

**Appendix 3 - Record of Progress for the Corporate Procurement Action Plan for the year of 2010 to 2011 as at 31<sup>st</sup> March 2011**

<b>7.1 Deliver the Council's procurement strategy ensuring that the key objectives are understood and embedded across the Council</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>• Rollout the Procurement Strategy in conjunction with the Procurement Guide via workshops and on project training:                             <ul style="list-style-type: none"> <li>• Hold three overview workshops by end June 2010 with follow-ups in between October and December 2010 with focus on:                                     <ul style="list-style-type: none"> <li>○ Options appraisals</li> <li>○ Price/quality ratios and evaluation criteria</li> <li>○ Sustainability considerations and calculating full lifetime costs</li> <li>○ Specification writing</li> <li>○ Key performance indicators and contract management</li> <li>○ Nomination of Procurement Champions by service.</li> </ul> </li> </ul> </li> </ul>	Completed	<p>Move away from workshops to on the project training resulting in more positive outcomes in Q4:</p> <ul style="list-style-type: none"> <li>• Environmental Services – saving £9500 on personal protective equipment and uniforms;</li> <li>• Finance saving £33,177 on insurance services £33,177 &amp; £1125 on bank charges;</li> </ul> <p>Procurement Champions role is to be combined with that of the Council's green champions.</p>
<ul style="list-style-type: none"> <li>• Improve procurement options appraisal process via further development of stakeholder questionnaires by end May, ensuring their use for all procurement exercises at project commencement, recording project objectives for meeting Procurement KPIs.</li> </ul>	Completed	<p>Focus on removing costs from contracts without affecting frontline services – e.g. £18,440 saved on public convenience cleaning.</p>
<ul style="list-style-type: none"> <li>• Introduce price/quality ratios into project planning to ensure evaluation criteria other than price are given due consideration.</li> </ul>	Completed	<p>Used effectively with electricity &amp; gas for Wood Green leisure centre with over £20,000 saved.</p>
<ul style="list-style-type: none"> <li>• Train officers in the calculation of whole life costing, including the initial purchase cost, operating, management and disposal costs.</li> </ul>	Completed	<p>Successfully applied on Bodicote Old House Refurbishment – biomass boiler, energy &amp; water efficiency.</p>
<ul style="list-style-type: none"> <li>• Provide specification writing training for key projects.</li> </ul>	Completed	<p>Successfully provided for property, telephony maintenance, asset register &amp; insurance.</p>
<ul style="list-style-type: none"> <li>• Promote consideration of key performance indicators and contract management consideration at project planning stage.</li> </ul>	Completed	<p>Working effectively with property maintenance.</p>

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<b>7.2 Governance and compliance</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>• Ensure all operational procurement and contract management activity complies with the Council’s Contract Procedure Rules and statutory regulations by providing a checklist for retention in the project file.</li> <li>• Enhance the scrutiny and policy development role of the Procurement Steering Group Strategy.</li> <li>• Monitor procurement indicators with an agreed recording mechanism in place by December 2010.</li> <li>• A “No Purchase Order No Pay” policy is proposed whereby all expenditure is approved before it is committed. Retrospective Purchase Orders i.e. those raised after the commitment has been made should be discouraged and in due course sanctions should be considered for non compliance.</li> <li>• Any tendering and contract management should be managed using a robust project plan, with responsibilities clearly outlined and clearly laid out targets, milestones, timescales and identification of resources. Such a project plan should be monitored regularly by the project team and failure to achieve timescales rectified immediately.</li> </ul>	Completed	<p>Indicators will be produced quarterly in 2011</p> <p>Work is underway to promote the use of purchase orders. This project is being led by Controls team Leader.</p> <p>This is being monitored on a project by project basis with the Procurement Manager having regular meetings with Heads of Service and sitting on groups such as the ICT Capital Programme Monitoring Group and VfM reviews – such as Urban and Rural.</p>
	Carried forward	
	Carried forward	
	Carried forward	
	Completed	
<b>7.3 Achieve greater efficiency and demonstrate improved value for money</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>• Deliver VFM savings associated with best practice procurement for all categories with a lifetime contract value of more than £10,000 per annum with records maintained for anticipated and actual savings. Cashable savings target of £225,000 for 2010/11.</li> <li>• Further develop additional savings strategies such as prompt payment discounts and retrospective discounts for additional expenditure on existing and contracts with bi-monthly updates on progress.</li> </ul>	Completed	<ul style="list-style-type: none"> <li>• Total cashable in year savings of £316,111 against a target of £225,000</li> <li>• Total non-cashable savings: £70,219</li> <li>• Refer to Appendix 3 for a breakdown.</li> </ul> <p>Prompt payment discounts requested with each tender – average offer is 3%. All new contractors signing up to 1% below CPI formula for all new contracts.</p>
	Completed	

