

Council Procurement Strategy

(2012 -2015)

DRAFT

Foreword

The launch of this three year strategy is a good opportunity to meet the challenging times ahead. More than ever before, public sector finance is under significant pressure and procurement has a critical role to play in meeting the priority needs of the community within reduced resources.

The Council's aim is to promote effective procurement across the whole organisation using innovative, sustainable and modern procurement practices, harnessing a culture of continuous improvement, whilst remaining flexible to a rapidly changing environment and new models of and partnerships in the delivery of services.

This Council Procurement Strategy sets out the objectives to be achieved and the framework within in which procurement will work to deliver value for money across services and contribute to the achievements of the Council's priorities.

This strategy recognises that the procurement of goods, works and services has a major impact on businesses of Slough and employment opportunities, and that new commissioning models are coming to the fore, from collaborative and strategic partnership arrangements, to the devolution of budgets to communities and individual residents.

This strategy also sets out the programme of improvement, to ensure high standards of procurement are achieved and sustained. The Council's Contract Procedure Rules have been revised and amended to effectively align with other key policy and procedural documents. The Council's Procurement Operating Procedures also provide for increased assurance, providing new practice guidance to Council officers who procure goods, services and works.



Councillor Arvind Dhaliwal, Commissioner Performance and Accountability

1. Introduction

- 1.1 Procurement is an essential vehicle to enabling the Council to full fill the responsibility to provide cost effective and efficient services, which deliver the Council's priorities.
- 1.2 A comprehensive procurement strategy is fundamental to ensuring that best value services are provided to residents and continuous improvement is achieved, both in the quality and outcomes of services. Good procurement embraces the whole supply chain from identifying need to procure through contract monitoring and

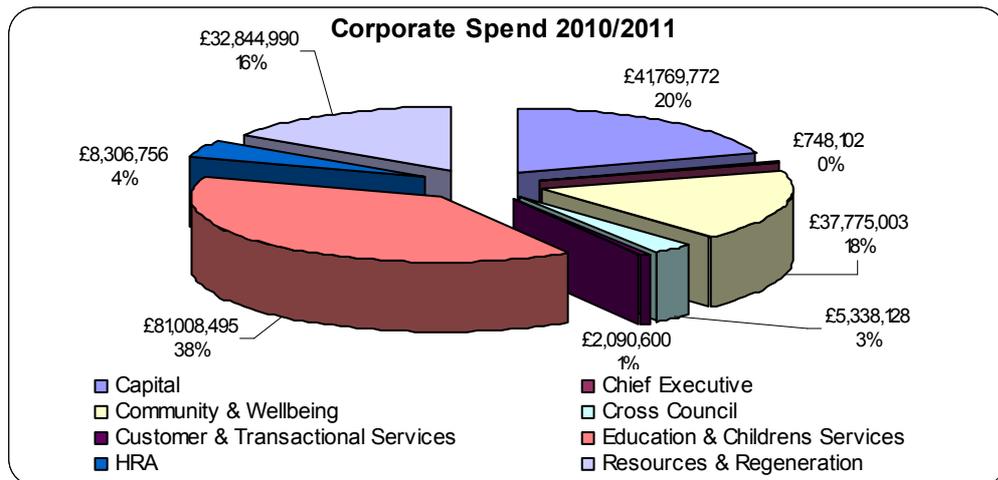
management arrangements, and is a prerequisite to delivering effective commissioning intentions.

- 1.3 During 2011 the Council restructured the Corporate Procurement Team to build new capability into the procurement function. This has enabled a review of the Council strategic approach and the identification of key improvements to be made in procurement practice, as set out in this *Council Procurement Strategy 2012-15*
- 1.4 This new strategy aims to promote effective procurement, across the whole organisation. The strategy provides a clear strategic framework for procurement over the next three years, applicable to all revenue and capital resourced programmes.
- 1.5 This strategy strikes a balance between setting out the procurement principles and objectives of the Council with the improvements to be made to systems and processes that support the achievement of these objectives.
- 1.6 This strategy reflects the statutory requirements upon the Council and builds on the work already undertaken to meet best practice outlined in the National Procurement Strategy for Local Government and England. This requires councils have a “clear procurement strategy at a corporate level”, a strategy that makes “the relationship of procurement to the corporate priorities, workforce development, diversity and equality and sustainability”.
- 1.7 This strategy also incorporates recommendations from the Glover Report (2008), promoting effective competition by small and medium sized enterprises in Council procurement activity, through proportionality and transparency, and sustainable procurement outcomes. Importantly it addresses improvements as recommended in the Councils Annual Assessment 2011.
- 1.8 This strategy is supported by revised *Contract Procedure Rules* and new *Procurement Operating Procedures (POP)*, which define the processes and practices to be followed by all Council staff involved in procurement of goods, services, and works.

2. Strategic Scope

- 2.1 The Council Procurement Strategy supports the delivery of key priorities set out in the Sustainable Community Strategy, the supporting needs assessment of which can be found in the Joint Strategic Needs Assessment. The priorities are:
 - Economy and Skills
 - Health and Wellbeing
 - Regeneration and Environment
 - Housing
 - Safer Slough
 - Community Cohesion (cross cutting theme)

- 2.2 Works and services purchased to deliver the Councils strategic priorities and statutory duties include housing improvements and regeneration; transport and road infrastructure; maintenance and refurbishment of community centres, parks, leisure services; disposal of capital assets; delivery of environmental services and the range of community support, community safety and care services; and utilities and goods used by the Council. In this respect the strategy encompasses the use of both revenue and capital resources.
- 2.3 In 2011/12 the Council procured £179,881,846 on works, goods and services from companies and organisations external to the Council.



