A large, light blue circular diagram with three arrows forming a clockwise cycle. The arrows are labeled 'PEOPLE', 'PROCESS', and 'PARTNERSHIP' in white capital letters. The diagram is centered on the page and partially overlaps the title text.

Halton Borough Council
Procurement Strategy
April 2010 - 2013

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Version	Date	Purpose / change	Circulation / Publication
v1.0	August 2010	First draft	
V6.0	11.11.10	Final draft	Chief Officers and Executive Board Member for Resources.
V7.0	29.11.10	Amendments made by MF and Cllr Wharton, changes to delivery plan (Appendix A)	
V8.0	21.12.2010	Final draft to Business Efficiency Board January 2011	BEB Members

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Foreword by Councillor Mike Wharton

I am pleased to introduce the first Procurement Strategy developed by the newly formed Procurement Centre of Excellence which takes Halton into a new decade where business efficiency is a key focus for the Council and its partners.

The people of Halton deserve the best quality services from their local Council, which we are striving to deliver at the best value for the organisation. Our aims are to deliver intelligence-led procurement decisions that provide high quality, value for money and that help to support our local economy. These aims are at the heart of this strategy

In further pursuing opportunities for organisational effectiveness and efficiency the Council has implemented a number of revised structural arrangements including the establishment of a Procurement Centre of Excellence. This Procurement Division will provide a source of support and technical expertise and will continually review the way in which procurement is, and can, be delivered to secure ongoing spend reductions.

The Council is committed to providing an inclusive environment in relation to procurement opportunities to all potential suppliers including those from Small and Medium Enterprises. This will be achieved through improving the transparency of our procurement opportunities and by removing unnecessary barriers and waste by streamlining the procurement process.

In achieving these goals the Council is committed to the use and exploitation of electronic information technologies to provide accessible and cost effective procurement solutions. This will include the extensive use of an e-tendering system (The Chest) to advertise trading opportunities as and when they arise and allow suppliers to register an interest with trading with the Council

The strategy defines the key objectives that will govern and progress our procurement activity for the next three years. These address not just statutory requirements around value for money, equality and diversity and sustainability but also aspirational goals linked to our Corporate Plan and Community Strategy working with our partners to improve the prospects and life experiences of local people.

I commend this strategy to stakeholders, staff and all who seek to support Halton in building a better future for the Borough.

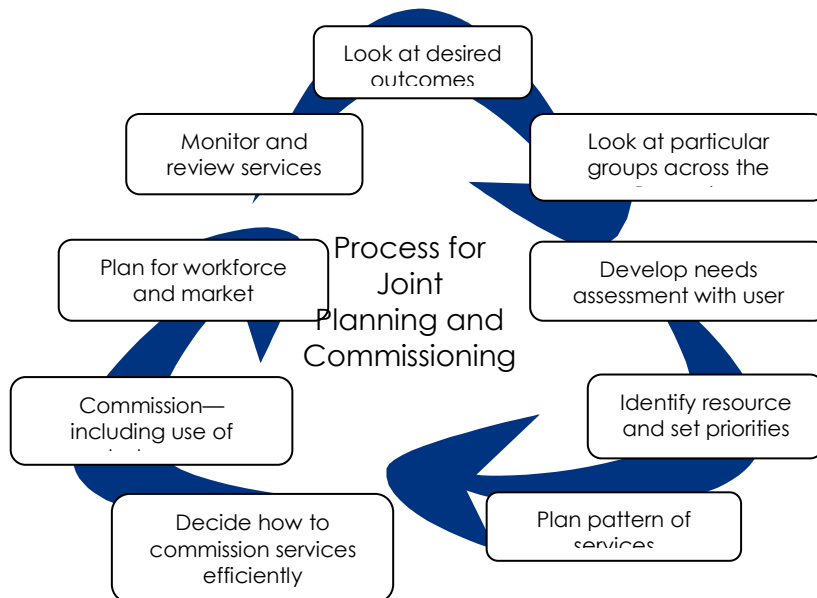


Cllr Mike Wharton,
Executive Board Member for Resources

Executive Summary

The Council will continue to develop its procurement processes in order to ensure that they are transparent, supportive and robust. Additionally it will continue to build organisational capabilities, knowledge and expertise to ensure that environmental impact and cost are minimised, through for example embracing e-commerce and electronic trading solutions. This strategy however will not lose sight of those enterprises that have yet to embrace such technologies as a means of doing business for example by eliminating or simplifying bureaucratic processes and widely communicating tender opportunities within the market.

