



Tayside Procurement Consortium

Procurement Strategy (2008-2011)

1. INTRODUCTION

Foreword

The environment within which local government in Scotland operates is constantly changing. The modernising agenda places greater emphasis on transparency and accountability, customer focused services, continuous improvement in performance and more joined up planning and delivery of services.

The McClelland report with its focus on better procurement and increased efficiency, the challenges of efficient government and the drive for continuous improvement across local authorities in the pursuit of excellence and value for money have been significant drivers in identifying the need for a collaborative procurement strategy.

The three Tayside Councils – Dundee City, Angus and Perth and Kinross - recognise that Procurement has a critical role to play in achieving potential efficiency savings and ensuring that the organisations are fully prepared to embrace the challenges of the public service reform agenda.

The establishment of a Tayside Procurement Consortium is to manage this changing agenda and to ensure coherence in the work of all Councils. The consortium was formally launched on 8 November 2007 in Dundee.

The Local Government in Scotland Act (2003) places a duty of Best Value on all Councils. The Councils are committed to achieving Best Value through more effective partnership working, integrated and responsive service delivery and more effective use of public resources

The Tayside Procurement Consortium will work with the services within the partner councils to ensure arrangements are put in place to demonstrate the fulfilment of the requirements of the McClelland report and the statutory obligations, which make up the Best Value regime provided by the Act. In doing so the Procurement function will aim to ensure that the principles of Corporate Social Responsibility are promoted and delivered

Allan Harrow
Head of Procurement
Tayside Procurement Consortium

November 2007

2. What is Procurement?

“Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the **whole cycle**, from identification of needs, through to the end of the service contract, or the end of the useful life of an asset.¹

This strategy covers the procurement of all goods, services, works and utilities on behalf of the Councils by their employees, agents, and as a model for its partners.²

Although no procurement activity will be exempt, it is recognised that different products and services, especially where the care and education of individuals is concerned, may require a different approach, and this will be reflected in the strategy.

3. Context of the Strategy

Following the McClelland report published March 2006, which aimed through procurement to contribute to the Efficient Government initiative launched in 2004. The Scottish Government, through the Scottish Procurement Directorate, intends to deliver on a national procurement strategy for local government with a number of targets for authorities to achieve over the period to 2011.

The Tayside Procurement Consortium’s procurement strategy and operations will reflect and work towards achieving these targets and this strategy reflects and builds upon recommendations contained within the McClelland report.

This strategy will bring together and co-ordinate council specific procurement plans to deliver improvements in procurement practice and will drive procurement forward as a corporate priority across the partners.

This strategy addresses the areas where the Consortium activity is expected to deliver efficiency opportunities through improved procurement practice. Estimates for efficiencies have been set for the consortium and this strategy sets out how these efficiencies may be achieved.

¹ Office of Government Commerce definition

² The term “partners” encompasses all sources of goods and services whether directly employed, 3rd party, voluntary, or another public body.

4. Aim of the Strategy

The strategy is aimed at promoting effective procurement across the three authorities. It aims to strike a balance between setting out a high level framework for the delivery of excellent procurement and delivering a detailed plan which will address specific targets.

The key objectives of this strategy are to:

- a. Ensure our procurement practice reflects our vision values and aims
- b. Secure commitment to excellent procurement from all members and officers throughout the Councils
- c. Provide a point of reference and focus for procurement matters
- d. Plan the way forward on improving our procurement function
- e. Deliver savings as part of an authority wide efficiency strategy which will respond positively to the Scottish Government's agenda on Efficient Government and public service reform

5. The Strategic Vision

Procurement Mission Statement

“The Tayside Procurement Consortium will work to deliver effective and efficient procurement for the benefit of the organisation and all its stakeholders”

The three Councils are fully committed to delivering high quality standards and having an efficient procurement procedure. This in turn will enable us to deliver best value and ensure that best use is made of public resources.

Using best-practice procurement techniques, we are committed to making sure that every pound spent provides value for money, and that every pound saved is directed back into key front line service priority areas.

All services must deliver and promote the following principles of best value procurement. Our procurement will:

- Be transparent;
- Be driven by desired results;
- Create the most economically advantageous balance of quality and cost;
- Reduce the burden on administrative and monitoring resources;
- Lead to simplified or routine transactions;

- Encourage open and fair competition;
 - Follow all appropriate regulations and legislation
-

6. Corporate Social Responsibility

The Tayside Procurement Consortium recognises that its activities have an impact on the community in which we work and live.

Corporate Social responsibility is essentially how we take account of the economic, social and environmental impacts from the way the Consortium operates – and in doing so maximises the benefits and minimises the downsides for all stakeholders.

The consortium aims to achieve this through actions taken, over and above compliance with minimum legal requirements, to both achieve value for money and address the interests of wider communities.

The following sections of the Procurement strategy outline the aims of procurement in relation to the corporate social responsibility agenda.

This specifically relates to the areas of:

- Sustainability
 - Health, safety and welfare
 - Environmental management
 - Equality
 - Ethical procurement
 - Development of local economy / engagement with the local business community
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7. Sustainability

Residents in the Tayside area have a right to expect that their money is spent both wisely and fairly. It is the position of the three Council that value for money through competition should be at the heart of public procurement. The Tayside Councils are also committed to playing a full role in sustainable development and have implemented environmental policies in support of this goal.

