

CORPORATE PROCUREMENT STRATEGY

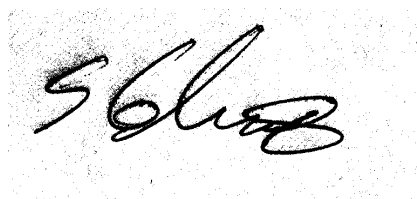
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Version 4

Foreword

Procurement continues to be under the national and political spotlight, far from being just a means to obtain cheap goods and services, it is now a major contributor to ensuring that the Council delivers it's wider social, economic and environmental aims.

The Council has continued to move from the old perception that Value for Money is achieved purely by choosing the lowest price. However, we need to build on this and ensure that procurement decisions are based on the total of whole life costs and benefits. We need to ensure that the required Strategies and Procedures are made available to both our Procurement Officers and Suppliers so that our aims and objectives can be met.

It is hoped that this revised version of the Corporate Procurement Strategy will consolidate the improvements that we have made over recent years and strengthen our procurement processes to achieve sustainable procurement within Sandwell. The introduction of Critical Success Factors is the key to evidencing the continued improvement that Procurement brings to the achievement of the agreed shared priorities that the Council are currently working to.

A handwritten signature in black ink, appearing to read 'S Eling', is centered on the page. The signature is written in a cursive style with a large 'S' at the beginning.

Councillor Steve Eling
Deputy Leader and Cabinet Member for Strategic Resources

Contents

1. Introduction	Page 04
2. Purpose & Aims	Page 05
3. Definitions	Page 06
4. Background	Page 09
5. Nine Goals of Procurement	Page 20
6. Critical Success Factors	Page 21
Appendices	Page 29

1. Introduction

Procurement and Commissioning continues to feature as one of the Governments top policy priorities for raising standards of public services in Local Government and throughout the public sector.

As an organisation the Council needs to respond to a number of challenges which include:

CAA Use of Resources Assessments;
Comprehensive Spending Review;
Operational Efficiency Programme;
Current Economic Climate;
Glover Report;
International Finance Reporting Standard;
Sustainability;
Carbon Reduction Commitment;
Modernisation Agenda;
EU Procurement Remedies Directive;
Equalities.

To meet these challenges and to cope with the conflicting pressures that they may cause there needs to be a clear, comprehensive and workable Corporate Procurement Strategy in place. The strategy will act as a framework for which the functional commissioning and procurement activities will be judged.

This Strategy is to be read in conjunction with the Council's Contract Procedure Rules and all other policies referred to within this Strategy.

2. Purpose and Aims

This strategy has been produced to promote effective professional procurement across all Themes of the Council and Transform Sandwell.

The main purpose of the Strategy therefore, is to establish a clear common approach to all procurement and commissioning activity and provide a framework within which all procurement decisions can be made.

The aim is to ensure that the Strategy responds to the Council Priorities in addition to the previously mentioned external challenges.

The Council's shared partnership priorities are:

Active and Well People
A Safe Clean Place to Live
Educated and Skilled People in Employment

To achieve the vision of:

Great People
Great Place
Great Prospects

To do this the Council must:

- Deliver high quality services which meet user needs.
- Ensure commitment to effective procurement of supplies, services and works from members and officers at all levels throughout the Council.
- Provide a framework that will encourage and achieve continuous improvement of the Council's procurement activity.
- Identify the benefits that strategic procurement can provide and establish working practices that can deliver these benefits.
- Ensure that goods, services and works are procured by the most economical, efficient and effective manner and wherever possible maximise environmental and social benefits.

3. Definitions

- 3.1 Strategic Commissioning** is the process of translating local people's aspirations and needs through specifying and procuring services that deliver the best possible outcomes and makes the best use of available resources. It is the driver and initiator of service delivery and ensures that the voice of the customers is at the heart of defining and designing services.
- 3.2 Procurement** is quite often confused with purchasing activity, which is the task of entering into contracts for the supply of goods and services or the provision of works and the subsequent generating of Purchase Orders.

For the purpose of this Strategy Procurement is defined as:

"The entire process of the acquisition of goods, services and works from both external organisations and in house providers. The process spans the whole life cycle from identification of need, supplier identification, and effective supplier management through to the end of the useful life and disposal of a product, the expiry of a service contract or the completion of construction related activity".

A Strategic Sourcing Cycle can be found in Appendix 2 but the actual scale of the cycle will dependant upon the purpose, value and significance of the goods or service that will eventually be purchased.

- 3.3 Value for Money** is not necessarily choosing the lowest price for goods, services and works. Analysis of the bid needs to include assessment of any initial capital investment and any ongoing revenue/resource costs that need to be met. All of the Council's requirements need to be defined at the earliest stages of the Procurement cycle and must include any social, environmental and other strategic objectives.

The Government defines value for money as the optimum combination of whole life costs and quality to meet the user's requirement.

