

WIRRAL COUNCIL

PROCUREMENT STRATEGY

(Refreshed April 2011)

CONTENTS

- 1 Introduction
- 2 Links to the Corporate Plan
- 3 What is Procurement
- 4 Commissioning
- 5 The Regulatory Framework
- 6 Procurement Objectives
- 7 Organisation of the Procurement Function
- 8 Options Appraisal
- 9 Monitoring Arrangements
- 10 Regulation of Procurement
- 11 Works Contracts
- 12 Project Management and Gateway Procedures
- 13 e-Procurement
- 14 Workforce Matters
- 15 Partnership Approach
- 16 Environmental/Sustainability Considerations
- 17 Achieving fairness and equality of opportunity
- 18 Risk Management
- 19 Procurement Expertise and Operational Procedures
- 20 Procurement Forward Plan and Contracts Register
- 21 Schools and Procurement
- 22 Openness, Fairness and Transparency
- 23 Performance Management
- 24 Monitoring Implementation of this Strategy
- 25 Post contract monitoring and maintenance

Appendix A - Procurement Key Priorities & Action Plan

1. INTRODUCTION

- 1.1 The Procurement Strategy sets the governance framework for the way the Council buys services, goods or works. It is integral to the Council's Contract Procedure Rules which all Members and officers of the Council are bound by. Compliance with it is mandatory as it serves to protect individuals and the Council from legal challenge to the way business is conducted in an ever more litigious environment. It also enhances the reputation of the Council in terms of transparency and use of resources. Since the first Procurement Strategy was agreed by Cabinet significant financial savings and service improvements have been made through more robust procurement arrangements.
- 1.2 The Strategy aims to dispel the perception that rules and regulations contained within it serve as barriers to innovation and constrain management with unnecessary red tape. **The contrary is true.** By reinforcing good procurement practice across all Council Departments (*ie getting things right first time*) will save time and money in the long run and achieves better outcomes for people and businesses in Wirral.
- 1.3 In re-drafting this Strategy greater emphasis has been given to the fact that more of what the Council offers is now procured and not provided. It also recognises that following a significant reduction in staff through the Early Voluntary Retirement and Voluntary Severance scheme in 2010-11 more effective procurement procedures and enhanced corporate support is needed to supplement limited capacity within Departments. To this end the Corporate Procurement Unit will have an enhanced central role and will conduct more of the procurement activity on behalf of Service Departments to implement this Strategy and achieve the outcomes within it.

<p>Compliance with this Strategy is mandatory for Council Members and officers</p> <p>The Strategy aims to reduce red tape by centralising the procurement process</p> <p>Good procurement delivers savings and better outcomes for people</p>
--

2 LINKS TO THE CORPORATE PLAN

- 2.1 This refreshment of the Procurement Strategy is set in the context of the Council's new Corporate Plan for 2011-14 which was approved by Cabinet at its meeting of 17th March 2011. It is structured around four key themes:
- Your Family:** with a focus on **Children and Young People**, and **Adults**
- Your Neighbourhood**
- Your Economy**
- Your Council**
- 2.2 Every one of the 27 goals in the Corporate Plan is supported by this Procurement Strategy. The following have particular significance:

2.2.1 Reducing the running costs of the Council by improving the efficiency and value for money of Council services whilst reducing bureaucracy

- Delivery of £0.5m cashable savings from reviewing the Top-50 Contracts
- Delivery of £2.0m procurement efficiencies in each of the next 3 years
- Delivery of £0.2m efficiencies from a streamlined 'procure-to-pay' system
- Improving compliance with the Corporate Procurement Governance Framework

2.2.2 Supporting the development of a Bigger and Stronger Society

- Enabling the Council to meet its obligations under the 2010 Equality Duty
- Supporting the Council to promote social enterprise, and voluntary, community and faith sector organisations to deliver Council services

2.2.3 Developing wider public sector partnerships for the improvement of services to Wirral residents

- *Collaborating with other bodies (locally and regionally) to procure goods and services more efficiently and effectively*

2.2.4 Reducing Wirral's Carbon Footprint

- *Supporting the delivery of the Council's Interim Carbon Budget 2011-12*
- *Working with partners to improve resource and energy efficiency*

2.3 In addition to supporting the goals in the Corporate Plan, the Council has a significant number of contracts that are due to be reviewed and possibly re-tendered alongside the changing priorities of the Council and its ability to afford what it did before. This is a rolling programme and is articulated in the Contracts Register available on the Council's web site.

<p>Procurement is integral to the delivery of the goals agreed in the Corporate Plan</p> <p>Procurement has targets to deliver savings agreed in the 2011-12 Budget</p> <p>Good Procurement has a real impact on the local economy</p>
--

3 WHAT IS PROCUREMENT?

3.1 Procurement is the process of managing the provision of goods, services and works spanning the life cycle of the asset or service contract. Life cycle is defined as being from the initial definition of the business need through to the end of the useful life of the asset or service contract. It includes securing services and products that best meet the needs of users and the local community.