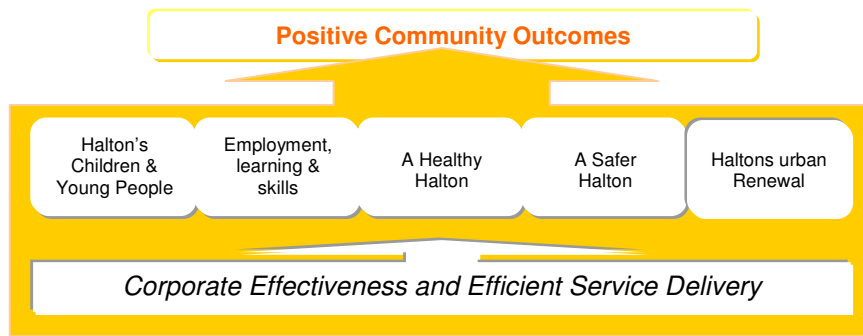
This strategy will build upon the Council’s strong foundation of effective commissioning¹ that has been developed in previous years. It sets out the Council’s approach to strategic procurement, for both internal and external stakeholders, and provides a clear route map to delivery over the medium term.



The intelligence gathered through **strategic procurement** is essential to commissioning decision-making. It will contribute in particular to Stages 4, 6, 8 and 9 outlined above.

This implementation of this strategy will primarily support the delivery of the Councils strategic priorities by contributing to making Halton a thriving borough with employment opportunities (Urban Renewal / Employment Learning and Skills) and through reducing the cost to the Council of acquiring its goods, services and works (Corporate Effectiveness and Efficient Service Delivery).

¹ Commissioning involves the entire cycle of needs assessment, service design and acquisition, and the ongoing management and monitoring of delivery.



This strategy identifies a series of key actions and outcomes, which will be subject to annual review and refresh, along with a timeframe for their delivery. This will provide a framework and co-ordinated methodology through which the Council will provide a sustainable and robust solution to meet its procurement needs.

Operating Context and Legislative Framework

Procurement remains a key factor in delivering a more efficient and effective local government service. It is not just about obtaining value for money, but also ensuring that we act in such a way as to support the wider government agenda and the effective delivery of local services.

In light of the current and medium-term economic climate all public sector organisations will face increasing fiscal constraint. This has significant implications in terms of getting procurement right in that, for example:-

- ✓ It can play a critical role in supporting the delivery of organisational / partnership priorities and the improvement of public services.
- ✓ Savings realised through more efficient procurement can be redirected into supporting front line and priority services and mitigating against the affect of a diminishing resource base
- ✓ Contract failures can result in financial loss and damage to the authority's reputation and credibility. Additionally authorities' remain open to legal challenge under EU Rules.

In addressing these issues the Council established a Procurement Centre of Excellence in April 2010 which in addition to delivering the economic benefits of reduced operational costs; this approach allows the development of a functional base of expertise and a more consistent and concerted approach to developing and implementing more effective procurement processes.

Combined with the service specific expertise of specialist officers within each of the Council's four Directorates, these revised structural arrangements will deliver sustainable long-term benefits to both the organisation and the community that it serves.

High value procurement activities are subject to 2006 EU Procurement Rules, which provide for equality of opportunity across the European Union, and the Council believes that the same principle of transparency applies equally to all procurement opportunities regardless of cost.

In taking account of such issues the Council will continue to adopt and develop processes that integrate fairness in competition, engagement with the whole supply community, and take account of sustainability and regeneration and to uphold the principles of equality and diversity within the national workforce.

