



**WIRRAL COUNCIL**  
**CORPORATE PROCUREMENT STRATEGY**

**2008 - 2011**

## CONTENTS

	<b>Page</b>
1. Introduction	3
2. What is Procurement?	3
3. Procurement Objectives	4
4. The Importance of Procurement in Achieving the Council's Corporate Objectives	5
5. Organisation of the Procurement Function	8
6. Key Elements of Procurement	8
6.1. Option Appraisal	8
6.2. Trading Powers	9
6.3. Monitoring Arrangements	9
6.4. Regulation of Procurement	9
6.5. Works Contracts	10
6.6. Project Management and Gateway Procedures	10
6.7. e-Procurement	10
6.8. Workforce Matters	10
6.9. Partnership Approach	11
6.10. Environmental/Sustainability Considerations	11
6.11. Equal Opportunities and Valuing Diversity	12
6.12. Risk Management	13
6.13. Procurement Expertise and Operational Procedures	14
6.14. Procurement Forward Plan and Contracts Register	14
6.15. Schools and Procurement	14
6.16. Openness, Fairness and Transparency	15
6.17. Performance Management	15
7. Monitoring Implementation of this Strategy	15
8. Complementary Documents	16
<b>Appendix A - Procurement Key Priorities</b>	<b>17</b>
<b>Appendix B - Options for Service Delivery</b>	<b>26</b>
<b>Appendix C - Complementary Documents</b>	<b>29</b>

## 1. INTRODUCTION

- 1.1 The Council's vision as defined within the Corporate Plan is **'of a more prosperous and equal Wirral, enabling all communities and people to thrive and achieve their full potential'**

To achieve this vision the Council has set out five objectives, they are:

- ❖ **To create more jobs, achieve a prosperous economy and regenerate Wirral.**
- ❖ **To create a clean, pleasant, safe and sustainable environment.**
- ❖ **To improve health and well being for all, ensuring people who require support are full participants in mainstream society.**
- ❖ **To raise the aspirations of young people.**
- ❖ **To create an excellent Council.**

- 1.2 The Council's Corporate Plan 2008 -2011 states:

**'Implement our procurement strategy to ensure that services and goods are acquired economically and efficiently, and if advantageous, in partnership with others'**

- 1.3 This strategy represents the Council's procurement aims and objectives for the next three years. During this time there will be a major review of procurement architecture across the region, which will be the first stage in a process of realignment and modernisation. This strategy will develop as the modernisation of procurement takes place and it will incorporate changes in procurement methods and techniques designed to meet the varying requirements of the Council in achieving its vision for the people of Wirral.

## 2. WHAT IS PROCUREMENT?

- 2.1 Procurement is the process of managing the provision of supplies, 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.
- 2.2 The term 'procurement' covers broader issues than that of purchasing, buying or commissioning. It includes securing services and products that best meet the needs of users and the local community. This strategy provides a common framework within which Council procurement is managed.
- 2.3 The process involves options appraisal and the critical "make or buy" decision which will determine whether the Council provides the services 'in house' or from an external provider or through a joint public/private partnership arrangement.

- 2.4 In the current financial year (2008/09) the Council will procure goods, works and services to the value of approximately £170m.
- 2.5 In the context of a procurement process, obtaining "Best Value" means choosing the provider that offers "the optimum combination of whole life costs and benefits to meet the Council's requirements". Best Value is not necessarily the lowest initial price option as it requires an assessment of the ongoing revenue/resource 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.
- 2.6 **Procurement is important because** failure to purchase goods, services and works cost effectively can put the achievement of key objectives and services at risk.

Value for money in procurement can be achieved by:

- (i) Reducing the cost of purchasing and the time it takes – the processing overhead.
- (ii) Getting better value for money for the goods and services purchased and improved quality of services;
- (iii) Improving project, contract and asset management.

This strategy provides a common framework within which all procurements by the Council are to be managed.

### **3. PROCUREMENT OBJECTIVES**

- 3.1 Our procurement objectives are designed to ensure that procurement supports and contributes to the realisation of the Council's aims and key objectives, we will do this by:
- (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** and **accountability**.
  - (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 European levels.

