



Breckland Council

Corporate Procurement Strategy

2005/6 – 2008/9

(Updated December 2005)

FOREWARD

Value for money in the delivery of quality public services is central to Breckland Council's ethos of putting people first. To deliver these services the Council employs some 300 employees, far less than most comparable councils in the East of England, and has a revenue budget of some £50m for the procurement of goods, services and works. In order to maintain its policy of downward pressure on its district council tax, Breckland Council is constantly investigating ways of maximising the purchasing value of every tax pound spent, while using the efficiencies gained to increase the volume of services or to develop new ones, in the light of the public's requirements.

One example of how Breckland is leading the way in the procurement of services, is through the nationally recognised innovation of the Anglia Revenues and Benefits Partnership with Forest Heath Council, which was cited in a recent report by the Audit Commission as a successful example of large efficiencies gained through the provision of shared services. There is much more that Breckland wants to do, from new procurement ideas for HR and Payroll through to setting up commercial partnerships with the private sector, which will increase capacity without staffing and provide the Council with a more symmetrical understanding of the market in goods, services and works. It will place the Council in a stronger position when choosing suppliers.

The Strategy is supported by a Code of Practice, to be developed over the current year which provides more detailed guidance and support for all officers of the Council who procure goods, services and works and who assess business cases for change in the way the Council does business and are responsible for managing the many partnerships in which the Council engages to continue to ensure the best value for money in all activities.

The Council has adopted this Strategy to underpin its approach to all activities in which the Council has a role in the District.

Councillor William Nunn
Leader of the Council

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THE POLITICAL CONTEXT

The Local Government Act 1999 places a duty of Best Value on all authorities to secure continuous improvements in the way that activities are carried out, having regard to a combination of efficiency, economy and effectiveness. Effective procurement is crucial in securing high quality, best value services and the Government has highlighted in its National Procurement Strategy that the development of a clear procurement strategy is a key step towards achieving best value and delivering demanding efficiency targets.

Link to National Procurement Strategy:

http://www.eastspace.net/eecpe/documents/odpm_locgov_024923.pdf

The Comprehensive Spending Review 2004 was based upon the report by Sir Peter Gershon *Releasing Resources to the Front Line – Independent Review of Public Sector Efficiency*. There are four main categories identified for efficiency in procurement in the Gershon report are:

- Negotiating an improved deal with a supplier
- Aggregation of demand to exert greater leverage on suppliers
- Reducing process and transaction costs
- Improving project, contract and asset management.

Link to Gershon spending review 2004

http://www.hm-treasury.gov.uk/media/B2C/11/efficiency_review120704.pdf

Building block three in the Council's Business Plan details how the Council will "develop its capacity by building partnerships that enable service improvements at both strategic and operational levels in accordance with its adopted Procurement Strategy". This strategy crosses will ensure that services delivered are what people really want to the right standards at the right price.

Procurement is central to the Council's delivery of services and the important inward and outward facing links to other organisations and Council strategies is illustrated in the diagram at Appendix 1

Link to Council's business plan

[Web link to business Plan](#)

This strategy provides a corporate focus for delivering the national Procurement Strategy, the Gershon efficiency agenda and Breckland's own Corporate Business Plan. It embraces the authority's commitment to corporate procurement and sets out the Council's aspirations. It is not a "user manual". More detail on the Council's procurement processes that are required to fully deliver this strategy can be found by following the links within this document.

This three year strategy provides a framework to support both the Council's corporate priorities and its vision of delivering procurement excellence and continuous improvement in a cost effective way to comply with the Government's wider efficiency agenda

THE FRAMEWORK FOR DELIVERING THIS STRATEGY

The Procurement Framework

This procurement strategy will be delivered under a framework that considers:

- Legal issues
- Business needs
- Environmental and ethical requirements
- Relationships

Breckland's Procurement Toolkit

Breckland's Procurement guidance toolkit is designed for use by all officers involved in purchasing on behalf of the Council. It details the procedures and processes to be followed and will contain specific and detailed guidance to support the delivery of this strategy.