3.4 Sustainability

The Government is committed to achieving Sustainable Procurement within the Public Sector. The overriding aim of sustainable procurement is to reduce the inefficient use of resources, and to maximise the environmental, social and economic benefits from the production and consumption of goods and services. In other words to “achieve more with less”

The overarching objectives of integrating sustainability into the Council’s procurement activity are to:

- Achieve the strategic economic, social and environmental objectives set out in the Community Strategy.
- Provide evidence for the Use of Resources Assessment, the Comprehensive Area Assessment (CAA) and Local Area Agreements (LAA) on how sustainable procurement delivers efficient use of resources, Value for Money and supports Climate Change initiatives by reducing carbon dioxide emissions.
- Control costs by using whole life costing to minimise resource consumption and waste.
- Develop supply chains that are increasingly low carbon, low waste and water efficient, which respect biodiversity and deliver wider sustainable development goals in particular to support the local economy.
- Stimulate markets by creating demand for sustainable goods and services where the leadership and spending power of the Council can have a significant influence on the key markets in which it operates.
- Ensure maximum environmental and community benefits.
- Achieve these objectives in a manner consistent with the EU procurement regulatory framework and environmental law.

In order to deliver these objectives the Council has adopted a Sustainable Procurement Policy (Appendix 3). This comprises a brief statement of intent and a number of specific aims which focus the two key areas of the procurement process itself and on working with Suppliers to achieve environmental and community benefits. The document also incorporates an action plan for achieving the policy aims.

By putting sustainable procurement is at the core of its processes the Council will ensure that all its procurement will be

consistent with and contribute to the aims and objectives set out in the UK Government's National Procurement Strategy and Sustainable Procurement Action Plan, Sandwell's Community Strategy and the Council's Environmental Policy and Climate Change Declaration and Action Plan.

3.5 Equalities

The Council has a duty to ensure equality of opportunity in the provision of services and to take steps to ensure services are equally accessible to everyone and appropriate to the differing needs of all sections of the community.

It is the responsibility of the Council to ensure that all Contractors that are used are fully aware of their Statutory Obligations under the current legislation on equality and diversity which are included within Appendix 4

To assist with this the Council utilises the Common Standard for Equalities in Public Procurement and is producing an Equality Procurement Policy.

4. Background

The Council's expenditure on externally provided Goods and Services in the period April 2008 to March 2009 equated to approximately £200m.

Procurement and associated activities within Sandwell can be found in these main areas:

4.1 Social Care

This is broken down into two specific areas:

Adult Services

There is a specific Contracting Unit who undertakes tendering activity for Adult Social Care and is responsible for day to day care contracts for personal care services. There are also monitoring officers that ensure compliance with the relevant requirements of this service area.

Also, within this division is a commissioning unit who are responsible for ensuring that the required outcomes of the Joint Needs Assessments are met.

There are also a number of Joint Commissioning Strategies in place with the Sandwell PCT.

The 2008/09 Care Quality Commission (CQC) performance assessment for Sandwell shows that adult social care is performing well against a rounded assessment of the 7 Our Health, Our Care, Our Say (OHOH) outcomes, leadership and commissioning and use of resources.

The Council has also sought to improve the quality of contracted domiciliary care services by reviewing its policy regarding approvals and amending this through the political process.

Children Services

A joint Commissioning unit exists who have the responsibility for the implementation of a number of contracts on behalf of the Council and Primary Care Trust.

They monitor the agreements to ensure that the correct level of care is delivered and also continually negotiate with providers to consider changing needs and where possible an increase in the outputs of the agreement.

4.2 Education

Schools within the borough are major purchasers, however they are responsible for their own budgets and the Council cannot dictate how they can spend their money. They are provided with details of all centrally negotiated contracts and can utilise them if they wish to do so. Chief Officers from the Children & Young People theme have decided to participate in the Department for Children, Schools and Families (DCSF) procurement improvement programme, which includes the provision of an e-procurement system called "OPEN".

4.3 Construction

The Council's Corporate Property provides Urban Design, Building and Property Services.

They have the responsibility of undertaking procurement processes to ensure that the needs of their clients are met whilst ensuring compliance with all relevant UK and EU procurement directives.

The division faces a challenging time with the implementation of the LEP and the uncertainty of how this will affect their services.

There is a Corporate Property Procurement Strategy which outlines the activity undertaken and is reported to members following continued monitoring to ensure that Best Value is obtained.

4.4 Waste

The Council is currently in the process of procuring integrated waste and cleansing services. The required services include waste collection, transfer reuse, recycling, composting, treatment and disposal together with cleansing and associated services. To do this the Competitive Dialogue process is being utilised and 4Ps Gateway reviews have been undertaken.

4.5 Building Schools for the Future

The Council has recently appointed a private sector partner, Environments for Learning (E4L) following a rigorous Competitive Dialogue process, which in turn equates to a formal Local Education Partnership (LEP).

The outcome of this is a partnership who will “take Sandwell secondary schools into the 21st century” and the appointment of 145 craft apprentice places supported by the Council’s “Think Local Construction”.

The Building Schools for the Future team were awarded ‘Client Team of the Year’ by Construction Industry Magazine and were shortlisted for Best Practice Sector Project Team at the 2009 Private Finance awards. They were unsuccessful with regard to winning this Private Finance award, but many of the team’s developments have been held up as National Exemplars following a 4Ps Gateway Review.

4.6 Transform Sandwell

In April 2007 the Council’s Purchasing Services and Accounts Payable sections, amongst others, transferred to Transform Sandwell as part of the Council’s Strategic Partnership with BT/Liberata. The Purchasing Services section has the responsibility for c90 centrally negotiated/BCPC agreements while Accounts Payable is responsible for processing all payments on behalf of the Council.

A Business Case, submitted by BT, for a new procurement solution was approved by the Council in November 2008 and the transformation has already commenced. The new procurement service will be responsible for the strategic sourcing of Bought in Goods and Services to the value of £80 million pound, in addition to all council payments. The outcome will be a centre of excellence that brings best practice to all aspects of procurement.