- (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 the residents Wirral in support of the Council's three year Efficiency Plan.
- (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, minority businesses and voluntary and community sector groups, and wherever possible encourage local sourcing and local employment.
- (v) Realising **social, environmental and community benefits** through our procurement activities, by developing socially responsible 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 Construction Employment Integrator.
- (vi) Demonstrating improvement in the **equality of opportunity** and the promotion of good relationships between people within a diverse community in all procurement activity.
- (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.
- (viii) Ensuring that all potential **risks** are identified within procurement processes and appropriately **managed**.
- (ix) Ensuring that all procurement **considers the environment** and, where appropriate, includes evaluation models that take into account the Council's sustainable objectives.
- (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**.

#### **4. THE IMPORTANCE OF PROCUREMENT IN ACHIEVING THE COUNCIL'S CORPORATE OBJECTIVES**

- 4.1 Procurement must be seen in the context of the Council's overall objectives to achieve Best Value. It is inevitable that for a public body, effective procurement must be measured as much by the social outcomes and community benefits that result as by the financial gains. Balancing these dimensions is at the heart of effective best value procurement.
- 4.2 In line with the National Procurement Strategy for Local Government this local

strategy outlines how we will achieve our objectives by operating a mixed economy of service provision. This will include small local businesses, minority firms and the voluntary and community sector groups and use innovative ways to procure, work in partnership with others and manage services that will:

- (i) Better achieve the Council's objectives.
- (ii) Deliver consistently high quality services that meet users' needs.
- (iii) Provide savings, better value for money and continuous improvement thereby improving the cost effectiveness of the Council, in support of the Governments Comprehensive Spending Review 07 and the Council's three year Efficiency Plan.
- (iv) Build social cohesion and promote equality of opportunity for service users, businesses and Council staff.
- (v) Be sustainable for the communities and areas serviced and benefit local citizens.
- (vi) Support delivery of the Council's e-Government agenda.
- (vii) Enable the Council to manage and assess risks in the market place.

4.3 The relationship between the Council's Corporate Objectives and the Procurement Objectives is illustrated below:

## Corporate Objectives

To create more jobs, achieve a prosperous economy and regenerate Wirral

To create a clean, pleasant, safe and sustainable environment

To improve health and well being for all, ensuring people who require support are full participants in mainstream society

To raise the aspirations of young people

To create an excellent Council

## Procurement Objectives

Partnerships at all levels

Mixed economy of service provision

Social, Environmental and Community Benefits

Environmental considerations

Managing Risk

Social, Environmental and Community Benefits

Mixed economy of service provision

Equality of Opportunity

Mixed economy of service provision

Social, Environmental and Community Benefits

Transparent, open and accountable processes

Achieving efficiencies

Equality of Opportunity

Informed, professional procurement

The key priorities to underpin the delivery of the procurement objectives is shown at Appendix A.

## **5. ORGANISATION OF THE PROCUREMENT FUNCTION**

- 5.1 The Cabinet member who holds the Corporate Services Portfolio acts as procurement champion. All strategic decisions relating to major procurement exercises involves elected members
- 5.2 The Director of Finance has overall responsibility for the development and delivery of the Corporate Procurement Strategy, together with providing advice, as required, on departmental procurement proposals and projects.
- 5.3 The Procure to Pay Section within the Finance Department aims to:
- (i) act as a central source of procurement expertise,
  - (ii) determine procurement procedures,
  - (iii) aggregate the Council's demand for goods, works and services to improve quality, efficiencies and savings, and
  - (iv) be custodians of this Strategy.
- 5.4 The Corporate Improvement Group chaired by the Deputy Chief Executive/ Director of Corporate Services and whose membership comprises second tier officers, approve all procurement initiatives and projects and ensure they are regularly communicated to departmental management teams and senior managers.
- 5.5 Chief Officers monitor the performance of contracts through the setting of targets/key performance indicators and where necessary, report on performance via the appropriate select committee and/or Cabinet.
- 5.6 In the award of contracts, risk management, health and safety, sustainability, equality, financial, legal, policy, personnel, anti-poverty, human rights, asset management and other relevant implications will be considered.

