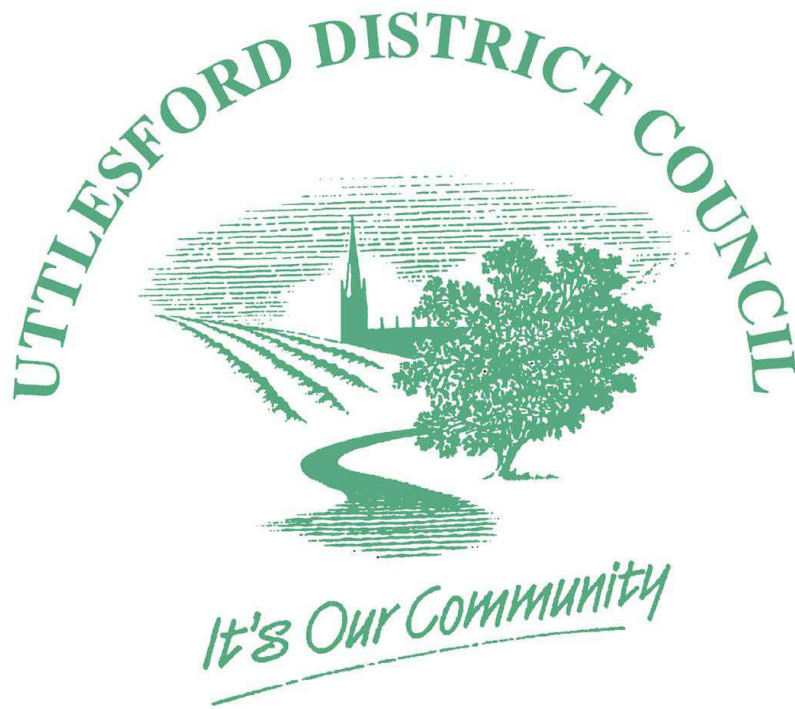


Procurement Strategy



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Procurement Strategy

Foreword

With billions of pounds spent buying products and services, it is clear that getting better value for money for what we buy in the public sector will make a huge contribution to our efficiency and to the successful delivery of services and projects. Uttlesford District Council (UDC) will be at the forefront of this challenging agenda.

The Council can achieve significant benefits by managing better its procurement and activities. However, good procurement is not just about getting the price down. It's about balancing whole life cost and fitness for purpose, while meeting European Union rules and treating suppliers fairly. The Council supports this agenda by seeking to transform the way it works through coordinated procurement activity, opening markets to competition and working with others.

This document sets the framework in which the Council will work to ensure procurement activity link to this agenda, and therefore directly contributes to achieving the Council's aims and objectives.

Philip O'Dell
Director of Resources

The bigger picture

Procurement is defined as the process of acquiring goods, works and services from third parties. The process spans the whole life cycle from identification of need, through to the end of a services contract, or the end of the useful life of an asset. It includes option appraisal and the critical make or buy decision.

Public procurement is driven in a number of ways. This includes the need for European wide procurement legislation (the EU Directives) and for Standing Orders. The Council also has other duties including those relating to equalities, sustainability and health & safety. In addition the Office of the Deputy Prime Minister produced a National Procurement Strategy. This document was itself influenced by legislation and reports across Central Government and its partners. The National Procurement Strategy contains a wide range of recommended improvements to how public services could and should improve their procurement. These were based around the following features:

- Providing Leadership and Building Capacity
- Partnering and Collaboration
- Doing business electronically
- Stimulating markets and achieving community benefits

UDC has recognised the need for overall coordination and direction of procurement, along with that of raising the profile of procurement and improving procurement performance. Procurement can act as a lever for business transformation. UDC's strategy reflects the aims of the National Procurement Strategy and subsequent supporting documents produced by others such as the Improvement and Development Agency (IDeA).

Aim of the Strategy

The aim of this strategy is to clearly communicate the Council's vision for the way forward in its procurement of goods, works and services. The vision is:

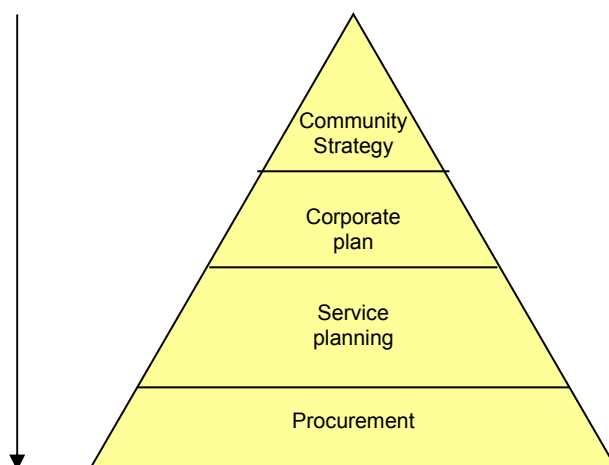
To deliver excellent procurement activity which enables high quality services at an affordable price, and in doing so provide the best value to the Council and our community.

