

City of Bradford Metropolitan District Council

Procurement Strategy 2008-2011

February 2009



BRADFORD
one landscape many views



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1.0 Introduction

Procurement is the process of acquiring goods, works and services, covering both acquisition from third party and in-house providers. The process spans the whole cycle from identification of needs, through to the end of a services contract or the end of the useful life of the asset.

National Procurement Strategy October 2003

The purpose of this document is to provide an updated 3 year procurement strategy for the Council which is aligned to our corporate priorities. The strategy draws together national developments in procurement, local priorities and any issues identified in audit reports.

The strategy focuses on the delivery of outcomes and achievement of targets through both strategic and routine procurement projects and is a clear statement of principles that should be applied to all procurement activity. It will set the strategic direction that will enable the Council to procure high quality services delivered to local people. This will be achieved through a stronger corporate approach that ensures consistent and co-ordinated procurement activity and management of major projects.

Procurement is an integral part of the Council's day to day business activities and it is important that the Council undertakes procurement in a way that demonstrates value for money, transparency and recognition of important social and environmental factors that support the goals and ambition the Council and its partners have for the district. Procurement needs to be a catalyst for achieving better value for money through challenging traditional ways of delivering services and looking to improve quality and driving out inefficiencies wherever possible.

Our **main procurement aims** are:

1. Ensuring that we support the regeneration of the district by promoting and stimulating the local economy
2. Promoting the wider Council objectives of sustainability and diversity through socially responsible procurement
3. Seeking value for money in terms of higher quality and cash savings through best practice in procurement
4. Introducing a robust corporate and strategic approach to the management of major projects and procurement activity

The procurement strategy is closely aligned with the document "**Bradford Together: Working with the Council to Deliver Sustainable Business in the District**". This documents sets out how we want business partners to help us address sustainability and covers the three main dimensions of sustainability:

- Economic sustainability – how local business will be supported
- Social sustainability – how local people will be supported
- Environmental sustainability – how the environment will be safeguarded

2.0 Current Position

National context

The National Procurement Strategy was launched in 2003 and set out to raise the profile and effectiveness of local government procurement and established a number of milestones and targets for all Local Authorities. More recent publications such as the Comprehensive Spending Review in 2007 (CSR 07) which set a value for money savings target of 3% for local government, the National Improvement and Efficiency Strategy and a series of reviews have further developed Government thinking in this increasingly influential policy area.

The Council has achieved the majority of the National Procurement Strategy recommendations already (see Appendix 1) and the strategy will ensure that we build on our achievements.

Local context

In addition to the national strategy, local factors need to be included to ensure that procurement activity makes a real difference to the district. The Procurement Strategy is aligned with the strategic aims and objectives of the Council's Corporate Plan "Citizens First" and Sustainable Community Strategy "The Big Plan".

More specifically, the strategy will contribute to individual priorities in the following way:

Educating & Supporting Children

- Management of Building Schools for the Future and the Educational Services contracts to provide the best learning environment and support services to enable pupils in the District to reach their full potential
- Continuing responsive support for schools procurement

Creating a More Prosperous District

- Encouraging local suppliers to bid for and win Council business
- Supporting small and medium businesses in particular in the difficult economic climate
- Asking partners through support for "Bradford Together" for their commitment to economic sustainability addressing issues relating to: local suppliers, diverse suppliers, fair & ethical trade and whole life value.

Safer & Stronger Communities

- Supporting cohesion within our community through undertaking seminars and workshops to develop a mixed economy of small and medium local businesses enabling them to understand the standard procurement processes required in the public sector and ensuring that they are not driven away from bidding for Council business due to unnecessarily complex procedures.
- Asking partners through support for "Bradford Together" for their commitment to social sustainability addressing issues relating to: skills and employment, strong communities, community engagement and health & well-being

Improving the Environment

- Maintaining a clear focus on sustainable procurement and work needed to embed sustainable procurement practices consistently across the Council.
- Asking partners through support for “Bradford Together” for their commitment to environmental sustainability addressing issues relating to: climate change, demand for natural resources and transport

Healthier Communities and choice for vulnerable adults and older people

- Developing a single simple and speedy commissioning process which builds sustainable capacity within the care market through “fair rates” and ensuring that contracted organisations have the necessary infrastructure and processes to deliver quality services.

Improving Customer Services

- Further development of the procure to pay system (SAP) and associated processes to further streamline back office functions.

An efficient & effective Council

- A standard and consistent approach to procurement, commissioning and project management where compliance is part of the organisational culture
- Relevant controls and standards in place to ensure that procurement activity is carried out in a fair, transparent, and ethical manner.
- Providing training and other development opportunities for Council staff involved in procurement to enhance skills, knowledge and experience so that the strategy is effectively delivered.

Comprehensive Area Assessment

The “Use of Resources” block is a key element in the CAA assessment process which requires a significant input from the effective and efficient delivery of the procurement agenda.

Achievements

Much has been achieved in procurement in recent years with a number of key successes. The Council now needs to build on these to continue to take forward the agenda.