## **6. KEY ELEMENTS OF PROCUREMENT**

### **6.1. Options Appraisal**

- 6.1.1 The Council will:
- (i) Have no presumption on the best mode of service delivery whether through in-house services externalised services or partnership arrangements. The Council will undertake robust options appraisals and evaluate the optimum service delivery route that is most likely to deliver best value. Appendix B of this document provides a framework for considering the various procurement options and further guidance is provided on the Procurement Services web page and from Corporate Procurement.

- (ii) 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 service level, alternative options will be considered for delivering the service having regard to current performance and the level of interest/availability within the supply market.
- (iii) Where competition is the chosen option and it is found that there is no viable supply market for a service the Council will explore ways of encouraging new providers, such as working with other best value authorities, with social/voluntary sector organisations or repackaging services.
- (iv) All services regardless of the provider will be continually monitored to ensure that the manner in which the service is provided remains the most appropriate to deliver Best Value.

6.1.2 The Council's policy is that:

- (i) Contract award will be based on best value, which is the solution that provides the optimum combination of whole life costs and benefits to meet the Council's requirements.
- (ii) Partnership arrangements will be encouraged where they are likely to ensure the delivery of the best and continuously improving services.
- (iii) Existing partnerships and/or contracts will be continuously reviewed to ensure that they deliver best value.

## **6.2. Trading Powers**

6.2.1 The Council will consider as part of the Option Appraisal process the use of trading powers under the Local Government Act 2003 and where appropriate to improve service delivery, consider the use of other authorities to deliver services for the Council or with the Council.

## **6.3. Monitoring Arrangements**

6.3.1 The Council will put arrangements in place to ensure that all contracts are properly managed and monitored with the objective of achieving the planned outcomes and the securing of continuous improvement and best value for service users.

## **6.4. Regulation of Procurement**

6.4.1 The Council will ensure that the procurement process takes full account of and complies with the requirements of:

- (i) Relevant EU and UK Law (including the EU Procurement Directives).
- (ii) Council's Policies.

- (iii) Council's Contracts Procedure Rules.
- (iv) Council's Financial Regulations
- (v) Council's Constitution
- (vi) Council's Procurement Guide (being developed).
- (vii) Council's Forward Plan Process.

6.4.2 The Corporate Procurement Strategy, Contracts Procedure Rules, Financial Regulations, Procurement Manual and other relevant documents will be reviewed on an annual basis to promote efficient and effective procurement.

## **6.5. Works Contracts**

6.5.1 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.

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

## **6.6. Project Management and Gateway Procedures**

6.6.1 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.

## **6.7. e-Procurement**

6.7.1 The Council will:

- (i) 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, its suppliers and contractors.
- (ii) Where appropriate, co-operate regionally with other Councils.
- (iii) Work to promote the advantages of e-Procurement to SMEs and local suppliers.

## **6.8. Workforce Matters**

6.8.1 The Council will:

- (i) Ensure that workforce matters in contracting are handled in accordance with ODPM Circular 03/2003 Annex C (Handling Workforce Matters in Contracting) and Annex D (Code of Practice -

Workforce Matters in Local Authority Service Contracts).

- (ii) Involve staff and their representatives when reviewing modes of service provision.

## **6.9. Partnership Approach**

6.9.1 The Council will:

- (i) Seek to work through and explore the potential for shared services and collaboration and, partnership/consortia arrangements with the public, private and voluntary sectors to encourage participation in shaping services, sharing expertise, harnessing economies of scale and working together to achieve mutual goals.
- (ii) Where appropriate, 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.
- (iii) Consult with key stakeholders, including as appropriate, the community, current/potential users, council tax payers, partners, businesses, staff and trade unions and take account of their views in the decision-making process.
- (iv) Where appropriate, consult with the market to ensure that opportunities that exist to secure funding, increase capacity and encourage innovation are maximised.
- (v) Seek to engage with suppliers to encourage the development of the marketplace.
- (vi) Where appropriate, seek to create the conditions which allow for new suppliers to develop or existing suppliers to become more competitive and effective.
- (vii) Manage the procurement process in a fair and equitable way allowing sufficient flexibility to encourage providers to be innovative and creative.
- (viii) Involve employees in the search for improvement best value solutions.
- (ix) Where appropriate make contracts available to others.

