

PROCUREMENT STRATEGY

1 Introduction

Introduction to the Corporate Strategy for Procurement

This document sets out the Council's Corporate Procurement Strategy. Its purpose is to provide Officers, Members, Contractors and the public with an understanding of the context of the Council's procurement activity, and to set out the direction this will take over the coming period.

The strategy has been written to take account of the Council's other strategic plans including its Business plan and high level priorities, its desire to becoming a Commissioning Authority, its creation of **ip&e Ltd and ip&e Trading Ltd (Inspiring Partnerships and Enterprise)** ('its wholly owned companies') and it is also aligned to the Council's Commissioning Strategy.

This strategy has been developed by Corporate Procurement in line with **The Council's Business Plan** to put our customers at the centre of everything we do and that as soon as possible everything is as efficient as it can be focussing on the customer, prevention and partnership.

Our top priorities are:

- a) **Protecting** - Strive to keep people from harm (in a way that doesn't compromise their choices)
- b) **Growing** - Help to manage our environment (in a way that helps Shropshire to thrive)
- c) **Helping** - Help people to help themselves (in a way that helps them to make the most of the choices available to them)

As a council we are focusing on delivering outcomes for our customers. Everything we undertake should work towards and fulfil one or more of these outcomes, these are:

- **Your money**
- **Your health**
- **Your life**
- **Your environment**
- **Your council**

The Council spends over £150m each year on goods, works and services provided by a wide range of suppliers, external organisations and partnerships

The strategy sets out how procurement will contribute to achieving the corporate aims of the Council.

The strategy will be reviewed annually to ensure that it continues to reflect the Council's priorities and the changing needs of the residents and businesses of Shropshire.

2 Definitions

Procurement

"The whole process of acquisition from third parties and in-house providers and covers goods services and works. The process spans the whole life cycle from identification of needs to the effective management of markets, through to the end of the useful life of an asset or end of services contract. It involves options appraisals and the critical "make or buy" decision".

Commissioning

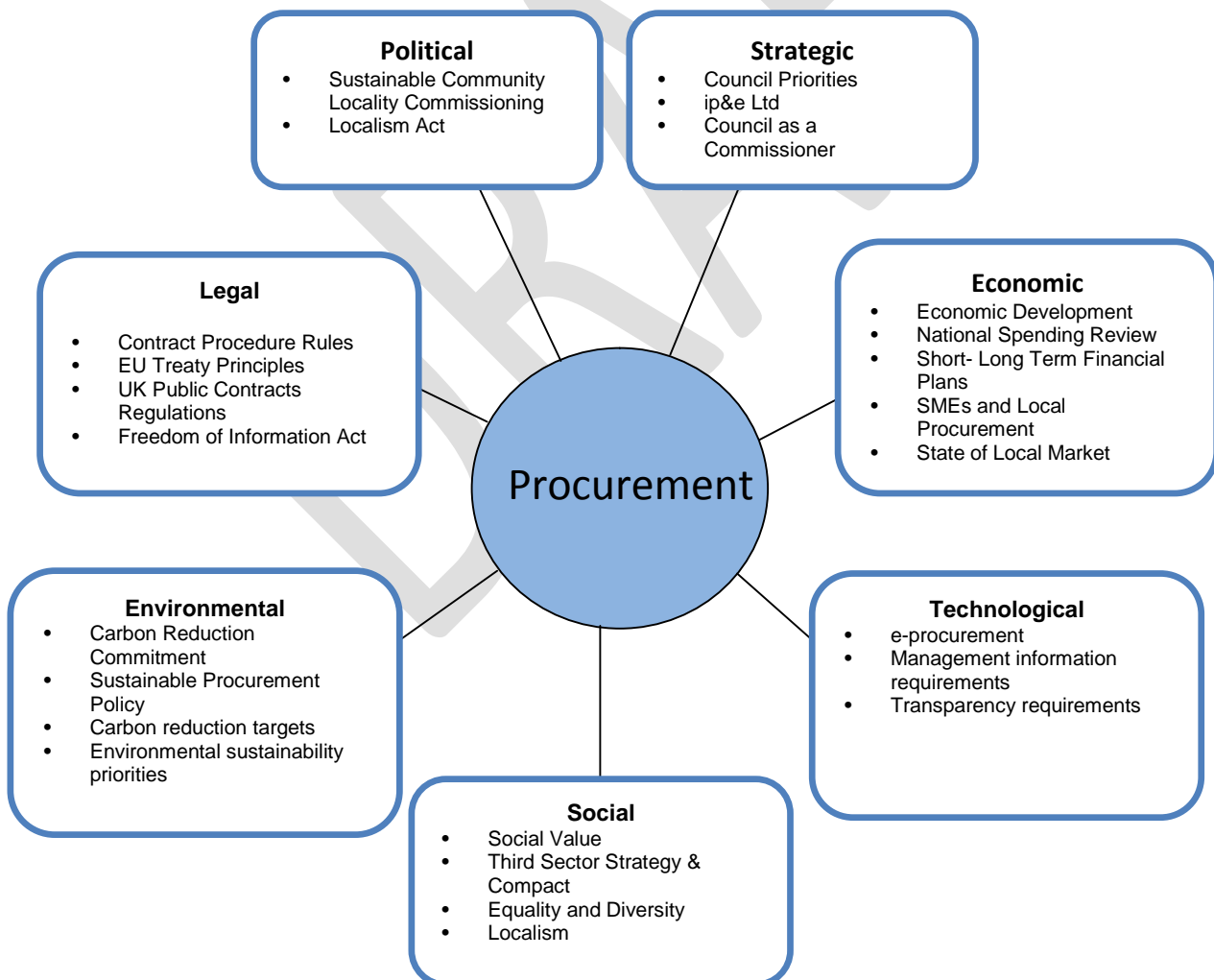
Commissioning as an overall approach is a cycle of activities (including procurement activity where required) which, when carried out effectively, ensures that we understand:

- what Shropshire's residents and communities need
- what our priorities should be in respect of those needs
- what approach(es) we should take to meet those needs
- and how effectively that approach is working

Commissioning and Procurement – the relationship

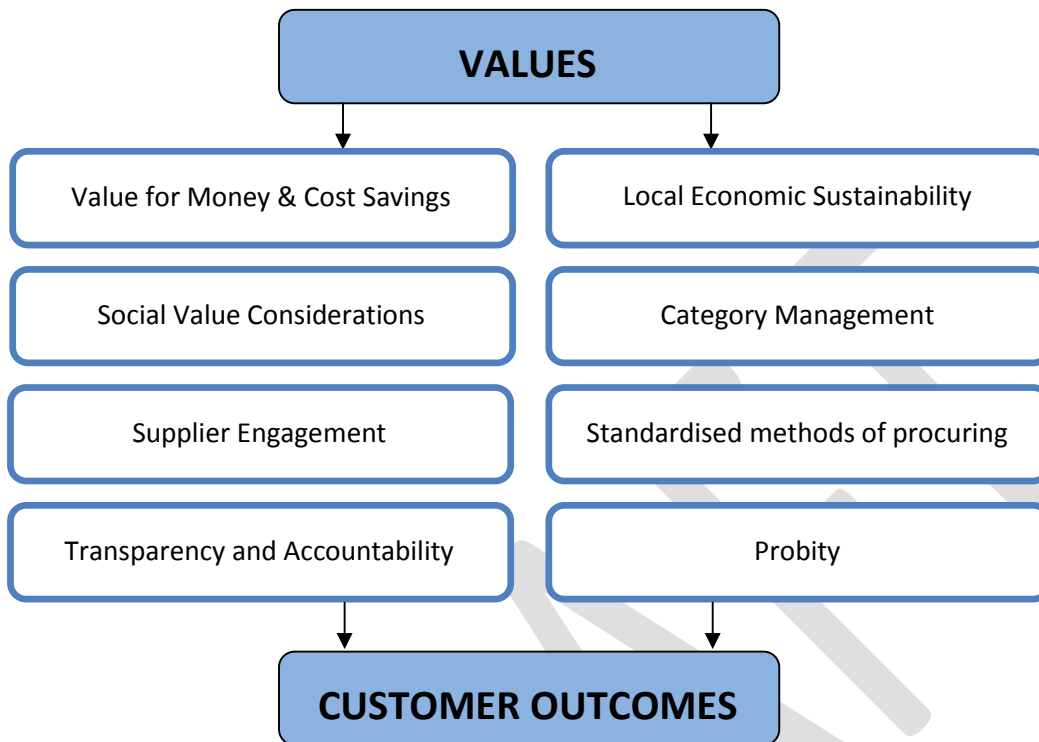
Commissioning & Procurement are not mutually exclusive. They are both part of the same Cycle and officers are often undertaking both commissioning and procurement activities within the same project or process.

3 Influencing Considerations



4 Key Values of Strategy

There are 8 Values that make up this strategy. These are:



Value for money and Cost Savings

To deliver cost savings through **improved and modernised procurement**, including **collaboration** with other bodies where appropriate.

To achieve real value for money through procurement of **excellent and cost effective services** with a constant drive **for savings and efficiency** with limited financial resources.

We have a continuing obligation to demonstrate that we are obtaining **value for money** for the taxpayer, and commissioning the **best possible outcomes** on the **most economically advantageous terms**.

There is however, a strategic aim to **support locally based businesses** to generate/safeguard local employment and economic prosperity, therefore individual commissioning strategies and procurement decisions will strike a balance between value for money and this strategic aim.