3.2 In the context of a procurement process, obtaining value for money means choosing the provider that offers the '*optimum combination of whole life costs and benefits to meet the Council's requirements*'. Value for money is not necessarily the lowest initial price option as it requires an assessment of the ongoing revenue costs as well as initial capital investment. The driving force has in the past been

focused on economy. Whilst this remains an essential ingredient, it is also important that procurement decisions are taken in the light of the broader objectives which the Council is seeking to achieve, including the aspiration to continually improve quality and fairness.

- 3.3 Effective Procurement is important because failure to purchase goods, services and works effectively and within a tight legal framework can put the achievement of key objectives, provision of services, financial standing and reputation of the Council at risk. The Council currently procures goods, works and services to the value of £150m in any one year and this strategy provides the Corporate Procurement Governance Framework within which all procurements by the Council are to be managed. These are incorporated within the Council's Contract Procedure Rules and compliance is mandatory for all Members and officers of the Council.
- 3.4 The Strategy calls for the establishment of a Corporate Procurement Board with appropriate representation from all Departments which will:
- Oversee all major procurement initiatives across the Council
 - Develop the Strategy in line with changing legislation and best practice
 - Monitor compliance with the Corporate Procurement Governance Framework

Procurement is about getting efficiency, value for money and improving quality
Compliance will be monitored by a Corporate Procurement Board
Good procurement improves the reputation of the Council

4 COMMISSIONING

- 4.1 Commissioning is *'the process of specifying, securing and monitoring of services to meet assessed needs both in the short and long term'*. Commissioning is best described as a cycle of activity that involves:
- Assessment (or reassessment) of need
 - Identifying resources
 - Planning how to use the resources
 - Arranging service delivery through a procurement process
 - Monitoring and reviewing service delivery
- 4.2 A commissioning decision does not necessarily mean that a procurement process will follow, however some element of commissioning must take place before a procurement process can begin. The procurement process relates to how those commissioning decisions are enacted, where, in particular, a decision has been taken to look externally for the supply of goods or services. This Procurement Strategy is therefore integral to the Council's Commissioning Strategy.

Commissioning is about assessing need, resources, planning and evaluation
Procurement is the 'buying' process within the Commissioning cycle
Good procurement ensures assessed need matches with available resources

5 THE REGULATORY FRAMEWORK

5.1 There is a clear statutory framework that determines the processes and places limits on the procurement practices of the Council. It is clear from this legislation that the government has extremely high expectations of local authorities' procurement activity.

5.2 The primary legislation underpinning this Strategy includes:

- (a) European Union Public Procurement Directive 2004/18/EC
- (b) Public Contracts Regulations (Statutory Instrument 2006 No.5)
- (c) Public Contracts (Amendment) Regulations (SI 2009, 2992)
- (d) The Equality Act 2010
- (e) The Climate Change Act 2008
- (f) The Bribery Act 2010

The statutory framework is based around the requirements of the Council to:

- (a) promote fair and open competition
- (b) consult and involve local people including the Council's own staff
- (c) ensure true whole life costs are understood and taken account of
- (d) achieve sustainable outcomes for people and communities in Wirral
- (e) exploit economies of scale
- (f) focus on outcomes and not who provides the service, goods or works
- (g) promote partnerships with other organisations for mutual benefit
- (h) maximize the capacity of small and medium sized businesses and faith, community and voluntary sector bodies to deliver Council services
- (i) avoid market domination by any single provider
- (j) ensure the transparency of all procurement decisions

5.3 The additional emphasis on procurement as a vehicle for community and social change has its roots in the Local Government White Paper of 2006, Building Strong and Prosperous Communities. Of particular significance in this context is the requirement for Councils to use their procurement power to support economic growth and regeneration.

5.4 The Council is also enabled through its 'Powers of Well-being' expressed within Section 2 of the Local Government Act (2000), to undertake activity which is considered to be likely to promote or improve the economic, social and environmental welfare of their areas, providing it is not explicitly precluded by other legislation.

- 5.5 The challenge for the Council is therefore to meet the high expectations associated with the wider social, economic and environmental impact of procurement decisions, within a structured legislative framework and against the need to achieve value for money.
- 5.6 Through the principles identified within this strategy, and the associated commitments, the Council will be able to meet this challenge.

Legislation determines much of what the procurement can and can't do Public procurement in particular is very tightly controlled by law This Strategy will enable the Council to procure effectively and lawfully

6 PROCUREMENT OBJECTIVES

- 6.1 The Council's procurement objectives are designed to ensure that procurement supports and contributes to the delivery of the Council's aims and objectives set out in the Corporate and Departmental Plans. This will be achieved by:
- (a) ensuring that all procurement practices are legal, ethical, transparent and conform to local, national and European procurement regulations, and adhere to the principles of openness, accountability and fairness
 - (b) delivering significantly better quality public services that meet the needs of local citizens and communities through sustainable partnerships that are forged with a range of public, private, social enterprise and voluntary sector organisations at local, sub regional, regional, national and international level
 - (c) contributing to the Council's budget stability by continually challenging procurement arrangements and seeking opportunities to reduce prices, improve quality, maximise efficiency and achieve greater outcomes for people in Wirral
 - (d) delivering the specific savings targets agreed by Council in the 2011-12 Budget through procurement initiatives. These are:
 - £2.0m savings in Departmental Budgets through better procurement
 - £0.5m additional savings from reviewing the Top-50 Contracts
 - £0.2m savings through streamlining 'procure-to-pay' business processes
 - (e) operating a mixed economy of service provision with ready access to a diverse, competitive range of suppliers providing quality services, including small firms, social enterprises, mutuals, minority businesses and voluntary and community sector groups. This will entail wherever possible, and lawful, encouraging local sourcing and local employment opportunities for people who live in Wirral.
 - (f) realising social, environmental and community benefits through procurement activities, by developing socially responsible service specifications, building social, environmental and community benefits into the evaluation process where appropriate and lawful to do so.