## **6.10. Environmental/Sustainability considerations**

6.10.1 The Council will promote sustainable development through its procurement processes. In particular we will seek to:

- (i) Eliminate waste and maximise resource efficiency.

- (ii) Make use of goods and services which are least harmful to the environment and human development.
- (iii) Adopt and promote best practice.

6.10.2 Through the implementation and development of our procurement policy for sustainable development we will:

- (i) Consider 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 our assessment of value for money.
- (ii) Include environmental considerations in the assessment and award of contracts.
- (iii) Review specifications for contracts, with the intention of reducing environmental impacts.
- (iv) Work with suppliers and contractors to encourage the development and testing of environmentally preferable product and service options.
- (v) Encourage suppliers and contractors to improve their environmental performance

6.10.3 With respect to the procurement of products we will:

- (i) Buy 'Fair Trade' goods that meet our needs.
- (ii) Buy recycled goods that meet our needs.
- (iii) Ban the use of specified environmentally damaging products through the maintenance of a 'prohibited product list'.

6.10.4 We recognise that understanding of both sustainable development and public procurement best practice is constantly changing. Accordingly we will 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.

## **6.11. Equal Opportunities and Valuing Diversity**

6.11.1 The Council has made a corporate commitment to the following equality objectives within its Equality and Diversity Policy:

- (i) To eliminate unlawful discrimination.
- (ii) To promote Equality of Opportunity.
- (iii) To promote good relations between people in a diverse community.

6.11.2 The Policy's principle aim is to make sure that public money is not spent on practices that lead to unlawful discrimination, but is used instead to support and encourage equal opportunities and good community relations.

6.11.3 The Council spends public money every year on contracts with private and voluntary organisations for works, goods and services. It is essential that we ensure this investment is consistent with our wider equality obligations.

6.11.4 To this end the Council will use all 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 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 to ensure that equalities issues are addressed in the procurement of goods, works and services. The Council will target three principle areas:

- (i) Employment - the employment policies, procedures and practice of organisations that hold contracts.
- (ii) Service Delivery - ensuring the development of the provision of services that are equally accessible and ensure consultation with users where appropriate.
- (iii) Monitoring the impact of contracting from an equalities perspective.

## **6.12. Risk Management**

6.12.1 The Council will continue to develop its Risk Management arrangements to ensure that the consideration of risk is an integral part of the procurement process. Potential risks associated with procurement activities will be subject to a process of identification, evaluation, control and monitoring, utilising existing mechanisms whenever practicable. Risk sharing and/or transfer will also be considered as options.

6.12.2 Each major project will be overseen by the Project Manager who will ensure:

- (i) The nature and extent of potential risk are identified and recorded on the project Risk Register.
- (ii) The impact (severity) and likelihood (probability) of the risks materialising have been considered.
- (iii) Treatment/control measures are in place to minimise or eliminate those risks, including actions for improvement.
- (iv) Allocate responsibility for risk treatment/control measures.
- (v) Arrangements are established to monitor Risk Management performance through the life of the procurement project.

## **6.13. Procurement Expertise and Operational Procedures**

6.13.1 The Council will:

- (i) Develop new skills and capacities to better understand and explore supply markets and to make use of innovative procurement processes.
- (ii) Determine a range of competencies for procurement which will form the basis for procurement training as a constituent part of member and staff development.
- (iii) Ensure that all officers responsible for procurement and contract management are fully trained and conversant with the principles of good procurement.
- (iv) Recognise that procurement expertise has an essential role in the development of innovative approaches to service delivery as part of best value and other reviews.
- (v) Develop the corporate procurement function to act as centre of expertise in procurement and support a structured approach to education, training and development for all Members and Officers across the Council with procurement responsibilities.
- (vi) Underpin the strategy with operational procedures and guidance documents that reflect good practice, are clear, provide sufficient flexibility to ensure best value, provide adequate control and are communicated to all those involved in procurement.

## **6.14. Procurement Forward Plan and Contracts Register**

6.14.1 The Council will set out its likely demand, in broad categories, for goods, works and services from outside suppliers in the medium term. This information will be made available in the form of the Contracts Register on the Business web page in order to encourage maximum market input to the procurement process.

## **6.15. Schools and Procurement**

6.15.1 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 Best Value principles.