4.7 Voluntary and Community Sector

The Voluntary and Community Sector are also known as the third sector. There is an enormous range of third sector organisations within Sandwell including, voluntary organisations, community groups, tenants and residents groups, faith groups and housing associations to name but a few.

These organisations make an enormous contribution to the life of Sandwell residents.

Purchasing Services from third sector providers will usually be done through competitive arrangements with other service providers from the private or the statutory sector.

The Council aims to assist these organisations, in the same way as other local Companies by advertising current and future requirements on the internet and Find it in Sandwell. Work is currently being undertaken to identify all officers within the Council who are responsible for the Commissioning and Procurement of goods so that a guide can be produced for the Third Sector.

4.8 Black Country Purchasing Consortium

The Black Country Purchasing Consortium (BCPC) consists of Dudley, Walsall, Sandwell and Wolverhampton Council's and is governed by a management panel who meet on a quarterly basis. The Consortium has a portfolio of contracts and each authority will act as the lead.

It is the intention to review the current portfolio to see if the contract portfolio is still beneficial and to seek alternative contract areas. In particular the challenges that the Operational Efficiency Programme has highlighted with regard to collaborative procurement need to be addressed within this Consortium.

4.9 Construction Line

In 2006, the Council streamlined its pre qualification process by utilising Construction Line, a pre qualification service for construction and construction related Contractors. The Contractors Health & Safety Assessment scheme (CHAS) was adopted at the same time.

Transform Sandwell's Purchasing Services undertaken the pre qualification process for areas not covered by Construction Line and any tenders advertised for the Official Journal of European Union (OJEU). They also undertake Equality checks as and when required following the Common Standard for Equalities in Public Procurement.

4.10 E-Procurement

The Council is currently using Oracle based financial suite that includes an I-Proc element. Orders are raised by users on the system who can either utilise the on line catalogues or raise non catalogue orders for any other requirements for goods or services. Once the goods are receipted then the process for payment of invoices is straight forward, as no input is required by the service area.

As part of the transformation work being undertaken by Transform Sandwell, prior to the commencement of the new procurement service, improvements have been made to the system to ensure that officers are notified of actions that they need to undertake to make the system effective.

There are an additional 3 systems that are used to raise orders within the Council they are Atrium, Norsys and Swift.

4.11 How to do Business with the Council/Internet Site

There is currently a Business Procurement section within the Council's Internet site which consists of:

- How to do Business with the Council Guide
- Current Tender Opportunities
- Forthcoming Contracts
- Link to the Find it in Sandwell site

These details were added to the Internet site to assist companies who had previously found it difficult to find out when Business opportunities with the Council arose. The How to Do Business with the Council guide advises potential suppliers of goods and services the procedures that may need to be followed. Forthcoming Contracts are included to give prior notice of the types of contracts that will shortly be advertised.

The site covers contracts that are mainly administered by the Purchasing Services section within Transform Sandwell.

4.12 Find it in Sandwell

Find it in Sandwell is an online business network website which was launched in April 2007. To date over £80 million worth of business has been posted on the site and approximately 3000 local businesses have benefited from registering with the online initiative. The Website is free and aims to introduce Sandwell firms to the business opportunities arising from the borough's regeneration projects by providing a network to access potential opportunities.

In addition to public sector spend, there is a wealth of purchasing activity for goods and services that takes place amongst the borough's business community. For example every business needs stationery, IT equipment and services, packaging, accountants, transport, security etc. Find it in Sandwell provides a platform for businesses to showcase what their company has to offer and also what other companies can offer them in return.

The site is of particular benefit to smaller businesses, many of which, do not have the resources of a large sales team to chase opportunities or the services of procurement professionals to secure the best supply arrangements.

Other features of the website include a free facility to advertise employment vacancies and access to recruitment services provided through the Council's "Think Local" network.

The Council's Contract Procedure Rules state that all Council contractual requirements must be advertised on this site.

4.13 "Think Local Construction"

Following on from the theme of "Find it in Sandwell and also based within the Council's Urban Regeneration division is "Think Local Construction"

They aim to enhance more work opportunities by encouraging Contractors/Suppliers to use their services. It is hoped that specifying certain requirements within tender documentation the Council can increase these opportunities.

The intention is to work with major developers and their supply chain partners to provide access to opportunities for all suitable organisations to compete to supply them with the goods, works and services they need to deliver their contracts with the Council. They shall advertise these opportunities on Find it in Sandwell.

4.14 West Midlands Forum

The West Midlands Forum (WMF) has developed a website for hosting the Common Standard Database. The Website contains data of service providers who are approved to the Common Standard, monitoring information, details of how the WMF operates, list of Authority Members and links to other organisations such as the Equality and Human Rights Commission (EHRC), Improvement and Development Agency for Local Government (IdeA) and the Equality in Service Provision Groups (ESPG).

4.15 West Midlands Regional Improvement & Efficiency Partnership

The West Midlands Regional Improvement & Efficiency Partnership was previously known as the West Midlands Centre of Excellence. The RIEP's Procurement work stream is designed

to support Council's in the region to achieve efficiencies through procurement – primarily by obtaining best deals, and by collaborating to share contracts and to maximise purchasing power via joint procurement exercises and frameworks.

To support this work, a specialist Procurement Hub has been developed which has a range of easy to use procurement framework arrangements and is available for Council's within the region to use. Utilising these arrangements will provide instant procurement resources, savings and will build regional collaboration and market place shaping.

