

# DEVON DISTRICTS PROCUREMENT STRATEGY 2015-2018



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## **Introduction**

Procurement is a key part of the government's agendas for transparency and growth. By taking a collaborative approach we can improve the quality of the goods, services and works which we purchase whilst still seeking to achieve value for money and make the savings necessary to support the austerity measures.

The Devon Districts who will be adopting this strategy are:

- East Devon District Council
- Exeter City Council
- Mid Devon District Council
- North Devon District Council
- South Hams District Council
- Teignbridge District Council
- Torrington District Council
- West Devon Borough Council.

Progress by the Districts against the Action Plan attached to this strategy will be reviewed quarterly by the Devon District Procurement Group (DDPG).

## Background

The first Devon District Procurement strategy was adopted by the partners in 2010 and ran until 2013.

Some of the districts decided to adopt it alongside their own authority specific strategy whilst others took it as their only strategic document and used it to feed into their own Procurement Work Plan or Improvement Plan which supports their own corporate objectives.

Performance against the Procurement Improvement Plan agreed with the strategy was monitored, but on reflection it was felt that many of the performance indicators were too specific and with each authority having different corporate objectives, they were not all able to achieve the targets which had been set.

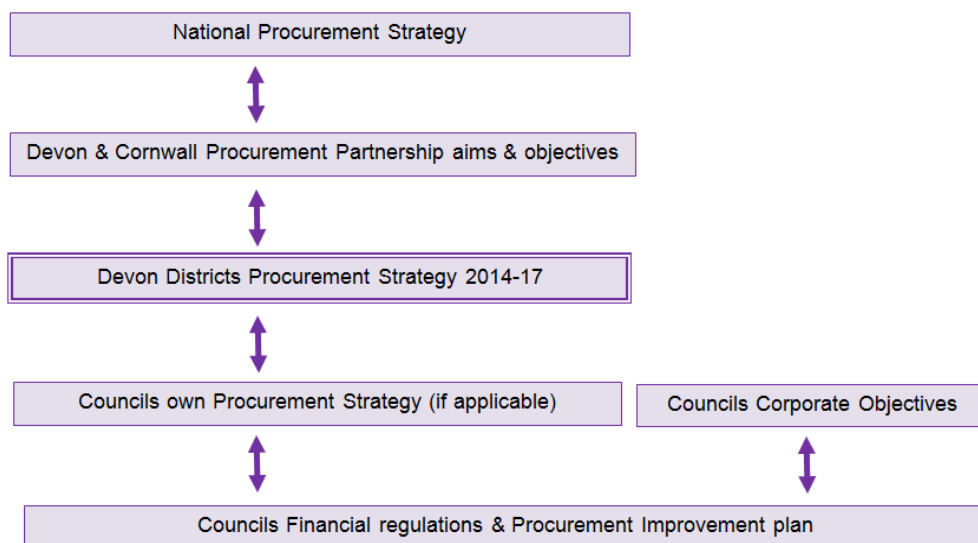
The Local Government Association (LGA) published the National Procurement Strategy (NPS) in 2014 and this new District strategy seeks to align with those themes which have been set out within the NPS.

It is also a time of change with regards the legislative landscape within which we work. The EU Procurement rules have been reformed and have now been transposed into UK law. In addition there are now below EU threshold national requirements which are also set out in UK law.

Also considered within this strategy is the Equality Act, Social Value Act and the Transparency code which have come into force since the last strategy.

The economic environment, both nationally and locally, continues to require us to focus on obtaining value for money and 'doing more for less'.

Although this strategy is specific to the district authorities, they will continue to work collaboratively with other members of the Devon & Cornwall Procurement Partnership to deliver the strategic objectives of the partnership and to maximise the benefits of all partners spend with external suppliers.