- (g) working with suppliers and contractors post contract award to continually explore opportunities for realising wider benefits to local communities. This will include targeted training and employment initiatives.
- (h) demonstrating continuous improvement in the equality and fairness of opportunity and the promotion of good relationships between people within diverse communities in all procurement activity.
- (i) achieving an efficient and effective 'procure-to-pay' process, which minimises manual input, enables prompt payment of suppliers' invoices, and provides robust management information on which the most effective procurement decisions can be made.
- (j) Harnessing the latest e-procurement and other technical solutions to maximise benefit to the Council through modernising associated business processes.
- (k) Ensuring that all significant risks are identified within procurement processes and appropriately managed.
- (l) Ensuring that all procurement activities consider the environment and Carbon impact and include evaluation models that take into account the Council's sustainable objectives.
- (m) Achieving continuous improvement from all categories of procurement expenditure, by having a 'living' Procurement Strategy and ensuring that all activity within it is undertaken by a highly motivated informed, professional workforce.

6.2 The delivery plan that contributes to these objectives is provided in Appendix A

Procurement is fundamental to the Council's budget stability
 The Procurement Unit has a target to deliver £2.7m savings in 2011-12
 Good procurement is about socially responsible buying

7 ORGANISATION OF THE PROCUREMENT FUNCTION

- 7.1 The Leader of the Council holds the portfolio for Finance, Big Society and Best Value and has overall responsibility for procurement.
- 7.2 The Director of Finance is responsible under Section 151 of the Local Government Act 1972 for the proper administration of the Council's financial affairs. This includes responsibility for advising Chief Officers on all aspects of procurement, and advising the Council on an appropriate framework which must be adhered to through Contract Procedure Rules. This framework is known as the Corporate Procurement Governance Framework which is embedded in the Council's Constitution and Financial Standing Orders.
- 7.3 The Director will establish a Corporate Procurement Board which will be chaired by his Deputy and have senior representation from each Council Department and be supported by officers from Legal Services and the Procurement Team. The Board will review, co-ordinate and oversee all strategic procurement activity

including the implementation of the Corporate Procurement Strategy. The Board will also establish operational, collaborative and strategic links with the Merseyside Authorities Procurement Group reporting to the Merseyside Treasurers Group. The Board will report directly to the Council's Executive Team.

- 7.4 The Head of Service (Support Services, Finance) will take responsibility for the administration of the Board and will be accountable for the delivery of the procurement savings targets agreed by Council through the leadership of the Corporate Procurement Unit.
- 7.5 The Corporate Procurement Unit is based in the Support Services Division of the Department of Finance and will be structured to support Departmental activity through category management principles. This will mean experience and expertise is developed to effectively support (i) procurement of works, (ii) procurement of services, and (iii) procurement of business services.
- 7.6 A review of Business processes is underway in 2011 to develop a more streamlined 'procure-to-pay' system which will eventually determine the formal structure of the Unit.

<p>The Leader of the Council has overall responsibility for procurement</p> <p>Procurement rules form part of the Council's Standing Orders</p> <p>Good procurement is conducted on a regional basis</p>
--

8 **OPTIONS APPRAISAL**

- 8.1 In making any important decision the Council will consider the range of feasible options available to it. This means the Council will:
- (a) have no presumption on the preferred model of service delivery. This includes whether it provides services itself, externalises them or provides them in partnership with others
 - (b) undertake robust options appraisals and evaluate the optimum service delivery model that is most likely to deliver best value
 - (c) consider alternative service delivery options where an unsatisfactory level of performance is identified either by external or in-house provision and service delivery improvement plans have failed to achieve the required standard
 - (d) Find ways of encouraging new providers into the market where competition is the chosen option and it is found that there is no viable market
 - (e) Award contracts based on value for money which provides the optimum combination of true whole life costs, economic advantage to the Council, fairness and contribution to corporate objectives
 - (f) ensure partnership arrangements are encouraged where they are likely to ensure the delivery of the sustainable, economic and continuously improving services

Procurement is an evidence-based assessment of what delivers good value
Procurement includes monitoring of contract performance
Good procurement shapes markets and drives up quality standards

9 **MONITORING ARRANGEMENTS**

- 9.1 The Council will put arrangements in place to ensure that contract compliance and performance is properly monitored and managed with the objective of achieving the planned outcomes and securing of continuous improvement and value for money.

