewal of the contract**
- **Person accountable for monitoring the contract**
- **Current contractor(s)**
- **Key unit prices (record over a period of time)**
- **Annual gross spend (record over a period of time)**
- **Contractual basis (externally facilitated/EU Directives/formal competitive tender/documented competitive quotation/documentated uncompetitive/undocumented)**
- **Coding data**
- **Risk assessment**

- 3.8.3 **Agree with the Cabinet Member for Procurement a savings methodology and incorporate that in the database.**

- 3.8.4 **All services to report to the CPU on tenders which may be subject to EU Directives, prior to tender drafting; all Official Journal of European Union notices to be placed and monitored through this one point; and to incorporate this in the review of procedures.**

3.9 Procurement Performance Management

***Objective:** To develop the use of performance measures in order to improve procurement performance continuously across the Council*

Key Issues:

- 3.9.1 Procurement savings need to be considered in the context of the Council's ability to afford even the keenest prices. Performance may therefore need to be linked to future affordability as well as to historical price performance.

Action Points:

- 3.9.2 A structured programme of review and scrutiny of procurement activities should be established.**
- 3.9.3 Scrutiny should be involved in all procurement activities which are:**
- **Of a politically sensitive nature**
 - **Involve the outsourcing of staff**
 - **In the excess of £1m spend per 12 month period**
- 3.9.4 In order to optimise the benefit to the Council of procurement skill enhancements, the Finance and IT Department is to recommend a scheme that could offer real financial incentives to services to realise procurement benefits.**
- 3.9.5 The Finance and IT department is to recommend and clearly identify the most meaningful performance indicators, which may be used in monitoring procurement and contract management activity corporately and in service departments, and incorporate these in the review and scrutiny process.**
- 3.9.6 The CPU is to develop a matrix to enable it to report bi-annually on progress towards the following targets:**
- **The recommendations of the BYATT review**
 - **The recommendations of the SX3 Report**
 - **The targets set by the National Procurement Strategy**
 - **Any additional targets agreed with the Cabinet Member for Procurement (for such issues as invoice reduction)**
- 3.10 Sustainability, Equality, Regeneration**

Objective: *To promote procurement practices and policies which contribute to the Council's policies on sustainability, equality, and regeneration*

Key Issues:

- 3.10.1** There is a need for effective and legitimate mechanisms for implementing Council policies which may impact on procurement, including the tendering and evaluation of non-financial criteria. Clarity is needed on how to resolve evaluation conflicts which may arise between two or more Council criteria (e.g. where a recycled product is more expensive).
- 3.10.2** Legislation, notably the Race Relations (Amendment) Act 2000, now requires local authorities, and those with whom the County Council contracts, to promote equality of opportunity, including access to the Council's services. This has significant implications for all services directed at the public, including those delivered by third parties. The provision offered to minority and hard-to-reach groups becomes a key issue.
- 3.10.3** A programme of supplier reduction in the Council (e.g. through e-procurement) may have a disproportionate impact on local businesses, some of which may rely heavily on Council work. In progressing such a programme it is important to mitigate the adverse effects on the local economy.

Action Points:

- 3.10.4 The CPU, in concert with the policy officers of Environmental Services Department, is to develop and implement an agreed corporate environmental purchasing/materials selection guide.**
- 3.10.5 The CPU is to disseminate clear guidance to users on the implications of legislation relating to workforce, racial equality, gender and disability issues, and on the gathering, use and evaluation of contractor information.**
- 3.10.6 The CPU, in consultation with the Head of Economic Regeneration and Resources, is to produce a measurable action plan to encourage potential suppliers to extend and improve their service offering to be inclusive of the whole community, including ethnic minorities, the disabled and those unlikely to access conventional services.**
- 3.10.7 The CPU in concert with the Economic Regeneration and Resources Group is to identify the potential impact of a programme of supplier rationalisation on local Small and Medium sized Enterprises (SMEs) and take appropriate steps to lessen adverse effects on the local economy of any e-procurement initiative.**

3.11 Encouraging Suppliers and Developing Markets

***Objective:** To stimulate the best suppliers and providers to work with the Council, and to stimulate new forms of provision which better meet the needs of the Council and its community.*

Key Issues:

- 3.11.1 Companies take a commercial view of the value of a potential customer's business, and apply their finite sales resource where the return is likely to be greatest. The processes used by Councils can be bureaucratic and long-winded, and the Council has to recognise that it has to market itself against other potential customers (and sometimes other providers), especially where the supplier's costs of tendering and engaging with the Council may be high.
- 3.11.2 Value for money will only be achieved if the best suppliers want to do business with the County Council. All staff need to promote to suppliers a straightforward working relationship with the Council, giving an enhanced reputation as a customer. A key issue will often be whether the Council can demonstrate that it has both the commitment and the appropriate mechanisms to deliver its aggregate buying power to a given contract.
- 3.11.3 In significant areas of the Council's spend, markets are weak and the numbers of potential suppliers or providers are few in number. In some instances the Council is the customer of last resort, or a provider of subsidies. It is important for those who undertake procurement in these areas to understand fully the supplier's perspective of the Council, the dynamics of the buyer/seller relationship, and the extent to which that is influenced by their own behaviour and professionalism.
- 3.11.4 New forms of provision may need to be encouraged, and the active involvement of a viable market is critical if this is to be achieved and properly managed.
- 3.11.5 The management of contracts is critical to the successful delivery of services. It is important that the ongoing relationship with a supplier/provider is both positive and challenging, with a focus on shared objectives rather than confrontation.

Action Points:

- 3.11.6 Together with the Head of Economic Regeneration and Resources, the Strategic Procurement Manager is to review guidelines and training for staff on reaching out to the market in order to achieve competitive and diverse sources of supply and provision.**
- 3.11.7 The CPU is, with assistance from the Economic Regeneration and Resources Group, to strengthen currently weak markets by attracting or developing new suppliers or alternative forms of provision.**
- 3.11.8 The CPU is to continue to develop a corporate guide on Selling to the Council, together with a forward contracts programme for the whole Council, available on the Council's website.**
- 3.11.9 The CPU is to continue to develop its relationship with the Federation of Small Businesses in collaboration with the other local authorities within the County Boundary.**

3.12 Schools Procurement

***Objective:** To work with schools to improve the value for money and quality of service obtained from procured goods and services*

Key Issues:

- 3.12.1 The fundamental issues facing schools – lack of appropriate procurement awareness and skills – are very similar to those seen in the Council.**
- 3.12.2 There are all too frequent examples of poor procurement practice in schools, such as signing up to uncompetitive leasing arrangements. Influence can be exercised by effective marketing and by proper understanding of the needs of schools.**

Action Points:

- 3.12.3 The Council is to develop a brokerage service to schools, in order to improve schools' ability to test the market.**
- 3.12.4 The CPU in concert with the Department for Children and Education is to develop a programme of wider procurement awareness and training for schools, drawn from appropriate elements of the Council's Strategy and tailored to the particular issues faced by schools.**
- 3.12.5 The CPU is to make available a programme of contracts, which will give added value to schools, using proven methods of marketing and of cost recovery; and develop a brokerage service.**

3.13 Social Care Procurement

***Objective:** To ensure procurement activities related to the provision of Social Care services are conducted in such a way that takes account of the unique aspects of the sector.*

Key Issues:

- 3.13.1 Many services purchased are very low value but extremely high risk if not delivered.
- 3.13.2 Jointly funded services with the Avon and Wiltshire Partnership and local Primary Care Trusts may have conflicting contract regulations.
- 3.13.3 The “compact” defines the nature of the relationship between the local authority and the Voluntary and Community Sector.

Action Points:

- 3.13.4 The CPU in concert with the Contracts Section, Department of Adult and Community Services, will continue to develop specific guidance for the procurement of Social Care related services.**

3.14 Construction Related Procurement

***Objective:** To develop procurement practices related to construction projects in order to deliver improvements in the efficiency, effectiveness and value for money of the procurement of new works, maintenance and refurbishment.*

Key Issues:

- 3.14.1 Significant savings in cost and time extracting higher quality and added value from construction projects can be realised by employing the principles of “Rethinking Construction”. Partnering construction supply chains and repeatedly using teams that learn the lessons of one project and employ them in future are central to wide ranging improvements in delivery in local government construction.
- 3.14.2 The lowest price tendered for construction rarely leads to best value for money; long term costs and quality of the life of the asset are the real indicators of value for money. The focus should be on the whole life cost of a facility, including acquisition, maintenance, operation and disposal.
- 3.14.3 Construction can contribute significantly to the sustainability agenda which includes environmental, social and economical factors.

Action Points:

- 3.14.4 The CPU in concert with the Major Projects Team will develop and improve construction related procurement process.**
- 3.14.5 The CPU in concert with the relevant service departments will adopt the use of “Gateway Reviews” where appropriate on major construction projects.**