## **Outcomes**

The 4 key themes contained within the NPS have been used to identify the outputs and their desired outcomes which will be achieved as a result of the implementation of this strategy:

1. Making savings/ Addressing Financial Pressures
2. Supporting Local Economies
3. Leadership
4. Modernising Procurement

In addition, everything in this strategy will focus on the following over-arching outcome:

5. Collaboration

**Theme A – Making Savings**

With growing pressure on Councils projected budgets, achieving value for money and making savings will play a key role in addressing the deficits which are faced in the medium term financial plans of each Council.

	Ref	Council Outputs	Outcomes
<b><i>Use of Frameworks</i></b>			
	1	Investigate suitability of existing contract and framework opportunities to meet Procurement needs before commencing own local tendering/ buying process.	Both maximum value for money and efficient use of resources are achieved through utilising existing procurement options where they are appropriate and meet the required need.
	2	Details of frameworks available through Professional Buying Organisations (PBO's) continue to be held on a central register on Huddle as a quick reference tools for procurement officers. Crown Commercial Services frameworks are accessed via <a href="http://ccs.cabinetoffice.gov.uk">http://ccs.cabinetoffice.gov.uk</a>	
<b><i>Collaboration/ Partnering</i></b>			
	3	Councils will engage with and support the work of the Devon & Cornwall Procurement Partnership.	The partnership will continue to flourish and to provide benefits for all members as set out in their mission statement.
	4	Opportunities for sharing resources and developing contractual arrangements with neighbouring partner organisations are considered both in the management of the Procurement function and in the procurement of goods and services where appropriate.	Savings and efficiencies will be delivered through shared resources, alignment of contracts and economies of purchasing power.

<b>Contract Management</b>			
	5	Implement a consistent approach to contract management which will allow contracts across the partner organisations to be monitored.	Reporting available on contract outputs and key performance indicators.
	6	Use Contract Monitor module on ProContract to support this process electronically.	Effective use of eProcurement tools.
	7	Frameworks and collaborative contracts are monitored by the lead authority on behalf of or in conjunction with the participating authorities. Participating organisations will support this process through collection of data or provision of information to the lead authority upon request.	Streamline tender and contract management process for suppliers on how to do business with the Council.
	8	Use contract clauses to improve payment terms for suppliers and improve working conditions throughout the supply chain.	Effective use of contract clauses.
<b>Supplier Relationship Management</b>			
	9	Contracts clearly state payment terms and will ensure timely payment of monies owing.	Ensure that smaller contractors are not disadvantaged due to cash flow issues.
	10	Tender criteria will consider supply chain management where it is applicable to the contract.	Contractors will act fairly within the supply chain.
	11	Risk is integrated into the procurement process and monitored regularly. Risk management is not risk averse.	Risk management approach allows suppliers and procurers to take advantage of opportunities.

	12	Procurement risks are recorded and reported in line with this strategy and actions to mitigate risks are identified.	Clear audit trail demonstrated to back up the decision making process. Fraudulent procurement practices are mitigated against.
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## Theme B – Supporting Local Economies

All public sector organisations have an opportunity and responsibility to contribute towards the regeneration and enhancement of their local economy through their purchasing arrangements.

Two key pieces of legislation support this approach; The Localism Act 2011 and The Public Services (Social Value) Act 2012. Both set out to encourage Councils to provide the maximum benefit to localism and their communities from every taxpayer pound which is spent.

	Ref	Council Outputs	Outcomes
<b><i>Social Value Clauses</i></b>			
	13	The DDPG will establish a suite of clauses giving consideration as to how social, community and environmental value can be obtained will be defined and agreed.	Streamline approach for suppliers on how to do business with the Council.
	14	Where the contract value is in excess of the EU threshold, or in the case of lower value contracts which have a direct impact on the community, the clauses from 13 (above) will be included in all contracts.	Maximum value is obtained in terms of economic, social value and environmental criteria.
<b><i>Sustainability</i></b>			
	15	A sustainable procurement policy and guidance will be agreed between the partner authorities.	Streamline approach for suppliers on how to do business with the Council.
	16	Formal procurement processes will give timely consideration to identify the need of the contract in terms of sustainability.	Reduction of waste by making sustainable choices.