The purpose of this strategy is to:

- Ensure procurement supports the Council's corporate strategy, aims and objectives
- Secure commitment to effective and co-ordinated procurement from Members and Officers at all levels to achieve best value
- Encourage long-term thinking and commitment to strategic procurement
- Provide greater visibility of procurement and its performance
- Develop capacity and provide support for those involved in procurement across the Council
- Set the framework for the development of procurement guidance to those involved in procurement activity
- Ensure good procurement principles are adopted, such as sustainability, equality of access and economic development
- Support e-commerce and working with others
- Conduct the procurement of goods, works and services within the legislative framework
- Enable the Council to manage and assess risk in the marketplace

Link to Corporate Strategy

The procurement strategy links with the Council's Corporate Plan; it embraces the principles of Best Value and stands alongside the Council's Contract Standing Orders and procurement guidance.



Procurement matters at Uttlesford

Members

Elected Members should carry out their roles in accordance with the Council's Constitution and all national and local Codes.

Although the implementation of procurement processes is usually handled by officers, many decisions by Members result in the initiation of procurement or have strategic procurement implications. A Procurement Working Group also helps with procurement activity and compliance with procurement policy and practice. Its terms of reference are:

- to understand, through suitable relevant training, the broader view, definition and opportunities of procurement envisaged by the Government
- to help ensure that all the principles outlined in the Council approved "strategy for securing competitive and successful services" are afforded a higher profile within the organisation
- to provide an accepted and acknowledged source of guidance to other Members when decisions are required on strategic procurement issues (including adequate resourcing for the procurement process and the political process for development, scrutiny and monitoring of a formal service procurement plan)
- To act as an accepted point of contact with officers on strategic procurement issues

Officers

The primary responsibility for commissioning works, goods and services lies with officers, with the exception of:

- those decisions which require the approval of Members
- those purchasing arrangements which are being procured centrally or via a nominated third party

Nominated officers should therefore own individual procurement actions. However, overall sponsorship of procurement rests with the Director of Resources, and operational coordination/management rests with the Head of Revenues & Procurement.

Procurement Agency for Essex

The Council is a member of the Procurement Agency for Essex (PAE). This strategic alliance amongst 15 public sector organisations has the remit of:

- Bringing about procurement related savings, efficiencies and other benefits to members
- Sharing best practice, knowledge, information, documentation and capacity

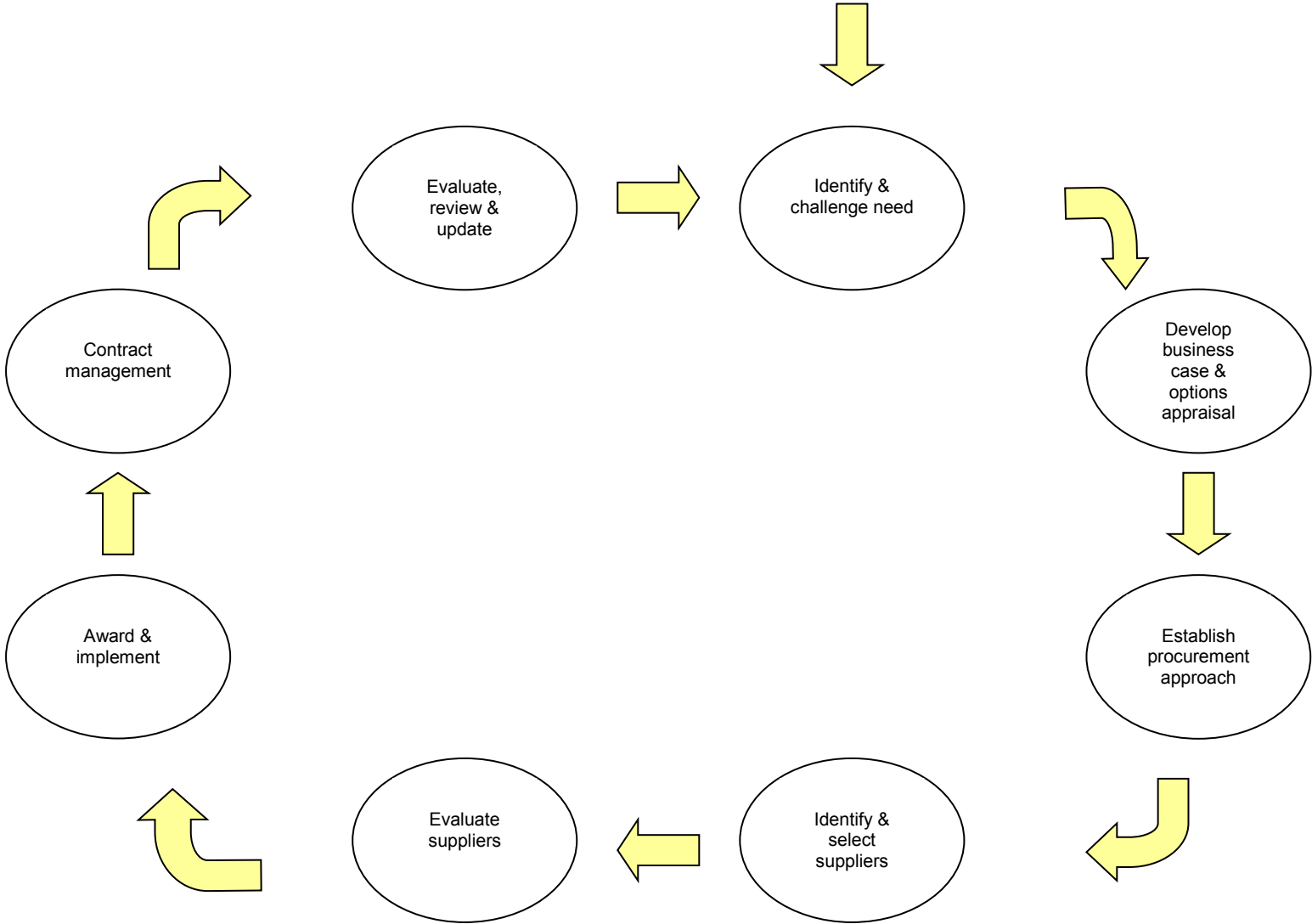
- Providing training and procurement related commercial support to member organisations
- Representing Essex procurement both regionally and nationally
- Promoting & maintaining high procurement standards in the following areas:
 - o procurement skills, ability and integrity
 - o procurement methods & processes
 - o procurement information systems & infrastructure
 - o procurement innovation and creativity