Some notable achievements and progress include:

- Maximising the contribution of procurement to cashable efficiency savings and promoting a focus on achieving value for money using whole life cycle costs rather than just initial price and higher quality
- Establishing collaborative procurement arrangements with other Local Authorities in areas such as fleet, highways, and social care as well as standardisation of some processes.
- Implementation of a Council wide procure to pay system and process through the Bradford-i strategic partnership
- Implementation of a regional electronic tendering system (SCMS)
- Award for innovate food procurement arrangements by DEFRA
- Signing up to the Small & Medium Enterprise (SME) concordat
- Establishment of corporate Programme Management Board to oversee major projects
- Development and launch of web-based project management guidance documents
- Training of Council staff on procurement legislation, procedures and good practice
- Appointment of an Assistant Director for Major Projects, Programmes and Procurement
- Introduction of a Project Assessment Matrix & Benefits Prioritisation Matrix
- A finalist in 2008 in Government Opportunities Excellence Awards for Public Procurement
- Successful "Meet the Buyer" event attended by over 200 local businesses

3.0 The Future

1. Ensuring that we support the regeneration of the district by promoting and stimulating the local economy

We recognise the impact that procurement can have on the local economy and we need to increase the opportunities for local suppliers to win Council business either directly or as part of our overall supply chain. Whilst developing a competitive market we need to understand that many small businesses are not geared up to deal with complex processes and procedures and we must ensure that they are not driven away because of unnecessary bureaucracy.

2. Promoting the wider Council objectives of sustainability and diversity through socially responsible procurement

The Council's procurement activity and the activity of its suppliers have a large impact on the sustainability of the region. Whilst the Council has achieved much in recent years in terms of sustainable procurement more work needs to be done to ensure that sustainability is truly embedded into every procurement exercise the Council undertakes to reduce any negative effect on the environment through the products and services the Council buys. Our commitment to working with business partners to secure the best future for our community is set out in more detail in "Bradford Together".

3. Seeking value for money in terms of higher quality and cash savings through best practice in procurement

We need to build on the devolved nature of procurement within the Council. The Corporate Procurement Unit will adopt a more strategic approach and focus on ensuring that procurement skills are developed across the Council with best practice firmly embedded and compliance seen as a fundamental part of the organisational culture. This will enable us to continue the drive for value for money savings and through shared experience capitalise on opportunities for joint procurement.

4. Introducing a robust corporate and strategic approach to the management of major projects and procurement activity

A strong recommendation from the Audit Commission's report on procurement was that the Council required a central framework and co-ordinated approach to the management of major procurement projects and this was. All major projects must now be supported by a valid business case which aligns the benefits with a specific Council priority and identifies the full costs.

4.0 Supporting Regeneration and the Local Economy

EU procurement legislation and Council contract standing orders do not allow us to simply favour small or local businesses. Our supplier selection procedures must be transparent, non-discriminatory and based on achieving value for money. However, sustainability and quality can be taken into account when options are being considered and the Council recognises the impact its major projects and procurement activities have on the local economy.

The Council has already signed up to the concordat for Small and Medium sized enterprises and it is estimated that the Council currently spends approximately 30-35% of its procurement expenditure within the Bradford Metropolitan District. It is our intention to increase that to more than 50% within the next 3 years.

We will support the regeneration of the local economy in the following ways:

- Holding one large annual meet the buyer event and at least two smaller events targeted at a particular market segment each year.
- Running other training and awareness sessions with local businesses to explain how the Council's procurement procedures operate and how to register and bid for Council business
- Providing information and guidance on how to do business with Council on the Council's website and advertising tender opportunities on the regional Supplier Contract Management System
- Increase the use of local labour clauses in construction contracts, building on the work undertaken by the Council's Links 2 team who encourage suppliers to use local labour.

In a difficult economic climate, we will support small and medium businesses and the voluntary sector in the following ways:

- Provide support and guidance to Small Medium Enterprises, Black, Asian, Minority Enterprises in conjunction with Business Link, Chamber of Trade and groups such as Asian Trades Link
- Review and design contracts in order to increase opportunities for small and medium businesses and the voluntary sector to successfully compete for council business where better value for money can be demonstrated
- Review the procedures small and medium businesses are required to comply with in order to tender for Council contracts and ensure that procedures are as streamlined and straightforward as possible
- Work with the voluntary sector and social enterprises to deliver the Council's Voluntary Sector Compact and where appropriate examine the use of social benefit clauses in contracts to give third sector organisations the opportunity to demonstrate the benefits of purchasing services from them
- Monitor the levels of contract activity with third sector providers including voluntary, community, not for profit companies and social enterprises to ensure that the Council supplier base represents a mixed economy of suppliers.
- Enhance the Council's communications with each sector by providing a named contact within the Council to assist with initial enquiries on opportunities.
- Ensure 100% of all invoices are paid promptly within the agreed payment period.

5.0 Socially Responsible Procurement

It is important that the Council's major projects and procurement decisions seek to achieve the greatest benefit to the wider community by securing economic, social and environmental benefits as well as achieving value for money. Our approach to sustainable procurement and how local partners can contribute is set out in the document "Bradford Together".

The Council is committed to a mixed economy of suppliers and a representative supply base. Through targeted engagement with local business Bradford is in a strong position to support community cohesion by providing business opportunities for suppliers from all sectors.

Sustainability

It is important to undertake procurement activity in a way that aims to ensure that natural resources are used efficiently and waste is avoided. Spending decisions are important in tackling climate change through reducing carbon emissions and ensuring that our buildings, infrastructure and service delivery are also resilient to climate change.