When we buy goods and services we aim to do so in a way which minimises impact on the environment. Our aspiration is that our suppliers share our commitment to continuous environmental improvement.

Some of the ways in which the Tayside Procurement Consortiums procurement policies may impact upon the sustainable development are shown below. They also contain important messages for those wishing to work in partnership with the Tayside Procurement Consortium.

- It is important that our suppliers keep pace with environmental developments in their particular markets. Failure to do so may mean that they will find it increasingly difficult to compete;
- Development of environmentally preferable goods and services and use of recycled/renewable materials is likely to offer a competitive advantage.
- Suppliers should play a full part in helping the Councils meet their environmental objectives and encourage improved performance.

These are intended as positive messages. We also want to be kept informed of new and developing environmentally preferable products, technologies or services. Those who fail to comply with environmental legislation may be excluded from selling to the Tayside Councils.

8. Health and Safety Management

The Councils are committed to ensuring effective Health and Safety management and performance throughout all Council Services and undertakings, and require that Health and Safety matters be given appropriate consideration with equal status to all other demands.

The Councils recognise their responsibilities for the health, safety and welfare at work of employees, and the Health and Safety of others who may be affected by the Council's work activities.

All goods and services should be procured with the health, safety and welfare of any staff, contractor's employees, clients, volunteers and members of the public who may be affected, in mind.

All procurement must ensure that Health and Safety impact is considered (risk assessment), that Health & Safety impact is minimised through buying products and services that reduce risks to the lowest level, and that as a minimum, goods and services provided meet legal requirements.

Councils expect their business partners to comply with all the relevant legislation, related Acts, regulations and orders within all its contracts. These include:

- Health and Safety at Work Act 1974
- COSHH Regulations 2002
- Noise at Work Regulations 1989
- Electricity at Work Regulations 1989
- Management of Health and Safety at Work Regulations 1999
- Workplace Health and Safety Regulations 1992
- Provision and Use of Work Equipment Regulations 1998
- The Personal Protective Equipment at Work Regulations 1992

The Tayside Procurement Consortium will take into account within its tender evaluation and contracting processes, a potential contractor's approach to Health and Safety in terms of its employment practices and service delivery, which will also be monitored and managed during the life of each contract.

A contractor's compliance with Health and Safety will be checked in two ways:

- **Prior to Contract Award** - by asking questions either prior to or during the tender process. If following evaluation the response does not satisfy the Council's criteria, the firm may not be shortlisted or awarded a contract.
- **After Contract Award** - by including contract conditions on Health & Safety in all Council contracts and by monitoring a contractor's performance and compliance with those conditions

9. Environmental Management

The Tayside Procurement Consortium strategy has been developed in line with the Scottish Governments environmental policy. Key elements of this are that those involved in procurement activities, in particular specifiers and purchasers, must:

- Consider the environmental impact of purchasing decisions;
- Minimise adverse impacts through buying products, wherever possible, which have least impact on the environment.

The key elements of general procurement policy remain, i.e. that purchasing should be based on competition and value for money (VFM). Procurement should not be used as an instrument for securing objectives on social, industrial or trade policy. This principle is reinforced by our international obligations as members of the EU.

The Tayside Procurement Consortium's procurement policy does, however, allow services to specify goods and services which take account of their environmental impacts, provided a balance is struck between costs, benefits and other relevant factors. Full lifecycle costs, including disposal, must be taken into account and, the choice should favour the option which minimises any adverse environmental effect. Purchasers should also encourage suppliers to minimise any adverse environmental effects of their activities, and also encourage suitable new technology.

This Procurement Strategy and the accompanying procurement plan and objectives are subject to a Strategic Environmental Assessment as required by the Environmental Assessment Scotland Act 2005. Accordingly an ongoing review of environmental considerations is inherent and will underpin all procurement activity.

10. Equality and Diversity

The Tayside Councils are committed to equality of opportunity both as service providers and as employers. The Councils value the diversity of the communities in the area and work towards providing services that are inclusive and accessible. The Councils recognise that social inclusion and promoting equality of opportunity and good relations between different groups can only be achieved by incorporating equalities into the planning and implementation processes for all Council Services.

The Councils believe in equal opportunities for all. This belief becomes a reality through our policy commitments and proactive measures to challenge equality, recognise difference and celebrate diversity. The Councils will adopt a broad approach to equalities using the Equality Standard for Local Government as a framework for this.

The Equality Standard for Local Government is a performance management framework for mainstreaming equality into service delivery and employment. At present the Standard covers equality on the grounds of Race, Disability, Gender, Age, Religion/Belief and Sexual Orientation. The benefits of adopting the equality standard are:

- Identifies barriers that prevent equal access to services and employment
- Helps organisations conform to existing and forthcoming legislation
- Recognised as a credible performance management framework for equalities issues

A number of pieces of legislation contain various prohibitions on discrimination on the grounds of race, sex and disability in the provision of goods, facilities and services, and as such the Councils expect their business partners to comply

with all the relevant legislation, incorporating these as a requirement within all its contracts.

