

Joint Corporate Procurement Strategy and Action Plan 2012/13



South
Northamptonshire
Council

Cherwell
DISTRICT COUNCIL
NORTH OXFORDSHIRE

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Foreword

Why have a Procurement Strategy?

Over 50 per cent of council spending is on goods and services bought from the private, voluntary and community sectors... Councils are already working together to procure at regional and sub-regional levels through consortia, and using approaches that drive down costs, such as e-auctions. But there is more that can be done to drive out further savings...

Local Government Association's 'Better for Less' publication, November 2011

Cherwell District Council and South Northamptonshire Council recognise that procurement is a critical enabler for delivering better for less and achieving sustainable outcomes for its local communities. It has a fundamental role in helping the Councils reduce their service budgets in line with severe funding reductions and in embracing the Localism agenda.

This strategy aims to provide a clear framework for procurement activity across both Councils to assist in the delivery of the Councils' business plan objectives. The Councils intend to continue to use the model of a self-funding corporate procurement team in enabling the delivery of a successful procurement programme.

The procurement teams at both Councils have delivered year on year cashable savings which have outweighed their costs and provided added value in terms of robust contracts which have protected the Councils' interests and implemented inflationary controls for a number of years.

The cashable savings target for procurement for Cherwell District Council for 2012/13 is £150,000 and the target for South Northamptonshire is £100,000.

The joint procurement strategy's vision for 2012/13 is to meet the challenges being laid down for local authorities head on as they are asked to re-shape and re-engineer how they deliver their services to:

- reduce budget expenditure;
- provide better for less as part of the continuous transformation programme;
- reap the benefits of joint working and collaboration in terms of savings and efficiencies;
- ensure sustainability is at the core of all the authorities procure;
- fulfill the remit of the Localism Act 2011, the Big Society agenda and the implications of the Local Government Resource Review.

Achievement of these objectives will demonstrate the Councils' commitment to shaping the local community and the delivery of savings which are redirected into front line services.

Councillor Ken Atack
Lead Member Financial Management
Procurement Champion

Councillor Ian McCord
Portfolio Holder for Resources
Procurement Champion

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1. Clear vision of expected outcomes

“The most radical changes to procurement are now underway - the days when there was no strategy and no coherence to the way the Local Government bought goods and services are well and truly at an end...”

Collectively we have made a good start with the savings we have already delivered – but it is only the beginning. We need to challenge traditional procurement thinking and make a significant step-up in capability if we are to deliver on the challenges ahead of us.”

Francis Maude, Minister for the Cabinet Office, July 2011

- 1.1 Both Councils have ‘made a good start with the savings we have already delivered’ and now more than ever the further embedding of forward looking procurement practices via a joint procurement team provides an opportunity to assist both authorities in their transformation journey delivering increased efficiencies and significant additional cashable savings.
- 1.2 The first quarter of 2012/13 will see the implementation of the joint procurement team with the aligned team scheduled to be delivered from 1st July 2012 and the remainder of the year involving a process of transition as joint systems and processes are put in place.
- 1.3 Having established the “invest to save” model of procurement delivery at both Councils with annual savings targets ensuring the operation is both “self funding” and providing additional returns, the focus of the joint procurement team will be the delivery of new cashable savings amounting to £150,000 for Cherwell District Council and £100,000 for South Northamptonshire Council in 2012/13.
- 1.4 Procurement’s very strong link with finance, contract management, compliance and efficiencies means that the joint procurement team is well placed within finance under the direction of the Head of Finance and Procurement.
- 1.5 The challenge of continuing to provide year on year cashable savings when many areas of spend at both Councils are already under effective contracts which have delivered substantial savings is to be met by a number of initiatives:
 - building procurement options appraisals into service delivery planning;
 - focusing on collaboration which best delivers economies of scale savings;
 - delivering more outcome based specifications which encourage supplier innovations;
 - working with suppliers to introduce more efficient ways of working which will remove costs for both parties;
 - improving contract management to drive out further savings;
 - removing barriers to and exploiting savings from prompt payment discounts;
 - seeking more inflation controls such as 1% below CPI.
- 1.6 The joint procurement team’s skills and knowledge are to be utilised in assisting both councils on their transformation journey as alternative models of service delivery are considered and tested with both regional and national procurement networks being put to good effect.
- 1.7 By taking sustainability beyond merely environmental considerations to a proper consideration of life cycle costs and the socio-economic impact of the goods, services and works procured by the authorities, the joint procurement strategy aims to deliver additional savings and efficiencies.

- 1.8** The joint procurement strategy aims to look beyond the joint working journey being undertaken between South Northamptonshire Council and Cherwell District Council to:
- Encourage buy-in from other authorities to the contracts and frameworks put in place which will trigger retrospectively agreed volume discounts;
 - Sell the procurement services of the team to other authorities across the region, particularly district authorities with limited procurement resources.
- 1.9** Both councils need to ensure they are prepared for the impact of the Localism Act 2011, the Public Services (Social Value) Act 2012, the forthcoming Big Society initiatives, the implications of the Local Government Resource Review and the fundamental review of public procurement law by the European Commission, which could challenge the way the authorities deliver their services. The joint procurement strategy involves the sharing of best practice with other authorities across the region to ensure the councils meet these challenges head on.