Data taken from Accounts Payable Extract and exc VAT

- 2.4 Over the next two to three years this value is anticipated to increase, as the Council continues to explore new service models to deliver services more effectively and efficiently, and responds to changing government policy in key service areas such as schools. The Council's objective is to deliver improved service outcomes and cashable savings where possible in order to sustain local public services.
- 2.5 The Council's Procurement Strategy, therefore, is integral to the delivery of the Council's three year Spending Plan, and supporting strategies. Supporting strategies include the Capital Asset Strategy, Transactional Services Strategy, and service specific strategies relating to both universal and targeted provision provided to local residents.
- 2.6 Procurement should also be undertaken in conjunction with the Council's Risk Register, Business Continuity Plan, Workforce Plan, Partnership Register and agreed project management and annual business planning processes.

3. Vision and Objectives

3.1 The Council's vision is to provide:

"Reliable and responsive quality services, that deliver the most cost effective and efficient solutions to achieving the Council's Sustainable Community Strategy priorities and continuous improvement within reducing financial resources".

3.2 The Council will achieve this vision through effective leadership, consistently high standard of procurement practice, the use of innovative commissioning approaches and procurement techniques, and the application of sustainable, commercial and financial solutions.

3.3 The Council's objectives are that procurement will:

- Promote the Council's aspirations to achieve sustainable solutions, local economic and social development, environmental management and equality and diversity.
- Effectively deploy the Council's resources to deliver best value outcomes for local residents supported by whole life costing and benefits and effective contract management and monitoring.
- Facilitate transformational change across the Council and in services commissioned, to support the commitments set out in the Council's spending plan and achieve cashable and non cashable benefits through improved sourcing, new service models and market development.
- Ensure customer focussed approaches, engaging with residents, stakeholders and suppliers, to promote collaborative partnerships and innovative solutions.
- Undertake all procurement activity within the Council's agreed procurement framework and comply with procurement legislation, Council procedures, ensuring probity, transparency, openness, accountability and fairness.

3.4 Procurement arrangements in this context need to be enhanced and developed. Future arrangements will build on achievements to date, best practice and lessons learned and promote sustainability.

3.5 Future arrangements will also build on the internal capacity and capability across the Council. By introducing more effective processes and procedures, accompanied by the deployment of sound project and performance management, and by making best use of e-management solutions and management information and the skills of the workforce, the Council's capability to achieve improved outcomes through procurement will be increased.

4. Achieving Our Objectives

- 4.1 The Council is committed to delivering value for money for the residents of Slough through the services it procures and in its procurement decision making processes.
- 4.2 The Council will achieve this by:
- Promoting sustainable procurement options
 - Putting value for money at the centre of procurement
 - Improving outcomes through efficient procurement
- 4.3 Sustainable procurement is essential to the economic regeneration of the Town, to enhance job opportunities for local people, and ensure services meet local need. "Promoting sustainable procurement" is therefore a priority objective of this strategy.
- 4.4 Commitment to achieving value for money and the most effective use of taxpayer resources in all procurement decisions is at the centre of this strategy. The Council will apply "value for money" thinking to challenge the way services are currently provided and by whom, to the design of future services, to the provider models for the delivery of services and to the service and contract requirements.
- 4.5 The Council also recognises the importance of building on current successes and implementing further improvements in the way we organise and manage procurement to maximise the contribution that procurement can make to the Council's performance and efficiency.
- 4.6 This strategy therefore sets out the improvements the Council will make to ensure that procurement arrangements, procedures, and practice achieve the best and most effective use of Council resources, though:
- Strong governance
 - Fit for purpose organisational structures
 - Effective procurement planning
 - New procurement procedural rules and tools
 - Consolidation of corporate contracts
 - Collaborative partnership approaches
 - Effective use of procurement techniques
 - Improved performance management
 - Increased use of e- procurement and e-management systems
 - Skilled workforce

5. Sustainable Procurement

- 5.1 Sustainable Procurement is best practice. It is the means by which the Council will meet the needs for goods, services, works and utilities to at achieve 'value for money' on a whole life basis, and in so

doing generates benefits not only to the Council, but also to the local economy, with minimal damage to, or by improving the environment.’

5.2 The Council has been working to achieve the five levels on the National Sustainable Procurement Strategy’s Flexible Framework (Appendix 1) and is developing a sustainable procurement policy which will ensure that environmental considerations are included in all procurements where possible and practicable. These environmental considerations include reduction in carbon emissions.

5.3 The key elements of sustainable procurement are:

- Economic Regeneration and Social Development
- Environmental Management
- Equality and Diversity

5.4 Economic Regeneration and Social Development

5.4.1 The Council is a significant spending organisation in the Borough, and the more money that is spent locally, the greater the positive impact this will have on the local economy and the creation of jobs for local people.

5.4.2 While procurement legislation in many ways limits the Council’s ability to favour local businesses, the Council will continue to enhance and promote opportunities through a number of measures to promote the economy of the Town and employment for local residents, where possible. The Council is already a signed member of the Berkshire concordat for SMEs.

5.4.3 During 2011/12 the Council attracted new organisations to the area, notably through the tender of the Council’s transactional services, and created the environment for economic development whereby the Council incorporated the generation of *‘local jobs for local people’* within procurement decision making. This is a measure that will be encouraged where appropriate in tenders going forward.