We will support the Sustainable Community Strategy in the following ways:

- Ensure that the business case and specification in each procurement project addresses sustainability and identifies whether there is scope to improve the environmental, economic or social impacts of the proposed contract including reducing carbon emission issues to support the Council's 20% reduction targets, EMAS accreditation policies and optimum recycling capability of all products
- Award contracts on the basis of whole life cycle costs, total cost of ownership and sustainable benefits wherever possible taking into account environmental criteria in the selection of suppliers.
- Draw up an action plan to embed sustainable procurement within the organisation including: supplier spend analysis, level of sustainability issues addressed in current contracts, developing a network of sustainable procurement champions and achieving consistent working practices equivalent to Level 3 of the UK Sustainable Procurement Strategy Flexible Framework by 2009 rising to level 4 by 2011
- During 2008/9 develop best practice training and guidance working with partner organisations so that procurement officers have information to hand to enable them to make informed decisions.
- Working closely with all key partners and suppliers to promote the Council's sustainability values and environmental policies and encouraging the adoption of similar policies to "green" their supply chain.

Fairtrade

Bradford is a Fairtrade City and recognised nationally as a Fairtrade zone since 2006. By purchasing Fairtrade products, the Council actively supports the principle of international Fairtrade, which aims to improve the livelihood and well being of excluded and disadvantaged farmers and producers.

The Council will support Fairtrade in the following ways:

- Ensure that all coffee, tea, chocolate and bananas provided as part of municipal meetings, functions and meals are procured from Fairtrade sources wherever practical.

- Promote and encourage the use of other Fairtrade goods where this is within the Council's legal powers to do so
- Continue to work with Fairtrade Bradford to promote Fairtrade across the district and encourage schools and suppliers to use more Fairtrade ingredients

Ethical Procurement

The UK has ratified all the core International Labour Organisation's 1998 conventions which cover freedom of association, the right to collective bargaining, the elimination of child and forced labour and the elimination of discrimination in employment.

The Council will support these conventions in relation procurement in the following ways:

- Include a declaration in promotional material and documentation that the Council fully supports the agreed core labour standards.
- Ensure that where appropriate the above standards are included in relevant procurement processes, contract documentation and training work the Corporate Procurement Unit undertakes.

Equality & Diversity

The Council through its procurement processes can use its influence to promote a positive approach to equality and diversity.

The Council will promote equality and diversity in procurement in the following ways:

- Provide advice on equality issues in the contracting process and ensure that contracts promote equality and diversity especially service contracts.
- Build equality and diversity terms and conditions into standard procurement documents
- Provide workshops for Council officers and potential bidders that include addressing the equality and diversity issues in business cases and procurement activity
- Monitor contracts for compliance against equality standards

Commissioning

In recent years, the Council has moved away from delivering care services itself towards commissioning services from key partners in the private, public and voluntary sector. Commissioning is at the heart of providing effective services and is the process by which the Council decides how to spend money to get the best possible outcomes for whole groups of local service users and carers.

We will support the Council's commissioning process in the following ways:

- Develop strategies for commissioning services that provides for a planned and coherent approach to the targeting of resources using demand forecasting, capacity planning and joint commissioning with health.
- Ensure services procured meet the needs and aspirations of adults, children and their carers through active dialogue and involvement.
- Ensure proper consideration of all commissioning options: contracts, grants, market shaping, partnerships or joint provision

- Ensure that commissioning decisions are evidence based and make the most effective use of resources to provide the best outcomes.
- Develop methods of commissioning and performance management that focus on rewarding the achievement of outcomes.
- Manage the significant changes in social care markets arising from the policy of social care "transformation", which will give personal choice and control over the provision of care to individuals and carers.
- Promote integration and community cohesion by commissioning diverse and sustainable provision from local providers and the third sector that meet the needs of all local service users and "unlocks the talent in our communities"
- Enhancing the skills and professionalism of commissioning through academic and workforce development

6.0 Value for money and best practice in procurement

Value for money

There are rising public expectations and increasing demand for many services yet Council financial resources are limited. Therefore, it is essential that procurement activity aims to get better quality goods and services whilst paying the same or less. CSR07 has moved the emphasis from efficiency gains to cashable value for money gains. Procurement can play an integral role in delivering such gains.

In linking with the Value for Money Framework, the Corporate Procurement Unit will undertake a full analysis of the Council's supply chain to determine:

- The extent of contract coverage across procurement expenditure
- The opportunities to put in place new contractual arrangements to reduce costs and improve quality
- The extent of "off contract" expenditure and non-compliance
- Opportunities for collaborative or joint procurement (see below)
- Opportunities for developing e-procurement functionality in certain key commodity areas (see below)

On completion of the supply chain analysis a work plan will be drawn up to prioritise those areas which need to be addressed first and will result in the greatest value for money gains.

The Council will deliver additional value for money gains in the following ways:

- Establish Council wide corporate contracts for generic goods and services ensuring that their use is enforced except where an alternative business case can be made
- Use value for money as the primary criteria when awarding contracts taking into account whole life cycle costs and higher quality.
- Establish a performance management environment that includes monitoring performance indicators that measure the efficiency and effectiveness of procurement activity across the Council
- Encourage innovation and relevant Council policies are incorporated into contract specifications and terms and conditions

Collaborative or joint procurement

The Council has a strong track record in the use of joint procurement with other public sector organisations recognising that this can be an effective way to deliver value for money savings, share experience and promote new ways of working.