Currently the Councils have duties under the Race Relations (Amendment) Act 2000 and the Disability Discrimination Act 2005 (e.g. the Disability Equality Duty) to promote equality, including in their respective procurement practices. These are now supplemented by requirements under the Gender Equality Duty.

Together these require the Councils to ensure that any contractor or partner that delivers services directly on their behalf has an effective equality policy and that this is implemented and followed. This consequently requires the Councils to obtain monitoring data on a regular basis to determine whether our contractors or partners are complying with their policies. Whilst suppliers of goods to Council services do not provide services directly on our behalf as part of our duty to promote equality we would encourage them to have equality policies and operate in the same way as our other contractors and partners.

The Tayside Procurement Consortium will take into account within its tender evaluation and contracting processes, a potential contractor's approach to equalities in terms of its employment practices and service delivery, which may also be monitored and managed during the life of each contract.

A contractor's compliance with equality and diversity issues will be checked in two ways:

- **Prior to Contract Award** - by asking equalities questions either prior to or during the tender process. If following evaluation the response does not satisfy the Council's criteria, the firm may not be shortlisted or awarded a contract.
- **After Contract Award** - by including contract conditions on equality in all Council contracts and by monitoring a contractor's performance and compliance with those conditions.

11. FAIRTRADE

FAIRTRADE refers to a social movement that promotes social economic and environmental standards in the purchasing of goods from developing countries.

Fair Trade refers to the certification and labelling system that ensures that these standards are met. One important objective is to ensure that excluded/disadvantaged producers are able to access international markets, are paid a fair price for their products and are provided with decent working conditions during production. Fairtrade also seeks to promote environmentally sustainable practices and develop long term economic trading relationships.

Traders are encouraged to buy as directly from producers as possible and supply chains are kept as transparent as possible.

So, in simple terms, producers in developing countries are paid a fair price for their products; in turn their workers are paid a living wage – an amount capable of sustaining basic needs, including food, shelter, education and health services.

By purchasing a fairtrade product or by stocking and promoting fairtrade product lines, consumers and businesses give communities the chance of an economic, environmental and socially sustainable future.

Perceived benefits

- Increased sustainable benefits for marginalised and disadvantaged third world producers.
- Increased standing as a good corporate citizen.
- Opportunity to develop sustainable influence to other sectors.

The Councils recognise the importance of Fair Trade and wish to increase the awareness of fairtrade.

12. Development of Local Economy / Engagement with Local Business Community

Tayside Procurement Consortium's aim is to ensure that, wherever possible and consistent with the need to secure VFM, suitably qualified Small/ Medium Enterprises (SME) have the opportunity to compete for the Tayside Council's business.

The barriers to business that SMEs face and how SMEs can be assisted in bidding for work will be addressed by the Tayside Procurement Consortium to ensure that SMEs are not unduly disadvantaged in the procurement process.

The definition of an SME is described as a business with less than 250 employees.

The issue of quotas for SMEs, i.e. ensuring that SMEs are awarded an agreed percentage of all public sector contracts, is often raised in the UK, but while inclusion of SMEs in competitive tendering exercises should have the benefit of increased competition, quotas would act against the principle of VFM and also against procurement legislation.

Scottish Government Procurement Policy states:

“It is Government policy to take steps to remove barriers to participation by SMEs. There are many ways in which this can be done, such as improving access to procurement opportunities and information, which do not discriminate against larger firms and which help to improve VFM by increasing competition.”

Given the nature and often comparatively large size of public sector contracts there will inevitably be circumstances when SMEs will have the best opportunities to tender for contracts as part of a consortium, as opposed to as a main contractor.

The Tayside Procurement Consortium will work in partnership with Economic Development departments across the three Councils to assist delivery on the respective initiatives - the three authorities have signed up to the Scottish Government's suppliers charter which commits to the following:

- Consult with the business community to identify and reduce barriers to business
- Facilitate understanding of public sector procurement policy and legislation by relevant stakeholders
- Ensure that the approach to individual contracts, including large contracts and framework agreements, is supported by a sound business case
- Keep the tender process as simple as possible, but consistent with achieving Best Value/value for money, to help minimise costs to suppliers
- Unless there are compelling business reasons to the contrary, ensure that adequate and appropriate publicity is given to contract opportunities that fall below the OJEU threshold limits or are otherwise exempt from the public procurement directives
- Commit to using the core questionnaire for routine procurements with addition of bespoke additions on a case by case basis. Authorities will be expected to follow this format and, as closely as possible, wording for routine open procedure procurements
- Offer meaningful feedback to suppliers on the evaluation of their proposal at the end of the tendering process
- Publish guidance for the business community on tendering for opportunities
- Support training for procurement staff to develop consistency in the use of best practice procurement activity

The Tayside Procurement Consortium will actively engage with the Chamber of Commerce and the Federation of Small Businesses to progress our support of the local business community in Tayside.