[Web link to Breckland's Procurement Toolkit](#)

The Regional centre of Excellence (RCE)

Nine Regional Centres of Excellence were established at the beginning of 2004. Their initial remit was to support development of efficiency procurement practices in local government and was later extended for the Centres to become the prime change agent to work with authorities to deliver the Efficiency agenda.

Further information on the role and the opportunities available for support, including the Centres Efficiency Prospectus for 2005, are available on www.eastspace.net/eecpe

Procurement Partners

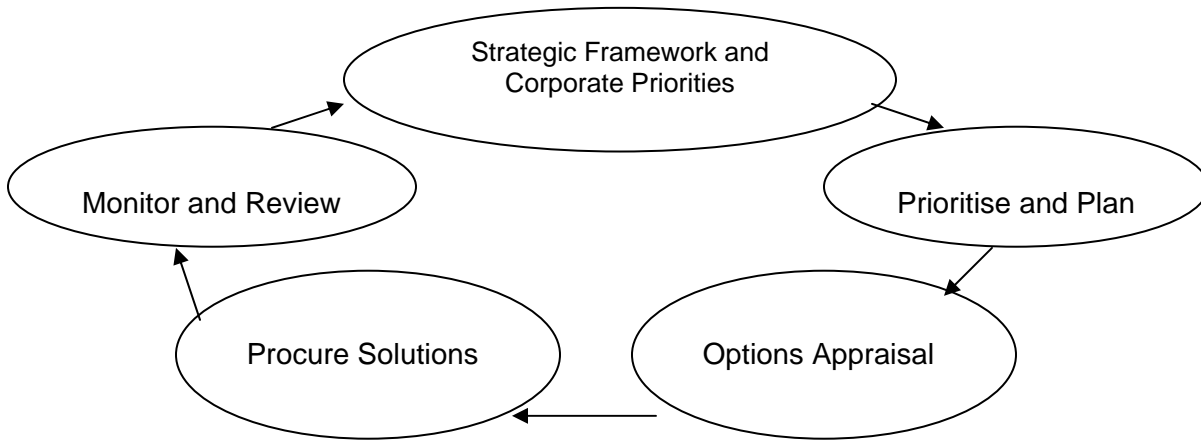
Breckland will consider all channels for delivery of its Procurement Strategy including working with procurement partners and other local authorities where appropriate.

How will Breckland Comply?

This strategy will be delivered under this framework and will be supported by a "Procurement Toolkit" designed for use by all those involved in procurement activities on behalf of the Council. This will ensure compliance with the procurement framework and ensure the highest standards of accountability and probity are achieved and maintained.

THE PROCUREMENT LIFECYCLE

Procurement is the process of acquiring goods, services and works, from pens to service delivery partnerships and from concept through to end of the useful life of the asset or a contract. Procurement ranges from the negotiation of corporate contracts for the supply of routine goods and services through to complex partnering arrangements and joint commissioning of services. Most importantly, procurement activity involves option appraisal and the critical “make or buy” decision. It is essential therefore that procurement activity captures this “lifecycle” of activity; demonstrated by the following diagram.



This Corporate Framework calls for innovative approaches to commissioning, procuring and providing services and will challenge existing ways of doing things and enable service users, staff and management to feel engaged and involved throughout

How will Breckland Comply?

Breckland’s procurement toolkit will aid compliance but specifically the internal training programme and code of practice for officers dealing with procurement will ensure this framework for procurement is embedded throughout the authority and this lifecycle of activity is adhered to



Baseline information

An analysis of major service and other contracts, their renewal dates and costs will be completed and maintained to ensure that opportunities are maximised

Link to action plan/specific guidance

[Web address of action plan and guidance once loaded](#)

Baseline information

An analysis of all spend and purchasing decisions will be completed and maintained to aid management of routine and non-routine procurement

KEY PRINCIPLES

“Breckland will adopt an overarching principle of Best value Procurement”

Best Value requires the Council to radically re-think and re-shape the way it undertakes procurement and imposes a duty on the authority to secure continuous improvement. The efficiencies required reinforce the need to ensure that the Council maximises efficiency in all its activities and that procurement savings must be evidenced and recorded.

