



**Carmarthenshire County Council**

**Corporate Procurement Strategy**

**April 2005 - March 2010**

# Carmarthenshire County Council

## Corporate Procurement Strategy *April 2005 – March 2010*

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## **April 2005 - March 2010**

### **1. Introduction**

- 1.1 Carmarthenshire County Council aims to make the County a better place for its residents to live, work and enjoy their leisure time.
- 1.2 The Authority spends approximately **£140 million per annum** on goods, works and services, and this has a significant impact on the quality of life for the community. It is vital that the Authority has a strategic approach to procurement to ensure that goods, works and services are procured as efficiently and effectively as possible.
- 1.3 ***This is the Authority's second Corporate Procurement Strategy, and has been developed to build upon the progress achieved via the First Strategy and to direct the Authority's procurement activity until March 2010.***
- 1.4 It recognises the importance of procurement in securing best value for money for the Authority, and illustrates the ways in which the procurement function will support the delivery of the Council's strategic objectives, key themes and values (as detailed in the [Corporate Strategy](#) and [Community Strategy](#)). The Strategy also links to National Assembly for Wales initiatives, including "Making the Connections" and "Delivering Better Services for Wales" (October 2004)
- 1.5 The Key Challenges will be regularly reviewed to ensure that the Authority continuously improves its procurement activity, taking into account any changes to legislation, all relevant national drivers, and the views of all stakeholders to ensure effective service delivery.

## 2. Procurement in Carmarthenshire County Council

### 2.1 Aims and Objectives of the Corporate Procurement Strategy

2.1.1 The purpose of this Strategy is to promote effective procurement across the Authority. It sets out a framework within which the procurement function can evolve, and contains specific and real targets for improvement.

2.1.2 The main **aims and objectives** of the Corporate Procurement Strategy are: -

- To ensure that the Authority's plans for procurement reflect the Authority's corporate aims and objectives
- To map out the way forward on improving the Authority's procurement function
- To ensure that best Value for Money (VFM) is always achieved in procurement activity.
- To ensure that the Authority complies fully with all relevant UK National and European laws, international agreements and Treaties, directives and regulations at all times.
- To ensure that all procurement activity is conducted in an open, transparent and non-discriminatory way at all times, allowing all potential suppliers to compete for business.
- To ensure that procurement continues to supplement the development of the Council's Welsh Language Scheme, as appropriate, throughout the procurement process.
- To promote long-term thinking and commitment to strategic procurement issues
- To ensure that all procurement is undertaken with appropriate professional support

### 2.2 What is "Procurement"?

2.2.1 The Authority must ensure that it obtains best value for money. This means getting the **best balance** of quality and whole-life costs in meeting its requirements, and getting the **widest possible benefit** from the money that is spent. Effective procurement can identify the most appropriate ways of achieving this.

2.2.2 "Procurement" is basically the process of acquiring goods, works and services from third parties. The Council has adopted the following definition: -

2.2.3 *"The whole process of acquisition, covering goods, services, works and/or capital projects. The process spans the entire life-cycle from the initial concept through to the end of the useful life of the asset (including disposal) or the end of a service contract or a works/capital project".*

### 2.3 Maximising Efficiencies

- 2.3.1 The Authority has long been committed to maximising efficiency in its procurement activity. It ascribes to the statement made by Carwyn Jones, Assembly Minister for Environment, Planning and Countryside at the launch of “Food for Thought – A new approach to public sector food procurement” (November 2004): -
- 2.3.2 *“The public sector has a duty to make the best use of public funds, and get the best value from the money it spends. That does not mean lowest price, it means getting the widest possible benefit from where the money is spent and on what.”*
- 2.3.3 This proactive approach has stood us in good stead for meeting the challenges brought by the recent national focus on efficiency provided by “Releasing Resources to the Front Line” by Sir Peter Gershon, and the National Assembly for Wales’ “Making the Connections: delivering better services for Wales”.
- 2.3.4 The Gershon Report identified scope for the entire public sector to achieve efficiencies in six “workstreams” or areas, of which “procurement” is one. This was further clarified by the confirmation that all **“direct and indirect procurement activity across the areas of local authority spend within their efficiency baseline”** counts towards each public body’s overall efficiency target. The Welsh Assembly Government Document “Making the Connection” will provide detailed guidance in a Welsh context.
- Sir Peter Gershon defines **“efficiency”** as those reforms to delivery processes and resource (including workforce) utilisation that achieves: -
- lower prices for the resources needed to provide public services;
  - reduced numbers of inputs (e.g. people for assets), whilst maintaining the same level of service provision;
  - additional outputs, such as enhanced quality for quality of service, for the same level of inputs;
  - improved ratios of output per unit cost of input;
  - changing the balance between different outputs aimed at delivering a similar overall objective in a way which achieves a greater overall output for the same inputs (“allocative efficiency”).
- 2.3.5 The 2005 IdeA/LGA/ODPM publication “Taking Stock: The National Procurement Strategy for Local Government – One Year On” further confirms that: -
- 2.3.6 ***“Real terms reductions in prices and transaction costs are cashable efficiency gains. Procurements that deliver improved productivity for higher performance standards for the same cost produce non-cashable efficiency gains. Both count towards the annual overall target ...”***
- 2.3.7 Carmarthenshire County Council developed a **VFM & Efficiency Classification System** with the Welsh Assembly Government’s Welsh Procurement Initiative Team (WPIT) in 2003, and began operating the System across targeted procurement spend. The Classification System, available from WPIT, has been approved by the former NAO, and is a means of ensuring consistency across the Welsh public sector.
- 2.3.8 The recognised System is consistent with the themes contained in both The Gershon Report and “Making the Connections”, and provides the Authority with a clear and defined framework within which to classify and monitor its procurement efficiencies before putting them forward for external validation.