5.4.4 The Council will also continue to work collaboratively with the largest companies in the Town, to promote skills development and access to work through apprenticeship and job creation schemes, benefiting local young people.

5.4.5 In addition the Council will continue to take measures that legitimately support opportunities for local businesses to compete in the market. These include:

- Pro-actively supporting economic development and regeneration, through for example the Heart of Slough regeneration programme and town centre development.
- Local supplier forums and engagement events, that inform suppliers of the Council’s strategic and commissioning intentions, how best to do business with the Council and to receive feedback.

- Proportionately in tender and contract documentation and processes, where it is appropriate to facilitate competition from local companies, small and medium sized enterprises, and the voluntary and community sector.
- Support the work of the Chamber of Commerce, encouraging and enabling SME's to compete and develop.
- Using purchasing cards to procure low value good through local outlets.

5.5 Environmental Management

- 5.5.1 The Council's approach to sustainable procurement reflects the priority commitment to the environment in which we live.
- 5.5.2 The Council believes that procurement can be integral in delivering more sustainable environmental outcomes and is committed to ensuring that services are delivered in a way that protects the quality of the environment and minimises adverse impact on community well-being.

5.5.3 The Council will:

- Promote opportunities to recycle construction and building materials during the disposal of assets to ensure value for money and reduced adverse impact on the environment.
- Encourage contractors to reduce all unnecessary waste, re-use and to recycle wherever possible.
- Welcome new developments and innovation by contractors to reduce waste, energy and water consumption; to only use raw materials where possible from renewable resources and to support economic sustainability.
- Consider the costs and benefits of environmentally- friendly goods and services, including minimising 'procurement miles'
- Include criteria to support sustainable options in the criteria used for tender evaluation, and where applicable all new contracts will be awarded with sustainability as an important element of the award criteria, including how suppliers will reduce carbon emissions when delivering contracts.
- Update contract documentation to include a clause within the terms and conditions of contracts stipulating that contractors must undertake services in accordance with the environmental good practice and provide any reasonable request for data in relation to environmental matters.

5.6 Equality and Diversity

5.6.1 Slough Borough Council is committed to ensuring equality of access to all, for all of our services. The Council will ensure that due consideration is given to equality and diversity standards and objectives in all products and services purchased and procured.

5.6.2 The Council will continue to form links with 'hard to reach' groups and ensure that equality or diversity impact assessments are clearly understood before decisions are made.

5.6.3 The Council will:

- Encourage third sector, and SME's to participate in its supply chain.
- Adhere to the principles contained in the Compact Code of Good Practice for Funding and Procurement, to which the Council has signed that their principles are understood by its workforce and reflected in procurement practice across the Council.
- Promote equality in all procurement activities and ensure that suppliers of services procured to the benefit of local residents demonstrate a commitment to equality in the contract selection process and comply to UK equalities legislation in the delivery of services.

Equalities legislation includes:

The Human Rights Act 1998, Disability Discrimination Act 1995, Disability Discrimination Amendment Act 2005, Employment Equality (Age) Regulation 2006, Employment Equality (Religion or Belief) Regulation 2003, The Employment Equality (Sex Discrimination) Regulations 2005, Employment Equality (Sexual Orientation) Regulation 2003, Equal Pay Act 1970 (Amended), Equality Act 2006, Gender Recognition Act 2004, Race Relations Act 1976, Race Relations Amendment Act 2000, Race Relations Act 1976 (Amendment) Regulation 2003, Racial and Religious Hatred Act 2006, Sex Discrimination Act 1975, The Sex Discrimination (Gender Reassignment) Regulations 1999.

6. Putting Value for Money at the Centre of Procurement

- 6.1 Achieving value for money for local residents is at the centre of the Council's work and underpins the Council's three year Spending Plan.
- 6.2 Putting value for money at the centre of decisions is important throughout the strategic procurement process. Challenge to the ways services are currently provided, and by whom, option appraisals of future service delivery, service specifications, and contract outcomes should demonstrate value.
- 6.3 The Council is embracing value for money in many of its key decisions including the Council's transformational change programme where new options for service delivery, of services and functions traditionally provided directly by the Council, have been explored and have through competitive section processes are delivering better value. The Strategic Partnership with Essex County Council for the delivery and expansion of local library services is one such example.
- 6.4 This change programme will continue over the next three years. Included are new arrangements for "back office" Council support services and collaborative commissioning or shared service arrangements with other local authorities.
- 6.5 As the use of capital funding for construction, buildings and highways is the largest area of council expenditure, developing new ways of working to achieve best value is also a high priority for the Council, with partnering options being explored such as the use of Local Authority Backed Vehicle routes.

6.6 The principles underpinning the Council's VFM approach are:

- Balancing quality and cost of services
- Delivering cashable and non cashable benefits
- Managing demand and responding promptly and effectively to service and citizen requirements
- Minimising over head costs of the Council and in the contract value of the services procured
- Ensuring efficiency in transactions including consolidation
- Valuing innovation and creativity
- Increasing commercial capability
- Appraising options: benchmarking, market testing, peer review
- Identifying the best value model, to include consideration of social enterprise, employee but out.
- Ensuring assessment and inclusion of lifetime costs for all Capital related programmes
- Using competition to obtain best value
- Commissioning in collaboration with other organisations
- Maximising economies of scale through new strategic partnerships, ICT options.
- Knowing the outcome, though effective performance monitoring and outcome focused contractual management.

