

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.

With ever increasing pressures on the Council finances effective procurement will play an important part in identifying opportunities for savings.

Councillor Ann De Vecchi,
Lead Councillor, Policy and Financial Strategy

2 Context of the Strategy

Improving public sector procurement in local government and the rest of the public sector is a key focus of the new coalition Government. Effective procurement is seen as a means to help identify savings to contribute to the reduction of the national budget deficit and improve the efficiency of public services. Furthermore in a move to provide greater transparency of council spending all councils will be required to publish on-line, details of payments over £500 as well as contracts and tender documents.

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.

The Council has signed up to the IESE Transform Project which is being wholly funded by IESE and managed by Spikes Cavell (a company who standardise, classify, aggregate and analyse public sector spend data). The primary aim of the work is to enable councils to fully understand their spend data. Councils' are able to compare data and are able to collaborate on key spends through a data observatory. This analysis is designed to help councils identify areas for potential cash savings.

The Council was subject to the Comprehensive Area Assessment in 2008/09. Although this regime has been abolished an assessment was made of the Council's procurement asking the question "Does the Council commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?" This assessment concluded that in answer to this question that the Council was, "performing well". This placed it in the top 33% of district councils.

Value for money will continue to be a key element of the annual assessment of the Council by its external auditor (PKF).

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 Policy and Financial Strategy) 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 ensure the all procurement is in accordance with European Union rules, the Council's Contract Procedure Rules and guidance on Infolink (including the contract manual);
- 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 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 EMAS Policy and Statement 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 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

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

- Cost and efficiency savings wherever possible;
- Good governance in the letting of Council contracts;
- 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 Framework 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 further 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 sustainable processes and supply environmentally preferable 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 in the medium term 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;
- Use procurement cards where appropriate for low value purchases and where online purchasing provides the best value for the Council;
- Publishing our procurement policies and details of contracts on our website.

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 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 Policy and Financial Strategy responsible for strategic procurement at the Council;
- The Director of Finance and Community Services is responsible for leading on procurement issues at Corporate Management Team.
- 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 practice 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.

7 Monitoring and Review

Each year an action plan will be produced for this strategy and progress against this plan will be regularly monitored by the Procurement Working Group and an annual report on procurement will be presented to Cabinet. Corporate Management Team will also be informed periodically on progress on procurement related issues where necessary and appropriate.

8 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 (Local Voices, Local Choices).
- 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 Contract Manual.

ACTION PLAN FOR PROCUREMENT STRATEGY 2010/11 to 2011/12

Action	Lead Officer/s	Timescale
Transform Expenditure Analysis Project		
Procurement spend analysis data made available by Spikes Cavell.	Head of Audit & Performance	July 2010
Review of results of spend analysis undertaken and consider opportunities for improved procurement and financial savings across the Council.	Head of Audit & Performance/ Procurement Working Group/Departmental managers	September 2011
Local Government Spending Transparency		
Publish all items of expenditure over £500 on the Council's website.	Financial Services Manager	From July 2010
Review code of practice for spending transparency (expected to be released in Autumn 2010).	Financial Services Manager/ Head of Audit and Performance	September 2010
Publish details of contracts and tender documents on the Council's website (subject to the requirements of the code of practice)	Head of Audit and Performance	January 2011
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
Work with East Sussex Procurement Group and East Sussex Financial Officer Association to identify Best Deals opportunities for procurement.	Head of Audit & Performance	Ongoing
Council's Procurement Strategy		
Review the Council's procurement strategy and associated action plan.	Head of Audit & Performance/ Procurement Working Group	August 2010
Annual report to Cabinet on progress of the Council's Procurement Strategy including 2010/11 action plan.	Head of Audit & Performance	March 2011
Website Information		
Review and update the procurement section of the Website.	Head of Audit & Performance	September 2010
Training, Guidance and Infolink		
Update and develop the Contract Manual and other information held on Infolink.	Head of Audit & Performance/ Legal Services	October 2010

Provide training and guidance to ensure adherence to Contract Procedure Rules and the Contract Manual.	Head of Audit & Performance/ Legal Services	March 2011
Equalities and Procurement		
Meet "Achieving Level" in procurement related items in the Equalities Framework.	Equalities Officer	December 2011
Community Consultation on Contracts		
Review suitable opportunities for community consultation in future contracts.	Procurement Working Group	December 2010
Community consultation on individual schemes in the Play Project Delivery Programme.	Parks Manager	Ongoing
Sustainable Procurement		
Investigate opportunities to improve the amount of sustainable product/ services we procure.	Environment Officer	March 2011
Undertake contract review to evaluate and monitor the council's contract procedures in line with the requirements of EMAS.	Environment Officer	October 2010
Update and re- issue guidance on environmentally preferable products	Environment Officer	December 2010