Breckland’s Best Value Procurement will:

- be driven by desired outputs and results
- balance quality and cost
- respond promptly and effectively to service and citizen’s requirements
- consider all options in obtaining the most appropriate solution including using framework arrangements and pre-tendered call off arrangements
- value innovation and creativity where the result is improved effectiveness, economy and efficiency in services
- use competition to obtain best value
- support the Council’s policies and priorities and compliment other strategies
- Be transparent, ethical, open and accountable
- Have due regard to propriety, regularity and the Council’s legal obligations
- minimise administrative processes and unnecessary bureaucracy
- ensure simple or routine transactions can be carried out in the most efficient manner
- consider wider issues such as sustainability, whole-life costs, risk and the contribution to the wider community
- ensure timely reviews and performance management activity, to ensure that the benefits are realised from procurement and continue to support the community priorities
- support the Council’s policies and priorities
- Maximise the opportunity to work in partnership and in collaboration, bringing synergy to service delivery and/or make better use of available resources
- ensure that an appropriately skilled and effective client side is in place
- accelerate the implementation of e-procurement
- promote the creation of shared services and joint procurement
- open up opportunities to small firms and the voluntary and community sectors.
- Enable better understanding of workplace issues and allow sensitive management of change
- Take a responsible approach to risk
- Implement sustainable procurement practices

How will Breckland ensure Best Value?

Delivery of this strategy is supported by a “Procurement Toolkit” designed for use by all those involved in procurement activities on behalf of the Council. This toolkit includes guidance on all Best value issues but most importantly includes monitoring and review procedures that will ensure procurement performance is measured, reported and acted upon

KEY OBJECTIVES

Breckland Council is committed to getting better **value for money** from procurement. This will continue to enhance the efficient use of resources. The aim of this strategy is to:

- Get an increased level or quality of service at the same cost
- Avoid unnecessary purchases
- Ensure that user needs are met but not exceeded
- Specify the requirement in output terms so that suppliers can recommend cost-effective and innovative solutions that meet that need
- Sharpen the approach to negotiations to ensure a good deal from suppliers
- Act as the intelligent purchaser by discussing with suppliers all the elements of the contract price including level of service, timescale, skill mix of the supplier team, and how costs are to be remunerated
- Optimise the cost of delivering a service or goods over the full life of the contract rather than minimising the initial price
- Introduce incentives into the contract to ensure continuous cost and quality improvements throughout its duration
- Aggregate transactions to obtain volume discounts by working with others where appropriate
- Collaborate with others to obtain the best prices and secure better discounts from 'bulk buying'
- Develop a more effective working relationship with key suppliers to allow the Council and the suppliers to get maximum value from the project by identifying opportunities to reduce costs and adopt innovative approaches
- Reduce the cost of buying goods or services by streamlining procurement and the finance processes
- Reduce the level of stocks held of any consumable goods.
- Deliver cashable and non-cashable efficiencies to help meet efficiency targets
- Help the Council achieve value for money in the procurement of all goods and services
- Compliment the medium term Financial Strategy and maintain downward pressure on Council Tax levels.

THE PROCUREMENT PROCESS

The choice of procurement method will be dependent on the strategic importance, the value of the goods, services or works and the potential risk associated with each procurement option. Different procurement options will be suitable for different goods and services and will involve undertaking practical steps to achieve the desired outcome.

