

APPENDIX 8

PROCUREMENT POLICY AND STRATEGY AND CONTRACT STANDING ORDERS

Introduction

This Procurement Policy and Strategy and Contract Standing Orders are part of the County Council's Constitution and establish the framework for the administration and control of the County Council's Procurement arrangements for goods, works and services and utilities.

Chief Officers must comply with the provisions contained within all of these documents in coming to any decision on contract procurement or on the application of these Standing Orders.

There are two Parts to the Appendix:

Part A Procurement Policy and Strategy - which sets out the framework of principles which govern the arrangements made by the County Council for the procurement of goods works and services.

Part B Contract Standing Orders – which set out the applicable controls and administrative processes for such procurement.

PART A PROCUREMENT POLICY and STRATEGY

The County Council's Procurement Policy and Strategy is set out below:-

This Procurement Policy and Strategy is the over-arching document for all Procurement by the County Council and is supported by a number of other documents as shown below:

<ul style="list-style-type: none">• Procurement Policy and Strategy• Contract Standing Orders• Delegations to Chief Officers	Approved by County Council
<ul style="list-style-type: none">• Procurement Rules• Delegations by Chief Officers	Approved by Cabinet
<ul style="list-style-type: none">• Procurement Instructions• Strategic Workplan	Approved by Chief Officer (Resources)

1. Procurement is defined as: 'The process spanning the whole life cycle from the initial concept and definition of business needs through to the end of the useful life of an asset or the end of services contracts.'

This Policy and Strategy covers the Procurement of all goods, services, works and utilities on behalf of the Council by its members, staff, agents, and providers. No Procurement activity will be exempt, but it is recognised that different products and services, especially where the care and education of individuals is concerned, may require a different approach, and this will be reflected in the strategy.

nb: The term "Providers" encompasses all sources of goods and services whether directly employed, 3rd party, voluntary, or another public body.

2. Background

The County Council recognises the important role of Strategic Procurement in assisting the Council to achieve its ambitions by getting value for money from the way in which it procures and delivers its services and uses its resources in an economic, efficient and effective way.

The County Council currently spends about one third of its budget on the procurement of goods and services, and there are already significant areas of good practice and value creating procurement within the County Council.

It is the intention of this Corporate Strategy that such good practice should be highlighted, shared and used as the foundation for creating a truly corporate approach which is attuned to the needs of the Council, and which will apply consistently across the Council to deliver sustainable value for money.

The Strategy is an essential element in developing how we look at innovative ways in which to procure and work in partnership with others, to improve service delivery.

3. Vision

To obtain Best Value through the planned and skilful management of procurement and supply chains.

We will do this by achieving the following objectives:

Objective 1

Develop and embed a corporate approach to Best Value Procurement that is aligned with, and supports, the National Procurement Strategy for Local Government, the Council's Core Values and Business needs, including the desire for partnership working at National, Regional, and sub-Regional level. This approach encompasses all Providers, and includes the Council's approach to reviewing its service delivery models.

Objective 2

Put in place a set of high quality processes and documentation that will structure the delivery of all procurement activity in a consistent manner, creating savings and adding value across the Council, irrespective of who leads the activity.

Objective 3

Develop the knowledge and skills of all those involved in the Procurement Process to enable the implementation and delivery of the processes set out in the Procurement Strategy.

Objective 4

Ensure Staffordshire County Council is seen as a “Preferred Customer” by providers by putting in place a set of, policies, actions and measures that will:

i) ensure that the effort required by providers when bidding for business is commensurate with the risk/value involved.

ii) create greater visibility of the Councils requirements for goods, services, provider performance, and provider business conduct, and the type of “mixed economy” it wishes to procure from.

iii) create effective trading relationships and/or partnerships with all key providers (public, private, in-house and voluntary); and

iv) encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses, and voluntary and community sector Providers

Objective 5

Commitment to, consistent application of, and compliance with the Procurement Strategy, standing orders, Public Procurement Legislation and Procurement Rules.

Objective 6

On-going measurement, review, and development of the performance of the Procurement Process and its operators.

4. Policy and Culture

The Council will:

- provide goods and services that achieve best value both through the direct employment of staff and by securing goods and services in partnership with, or by purchasing from, other organisations, where this can be shown to secure better standards, a better balanced range of provision or best value;
- require all Directorates and encourage all Schools to use its centrally negotiated contracts/ framework agreements where the required goods and/or services are contained therein;
- require Chief Officers to ensure that if the goods or works or services required can be provided internally within the County Council (for example through the use of an in-house service provider), those goods works or services are in fact obtained internally; or, if the Chief Officer wishes to seek tenders for those goods, works or services, all in-house services or facilities which may be able to provide them must be invited to tender or bid for their provision;
- expect that, when it has determined that requirements will be sourced externally, these will be acquired through competition unless there are good reasons to the contrary;
- expect that procurement will be based upon a partnering approach in which both the Council and the Provider seek to gain maximum mutual advantage through successful relationships and continuous improvement;
- expect that , and for all purchases in excess of £100,000 actual, or potential, total contract value and other purchases as appropriate, advice will be sought in a timely manner from a suitably qualified and experienced commercial practitioner (a Procurement Advisor) duly authorised by the relevant Chief Officer;
- consult with its staff in accordance with established agreements and ensure that the views of staff are considered when making procurement decisions that affect them;
- ensure that a formal option appraisal is conducted when appropriate and that such appraisal always forms part of any high value/high risk review; and that the appraisal process specifically includes the options of partnering, collaboration (including purchasing consortia, joint procurement and commissioning and shared services), and the use of its trading powers. While ensuring that service delivery is not compromised, the procurement process must ensure that during option appraisal and tender evaluation appropriate consideration is given to the potential impact on the environment and the local economy;
- where appropriate, research the marketplace; use the Council's position and purchasing power to influence the development of markets;