- 2.3.9 This System also allows the Authority to register and record improvements made to procurement processes by making the best use of available resources, as well as classifying efficiencies made by effective procurement as follows: -
- 2.3.10 **Category A – Reduction in Price** (e.g. the amount by which the last price paid for the same requirement is reduced)
- 2.3.11 **Category B – Cost Avoidance** (e.g. the amount by which a potential increase in price for and/or unnecessary expenditure is *proactively* avoided)
- 2.3.12 **Category C – Process Changes** (e.g. the benefits afforded by the introduction of changes to procedures and/or working practices)
- 2.3.13 The Authority's ability to generate future efficiencies will improve by targeting a greater percentage of the total £140m spend than the current value of around £10m (only 7%). The Corporate Procurement Unit has developed a "Contracts Rolling Programme" to assist in maximising efficiencies in contracting activity. The Rolling Programme has been designed to assist with long term planning by detailing all known contracts that will be put into place by the Authority until 2010, to include such information as start date, end date and estimated value.
- 2.3.14 The Authority therefore adopts the above statements as principle and practice by which the Welsh Assembly's Government's efficiency programme will be delivered (subject to further Welsh Assembly Government's clarification).

## **2.4 WPI Review of Procurement 2002/03**

- 2.4.1 The Wales Programme for Improvement (WPI) requires continuous improvement in service delivery, with regard to economy, efficiency and effectiveness. The Authority's approach towards procurement has a significant impact on its ability to deliver best value services as it can help to guide the way in which the services are provided.
- 2.4.2 The Authority undertook a strategic WPI Review of Procurement during 2002/2003, which the Audit Commission assessed being a "**fair service with excellent prospects for improvement**".
- 2.4.3 The Review resulted in the creation of a comprehensive Improvement Plan, which was signed off by the Policy & Resources Scrutiny Committee in November 2004, with all strategic actions having been successfully completed.

## **2.5 Corporate Procurement Unit (CPU)**

- 2.5.1 The Corporate Procurement Unit operates within the Audit, Risk & Procurement Division of the Resources Department.
- 2.5.2 The key function of the Unit is to lead on Procurement across the Authority, setting service objectives, identifying expected outcomes and reviewing and revising practice. The Unit's role is not to centrally negotiate all the Authority's Contracts but rather to be pro-active in ensuring that Departmental Contract Lead Officers have the appropriate support to procure goods, works and services professionally.

## **2.6 Procurement Steering Group / Procurement Working Groups**

2.6.1 The Authority formally created the Procurement Steering Group which falls under the theme of Making Better Use of Resources. The Steering Group comprises members from all Departments and has a key role in challenging existing practices.

2.6.2 The Procurement Steering Group **oversees** the delivery of the Council's Corporate Procurement Strategy, and provides regular reports to the Executive Board Member for Procurement and the Policy & Resources Scrutiny Committee.

2.6.3 Reporting directly to the Procurement Steering Group currently are 3 Working Groups each chaired by Senior Managers from the Corporate Procurement Unit. The current Working Groups are as follows:

- Modernising Contracting
- Sustainable Procurement
- Constructing Excellence

## **2.7 Procurement Processes**

2.7.1 In general terms, every procurement or purchase made by Officers of the Authority is undertaken in accordance with the 8 Stages shown in [Appendix 1](#). The value and level of risk involved with the proposed procurement will determine the processes to be followed at each Stage.

2.7.2 ***Following these Stages will assist in ensuring that procurement projects meet their requirements and are delivered on time and within budget.***

2.7.3 The Authority has developed a Procurement Code of Practice, which complements the framework that ensures that legal, ethical and transparent procurement processes are in place throughout the Authority, as well as enabling procurement risks to be identified and appropriately managed.

### 3. Key Themes Supporting this Procurement Strategy

The Procurement Strategy aims to ensure that Procurement supports the delivery of the Council's strategic objectives, key themes and values as contained in the [Corporate Strategy](#) and [Community Strategy](#).

The **following** factors have also influenced the **Key Challenges** in Section 4 as they are crucial in underpinning the Council's strategic objectives food procurement: -

#### 3.1 Collaboration

***Our aim:** To promote collaborative working to better manage the Authority's relationships with its providers, other public bodies, private and voluntary organisations and all relevant stakeholders.*

3.1.1 Collaboration brings councils and other public sector bodies together at local, regional and national levels. It can provide a major opportunity to acquire the common goods, works and services that are procured by Carmarthenshire County Council and other public bodies. Aggregation of requirements may take place by collaborative work within the Authority, for by collaborating with other Authorities, public bodies for appropriate organisations.