The increasing use of e-tendering and our website to advertise trading opportunities is now being embedded into current business practice. We will ensure that our own web pages

www.halton.gov.uk/content/business/procurement provides signposts to

useful links that will enable businesses to more easily trade with us, and to our regional local government partners.

Procurement Standing Orders and Financial Regulations in the Council Constitution set out the principles, values thresholds and corporate rules to which both members and officers must adhere, when carrying out procurement activity. The Procurement Standing Orders have recently been reviewed in light of Government directives to promote transparency of spend above £500 and to publish such data as well as contracting and tendering opportunities.

Purpose and Underlying Principles

The primary purpose of this strategy is to establish a clear corporate strategy through which those working for, or on behalf of, the Council can align activity to the delivery of the council’s business and community priorities.

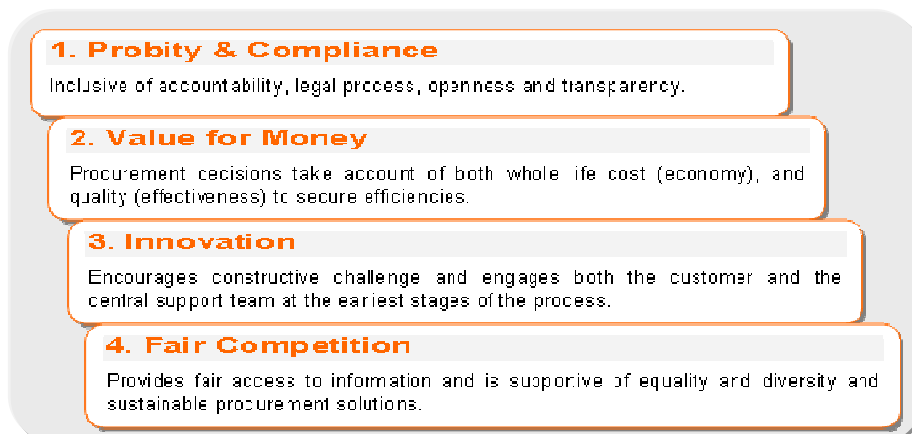
Additionally it is intended as a vehicle to communicate this strategy and the principles upon which it has been founded to all primary stakeholders.

In so doing the strategy will provide a point of focus and allow the opportunity to develop and strengthen relationships between such groups and lay the foundation for the collaborative pursuit of a shared and common understood ambition.



Additionally it will explain, in organisational terms, the new roles, responsibilities and relationships that will need to become embedded in daily practice order to ensure the effective and robust delivery of both the strategy itself and the related strategic priorities of the Council.

The four basic principles that have underpinned this strategy are:-

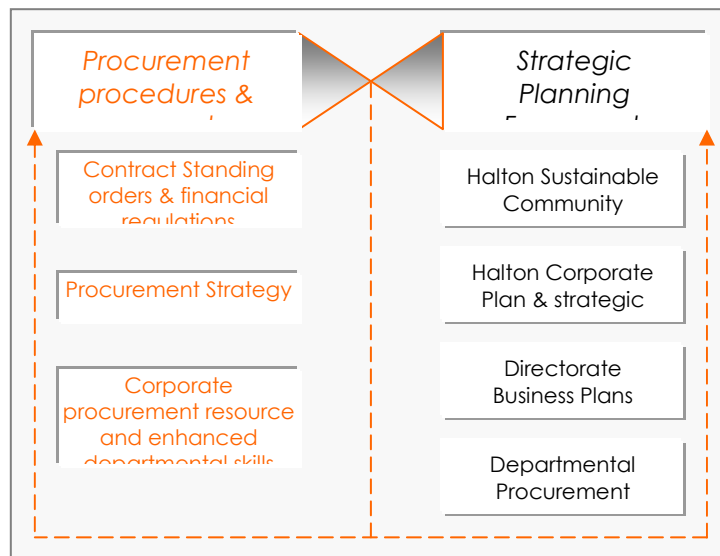


Applying such principles will ensure that procurement practice remains cohesive and that decision making processes continue to be informed and intelligence-led.

