



<u>Committee and Date</u>
Council 24 September 2009 10 am

<u>Item/Paper</u>
9 Public

SHROPSHIRE COUNCIL PROCUREMENT STRATEGY

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Summary

This report brings forward for Members' approval, the Procurement Strategy for the Council. The primary objective of the Procurement Strategy is to procure services that are affordable, fit for the purpose, meet the needs of local people and service users and provide value for money.

Recommendations

- A. Members are asked to consider and approve the draft Amended Procurement Strategy for the Council which is attached at Appendix A.

REPORT

1. The purpose and objective of the Procurement Strategy

- (a) The purpose of our Procurement Strategy is to communicate clearly to stakeholders; operational managers; procurement specialists and suppliers in the private and voluntary sectors, the Council's vision for the procurement of services, supplies and works so that each may play a meaningful role improving procurement practices in the Council.

- (b) The strategy sets out the key principles underpinning our approach to procurement. The primary objective of our Procurement Strategy is to procure services that are affordable, fit for the purpose, meet the needs of local people and service users and provide value for money.
- (c) The strategy sets out the framework for all our procurement activity. It confirms the goals that we should be aiming to achieve, the policies to be considered and followed and the mechanisms by which we will put in place the Council's vision.

2. The need for a Procurement Strategy

- (a) Procurement is important. The way in which we procure services, supplies and works has a direct effect on our success and effectiveness in delivering against our corporate aims and meeting the needs of local people. It is therefore essential that we have a strategy to guide us towards our goals.
- (b) Procurement is central to the management of any operation because of its contribution to policy implementation and effective service delivery. Our approach to procuring goods and services can help to implement local and national policies relating to specific service areas, such as valuing people, or achieving high standards in library services and schools. It can also help us to implement broader policies on matters such as equalities and diversity, environmental issues and sustainability.
- (c) Procurement practices also have implications for performance management. Buying services that meet our service users' needs, that are fit for their purpose and are affordable, is important. We need measures for assessing whether or not our procurement practices are likely to deliver these outcomes.
- (d) Benchmarking our performance, benchmarking our unit costs, value for money reviews and "Lean" service reviews provide models for measuring the success and outcomes of procurement processes.

3. Close link to Value for Money Strategy

- (a) The Council has a Value for Money Strategy which describes what we mean by value for money, the methodologies employed within the Council to deliver it and the processes that are used to monitor and evaluate it. As part of this Value for Money Strategy the Council continually look for ways to improve the economy, efficiency and effectiveness in the delivery of its services. As a part of the procurement strategy we seek to improve the way in which we procure those services.

- (b) Our procurement processes must be of a standard which will help facilitate further service improvement and compare very favourably with the best in both public and private sector.
- (c) The implementation of the steps identified within the Procurement Strategy will lead to continued improvements in procurement practices and processes throughout the Council, ensure that we continue to meet our targets and assist us ultimately to achieve Value for Money.

4. Appendices to Procurement Strategy

The Procurement Strategy has several appendices which are as follows:-

- Sustainable Procurement Policy and Action Plan – This sets out a series of key areas for development, required action, timetable and responsibilities.
- General Contract Terms and Conditions – The Council's General Terms and Conditions to be used when contracting.
- Value for Money Strategy – as referred to above.
- Procurement Plan – Sets out step by step processes to be undertaken when procuring, including the use of Contract References, the Contract Database and also information on planned/future procurement.
- Selling to Shropshire Council Guide – The Intranet Guide that appears on the Council's website to help prospective suppliers, including local suppliers, to bid to us.
- Equality and Diversity Issues in Procurement – A guide for Officers around dealing with these issues within procurement including questions to be raised with tenderers.
- **Value for Money Review of Procurement – A recent review undertaken around the procurement function within the Council.**
- Strategic Procurement Group – Details of make up and function of group.

- Sustainability and Procurement Guidance -Guidance for Officers around the undertaking of sustainable procurement.

5. Current Procurement Activity

Appendix B attached to this report sets out the current Procurement Activity which illustrates the types of procurement work being undertaken on a continuous basis

6. Procurement Savings

Putting into practice our procurement strategy also assists in the achievement of savings from our procurement processes leading to cashable efficiencies. As an example of this Appendix C attached to this report sets out our procurement savings from 2008/09.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Human Rights Act Appraisal No conflicts with the Human Rights Act
Environmental Appraisal The Procurement Strategy includes a section on sustainability.
Risk Management Appraisal The Management of risk is considered within the Procurement Strategy.
Community / Consultations Appraisal N/A
Cabinet Member Councillor Keith Barrow
Local Member All
Appendices A. Draft Amended Procurement Strategy B. List of Current Procurement Activity C. Procurement Savings from 1 st April 2009