10 **REGULATION OF PROCUREMENT**

- 10.1 The Council will take full account of and comply with the requirements of:

- (a) Relevant European Union and United Kingdom Law
- (b) European Union Procurement Directives
- (c) Council Policies
- (d) Council Contracts Procedure Rules
- (e) Council Financial Regulations
- (f) Council Constitution
- (g) Council Corporate Procurement Governance Framework

- 10.2 The Corporate Procurement Strategy, Contracts Procedure Rules, Financial Regulations, Corporate Procurement Governance Framework will be reviewed on an annual basis to promote efficient and effective procurement.

11 **WORKS CONTRACTS**

- 11.1 Works contracts will be procured where appropriate in line with the Government's "Rethinking Construction" principles and will follow the recommendations contained in the Latham/Egan Reports and the report 'Accelerating Change' by the Strategic Forum for construction.

- 11.2 The principles of Rethinking Construction will also be applied, where appropriate to service contracts required for other areas of the Council.

12 **PROJECT MANAGEMENT AND GATEWAY PROCEDURES**

- 12.1 The Council will expand the scope of Prince 2 and include the principles of Gateway Procedures where appropriate for high cost and/or high risk procurement projects.

13 **E-PROCUREMENT**

- 13.1 The Council will:

- (a) harness the potential of e-Procurement, encompassing the entire 'procure-

to-pay' process, to improve the efficiency and effectiveness of all aspects of procurement for the benefit of the Council, the people it serves, and suppliers of goods, services and works

- (b) wherever possible, co-operate regionally and nationally with other Councils, statutory bodies and other independent organisations
- (c) promote the advantages of e-Procurement to its suppliers of goods services and works
- (d) ensure that all Council contracts valued at £10,000 and above will be advertised electronically using the Council's e-portal system.

14 **WORKFORCE MATTERS**

14.1 The Council will:

- (a) ensure that workforce matters in contracting are handled in accordance with the Office of the Deputy Prime Minister Circular 03/2003 Annex C (Handling Workforce Matters in Contracting) and Annex D (Code of Practice - Workforce Matters in Local Authority Service Contracts).
- (b) involve staff and their representatives when reviewing modes of service provision

15 **PARTNERSHIP APPROACH**

15.1 The Council will:

- (a) seek to work through and explore the potential for shared services and collaboration and, partnership/consortia arrangements with the public, private, mutuals, and voluntary, community and faith sectors to encourage participation in shaping services, sharing expertise, harnessing economies of scale and working together to achieve mutual goals
- (b) consider procurement based upon the principle of "partnering" in which both the Council and the supplier avoid dispute to gain maximum mutual advantage and continuous improvement
- (c) encourage and support consortia bids from social enterprises, mutuals, the voluntary, community and faith sectors and small, medium sized enterprises in the local area so that local suppliers are in a position to compete fairly for larger contracts
- (d) consult with key stakeholders, including as appropriate, the community, current and potential users, council tax payers, partners, businesses, staff and trade unions and take account of their views in the decision-making process
- (e) consult with the market to ensure that opportunities that exist to secure funding, increase capacity and encourage innovation are maximised
- (f) seek to engage with suppliers to encourage the development of the marketplace and continuous improvement in quality standards within it

- (g) seek to create the conditions which allow for new suppliers to develop or existing suppliers to become more competitive and effective
- (h) manage the procurement process in a fair and equitable way allowing sufficient flexibility to encourage providers to be innovative and creative
- (i) involve employees in the search for value for money solutions

16 ENVIRONMENTAL AND SUSTAINABILITY CONSIDERATIONS

16.1 The Council will promote environmentally sustainable development through its procurement processes. In particular it will seek to:

- (a) eliminate waste and maximise resource efficiency
- (b) make use of goods and services which are least harmful to the environment
- (c) maximise re-cycling opportunities
- (d) encourage the use of Fair Trade produce
- (e) contribute to the Council's Carbon reduction targets

16.2 In order to achieve these objectives the Council will:

- (a) evaluate costs over the life-cycle of contracts or products rather than just the initial price thereby taking account of issues such as durability, economy and disposal in the assessment of value for money
- (b) include appropriate environmental considerations in the evaluation of tenders and therefore the award of contracts
- (c) review specifications for contracts with the intention of reducing environmental impacts including the reduction of carbon emissions which shall contribute to the Council's Carbon Budget
- (d) work with suppliers and contractors to encourage the development and testing of environmentally preferable product and service options
- (e) encourage suppliers and contractors through their contracts with the Council to improve their environmental performance
- (f) wherever possible buy 'Fair Trade' and recycled goods and encourage contractors to do the same
- (g) not use or purchase specified environmentally damaging products through the maintenance of a 'prohibited product list'
- (h) work to raise and maintain awareness about environment and development issues in relation to procurement through training, visits, conferences, workshops, exhibitions, product fairs and product trials

17 ACHIEVING FAIRNESS AND EQUALITY OF OPPORTUNITY

17.1 The Council will use the powers available to it, including the provisions of the Local Government Act 1988, the Transfer of Undertakings - Protection of Employment Regulations (TUPE) 1981, the Human Rights Act 1998,