Strategic Integration

The Council has for some time had in place an effective strategic planning framework which facilitates the development of its community focussed and organisational priorities and ensures synergy with the wider planning requirements of the organisation.

The diagram opposite illustrates the relationship between this framework and the organisations mechanisms that will ensure that effective procurement practice remains an integral element of the organisations business planning arrangements.



Establishing a Procurement Centre of Excellence will allow the

Council to combine functional expertise with the specialist expertise of direct service providers within the organisation. Such an approach will enhance both the consistency and quality of procurement decisions whilst minimising the operating costs for the authority.

This collaborative approach will also ensure that through the cross-fertilisation and sharing of expertise and knowledge that the authority's procurement arrangements remain sufficiently robust whilst retaining the necessary degree of flexibility to respond to future changes within the operating environment.

The Council's strategic priorities of Urban Renewal and Employment Learning and Skills will be supported by this strategy through the proactive engagement of the local business community to enhance their ability to compete fairly for contracts with the Council. This will be facilitated through, for example, the roll out of e-tendering and will be supported by the Halton Chamber of Commerce.

Furthermore the implementation of the strategy will make a significant contribution to the Council's priority of Corporate Effectiveness and Efficient Service delivery through effective spend management and cost reduction and outcome focussed contract award and management.

There is also recognition of the relationship to wider policy issues and delivery mechanisms and the need for integration with, for example; the work of the Employment, Learning and Skills Specialist Strategic Partnership, Halton Carbon Management Scheme, joint working with the Merseyside Procurement Board and local joint commissioning strategies.

Partnerships and Collaboration

Value for money can be gained by working in partnership across the Council but also with other organisations, both in terms of using a mixed economy of providers, pooling resources, one procurement exercise and also being open to innovative ways of working.

Within the region, Halton works with the North West Improvement and Efficiency Partnership, and other regional network groups, to address issues around improving value for money through better engagement with other public sector bodies.

This provides the scope for joined up commissioning and procurement using pooled budgets to provide a robust service by the partners to discharge their functions in the best interests of joint clients.

Halton has strong links with other purchasing organisations and particularly with the Mersey City Region. As a member of the Merseyside Procurement Board, we are engaged in a programme, which is not only delivering value for money on collaborative contracts, but also looking at how we can work together to use common approaches and access to procurement opportunities within the region and beyond.

Regionally there are links to wider collaborations and to social enterprise groups, to promote better understanding of ways in which we could work together. The Merseyside Procurement Board partners interact with a developed network of representative bodies and supporting organisations aimed at improving procurement training and opportunities for their members. Organisations such as Merseyside Improvement and Efficiency Partnership (MIEP) also serve as a link with local partners to improve their understanding of this sector of the supply market. A common supplier portal (The Chest hosted by Due North) has been adopted by the members of the Merseyside Procurement Board to enable the supplier community to access all advertised local authority opportunities within the region, via a single contact point.

The Council is committed to forging a strong relationship with Halton Chamber of Commerce and as outlined in the Procurement Delivery Plan (Appendix 1) will work with the Chamber to promote new improved ways of working with the local business community to access trading opportunities more effectively. To achieve this, a series of workshops will be scheduled to guide and support local businesses in the tender process.

Corporate Social Responsibility

The Council is fully committed to ensuring that it maintains high ethical standards in all that it does. It places a priority not simply on the short-term interests of the organisation but on the longer-term interests of all of the organisations stakeholders and the wider community as a whole. In particular this strategy and its associated implementation plan take account of both environmental sustainability and equality and diversity issues.

Sustainability and Economic Development

The Council requires that its procurement decisions are founded upon the basis of the Most Economically Advantageous Tender (MEAT). This involves the consideration of the whole life costs of purchases and acquisitions. Lowest price, whilst an important factor, should not be the sole basis for awarding a tender or entering into a contract agreement. This approach allows the full consideration of environmental policies and impacts, employment issues and other relevant criteria when awarding a contract.

The Council will continue to encourage and promote environmentally friendly procurement practice in accordance with its priorities to support the minimisation of waste and maximisation of recycling and the ongoing protection and improvement of environmental assets.