3.1.2 The Authority already has numerous collaborative supply arrangements in place with other regional public sector bodies, including: -

Commodity/Service	Partner organisations
Supply of natural gas	Ceredigion County Council Pembrokeshire College Carmarthenshire College Dyfed Powys Police Mid & W. Wales Fire & Rescue Service
Supply of Electricity	Ceredigion County Council Pembrokeshire College Carmarthenshire College Dyfed Powys Police Mid & W. Wales Fire & Rescue Service
Supply of Heating Oil, Petrol & Derv	Ceredigion County Council Pembrokeshire College Carmarthenshire College Dyfed Powys Police Mid & W. Wales Fire & Rescue Service
Provision of Contract Hire Vehicles	Mid & W. Wales Fire & Rescue Service Carmarthenshire NHS Trust
Supply of Photocopiers	Pembrokeshire County Council
Joint contractual framework for provision of services with the voluntary sector	Carmarthenshire Local Health Board
Joint Contract for the provision of services for Adults in Care Homes (to be implemented summer 2005)	Ceredigion, Pembrokeshire & Powys County Councils Ceredigion, Carmarthenshire, Powys & Pembrokeshire Local Health Boards

- 3.1.3 The Authority participates in the new and innovative procurement related “Pathfinder” projects which are coordinated by the National Assembly’s Welsh Procurement Initiative and Welsh Local Government Association’s Procurement Support Unit under “Value Wales”.
- 3.1.4 The Authority has also historically made use of supply consortia.
- 3.1.5 The Authority has also entered into a partnering contract with the private sector for the provision of Property and Engineering Design Services.
- 3.1.6 The Authority is keen to continue to collaborate in its procurement activity where it is appropriate. To ensure that resources are used effectively, a proactive approach will be taken on this. Specific performance measures have been developed, and they will be monitored accordingly.

### 3.2 Procurement Performance Management

*Our aim: To promote the development and use of performance measures for procurement.*

- 3.2.1 Effective performance management is critical to the success of the Authority. Its only purpose is to ensure that we deliver better quality services to the local community.
- 3.2.2 There are currently no statutory performance indicators for procurement activity, however the Authority has sought to establish performance indicators and measures that provide a rational and balanced picture of its procurement performance at both strategic and service levels.
- 3.2.3 The Authority has developed and implemented a **VFM & Efficiency Classification System** in collaboration with the National Assembly’s Welsh Procurement Initiative Team (WPIT). The System has been approved by the National Audit Office and the Authority’s Procurement Steering Group, and is consistent with the principles of the 2004 Gershon Review of Public Sector Efficiency. The Authority is also collaborating with Constructing Excellence Wales.
- 3.2.4 The Authority has also developed a **Procurement Performance Framework**, in line with Nationally suggested indicators, in order to monitor: -
  - the Authority’s progress in delivering each of its strategic objectives for procurement;
  - the Authority’s performance in undertaking procurement activity;
  - the performance of the Corporate Procurement Unit (CPU).
- 3.2.5 A series of performance indicators has been developed and these will be used to help the Authority to achieve continuous improvement in procurement activity.

### 3.3 Equality of Opportunity

*Our aim: To promote procurement practices that contributes to the equalities framework.*

- 3.3.1 Procurement has an important role to play in the promotion of equality and diversity. European Procurement legislation and the Council's own Contract Procedure Rules exist to ensure transparent, open and fair competition, eliminating discrimination.
- 3.3.2 The Authority is currently developing a comprehensive Equality Policy and Corporate Equalities Plan, which will be supported by a training and development programme for officers. Procurement will be part of this plan, because building equality and diversity into the procurement process can improve the quality of the Council's services, making them more appropriate and responsive to the community's needs.
- 3.3.3 The Authority is keen to encourage a wide range of suppliers to compete for its business. Procurement also supports and aims to promote the use of the Welsh language by organisations and businesses that provide services for the public.
- 3.3.4 When undertaking any new procurement project for goods, works or services, equality and diversity needs to be considered at the start of the process, and thereafter at all subsequent stages of the procurement cycle. Adopting a structured approach towards integrating equality objectives into each Stage of the procurement process can ensure that the Authority's commitment to equality is achieved and delivered through its procurement processes.
- 3.3.5 There is currently no baseline data on equalities issues in respect of procurement or suppliers to the Authority, however CPU has developed a **framework to integrate equalities and workforce issues into the contracting process**. This structured Framework will be taken forward throughout the duration of this Strategy, and will build upon work that has already taken place.
- 3.3.6 Examples of this work include that of the Social Care and Housing Department, which has provided disability equality training to people with disabilities, in order that they may participate in the delivery of similar training thereafter. It also seeks through its commissioning and contracting arrangements to ensure that providers undertaking services on its behalf adopt positive human resource and workforce development policies towards its own employees like those of the Department itself.

### 3.4 Training & Development

***Our aim:** To ensure a comprehensive, structured programme for the training and development of all those involved in procurement activity.*

- 3.4.1 The Authority has so far sought to ensure that procurement has featured appropriately in its continuous staff training and development process.
- 3.4.2 It has developed a **Procurement Training Model** linked to the wider training and individual performance management initiatives of the Authority, which will be applied in the delivery of the Key Challenges. It is also committed to integrating sustainability into the procurement-training framework [through the cross functional, inter-departmental Sustainability Working Group], as well as the principles of contract management, project management and procurement risk.

## 4. Key Challenges for Procurement

The following 8 **Key Challenges** formalise the Council's strategic objectives for procurement during 2005/10.

#### 4.1 **KEY CHALLENGE 1 – Value for Money (VFM) & Efficiency**

##### 4.1.1 Objective

To ensure that best value for money is continuously achieved in the Authority's procurement activity, that resources are used efficiently and effectively, and that systems are in place to deliver the actions identified in this Strategy.