Risk will be addressed on an individual basis and the Council will take steps to minimise its exposure to the impacts of the risks associated with the procurement of goods and services

Link to action plan/specific guidance

[Web address of action plan and guidance once loaded](#)

Breckland's approach to the procurement process

The Council will consider different procurement options using a decision-tree for identification of the best value option, shown at appendix 2 combined with a risk value matrix with overarching support from the Council's procurement toolkit. The review process will identify clearly the approach to be taken when undertaking service reviews, in support of the key principles of this procurement strategy

KEY THEMES FOR DELIVERY

“Breckland will deliver Best Value Procurement through a variety of processes and activities captured under a number of themes”

Activities and procedures under these key themes will enable the Council to demonstrate that Best Value Procurement has been delivered

The key themes are:

- Providing leadership and building capacity
- Partnering and collaboration
- Contract and Project management
- Sustainability in procurement
- Doing business electronically

Each theme is supplemented by additional guidance notes in Breckland's Procurement Toolkit which will be developed as part of the action plan for this strategy.

Link to action plan/specific guidance

[Web address of action plan and guidance once loaded](#)

Providing Leadership and Building capacity

“There will be commitment from elected Members and the leadership to procurement excellence by managing it strategically and resourcing it adequately”

Breckland will:

Immediately:

- Appoint a member Procurement Champion
- Appoint a senior officer Procurement Champion

By March 2006:

- Establish an officer procurement working group
- Design, implement and review procurement procedures and formalise in a “procurement toolkit”
- Undertake a skills audit and develop an internal training programme and code of practice for those involved in procurement
- Establish performance indicators based on quality and cost

On an ongoing basis:

- Monitor and review this strategy on a six monthly and annual basis and provide appropriate management information on performance

More details on how Breckland will lead procurement can be found by following this link

[Web address of action plan and guidance once loaded](#)

Partnering and Collaboration

“Better services will be delivered through the creation of sustainable partnerships between Breckland and suppliers in the public, private and voluntary sectors”

“Collaboration will obtain better value by bringing Councils and other public bodies together at local, regional and national levels”

The Council acknowledges the importance of partnerships in delivering services and already benefits from a number of partnership arrangements. The Council recognises the need to maximise economies of scale through widespread collaboration between authorities and will build upon the work it has already undertaken to form new and appropriate ways of service delivery where there is a sound case for change

Breckland will:

- Carry out challenging Option appraisals
- Set out it's approach to partnering and examine the appropriateness of service delivery options and partnering models including use of new trading powers
- Investigate opportunities for collaboration and joint service delivery
- Implement a gateway review process
- Work with public, private and voluntary bodies
- Ensure a diverse and competitive supply market is encouraged
- Balance the needs of local suppliers with economies of scale and open up opportunities to small firms and the voluntary and community sectors
- Establish an approach to ensuring the delivery of specified community benefits
- Open up opportunities to small firms and the voluntary and community sectors
- Use e-market places and make best use of purchasing consortia
- Use framework arrangements and pre-tender call off facilities when appropriate
- Use the website to encourage competition and diversity of suppliers

More details on how Breckland will ensure partnering and collaboration in procurement can be found by following this link

[Web address of action plan and guidance once loaded](#)

Contract and Project management

Contracts

“All contracts will be undertaken with due regard to probity and equalities and in accordance with relevant sections from the Council's constitution”

The Council is currently updating the standing orders and contract procedures to reflect new policies and current practice that is necessary to achieve a dynamic approach within a framework for probity. The new rules will provide the framework for the guidance notes for the procurement toolkit that will underpin this corporate Procurement Strategy

The Constitution will be revised to ensure that the Council is not precluded from innovative procurement practices, subject to appropriate controls.

Whilst the procurement principles embodied within this strategy will be applied to the procurement of capital works, procurement of specialist works will invariably require a tailored approach.