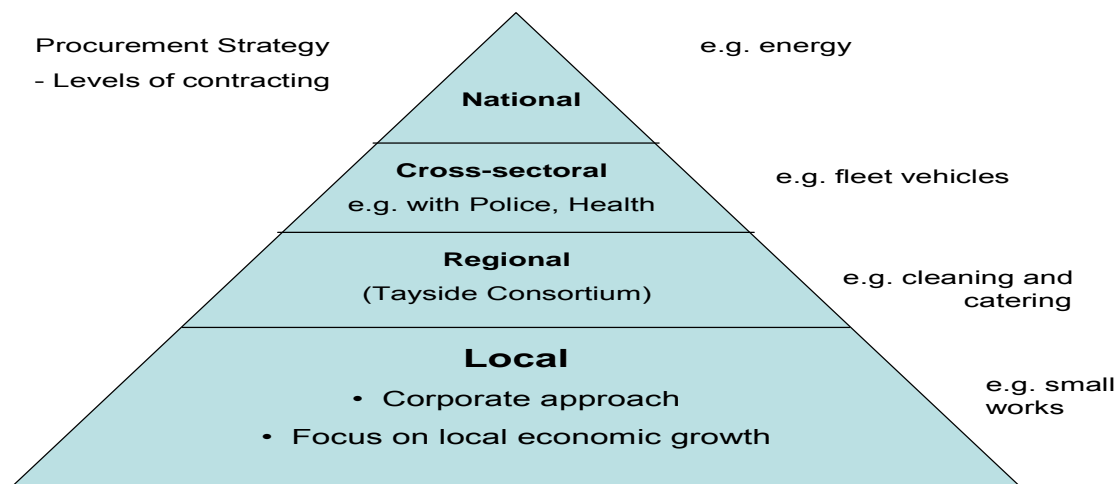
13. Delivering Efficiencies

Procurement has a significant role to play in the delivery of the three councils respective overall Efficiency Strategies.

The three Councils have already undertaken to address a number of key corporate commodity areas in order to gain efficiency savings for services and improve purchasing practice. Through existing initiatives, such as a collaborative purchasing approach, areas which have already been addressed include photocopiers, stationery / office supplies and wheelie bins.

Through involvement with the Scotland Excel programme, the Councils will realise further efficiencies through a national collaborative procurement approach. They will also take advantage of cross-sectoral procurement through the Scottish Centre of Procurement Excellence once that becomes available.

The following diagram explains on a high level the approach to this initiative.



Efficiencies will be monitored and Councils will be responsible for ensuring the effective redeployment of savings to their front line service provision.

Through implementation of this procurement strategy that adopts a collaborative procurement approach between the Tayside partners we may be able to realise a number of efficiency savings in key commodity areas.

From a recent review of the ledger data, expenditure profiles and existing contracts in place for the three Councils, there is significant potential for efficiencies to be realised. This is dependent upon a number of critical key factors being implemented including the successful roll out of e-Procurement Systems across all three Councils, compliance across all Councils to collaboratively procured contracts, and the enablement of strategic sourcing.

To achieve these ends, the Councils will:

- Implement collaborative procurement exercises in the identified opportunity areas detailed below through the Tayside Procurement Consortium.
- Participate in national and cross-sectoral procurement activity where this presents the Councils with the best value solution to their requirements.
- Consider the scope and advantage for joint and collaborative activity on all other procurement opportunities as and when they arise.
- Once they are implemented, use strategically sourced suppliers for provision of relevant commodities to the exclusion of others not strategically sourced.

14. Governance

The Governance arrangements for the Consortium will be through a steering group comprising the Deputy Chief Executive (Dundee City Council), the Executive Director of Corporate Services (Perth and Kinross Council) and the Director of Corporate Services (Angus Council).

The Steering Group will receive reports from the Head of Procurement, indicating the progress made in delivering the Tayside Procurement Strategy, and will have responsibility for ensuring that the Strategy is applied across all Councils.

A Tayside Procurement Consortium team will support the corporate procurement functions in each authority and will provide the vehicle by which the programme will be rolled out and the members of the Tayside team and the respective corporate procurement resource will ensure support is provided directly to this initiative. Delivery of the procurement programme within councils will be taken forward by Corporate Procurement Manager from each respective Council.

There will be some issues that arise through this change process that require to be considered by the Steering Group but in the main these matters will be addressed internally at an operational level. The Corporate Procurement Managers will ensure compliance within their respective councils for the corporate governance arrangements for all procurement related issues.

15. Structure and Resources

The operating model and process flow for the consortium is set out at Annex B to this strategy.

A budgetary provision has been made to support the Tayside procurement implementation plan from each member Council. Resources to support the implementation of consortium arrangements, collaborative buying and e-procurement are subject to normal budgetary pressure.

16. Monitoring and Review

Every public-sector organisation should have a formal programme of procurement and internal efficiency measurement and management. McClelland in his review notes that every procurement programme should also measure the effectiveness of procurement in terms of results achieved. The reported information should rely heavily on key performance indicators.

The Councils additionally have a requirement to report on a national basis to the Scottish Government. As a minimum the types of KPIs are likely to be:

- Total Procurement Expenditure
- Procurement Expenditure Analysed by Spending Department
- Procurement Expenditure Analysed by Commodity or Service
- Total Number of Procurement Transactions
- Total Cost of Resources in Procurement Department
- Total Cost of Resources in Procurement Process including support departments, e.g. Accounts Payable
- Procurement Resources Analysed by Commodity or Service Procured
- Procurement Department Cost per £ of spend
- Procurement Process Cost per £ of spend
- Procurement Department/Process Cost per £ of Specific Commodity
- Spend Process Cost per Transaction
- Savings Achieved Year-on-Year in Absolute Terms
- Year-to-Year movement in Index of Basket of Procured Commodities Tracked
- Number of Suppliers (active/inactive)
- Spend Identified by Supplier
- Average Spend per Supplier / per Order placed

The effectiveness of this strategy will be measured through the efficiency savings realised and a set of indicators as listed above.