##### 4.1.2 What we have done so far

- Identified sufficient resources to deliver the Corporate Procurement Strategy, and restructured the procurement function across the Authority.
- Established an inter-Departmental Procurement Steering Group with clear Terms of Reference, chaired by the Head of Audit, Risk & Procurement.
- Established 3 specialist Working Groups.
- Developed a VFM & Efficiency Classification System with the National Assembly's Welsh Procurement Initiative Team that enables the Authority to distinguish between "**price reduction**", "**cost avoidance**" and "**process improvement efficiencies**".
- Established a framework for the identification of long-term efficiencies.
- Established a "Rolling Programme" of forthcoming contracts, to highlight some of the main contracting activity that will account for the Council spend over the next 3 years.
- Undertaken full European tenders resulting in **new corporate contracts** for Office Furniture, IT Consumables and Office Supplies.
- Created a Collaborative Procurement Protocol.

##### 4.1.3 What we will do

<b>R1</b>	Ensure that the support documentation for reviews of Service Provision includes sufficient information to allow officers undertaking reviews to consider all appropriate service delivery options.	<b>December 2005</b>
<b>R2</b>	Undertake a detailed analysis of the Authority's expenditure.	<b>March 2006</b>
<b>R3</b>	Prepare a procurement plan detailing the Authority's planned procurement activity for the next 5 years, in conjunction with departmental Officers, to enable strategic management of the supply base.	<b>March 2006</b>
<b>R4</b>	Continue to identify opportunities for efficiencies of at least £3m,	<b>March 2010</b>

	in line with the VFM and Efficiency Classification System, and to verify efficiencies achieved, in accordance with Welsh Assembly Government guidance.	
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<b>R5</b>	Develop procurement links between CPU and the newly established Corporate Improvement Team (CIT).	<b>September 2005</b>
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#### 4.1.4 Links to Corporate Strategy

- *“Make Better Use of Resources”*
- *“Build a Better Council”*

## 4.2 **KEY CHALLENGE 2 – Controls, Standards and Probity**

### 4.2.1 Objective

To ensure that legal, ethical and transparent procurement processes are in place, and that risks are identified and appropriately managed in procurement activity.

### 4.2.2 What we have done so far

- Created a Procurement Code of Practice that includes a standard approach to acquisition based on business case, risk and project management methodologies.
- Established a gateway-style approach for defined strategic procurement activity.
- Established frameworks for procurement performance, risk in procurement and an Authority-wide procurement competency and training framework.
- Developed standard procurement documentation, and created a contract management methodology and protocol.
- Established a Legal Issues in Procurement Group and the inter-Departmental Modernising Contracting Working Group to facilitate delivery of these initiatives.
- Introduced Quotation Procedure Rules for procurements up to £75k.
- Identified the core competencies required by Members and officers for incorporation into service training plans.

### 4.2.3 What we will do

<b>R6</b>	Provide training to the Scrutiny Committee Members.	<b>September 2005</b>
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<b>R7</b>	Ensure that a named Contract Lead Officer and Contract Manager are appointed for each targeted contract.	<b>March 2006</b>
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<b>R8</b>	Review Contract Procedure Rules for procurements over £75k,	<b>March 2006</b>
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	ensuring that any provisions of the new Consolidated European Procurement Directives are incorporated at the appropriate time.	
<b>R9</b>	Develop the Contracts Register to ensure that it details every procurement whose total value is over £75,000.	<b>March 2006</b>
<b>R10</b>	Integrate the contract management methodology and protocol into the Procurement Code of Practice.	<b>March 2006</b>
<b>R11</b>	Implement a framework to ensure that equalities and workforce issues are integrated into the contracting process.	<b>March 2006</b>
<b>R12</b>	Develop the Procurement Section of the Authority's Intranet site to include standard procurement documentation, continuous updates on procurement best practice, and information on corporate contracts and the availability of goods and services.	<b>October 2006</b>
<b>R13</b>	Ensure that all Authority business is awarded by means of an appropriately generated purchase order number, to ensure that the Authority's interests are always maintained, and that the Authority's management information system is kept up to date with spend information.	<b>March 2008</b>

#### 4.2.4 Links to Corporate Strategy

- *"Build a Better Council"*.

### 4.3 **KEY CHALLENGE 3 - Construction Procurement**

#### 4.3.1 Objective

To implement the Government's "Rethinking Construction" agenda and apply the principles to construction related procurement.

#### 4.3.2 What we have done so far

- Established a Design Consultancy Partnership with an external provider
- Established, in association with Constructing Excellence Wales (CEW), a series of key performance measures for construction procurement.
- The Head of Consultancy chairs the CEW Benchmarking Club.
- Evaluated the effectiveness of "Constructionline" as an approved list facility.

#### 4.3.3 What we will do

<b>R14</b>	Implement a series of Constructing Excellence Wales' (CEW) Key Performance Measures for construction procurement.	<b>March 2006</b>
<b>R15</b>	Ensure the implementation of the recommendations of the report on the effectiveness of the Design Consultancy Partnership.	<b>March 2006</b>
<b>R16</b>	Utilise the principles of "Constructing Excellence" and adopt the gateway-style, project management approach for the planned spend on construction procurement of £68m. This will include establishing a Contract Lead Officer, a Project Team and the use of appropriate documentation for the design and contracting elements of every relevant contract	<b>September 2006</b>

#### 4.3.4 Links to Corporate Strategy

- *"Investment and Innovation"*
- *"A Better Place"*
- *"Make Better Use of Resources"*
- *"Build a Better Council"*.