The Council is presently developing a Sustainable Procurement Strategy and is working towards Level 3 of the Flexible Framework on Sustainable Procurement. Halton is part of the Merseyside Procurement Board and endorses and supports the collaborative Sustainable Procurement Policy, which aims to set a single standard within the region.

In pursuit of such principles the Council will continue the expansion and use of e-procurement solutions and promote the integration of environmental criteria within the tendering process.

Equality and Diversity

The Council remains committed to ensuring equality of opportunity and provision within all aspects of service delivery, policy development and employment practice. This commitment is reflected within a range of policies, including the Single Corporate Equality Scheme, strategies and documents that underpin the work of the organisations business operations.

This commitment forms an intrinsic component of the procurement practices adopted by the Council who will use its position and influence as a community leader in overcoming discriminatory barriers.

This is achieved for example through:-

- The inclusion of equality related gateway questions within the pre-qualification process. This ensures that only those providers with appropriate equality credentials can proceed to the bidding stage. Additionally it provides the opportunity for constructive comment to be fed back to organisations to encourage their consideration of such issues within their business environment.
- Representation from the Procurement Centre of Excellence within the Corporate Equality and Diversity Group to ensure that areas of good practice / emerging issues are recognised at an early stage and appropriate responses developed.

Primary Roles and Responsibilities

The successful execution of this strategy will be dependent upon the contribution of and collaboration between a number of key players throughout the organisation. In order to ensure that there is a common understanding of expectations it is considered helpful to identify the particular roles of those individuals and groups identified below.

Elected Member / Senior Officer Representation

A Member of the Council's Executive Board, along with the Strategic Director (Resources Directorate), have been identified as Member and Officer Leads for procurement within the organisation. Their role will involve providing visible senior support and acting as 'champions' in driving the procurement agenda forwards into the future through advocacy and the appropriate allocation of resources.

Strategic Support

The Senior Management Team of the Council have endorsed the role and methodology presented by the Head of Procurement to firstly rollout the use of The Chest – Due North across all trading activity, where appropriate across the Council. Secondly, Senior Management will support evidence based initiatives which will further embed good practice leading to further efficiencies and savings fore the Council.

Procurement Centre of Excellence

The Centre of Excellence will lead, support, and enable the use of spend management profiles as a means of developing more robust and effective procurement processes across the organisation. It will play a pivotal role in identifying areas for improvement and in building internal and external relationships between customers and potential suppliers. It will also take lead

responsibility for ensuring that procurement activity remains consistent with the organisations ethics and corporate social responsibilities. The work of the Centre will also underpin the Council's efficiency agenda and drive change in order to provide financial security for the Council through the ongoing monitoring and reporting of procurement related initiatives and the achievement of planned outcomes.