The Council will continue to support collaborative working in the following ways:

- Working with the Regional Centre of Excellence (RCE) (or its successor body) to facilitate joint procurement exercises with neighbouring Council's according to the categorisation of areas best suited for such an approach
- Develop relationships with other local public sector purchasers with the intention of exploring opportunities for collaborative procurement and the use of standard terminology wherever possible

Development of E-procurement & E-commerce

In November 2006 the Council introduced a full e-procurement system through its Bradford-i partnership with IBM. This now gives the Council a full Procure to Pay Process for the first time and the ability to streamline processes, reduce the cost of ordering and have more corporate visibility and control over the Council's supply chain. The Council also uses the regional Supplier Contract Management System (SCMS) developed with the RCE for the tendering of all contracts over £75,000.

The Council will continue to develop e-procurement or e-commerce in the following ways:

- Expand the facilities available to order goods and services through electronic means either through catalogues on SAP or suppliers' own on-line systems
- Regular review of the procure-to-pay process in consultation with users and customers to ensure that the system and associated procedures and controls are as efficient as possible and that compliance is embedded within the organisational culture.
- Undertake an "E-Auction" trial during 2008/9 to test the technology and the benefits it can bring to the Council. If successful to roll out during 2009 for the purchase of key commodities.
- Review the use of purchasing cards for low value spot purchases outside of existing contract arrangements
- Continue the development of the Regional SCMS to present a central point of contact for local suppliers interested in tendering for Council business. All contracts over £75,000 will be on the system by 2008/9 with all contracts over £10,000 by 2009/10.

Standard Processes and Controls

A key development in ensuring that Bradford can demonstrate the quality of its procurement processes is to establish a standardised procurement framework methodology. The selection is based on the strategic importance of the procurement, the value of the goods or services and the potential risk associated with each option.

Procurement Analysis

↑ Risk	BOTTLENECK Low value/high risk procurements may be critical for service delivery. Processes may include use of multiple suppliers, secondary contracts etc	STRATEGIC High risk/high value procurement requires careful project management and in certain cases strategic partnerships may be an option.
	ROUTINE Low risk/low value procurements benefit from arrangements such as e-procurement solutions, purchasing cards and approved suppliers	LEVERAGE Low risk/high value (for example bulk supplies) should be covered by corporate arrangements such as corporate contracts, approved consortia etc
	Value →	

A consistent approach will also be adopted to the way each procurement project is undertaken which is suitable for the size and complexity of the procurement itself, such an approach provides:

- Clear understanding of the need for the procurement, including links to strategic and departmental business plans
- Clear understanding of the scope and expected outcomes of the procurement
- Clear understanding of the risks associated with undertaking the procurement
- Clear understanding of the stages of the procurement underpinned by a formal project plan, identifying key milestones and review points
- Clear understanding on the part of procurement project sponsors as to progress on each procurement, allowing for timely decision-making and escalation if necessary
- Clear understanding on the part of department and corporate management as to the range, scope and progress of procurement activity being undertaken

More details of the standard approach and required documentation are included as Appendix 2.

The Council will enhance compliance with the standard approach in the following ways:

- Embed the procurement framework methodology into the organisation so that appropriate resources are committed to the procurement and contract management activity.
- The Procurement Unit will monitor compliance with standard procedures, obtain feedback from Departments on non-compliance and take action as necessary
- Review Contract Standing Orders every year with recommended changes being considered by Governance and Audit Committee and Full Council.
- Communicate with staff on a regular basis to ensure continued awareness of all the relevant legislation, regulations, standard documents and guidance for project management and procurement guidance. This will include joint briefings by the Corporate Procurement Unit and Legal Services where new procurement procedures are introduced.
- Continue to work with regional partners and Councils to look at further standardisation of procurement procedures including a standard West Yorkshire Approved List of Contractors.
- Expand the range of procurement documentation which is available on the intranet and internet.

Contract & Category Management

Achieving initial competitive prices and high quality service provision is only part of the procurement process. Developing supplier relationships through good contract management challenges suppliers to build upon initial savings and deliver additional performance improvements throughout a contract. This is best achieved by continuous monitoring of the supplier's performance and understanding of the wider market by experts who have the appropriate skills but also know the category and the supply base. The Council will move to a position where it has nominated lead officers across the Council who take responsibility for the management of a certain portfolio of products or services.

The Council will develop category management in the following ways:

- During 2008/9 after the supply base audit, a proposal will be drawn up for the introduction of category management identifying which Department will take the lead in the procurement of all products and services across the Council in each particular category.
- The responsible Department will be required to undertake the contracting process taking into account the requirements of other departments and will also lead on innovation in the delivery of the contract during the contract period.

Procurement Skills and Training

A standard approach to procurement will provide a clear understanding of the training requirements required to develop competence and capability in initiating and undertaking procurement activity. The Corporate Procurement Unit currently runs an in-house training course and during 2007 carried out a procurement skills analysis exercise to identify future procurement training requirements across the Council. Access to further training and development is essential for Council staff involved in procurement activity if service quality and value for money outcomes are to be achieved.