#### 4.4 **KEY CHALLENGE 4 – Sustainable Procurement**

##### 4.4.1 Objective

To ensure that the Authority's commitment to sustainability is delivered effectively through the procurement process.

##### 4.4.2 What we have done so far

- Established the Council's first Sustainable Procurement Strategy, providing the first formal step towards integrating our sustainability and procurement objectives.
- Created a manageable framework (which includes a realistic timetable) to take forward specific actions on sustainable procurement.
- Established a Sustainable Procurement Working Group to implement the Sustainable Procurement Strategy and deliver the above framework.
- Developed and piloted a Sustainable Procurement Tool with the Forum for the Future, a UK based, sustainable development charitable organisation, in order to deliver cost effective, sustainable options in procurement activity.
- Committed to routinely evaluating options compatible with sustainability objectives in our contracting processes for goods, works and services.
- Taken the lead in establishing an appropriate partnership to ensure the creation of a sustainable local supply chain. The aim is to make the local business community aware of all opportunities to trade with the Authority and that artificial barriers are removed. Initially this has been achieved through the Procurement Surgery Initiative (**See Relationship with the Supply Base - Key challenge 7**).

#### 4.4.3 What we will do

R17	Develop a Sustainable Procurement Policy.	<b>September 2005</b>
R18	Develop an appraisal of appropriate ethical procurement issues.	<b>March 2006</b>
R19	<p>Acting on recommendations from the National Assembly for Wales' 12 Month Procurement Sustainability Action Plan, and in accordance with the Council's Sustainable Development Action Plan, we will:</p> <ul style="list-style-type: none"> <li>• Analyse the Authority's expenditure to identify priority targets for initial sustainability assessment;</li> <li>• Carry out sustainable development risk assessments against the top 10 goods or services in terms of expenditure, identifying high sustainable risk areas;</li> <li>• Select 3 high priority goods or services and review what could be changed, in order to consume less, either by changing demand or by re-using existing material;</li> <li>• Review procurement documentation based on a sustainable procurement approach;</li> <li>• Undertake research in the local supply base to better understand the scope for developing additional competitive sources of supply;</li> <li>• Communicate any planned changes to specifications or evaluation criteria well in advance of tendering.</li> <li>• Ensure that consideration is given to disposal issues <b>before</b> undertaking a tender exercise [i.e. during Stages 1, 2 &amp; 3 of the procurement cycle (see <a href="#">Appendix 1</a>)], and that provision is written into any contracts awarded.</li> </ul>	<b>September 2006</b>
R20	<p>Through an Interreg funded project, work with specialists in the private sector and a European partner Authority to analyse the impact of procurement activity on the local economy, environment and community. The project will, through the development of effective links between the Council and others, [William Battle Associates (the Council's private sector partner), Carmarthenshire Chamber of Trade and local business] ensure that the local supply chain is aware of all business opportunities to trade with the Council and furthermore that all artificial barriers to trade are removed. The partnership will develop guidance and pilot improved ways of delivering sustainable community benefit through procurement</p>	<b>October 2006</b>
R21	<p>Ensure that sustainability and whole-life-cost issues are included in the evaluation process and that all relevant contracts are awarded on the most economically advantageous basis.</p>	<b>March 2007</b>

#### 4.4.4 Links to Corporate Strategy

- *“Investment and Innovation”*

- “A Better Place”
- “Make Better Use of Resources”
- “Build a Better Council”.

#### 4.5 KEY CHALLENGE 5 – e-Procurement

##### 4.5.1 Objective

To utilise e-Procurement solutions to improve the efficiency and effectiveness of the Authority’s procurement processes, and to provide timely management information.

##### 4.5.2 What we have done so far

- Committed to the concept of developing an Integrated Procurement “system”. (i.e. a “system” that comprises of a series of building blocks which together can provide the Authority with the most effective means of securely procuring goods, works and services, whilst making effective links to the general ledger, creditor system and reporting framework).
- Created an e-Procurement Business Case to determine how the Authority should embrace the opportunities afforded by new technology.
- Implemented an action plan to address each of the recommendations contained in the e-Procurement Business Case.
- Participated in two electronic auctions with the National Assembly’s Welsh Procurement Initiative.

##### 4.5.3 What we will do

<b>R22</b>	Identify a suitable purchase card pilot using the Welsh Procurement Initiative’s “Welsh Purchasing Card” and, based on the results, expand its use to reduce the number of Invoices received	<b>September 2006</b>
<b>R23</b>	Further e-enable the Authority’s order-to-pay process, in conjunction with the Financial Management Systems Project Team.	<b>March 2007</b>
<b>R24</b>	Monitor developments in the field of electronic marketplaces and develop an electronic trading policy.	<b>March 2008</b>
<b>R25</b>	Monitor the development of the National Assembly of Wales’ Procurement Units’ e-procurement Pathfinder Projects to identify opportunities for collaboration.	<b>March 2008</b>
<b>R26</b>	Phase out the use of manual purchase orders where alternative solutions exist.	<b>March 2010</b>

<b>R27</b>	Implement the e-Procurement business case recommendations .	<b>March 2010</b>
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#### 4.5.4 Links to Corporate Strategy

- *“Make Better Use of Resources”*
- *“Build a Better Council”*

### 4.6 **KEY CHALLENGE 6 – Procurement Project Management**

#### 4.6.1 Objective

To ensure that every significant procurement meets its original objectives is delivered on time, and within budget and that risks are identified and appropriately managed at all times.