- where appropriate, seek to work with other local and public bodies and through consortia (develop consortium purchasing arrangements with other local or public bodies) in order to maximise purchasing power and to harness economies of scale;
- where appropriate, seek to develop partnership and other funding arrangements with the private sector through such initiatives as PFI Schemes;
- seek to manage its existing Provider base within its centrally negotiated contracts / framework agreements in order to harness economies of scale and promote the development of a partnering approach;
- consider sustainability as an important criterion in any procurement; and
- secure Equal Opportunities in the procurement process as an important part of the Procurement Policy.

5. Leadership and Responsibility

In respect of responsibility for procurement the Council requires that:

- the procurement of goods, services and works will lie with each Chief Officer, dependent upon their delegations. In turn, the Chief Officer will consult with and appraise the Chief Officer (Resources) and relevant elected members, in accordance with Contract Standing Orders, the Procurement Rules or Procurement Instructions;
- the Chief Officer (Resources) or his or her representative is authorised to act on behalf of the authority in formulating and monitoring centrally negotiated contract arrangements / framework agreements. All other contracts will be managed and led by an appropriately skilled officer throughout the procurement process and during the life of the contract arrangement. Corporate Procurement/ Staffordshire Purchasing will be available to advise Directorates on their procurement processes and projects;
- contracts are kept under regular review to confirm their continued adequacy and to measure Provider performance; and
- corporate Procurement will give technical and strategic support to facilitate the delivery of the procurement process within the Council, and, when requested, to other Partners.

6. Rules and Best Practice

In respect of the rules and best practice the following apply:

- the framework of rules for procurement are those determined by European Union and United Kingdom law and those set out within Contract Standing Orders, the Procurement Rules and procurement Instructions in that order of precedence;
- Contract Standing Orders will be reviewed at least once every two years to ensure that they remain modern and relevant. Responsibility for this lies with the Chief Officer (Resources), together with the Head of Corporate Procurement, the Head of Staffordshire Purchasing and the Head of Internal Audit in consultation with other Chief Officers;
- the Council has set and published standards for the conduct of employees and will require adherence to these at all times. In all their dealings all concerned with Providers will ensure the highest standards of honesty, integrity, impartiality and objectivity;
- in dealing with Providers the Council will ensure that there is an equal opportunity for all that meet the stated criteria, to participate in bidding for requirements. Whenever requested, unsuccessful applicants will be provided with the reasons why and unsuccessful bidders will be given feedback;
- the Council will seek to remove obstacles to conducting business and particularly in the case of local business will encourage participation in tendering;
- in appointing Providers, the Council will appraise all valid offers received and will seek an appropriate balance between cost and quality evaluation; and
- Internal Audit will monitor adherence to the principles contained within this document and report annually on its findings to both Chief Officers and elected members.

7. Process Management

In managing procurement processes it is required that:

- records and procedures set out in Contract Standing Orders and the Procurement Rules and Procurement Instructions are properly maintained;
- decisions are recorded and clear audit trails exist in order to ensure openness, propriety and probity and compliance as appropriate with Public Procurement Legislation;
- resources relating to procurement will be kept under review as part of the Best Value cycle and the use of electronic and other means to reduce acquisition and transition costs will be encouraged; and

- the payment to Providers is managed promptly and within the Council's stated policy. Implicit within this is the need to continuously improve in the management and processing of invoices and to develop electronic trading.

8. Training

The Council recognises that the success or otherwise of its Procurement Strategy will be influenced by the responsiveness of those individuals responsible for its implementation on a day to day basis. Accordingly, the Chief Officer (Resources) is required to ensure that designated individuals receive the necessary training and ongoing support and guidance.

9. Governance and Organisation

The governance arrangements for procurement will be through a joint member/officer working party set up as the Corporate Procurement Board, which will meet regularly and will receive reports from the Head of Corporate Procurement and other colleagues indicating the progress made in delivering the Corporate Procurement Strategy. This joint member/officer working party will provide the sponsorship for projects carried out under the Corporate Procurement Strategy. It will include the Member Procurement Champion the Officer Procurement Champion and the Head of Corporate Procurement together with representatives of each Directorate.

From the working party, reports may be sent to the Cabinet and to any relevant Scrutiny Committee.

The members of the working party will have responsibility for ensuring that The Corporate Procurement Strategy is applied across the Directorates they represent and report to the working party on progress made against the Strategy.