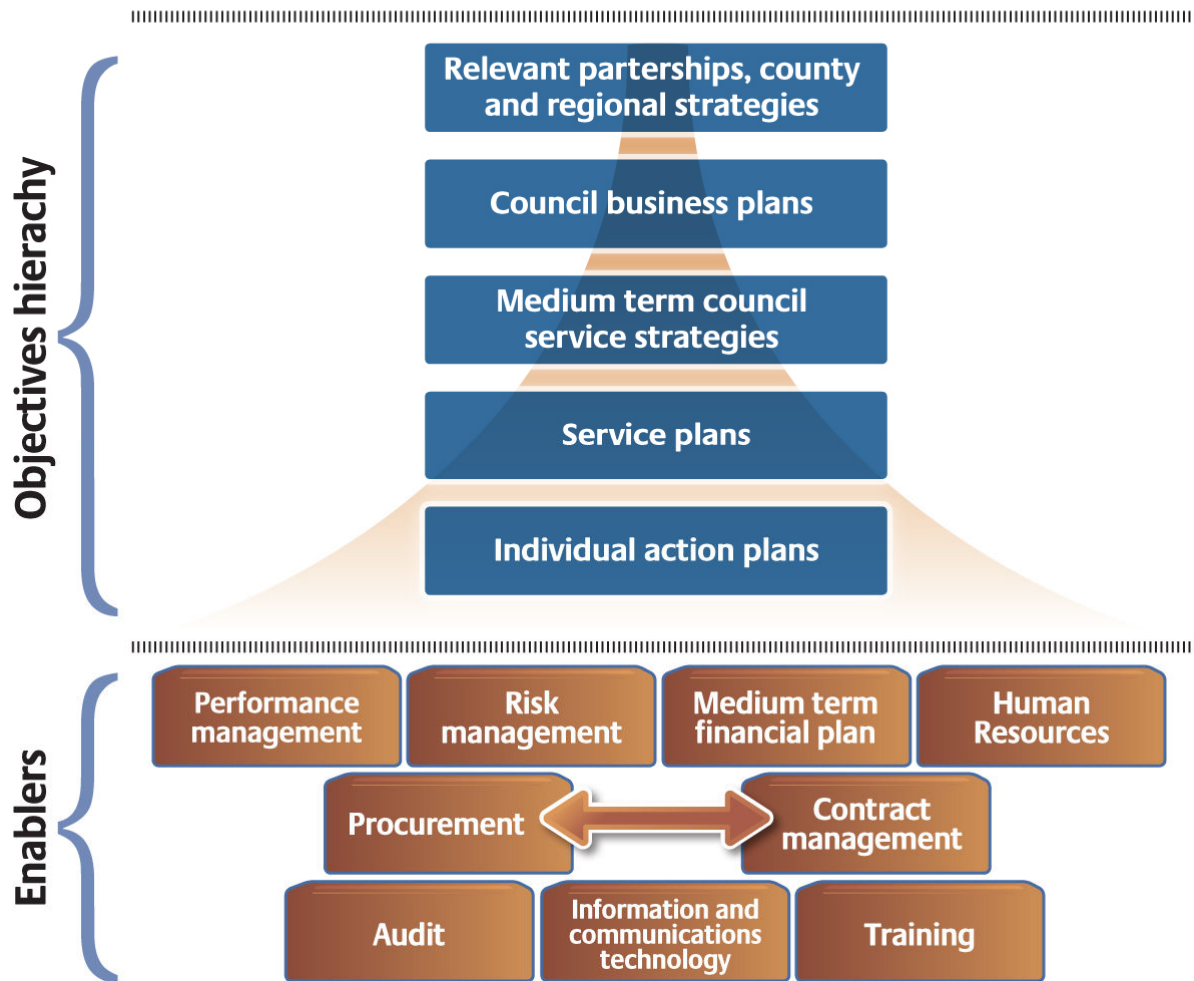
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2. Strategic procurement

“One of the things I believe we need to get better at is in identifying best practice, publicising and emulating that best practice, and then leveraging it as effectively as possible across central government and other areas of the public sector.”

John Collington, Head of Procurement, Cabinet Office Efficiency and Reform Group

Delivering council objectives



2.1 Linking procurement to the delivering of council objectives

2.1.1 Procurement acts as one of the building block enablers to the Councils' objectives from the wider countywide and regional partnerships right down through business plans to individual officer action plans. Contract management forms part of the procurement cycle and there is interdependence between the two functions.

2.2 Embedding value for money

2.2.1 The Councils' drive for value for money and delivering better for less is directly linked to the Government's efficiency agenda and feeds into the Councils' medium term financial plans. The joint procurement team's role involves embedding best practice from analysing the best means for projected expenditure in service plans right through to the delivery of robust contracts with effective performance management mechanisms with the potential to deliver further year on year savings.

2.3 Sustainable procurement, the Public Services (Social Value) Act 2012 and whole life costing

- 2.3.1 Strategic procurement by nature is sustainable procurement and by considering socio-economic and environmental factors it can deliver the best value for money over the lifetime of the goods, services or works being procured. The focus needs to be on the whole life cost of all that is procured rather than just focusing on the up front prices.
- 2.3.2 The Public Services (Social Value) Act 2012 sets out a number of requirements that public authorities must comply with before starting the procurement process for an above-threshold services contract, including consideration of:
- how what is being procured might improve the economic, social and environmental well-being of the Council's area;
 - how the proposed improvements in economic, social and environmental well-being might be secured;
 - whether consultation has been, or is proposed to be, undertaken on the potential improvements themselves or how they might be secured;
- 2.3.3 Legislation, therefore, allows factors such as carbon footprint, replacement cycles and social benefits to be taken into consideration with the evaluation process with the onus on suppliers to provide information about expected lifetimes and warranties when supplying goods and the demonstration of sustainable practices when it comes to services and works. The correct stage to address these issues is right at the beginning of the procurement process – during the formation of the business case and in the writing of the specification.
- 2.3.4 Section 3 develops the Councils approach to Sustainable Procurement and outlines how the joint procurement team will work with the Environmental Officers at each Council to ensure that sustainability is a golden thread that runs through all procurement exercises and is part of the drive for securing better for less.