Underpinning the arrangements on the hub there are a range of regional commodity groups in place plus a West Midlands Strategic Procurement Group meets quarterly.

4.16 Collaborative Organisations

Prior to undertaking any tendering exercise, procurement officers should check to see if there are any other Framework Agreements in place that can be utilised, the Office of Government & Commerce (OGC) and Eastern Shires Purchasing Organisation (ESPO) are examples of this. Officers should ensure that any of the agreement utilised offer the Council Value for Money and comply with all required legislation prior to signing up to them.

The Council currently utilises a number of OGC and ESPO contracts.

4.17 West Midlands Food Declaration

The Council's Corporate Procurement Board agreed with the West Midlands Food Declaration which is a joint initiative between West Midlands Leaders Board, Advantage West Midlands, Government Officer for the West Midlands and Improvement and Efficiency (West Midlands).

The Objectives of the declaration are:

1. To support the further development of sustainable food production and supply chains across the region via the increased use of local food supply sources and local produce.
2. To promote local food supplies wherever practical to strengthen the supply of food meeting the requirements of quality, health and value for money sought by the regions' public sector bodies.

By signing this Declaration the Council has committed to:

1. Facilitate opportunities for local food suppliers, through capacity building and local supply chain development, to create a level playing field on which they can bid, through contract packaging, requirements to sub contract to SMEs and other mechanisms compatible with the EU Procurement Directives.
2. Working collaboratively to procure food with other public bodies across the region via regional, sub regional or local area collaborative contracting and approaches.
3. Seeking to standardise and align food procurement processes with other public sector partners wherever practical whilst maintaining flexibility to avoid discrimination against small-scale suppliers.
4. Develop and implement a sustainable food procurement policy encompassing whole life costing, Fair Trade products or initiatives, plans for reductions in food waste and CO2 reduction activities.
5. Actively work where possible with partner organisations to support the authority in improving its engagement with local producers.

4.18 Local Strategic Partnerships (LSP)

The Social Inclusion and Health theme participates within Local Strategic Partnerships, a couple of examples of these are:

- Learning Disability Partnership Board; and
- Physical Disability Partnership Board.

These boards are held bi-monthly and are made up of a variety of partners. The boards address work that has happened and creates direction for new work/commissioning/ procurement. There are representatives from Carers groups, SMBC, Primary Caring Trust, Sandwell Mental Health and Social Care Trust, Independent Voluntary Organisations and Advocate representatives.

4.19 4Ps Gateway Reviews

Local partnerships are accredited by the OGC to provide (4Ps) Gateway Reviews to local government. The review examines a

project at critical stages in its cycle to provide assurance that it can progress to the next stage.

The process is recognised as adding significant value and the National Procurement Strategy recommends that it be adopted for all new projects.

Two major projects within Sandwell, Waste and BSF, have undertaken these reviews. Officers undertaking similar projects within Sandwell would be expected to do likewise.

4.20 Corporate Procurement Board

To ensure that this strategy has contributions from all Themes of the Council the Corporate Procurement Board was re-established during 2009. Members of the board have responsibility for major expenditure within the Council either day to day or operationally or as a result of a major transformational programme of activity.

The Procurement Board as, an entity, is key to the governance arrangements of the Transform Sandwell Procurement Service.

Members of the board will be expected to:

- Attend the board on a quarterly basis;
- Be responsible for the sign-off of the Procurement Strategy & Action Plan, agreement to new procurement/savings initiatives and promoting these within their own themes
- Managing any commitment from their business area in relation to meeting Council Obligations and managing associated risks/issues
- Allocation of relevant officer time to support each procurement initiative.
- Support Transform Sandwell in any major change in event in relation to the Procurement Service.

4.12 Procurement Strategy Officer

To respond to the need for a strategic approach to procurement and monitoring the Procurement element of the partnership with

BT/Liberata this role was established. Reporting to the Corporate Finance Manager the Procurement Strategy Officer is responsible for:

- The co-ordination of the Council's Strategy for the procurement of goods & services and monitoring Transform Sandwell contribution to this.
- The negotiation, review and monitoring of Performance Indicators, Service Level Agreements and Service improvement plans to ensure that Transform Sandwell deliver Value for Money.
- Authorisation of savings initiatives and verification of savings claims.

4.13 Procurement Champions

Procurement Champions are day to day change agents within their theme they are the link between thematic officers and the Corporate Procurement Board. The main responsibility of the group is to support officers and Transform Sandwell with the transformation of procurement within the Council. This is also a useful forum for the introduction of new policies, processes, procedures and obtaining the information required to assist the Council in responding to requirements imposed by external organisations.

4.14 Contract Monitoring Unit

BT/Liberata were appointed as the council's strategic partner, following an EU compliant tendering process. The required outcomes for the partnership were:

- Improvement of Services faster than the Council
- Make cost savings and increase efficiency
- Provide the required investment in the ICT infrastructure across the Council.

To ensure that the above is achieved:

- The Contract Monitoring Unit was established to oversee the performance of Transform Sandwell
- The Unit's main aim is to ensure that Transform Sandwell is delivering the services outlined in the contract.

- That all of the relevant milestones are completed.

4.15 Contract Procedure Rules and Financial Regulations

All officers within the Council, must at all times, comply with the Council's Contract Procedure Rules and Financial Regulations. These documents are reviewed on an annual basis to ensure that the content is still relevant and fulfil the Council's governance requirements.