Monitoring of the consortium will be through standard internal audit schedules, monthly reports to the Steering Group and reports to Council committees as required

An annual procurement report assessing progress will be submitted as part of the annual efficiency statement to the Council's Strategic Policy and Resource Committees.

This strategy document will be reviewed annually.

Procurement Plan - 2008 to 2011

“Tayside Procurement Consortium will work to deliver effective and efficient procurement for the benefit of the organisation and all its stakeholders”

Five Key Operational Objectives

From the vision the following five key operational objectives for 2008 to 2011 can be identified:

1. Implement an overall Procurement Strategy.
2. Deliver a collaborative procurement approach.
3. Develop the knowledge and skills of those involved in Procurement.
4. Work towards Tayside Procurement Consortium being seen as an exemplar of best Procurement practice by all stakeholders.
5. Commitment to Continuous improvement and efficiency savings.

Tayside Procurement Consortium will work to deliver effective and efficient procurement for the benefit of the organisation and all its stakeholders”

STRATEGIC OBJECTIVES AND IMPLEMENTATION PLAN 2008-2011				
1. Develop an overall Procurement Strategy				
Outcomes	Main Actions	Priority	Completion Date	Owner
Creation, development and delivery of a TPC procurement strategy	Agree Vision Process map – what, who, how and by when	Critical	March 08	HoP
Create a TPC Governance Procurement Framework	Delegated Procurement Framework Authority to purchase Governance principles Business conduct documents	Critical	March 08	HoP
Ongoing assessment of delivery of recommendations from McClelland report	Revise strategy and policy Report to Councils Realise benefits	Critical	Ongoing	HoP
Key Risks and Dependencies	<ul style="list-style-type: none"> • Acceptance of requirement for change • Acceptance of importance of Procurement • Availability of resource • Commitment to change • Acceptance by audit for revised Governance structure • Approval from committee of vision , objectives and strategy 			

HoP Head of Procurement

SPD Scottish Procurement Directorate (Scottish Government)

CPM Corporate Procurement Manager

Tayside Procurement Consortium will work to deliver effective and efficient procurement for the benefit of the organisation and all its stakeholders”

STRATEGIC OBJECTIVES AND IMPLEMENTATION PLAN 2008-2011				
2. Deliver a Collaborative Procurement Approach				
Outcomes	Main Actions	Priority	Completion Date	Responsibility
Creation of a Central Procurement Unit	Agree structure Agree resource Implement	Critical	March 08	HoP
Identification of Key Council Users and Contacts	Training Share information Best practise	Critical	March 08	HoP CPMs
Full Contract Audit	Thorough review and procurement evaluation of all existing contracts Approval / Termination Renegotiate/Re-tender	Necessary	March 08 then ongoing	CPMs
Performance monitoring	Implement KPI's Work with EPS to develop E-proc. KPI's	Necessary	March 08	CPMs HoP
Organisational capacity	Develop & assist delivery of internal Training Specialist Training Develop skills base (CIPS)	Necessary Desirable Desirable	March 08 Ongoing Ongoing	HoP CPMs Training & Developmt Section
Key Risks and Dependencies	<ul style="list-style-type: none"> • High level support required from all areas • Availability of information – co-operation of all operational staff • Availability and willingness to commit resource • Ability to deliver. • Ability to ensure compliance to strategy , policy and protocols • Actual physical resources available • Ability to address the ‘ what’s in it for me ’ issue 			

Tayside Procurement Consortium will work to deliver effective and efficient procurement for the benefit of the organisation and all its stakeholders”

STRATEGIC OBJECTIVES AND IMPLEMENTATION PLAN 2008-2011				
3. Develop the knowledge and skills of those involved in procurement				
Outcomes	Main Actions	Priority	Completion Date	Responsibility
Development of Procurement User Guides	Update Contract rules	Necessary	Oct 08	HoP
	Update Contract rules guidance		Oct 08	CPMs
	Update Procurement Policy		Oct 08	
Effective communication	Develop overall communications plan Periodic newsletter Establish a database for Publication	Necessary	Ongoing	HoP CPM
	Create User guides	Necessary	Oct 08	CPMs HoP
	EU guidance	Necessary	March 08	CPMs HoP
	Advanced Procurement policy	Desirable		SPD
	Procurement templates	Critical		SPD
	Conditions of contract	Critical		SPD
	Development of a suppliers charter	Desirable		SPD
Key Risks and Dependencies	<ul style="list-style-type: none"> Initial dependency on SPD to provide information Support of management and staff to a corporate approach Availability of appropriate resource to provide necessary support / monitoring / audit. 			

