

LEWES DISTRICT COUNCIL PROCUREMENT STRATEGY

1 Introduction by Lead Councillor

The purpose of this Strategy is to clearly state how the Council will approach the procurement of works, goods and services to support its key objectives. Good procurement is crucial to providing high quality and cost effective services and is a key component in ensuring value for money and helping to deliver better services and outcomes for the community.

The Council is committed to ensuring that procurement plays a vital role in delivering the Council's key aims namely protecting and enhancing the environment, supporting the housing, health and social needs of everyone in our communities and supporting and promoting a diverse and prosperous local economy. Procurement will also help to support the Council's working principles which are:

- ❑ striving for continuous improvement in our services and processes;
- ❑ delivering good value, efficient and effective services;
- ❑ looking after the local environment;
- ❑ consulting and listening to its customers;
- ❑ working effectively with partners in the local community;
- ❑ being open, honest and accountable;
- ❑ respecting diversity and promoting access and equality; and
- ❑ being a good employer by supporting and developing our workforce.

Councillor Jon Freeman,
Lead Councillor, Staff and Corporate Services

2 Context of the Strategy

Improving public sector procurement in local government and the rest of the public sector has been a key focus of Government in recent years as set out in its National Procurement Strategy (NPS) for Local Government which established challenging milestones for councils to achieve from 2004 to 2006. The Council has largely achieved these milestones. The National Procurement Strategy for Local Government – Final Report (published in April 2008) states the following:

“The NPS has been a catalyst for the development of a more strategic approach to procurement by local government and has created a platform for the realisation of efficiency gains”.

The report “Releasing Resources to the Front Line” by Sir Peter Gershon published in July 2004 also identified ambitious savings for Local Government. These were incorporated into the Government's 2004 Spending Review with Local Government to deliver over £6.45 billion of efficiency gains by 2007-08. The Comprehensive Spending Review (CSRO7) for the period 2008/09 to 2010/11 has called for councils to identify strong and innovative approaches to achieving efficiency, including through strategic commissioning and has set a 3% cash efficiency target for the public sector.

In the Autumn of 2008 Improvement and Efficiency South East was formed from the merger of the South East Centre of Excellence and the South East Improvement Partnership. Its purpose is to make a step change in the performance and efficiency of local government in the region. One of its three priorities is to deliver efficiency

targets of 3% through support for innovation in cost effective service delivery and rollout of high impact and cash releasing solutions across the region.

From April 2009 to Council will be subject to a new assessment regime called Comprehensive Area Assessment. A key element of this will be the Use of Resources Assessment of the Council which sets out a series of questions (Key Lines of Enquiry) including, "Does the Council commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?" The focus of this will be to ensure that the Council:

- ❑ Has a clear vision of intended outcomes for local people which shapes its procurement and commissioning;
- ❑ Involves local people, partners, staff and suppliers in commissioning of services;
- ❑ Seeks to improve the customer experience, quality and value for money of services through service design and making effective use of IT;
- ❑ Understands the supply market and seeks to develop and influence it;
- ❑ Evaluates different options for procuring services and supplies; and
- ❑ Reviews the competitiveness of services and achieves value for money, while meeting wider social objectives.

Procurement at Lewes District Council is devolved through its various service departments. However, the Council has established a framework for corporate and strategic management of procurement at executive level (through the Cabinet Lead Councillor for Staff and Corporate Services) and at officer level (through the Procurement Working Group). Procurement also sits within the framework of the Council's Constitution, which contains UK and EC legislative requirements for public services tendering and the Council's own internal procedures for decision-making and day to day management of procurement activity across the Council.

3 Objectives and Outcomes of the Strategy

This Procurement Strategy provides the Council with an essential mechanism for achieving its aims and corporate objectives.

The key objectives of the Council's Procurement Strategy are:

- ❑ To better co-ordinate corporate purchasing and procurement activity across the Authority;
- ❑ To improve value for money in the Council's purchasing and procurement activities and identify potential areas for efficiency savings;
- ❑ To support Best Value by encouraging innovation and developing methods to evaluate the options for service delivery;
- ❑ To provide appropriate training to ensure that adequate skills and experience are maintained within the Council and developed in the future;
- ❑ To promote equality and access of opportunity in all issues relating to the procurement of goods, supplies and services and in the delivery of Council services;
- ❑ To ensure effective procurement is at the heart of decision making and service planning;
- ❑ To take account of risk and business continuity issues when entering into significant contracts;
- ❑ To support the Council's environmental and sustainability objectives as set out in its Global to Local Strategy with respect to EMAS and the Sustainable Procurement Policy;
- ❑ To work in partnership with others, wherever possible, in order to best meet the needs of local communities as identified in the Sustainable Community Strategy;