7. Improving Outcomes through Efficient Procurement

7.1 Strong Governance

7.1.1 The Council's governance framework for procurement is as follows:

- Leadership is provided by the relevant Cabinet Member(s).
- Executive and public accountability and transparency is through Cabinet and Scrutiny Committee(s).
- The Council Procurement Programme Board ensures oversight and sign off of all procurement business cases and milestone activity.
- Gold Projects, which are programmes of high significance, complexity and value, report to the Corporate Management Team.
- Project sponsorship, strategic leadership and project management accountability is through the relevant Strategic Director senior management team and directorate project board arrangements.
- Directorates are responsible for identifying contracts to be re-tendered and new procurement opportunities within the Councils spending plan and monitor progress and outcomes through monthly budget monitoring and business planning processes.
- Standing orders, financial and procurement procedural rules provide the 'directions' for consistent decision making and processes to be complied to by all officers of the Council.

- 7.1.2 The Council's central contracts register will be held, maintained and overseen by the Corporate Procurement Team. The Team will also be responsible for monitoring and updating the Procurement Strategy and Procurement Operating Procedures (POP) and Rules.
- 7.1.3 A cross functional Procurement Group will be established with representatives from each Directorate to improve coordination of procurement activity and promote consistently high quality procurement practice across all service areas.
- 7.1.4 Contract and procurement activity and functions are included in the Council's Annual Audit Plan.

7.2 Fit for Purpose Organisational Structures

7.2.1 During 2011 the Council restructured the Corporate Procurement Team to build new capability into the procurement function. This has enabled a review of the Council strategic approach to procurement and supporting procedures, the establishment of central contract register and delivery of cashable savings through consolidation of corporate supplier contracts and specialist advice and support to service directorates' procurement activity.

7.2.2 The Corporate Procurement Team is a central resource providing procedural rule assurance and oversight, best practice advice, and leadership and specialist procurement support to major procurement programmes, and to procurement functions and activity undertaken within service directorates. The role of the team is to:

- Identify aggregation opportunities across corporate contracts for the purchase of common goods and services on behalf of all service areas.
- Lead corporate contract tendering to deliver cashable and non cashable benefits to the Council.
- Inform strategic procurement thinking, advising Directorates of the best fit procurement models to achieve the maximum benefit.
- Develop a common overall sourcing strategy and other models to maximise leverage on key contracts.
- Provide advice and guidance to service areas to promote consistent procurement standards of practice, and develop procurement capacity across the council.
- Provide support in the customer supplier relationship to facilitate innovation and positive resolution.
- Work collaboratively with service Directorates to ensure adherence to law, regulations, and procedural rules to safeguard the Council.
- Oversee the quality of Sustainability and Diversity & Equality impacts in tendering arrangements, and provide quality assurance checks at key points in the procurement pathway.
- Develop procurement performance improvements and performance measures. This will include maintaining the central contracts register and providing management information to service areas.
- Identify opportunities for collaboration with other public bodies
- Support the activities of Thames Valley Procurement Forum (TVPF) to the benefit of the Council.
- Review and update the Council's Procurement strategy, policies and procedures

7.3 Effective Procurement Planning

7.3.1 Effective planning of procurement activity is essential to ensuring:

- strategic procurement opportunities are maximised,
- best value is achieved,
- services optimise the supply of all necessary goods and services,
- workforce resources are appropriately allocated and deployed to the procurement process,
- risks are planned for and managed
- programmes complete in time and resource
- assurance is provided to the Council.

7.3.2 Strategic procurement activity will be planned over a three year cycle in line with the Council's three year Spending Plan (Medium Term Financial Forecast), supported by the Directorate business plan. This will include the three year re-tendering programme of existing contracts, generated and owned by each directorate to ensure timely review of service options and delivery of re-commissioning programmes in line with procurement rules.

7.3.3 The Council requires the following characteristics are evident in procurement programmes:

- Clear option appraisal and business case, and risk management plan
- Robust project management approach to include project plan, ensuring realistic resources, timescales and targets to deliver goods, works and/or services are set and agreed, and communications with client, customer and other stakeholders are informative and effectively manage expectations.
- Demand management and outcome focussed documentation, ensuring the outcomes desired and being achieved through the contract are clearly stated, measurable and meet the needs of local residents and objectives of the Council.

7.4 Procurement Rules, Procedures and Tools

7.4.1 All revenue and capital procurement activity will operate within a strategic framework of the Council Procurement Strategy, Contract Procedure Rules and Procurement Operating Procedures.

7.4.2 Whilst the actual procurement process (Open, restricted, negotiated, competitive dialogue) will depend on the required outcomes, in all activity officers will comply with the procedures.