#### 4.6.2 What we have done so far

- Developed a methodology to undertake procurement exercises based on project management principles (see [Appendix 1](#)) to ensure that procurement projects meet their requirements, and are delivered on time and within budget.
- Developed standard procurement documentation to guide officers in undertaking a project management approach to procurement activity.

#### 4.6.3 What we will do

<b>R28</b>	Adopt the gateway-style, project management approach for procurement activity. This will include establishing a Contract Lead Officer, a Project Team and the use of a Tender Record Form for every relevant contract.	<b>September 2006</b>
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<b>R29</b>	Implement measures to monitor adherence to the project management approach in procurement and contracting activity.	<b>March 2007</b>
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#### 4.6.4 Links to Corporate Strategy

- *“Make Better Use of Resources”*
- *“Build a Better Council”*

### 4.7 **KEY CHALLENGE 7 - Relationship with the Supply Base**

#### 4.7.1 Objective

To develop a competitive supply base in order to provide opportunities for greater innovation, higher quality services and improved efficiency.

#### 4.7.2 What we have done so far

- Established a **programme of regional SME Surgeries**, in order to make the local business community aware of all opportunities to trade with the Authority, and that

artificial barriers are removed. 16 have been held to date in 6 locations throughout the County where CPU staff have had face to face contact with 241 businesses

- Created a database to ensure that the findings of the SME Surgeries are fed into the Authority's contracting processes.
- Upgraded the "Trading with Carmarthenshire County Council" element of the "Business" section of the Authority's website, which received 1966 "hits" between January 2004 to December 2004.
- Attended the Welsh Development Agency's "Meet the Public Sector Buyer Day" where potential public sector suppliers interviewed representatives from Public Sector organisations in South West Wales.
- Delivered presentations on SME support to the local business community and to the All-Wales Procurement Group.

#### 4.7.3 What we will do

<b>R30</b>	Implement a database designed to ensure that the findings of the SME Surgeries are fed into the Authority's contracting processes.	<b>March 2006</b>
<b>R31</b>	Develop a system to promote the benefits and encourage our suppliers to develop environmental management systems and policies.	<b>March 2006</b>
<b>R32</b>	Ensure that Contract Lead Officers obtain appropriate evidence from suppliers during tender exercises to monitor their equalities policies.	<b>March 2007</b>
<b>R33</b>	<p>Develop a SME procurement support programme to include the following: -</p> <ul style="list-style-type: none"> <li>• Establish an SME Feedback Log to record views and suggestions to make the Authority's contracting activity more SME friendly</li> <li>• Work with the Co-operative Centre Wales and others to encourage Micro business and SME alliance working</li> <li>• Work with Colleges, the Health Trusts, Police, Fire and others to establish regional "sell to the public sector" events.</li> <li>• Encourage training in the construction sector by including step-in clauses in first tier supplier contracts, which extend the Council's influence over the supply chain, and identifying specific funding to set aside for training.</li> </ul>	<b>March 2008</b>

#### 4.7.4 Links to Corporate Strategy

- *"Investment and Innovation"*
- *"Make Better Use of Resources"*
- *"A Better Place"*.

## 4.8 KEY CHALLENGE 8 - Education Procurement

### 4.8.1 Objective

To develop a structure that better supports procurement in the Authority's Schools and other Educational Establishments.

### 4.8.2 What we have done

- Established a resource within the Facilities Division to support schools in the procurement of Goods and Services.
- Head of Facilities Management has developed the Local Sustainable Food Strategy.
- Developed and packaged specifications for new tenders for the supply of foodstuffs in line with the principles contained in the Local Sustainable Food Strategy.