The PAE was instrumental in setting up Essex Marketplace, a joint initiative enabling authorities within Essex to trade electronically with their suppliers.

The Procurement Hub

The Council is also a member of a procurement hub. The Regional Centre of Excellence East provided initial funding to the Council and its district council partners who, with the backing of the Procurement Agency for Essex, set up a shared resource. The Procurement Hub provides a comprehensive procurement support service offering advice and guidance on contracts and sourcing suppliers for provision of goods and services to the member authorities.

The procurement process illustrated



How we will embed procurement

A key project plan will be delivered. This will embrace:

- **Collaboration** - pool knowledge, expertise, buying power and resources by forming partnerships and alliances with others at local, regional and national levels
- **Value for money** - continually improve the efficiency and effectiveness of all aspects of procurement, through cooperation and automation of all processes
- **Sustainability and ethics** - ensure Uttlesford keeps abreast of all recent developments in relation to sustainability, equality of access, the environment and ethical procurement, and adapts its policies and practices to reflect this
- **Options appraisal** - ensure best value by challenging the way things are done and the way services are provided
- **Control and risk management** - ensure that all the Council's procurement for works, goods and services complies with all legislation/directives/regulations, and associated risks are well managed
- **Compare** - benchmark the costs of our services and where we find we need to make improvements
- **Performance management** - develop and promote meaningful performance measures to assess the efficiency and effectiveness of procurement activity
- **Education and development** - ensure Members and staff benefit from training in the principles of best in class procurement
- **Forward planning** - maximise potential savings through timely and effective Hub procurement
- **Market development** - encourage trading with the Council and to assist SMEs to develop their businesses to ensure adequate suppliers/contractors for competition
- **Contract management** – ensure all arrangements are adequately managed and monitored so that they are completed on time, within budget and in accordance with specification
- **Gateway reviews** – review our procurement activity to inform future arrangements and requirements

Glossary of terms

Procurement –	the process of acquiring goods, works and services from others
Life cycle –	activity from when it starts to when it finishes, or starts all over again
Option appraisal –	the evaluation of procurement choices against what is needed
EU Directives –	legislation regulating procurement activity across the European Union
Standing Orders -	internal written procedures regulating procurement activity
Equality of access	easy access to services, irrespective of ethnicity or impairment
E-commerce -	commercial activity carried out electronically
Partnership/collaboration/ alliances -	working with others for mutual advantage
Corporate strategy/plan -	what the Council intends to do over a defined period, typically longer term
Constitution -	a document setting out the overall framework within which the Council operates
The Regional Centre of Excellence East -	an organisation that helps Councils identify and adopt best practice
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.
SMEs -	small to medium enterprises such as a local business
Best value -	establishing the most appropriate service for the most acceptable cost
Risk management -	the management of any risk attached to what the Council does