Tayside Procurement Consortium will work to deliver effective and efficient procurement for the benefit of the organisation and all its stakeholders”

STRATEGIC OBJECTIVES AND IMPLEMENTATION PLAN 2008-2011				
4. Work towards <i>Tayside Procurement Consortium</i> being seen as an exemplar of best procurement practice by all stakeholders				
Outcomes	Main Actions	Priority	Completion Date	Responsibility
Website – user friendly	Develop website	Necessary	March 08	CPM HoP
Intranet – user friendly	Establish a library of guidance tools and techniques on intranet pages	Necessary	March 08	
Efficiencies from collaborative procurement	Implement excel	Necessary	April 08	CPM HoP
Central register of contracts	Information – develop a standard format Review use / non use of contracts Promotion and rationalisation of contracts	Necessary	March 08	CPM HoP
Local supplier engagement	Develop and agree improvement plan with BCI , EC Dev & CoC	Necessary	March 08	CPM HoP
Key Risks and Dependencies	<ul style="list-style-type: none"> • Availability of appropriate information from services • Procurement and its relationship with Economic Development & Chamber of Commerce 			

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STRATEGIC OBJECTIVES AND IMPLEMENTATION PLAN (2008-2011)				
5. Commitment to continuous improvement				
Outcomes	Main Actions	Priority	Completion Date	Responsibility
Compliance Awareness Ownership	Establish an annual review process for strategy, policy and guidance	Desirable	March 08	CPM
	Ensure above is up to date and reflects best practice	Desirable	March 08	
Delivery of e-Procurement	Implement EPS proposals	Desirable	Ongoing	CPM
Key Risks and Dependencies	<ul style="list-style-type: none"> • Availability of appropriate resource to provide necessary support / monitoring / audit. • Mis-match of priorities of consortium members • Equity of commitment from all members to consortium • Ability of all services to facilitate the roll out of ePS 			

TPC Work Plan 2008 - 2011

The following diagram sets out the commodities which, through an opportunities workshop and validation exercise, the councils have identified as offering the best opportunities for collaborative procurement by the TPC during the period 2008 – 2011.

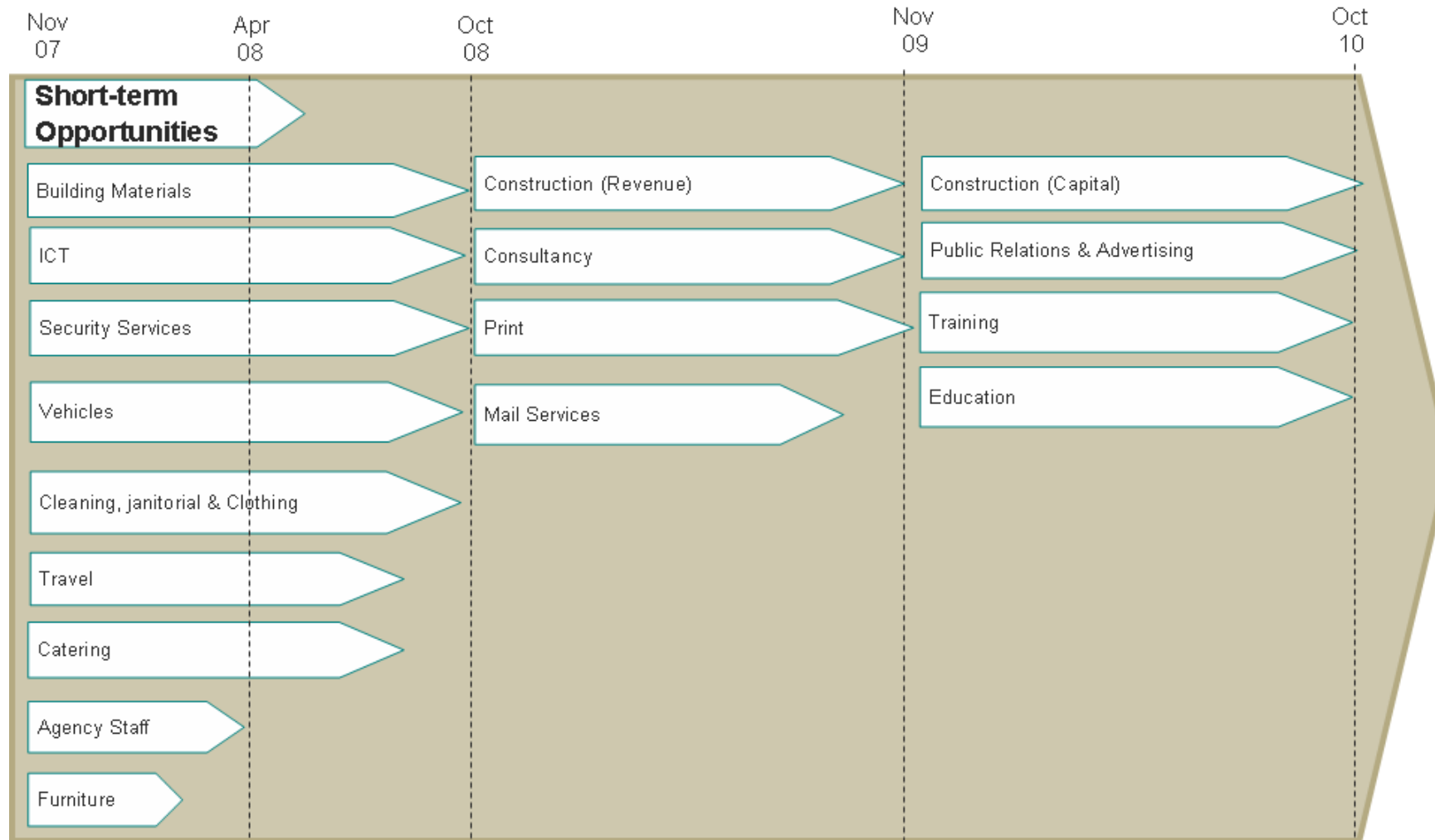
Also set out within the diagram are indicative timescales for the carrying out of the strategic procurement exercise by TPC on a commodity-by-commodity basis.