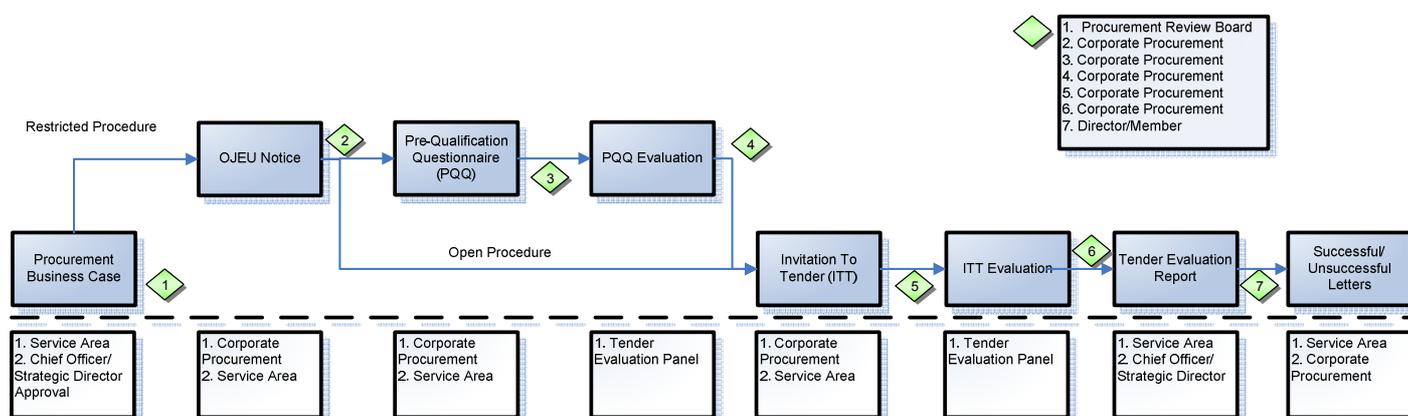
7.4.3 In January 2012 the Council revised the Contract Procedure Rules and made a number of important improvements. This included improved alignment of the Rules to the Financial Procedure Rules of the Council. It also explicitly details the processes around the exemption process, clearer details regarding consideration to the aggregation rules relating to Letters of Intent and reference to the signing and sealing of contracts.

7.4.4 The Council has also introduced with this strategy new operating procedures and guidance to staff. The principle improvements made as a result are a user friendly up to date procedure manual providing guidance on the procurement processes and compliance with the Councils and constitution and Public Procurement Regulations, a revised compliant procurement toolkit providing up to date documentation for obtaining quotes, competitive tendering and evaluation. Additional assurances are provided to the council using “gateway reviews” at every key point in the procurement process. These are illustrated in the diagram below.

7.4.5 The Council will undertake debriefing sessions post procurement process on selected tenders to identify lessons learnt and inform wider Council practice.

7.4.6 These procedures will be reviewed and revised annually.

Gateway Assurance Reviews:



7.5 Consolidation of Corporate Contracts

7.5.1 The Council will continue to identify opportunities to achieve best value through consolidation of contracts and increased economies of scale, through its Corporate Procurement function.

7.5.2 There will be many services and suppliers for which consolidation will not be an appropriate approach to deliver the outcomes the Council is striving to achieve for local residents. For others however, consolidation achieves most effective use of the Council resources. For example facilities, utilities and suppliers that support Council back office business.

7.5.3 The negotiation of quantity-based deals and reduction in costs has achieved the council cashable efficiencies in 2011/12. Plans are in place to deliver an additional £750k between 2012-2014. Examples of consolidation include Mobile Telephony, Siebel Support and printing services.

7.5.4 Over the next three year the Council will consider the consolidation benefits for Temporary Agency Staff, Fixed Line Telephony and IT Hardware and Software.

7.6 Collaborative Partnerships

7.6.1 The Council will seek opportunities to achieve value for money by working collaboratively with other councils or partner organisations. This will be in the commissioning of services and shared service delivery arrangements.

7.6.2 Memorandum of Undertaking and Section 75 agreements are examples of the type of "contractual" agreement that will be in place between the partners to secure clear understanding of the relationship, and to support the management of risk, resources and governance.

7.6.3 Through the Council's new approach for previously grant funded services and projects, the Council is encouraging new partnership arrangements between third sector organisations to deliver maximum efficiencies and outcomes through reduced back office expenditure and service integration.

7.6.4 The Council will deploy the most appropriate arrangement in line with the Councils Partnerships policy and procedures. Partnership arrangements and supporting agreements will be reviewed and audited within the Councils audit plan.

7.7 Effective Use of Procurement Techniques

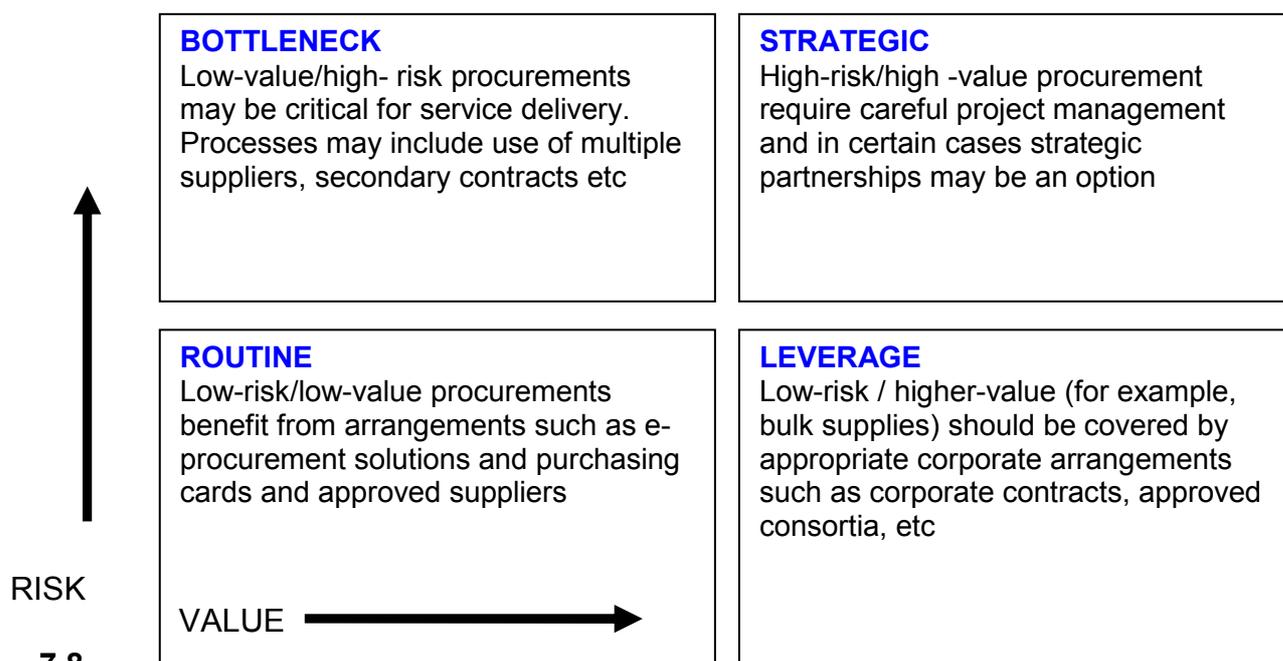
7.7.1 The choice of procurement method will be dependent on the strategic importance, the value of the goods, services or works, and the potential risk associated with each procurement option.