2.4 Equalities

- 2.4.1 The Councils have in place pre-qualifying safeguards that ensure all work carried out on behalf of the Councils by external contractors is compliant with the latest equalities legislation with each interested party providing evidence not only of the policy but how it is put into practice.
- 2.4.2 The equalities questionnaires aim to:
- Establish that all organisations applying for work with the Councils have a genuine commitment to equality of opportunity and that this will be effectively applied in their service delivery.
 - Encourage best practice with all organisations that work for the Councils.
 - Protect the Councils from prosecution in failing to meet its own commitments to equal opportunities legislation.
- 2.6.3 An Equality Impact Assessment has been carried out on the Procurement Strategy and Action Plan in line with the requirements of the Equality Standard and the Equality Act (2010) and is compliant.

2.5 Collaboration

- 2.5.1 Both Councils have already demonstrated how effective collaboration with other public bodies and partnering arrangements makes an essential contribution towards providing better for less and collaboration between the Councils on dry waste

recycling and internal audit services in 2011/12 has provided substantial savings to both authorities.

Current Collaborative Procurement Arrangements at South Northamptonshire Council and Cherwell District Council



2.5.2 The joint procurement teams will seek to build upon and share the range of collaborative partnerships in place across both authorities as outlined in the diagram above. The focus will continue to be:

- The sharing of annual forward plans and contracts registers to identify the best opportunities for economies of scale purchasing;
- Utilising frameworks put in place by organisations with much greater buying power than the combined Councils' needs;
- Devising specifications and performance criteria which will encourage supplier innovations and introduce more efficient ways of working;
- The sharing of the resources required for putting contracts in place.
- Working on initiatives such as prompt payment discounts, market engagement workshops, joint e-tendering purchasing and the delivery of procurement and contract management training to officers across the Councils.

- 2.5.3 An alternative form of collaboration is the use of a professional buying organisation (PBO). The use of PBOs is well established by both Councils and are used to:
- provide low-value, high-volume supplies, such as stationery and cleaning materials – often via catalogues;
 - act as agents in setting up/facilitating joint contracts for groups of public authorities;
 - supply goods and services, such as fuel and mobile telephones;
 - act as a forum for the exchange of information and learning regarding procurement and commissioning;
 - provide a source of procurement advice and guidance;
 - establish national or regional contracts.

2.6 Delivering value for money via the public, private and voluntary sectors

- 2.6.1 The Councils are committed to the promotion of a mixed economy of service provision to provide better for less by working with public, private and voluntary sector organisations.

Public Sector

- 2.6.2 The Councils continue to look for partnership opportunities within the public sector including the NHS, the police and educational establishments across a range of areas from corporate supplies such as agency staff, stationery, and cleaning materials to services such as internal audit and facilities management to works such as construction and property maintenance.

Small and Medium-Sized Enterprises (SMEs)

- 2.6.3 The Councils have a strong commitment to developing the local economy and will continue to engage effectively with SMEs by:
- Providing workshops for individual opportunities such as printing, engineering services, facilities management and property maintenance;
 - Breaking requirements down into individual lots where appropriate to allow local specialists an opportunity to bid for contracts;
 - Making it a condition of larger schemes that contractors allow Council contractors to bid for sub-contracted work.

The Voluntary Sector

- 2.6.4 The Councils engage with the voluntary sector via a range of grant aided initiatives and there is currently a move to the commissioning of services with contractual performance obligations which provide better service delivery for the community. A good recent example was the commissioning of voluntary services covering debt advice, car driving schemes and initiatives to increase the pool of volunteers across the Cherwell district which also drew in partnerships from across the South Northamptonshire district.
- 2.6.5 The Council is actively looking into facilitating the Localism Act 2011, the Big Society Agenda and the Local Government Resource Review and how procurement can play a part in releasing resources, funds and support from a central position by pushing them down to a local level to enable local people to take local actions and decisions for themselves. Both Councils are seeking to utilise partnerships with the Northamptonshire Procurement Network Group and the Strategic Procurement Partnership for Oxfordshire to share resources and deliver a joined up response, especially in terms of how Big Society initiatives are assessed and evaluated.

2.7 Governance and compliance

- 2.7.1 All procurement activities must be conducted in compliance with the Councils' Contract Procedure Rules (CPR) and the relevant EU procurement legislation. Advice should be sought from Law and Governance on any compliance issues that arise.
- 2.7.2 Reporting on procurement activities, requests for approval and contract management reports need to be handled within approved governance arrangements. The Joint Procurement Steering Group provides a platform for the major value and high risk contracts to be discussed.
- 2.7.3 Section 5 of this strategy and action plan outlines the roles and responsibilities of all key officers from the Joint Procurement Steering Group with the Head of Finance and Procurement as lead to the responsible officers for each procurement exercise.
- 2.7.4 Effective application of procurement across the Councils will only be delivered through the active participation and strict compliance of all those who control budgets and authorise expenditure as well as those with appropriate technical expertise/service experience. The joint procurement team is responsible for engaging with all such officers and for embedding an understanding of the Contract Procedure Rules.
- 2.7.5 Once contracts or other procurement arrangements are in place, the joint procurement team needs to ensure ongoing compliance and for this purpose contract management responsibility is being clearly defined so that each contract has an 'owner'. Performance monitoring against key performance indicators is an essential function to ensure that value for money is being achieved. The working relationship between procurement officers and contract managers is vital.