- ❑ To encourage effective trade between the Council and Small and Medium sized Enterprises (SMEs) by continuing to support the commitments in the SME Concordat;
- ❑ To identify opportunities to maximise purchasing power to secure lower prices, achieve economies of scale and efficiencies by working in partnership with other local authorities and framework agreements;
- ❑ To continue to develop and enhance electronic procurement in the Council and with other partners in East Sussex;
- ❑ To involve local people, partners, staff and suppliers when commissioning contracts which have an impact upon the local community;
- ❑ To understand our supply market by undertaking spend analysis of our procurement expenditure; and
- ❑ To develop our relationship with the voluntary sector through the East Sussex Compact; and

The Strategy will help the Council to achieve the following outcomes:

- ❑ Cost and efficiency savings wherever possible;
- ❑ Procurement and commissioning which considers the intended outcomes for local people;
- ❑ Meeting the needs of local communities through effective use of sustainable partnerships with the public, private and voluntary sector; and
- ❑ The achievement of EMAS objectives in relation to sustainable/green procurement;
- ❑ More open and accessible procurement opportunities with the Council for potential suppliers and contractors; and
- ❑ Procurement and commissioning which supports and helps to develop a vibrant and sustainable local economy.

4 Procurement and the wider objectives of the Council

Lewes District Sustainable Community Strategy (SCS): We will support the SCS and its priority theme “A Vibrant and Sustainable Economy” by continuing to support the commitments in the Small and Medium Sized Enterprise Concordat signed by the Council and Sussex Enterprise in April 2006. This will be achieved by:

- ❑ Publishing our procurement strategy which encourages a diverse and competitive supply market;
- ❑ Giving access to contract opportunities through the Council’s website;
- ❑ Providing details of our current key suppliers;
- ❑ Ensuring tender process is fair and transparent;
- ❑ Offering meaningful feedback to suppliers after the procurement process;
- ❑ To treat suppliers openly and fairly; and
- ❑ To make clear to suppliers and those wishing to do business with us, what is expected of them.

We will:

- ❑ Ensure all invoices are paid within 30 days or other agreed terms.
- ❑ Continue to develop diverse, competitive and sustainable sources of supply;
- ❑ Ensure procurement opportunities are open and accessible to local businesses, social enterprises and voluntary and community organisations;
- ❑ Work with other agencies, organisations and partners to ensure the needs of local businesses are taken into account;
- ❑ Consider the views of staff, customers, partners and local communities in major procurement;

- ❑ Develop protocols for working with a wide range of public, private and voluntary sector partners; and
- ❑ Consider opportunities for delivering wider community benefits through procurement decisions and incorporate this into tender criteria where relevant and appropriate.

Equality and Diversity: We will promote equality of access and opportunity in procurement by meeting the requirements of the Equality Standard for Local Government as follows:

- ❑ Reviewing the procurement function and all contracted services and partnership arrangements;
- ❑ Establishing mechanisms for ensuring equality targets are delivered by contractors through effective contract management;
- ❑ Ensuring that agencies delivering services on behalf of the Council include with contracts a requirement to deliver an effective and appropriate service, fairly and without unlawful discrimination;
- ❑ Establishing monitoring of contracts to secure equal employment and equal service delivery targets;
- ❑ Providing training for managers on the implementation of the Standard with contractors and partners;
- ❑ Ensuring that monitoring procedures are applied across contracts and partnerships; and
- ❑ Ensuring effective systems are in place for managing equality across contracts and partnerships.

EMAS and Sustainability: We will ensure that environmental and broader sustainability issues are addressed by following the requirements of the Council's Sustainable Procurement Policy by *striving* to:

- ❑ Educate and train internal purchasers to review their consumption of goods and services reduce usage and adopt more environmentally friendly alternative products;
- ❑ Communicate the sustainable procurement policy to staff, suppliers and stakeholders;
- ❑ Promote and embed best practice for sustainable procurement;
- ❑ Work in partnership with other South East Region councils to maximise sustainable procurement gains;
- ❑ Consider the costs and benefits of environmentally preferable goods, suppliers and services. Where possible and practicable specify requirements in line with agreed minimum specifications;
- ❑ Set targets for carbon management, sustainable construction, refurbishment and maintenance;
- ❑ Investigate opportunities for recycling, reduced usage, bulk delivery and better packaging;
- ❑ Fully support the Council's commitment to Small Business Friendly Concordat and Voluntary and Community Sector Compact (East Sussex Compact);
- ❑ Ensure that where appropriate and allowable, sustainability criteria are part of the supplier evaluation process and are used in the award of contracts;
- ❑ Communicate the Council's sustainability objectives to our suppliers and encourage and persuade them to adopt environmentally friendly processes and supply environmentally friendly goods;
- ❑ Address barriers to the Council doing business with small business and voluntary sectors;

- ❑ Comply with legislation relevant to sustainability and collaborate with South East Region councils to meet the targets of the IESE Action Plan.