6.15.2 The Council will ensure that the procurement skills of schools are developed and supported, promoting their capacity to choose, buy and evaluate services independently and effectively, within the context of Best Value.

## **6.16. Openness, Fairness and Transparency**

6.16.1 The Council will:

- (i) Be 'Open' in the gathering of market intelligence and the sharing of it to the mutual benefit of suppliers/contractors and the Council.
- (ii) Be 'Fair' 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/contractors.
- (iii) Be 'Transparent', having the ability to prove the above.
- (v) Manage the procurement process in a fair and equitable way whilst allowing sufficient flexibility to encourage suppliers/contractors to be innovative and creative.

## **6.17 Performance Management**

6.17.1 We will promote the development and use of performance measures. We will improve the accuracy, availability, appropriateness and accessibility of procurement related management information to enable procurement performance indicators to be used for regional and sub-regional benchmarking.

6.17.2 Benchmarking and best practice will be further developed and, where appropriate, private organisations encouraged to participate. Performance information will be used to improve and measure procurement outcomes and reported on accordingly.

## **7. MONITORING IMPLEMENTATION OF THIS STRATEGY**

7.1 This strategy will be subject to the following regime of monitoring and review.

**(i) Monthly**

The Head of Procurement will submit a monthly progress report to the Director of Finance. Relevant PI's will be reported on monthly as part of the Council's normal PI monitoring procedure and progress against the strategies 'Procurement Key Priorities'.

**(ii) Quarterly**

Regular reporting (quarterly) of progress to the Corporate Improvement Group.

**(iii) Six Monthly**

The Head of Procurement will submit a report to Committee every six months detailing the number and type of contracts which have been let and progress against the key priorities.

**(iv) Annually**

The Head of Procurement will submit an annual procurement report on progress against the strategy and other developments in procurement. Audits on aspects of procurement activity will be carried out on a regular basis and reported to the Chief Executive and Select Committee as appropriate.

**(v) Post contract monitoring and maintenance**

The signing of a contract is not, as is commonly assumed, the end of the procurement process. It is merely the end of the beginning. Good contract monitoring is essential if the Council is to achieve the best possible service from its private sector partners. There has been a move away from old-style confrontational contracts with detailed input specifications towards a 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, and Best Value clauses in contracts mean that the contractor is responsible for a continuous improvement in service.

**8. COMPLEMENTARY DOCUMENTS**

8.1 Appendix C lists all those documents that are complimentary to and underpin this strategy.

## Procurement Key Priorities

## Appendix A

(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** and **accountability**

### Challenges 2008 - 2011

1	Contract Procedure Rules	We will undertake an annual review of Contract Procedure Rules and recommend any necessary changes.
2	Departmental Procurement Guidance	We will work with departments to assist them in the development of departmental specific guidance on procurement processes, in compliance with contract procedure rules.
3	Member Awareness	We will continue to seek to improve Member awareness of procurement issues through presentations, reports, workshops and training sessions as appropriate.
4	Contract Monitoring	We will improve our contract monitoring activities and ensure that a formal monitoring strategy is in place for all major contracts.
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 procurement forward plan and identify opportunities for rationalisation and collaboration.

6	Compliant Procedures	We will ensure that all Members and Officers involved within the procurement process are fully conversant with all aspects of procurement legislation and practice.
---	----------------------	---

*(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 European levels.*

*Challenges 2008 - 2011*

1	Review of contracts	We will carry out a review of all contracts (within the Corporate Contracts Register) and identify those contracts than may benefit from a partnership approach.
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.
3	Guidance on Partnering	We will develop guidance for procurement staff on partnership contracts.
4	Support for Collaboration	We will support the Merseyside Authorities Procurement Group in its development of a three year Strategy and further collaborative procurement projects across the Merseyside sub-region.
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.

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.
---	-----------------	--

*(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 the residents Wirral in support of the Council's three year Efficiency Plan.*

*Challenges 2008 - 2011*

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.
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 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 either directly or on a consultancy basis.
4	Social care	We will support the establishment of a procurement strategy and framework for savings and efficiency within both Adult Social Services and the CYPD.