2.8 References

- 2.8.1 Other corporate strategies to ensure business continuity for all users and delivery of Councils' objectives.
- 2.8.2 The Councils have many applicable policies and practices relevant to this strategy, which include, but are not limited to:
- Corporate Procurement Rules
 - Standing Orders
 - Whistle blowing Policy
 - Risk Management Policy
 - Performance Management Framework
 - Equality and Diversity Policy

3. Sustainable procurement

“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 not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”

The National Sustainable Procurement Action Plan, ‘Procuring the Future’

3.1 Putting sustainable procurement into practice

- 3.1.1 As outlined in Section 2.3, Sustainable Procurement is about taking environmental, social and economic factors into account in purchasing decisions. It is about looking at what your products are made of, where they come from and who has made them.
- 3.1.2 Value for money is delivered by considering the optimum combination of whole life cost (including cost to the environment in terms of environmental impact) and quality (or fitness for purpose) to meet the user’s requirements. In other words, considering the environmental, social and financial costs over the total lifespan of whatever is being purchased.
- 3.1.3 Purchasing in a sustainable manner offers potential whole life cost savings, supports the Councils’ Business Plans and Low Carbon Strategies and safeguards our reputations as responsible public bodies working to protect the health of our staff and the residents of and visitors to our Districts. The key objectives addressed by this strategy are:
- Reducing fossil fuel use to minimise climate change
 - Reducing use of hazardous and harmful materials (expanded on in the Councils’ Quick Guide to Sustainable Procurement)
 - Reducing waste
 - Improving public health and quality of life
 - Increasing levels of employment, skills and equality across the districts
 - Ensuring fair pay and working conditions throughout our supply chain
 - Protecting biodiversity
 - Complying with current legislation and anticipating future legislation

3.2 Key principles of the Councils’ approach to sustainable procurement

3.2.1 People, Education and Awareness

- Promote awareness, train and encourage internal procurers and commissioners to review their consumption of goods and services, reduce waste and adopt more environmentally friendly alternative products.
- All procurement staff will participate in specialist Sustainable Procurement training, including the use of sustainable procurement toolkits, and will participate in annual refreshers.
- Sustainable Procurement will be incorporated in to the induction, job descriptions, objectives and recruitment criteria for all relevant staff.

3.4.2 Policy, Strategy & Communications

- Consider the costs and benefits of environmentally preferable goods and services as alternatives.
- Investigate opportunities for the recycling and re-use of materials where appropriate.

- Deliver the procurement actions associated with the Councils' Low Carbon and Climate Change Strategies.
- Work in partnership with other organisations in Northamptonshire and Oxfordshire and across the East Midlands and South East regions to improve sustainable procurement.

3.4.3. Procurement Process

- Prior to any procurement process, buyers will review the aggregate requirement to minimise volume, scale, costs and environmental impact, establishing that:
 - there is a genuine operational need for the purchase;
 - all cost effective opportunities for products to be shared, upgraded, refurbished, leased or delivered as a service have been exploited;
 - the product will be used efficiently, minimising waste;
 - the forecast of what is remaining is accurate.
- Where relevant, buyers will identify actions to reduce impacts through supplier pre-qualification, specifications, evaluation criteria, supplier development and continuous improvement.
- Make procurement decisions based on long term value for money using whole life costing, including initial purchase cost, operating, and management and disposal costs.
- Whole life costing will be used for all capital investments, waste contracts and in comparing consumables against reusable alternatives.
- Ensure that where appropriate, suppliers' environmental credentials are considered in the supplier evaluation process and that environmental criteria are used in the award of contracts.
- Ensure that consideration is given to inclusion, within all specifications, of a facility for suppliers to submit offers for environmentally friendly alternatives.
- Specify, wherever possible and practicable, the use of environmentally friendly goods.

3.4.4 Engaging Suppliers

- When considering the sourcing strategy, buyers will consider the potential to:
 - break down larger contracts to match SME and Social Enterprise capacity;
 - encourage collaboration between local SMEs and Social Enterprises to compete for larger contracts;
 - encourage larger suppliers to sub-contract to local SMEs and Social Enterprises and;
 - hold supplier pre-tender workshops to explain the Councils' environmental and equality objectives, explore opportunities for innovation and ensure that specifications are deliverable by the marketplace.
- Encourage and persuade suppliers to adopt environmentally friendly processes and supply environmentally friendly goods and services.

4. Objectives and outcomes

In order to achieve our vision for procurement at both Councils it is vital that we have clear overarching objectives and outcomes.

Objectives	Outcomes
Alignment with the Councils' strategic objectives and business plans	Assisting, adding value and mitigating risks with the transformation programme
Compliance	Mitigating the risk of challenge and contract failure
Promotion of what procurement can offer both organisations	Effective, compliant and value for money contracts
Value for money	Reduction in revenue budgets to meet savings targets
Collaboration and partnership	Increased value for money via economies of scale, spreading the cost of procurement and improving efficient working practices including the introduction of a single set of Contract Procedure Rules common to both Councils
Qualified and highly skilled procurement resource	A qualitative resource able to both meet the growing procurement needs of the Councils and to be sold on as a service to other Councils
Optimum utilisation of technology	Reduction in administration and more time to focus on improved outcomes and value for money
Sustainability at the core	Additional savings via focusing on lifetime costs and meeting the Council's sustainability targets
Internal stakeholder engagement	More effective outcomes via early engagement and a process of continuous improvement
Effective supplier engagement – particularly with local businesses and SMEs	Better value for money and meeting the Councils' requirements to engage with the local economy
Benchmarking	Assurance that contracted rates provide value for money within each market sector
Reflective learning and recording of achievements	Continuous improvement and further promotion to the internal market of the value of working with the procurement function