7.7.2 Different procurement options will be suitable for different goods and services and will involve undertaking different practical steps and underpinning agreements to achieve the desired outcome.

7.7.3 The Council will seek to:

- Minimise lifetime costs of goods, works and services whilst continuing to meet the Council's needs for quality, timeliness and contractual protection.
- Identify opportunities for quantity-based deals and reduction in the number of suppliers used for the same goods / services across the Council to achieve more advantageous rates based on increased economies of scale.
- Develop the 'strategic sourcing' approach and 'category management' approach to key areas of spend.

7.7.4 The diagram below provides the risk/value model to guide procurement routes decisions



7.8 e-Procurement and management

7.8.1 Slough Borough Council acknowledges the importance of e-procurement to reducing transactional costs for both the council and its suppliers. The Council adopts:

- Purchase-to-pay’ using Oracle i-procurement and Oracle Purchasing. This e-procurement application provides ‘requisitioners’ with both catalogue and non-catalogue purchasing and authorisation facility, for all supply and contractual
- Purchasing cards, to reduce transaction costs particularly for reactive ‘emergency’ purchasing and spot purchases for low value goods.
- Bespoke options to support specific areas of the Council business. For example CM2000 call monitoring system is used across the external home care provider contracts to measure ‘actual care time’ delivered for payment ratification, and quality indicators such as continuity of carer and timeliness of delivery.

7.8.2 In addition the Council is piloting an e-procurement portal for the tender of both revenue and capital programmes to achieve the following benefits:

- Greater engagement between procurement and tenderers
- Compliance to transparency agenda
- Ability to engage more fully with SME’s and local suppliers
- Secure, best practice procurement
- Secure exchange of tender documents

7.9 Skilled Workforce

7.9.1 The Council's aim is three fold:

- Staff are trained to a level that meets the competencies required for their role and responsibilities to procure.
- Effective and efficient procurement and contract management practice is in line with regulations and procedural rules and consistently evident across the Council.
- Specialist procurement skills are deployed as 'advisory agents' for procurement practice and targeted to specific programmes of work.

7.9.2 Core training will be mandatory for top tier, second and third tier officers and other officers for whom procurement activity is relevant to their post. Workforce development and training for staff will include:

- Procurement training
- New to PQQ's
- Tender Template Training
- Financial modelling
- Tender Evaluation Training
- Competitive dialogue and negotiation techniques

7.10 Improved Performance Management

7.10.1 The Council's goal is to procurement quality services tailored to the local needs to deliver sustainable outcomes and value for money. To measure our progress we have developed the following performance indicator scorecard.

How will we measure our progress

Economic	Procurement Practice
<ul style="list-style-type: none"> ▪ Year on year savings, cost avoidance and process efficiencies ▪ % spend with SME's ▪ Number of local SME's submitting pre-qualification questionnaires in response to Council Contract Opportunities 	<ul style="list-style-type: none"> ▪ Number of purchasing business cases received and approved ▪ Number of Exemption Business Cases received and approved ▪ Value of procurement expenditure transacted electronically (i-procurement & purchasing cards)
Social	Environmental
<ul style="list-style-type: none"> ▪ % of contract with a Total Value exceeding £1m that include a social clause (e.g. contractor required to take on a number of apprentices or recruit a number of long term unemployed) 	<ul style="list-style-type: none"> ▪ % of contracts where environmental considerations are included in contract award (weighting 15% or more)

7.10.2 The Council's three year high level plan, to achieve the objectives of this strategy is as follows:

By the end of 2012-2013	<ol style="list-style-type: none"> 1. Achieve at least £150K of efficiency through procurement activity 2. Implement and embed the new Procurement Operating Procedure and toolkits 3. Ensure that there are an increased number of corporate contracts 4. Provide the procurement expertise and support required to deliver the future service delivery models of the council 5. Support Service Areas to develop 3 year procurement programme 6. Enhance monitoring of spend 7. Decrease the number of invoices where numbers exceed 100 per annum 8. Rationalise the Supply Base 9. Implement a Preferred Supplier list for local SME's 10. Provide training on EU regulation changes (where known)
By the end of 2013-2014	<ol style="list-style-type: none"> 1. Achieve at least £750,000 of efficiency through procurement 2. Maintain a delivery plan to forecast procurement workload and projects
By the end of 2014-2015	<ol style="list-style-type: none"> 1. Continue to maximise efficiencies through procurement

7.10.3 In addition the Council will develop a detailed one year plan at the beginning of each financial year to set out the key actions and measures to be taken in the following financial period.