5	Postal Services	We will seek to take advantage of the deregulation of postal services to achieve cashable savings for the Council. We will work jointly with other authorities in order to exploit the benefits of collaboration.
6	Energy	We will constantly review the models available for procuring energy in a time of unprecedented price volatility. In particular, we will explore the advantages and disadvantages of using the OGC Buying Solutions Flexible Energy Contract.
<i>(iv) Operating a <b>mixed economy of service provision</b> with ready access to a diverse, competitive range of suppliers providing quality services, including small firms, social enterprises, minority businesses and voluntary and community sector groups, and wherever possible encourage local sourcing and local employment.</i>		
<i>Challenges 2008 - 2011</i>		
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.
2	Training, Meet the Buyer events and Business Fairs	We will undertake of training sessions to assist SMEs in accessing Council opportunities. We will attend and help organise events that will publicise 'How to do Business with The Council' and in particular encourage local SME's to bid for Council contracts.
3	Review of contracts	We will carry out regular reviews of all contracts (within the Corporate Contracts Register) and identify those contracts that could be provided by social enterprises, minority businesses and voluntary and community sector (VCS) groups.

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.

(v) *Realising **social, environmental and community benefits** through our procurement activities, by developing socially responsible 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 Construction Employment Integrator.*

*Challenges 2008 - 2011*

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 process <i>where appropriate</i> . We will also establish a model for identifying the 'voluntary' delivery of community benefits within the contracting process.
2	Construction Employment Integrator	We will include, in all major construction contracts the Construction Employment Integrator to give young people to progress into career opportunities. We will explore the possibility of extending this scheme into other areas of Council contract activity.

(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 2008 - 2011*

1	Equality Standard for Local Government	We will contribute to the Council's work towards achieving Levels 3/4/5 of the Equality Standard for Local Government.
2	'A Framework for a Fairer Future'	The governments new Equality Bill is due in 2009, we will ensure that all Council procurement activity takes account of the new duty and is embedded into our procurement culture.
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 Group by January 2009.
<p>(vii) <i>Achieving an <b>efficient and effective procure to pay process</b>, 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.</i></p>		
<p><i>Challenges 2008 - 2011</i></p>		
1	Electronic Procurement Systems	We will ensure through market research, professional contacts and network exchange that all new processes will be assessed and, where appropriate, recommended for adoption, to support Wirral procurement in achieving maximum efficiency.
2	e Payments	We will explore all options for streamling payments processes including electronic invoices, self billing and procurement cards and, recommend a plan for implementation by December 2008.

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 an e Sourcing solution and making recommendations by September 2008.
4	Regional / Sub-regional Development	Developing a Merseyside Procurement electronic hub is essential if collaboration is to succeed on Merseyside; Wirral is committed to supporting this initiative and is leading the Group to deliver a strategy by November 2008.

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

*Challenges 2008 - 2011*

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.
2	Training	We will produce a series of ongoing training days for Members and Officers who are directly involved in high risk procurement projects.
3	Supplier Relationship Management	The award of a contract after a successful tender exercise is not the end of the procurement process; it is only the end of the beginning. 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.

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

*Challenges 2008 - 2011*

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 the negative environmental impact of our procurement activities.
2	Fairtrade	We will increase the number of fair trade products purchased.
3	Recycling	We will increase the number of recycled products purchased.
4	Evaluation Models	We will make environmental considerations a key part of the tender evaluation process where this is appropriate.
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.

(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 2008 - 2011*

1	Professional Procurement	All procurement staff will have the appropriate, professional qualification, Membership of the Chartered Institute of Purchasing and Supply, and we are committed to the provision of professional training to provide professionally qualified staff for the future.
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 Corporate Improvement Group for approval.
3	Sub- regional / Regional Training	We will support the adoption of a sub-regional / Regional training programme to be produced annually commencing in November 2008.

## **APPENDIX B**

### **CORPORATE PROCUREMENT STRATEGY OPTIONS FOR SERVICE DELIVERY**

#### **1. PURPOSE**

- 1.1. The purpose of this Appendix to the Procurement Strategy is to contribute to the achievement of Best Value in the provision of local services by setting out the approach to be taken in considering the options for service delivery.