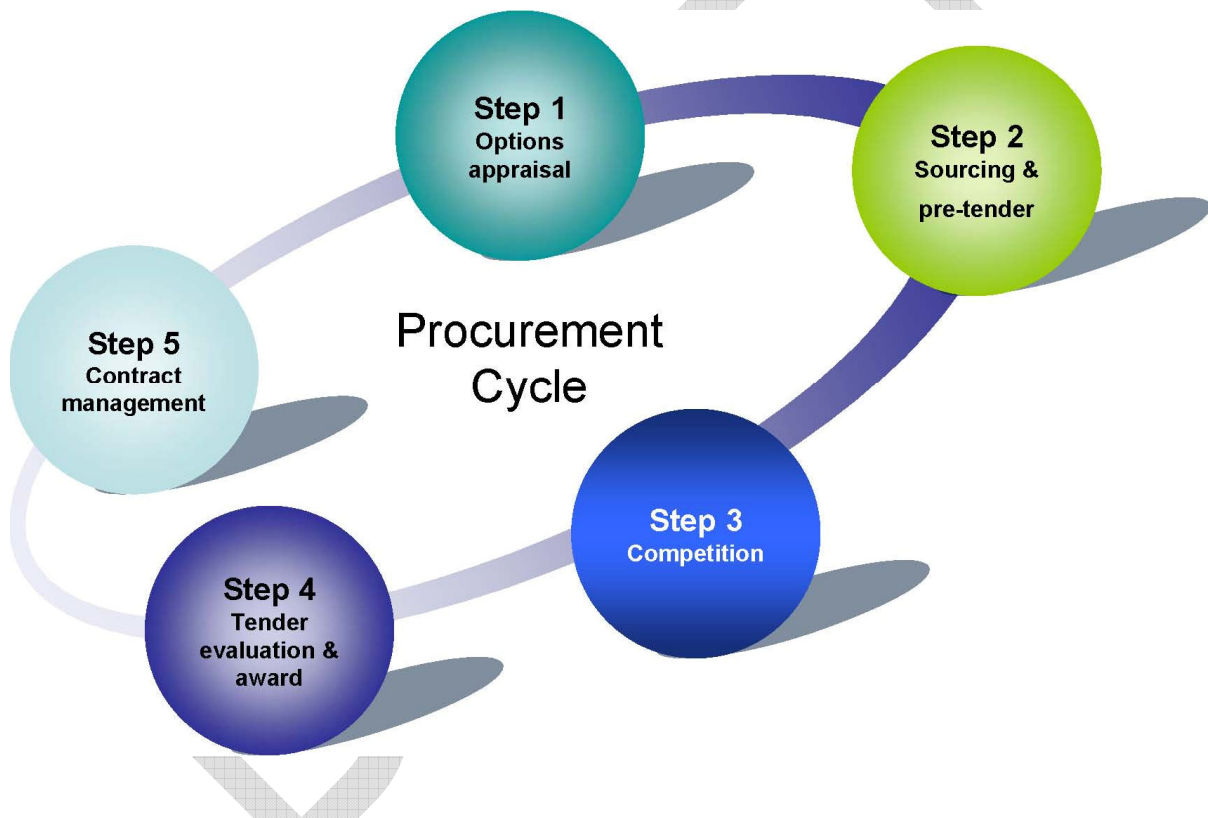
5. Improving processes

“UK-based suppliers are finding themselves excluded; opportunities for growth are missed due to the public sector’s timidity and carrying out procurement in the UK costs over twice as much as in France. This is wrong from every point of view...While other countries manage to settle down and develop long-term relationships with business – this country appears to have taken a rather less successful overly formal and legalistic approach, failing to think beyond the immediate contract and failing to adequately support our businesses...”

Francis Maude, Minister for the Cabinet Office, November 2011

Sharing and Improving on Best Practice

- 5.1 Both councils have worked hard at improving their procurement processes seeking to actively engage with the market and reduce the burden of the tendering process on potential suppliers. Key to this has been embedding an appreciation of the entire procurement life cycle from planning to contract expiry, as detailed in the diagram below:



- 5.2 While many officers have taken on board the importance of an auditable and competitive process, the implementation of a joint procurement team provides an opportunity to:

- Review and align the Contract Procedure Rules and procurement guidelines;
- Produce a single set of procurement templates which take the best from both councils;
- Embed procurement forward planning into the service plan process;
- Develop the options appraisal methodology to take account of the changing procurement landscape and the growing range of solutions for service delivery;
- Implement a corporate approach to contract management with the sharing of best practice across both councils.

A shared set of rules and guidelines

- 5.3** It is vital for officers across both councils to have a common set of Contract Procedure Rules with clear roles and responsibilities that can be allocated and owned, from the Joint Management Team to the Joint Procurement Steering Group to project officers and the joint procurement team. This will ensure a consistency of approach and mitigate against the risk of non compliance issues arising from having different rules in different places. Underpinning this there needs to be clear guidelines for operational and procurement staff alike, which go beyond tick box lists to encouraging best practice and strategies that delivery lifetime value from contracts.

Procurement templates fit for multiple purposes

- 5.4** By bringing together and further developing the templates from low value, straight forward invitation to quote exercises to high value, complex collaborative exercises for goods, services and works both authorities will be equipped with the latest set of tools which will be subject to regular review and adaptable to the changing needs of the councils' procurement programme.

Embedding Procurement forward planning in the service planning process

- 5.5** Heads of Service and operational managers have been approached during the service planning process to identify potential projects before the start of the financial year and this information will:
- Enable better forward planning and identification of the procurement route which will provide best value for money;
 - Ensure the optimum allocation of procurement resources throughout the year;
 - Provide the opportunity to compare forward plans with other councils across the region reap the maximum benefit from economies of scale and buying power.

Ensuring all options are considered

- 5.6** The procurement landscape is more complex than ever and it isn't enough to simply presume that the council needs more of the same or that external provision is best or that if there is a framework available the Councils should use it. By involving the joint procurement team at the outset of projects better quality contracts which provide greater savings and whose management are less of a drain on internal resources can be delivered across all areas.