4.16 Internal Audit

One of the functions of Internal Audit is to ensure that Officers of the Council are complying with the relevant purchasing procedures when procuring goods and services. Compliance with the Council's Contract Procedure Rules and Financial Regulations are also monitored and any non-compliance is dealt with if required.

4.17 Risk Management

The Council's has a Risk Management Strategy which provides a practical explanation of how risk management continues to be embedded throughout the Council.

Within any options appraisal undertaken by officers of the Council, assessing risk should be a high priority.

An overview of what to consider can be found in Appendix 5.

5. The Nine Goals of Procurement

To be able to monitor the effectiveness of Procurement within the Council, members of the Corporate Procurement Board have agreed the following goals:

1. Develop, implement and embed a set of procurement policies, procedures and processes across the Council.
2. To continuously develop the Commissioning and Procurement Officers experience and expertise which is recognised within the profession as delivering added value.
3. To effectively manage Council spend by delivering savings, cashable financial benefits or greater outputs.
4. To ensure transparency in all dealings with stakeholders whether internal or external parties and communities .
5. To work in a collaborative way, building partnerships with external entities that provide value to the Council and the Sandwell Community
6. To drive continuous improvement in sustainability through procurement processes which contribute to the Council's CO2 reduction of 1500 tonnes per year.
7. To stimulate local markets and achieve community benefits.
8. To deploy the best available electronic /web based tools to improve the efficiency of the Procurement Operations
9. Provide a consistently high customer service with a continually improving response to customer needs.

6. Critical Success Factors and Measures by Goal

6.1 Develop, Implement and embed Procurement policies, procedures and processes across the Council

Critical Success Factors	Measurement
Embed Procurement policies, processes and procedures across the Council for example: <ul style="list-style-type: none"> • Equality and Diversity • Risk • Sustainability • Contract Procedure Rules/Financial Regulations • Freedom of Information 	High level of awareness among procurement officers and key stakeholders of their responsibilities in relation to the approved Policies and Procedures. Compliant behaviour across the majority of the Council
Compliance with both Public Contracts Regulations EU Public Procurement Directives and EU Public Procurement Directives to ensure the application of best practice sourcing in relation to procurement processes	Evidence that sourcing decisions are compliant with all relevant rules and legislation
Embed key priorities for delivering CAA Use of Resources Key Lines of enquiry (KLOE) 2.1 excellence for the commissioning and procurement activities within the Council	Procurement Strategy Action plan to include key activities and milestones, linked to requirements of CAA. Ongoing evidence assessment against the KLOE within 2.1 of the CAA Use of Resources.

Critical Success Factors and Measurement Goals

6.2 To continuously develop and improve Commissioning and Procurement officers knowledge, experience and expertise which is recognised within the profession as delivering added value

Critical Success Factors	Measurement
Clear Roles and Responsibilities defined for Commissioning, Procurement and Stakeholders	Number of staff undertaking Commissioning and Procurement who have current accurate Job Descriptions and Personal Specifications.
Effective staff management ensuring skilled resources are in place who are able to handle the workload and complexity required.	PPD's undertaken, on going performance monitoring meetings and evidence of training plans relating to commissioning and procurement activity. Staff satisfaction and retention levels.
Supplier relationship management programme with appropriate supplier performance management for all live suppliers	Number of Suppliers with a specific implemented management programme
Collaboration with other bodies to take advantage of specialist expertise and benefits from common requirements contracting.	% of product or service sourced through Consortia or collaboratively with other bodies. Documented evidence that consideration to collaboration was given as part of Options appraisal.

Critical Success Factors and Measurement Goals

6.3 To effectively manage Council spend by delivering savings, cashable financial benefits and increased outputs

Critical Success Factor	Measurement
Deploy strategic sourcing methodology across the Council's commissioning and procurement operations	% of Spend with approved Sourcing plans published. % of spend with published project initiatives. Technical Procurement Training implemented for all relevant staff
Annual Planning process to be undertaken for all procurement operations, which identify either savings or benefit of increased output	Annual plans to be published for all procurement operations
Develop project initiatives that can deliver whole life cost benefits, savings or increased output to the Council	Regular (at least quarterly) recording of the delivery of the Council's Cashable savings increased Value for Money obtained and communicate to Stakeholders.

Critical Success Factors and Measurement by Goal

6.4 To ensure transparency in all dealings with Stakeholders whether internal or external parties and communities

Critical Success Factors	Measurement
Clear (Plain English) published strategies, policies and documents	Documents available to all Stakeholders
Develop and implement comprehensive intranet and internet sites	Sites are comprehensive up to date and are available to all Stakeholders
Maintain effective communication channels with all Stakeholders	Clear interaction with stakeholders, communication is not just one way. Regular briefings to be provided.

6.5 To work in a collaborative way, building partnerships with external entities that provide value to the Council and the Sandwell Community

Clear roles, objectives and approach to each of the Council's partner organisations.	Partner involvement in production of Strategies, policies and procedures
Take advantage of collaborative sourcing activities to embed continuous improvement within engaged consortia	Annual Plan with committed collaborative activity
Proactive engagement with other consortia or collaborative organisations	% of product or service sourced through consortia or collaboratively with other bodies.

Critical Success Factors and Measurement by Goal

6.6 To drive continuous improvement in sustainability, through procurement processes which contribute to the Council's CO2 reduction of 1500 tonnes per year.