The Council will enhance the organisation's procurement capacity in the following ways:

- Ensure that all procurement staff in the Unit are fully qualified or undertaking CIPS or other appropriate professional training
- During 2008/9 the in-house procurement training course will be revised to refocus on achieving key procurement activity outcomes.
- Member and senior officer commitment to compliance will be re-enforced through additional training to raise the profile of procurement.
- Ensure that every Council employee who undertakes procurement as part of their duties has access to procurement training.
- By 2009 develop and role out across the Council a competency framework for procurement so that individual members of staff can undertake self-assessment against the skills required for delivering a high quality procurement activity.

7.0 Management of Major Projects

Major Projects

It is important that the Council undertakes major projects and programme management in a way that ensures that there is a corporate approach to commissioning, reporting and appropriate controls at all key stages of a project. Consistent information should be provided on priority status, risk and resource issues together with links between projects and corporate priorities. This ensures that effective governance can be undertaken with accurate decisions taken allowing for the better use of scarce Council resources. Project Assurance Reviews will be at the heart of how the Council undertakes major projects.

During 2007 the Council developed a more centralised and structured process around the procurement and programme management of major projects. Recent activities include:

- The establishment of a Corporate Programme Management Board to oversee and co-ordinate key stages of major projects.
- Adoption of a standard Project Assessment Matrix for assessing the risk for all projects over £500,000.
- Completion of a Benefits Prioritisation Matrix to assess the level of benefits existing projects contribute to corporate priorities.
- Training sessions on programme management;
- Development of Project Management guidance documents to standardise governance and other processes on major projects;
- Gateway Reviews being undertaken as standard on all major projects.

During 2008/9 a framework will be developed under the Office of Deputy Chief Executive comprising central skills and resources to support major projects and ensure that a centralised process is in place for the monitoring of risk and progress against key milestones as well as central co-ordination of resources. Initially, there will be a “virtual” central programme support office with key process documents and templates available through an internet site. The central team will also ensure that governance processes for major projects are appropriate and effective.

The Council will deliver the management of major projects in the following ways:

- Adopt a standard Project Assessment Matrix for assessing the risk for all projects below £500,000.
- During 2008/9 complete a survey and skills assessment of all staff undertaking project and programme management.
- Training on programme and project management techniques to be undertaken to increase the capacity of employees who can develop and deliver Private Finance Initiative, Private Public Partnerships and other major projects
- During 2008/9, complete a further standardisation of processes and documentation used in projects based primarily around Prince2 methodology.
- Establish a central programme office to support Departments with best practice advice as well as monitoring all Council projects including benefit realisation.
- Establish a network forum for project and programme management to promote a corporate approach, share good practice and lessons learned and overall improve the quality and outcomes of Council projects and programmes

- Undertake local “Gateway Reviews” for all major projects at key milestones including post implementation reviews
- Ensure that skills transfer options are built into all procurement exercises for consultants to support major projects so that the Council can reduce the future requirements for consultancy support

The Council acknowledges the importance of partnerships in delivering services. It already benefits from a range of partnerships with private, public and voluntary organisations. Strategic partnerships can provide access to new skills and resources allowing for innovation in the pursuit of long term goals.

The Council will ensure that any partnerships and consultancy contracts include arrangements for the transfer of skills and knowledge to the Council as a fundamental requirement of the contract

Construction Procurement

Construction and the repairs and maintenance of buildings and roads cover a large amount of the Council’s procurement expenditure. Historically, construction procurement was based on an adversarial relationship between client and contractor. The 1998 report “Rethinking Construction” refocuses that relationship to one where user satisfaction is the prime objective with its key themes of: committed leadership; integration; quality-driven agenda and commitment to people.

This is the change agenda for the public sector and the construction industry and the work achieved thus far by and still to do is set out in the document “Innovation in Construction Services” published in August 2008 by the Department for Business Enterprise and Regulatory Reform.

The Council will improve construction procurement in the following ways:

- Undertake medium and long term planning approach to construction procurement looking at the whole life of the built environment and its contribution to the quality of life in the district with a particular focus on sustainability in relation to the products used, running costs and employment opportunities.
- Encourage all new build designs to develop innovative and high quality architectural solutions yet remain sympathetic to the district’s heritage where appropriate
- Establish integrated project teams with appropriate expertise at the earliest stage possible to explore markets and alternative ways of working that will encourage innovation
- Encourage continuous improvement by establishing long term relationships with other organisations and contractors where appropriate for the delivery of capital schemes.
- Get things done right first time, defect and dispute free
- Ensure value for money by focusing on whole life term value and the long term effectiveness of buildings and infrastructure. Contractors will be selected on best value rather than lowest price.
- Develop the skills and knowledge of key technical and professional staff increasing their awareness of new methods of working, materials etc
- During 2008/9 develop new framework agreements to cover procured professional services of architectural, quantity surveying and building services engineering.
- During 2009/10 develop a new framework agreement for construction services for the construction and delivery of capital schemes via a preferred partner

8.0 Procurement Strategy Targets

We have addressed the previous lack of corporate procurement key performance indicators and have developed the following indicators which will enable the Corporate Procurement Unit to monitor our activities and see how well we are achieving our goals and supporting corporate priorities.