<b>Local Supplier Engagement</b>			
	17	Partner authorities will use the ProContract eTendering software to advertise all contract opportunities over £10,000	Access to contracts is simplified for all suppliers.
	18	Agree a suite of questions and utilise ProQuest module of ProContract to manage the evaluation of suppliers electronically.	Removal of duplication and simplification of bureaucratic processes for suppliers.
	19	Partners will work together and with the wider Devon & Cornwall Procurement Partnership to communicate to suppliers a better understanding of the way in which they do business.	Streamline approach for suppliers on how to do business with the Council.

**Theme C– Leadership**

In this changing social and economic landscape, Councils need to be at the forefront of demonstrating initiative and resourcefulness to rise to the challenges that all businesses are facing.

	Ref	Council Outputs	Outcomes
<b><i>Buy in from the top</i></b>			
	20	Procurement will be discussed and considered at a Senior Level eg. SMT through the appropriate reporting mechanisms	Procurement is recognised as strategically important by Senior Officers and Members.
	21	Appointment of a Member Champion for Procurement.	Procurement is recognised as strategically important by Senior Officers and Members.
<b><i>Training</i></b>			
	22	Within their resource and budgetary constraints, each Council will invest in development and training of staff across the organisation in relation to both Procurement and other key commercial skills such as negotiation, market awareness and costs and profit.	Councils will take a more commercial approach to procurement.
	23	Working collaboratively, (see item 3) Councils will derive value for money through joined up training opportunities and sharing of procurement related expertise, knowledge and best practice	Procurement competencies across the organisations are improved.

<b><i>Embedding Legislation</i></b>			
	24	Councils will publish data in line with the Transparency Code.	New opportunities are opened up for local businesses, voluntary and community sectors and social enterprises in relation to bidding for running public sector contracts.
	25	Ensure that procurement policies and procedures encompass current legislative requirements and that staff are kept up to date of any changes.	Modernisation of procurement processes and improved flexibility ensuring legal compliance.

**Theme D– Modernising Procurement**

The development of a more innovative approach to Procurement will help to ensure that the Councils deliver their own contribution to the government's modernisation agenda, the advantages of which will be seen locally and nationally.

	Ref	Council Outputs	Outcomes
<b>Commercialism</b>			
	25	When developing contracts, Councils will seek to identify opportunities to 'do things differently' or to generate income.	Drive down costs in service provision and develop improved ways of working.
	26	Flexibilities set out in the new EU Directives will be maximised.	Removal of bureaucratic processes and barriers in Procurement.
<b>Supplier Innovation</b>			
	27	Time allowed for early supplier engagement to ensure that innovative approaches can be considered.	Supplier innovation demonstrated and benefits harnessed.
<b>Use of technology</b>			
	28	Through the Pro Contract User Group, Councils will support the ongoing contract management and system development in relation to the eTendering software.	Increased efficiency and productivity for both Council staff and suppliers.
	29	Councils will encourage suppliers in the use of electronic systems for all transactions as appropriate to their own organisation (p-cards, e-invoicing, eTendering).	Increased efficiency and productivity for both Council staff and suppliers.

## **Conclusions**

By achieving the outcomes set out within this document, the Devon District Councils will ensure that they realise the maximum benefits to their organisation, and are on target to achieve the requirements put upon them within the National Procurement Strategy.

It is by working collaboratively that we will demonstrate that the ongoing contribution of the districts to both local and national agendas is a valid one.

By the very nature of this document, the commitment of the partner authorities to a shared procurement strategy demonstrates their willingness to develop and improve together in a way which benefits both the individual Councils and the communities which they serve.

Agreed by:

**East Devon District Council**

**Exeter City Council**

**Mid Devon District Council**

Andrew Jarrett, Head of Finance

Peter Hare-Scott, Cabinet Holder for Finance

**North Devon Council**

**Teignbridge District Council**

A handwritten signature in black ink, appearing to be 'P. Hare-Scott', written in a cursive style.

**South Hams District Council**

**West Devon Borough Council**

**Torrington District Council**

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