Getting more out of contracts – corporately

- 5.7** Both Councils have shining examples of best practice when it comes to contract management but this is seldom shared corporately. The forming of a joint procurement team provides an opportunity to develop effective contract management models to fit all service areas. By focusing on outcome based performance indicators (which add value to contracts, mitigate the risk of failure and ensure savings promised at tender stage are realised) more time can be spent on delivering the wider transformation programme.
- 5.8** This is an area which is a key focus for many other local authorities at present and procurement network channels can be effectively used to reduce the cost of implementing processes and, where appropriate, the procurement of contract management software.

6. Roles and responsibilities

6.1 Ownership and Governance

Successful procurement requires an awareness of wider business issues such as culture change, communication, people skills and multi-stakeholder requirements, all of which must be addressed to ensure that changes are successfully implemented and contribute positively to Council policy.

This strategy is owned by the Head of Finance and Procurement and will be updated annually in accordance with progress to date. The strategy and action plan will be reviewed at the quarterly meeting of the Joint Procurement Steering Group Strategy Group.

The Head of Finance and Procurement has professional responsibility for the joint corporate procurement team and discharges this responsibility through the Procurement Manager.

The Procurement Manager also has day to day responsibility for:

- taking a lead in the development, implementation and monitoring of the procurement strategy and action plan, reporting progress to Head of Finance and Procurement and the Joint Procurement Steering Group Strategy Group
- managing the Contracts Register
- administering meetings of the Joint Procurement Steering Group Strategy Group
- organising all procurement requirements across both councils via the joint procurement team
- providing strategic and operational support, guidance and advice on procurement practice to all service areas across both Councils
- Becoming a focal point for sharing good practice across the Council
- Delivering and facilitating procurement training to the joint procurement team and officers across both Councils
- Undertaking an onward going cycle of spend analysis on the Councils' expenditure to highlight areas for potential savings/benefits to both authorities.

The joint procurement team will set and maintain standards and provide a range of training opportunities that lead skills development for all officers involved with procurement.

The Head of Law and Governance is the guardian of the Contract Procedure Rules and has delegated authority to amend them in the light of any changes in the law which necessitate this.

6.2 Joint Procurement Steering Group

The Joint Procurement Steering Group comprises a Core Group of:

- The Head of Finance and Procurement (as Lead)
- The Monitoring Officer
- The Section 151 Officer
- The Portfolio Holder for Resources at South Northamptonshire Council and the Lead Member for Financial Management at Cherwell District Council (on a case by case basis at his/her election)

or their nominees and a Strategy Group comprising:

- The Portfolio Holder for Resources at South Northamptonshire Council
- The Lead Member for Financial Management at Cherwell District Council

- The Head of Finance and Procurement (as Lead)
- The Monitoring Officer
- The Section 151 Officer
- A nominated Head of Service – rolling one year membership from each directorate
- The Procurement Manager

or their nominees.

The PSG core group meets whenever there is business to discuss and the Strategy Group meets quarterly.

The function of the PSG Core Group is to:

- Consider and, if appropriate, authorise the undertaking of any procurement between the relevant thresholds at each Council, and
- Consider and, if appropriate, approve the award of all Contracts between the relevant thresholds at each Council.
- Waive the call for competition over the threshold agreed for a Head of Service at each Council up to the relevant EU threshold for goods, services and works.

The terms of reference of the Joint PSG Strategy Group are to:

- Review and monitor the Joint Procurement Action Plan
- To monitor and advise on the Councils' delivery of value for money and sustainable outcomes through its procurement strategy, action plan and annual work programme;
- To closely monitor and introduce initiatives to meet the requirements of the Localism Bill;
- Perform a strategic and scrutiny role in relation to the Councils' commissioning programme and all matters relating to the Councils' contracting policy;
- Provide a forum for Project Officers to discuss policy development, seek strategic advice and raise questions, issues and problems with contract policy;
- Define and spread best-practice as it relates to contracting and contract management and monitoring;
- Provide advice to Officers as appropriate on contracting issues;
- To monitor the impact and advise Members and the Shared Chief Executive on the need for any revision to the Contract Procedure Rules (CPR), including changes to financial thresholds.

6.3 Directors

- Oversee procurement activity within their Directorate;
- Ensure the requirements of the CPR are upheld at all times; and

6.4 Heads of Service

- Ensure there is sufficient budget available for the works, services and/or supplies to be acquired by their Project Officer;
- Ensure that the procurement proceeds in all respects in conformity with the CPR;
- Authorise procurement projects and Contract awards affecting their service within their responsibility threshold;
- Record on the Council's Contracts Register the detail of all Contracts exceeding £10,000 that are awarded in connection with their service area;
- Manage all Contracts within their service area;
- Waive the call for competition as per the procedures at each Council below the agreed threshold;
- Sign Contracts within their responsibility threshold on the Council's behalf;
- Produce half yearly Contract management reports to the Joint PSG Strategy Group

- Review, in conjunction with the Corporate Procurement Manager, any Approved Supplier List created by the Council for their service area in accordance with section 26 of the CPR.

6.5 Officers Responsible for Procurement Projects

- Plan and co-ordinate specific procurement projects;
- Obtain all necessary authorisations (whether from their Head of Service, the Joint PSG Core Group or the Cabinet/Executive) prior to progressing any stage of a procurement project;
- Draw up or revise tender specifications with the support of the assigned procurement officer
- Ensure the Contract forms chosen for use in connection with the procurement are appropriate for their intended purpose;
- Collate and assemble all tender documentation;
- Undertake competitive processes, particularly bid evaluations, in such a way as to ensure all bidders are treated fairly and equally;
- Prepare reports to the Executive, the Joint PSG Core Group, the Joint PSG Strategy Group or Service Heads as appropriate;
- Ensure all necessary permissions are concluded before their Contract begins;
- Administer and monitor their Contracts on a day to day basis to ensure compliance with the specified standards;
- Ensure prompt payment to suppliers for work done to the required standard so as to further the Council's Economic Development Strategy objectives;
- Ensure on a bi-monthly basis that information held on the Contracts Register is fully up-to-date; and
- Manage and maintain any Approved Supplier List created by the Council for their service area in conjunction with the joint Corporate Procurement Manager.