E Procurement: We will continue to develop appropriate e-procurement solutions to support the Council's procurement arrangements by:

- ❑ Working towards electronic ordering, invoicing and payment through our financial systems;
- ❑ Considering the use of e auctions where a business case setting out the costs, benefits and potential risks have been made. Such auctions will normally be undertaken when collaborating with other councils;
- ❑ Considering the use electronic tendering where appropriate and cost effective, using an accredited intermediary;
- ❑ Use procurement cards where appropriate for low value purchases and where online purchasing provides the best value for the Council;
- ❑ Advertising tenders on our website and where appropriate, on portal websites created for contract advertisements.

5 Joint Working, Partnering and Framework Arrangements

The Council acknowledges the importance of working with a range of other providers and suppliers/organisations in order to deliver good quality, efficient, accessible and cost-effective services and as a means of achieving continuous improvement. The Council will seek to work closely with other authorities and other public, private, community and voluntary sector organisations to achieve the objectives of this Strategy. The Council recognises that Framework Agreements are sometimes valuable mechanisms for achieving value for money and potential efficiency savings. However, the Council will not enter into joint arrangements, partnerships or framework agreements where its citizens are placed at a disadvantage.

The Council will continue to develop its approach to partnering in construction and service delivery. It has also already signed up to the 2005 East Sussex Compact between the local community and voluntary sectors and the County, district and borough councils.

The Council plays a proactive part in the following joint working and procurement initiatives as follows:

- ❑ The Sussex Procurement Group and East Sussex Procurement Group where opportunities for joint working, procurement initiatives and "best deals" are considered.
- ❑ The IESE through its "best deals" service.
- ❑ A range of framework agreements have been joined e.g. for purchase of electricity, diesel, stationery, office furniture, photocopiers, mobile phones, street sweeping vehicles etc; and
- ❑ Constructionline – a government sponsored register of construction related companies for select tendering.

6 Action Plan

The 2008/09 action plan for this Strategy is set out in Annexe 1. This sets out key actions to be undertaken or developed, the Lead Officer/s responsible and a time-

scale within which they should be achieved. Annexe 2 provides a forward plan 2009/10.

7 Resources and Responsibilities

The Strategy will be achieved largely through using the current resources of the Council efficiently and effectively and through joint working with other authorities and external organisations such as IESE. In particular:

- ❑ The Lead Councillor for Staff and Corporate Services is responsible for strategic procurement at the Council;
- ❑ The Head of Audit and Performance has been nominated as lead officer to co-ordinate strategic procurement within the Council;
- ❑ The Procurement Working Group has been established to review procurement issues, create good practise and identify opportunities for efficiency savings within the Council. This group includes those officers who play a lead role in procurement in the various departments of the Council;
- ❑ The Sussex Procurement Group and East Sussex Procurement Group have been established to advance procurement across the County and between counties including sharing and promoting best practice across councils and identifying opportunities for efficiency savings; and
- ❑ Improvement and Efficiency South East provides guidance and enables collaborative working between authorities and may provide funding for procurement projects.

8 Monitoring and Review

The achievements of the delivery programme and other related issues on procurement will be monitored by the Procurement Working Group and Corporate Management Team periodically and reported to Cabinet as necessary and appropriate. Key actions are incorporated within the annual Council Plan and, where appropriate in relevant service plans.

9 Links to other areas

The Procurement Strategy is supported by and linked to a number of other Council policies, procedures documents and processes to ensure its delivery follows:

- ❑ Contract Procedure Rules and Financial Procedure Rules (part of the Council's Constitution)
- ❑ Guidance for Partnership Working
- ❑ Sustainable Procurement Policy
- ❑ Lewes District Sustainable Community Strategy and Pride of Place.
- ❑ National Procurement Concordat for Small and Medium Sized Enterprises – A statement of principles to encourage effective trade between local authorities and small businesses by Lewes District Council
- ❑ East Sussex Voluntary Sector Compact
- ❑ A guide on procurement for officers and councillors (located on Infolink). This includes the Council's developing Contract Manual.