Employment Equality (Sexual Orientation) Regulations 2003 and Employment Equality (Religion/Belief) Regulations 2003, the Race Relations Act 1976 (Amended 2000), the Disability Discrimination Act 1995, the Sex Discrimination Act 1975 and the Code of Practice on Workforce Matters in Local Council Service Contracts, and the Equality Act 2010 to ensure that equality and fairness issues are addressed in the procurement of goods, works and services. This Procurement Strategy is designed to support the Council achieving the following equality objectives:

- (a) To eliminate unlawful discrimination
- (b) To promote Equality of Opportunity
- (c) To promote good relations between people in a diverse community
- (d) To ensure that public money is not spent on practices that lead to unlawful discrimination for whatever reason
- (e) To use procurement practice to support and encourage fairness equality of opportunity and positive community relations

18 RISK MANAGEMENT

18.1 The Council will continue to develop its Risk Management Strategy to ensure that the consideration and management of risk is an integral part of the procurement process. Potential risks associated with procurement activity will be subject to a process of early identification, evaluation, management and monitoring.

18.2 Each major procurement project will have arrangements in place that ensures:

- (a) the nature and extent of risk is identified and recorded on the Risk Register
- (b) the impact and likelihood of the risks identified have been considered
- (c) appropriate and effective control measures are in place to manage risks
- (d) responsibility for the management of risk is clearly identified
- (e) risk is effectively monitored throughout the life of the procurement project

19 PROCUREMENT EXPERTISE AND OPERATIONAL PROCEDURES

19.1 In order to continuously improve its operational procedures relating to procurement and develop its workforce and partner expertise the Council will:

- (a) seek to develop new skills and knowledge in order to better understand and explore supply markets and make best use of innovative procurement practice
- (b) develop a range of competencies which will form the basis for ongoing procurement training as a constituent part of Member and staff development
- (c) ensure that all officers responsible for procurement and contract management are appropriately trained in the principles of good procurement
- (d) advocate that procurement expertise has an essential role in the development of innovative approaches to service delivery

- (e) support a structured approach to education, training and development for Members and officers of the Council regarding procurement activity

20 PROCUREMENT FORWARD PLAN AND CONTRACTS REGISTER

- 20.1 Each Department of the Council will set out its likely demand, in broad categories, for goods, works and services required over the medium term to meet the objectives agreed in the Corporate Plan. This will be done in March each year and refreshed on a regular basis.
- 20.2 This information will be compiled in the form of a Contracts Register and be available for public inspection on the Council's Business web page. It will serve to advise markets on the future procurement intentions of the Council. It will also be used to prioritise the workload of the Procurement Unit and other professional support services within the Council to ensure resources are available when they are needed.
- 20.3 Early indication of the Council's procurement intentions will also encourage collaboration with other agencies as more exploratory work can be undertaken prior to the procurement process commencing. This applies to such exploration both within and outside the organisation.

21 SCHOOLS AND PROCUREMENT

- 21.1 There is a clear expectation that the Council should have effective strategies in place to enable, support and encourage schools to become informed, effective purchasers of services. School governors have a duty to ensure they are purchasing goods and services in line with value for money principles.
- 21.2 The Council will promote the development of the procurement skills of schools and offers the support of the Corporate Procurement Unit, promoting their capacity to choose, buy and evaluate services independently and effectively, within the context of achieving value for money.

22 OPENNESS, FAIRNESS AND TRANSPARENCY

- 22.1 The Council will operate in an open manner in relation to the gathering of market intelligence. It will share such information to the mutual benefit of the market and the Council but not where the commercial advantage of the Council is compromised.
- 22.2 The Council will be fair in giving equal treatment to all, and have a consistency of approach in respect of ethical standards and absolute 'even handedness in dealings with trading partners and potential suppliers and contractors.
- 22.3 The Council will manage its procurement process in a fair and equitable way whilst allowing sufficient flexibility to encourage suppliers and contractors to be innovative and creative in their dealings with the Council.
- 22.4 The Council will be Transparent and have the ability to prove the above.

23 PERFORMANCE MANAGEMENT

- 23.1 The Council will promote the development and use of a small number of appropriate performance measures relating to procurement to avoid unnecessary bureaucracy.
- 23.2 The Council will improve the accuracy, availability, appropriateness and accessibility of a range of procurement related management information to facilitate regional and sub-regional benchmarking.
- 23.3 Benchmarking and best practice will be further developed and, where appropriate, other public and private sector organisations will be encouraged to participate.

24 MONITORING THE IMPLEMENTATION OF THIS STRATEGY

- 24.1 The Procurement Strategy will be approved by Cabinet and subject to scrutiny of the Audit and Risk Management Committee and the Council Excellence Overview and Scrutiny Committee. In order to facilitate this it will subject to the following regime of internal monitoring and review.
 - (a) The Strategy objectives and milestones will be monitored on a monthly basis via the Performance Management Framework operated in the Department of Finance. This will entail reports to the Department Management Team which will review exception reports at its monthly performance surgery, monthly Team meetings of the Procurement Unit and regular supervision with the Head of Service (Support Services, Finance)
 - (b) The Head of Procurement will submit a report to the Procurement Programme Board at each of its meetings detailing the number and type of contracts which have been let and progress against the Strategy Milestones.
 - (c) The Head of Procurement will submit an Annual Procurement Report on progress against the strategy and other developments in procurement. This report will be available on the Council's internet site.
 - (d) Audits on specific aspects of procurement activity will be carried out on a regular basis and reported to the Chief Executive and appropriate Scrutiny Committees as requested by the Chairs.