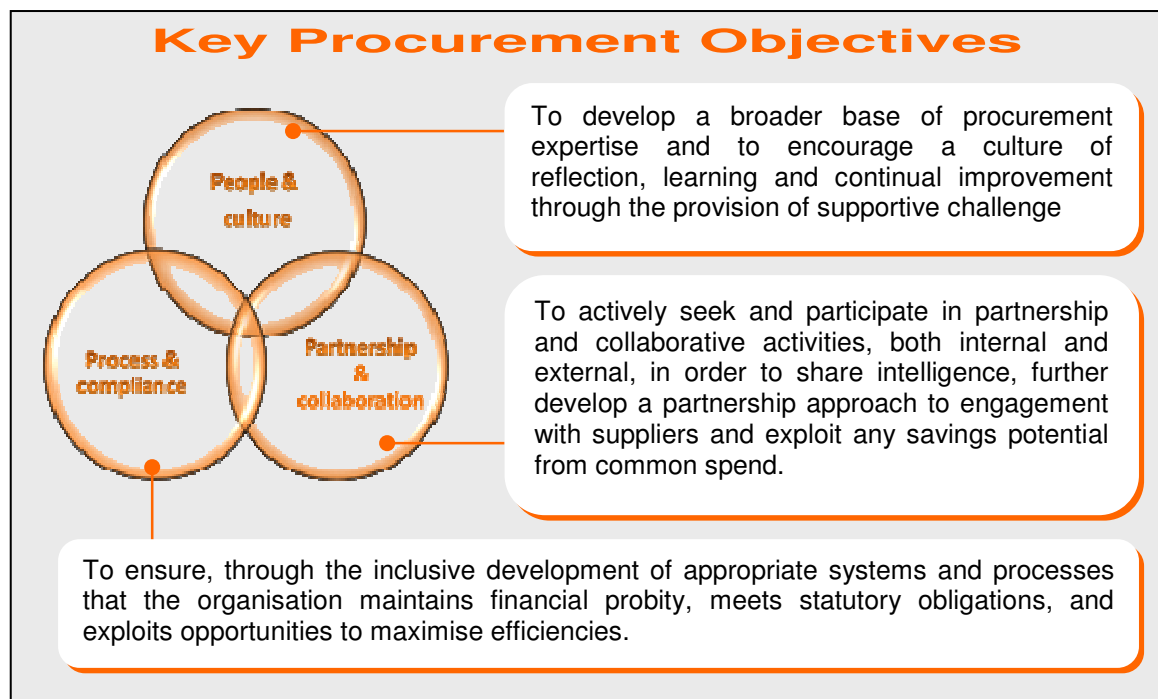
Directors, Divisional Managers and Key Buyers

This key group of Officer's will have a responsibility to work in collaboration with the Centre of Excellence to ensure that good practice is adopted and shared throughout the organisation. In addition there is an expectation that this group will play a full and active part in the development and delivery of new initiatives that will form part of the ongoing efficiency agenda.

Developing Actions and Strategy Implementation

In developing this strategy consideration has been given to both embedded actions and practices and the identification of further actions that will be required in order to maximise the impact of procurement operations in terms of both efficiency and service delivery.

In order to provide clarity and direction, the following primary objectives for the Centre of Excellence have been developed around the three interrelated practice perspective of people, process and partnership. Developing actions across each of these perspectives will ensure that our approach remains multidimensional and offers the greatest scope for building sustainable change within the organisation.



Management, Monitoring and Reporting

The effective implementation of this strategy and its associated delivery plan will form the basis for the development of a performance monitoring system. As such a number of processes have been established, and will be developed, in order to monitor the progress that is being made which include:-

- Business Efficiency Board quarter monitoring.
- Financial Quarter Monitoring Report.
- Quarterly Report Chief Officers – Procurement Report.

Procurement Delivery Plan

This strategy forms the foundation for action and the delivery of outputs that will lead to more efficient and effective business processes that ultimately deliver positive outcomes for a range of stakeholders, including the wider community of the borough.

This delivery plan identifies specific actions within each of the three practice perspectives. In progressing this initiative the Procurement Centre of Excellence will also, in more general terms, have lead responsibility for:-

- Providing direct support and leadership across the organisation and encouraging a more robust consideration of spend management through extending the development, use and analysis of expenditure profiles and other performance metrics
- Proactively engaging with internal and external partners and networks and ensuring that MEAT² principles are applied consistently in order to secure value for money.
- Embedding the Flexible Framework on Sustainable Procurement, promoting trading opportunities for the whole supply community, and encouraging innovation and competition within the supply market.
- Maximising and promoting the benefits of e-procurement solutions to stimulate electronic trading through service redesign, knowledge generation and sharing, and providing transparency and accountability in procurement activity.

Appendix 1 provides a more detailed series of actions within each of the three practice perspectives along with a timeframe for their implementation.

² Most Economically Advantageous Tender

Key Contacts and Feedback

Key Contacts:

Should you require any additional information or advice in relation to procurement please contact:

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Feedback:

The Council encourages a participative approach to its strategy development activities. As such if you have any comments concerning this document, in terms of both content and format, or wish to request the information in alternative formats please contact the Head of Procurement.

For the purpose of this Strategy: **Procurement** is defined as those specific activities that focus upon the process of buying goods, services or works from the point at which the supply community is alerted to a need or an opportunity, through to the final contract arrangements being agreed.