6.6 Joint Procurement Team

- The key role of the joint procurement team is to work in co-operation with departments to ensure value for money (right time, place, quantity, quality and price) procurement practice – from options appraisal right through to the completion of the contract life cycle – is being exercised by departments and to support them as necessary to promote best practice in line with the Contract Procedure Rules. Essential to the success of this objective is the rigorous monitoring of an audit and compliance plan to enable contracts to be established for relevant aspects of the business and recorded on the corporate contracts register.
- The scope of the joint procurement team within the Councils has been clearly defined as 'gamekeeper' for the Councils Contract Procedure Rules, the provider of tender and contract management assistance and advice and the manager of the corporate contracts register, ensuring that professional procurement processes are followed and recognised and a consistent approach applied to all projects.
- The joint procurement team provides leadership and has already developed a good track record of managing successful procurement projects across both Councils.
- The team will provide savings and a robust contract management process that requires further embedding across all service areas.

7. How will we know how we are doing?

7.1 The Procurement Manager reports to the Head of Finance and Procurement on a regular basis on the following:

- Progress against the targets set out in the procurement strategy and action plan;
- Opportunities for major collaborative ventures;
- Reports on specific procurement exercises.

The joint procurement team seeks feedback from our internal and external customers on a project by project basis.

The joint procurement team undertakes benchmarking against expenditure by other local authorities and public bodies to evidence value for money within all contracts.

The Joint Procurement Steering Group will oversee the implementation of this procurement strategy and the delivery of the action plan.

The Joint Procurement Steering Group will meet quarterly and be responsible for the achievement of the corporate efficiency and savings targets; to programme manage projects especially the large savings areas; to identify non-contract spend and schedule actions on the procurement plan, and to undertake a scrutiny role to ensure that contracts are effectively managed and to ensure that projected savings are monitored and delivered.

Each Council has a member champion for procurement whose role is to:

- Promote procurement at a Joint Management Team level and raise the profile of procurement with members;
- Receive quarterly updates of the procurement action plan to monitor progress on its implementation;
- Make recommendations to the Joint Management Team for changes in strategy, policy or corporate resources.

Key Performance Indicators

The Council will report quarterly on the three indicators listed below:

KPI 1 – Savings

Procurement cashable savings target of £100,000 for South Northamptonshire Council and £150,000 for Cherwell District Council. Target 25% of target achieved per quarter.

KPI 2 - Action plan on track

Traffic light report on each action published in the Action Plan. Target 80% of actions on track.

KPI 3 - Customer Satisfaction

Percentage of customers satisfied or very satisfied with the procurement service received. Target 80%+. The joint procurement team will be base lined via a customer satisfaction survey in June 2012 and will then be measured annually.

8. Action plan and timescales

8.1 Embed the use of the Joint Procurement Strategy objectives across the Council and ensure good governance and full compliance		
Action	Lead	Timescale
<ul style="list-style-type: none"> • Adoption by both Councils of a common set of Contract Procedure Rules • Rollout and reinforce the strategy and compliance with the Contract Procedure Rules to JMT via: <ul style="list-style-type: none"> ○ quarterly presentations to JMT, highlighting key areas requiring focus; ○ bi-annual 1-2-1's with HoS focusing on service specific projects and issues arising. • Develop the role of Procurement Champions across both Councils: <ul style="list-style-type: none"> ○ create and publicise clear terms of reference; ○ undertake a gap analysis exercise to better understand training needs across both Councils; ○ consider workshops, case studies and e-learning; ○ evaluate relevance and cost of industry recognised qualifications; ○ implement feedback questionnaires to further develop training. • Reinforce the importance of the Contract Procedure Rules to officers across both Councils via: <ul style="list-style-type: none"> ○ publicity on intranets; ○ quarterly attendance by a procurement representative at DMTs ○ on the job training on a project by project basis • Enhance the scrutiny and policy development role of the Procurement Steering Group Strategy Group. • Monitor and publish KPIs. 	Head of Law & Governance	Q1
	Procurement Manager	Q2 onwards
	Procurement Manager	Q3 onwards
	Procurement Manager	Q3 onwards
	All procurement officers	Q1 onwards
	Head of Finance and Procurement	Q2 onwards
Procurement Manager	Onward going	

8.2 Sustainability		
Action	Lead	Focus
<ul style="list-style-type: none"> Consider the costs and benefits of environmentally preferable goods/services as alternatives as part of the full lifetime cost calculation process. 	All procurement officers	Onward going
<ul style="list-style-type: none"> Promote awareness, train and encourage buyers to review their consumption of goods and services, reduce usage and adopt more environmentally friendly alternative products. 	All procurement officers	Onward going
<ul style="list-style-type: none"> Ensure sustainability is addressed with each procurement exercise by utilising the sustainability questions within the stakeholder questionnaires and encouraging sustainability to be included within evaluation criteria as well as the assessment/pre-qualification stages. 	All procurement officers	Onward going
<ul style="list-style-type: none"> Promote the Sustainable Procurement Strategy with the market place via: <ul style="list-style-type: none"> Pre-tender market engagement exercises; Working with the council supplier workshops; Including a copy of the policy with all quotation and tender exercises. 	All procurement officers	Onward going
<ul style="list-style-type: none"> Encourage project officers to break down larger contracts to match SME and Social Enterprise capacity where appropriate. 	All procurement officers	Onward going
<ul style="list-style-type: none"> Develop the inclusion of sustainability factors within contract management key performance indicators. 	All procurement officers	Q4
<ul style="list-style-type: none"> Make provision for the collection of cost benefit data for sustainable solutions put in place. 	All procurement officers	Q4