7.10.4 The detailed plan for the first year, 2012-13, of this strategy is set out in Appendix 2 of this document. This plan includes actions to:

- Increase procurement efficiencies and cost reduction
- Improve procurement performance and practice
- Improve strategies, policies and procedures
- Develop the workforce

Appendix 1

Local Government Sustainable Procurement Strategy

The Flexible Framework	Foundation Level 1	Embed Level 2	Practice Level 3	Enhance Level 4	Lead Level 5
People	People Sustainable procurement champion identified. Key procurement staff have received basic training in sustainable procurement principles.	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.	Sustainable procurement is included as part of a key employee induction programme. Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme.	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.
Policy, Strategy and Communications	Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.	Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO	Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisation's EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
Procurement Process	Process Expenditure analysis undertaken and key sustainability impacts identified. Key contracts start to include general	Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early	All contracts are assessed for general sustainability risks and management actions identified. Risks managed throughout all	Detailed sustainability risks assessed for high impact contracts. Project/contract sustainability governance	Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or

	sustainability criteria. Contracts awarded on the basis of value-for-money, not lowest price. Procurers adopt Quick Wins.	stage in the procurement process of most contracts. Whole-life-cost analysis adopted.	stages of the procurement process. Targets to improve sustainability are agreed with key suppliers.	is in place. A life-cycle approach to cost/impact assessment is applied	penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations.
Engaging Suppliers	Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involved.	Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	Suppliers recognised as essential to delivery of organisation's sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients business.
Measurements & Results	Key sustainability impacts of procurement activity have been identified.	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives.	Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced.	Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain.

**Appendix 2
Action Plan 2012-2013**

Procurement at Slough Borough Council needs to undertake some changes in its procurement arrangements to build on previous Procurement strategies.

Item No.	Objective	Action	Target Date	Responsibility
1	VFM contracts achieving £150,000 cashable savings	Competitive tendering of a number of corporate contracts including Fixed Line Telephony and Temporary Agency Staff	March 2013	Corporate Procurement & Directorate Senior Management Teams
2	Up to date and user friendly Procurement Operating Procedure adapted and adhered to across the authority	Review, update and publish Procurement Operating Procedure	30/03/2012	Corporate Procurement & Directorate Senior Management Teams
3	Standardised and up to date Procurement toolkit to deliver best practice policies, procedures and processes	Review, revise and implement sourcing toolkit, templates and guidance documents.	28/02/2012	Corporate Procurement Department
4	Understand whole category spend and identify appropriate procurement strategies	Work with Service Areas to identify and agree procurement strategies for all key areas of spend. Perform detailed analysis of spend in area's to identify the following: <ul style="list-style-type: none"> ▪ Services currently being provided ▪ Contracts that are already in existence ▪ Needs analysis ▪ Gaps in provision ▪ Demand not being met 	Sept 2012	Corporate Procurement Department

Item No.	Objective	Action	Target Date	Responsibility
5	Monthly spend monitoring per directorate reports for Corporate expenditure	Monthly reports to include: <ul style="list-style-type: none"> ▪ Mobile Telephony ▪ P-Card Expenditure ▪ Fixed Line Telephony 	Monthly	Procurement & Contracts Analyst
6	Maintain an understanding of contractual commitments made without procurement involvement.	Take a proactive role to provide specialist advice on procurement and contract management for all contracts awarded or renewed. Ensure tender submission register is received from Democratic Services	Monthly	Corporate Procurement Department and Directorate Senior Management Teams
7	Manage non contracted contract expenditure	Monitor and act upon non compliance to corporate contracts Identify opportunities for new corporate contracts Identify areas for increased collaborative procurement with other public bodies, including both local authorities and other local "partners"	Ongoing Quarterly via Thames Valley Procurement Forum	Corporate Procurement Department and Directorate Senior Management Teams
8	Provide training programme across the Council to ensure best practice procurement and contract management.	Identify areas of education and training required for senior managers/Procurement officers across the council	Beginning 21/03/2012	Corporate Procurement Department
9	Decrease the number of invoices where Number of invoices exceeds 100 per annum.	Identify all supplier invoicing over 100 per annum	Ongoing	Corporate Procurement Department
10	Maintain a central contracts register	Identify all silo contracts registers and	Ongoing	Corporate Procurement