### 4.8.3 What we will do

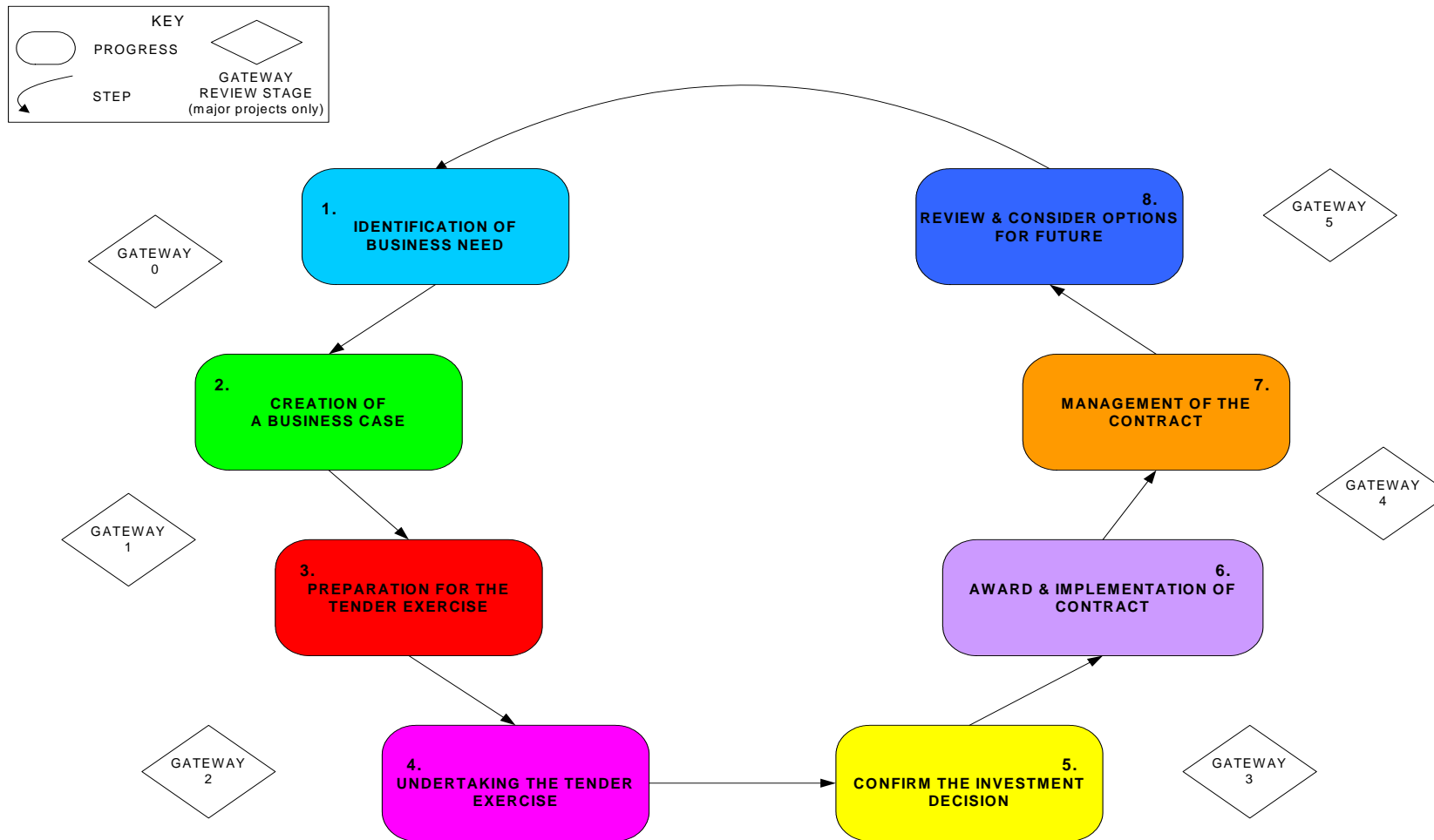
<b>R34</b>	Contract in such a way as to support the Rural Food Procurement Initiative through involving local producers and the rural economy.	<b>September 2005</b>
<b>R35</b>	Provide professional advice to Facilities Management on the legal implications affecting the implementation of the Authority's <b><i>School Meals Local Sustainable Food Strategy</i></b> (for example the European Public Procurement Directives).	<b>September 2005</b>
<b>R36</b>	Develop a programme of "Procurement Workshops" for Schools and hold a minimum of 2 workshops before end of 2006.	<b>December 2006</b>

### 4.8.4 Links to Corporate Strategy

These Schools Procurement issues can help address a number of the Authority's key themes, particularly: -

- *"Make Better Use of Resources"*
- *"Investment and Innovation"*
- *"Feeling Fine"*.

## Appendix 1 – Project Management: The Procurement Cycle



### **Appendix 2 – Summary Action Plan**

<b>NO.</b>	<b>RECOMMENDATIONS</b>	<b>TARGET DATE</b>
<b>R1</b>	Ensure that the support documentation for reviews of Service Provision includes sufficient information to allow officers undertaking reviews to consider all appropriate service delivery options.	December 2005
<b>R2</b>	Undertake a detailed analysis of the Authority's expenditure.	March 2006
<b>R3</b>	Prepare a procurement plan detailing the Authority's planned procurement activity for the next 5 years, in conjunction with departmental Officers, to enable strategic management of the supply base.	March 2006
<b>R4</b>	Continue to identify opportunities for efficiencies of at least £3m, in line with the VFM and Efficiency Classification System, and to verify efficiencies achieved, in accordance with Welsh Assembly Government guidance.	March 2010
<b>R5</b>	Develop procurement links between CPU and the newly established Corporate Improvement Team (CIT).	September 2005
<b>R6</b>	Provide training to the Scrutiny Committee Members.	September 2005
<b>R7</b>	Ensure that a named Contract Lead Officer and Contract Manager are appointed for each targeted contract.	March 2006
<b>R8</b>	Review Contract Procedure Rules for procurements over £75k, ensuring that any provisions of the new Consolidated European Procurement Directives are incorporated at the appropriate time.	March 2006
<b>R9</b>	Develop the Contracts Register to ensure that it details every procurement whose total value is over £75,000.	March 2006
<b>R10</b>	Integrate the contract management methodology and protocol into the Procurement Code of Practice.	March 2006
<b>R11</b>	Implement a framework to ensure that equalities and workforce issues are integrated into the contracting process.	March 2006
<b>R12</b>	Develop the Procurement Section of the Authority's Intranet site to include standard procurement documentation, continuous updates on procurement best practice, and information on corporate contracts and the availability of goods and services.	October 2006