Procurement for long-term service contracts or capital projects will seek to maximise opportunities for external funding. The funding opportunity may influence the timing of the procurement but should not be a driver for procurement. Liaison with the Regional Centre of Excellence will also now provide further opportunities for additional funding and intelligence of other activity in the marketplace to provide synergies in procurement activity to reduce procurement costs

More details on how Breckland will manage and monitor contracts is can be found by following this link

[Web address of action plan and guidance once loaded](#)

Project Management

The Council recognises the importance of proper planning and management of projects and will deliver projects within it's approved project framework

Doing business electronically

“Using e-procurement and e-market places will assist the Council to maximise it’s opportunities to work in partnership and in collaboration, reducing the time from order to payment and contribute to achieving Best value Procurement”

Breckland’s ICT Strategy, first approved November 2003 and updated December 2005 ensures that the ICT architecture of the Council supports existing and future e-requirements.

Breckland will:

By December 2005

- Formalise mandatory and discretionary e-targets into an e-procurement strategy and Health check it against Government targets for e-procurement and efficiency to ensure all actions are captured in an updated Procurement Strategy Action Plan
- Work with suppliers to encourage e-business and eliminate as much of the paper trail as possible

Link to action plan/specific guidance

[Web address of action plan and guidance once loaded](#)

Sustainability in procurement

“Breckland will improve efficiency and quality by harnessing competition and will use procurement to help deliver it’s corporate objectives including the economic, social and environmental objectives set out in the community plan”

The Council has a strong commitment to the various elements of sustainable procurement which are economic, social and environmental. The Council aims to:

- Purchase goods and services that reflect best practice specifications or standards for environmental or social sustainability
- Consider the whole-life cost of products when selecting a supplier, including environmental impact assessments
- Balance the increased capital cost where that is offset over time by reduced operational costs
- Work to build green capacity of partner organisations, the business sector, contractors and other such agencies through promoting environmental management practices
- Balance the need to use the least environmentally damaging products and materials against the need to achieve value for money
- Encourage the potential of the business community to employ local labour and maintain employment levels where appropriate
- Promote new business opportunities and build new market places for local labour
- Assist local businesses and their potential to enable them to submit competitive tenders for local authority business
- Promote equalities in the procurement of goods, works and services
- Offer equal opportunities in contract selection to businesses owned by members of the business community

More details on how Breckland will achieve sustainability in procurement can be found by following this link

[Web address of action plan and guidance once loaded](#)

Workforce issues

The Council will take workforces issues fully into account when it carries out procurement. In doing so, it will abide by S19 of the Local Government Act 1999 and other legislation, including equal opportunities and diversity.

Staff are the most important resource in delivering services to the community. Breckland Council is committed to consultation with staff during procurement projects and will build employment considerations into procurement processes and contracts, including compliance with the Local Government Act 2003, Circular 3/2003 and the associated code of practice.

Staff involved in procurement will receive training and development on procurement, commissioning and efficiency best practice during 2005/6

Code of Conduct for Procurement

All procurement activity must be undertaken to the highest standards of ethics and probity. The Council insists on ethical standards from its suppliers and in turn it must exhibit the highest ethical standards itself. Officers and members must not only be fair and above board in all business dealings, but should also avoid any contact that is capable of having an adverse interpretation put on it.

This will be reviewed as part of the Procurement action plan and adopted if appropriate

Performance Management in Procurement

“Procurement activity like all other Council activity will be undertaken in a performance environment”

By adopting all of the practices and procedures within this document, Breckland will ensure that performance management is at the heart of procurement activity. Performance management is an integral part of procurement activity and the Council will assess its procurement performance against a range of targets derived from:

- The National Procurement Strategy
- Other targets from the IDEA and the Audit Commission
- Breckland’s own Corporate Business Plan

These targets will represent measurable outcomes and the Council’s procurement action plan details an action to set SMART targets and performance indicators. These will include the development of monitoring and measurement techniques to ensure performance against target is achieved and the information will be used to ensure continuous improvement

THE REVIEW PROCESS

Post-implementation review and contract management

On completion of the procurement and/or at agreed stages in the life of a long-term contract, reviews will take place to examine whether the planned VFM benefits are being achieved and that risks are being effectively managed. Contract management is a major factor in the success or failure of a contract.