Item No.	Objective	Action	Target Date	Responsibility
		consolidate into single register		Department and Directorate Senior Management Teams
11	Develop a sustainable procurement policy for the Council which ensures that environmental considerations are included in all procurements where possible, practicable and value for money can be demonstrated. This includes the development of suitable specification documentation, appropriate pre-tender, tender evaluation criteria and contract conditions	Ensure this is incorporated into the Procurement Operating Procedure and tender documentation and practice	31/03/2012	Corporate Procurement Department and Directorate Senior Management Teams
12	Maintain a delivery plan to forecast procurement workload and projects	Utilise departmental service plans to identify procurement activity	Monthly	Corporate Procurement Department and Directorate Senior Management Teams
13	Maintain and report Procurement KPI's to measure performance across the council	Identify KPI's for inclusion on the balanced scorecard	Quarterly	Corporate Procurement Department
14	Rationalise supplier base	Identify areas of expenditure where goods/works/services can be amalgamated	30/09/2012	Corporate Procurement Department
15	Preferred Supplier List for Local SME's	Via Thames Valley Chamber of Commerce engage with SME's to formally procure a Preferred Supplier List for minor works	30/09/2012	Corporate Procurement Department
16	Effective and value for money procurement mechanisms for recurrent buildings, building repairs and construction works	Procure and implement framework agreements for building, repair and construction contractors	31/12/12	Corporate Procurement Department

Appendix 3

2. Definitions

“Benchmarking” The process of comparing business processes and performance measures to industry bests and/or best practices from other industries. Dimensions typically measured are quality, time and cost.

“Best Value” Best Value is government policy in the United Kingdom affecting the provision of public services in England and Wales. Best Value was introduced in England and Wales through the 1999 Local Government Act. The range of activities affected includes almost all local authority functions, including Procurement.

“Cashable Savings” A category of financial savings achieved through incurring costs less than that of the budget available.

“Category Management” A supply management concept in which the range of products purchased is broken down into groups of similar or related products. Category Management is a systematic, disciplined approach to managing a product category strategically.

“Contract Management” can be summarized as the process of systematically and efficiently managing contract creation, execution, and analysis for the purpose of maximizing financial and operational performance and minimizing risk. It includes negotiating the terms and conditions in contracts and ensuring compliance with the terms and conditions, as well as documenting and agreeing any changes or amendments that may arise during its implementation or execution.

“Contract Monitoring” is the regular process of evaluating a supplier’s performance against measurable service deliverables / performance indicators and verifying compliance with the specification and terms and conditions of the contract

“Cost Avoidance” A category of financial savings achieved through avoiding expenditure by identifying a better value for money solution through effective procurement processes

“e-procurement” (electronic procurement) is the business-to-business purchase and of goods, works and services through the Internet as well as other information and networking systems, such as Electronic Data Interchange and Enterprise Resource Planning.

“EU Procurement Directives” A set of directives that set out the legal framework for public procurement. They apply when public authorities and utilities seek to appoint suppliers to deliver goods, services or works that exceed specified monetary thresholds.

“i-Procurement” The system that should be used if goods or services are being purchased. This involves raising a requisition to create a

purchase order on the Oracle internet procurement system, or using a purchasing card.

“OJEU” (Official Journey of the European Union) When contracts for works, goods and services exceed a specified threshold value, local authorities and other public organisations must advertise their details in this publication, calling for expressions of interest.

“Process Efficiency Savings” A category of savings achieved through seeking out and implementing improved processes and procedures that result in less time and resources being required to undertake a task or function.

“Procurement” the acquisition of appropriate goods and / or services at the best possible total cost of ownership to meet the needs of the purchaser in terms of quality, quantity, time and location.

“Procurement Cycle” The procurement process is cyclical and begins from the correct identification of a need (not a want) and flows through a number of stages which feedback into the next procurement cycle. This process includes development of a business case, development of a specification, selection of the most suitable procurement process, sourcing suppliers ensuring compliance with all relevant procurement regulations, assistance with contract development, active contract management and ongoing evaluation. Not all elements of the Procurement Cycle are the responsibility of Corporate Procurement. The Service area will be responsible for the preparation of the business case, producing a specification, contract development and ongoing contract management and evaluation.

“Purchase to Pay” (P2P) refers to the business processes that cover activities of requesting (requisitioning), purchasing, receiving, paying for and accounting for goods and services.

“Quality Management” The act of overseeing all activities and tasks needed to maintain a desired level of excellence. This includes creating and implementing quality planning and assurance, as well as quality control and quality improvement. It is also referred to as total quality management (TQM).

“Risk Management” The identification, analysis, assessment, control, and avoidance, minimization, or elimination of unacceptable risks.

“Service Delivery” The delivery of a service typically involves the following factors: The Service Provider, equipment required to provide the service, location of where the service is performed, the customer (SBC) at the service delivery location and the customer contact in receipt of the service. The Service area is responsible for monitoring the service delivery to ensure it meets the required outcomes and is usually carried out as part of Contract Monitoring

“SME” Small Medium Enterprises - a synonym for Small and Medium-sized Business (es).

“Specification” An explicit set of requirements to be satisfied by a material, product or service.

“Strategic Sourcing” the dynamic delivery of goods, works and services to ensure that business objectives are met.

“Supplier Relationship Management” (SRM) A comprehensive approach to managing an enterprise's interactions with the organisations that supply the goods and services it uses. The goal of supplier relationship management (SRM) is to streamline and make more effective the processes between an enterprise and its suppliers.

“Supply Chain Management” (SCM) The management of a network of interconnected businesses involved in the ultimate provision of products and services.

“Sustainable Procurement” Is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment.

“Tender” A special procedure for generating competitive offers from different bidders looking to obtain an award of business activity in works, goods or service contracts. All purchases and / or contracts must be tendered where the total cost exceeds £50,000 as stipulated in the Council's Financial Procedure Rules.

“Total Contract Value” The expected total financial cost over the whole life of the contract, including potential contract extension periods.

“Value for Money” The optimum combination of whole life cost and quality (or fitness for purpose) to meet the customer's requirement