**Appendix 2 – Summary Action Plan**

NO.	RECOMMENDATIONS	TARGET DATE
<b>R13</b>	Ensure that all Authority business is awarded by means of an appropriately generated purchase order number, to ensure that the Authority's interests are always maintained, and that the Authority's management information system is kept up to date with spend information.	March 2008
<b>R14</b>	Implement a series of Constructing Excellence Wales' (CEW) Key Performance Measures for construction procurement.	March 2006
<b>R15</b>	Ensure the implementation of the recommendations of the report on the effectiveness of the Design Consultancy Partnership.	March 2006
<b>R16</b>	Utilise the principles of "Constructing Excellence" and adopt the gateway-style, project management approach for the planned spend on construction procurement of £68m. This will include establishing a Contract Lead Officer, a Project Team and the use of appropriate documentation for the design and contracting elements of every relevant contract	September 2006
<b>R17</b>	Develop a Sustainable Procurement Policy.	September 2005
<b>R18</b>	Develop an appraisal of appropriate ethical procurement issues.	March 2006
<b>R19</b>	<p>Acting on recommendations from the National Assembly for Wales' 12 Month Procurement Sustainability Action Plan, and in accordance with the Council's Sustainable Development Action Plan, we will:</p> <ul style="list-style-type: none"> <li>(i) Analyse the Authority's expenditure to identify priority targets for initial sustainability assessment;</li> <li>(ii) Carry out sustainable development risk assessments against the top 10 goods or services in terms of expenditure, identifying high sustainable risk areas;</li> <li>(iii) Select 3 high priority goods or services and review what could be changed, in order to consume less, either by changing demand or by re-using existing material;</li> <li>(iv) Review procurement documentation based on a sustainable procurement approach;</li> <li>(v) Undertake research in the local supply base to better understand the scope for developing additional competitive sources of supply;</li> </ul> <p>Communicate any planned changes to specifications or evaluation criteria well in advance of tendering.</p>	<b>September 2006</b>

NO.	RECOMMENDATIONS	TARGET DATE
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## **Appendix 2 – Summary Action Plan**

<b>R20</b>	Through an Interreg funded project, work with specialists in the private sector and a European partner Authority to analyse the impact of procurement activity on the local economy, environment and community. The project will, through the development of effective links between the Council and others, [William Battle Associates (the Council's private sector partner), Carmarthenshire Chamber of Trade and local business] ensure that the local supply chain is aware of all business opportunities to trade with the Council and furthermore that all artificial barriers to trade are removed.	March 2006
<b>R21</b>	Ensure that sustainability and whole-life-cost issues are included in the evaluation process and that all relevant contracts are awarded on the most economically advantageous basis.	March 2007
<b>R22</b>	Identify a suitable purchase card pilot using the Welsh Procurement Initiative's "Welsh Purchasing Card" and, based on the results, expand its use to reduce the number of Invoices received.	September 2006
<b>R23</b>	Further e-enable the Authority's order-to-pay process, in conjunction with the Financial Management Systems Project Team.	March 2007
<b>R24</b>	Monitor developments in the field of electronic marketplaces and develop an electronic trading policy.	March 2008
<b>R25</b>	Monitor the development of the National Assembly of Wales' Procurement Units' e-procurement Pathfinder Projects to identify opportunities for collaboration.	March 2008
<b>R26</b>	Phase out the use of manual purchase orders where alternative solutions exist.	March 2010
<b>R27</b>	Implement the e-Procurement business case recommendations.	March 2010
<b>R28</b>	Adopt the gateway-style, project management approach for procurement activity. This will include establishing a Contract Lead Officer, a Project Team and the use of a Tender Record Form for every relevant contract.	September 2006
<b>R29</b>	Implement measures to monitor adherence to the project management approach in procurement and contracting activity.	March 2007

<b>NO.</b>	<b>RECOMMENDATIONS</b>	<b>TARGET DATE</b>
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## **Appendix 2 – Summary Action Plan**

<b>R30</b>	Implement a database designed to ensure that the findings of the SME Surgeries are fed into the Authority's contracting processes.	March 2006
<b>R31</b>	Develop a system to promote the benefits and encourage our suppliers to develop environmental management systems and policies.	March 2006
<b>R32</b>	Ensure that Contract Lead Officers obtain appropriate evidence from suppliers during tender exercises to monitor their equalities policies.	March 2007
<b>R33</b>	<p>Develop a SME procurement support programme to include the following: -</p> <ul style="list-style-type: none"> <li>• Establish an SME Feedback Log to record views and suggestions to make the Authority's contracting activity more SME friendly</li> <li>• Work with the Co-operative Centre Wales and others to encourage Micro business and SME alliance working</li> <li>• Work with Colleges, the Health Trusts, Police, Fire and others to establish regional "sell to the public sector" events.</li> <li>• Encourage training in the construction sector by including step-in clauses in first tier supplier contracts, which extend the Council's influence over the supply chain, and identifying specific funding to set aside for training.</li> </ul>	March 2008
<b>R34</b>	Contract in such a way as to support the Rural Food Procurement Initiative through involving local producers and the rural economy.	September 2005
<b>R35</b>	Provide professional advice to Facilities Management on the legal implications affecting the implementation of the Authority's <b>School Meals Local Sustainable Food Strategy</b> (for example the European Public Procurement Directives).	September 2005
<b>R36</b>	Develop a programme of "Procurement Workshops" for Schools and hold a minimum of 2 workshops before end of 2006.	December 2006