- All contracts will have a designated officer with clear responsibility for monitoring and managing the contract, with responsibility for realising the original benefits intended from the procurement. The role will also include development of relationship management and a requirement to regularly report on the progress
- Good working relationship will be developed with all suppliers, with liaison meetings with major suppliers held at suitable intervals. Plans will be made well in advance of the expiry of a contract for re-letting it, based on a review of previous and current arrangements and performance.
- The procurement process for any significant project will be reviewed to learn the lessons organisationally to inform procurement decisions in the future. Problems identified from one project to the next will be used for the risk analysis model for subsequent procurements.

What help/further reading is available?

Delivering Efficiency in Local Services 2 – Further Guidance for Local Authorities (Jan 2005)

All available on www.odpm.gov.uk

The Benefits of E-procurement (March 2004)

www.localgovnp.org.uk

Baseline Survey – a report on progress against the 2004 NPS milestones (IdeA 2004)

Procurement Essentials (IdeA 2004)

Sustainability and Local Government Procurement (Nov 2004)

Suitcase Studies - good practice in local government (IdeA 2005)

www.idea.gov.uk

Local Performance Indicators for Procurement (Jan 2005)

www.audit-commission.gov.uk

Guidance, case studies and catering and food procurement toolkit

www.defra.gov.uk

Procurement support including packs, gateway reviews and case studies

www.4ps.gov.uk

Ten Key Issues and How to Address Them

www.constructingexcellence.gov.uk

Independence, Opportunity, Trust - a manifesto for local communities (2004)

Stronger Political Leadership, Better Local Government – a consultation paper (Dec 2004)

www.lga.gov.uk

Community Interest Companies Act 2005

www.dti.gov.uk

Sustainable development in public procurement practice

www.sustainable-development.gov.uk

Efficiency Prospectus 2005 (East of England RCE 2005)

www.eastspace.net/eecpe

Skills Framework for procurement and project management

Model contract clause with explanatory note to support the Workforce Code 3/2003

www.lg-employers.gov.uk/skills/procurement/index.html

New consolidated directive and impact on efficiency

Decision Map for Project Strategy and Procurement

Guidance on procurement and project management, also
Think Smart... Think Voluntary Sector (June 2004)
E-procurement – Cutting Through the Hype (2005)
Guidance on e-auctions

Social issues in procurement
www.ogc.gov.uk

Value for Money Assessment (HMT 2004)
www.hm-treasury.gov.uk

Local Authority Procurement – A Research Report (baseline study to inform the Byatt Review (DETR 2000)
Delivering Better Services to Citizens – the Byatt Report (DTLR 2001)
National Procurement Strategy for Local Government (IdeA/LGA 2003)
Spending Review 2004
Evaluating the Local Government Procurement Agenda – NPS Milestones (INLOGOV 2004)
National E-Procurement Programme 2004 survey results (ODPM 2004)
Penetration Survey (LGTF 2004)
The General Power to Trade in Function-related Activities Through a Company – guidance (July 2004)
10-year Vision for Local Government – a consultation paper (2004)
Vibrant Local Leadership (2004)
Citizen Engagement (2004)
Public Services – Why Neighbourhoods Matter (2004)
National Procurement Strategy – One Year On (IdeA/LGA/ODPM 2005)
Local Government Procurement Toolkit (ODPM May 2005)
The Low Value Calculator (ODPM May 2005)

Rethinking Service Delivery Series –
An Introduction to Service Delivery Partnerships (ODPM 2003)
Public/Public Partnerships (ODPM 2004)
From Vision to Outline Business Case (ODPM 2003)
From Outline Business Case to Contract Signing (2004)
Making the partnership a Success (ODPM 2004)

Technical Notes (ODPM)
Structures for Partnerships (ODPM 2002)
Employment and Partnerships (ODPM 2004)
Risk Management (2004)
Decision-makers' Guide (ODPM 2003)

Employers organization on Workforce and diversity issues
www.lg-employers.gov.uk

CRE guide on race equality in procurement
www.cre.gov.uk

Choosing the Best Value Option – decision tree