8.3 Value for money and transparency		
Action	Lead	Focus
<ul style="list-style-type: none"> • Deliver significant cost and efficiency savings; Cherwell District Council - £150,000 target and South Northamptonshire £100,000 target. • Monitor off contract and expenditure approved without an order: <ul style="list-style-type: none"> ○ Promoting benefits of correct purchasing sequence; ○ Challenging habitual offenders by escalating within Finance. • Ensure clear visibility and procedures for all procurement exercises with data published on corporate websites. • Ensure corporate websites make it easier for local businesses to trade with us: <ul style="list-style-type: none"> ○ Develop use of engagement forums for all relevant projects ○ Seek and record feedback from local businesses • Track expenditures with local businesses and SME`s. 	<p>All procurement officers</p> <p>All procurement officers</p> <p>Procurement Manager</p> <p>Procurement Manager</p> <p>All procurement officers</p>	

8.4 Joint Working		
Action	Lead	Focus
<ul style="list-style-type: none"> • Deliver a joint working forward plan that reflects the procurement requirements of both Councils across 2012/13: <ul style="list-style-type: none"> ○ Maintain and update all requirements throughout the year; ○ Provide a quarterly update of progress to the Joint Procurement Steering Group Strategy Group including: <ul style="list-style-type: none"> • Savings achieved; • Projects completed; • Lessons learnt. • Provide procurement support to JMT and operational managers for all joint working projects. • Benchmark all existing contracts across both Councils and use this data for further benchmarking with other local authorities in Northamptonshire and Oxfordshire. 	Procurement Manager	Onward going Q1 to Q4
	All procurement officers	Onward going Q2 and Q4
	Procurement Manager	

8.5 Transformation		
Action	Lead	Focus
<ul style="list-style-type: none"> • Provide procurement support to programme office as required, offering innovative solutions to deliver the transformation agenda. • Provide professional advice and project support to any transformation programmes that require procurement consideration. Operate within project timescales and deliver outputs as necessary. 	Procurement Manager	Onward going
	Assigned procurement officers	

8.6 Collaboration, Selling and Marketing		
Action	Lead	Progress to date
<ul style="list-style-type: none"> • Share forward plans with councils across Northamptonshire, Oxfordshire and Buckinghamshire and identify opportunities for: <ul style="list-style-type: none"> ○ Collaboration to provide further savings from economies of scale; ○ Providing procurement services to councils for a fee. 	Procurement Manager	Onward going
<ul style="list-style-type: none"> • Report back quarterly on collaborative exercises and services provided to other councils, confirming: <ul style="list-style-type: none"> ○ Savings achieved or revenue received; ○ Lessons learnt. 	Procurement Manager	Q1 to Q4
<ul style="list-style-type: none"> • Promote existing contracts open to other authorities which can be sold on in 2012/13: <ul style="list-style-type: none"> ○ Report back quarterly on progress and any additional savings or discounts achieved for either Council 	All procurement officers	Q1 to Q4
<ul style="list-style-type: none"> • Market procurement services to other public sector bodies including Parish and Town Councils and schools. 	Procurement Manager	Q2 to Q4
<ul style="list-style-type: none"> • Develop further strategic links with procurement partners to share best practice, reduce duplication and administration costs and release additional savings: <ul style="list-style-type: none"> ○ Oxfordshire Procurement Hub ○ Strategic Procurement Partnership for Oxfordshire (SPPO) ○ Northamptonshire Procurement Network Group ○ Milton Keynes, Oxfordshire and Buckinghamshire Procurement Partnership (MKOB) ○ East Midlands Improvement and Efficiency Partnership ○ Improvement and Efficiency South East (IESE) 	All procurement officers	Onward going

8.7 Develop the corporate contract management methodology and promote across all service areas		
Action	Lead	Focus
<ul style="list-style-type: none"> • Maintain a Council wide register of all contracts/agreements for all term contracts with a lifetime value of more than £10K: <ul style="list-style-type: none"> ○ Alert responsible procurement officer and service three months ahead of annual reviews; ○ Alert responsible procurement officer and service in sufficiently ahead of extension options to allow re-tender if required; ○ Identify contract renewals in ample time for adding to the forward plan; • Provide a high line quarterly report on contract performance including: <ul style="list-style-type: none"> ○ Additional savings; ○ Lessons learnt to be shared. • Rollout the Contracts Management Steering Group across both councils: <ul style="list-style-type: none"> ○ Agree membership and Terms of Reference; ○ Implement contract management template for all contracts on the contracts register in phases throughout the year; ○ Provide quarterly reviews on best practice for sharing with service areas via Intranet and other internal communications vehicles; ○ Develop a range of performance management criteria for a range of supplies and services contracts. • Collaborate with other authorities over contract management training and best practice: <ul style="list-style-type: none"> ○ Identify service areas to deliver training to; ○ Implement training in phases. • Complete an options appraisal on contract management software available and report back to the Joint PSG Strategy Group 	All procurement officers	Onward going
	All procurement officers	Onward going
	All procurement officers	Onward going
	Procurement Manager	Q1 to Q4
	Procurement Manager	Q3 Q4
Procurement Manager	Q4 onwards	
Procurement Manager	Q4 onwards	
Procurement Manager	Q3 Q4 onwards	
Procurement Officers	Q4	