25 POST CONTRACT MONITORING AND MAINTENANCE

- 25.1 The award of a contract is not the end of the procurement process. Good contract monitoring is essential if the Council is to achieve the best possible outcomes from its procured activity. The Council has moved away from old-style confrontational contracts with detailed input specifications towards more flexible partnership arrangement. The use of output specifications is designed to put the onus on the contractor to take responsibility for the end product. Value for money

considerations in the Council's contracts mean that the contractor is responsible for a continuous improvement in service or product delivery. Close monitoring of benefits realisation on high risk, high value, or strategically important contracts will be reported to Members on a regular basis.

Procurement Key Priorities & Action Plan

Appendix A

<i>(i) Ensuring that all procurement practices are legal, ethical, and transparent and conform to local, national and European regulations, and adhere to the principles of openness, accountability and fairness</i>					
	Challenges	Action	Milestones	Completion Date	Comments/Progress
1	Contract Procedure Rules	We will undertake an annual review of Contract Procedure Rules and recommend any necessary changes.	Review Report Implement Benefits Measure	1 June 2011 1 July 2011 1 August 2011 31 March 2012	Review in progress.
2	Departmental Procurement Guidance	We will continue to work with Council Departments to deliver guidance on procurement processes and compliance with contracts procedure rules.	Review Report Implement Benefits Measure	31 August 2011 30 September 2011 31 March 2012 31 March 2012	Procedural Guidance available on the Council's Web site. Roadshows to be undertaken from September 2012
3	Member Awareness	We will continue to seek to improve Member awareness of procurement issues through presentations, reports, workshops and training sessions as appropriate.	Review Report Implement Benefits Measure	1 June 2011 1 August 2011 1 October 2011 31 March 2012	Programme of training and awareness raising workshops to be arranged and delivered in collaboration with the Merseyside Group
4	Contract Monitoring	We will improve our contract monitoring activities and ensure that a formal monitoring strategy is in place for all major contracts.	Review Report Implement Benefits Measure	1 April 2011 1 August 2011 1 September 2011 31 March 2012	In progress and ongoing.
5	Contracts Database	We will ensure that the Contracts Database is used across the Authority to provide visibility of the Council's contractual commitments, assist in the development of a	Review Report Implement Benefits Measure	1 April 2011 1 May 2011 1 June 2011 31 March 2012	Completed and ongoing. The introduction of the e-Contracts management will

		procurement forward plan and identify opportunities for rationalisation and collaboration.			improve visibility, implementation December 2011.
6	Compliant Procedures	We will ensure that all Members and Officers involved in procurement are fully conversant with all aspects of procurement legislation and practice.	Review Report Implement Benefits Measure	1 June 2011 1 August 2011 1 October 2011 31 March 2012	Programme of training and workshop awareness raising to be completed in 2011-12.

(ii) *Delivering significantly better quality public services that meet the needs of all local citizens through **sustainable partnerships** that we forge with a range of public, private, social enterprise and voluntary sector organisations at local, sub regional, regional, national and international levels.*

	Challenges	Action	Milestones	Completion Date	Comments
1	Review of contracts	We will carry out a review of all Council contracts and identify those contracts that may benefit from a partnership approach.	Review Report Implement Benefits Measure	1 June 2011 1 August 2011 1 October 2011 31 March 2012	High value/risk contracts have been reviewed as part of the project management process, all others to be part of ongoing review process.
2	Options procedures	We will ensure options for service delivery form part of the challenge process during service reviews and examine opportunities and potential benefits for partnership working.	Review Report Implement Benefits Measure	1 June 2011 1 August 2011 1 October 2011 31 March 2012	Options appraisal is incorporated into all major procurement projects.
3	Guidance on Partnering	We will develop guidance for procurement staff on partnership contracts.	Review Report Implement Benefits Measure	1 April 2011 1 April 2011 1 May 2011 31 March 2012	
4	Support for Collaboration	We will support the Merseyside	Review	Ongoing	Ongoing

		Authorities Procurement Group in its development of a three year Strategy and further collaborative procurement projects across the Merseyside sub-region.	Report Implement Benefits Measure	- - 31 March 2012	
5	Supporting the North West Improvement and Efficiency Partnership (NWIEP)	We will fully support the north west procurement hub in progressing regional procurement collaborative initiatives.	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	Support on going through the Merseyside Procurement Group.
6	Shared Services	We will assess opportunities for shared services by working with the NWIEP and other Public bodies to identify opportunities for such initiatives.	Review Report Implement Benefits Measure	As required - - 31 March 2012	Ongoing through sub-regional and Regional activity.