Key performance Indicators and targets

- To increase the level of procurement expenditure within the local economy by 5% in each of the years 2008/9, 2009/10 & 2010/11.
- In 2008/9, baseline the level of procurement expenditure with third sector providers, SME and BAME's and agree improvement targets for 2009/10 and 2010/11.
- By 2009/10 order 75% of all goods through electronic means
- Achieve the delivery of value for money savings in each of the financial years 2008/09 to 2010/11 of 1.2% of the total procurement expenditure of approximately £180m which equates to £2.2m. This includes annual Bradford-i efficiency targets of £1.7m.
- Achieve all level 3 targets of the UK Sustainable Procurement Strategy Flexible Framework by 2009 and all level 4 targets by 2011
- Set a target for 100% of all major projects to be fully compliant with standard procedures by 2009

9.0 Organisation

Most of the Council's procurement and management of projects is carried out in service Departments. Implementation of this strategy will ensure that the central Corporate Procurement Unit adopt a more strategic approach through co-ordination and control and the procurement skills, knowledge and experience of staff within service areas are increased.

The Corporate Procurement Unit will

- Lead the development and implementation and monitoring of the procurement strategy reporting to members
- Provide support, guidance and advice on procurement practice including co-ordinating and disseminating good practice
- Provide assistance on major procurement projects to Council departments
- Provide procurement training to members, officers and local businesses
- Undertake spend analysis on Council's expenditure and identify opportunities for savings and benefits for the Council
- Maintain model draft contract documentation and a register of contracts
- Advertise all Council contracts where indicated by standing orders
- Own the process for the procure to pay and develop and implement enhancements and changes
- Undertake procurement and contract management for authority wide goods and services and major partnership contracts

Service Departments will:

- Be responsible for procurement activity in their respective areas
- Provide updates to the central contracts register
- Utilise framework contracts for the purchase of goods and services administered by the Council, Yorkshire Purchasing Organisation, central government or other public bodies

Procurement Network:

A procurement network group comprising of officers involved in procurement across the Council is tasked with co-ordinating the tasks in the Procurement Action plan and acting as "champions" for the development of the procurement function across the Council.

Schools procurement:

Due to the nature of devolved budgets, schools procurement is not explicitly included in this strategy but neither are there barriers that prevent schools from participating in order to gain benefits. The Council will continue to offer responsive procurement support when requested by schools.

10.0 Glossary

Approved list	Contractors, suppliers and consultants that have met the Council's vetting requirements for providing works or services.
BAME's	Businesses who ownership exceeds 51% from Black, Asian or Minority Ethnic Groups
Beacon Councils	The Beacon Scheme is a government award which highlights the achievements of authorities that have delivered excellent services within a particular theme. It does this with the intention of helping others to improve.
Best value	Establishing the most appropriate service for the most acceptable cost
Bradford-i	A strategic partnership contract between Bradford Council and IBM to deliver an IT transformation programme.
Bradford Together	"Bradford Together: Working with the Council to Deliver Sustainable Business in the District" is a strategic document setting out the dimensions of sustainability we want our partners to help us respond to
Building Schools for the Future	Building Schools for the Future (BSF) is the biggest ever school buildings investment programme. The aim is to rebuild or renew nearly every secondary school in England.
CIPS	Chartered Institute of Purchasing and Supply - the professional organisation for procurement officers.
Comprehensive Area Assessment	CAA - A review of a Council's performance, carried out by the Audit Commission who will carry out a risk assessment and score a Council's use of resources and direction of travel in relation to continuous improvement.
Collaboration	Working with others for mutual advantage
Commissioning	The process of determining the service outcomes required particularly for adult social care or children's services, acquiring the services and making sure the requirements are met.
Comprehensive Spending Review (CSR07)	A long term fundamental review of government expenditure to identify what further investments and reforms are needed to equip the UK for the global challenges of the decade ahead
Contract management	The process of monitoring the performance of a supplier to ensure it complies with the terms of the contract
Corporate Plan	What the Council intends to do over a defined period, typically longer term
E-Auction	An online exercise in which suppliers compete against each other with open bids for the right to provide goods or services to the buyer.
E-Commerce	Commercial activity carried out electronically
Efficiency	The Government has set review targets for the public sector to make savings of 3% year-on-year for three years to improve services by increasing efficiency — getting more from the same resource or achieving the same results using fewer resources.
EMAS	Eco-Management and Auditing Scheme: a voluntary EU initiative that enables organisations to improve environmental performance.
E-Procurement	The use of web-based technologies and electronic communications networks for transactional purchasing.
EU Directives	legislation regulating procurement activity across the European Union
Fairtrade	An organised social movement advocating the adoption of acceptable social and environmental standards and the payment of a fair price to producers of various goods particularly exports from developing countries.
Framework Contracts	Contracts that combine the savings made from forming larger contracts with the facility to place more than one order under the same contractual arrangement.
Gateway reviews	Examines a programme or project at critical stages in its lifecycle, to provide assurance that it can progress successfully to the next stage.