Critical Success Factors	Measurement
Deploy whole life costing to determine savings while minimising resource consumption and waste	Evidence of consideration of this within procurement process
Develop supply chains that are increasingly low carbon, low waste and water efficient, which respect biodiversity and deliver wider sustainable development goals in particular to support the local economy	% of project initiatives that include involvement of the market place prior to production of specifications. System in place to monitor
Stimulate markets by creating demand for sustainable goods and services where the leadership and spending power of the Council can have a significant influence on the key markets in which it operates	% of procurement projects that include input from Council's sustainability team
Ensure maximum environmental and community benefits in a manner consistent with Public and EU Procurement Directives	% of contracts that include compliant environmental and community benefits

Critical Success Factors and Measurement by Goal

7. To Stimulate local markets and achieve community benefits

Critical Success Factor	Measurement
To confirm local supply base and categorise spend	Details of live local suppliers by spend group as proportion of total supply base. Actual spend with local suppliers as a proportion of the total spend
Support the building of managerial capability within the local supply base enabling them to fairly compete for Council business	Continued support of the Find it in Sandwell team. Agreed number of “Meet the Buyer” and development events held with local suppliers
Create and make available Annual and long term sourcing plans ensuring that they do not overtly or covertly discriminate against local suppliers	Initiate and implement a communication approach for local suppliers with regard to Council’s procurement plans. % of Annual or long term plans published and updated on Find it in Sandwell.

Critical Success Factors and Measurement by Goal

8. To deploy the best available electronic/web based tools to both improve efficiency of the Procurement Operations and access of Procurement information by Stakeholders

Critical Success Factors	Measurement
Establish clear targets for all suppliers to process orders and invoices electronically	Implement a set of performance measures across all contracting, ordering and invoicing operations for electronic trading
Develop and implement communications and documentation for use with suppliers to help suppliers meet the aims of the Council in trading electronically	Availability of an intranet and internet pages to aid interaction between stakeholders
Develop and implement comprehensive intranet and internet functionality	Measure effectiveness and compliance in there use
Implement eSourcing, eMarketplace and eContracts functionality into the Council procurement activities	Number of incidences that are processed through eSourcing,eMarketplace and eContract functionality

Critical Success Factors and Measurement by Goal

8.1 Provide a consistently high customer service with a continually improving response to customer needs

Critical Success Factors	Measurement
Develop and apply a customer management framework for procurement staff and their associated stakeholders	Agree clear ways of working, mutual KPI's and PIs between internal customers and Commissioning/Procurement functions
Operate an effective customer response system, capturing all customer enquiries and needs	Monitor the amount of support for customer programmes, initiatives, strategies and budgets
Create Procurement intranet site that incorporates relevant up to date guides and aids for internal customers Deploy feedback mechanisms from internal customers	Operational intranet site regularly updated and maintained. Operate Customer feedback processes/mechanism
Provide an effective Supplier Management programme to manage third party suppliers and the associated risks and supply challenges	Operate Supplier Relationship system, monitor supplier performance and resolve major non compliances to contract.

APPENDICES

Appendix 1 - Corporate Procurement Strategy Action Plan

Appendix 2 - Procurement Cycle

Appendix 3 - Sustainable Procurement Policy

Appendix 4 - Equality Considerations

Appendix 5 - Risk Considerations

Appendix 6 - Workforce Issues

Appendix 1

Corporate Procurement Strategy Action Plan (Issue 1)

ACTION NO.	ACTIVITY	OUTCOME	TARGET COMPLETION DATE	RESPONSIBILITY	PROGRESS	ACTION COMPLETED
CPS01	Review annually the membership of the Board to ensure that appropriate officers attend Corporate Procurement Board (CPB). Programme Quarterly Meetings of CPB	Strategic	Feb 10	Procurement Board Members		
CPS02	Review and update Corporate Procurement Strategy and Action Plan	Strategic	On-going Quarterly	CPB		
CPS03	Monitor the Council's Procurement Activity to ensure that the aims of the Corporate Procurement Strategy are met	Delivery of Strategy	On-going Monthly	CPB/Procurement Champions		
CPS04	Agree on a Corporate set of Equality & Diversity, Sustainable and Environmental standards that need to be incorporated within Specifications, Pre-Tender Questionnaires and contract clauses – where relevant. Work with both Officers and Suppliers to meet agreed standards	Stimulating Markets & Sustainable Procurement (Linked to Sustainable Procurement Policy Action Plan) Transparency	Aug 10	CPB		
CPS05	Create and Regularly Update (at least quarterly) Contracts Register, including all details required for International Reporting Standard (IFRS)	Strategic/IFRS	Mar 10	Procurement Strategy Officer/Procurement Champions		
CPS06	Identification of all staff who are involved in the procurement process and obtain details of their responsibilities with the aim to co-	Strategic	Mar 10	Corporate Procurement		

ACTION NO.	ACTIVITY	OUTCOME	TARGET COMPLETION DATE	RESPONSIBILITY	PROGRESS	ACTION COMPLETED
	ordinate all procurement activity			Board/Transform Sandwell/Procurement Strategy Officer		
CPS07	Development of a training programme for all officers involved in the procurement process. Guidance on how to achieve the Aims and Objectives of the Corporate Procurement Strategy to be included.	Delivery of Strategy/Building Capacity	Aug 10	Procurement Strategy Officer/HR		
CPS08	Ensure that relevant groups and communications are in place for Procurement Officers to be made aware of changes to policies/procedures, combine requirements	Leadership and Building Capacity	Jan 10	CPB/TS/PSO		
CPS09	Development and ongoing maintenance of Procurement Intranet Site to ensure that details of all contracts available for use, relevant policies and How to Guides are up to date.	Legal Procurement and VFM	Jan 10	Procurement Strategy Officer/Transform Sandwell		
CPS10	Review all tender documentation and processes to reduce the barriers that currently exist for: BME's, SME's and the Voluntary Sector. Standardise processes and documentation throughout the Council.	Stimulating Markets and Community Benefits	Mar 10	Procurement Strategy Officer/Procurement Champions		