(iii) *Contributing to the Council's **savings targets** by continually challenging our procurement arrangements and seeking opportunities to reduce prices, improve quality, **maximize efficiency** and achieve greater outcomes for people in Wirral*

	Challenges	Action	Milestones	Completion Date	Comments
1	Savings Database	We will continue to develop the savings database to ensure it provides information to facilitate the Annual Efficiency Statement reporting process, and provides more detailed information on how savings have been identified and calculated.	Review Report Implement Benefits Measure	1 June 2011 1 July 2011 1 August 2011 31 March 2012	Database is being refreshed
2	Major Contracts	We will review all options for the procurement of high value / high risk contracts and work with service departments to ensure Best Value	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	In progress, ongoing.

		is achieved.			
3	Involvement of the Corporate Procurement Team	The Corporate Procurement Team is integrated into all Value for Money reviews and fundamental service reviews	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	Ongoing.
4	Social care	We will support the establishment of a procurement strategy and framework for savings and efficiency	Review Report Implement Benefits Measure	Completed 30 June 2011	Target completion date in collaboration with DASS / CYPD.
<i>(iv) Operating a mixed economy of service provision with ready access to a diverse, competitive range of suppliers providing quality services, including small firms, social enterprises, mutuals, minority businesses and voluntary and community sector groups, and wherever possible encourage local sourcing and local employment opportunities for people who live in Wirral.</i>					
	Challenges	Action	Milestones	Completion Date	Comments
1	Prime Contractor Involvement	We will identify ways to assist local businesses to gain indirect opportunities through our prime contractors i.e. encourage prime contractors to advertise Council related opportunities through Wirral's Business Website.	Review Report Implement Benefits Measure	1 May 2011 1 November 2011 1 December 2011 31 March 2012	Strategy in progress. Support for Wirral Invest on-line process, Further development of Council's e-portal to include Contractor opportunities.
2	Training, Meet the Buyer events and Business Fairs	We will undertake training sessions to assist SMEs in accessing Council opportunities. We will attend and help organise events that will publicise ' <i>How to do Business with The Council</i> ' and encourage participation of small businesses	Review Report Implement Benefits Measure	1 April 2011 1 May 2011 1 June 2011 31 March 2012	Six workshops have been completed in 2010/11. Six more events are planned for this financial year
3	Review of contracts	We will carry out regular reviews of all contracts and identify those	Review Report	1 April 2011 1 June 2011	Ongoing. Procurement and

		contracts that could be provided by social enterprises, mutuals, minority businesses and voluntary and community sector (VCS) groups.	Implement Benefits Measure	1 July 2011 31 March 2012	Commissioning Sub-Group moving forward the Voluntary, Community and Faith sector agenda.
4	Beacon Council liaison	We will meet with Beacon Councils to determine how they have successfully engaged with the VCS and assess how to implement their approach within Wirral.	Review Report Implement Benefits Measure	1 April 2011 1 June 2011 1 July 2011 31 March 2012	Part of the Merseyside sub-regional strategy work already in progress
5	Payments to Suppliers / Contractors / Service Providers	We will endeavour to pay all Suppliers, Contractors and Service Providers within agreed payment terms or 30 days from the receipt of an undisputed invoice. For SMEs we will endeavour to pay within 10 working days	Review Report Implement Benefits Measure	1 May 2011 1 September 2011 1 October 2011 31 March 2012	90% Target at year end.

(v) *Realising **social, environmental and community benefits** through our procurement activities, by developing socially responsible service specifications, building social, environmental and community benefits into the evaluation process where appropriate and legal to do so, and working with suppliers and contractors post contract award to explore opportunities for bringing such benefits to the local community, including the introduction of the Targeted Training and Employment Integrator.*

	Challenges	Action	Milestones	Completion Date	Comments
1	Community Benefits	We will explore ways in which to promote the inclusion of social and community benefits into the procurement process. We will consider requesting optional, priced proposals for the delivery of community benefits in the tender	Review Report Implement Benefits Measure	1 April 2011 1 September 2011 1 October 2011 31 March 2012	Guidance model approved by Cabinet 4 November 2010 and implemented thereafter.

		process <i>where appropriate</i> . We will also establish a model for identifying the 'voluntary' delivery of community benefits within the contracting process			
2	Targeted Training and Employment	We will include, in all major construction contracts targeted Training and Employment for young people to progress into career opportunities.	Review Report Implement Benefits Measure	1 May 2011 1 August 2011 1 September 2011 31 March 2012	Pilot projects due to commence with construction contracts. Training partner established,

(vi) *Demonstrating improvement in the **equality of opportunity** and the promotion of good relationships between people within a diverse community in all procurement activity*

	Challenges	Action	Milestones	Completion Date	Comments
1	Equality Standard for Local Government	We will contribute to the Council's work towards achieving the Excellence Level of the Equality Standard for Local Government.	Review Report Implement Benefits Measure	1 October 2011 1 December 2011 1 February 2012 31 March 2012	In progress.
2	'A Framework for a Fairer Future'	All Council procurement activity will take account of the new Equality Duty	Review Report Implement Benefits Measure	1 May 2011 1 June 2011 1 July 2011 31 March 2012	Clause 149 of the Bill has particular relevance to procurement, and procedures are being reviewed accordingly.
3	Monitoring of Equality in Procurement	We will produce and implement a new monitoring policy for Equalities in Procurement and regularly report on compliance to the Council's Equalities Corporate Improvement	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	Monitoring process agreed by Cabinet, Officer training completed.