Gershon report	An independent review carried out by Sir Peter Gershon led to a report on public sector efficiency. The 'Releasing Resources to the Front Line' report was published in 2004.
Internet	A world wide network comprising millions of computers the most common components of which are the world wide web and e-mail
Intranet	A private network of information that is internal to the organisation and which utilises browser technologies
Life cycle	activity from when it starts to when it finishes, or starts all over again
Links2	A team set up by the Council to assist in regeneration by encouraging and supporting potential investors in the district to link with local contractors and suppliers especially in the construction industry
Maverick Spend	Spend committed with a non-contracted supplier where a contracts exists for goods/services required.
National Procurement Strategy	Strategy for Local Strategy Government published for Local published in October 2004. Government The strategy sets a number [NPSLG] of procurement-related targets for local government which are to be achieved by 2006.
OJEU	Official Journal of the European Union. The main source for tender information in relation to public works, services and supply contracts in the UK and across the European Union.
Option appraisal	The evaluation of procurement choices against what is needed
Partnership	Sharing information with a long-term supplier to improve performance and minimise costs
PQQ	Pre-qualification questionnaire. A method of assessing the suitability of businesses who want to provide quotes for work.
Procure to pay	A Purchase to Pay e-Procurement tool with access to product and service catalogues
Procurement	The process of acquiring goods, works and services from others
Purchasing Cards	Similar to credit cards and used to purchase relatively low value goods or services reducing paper handling and associated costs and inefficiencies
Regional Centre of Excellence	Regional Centre of Excellence for Yorkshire and the Humber. This is a government-sponsored organisation which aims to achieve efficiency targets and develop best practice
Risk management	The management of any risk attached to what the Council does
SAP	The Council's integrated software application used for procurement, finance, human resource management and payroll
SCMS	A web based supplier and contract management system which will be available to all 22 Councils in the Yorkshire and the Humber region.
SME's	Small to medium enterprises such as a local business. Small enterprises will have fewer than 50 employees and turnover not in excess of £10m. Medium enterprises, no more than 250 employees and turnover less than £50m (EU definition May 2003)
Social Enterprise	A business whose main aims are social or environmental whose surpluses are principally reinvested for that purpose in the business or community.
Specification	A detailed explanation of what the client requires from a contractor
Standing Orders	Internal written procedures regulating procurement activity
Supplier	In the context of this strategy, 'supplier' is defined as any organisation that provides goods, works or services.
Third Sector	A diverse range of non-governmental organisations that are value driven and principally reinvest surpluses to raise funds to further social, environmental and cultural objectives.
VFM	Value for Money. The principle underpinning all public sectors purchasing activity.
Voluntary Sector Compact	A document setting out how the Council will work with and support voluntary sector organisations.

Appendix 1 – National Procurement Strategy Milestones Healthcheck

Self Assessment Health Checkpoints	Comments	Jul-05	Nov-05	Mar-06	Mar-07
Leadership and Building Capacity					
Have procurement champions been identified on the executive and the corporate management team?					
Does the council have a corporate procurement strategy that is clearly aligned with the council's strategic objectives?	Mar 07- Revised Proc Strategy Autumn 07				
Is it policy and practice to award contracts on best value for money, rather than the lowest price option?	Mar 07- As per Procurement Code of Practice				
Is there effective executive and scrutiny member involvement in procurement?	Mar 07 - Regular reports to CIC				
Is there a centre of expertise in procurement and project management?	Nov 05 - Expertise exists but no formal advice centre created				
Have members and officers been trained in relevant procurement skills?	Mar 06 - Training event planned Mar 07 - Ongoing training of officers				
Is there a strategy to prevent fraud and corruption and maintain ethical standards?	Mar 06 - Working group established Mar 07 - Revised Stdg Orders & Proj Mgt Docs				
Does the council publish a forward procurement plan, Selling to the Council Guide available on a website?	Nov 05 - In CPU workplan 05_06 Mar 07 - Buyer Guide on web page				
Does the council have a corporate contracts register?	Mar 07 - To be updated				
Has clear, user-friendly procurement guidance been disseminated to staff?	Mar 07 - Code of Practice				
Has the council developed guidance on procurement project management?	Mar 06 - Draft docs, Knowledge Mgt event Mar 07 - Docs approved				
Is the council committed to planning and resourcing procurement projects effectively?	Mar 07 - Board set up and budget provision for new team				
Partnering and Collaboration					
How does the council's corporate procurement strategy encourage and identify opportunities for partnering, collaboration and, where applicable, trading?					
Does the council proactively seek out partnering and collaboration opportunities to improve service delivery and projects?	Mar 06 - Working with Leeds on Fleet, also considering educational proc e.g. Home to School				
Does the council have the capacity, skills and knowledge to develop and implement an effective partnering and collaboration strategy within the framework of the procurement strategy?					
Are you satisfied you have effective partnership monitoring arrangements in place?					
Are you satisfied that your existing partnership and collaborative procurement arrangements are contributing to your wider community plans?					
How does your corporate procurement strategy reflect the opportunities for identifying other councils that may deliver services for you or with you under the trading powers?	Mar 06 - Currently under discussion with RCE				
Is the preparation of business cases part of the council's culture?	Nov 05 - Major projects include business case but not fully established Auth-wide. Mar 07 - Draft project Mgt guidance docs written. Asst Director post planned in Top Mgt restructure				
Are there barriers preventing effective partnering, collaboration or trading?					
Do you let council-wide contracts and framework agreements to make the most of your buying power?					
Are your contracts and framework agreements open to all councils and public sector partners that might want to use them?	Nov 05 - Corp contracts not advertised in this way yet.				
Have you considered how best to integrate Gateway Reviews into your corporate procurement strategy?	Nov 05 - Gateway reviews on major projects, Peer reviews on CPU contracts				

Doing Business Electronically

Does the council have e-Procurement within the corporate procurement strategy?					
Has the council reviewed and redesigned all the current procure-to-pay processes?	Nov 05 - Part completed as part of Bfd-i				
Which elements of e-Procurement are required by the council? Select only those modules which offer the best value for money.	Nov 05 - Part completed as part of Bfd-i				
How will the council integrate e-Procurement with financial, HR or other IT systems?	Nov 05 - Part completed as part of Bfd-I				
Will the council's current IT architecture support its users procuring goods and services across the internet?					
Will the council develop the solution in-house or source it externally?					
Has the council learnt from the experience of other councils, especially those of a similar size?					
Does the council have a supplier adoption strategy and does it intend to support the local business community?	Nov 05 - In CPU workplan 05-06				
Does the council have the resource and skills to decide the best design of e-Procurement solution for its needs?					
Does the council have the resource and skills to deliver e-Procurement projects successfully?					