ACTION NO.	ACTIVITY	OUTCOME	TARGET COMPLETION DATE	RESPONSIBILITY	PROGRESS	ACTION COMPLETED
CPS11	Increase the amount of spend that is : a) within a contractual arrangement b) through collaboration with other Public Sector Organisations c) with Small & Medium Sized enterprises d) procured following best practice sustainable procurement. e) suppliers approved for Equality Considerations f) made using Procurement Cards	VFM & Strategic	Baseline by Apr 10	Procurement Strategy Officer/Transform Sandwell Procurement Service		
CPS12	Rationalise the Supplier Base and continually increase the number of: a) Orders raised against I-Proc catalogues b) E-mailed orders to suppliers	Undertaking Business Electronically/VFM	Ongoing – Review Quarterly	Procurement Strategy Officer/Transform Sandwell Procurement Service		
CPS13	Improve and maintain the current Business Procurement Internet site to include all tendering activities that the council are undertaking. Include Procurement Annual Plans How to do Business with the Council Guide	Stimulating Markets	Jan 10	Procurement Strategy Officer/Procurement Champions/Transform Sandwell		
CPS14	Implement e-tendering/e-RFQ (Request for Quotation/e-auctions)	VFM	Apr 10	Procurement Strategy Officer/Transform Sandwell Procurement Service		
CPS15	Produce and obtain approval for Procurement Equality Policy	Strategic	Feb 10	Procurement Strategy Officer/Procurement Champions/Transform		

ACTION NO.	ACTIVITY	OUTCOME	TARGET COMPLETION DATE	RESPONSIBILITY	PROGRESS	ACTION COMPLETED
				Sandwell Procurement Service		
CPS16	Establish a mechanism to collate data and information required to respond to CAA Use of Resources/IFRS	VFM	Dec 09	Corporate Procurement Board		
CPS17	Ensure Compliance with EU Procurement Directives and Council policies for all relevant procurement activity	Legal Procurement	On-going	Procurement Strategy Officer/Procurement Champions		
CPS18	Establish mechanism for monitoring Critical Success Factors within the Strategy	Strategic	Feb 10	CPB		
CPS19	Monitor Commissioning toolkit use within Service reviews	Strategic	On going			
CPS20	Introduce and monitor benchmarking for procurement and commissioning activity within the Council	Strategic/VFM	Jan 10	CPB/Procurement Champions/TS Procurement Service		

Appendix 2

Strategic Sourcing Cycle

Stage 1	Identify the Need	<ul style="list-style-type: none"> • Does this supply/service/works impact on something/anyone else • Is there a different perspective that needs to be taken into consideration • Are there any current contracts in place <p>Identify the most sustainable way of meeting the need</p>
Stage 2	Consultation	<ul style="list-style-type: none"> • Colleagues within the Council • Colleagues within other Council's • The market • End users • Members • Specialists : Sustainability/Risk/Employment/Equalities
Stage 3	Analysing the Market	<ul style="list-style-type: none"> • What can internal/external markets offer • What type of Procurement Process needs to be undertaken to attract the right companies.
Stage 4	Options Appraisal	<ul style="list-style-type: none"> • Budget available • Utilisation of current contracts (ie OGC/WMRIEP) • Make or Buy • Solo or Joint procurement • Traditional Procurement process or partnering • Term of contract
Stage 5	Planning	<ul style="list-style-type: none"> • Relevant timescales (ie EU regulations) • Budget process • Adequate time for analysis • Approval process

		<ul style="list-style-type: none"> • Contract Transition
Stage 6	Sufficient Resources	<ul style="list-style-type: none"> • Expertise Internal or External • Project team: Legal, finance, Risk • Officer time
Stage 7	Specification	<ul style="list-style-type: none"> • Ensure meet expectations • State inputs/outputs required • Full details of requirements • Disposal requirements • Legislation
Stage 8	Supplier Selection	<ul style="list-style-type: none"> • Shortlist • Site Visits • Clarification of requirements/bid • Finalisation of contract document • Approval • Implementation planning
Stage 9	Contract Management	<ul style="list-style-type: none"> • Supplier Performance • Budget monitoring • User satisfaction • Still fit for purpose • Continued market monitoring • Supplier and supply Chain Development • Collection of Monitoring Data
Stage 10	Effective Disposal	<ul style="list-style-type: none"> • Environmental impacts • Could include: sale, donation, breaking up • Last resort Landfill

Appendix 3

Sustainable Procurement Policy

Statement of Intent

Sandwell Council recognises its responsibility to carry out its procurement activities in an environmentally and socially responsible manner. In accordance with our Environmental Policy and Corporate Procurement Strategy we will strive to incorporate environmental and social considerations into our product and service selection process. We recognise that it is our responsibility to encourage our suppliers and contractors to minimise negative environmental and social effects associated with the products and services they provide. We will also strive to ensure that local and smaller suppliers are not discriminated against in the procurement process and specifications.