ACTION PLAN FOR PROCUREMENT STRATEGY 2008/09 (Update)

Action	Lead Officer/s	Timescale
Contract Procedure Rules		
Programme of officer training on revised Contract Procedures Rules.	District Solicitor/ Head of Audit and Performance	December 2008 (G)
<i>Revised Contract Procedure Rules were approved by Cabinet at its April 2008 meeting. Training sessions held on 18 June and 4 December 2008.</i>		
Sustainable Procurement Project		
Achievement of Level 1 of the UK Government Procurement Action Plan.	Environment Officer/ Head of Audit and Performance	June 2008 (G)
<i>Lewes District Council, one of four exemplar councils in the South East Region participated in the South East Sustainable Procurement Project sponsored by Improvement and Efficiency South East. The Council achieved Level 1 in June 2008.</i>		
Council's Procurement Strategy		
Review and update Council's Procurement Strategy and action plan.	Head of Audit and Performance	January 2009 (G)
Draft revised Procurement Strategy reported to Cabinet.	Head of Audit and Performance	February 2009 (A)
<i>Draft Procurement Strategy to be presented to Cabinet at its February 2009 meeting.</i>		
Contract Manual		
Establishment of contract manual to help officers undertake procurement effectively.	Legal Services/ Head of Audit and Performance	June 2008 (G)
<i>First sections of the contract manual in place in June 2008 to support revised Contract Procedure Rules. This will be an ongoing development task with new sections being added.</i>		
E Procurement		
Procurement cards in use for low value purchases.	Financial Services Manager	January 2009 (G)
<i>Procurement cards in use in IT and Democratic Services for low value purchases.</i>		
Procurement Efficiency and Best Deals		
Submit procurement spend analysis data to EXOR to undertake for 2006/07 and 2007/08 financial years.	Financial Services Manager	December 2008 (G)
<i>The Council through the Sussex Procurement Group (SPG) has participated in an analysis of procurement spend. Analysis of data originally was intended to be undertaken by individual Council's and SPG but now to be undertaken as part of Sussex Improvement Partnership Procurement referred to in 2009/10 Action Plan.</i>		
Review feasibility of joining Arun District Councils' insurance framework agreement.	Financial Services Manager	March 2009 (A)
<i>Arun District Council has set up a framework agreement for insurance. Hastings and Crawley councils have joined this framework agreement and achieved savings. The agreement allows for other councils in Sussex, including Lewes to join the agreement. The Financial Services Manager is</i>		

<i>currently considering the feasibility of the Council joining the agreement.</i>		
Community Consultation on Contracts		
Approval of consultation with tenants for the Grounds Maintenance of Housing Estates Contract 20011/2021.	Parks Manager	January 2009 (G)
<i>Cabinet approved full consultation with tenants, through the Tenant Participation Officer at its January 2009 meeting.</i>		
Consultation event with the local community at the Dell Play Area.	Parks Manager	July 2008 (G)
<i>Big lottery funding was obtained to improve play opportunities across the District. The bid was successful and four projects including the Dell were selected. A consultation event took place at the Dell in July 2008 where the local community were invited to view all of proposed designs from different contractors. An earlier consultation exercise had been undertaken to identify the type of equipment young people would like to be installed.</i>		

Key

Green (G)	Completed	Amber (A)	Underway	Red(R)	Delayed
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ACTION PLAN FOR PROCUREMENT STRATEGY 2009/10

Action	Lead Officer/s	Timescale
Sussex Improvement Partnership Procurement Project		
Procurement spend analysis completed and reported by Tribal Helm.	Head of Audit & Performance	April 2009
Review of results of spend analysis undertaken and consider opportunities for improved procurement and efficiency savings.	Head of Audit & Performance/ Procurement Working Group	July 2009
Procurement Efficiency & Best Deals		
Distribute information on framework agreements made available by Improvement & Efficiency South East, Sussex Procurement Group and other organisations.	Head of Audit & Performance	Ongoing
Review feasibility of pan Sussex framework agreement for external legal service providers.	District Solicitor	June 2009
Council's Procurement Strategy		
Review the Council's procurement strategy and progress of the action plan.	Head of Audit & Performance/ Procurement Working Group	January 2010
Annual report to Cabinet on progress of the Council's Procurement Strategy including 2010/11 action plan.	Head of Audit & Performance	March 2010
Website and Infolink		
Review and update the procurement section of the Website and Infolink	Head of Audit & Performance	June 2009
Update and develop the Contract Manual.	Legal Services/ Head of Audit & Performance	August 2009
Equalities and Procurement		
Undertake monitoring of contracts to ensure they are taking account of principles of equalities and diversity as part of Level 3 of the Equalities Standard for Local Government.	Equalities Coordinator	September 2009
Community Consultation on Contracts		
Review suitable opportunities for community consultation in future contracts.	Procurement Working Group	June 2009
Community consultation on individual schemes in the Play Project Delivery Programme.	Parks Manager	Ongoing.
E Procurement		
Review the feasibility of using nationally approved portal websites for contract advertisements.	Head of Audit & Performance	September 2009