#### **2. OPTIONS**

- 2.1. All service delivery options and available partners will be considered.
- 2.2. The main options for the future provision of services are (but not necessarily restricted to):
  - Tendering (including partnering) of all or part of the service with or without an “in house” bid.
  - Retention of existing service provision by renegotiating with the current service provider.
  - Joint commissioning for delivery of the service, e.g. with another Local Authority.
  - Joint ventures.
  - Creation of a public-private partnership for all or part of the service.
  - Voluntary transfer of the service to another provider.
  - Cessation of the service in whole or in part.
  - A solution that involves a combination of the above options.

The choice of options and available partners will depend upon the outcome of the review process which will explore the full range of practical alternative provision.

Efficiency and Integrity	We will ensure the best use of human, financial and physical resources, through effective corporate management.
Excellence of Service	We will continue to provide value for money whilst achieving higher standards of quality and accessibility within services that offer real consumer choice.
Ownership and Inclusivity	We will promote the Community Vision to all partners and their staff and encourage them to support and own it.
Openness and Inclusivity	We will ensure that stakeholders, potential and existing, can have confidence in the decision-making and management processes of the Partnership by being open, inclusive and providing access to full, accurate and clear information.
Value for Money	Provide better value for money in the delivery of the Community Plan objectives by exploring innovative and cost effective ways to procure goods, works and service through a strategic, needs led, continuously improving mixed economy of service provision and working in partnership with others.

### **Factors to be taken into account**

3.1. The main factors that will be taken into account are:

- The impact and importance of the service in delivering the Council's vision and considerations of core services.
- Views of current service users and potential users, Council Tax payers, partners and businesses.
- Capital Needs – potential for funding of capital investment by the private sector.
- Evidence of efficiency and effectiveness of the current provider in comparison with other providers and the potential for improvement.
- The degree of competition in the market place and the availability of quality and reputable service providers.
- The use of Trading Powers by the Council in collaboration with other Councils.
- The potential for working with the future provider to deliver innovative approaches and continuous improvement.
- The balance of potential costs and benefits in any change including the impact on the local economy and employment.
- 'Whole life' costs and overall consideration of quality and price.
- Evidence of economies or diseconomies of scale.
- The ease of specifying the service and managing it.
- Consideration of the potential risks associated with each option.
- Supply of specialist skills and resources.
- Considerations of equality.

- Considerations of sustainability and long-term impact in financial and environmental terms.

#### 4. Framework for dealing with Procurement

4.1. The Procurement process will consist of the following key stages described as the Procurement Cycle:-

- **Identify the need** which may come from Performance Improvement Reviews, Policy Reviews, Inspection Reports, Consultation Outcomes and includes the development of the programme or project brief.
- **Develop the Business Case** in which all options are identified and appraised together with affordability, achievability and value for money established.
- **Define the procurement approach** in which the Procurement Strategy is developed including timescales, resources, procurement regulations, market research/market development and specification issues.
- **Appraisal of supplier/provider** which includes the process of advertising and identifying a shortlist of suppliers.
- **Tender evaluation** with selection based on best value criteria including consideration of whole life implications.
- **Awarding and implementing the contract** which includes seeking members' approval, preparing for service delivery, performance monitoring and reporting procedures, TUPE implications (if any).
- **Managing the contract** to ensure service delivery and achievement of expected benefits, continuous improvement and completion of post implementation reviews.
- **Evaluating the benefits** prior to retender or extension of contract (if allowed) together with reviewing and updating the business case.

## **APPENDIX C**

### **PROCUREMENT STRATEGY COMPLEMENTARY DOCUMENTS**

1. Contracts Procedure Rules
2. Financial Regulations
3. E.U. Procurement Directives
4. Corporate Policy for Sustainable Development
5. Green Purchasing 'Buy Laws' Guide
6. Purchasing Policy for Sustainable Development
7. Wirral Community Strategy
8. Wirral Three Year Efficiency Plan
9. Towards a National Strategy for Local Government Procurement (ODPM July 2002)
10. Wirral's Corporate Plan 2008-2011
11. ODPM Circular 03/2003
12. Code of Conduct for Employees
13. Equality and Diversity Policy
14. Risk Management Policy Document
15. Procurement Guide (being developed)
16. National Procurement Strategy for local government (October 2003)
17. The Governments Comprehensive Spending Review 07 – 2008 2011