Stimulating Markets and Achieving Community Benefits

How do suppliers view the council?	Nov 05 - Cust satisfaction survey planned				
How does the council market itself to suppliers?	Nov 05 - Series of procurement events				
Has the council published a "Selling to the Council" guide on its website?					
What steps has the council taken to encourage small firms, ethnic minority businesses, social enterprises and voluntary and community sector suppliers to bid for council contracts?					
Has the council entered into a voluntary sector compact?	Nov 05 - In CPU workplan 05-06				
Does the council have a sustainable design or sustainable procurement strategy?	Nov 05 - In CPU workplan 05-06				
Is the council complying with the 2003 Act and circular 03/2003 on staff consultation and employment issues in procurement?					
Does the council award contracts on the basis of whole life costs and benefits?	Nov 05 - In Code of Practice but requires compliance review				
What steps does the council take to use its buying power to improve design quality?					
How is the council complying with the amended Race Relations Act 1976, Race Relations (Amendment) Act 2000 and CRE procurement guidance?	Nov 05 - Needs to be reviewed				
How do diversity and equalities issues feature in procurement?	Nov 05 - Needs to be reviewed				
How does the council achieve its community plan objectives through procurement?	Nov 05 - Needs to be reviewed				

Total Checkpoints	45	45	45	45
Achieved	19	20	37	41
%	42%	44%	82%	91%
Achieved or Working Towards	40	44	45	45
%	89%	98%	100%	100%

Key	
Achieved	
Substantially achieved or working towards	
Not achieved	

Appendix 2 – Standard Procurement Approach & Documentation

Procurement Project Documentation

The documentation that will underpin the Council's future approach to the way it undertakes its procurements will be subject to regular review and will reflect the changing needs of the organisation. The documentation detailed within this appendix to the Procurement Strategy should be used for all future procurement projects.

The process and completion of documentation

The following provides an overview to the process and what documents need to be completed

Identifying the procurement

The identification of the proposed procurement is initiated in a number of ways, from the contracts forward plan identifying potential renewals, from expenditure analysis which identifies potential and from requests from departments to undertake projects. It is important that there is a standard and consistent way of capturing the relevant information. The document "Gateway 0" is completed at this stage.

Scoping the procurement

Once identified the procurement should be scoped that is to say that a full understanding of the project should be established. There should be a clear view as to why the procurement is being undertaken and the means to rank the particular project amongst others. This is particularly important in being able to prioritise and allocate valuable and limited resource to support projects that will deliver the most benefit to the organisation. This aspect requires a number of complementary documents. The documents "Gateway 1", "Risk Log" and "Project Assessment Matrix" are to be completed at this stage.

Approval to proceed with the procurement

It is important that the Council undertakes appropriate procurement projects, that there is a clear need for the application of resources to the procurement, the expected outcomes are defined and that the project is supported by those who will benefit from it; typically this will be the department. Many projects fail as a result of a lack of understanding and ownership from the outset, the completion of this stage seeks to establish project "buy-in" from the beginning. The document "New Project Approvals" is to be completed at this stage.

Managing the procurement

Once the preceding stages have been completed a procurement milestone plan should be produced, this document sets out clearly the stages of the procurement and any key points in the process. The detail of the plan should be appropriate and will reflect the size and complexity of the project. The consistent application of the milestone plans are key to the Council in general and departments in particular understanding the progress of procurements and whether any intervention or other action is required and when. It is expected that each directorate will review procurements within its area of responsibility monthly by means of a project progress review meeting. The document "Milestone Plan" is to be maintained throughout the process.

Summary of documents and their use

Document	When used and for what purpose	Completed By
Gateway 0	At the identification stage, used to firm up basic information about a potential procurement	Procuring department, Procurement Unit,
Gateway 1	Following "Gateway 0" stage. This is used to scope the procurement to provide all appropriate detail to allow decision on whether to proceed with procurement.	Procurement sponsor with assistance from Corporate Procurement Unit
Risk Log	Established as part of Gateway 1, the use of log will be ongoing throughout the procurement	All associated with the procurement, but maintained by project lead.
Project Assessment Matrix	Established as part of Gateway 1. Used to establish overall risk associated with procurement project	Procurement sponsor with assistance from Corporate Procurement Unit
New Project Approvals	Authorisation to proceed with procurement following Gateway 1, forms the basis of milestone plan for delivery of procurement and subsequent monitoring of the project	Procurement sponsor with assistance from Corporate Procurement Unit
Milestone Plan	Established as part of the approval to proceed. The plan for a particular project will form part of the wider corporate milestone plan. The plan is used to manage the procurement and provide framework for assessing progress of the project.	Project Lead with assistance from Corporate Procurement Unit