		Group.			
--	--	--------	--	--	--

(vii) *Achieving an **efficient and effective procure to pay process**, which minimises manual input, provides robust information on which procurement decisions can be made, and harnesses the latest e-procurement solutions to maximise benefit to the Council.*

	Challenges	Action	Milestones	Completion Date	Comments
1	Electronic Procurement Systems	Routinely monitor expenditure to ensure orders, wherever appropriate, are processed using the Oracle procurement system to ensure the benefits of using e-procurement are maximised across the Council	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	Ongoing. Report to Change Board June 2011, for approval.
2	e Payments	We will explore all options for streamlining payments processes including electronic invoices, intelligent scanning and procurement cards and, recommend a plan for implementation.	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	Self Billing extended to all utilities. Intelligent Scanning process to be implemented in 2011-12. Other options being investigated.
3	e Sourcing	Managing the procurement process is a costly and labour intensive process, reducing manual input can release resources and make savings, we are committed to researching the market for an e Sourcing solution.	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	Due North contracts and sourcing management solution adopted. Contracts management modules being tested and assessed.
4	Regional/Sub-regional Development	Developing a Merseyside Procurement electronic hub is essential if collaboration is to	Review Report Implement	Ongoing - -	Three year strategy completed and approved by the

		succeed on Merseyside.	Benefits Measure	31 March 2012	Group Wirral leading.
--	--	------------------------	-------------------------	---------------	-----------------------

(viii) Ensuring that all potential **risks** are identified within procurement processes and appropriately **managed**.

	Challenges	Action	Milestones	Completion Date	Comments
1	Risk Management	Generic procurement risks are dealt with as part of the Council's risk register. However, for all major procurement projects, the identification and management of specific risk will be part of the procurement process.	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	Ongoing.
2	Training	We will produce a series of ongoing training days for Members and Officers who are directly involved in high risk procurement projects.	Review Report Implement Benefits Measure	1 April 2011 1 May 2011 1 June 2011 31 March 2012	Roadshows and Training days to commence June 2011.
3	Supplier Relationship Management	We will have procedures and processes in place that will manage our goods and service providers to ensure that maxim benefits are realised from contracts and that best value is being achieved.	Review Report Implement Benefits Measure	1 April 2011 1 September 2011 1 September 2011 31 March 2012	In progress, targeted progress review April 2012.

(ix) Ensuring that all procurement **considers the environment** and, where appropriate, includes evaluation models that take into account the Council's sustainable objectives

	Challenges	Action	Milestones	Completion Date	Comments
1	Environmental Assessment	We will carry out an environmental assessment of all our key products and services and work with suppliers and contractors to reduce	Review Report Implement Benefits Measure	1 April 2011 1 May 2011 1 June 2011 31 March 2012	Flexible Framework Plan.

		the negative environmental impact of our procurement activities.			
2	Fair trade	We will increase the number of fair trade products purchased.	Review Report Implement Benefits Measure	1 April 2011 1 May 2011 1 June 2011 31 March 2012	Flexible Framework Plan.
3	Recycling	We will increase the number of recycled products purchased.	Review Report Implement Benefits Measure	1 April 2011 1 May 2011 1 June 2011 31 March 2012	Flexible Framework Plan.
4	Evaluation Models	We will make environmental considerations a key part of the tender evaluation process where this is appropriate.	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	Completed.
5	Local Sourcing/Regulated deliveries	We will, where appropriate and within the a competitive process, encourage both the use of local suppliers to reduce the environmental impact of movement of goods and a logistical approach to minimise the number of supplier deliveries to Council premises.	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012	Stationery supplies now have reduced deliveries, other options being developed.

(x) *Achieving continuous improvement from all categories of procurement expenditure, by having a 'living' Procurement Strategy and ensuring that all procurement activity is undertaken by **informed, professional procurement staff.***

	Challenges	Action	Milestones	Completion Date	Comments
1	Professional Procurement	All procurement staff will have the appropriate, professional qualification, Membership of the Chartered Institute of Purchasing	Review Report Implement Benefits Measure	Ongoing - - 31 March 2012.	All procurement Staff have a training programme to follow which includes gaining

		and Supply, and we are committed to the provision of professional training to provide professionally qualified staff for the future.			professional qualifications and post graduate training.
2	Procurement Practitioners	We are committed to producing annual training plans for all Members and Officers involved in the procurement process. This will be reviewed at the beginning of each financial year and submitted to the Procurement Programme Board for approval.	Review Report Implement Benefits Measure	1 June 2011 1 August 2011 1 October 2011 31 March 2012	Training Programme to include collaboration with the Merseyside Group.
3	Sub- regional/Regional Training	We will support the adoption of a sub-regional/Regional training programme to be produced annually.	Review Report Implement Benefits Measure	1 April 2011 1 May 2011 1 September 2011 31 March 2012	Ongoing.