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<b>7.3 Achieve greater efficiency and demonstrate improved value for money</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>Further develop spend analysis via participation in a project recover duplicate payments to suppliers and identify cost reduction opportunities via identifying lower commodity prices.</li> <li>Continue supplier rationalisation and elimination of spend with non-approved suppliers.</li> </ul>	<p>Completed.</p> <p>Carried forward</p>	<p>Only one duplicate payment discovered in last three years emphasizing effectiveness of Creditors team.</p> <p>Reduction of multiple suppliers for four property maintenance areas to one corporate supplier for each.</p>

<b>7.4 Understand the contract management requirements of the Council and identify ways to streamline the process and promote best practice</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>Maintain a Council wide register of all contracts/agreements for all significant contracts (over £10K) and monitor procurement performance and activity, including savings and benefits tracking.</li> <li>Clarify the contract management role for the Council and the resources required for effective monitoring.</li> <li>Improve contract management knowledge via rollout of a user manual &amp; workshops across the service areas.</li> </ul>	<p>Completed</p> <p>Completed</p> <p>Carried forward</p>	<p>The Register has been re-categorised and is now hosted on the South East Business Portal to increase transparency.</p> <p>Scoping report presented to CMT at the end of October 2010. To be moved forward in 2011.</p> <p>Templates being produced by steering group in 2011.</p>

<b>7.5 Sustainability</b>		
<b>Action</b>	<b>Status</b>	<b>Progress to date</b>
<ul style="list-style-type: none"> <li>Embed the Sustainable Procurement Strategy via the Procurement Guide workshops.</li> <li>Ensure full lifetime cost calculations carried out on all projects – as per 7.1</li> <li>Consider the costs and benefits of environmentally preferable goods/services as alternatives as part of the full lifetime cost calculation process.</li> </ul>	<p>Completed</p> <p>Completed</p> <p>Completed</p>	<p>The importance of sustainability covered in workshops and on projects.</p> <p>Applied for window cleaning and stationery contracts.</p>

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7.5 Sustainability		
Action	Status	Progress to date
<ul style="list-style-type: none"> <li>Promote awareness, train and encourage buyers to review their consumption of goods and services, reduce usage and adopt more environmentally friendly alternative products.</li> </ul>	Completed	Successfully implemented with the Bodicote Old House refurbishment (water saving devices, zoned lighting, better insulation, biomass boiler).
<ul style="list-style-type: none"> <li>Promote the Sustainable Procurement Strategy with the market place via pre-tender market engagement exercises.</li> </ul>	Completed	Well received at six pre-tender exercises over the year.
<ul style="list-style-type: none"> <li>Encourage buyers to break down larger contracts to match SME and Social Enterprise capacity where appropriate.</li> </ul>	Completed	Implemented with public toilet cleansing, heating & cooling, fire & intruder tenders, window, graffiti, gum removal and photovoltaic panel installation.

7.6 Collaboration		
Action	Status	Narrative on Progress
<p>Develop further strategic links with the following procurement partners to share best practice, reduce duplication and administration costs and release additional savings:</p> <ul style="list-style-type: none"> <li>Oxfordshire Procurement Hub</li> <li>Strategic Procurement Partnership for Oxfordshire (SPPO)</li> <li>Milton Keynes, Oxfordshire and Buckinghamshire Procurement Partnership (MKOB)</li> <li>Procurement arm of Improvement and Efficiency South East (IESE)</li> </ul>	Completed	<p>Continuing to share work programmes across Oxfordshire, Buckinghamshire &amp; Northants with the following projects put in place in 2010/11:</p> <ul style="list-style-type: none"> <li>Cleansing of public conveniences (South, Vale and West)</li> <li>Confidential shredding (Oxfordshire County)</li> <li>Cash collection (Oxfordshire County, Oxford City, South, Vale and West)</li> <li>Cleaning Materials (Northamptonshire authorities);</li> <li>Agency staff (Countywide).</li> </ul>

7.7 Continuous improvement		
Action	Status	Narrative on Progress
<ul style="list-style-type: none"> <li>Effective benchmarking of current contracts against other authorities in the South East.</li> </ul>	Completed	Undertaken for public convenience cleansing, supply of wheelie bins, stationery, window cleaning, gum and graffiti removal.

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<b>7.7 Continuous improvement</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>• Actively engage with local suppliers and seek feedback on how we can improve our contracting processes – as per 7.8</li> </ul>	Completed	Positive feedback received for many tenders including the hosted payments contract – especially on the evaluation methodology.
<ul style="list-style-type: none"> <li>• Support the delivery of services to end users, ensuring stakeholder involvement and customer satisfaction surveys are routinely included.</li> </ul>	Carried forward	Introducing customer satisfaction questionnaires in 2011.