Specifically we aim to:

- Encourage all internal purchasers to review their consumption of goods and services in order to reduce usage where possible and develop business cases based on sustainable principles.
- Give preference to products and services that can be manufactured, used, and disposed of in an environmentally and socially responsible way.
- Ensure that sustainability criteria are included in specifications to suppliers.
- Ensure that sustainability criteria are used in the award of contracts.
- Consider whole life costs when assessing product suitability and in the award of contracts.
- Enhance employee awareness of relevant environmental and social effects of purchases through appropriate training exercises.
- Provide guidance and relevant product information to staff members to allow them to select sustainable products and services.
- Work with existing and potential suppliers to investigate and introduce environmentally friendly processes and products.
- Ensure that suppliers' environmental credentials are considered in the Supplier Appraisal process.
- Ensure non-discrimination against local and smaller suppliers.

To allow us to meet our aims we will:

- Develop clear objectives and tools, with all our stakeholders, to minimise the environmental and social effects associated with the products and services we purchase.
- Identify the mechanisms that we intend to use to incorporate environmental and social factors into our procurement process.
- Develop a process to measure our progress.
- Clearly specify the role that purchasing officers will play in the identification and selection of sustainable products and services.
- Identify and implement necessary changes to the procurement process and specifications to ensure non-discrimination against local and smaller suppliers.

Appendix 4

Equality Considerations

The Council should ensure that Contractors used comply with the following:

- Equality and Diversity Legislation

The Contractor shall adopt a policy or policies to comply with its statutory obligations under the current legislation on Equality and Diversity, including

- Disability Discrimination Act 1995;
- The Employment Equality (Age) regulations 2006;
- The Employment Equality (Religion or Belief) regulation 2003;
- The Employment Equality (Sex Discrimination) regulations 2005;
- The Employment Equality (Sexual Orientation) regulations 2003;
- Race Relations Act 1976 and;
- The Sex Discrimination Act 1975

- **Unlawful Discrimination**

In the event of any finding of unlawful discrimination being made against the Contractor in the last three years by any court or Employment Tribunal, or of any adverse finding in any formal investigation by the Commission for Racial Equality, the Equal Opportunities Commission, The Disability Rights Commission, or the Commission for Equality and Human Rights (CEHR), the Contractor shall take appropriate steps to prevent repetition of the unlawful discrimination. The contractor shall, on request, provide the Council with details of the steps taken.

- **Policy on Equality and Diversity**

The Contractor shall set out its policy or policies on Equality and Diversity in the following ways:

- In instructions to those concerned with recruitment, training and promotion
- In documents available to employees, recognised trade unions or other representative groups of employees
- In recruitment advertisements or other literature.

The Contractor shall on request, provide the Council with examples of the instructions and other documents, recruitment advertisements or other literature.

- **Codes of Practice**

The Contractor shall observe as far as possible the codes of practice of the Commission for Racial Equality's 2006 Statutory Code of Practice on Racial Equality in Employment, The Equal Opportunities Commission's Code of Practice on Equal Pay and the Disability Rights Commission's 2004 Code of Practice, Employment and Occupation and any subsequent codes issued by the Commission for Equality and Human Rights. The Contractor shall provide such information as the Council may reasonably request for the purpose of assessing the Contractor's compliance.

Appendix 5

Risk Management Considerations

The Council's approach to Risk Management within procurement is outlined below.

This method should be included within a Project Gatekeeping process which ensures initiatives only progress following sign off of key milestones at particular points (gates) within the project/initiative lifecycle.

Risk Management methodology is to be embedded within all sourcing activity within the Council

Identify the Risk	Risk identification should be done by the entire team, the stakeholders and the users. Anyone who is involved in the project can raise a project issue. The Project Manager should inform people who they can raise risks with them. The identified risks should be recorded on the Risk Register
Evaluate the Risks	This is the role of the Project Manager. Risk evaluation criteria (Impact Vs Likelihood) can be found on the Risk Register. It is important to understand whether the risk is project specific or whether it should be escalated to the Project Board
Identify Suitable Responses	The Project Manager should evaluate the options available for responding to the risk and provide a recommendation. The suitable response should take into account the cost of the solution and whether it has any impacts. This recommendation is then taken to the Project Board
Project Board Meeting - Decision	The Board will take the decision with regard to what response is taken, if any, to the expected risk. The outcome of this will be logged on the Risk Register
Update your Project Team	In order to maintain an audit trail you should keep the Risk Register up to date. Stakeholders should be made aware that the Register has been updated.

Appendix 6

Workforce Matters

The Council recognises the connection between service quality and the handling of workforce issues. Good quality service provision depends on appropriately skilled and motivated workforces.

Workforce matters must be included as part of the procurement process and the following must be considered:

- Analysis of the current workforce undertaking the service
- Open staff consultation at an early stage
- Where TUPE applies, the Local TUPE plus agreement will be applied as adopted by the Council in January 2004 in respect of:
 - A transfer of staff from the Council
 - A (secondary) transfer of staff between Contractors
 - A transfer of staff back to the Council
- Full disclosure of workforce information from tenderers including arrangements and practices for training, health & safety, equalities etc
- Clarifying any differentiation between the policies of a bidding entity and those of an associated or parent company or organisation.

The Council will at all times consult with the recognised Trade Unions regarding all workforce matters.

The above is constantly under review, so officers must ensure that they consult with Legal Services prior to commencing any procurement process that may include workforce matters.