Local Economic Sustainability

To recognise the important role which procurement can play in achieving **Jobs and Enterprise** outcomes in relation to local suppliers and Small and Medium Enterprises (SMEs) together with all other businesses and other sources of employment based locally

The development of Shropshire as a **sustainable thriving County** lies at the heart of what we are trying to achieve. This requires a **sustainable and vigorous local economy** with a range of that can deliver local services, innovate and provide **local prosperity**. The more money that is spent locally, the greater the positive impact this will have on the local economy and particularly the sustainability of Voluntary & Community Organisations and small and medium sized businesses. The procurement section actively engages with SMEs and Local Suppliers through **COGS** the procurement group of the Shropshire Business board taking a central role in its activities and with **Shropshire Partners in Care**. Also there is active engagement between the Council and the Voluntary and Community Sector through the **Shropshire VCS Assembly**.

Local Economic Sustainability lies at the heart of the **creation of ip&e Ltd** and ip&e Trading Ltd these newly available options will provide an essential focal point for a **broad range of collaborative ventures** with others in the future, including local town and parish councils.

Whilst the Council will continue to deliver some key services directly in house, others will be provided through the **new delivery models** that we create – whether these are social enterprises, staff mutuals, or new companies that are owned wholly by the Council or jointly with our chosen partners. This exciting array of new businesses will form a **sustainable marketplace for the provision of local services**.

Social Value Considerations

To promote procurement in terms of taking account of **social, economic and environment** issues, local **sustainability and equality and diversity**.

To encourage tenderers to consider the economic, social and environmental impact their offer can have within Shropshire and also how they manage their supply chains to ensure that every effort is made to maximise economic and positive social impacts and minimise adverse social and environmental impacts.

Category Management

To develop further a Category Management approach to procurement to identify the most appropriate and effective approach to **deliver the Council's outcomes through sourcing and supply arrangements**.

A 'Category' is an area of spend determined by known market boundaries separating different products, services or industries. Category management recognises that suppliers within a certain market are likely to have similarities which enable a tailored approach to procurement.

The objective of category management is to reach a point where all or a very high percentage of the **Council's spend** within a category is being **channelled through arrangements**, aligned with strategic priorities such that **value is maximised** on every pound of expenditure.

It is recognised that we **need to collaborate** where appropriate **locally, regionally and nationally** in order to deliver the best outcomes through our sourcing and supply arrangements.

Supplier and Market Engagement

To develop a relationship between the Council and our suppliers that creates **mutually advantageous, flexible and long term relations** based on **continuous improvement** of quality of performance and financial savings.

Supplier diversity is essential to a competitive market that can supply the Council and its service users' requirements and provide value for money. We need to **interact with the market** and our suppliers in particular to understand their views and what enables and encourages **diverse parts of the market to bid** for work with the Council. At the same time we need to ensure that our relationship with suppliers is mutually productive and that **goals are shared**.

We will **analyse and research supply markets** for different services, and will maintain a dialogue with potential providers, including organisations from the **community and voluntary sector**. The VCS Assembly is, in part, there to help support and grow the market to meet the need for a diverse and competitive market.

Standardised Methods of Procuring

To ensure that there is a general approach to procurement where possible to **increase efficiency without stifling innovation** by the use of standardised documents and processes. This ensures that we adopt improved procurement practices and new techniques.

To also ensure the council has **adequate trained resources with the correct tools** to undertake commissioning and procurement projects effectively, efficiently and legally. To ensure that Commissioning and procurement staff at all levels have access to relevant training solutions in various forms.

It is recognised that **e-procurement** in all its forms is critical to improved practice and innovation.

Transparency and accountability

The Council is committed to making information of public interest widely and easily available in the interests of **open and accountable** government.

The Council is committed to meeting its obligation under the **Transparency Agenda**. There is an **Open Data section** on the Council's website that contains information of spend over £500 and also details of our awarded contracts.

The Procurement Section works closely with our colleagues in Information Governance to ensure that **FOIs** are responded to in as timely a manner as possible with the most current data available.

We also committed to **advertising our tendering opportunities** as widely as possible and providing as full feedback to unsuccessful bidders as is possible.

Probity

The Council must have the highest standards of probity in dealing with public money. Officers involved in procurement will **act as guardians of these standards** in line with the Council's Rules. Adopting improved procurement processes and techniques will improve the council's ability to ensure probity. External suppliers and service providers will be required to operate to the same level of ethics as the officers they are dealing with.

Customer Outcomes

We must ensure that identified Commissioning outcomes are delivered in order that improvements for the customer are realised and that our procurement activity is used to support and drive these goals. .

6 Web Links

Commissioning Strategy

Procurement Pages of Website

COGS

OPEN DATA

Procurement Pages of Intranet (for internal version only)

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