<b>7.8 Mixed Economy</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>• Maximise options for procuring from a diverse and competitive range of suppliers including minority businesses, voluntary and community sector groups, small firms and social enterprises by:               <ul style="list-style-type: none"> <li>○ Encouraging breaking down of projects into lots where appropriate;</li> <li>○ Including local SMEs on invitation to quote exercises;</li> <li>○ Considering Selling to the Council workshops for all relevant projects;</li> <li>○ Participating in and hosting further Meet the Buyer events;</li> <li>○ Explore how we developing closer strategic and operational working arrangements with the Voluntary and Community Sectors:</li> <li>○ Partner with the Economic Development team to provide further support for social enterprises within the district.</li> </ul> </li> </ul>	Carried forward	<p>Have moved to more engagement on a project by project basis, offering supplier workshops with all relevant projects - such as the PV Installation project and the online Corporate Sales and Booking System.</p> <p>Projects are being broken down into lots where appropriate – e.g. public convenience cleansing, heating &amp; cooling, fire &amp; intruder maintenance.</p> <p>For each invitation to quote exercise there is a conscious effort to source local SME's – as with the Mobile Security contract.</p> <p>Regular liaison with Economic Development – particular over free of charge alerts to opportunities via the South East Business Portal &amp; central government Contracts Finder service.</p>

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<b>7.9 E-Commerce</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>Undertake an options appraisal to determine the cost benefits of an e tendering system in partnership with other Oxfordshire authorities.</li> </ul>	Completed	Options appraisal has determined that at present the cost benefits do not justify the investment.
<ul style="list-style-type: none"> <li>Exploitation of South East Business Portal via loading of forward plans and adverts.</li> </ul>	Completed	Using portal to host contracts register, advertise and manage the pre-qualification process.
<ul style="list-style-type: none"> <li>Explore the use of e-auctions wherever appropriate, in collaboration with other Oxfordshire or wider SE authorities. Include bids of £20k pa in future capital programmes for e-procurement initiatives, such as e-auctions, where these have the potential to deliver revenue savings.</li> </ul>	Carried forward	Watching brief being kept on those provided by Buying Solutions.
<ul style="list-style-type: none"> <li>When appropriate, include in the specification for corporate contracts requirements for web-based or similar e-ordering as a means of streamlining ordering procedures.</li> </ul>	Completed	Tracking and knowledge functionality is being made available with the insurance services contract.
<ul style="list-style-type: none"> <li>Continue to monitor available options for e-sourcing/e-tendering, particularly in collaboration with other authorities.</li> </ul>	Completed	Agency staff tender undertaken using Oxford City Council's e-tendering system.

<b>7.10 Corporate Procurement Resources</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>Raise the profile of the Procurement Service and its achievements, both internally and with external stakeholders.</li> </ul>	Completed	Workshops followed up by updates with Heads of Service and attendance at team meetings.
<ul style="list-style-type: none"> <li>Recruitment, retention and development of capable procurement staff in all procurement-related posts.</li> </ul>	Carried forward	All three members of the team scheduled to be MCIPS qualified within 2011/12.
<ul style="list-style-type: none"> <li>Development and delivery of a procurement training programme; providing training and supporting professional procurement staff in obtaining core qualifications and keeping their skills up-to-date through Continuous Professional Development.</li> </ul>	Completed	Options appraisal and contract management training is being provided with all projects.

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<b>7.10 Corporate Procurement Resources</b>		
<b>Action</b>	<b>Status</b>	<b>Narrative on Progress</b>
<ul style="list-style-type: none"> <li>Ensure effective use of the Corporate Procurement Team to provide a range of services, from advice and guidance to undertaking full procurement processes for departments on specific projects to seek Value for Money in all contracts let.</li> </ul>	Completed	<p>Three tiers of reporting are in place:</p> <ul style="list-style-type: none"> <li>High level annual procurement forward plan – all procurement projects with a value of £10k or more;</li> <li>Departmental forward plan – including responsibilities under the strategy action plan;</li> <li>Individual work plans – providing wider project details such a contract management and reviews.</li> </ul>
<ul style="list-style-type: none"> <li>Consider an “apprentice” procurement officer as part of the Oxfordshire Hub</li> </ul>	Completed	<p>This was reviewed as part of the 2011/12 Budget and for now additional support resource is being sought from within the Finance department.</p>
<ul style="list-style-type: none"> <li>Allocate procurement team members to provide support for particular directorates on significant projects.</li> </ul>	Completed	<p>This is being done by Service Area at present:</p> <ul style="list-style-type: none"> <li>Corporate Contracts Officer is focused on Environmental Services and Regeneration &amp; Estates;</li> <li>Corporate Purchasing Officer focuses on corporate contracts, Safer Communities, Urban and Rural and Finance.</li> </ul>