TPC will keep this work plan under review and modify it according to experience after required reporting to the councils.

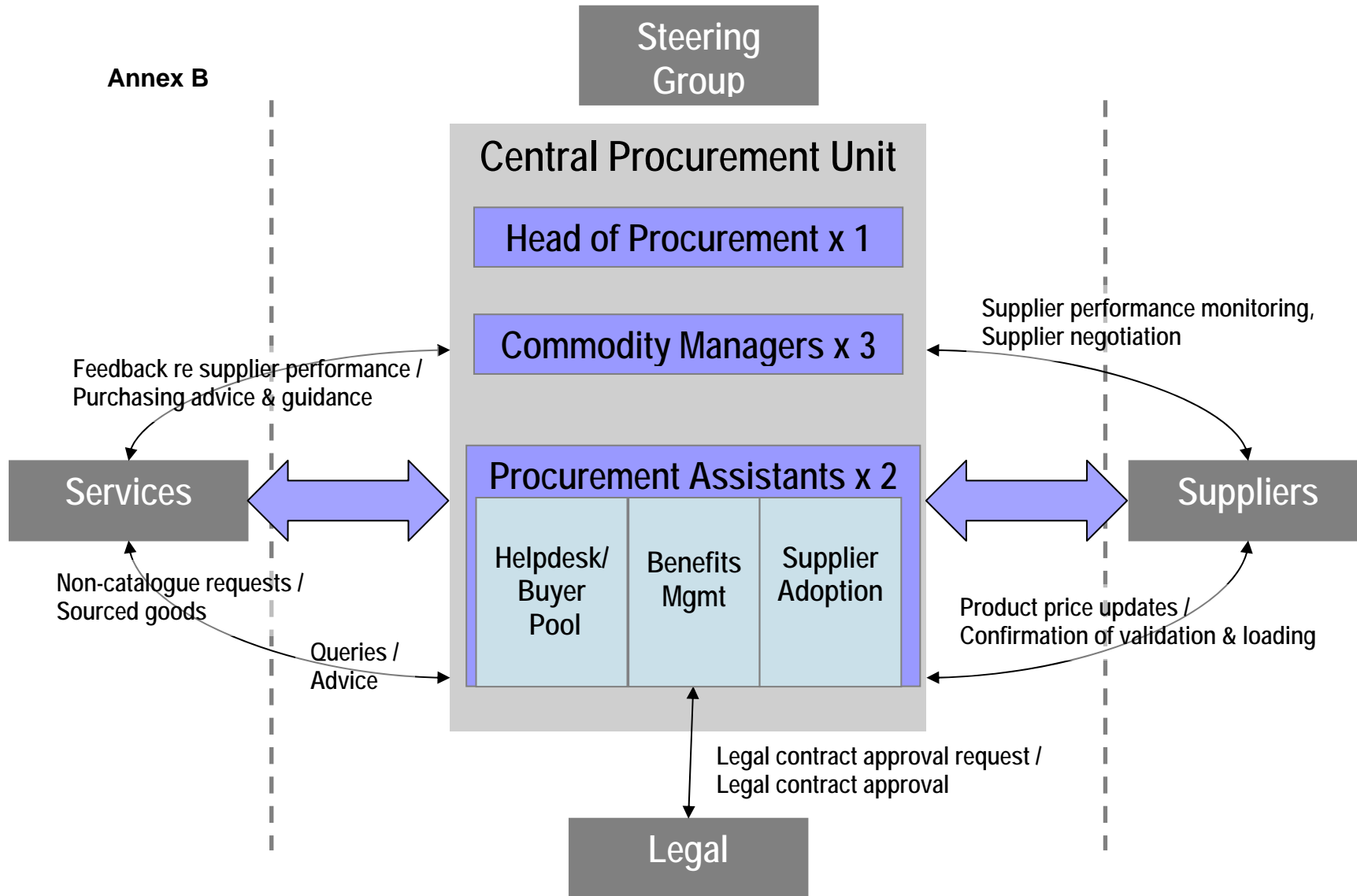
TPC High Level Implementation Plan

Annex A

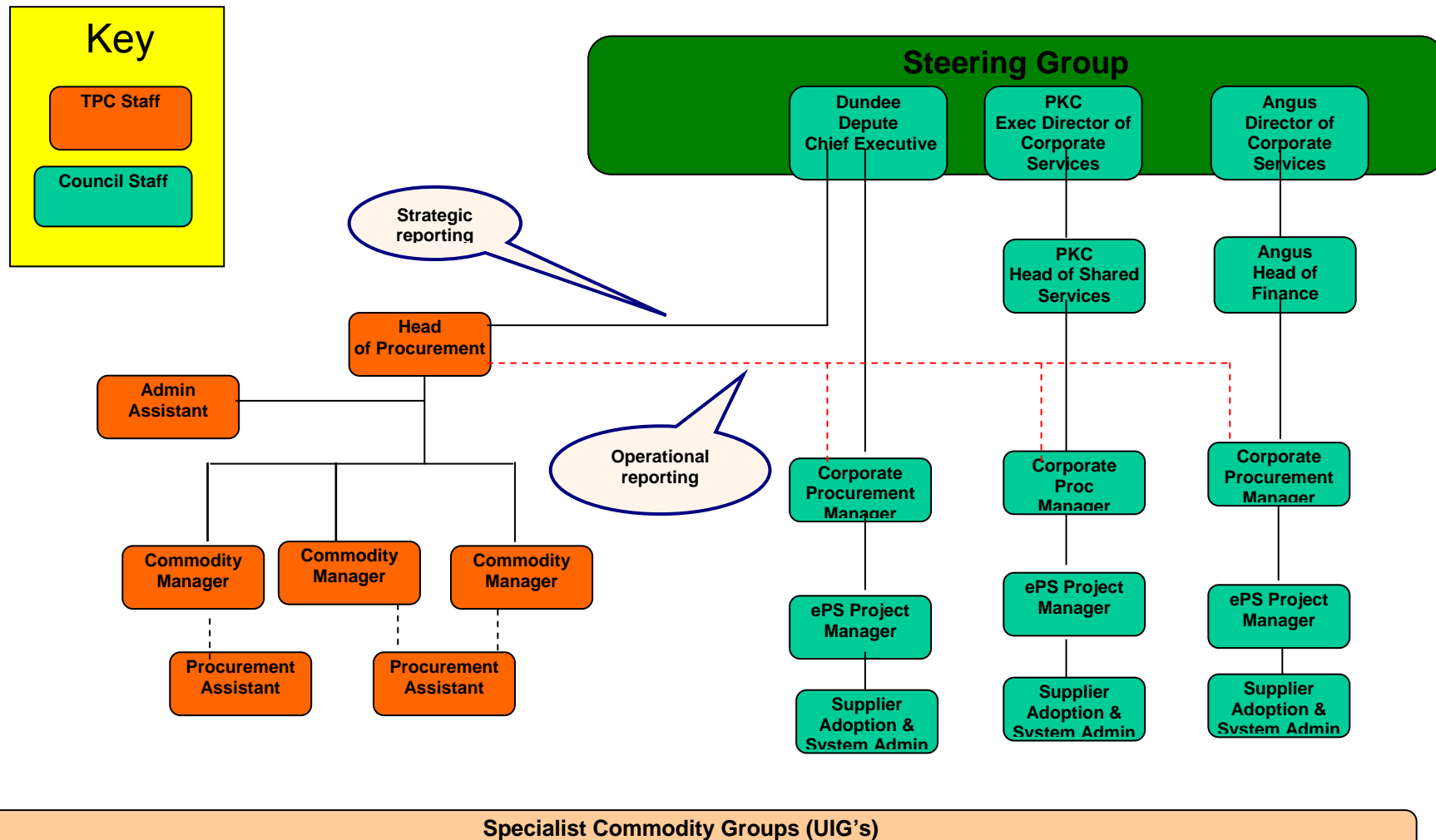
Assuming that the Sourcing implementation is started in November 2007 the implementation plan shows the category waves rolling out until November 2009.



Proposed Central Procurement Unit model including key interfaces



Tayside Procurement Consortium Operating Model



About This Guide

This Guide to Procurement has been produced to support Council employees with responsibility for purchasing goods & services. This Guide should be used in conjunction with the Councils Contract Standing Orders & EU Procurement Regulations.

Further Information

The Corporate Procurement Units are keen to assist with any procurement related questions you may have. Individual points of contact have been detailed below:

Mark Allan: CPU Manager Angus
Telephone:

Brian Rose CPU Manager Dundee:
Telephone: 01382

Mary Mitchell CPU Manager Perth:
Telephone: 01738

James Hetfield:
Commodity Manager -
AAA
Telephone: 01382

Cliff Burton:
Commodity Manager
BBBB
Telephone: 01382

Kirk Hammett:
Commodity Manager
CCCC
Telephone: 01382

TPC Helpdesk
Telephone: 01382

Questions That Must be Answered

- Is there a business case for the procurement?
- Could the goods or services be borrowed, shared or provided in house?
- Is this the right time to make the purchase?
- Is the budget available?
- Can the purchase be justified?
- Is the resource (technical & strategic) available to properly evaluate and acquire?
- Have you allowed sufficient time (up to two weeks for a quote, up to 8 weeks for a below threshold contract & up to 6 months for an above threshold contract) to complete the exercise?
- Have relevant Council & Government Policies been taken into account?
- Have risks been identified and mitigated against?
- Has market been researched for latest supply, costs and product trends?
- Has sustainability been considered?
- Is there a greener route?
- Is there competition and will the process invite and create competition?
- Is there an existing contract or framework that could be utilised?
- Is there scope for cross departmental or cross Council collaboration?
- Is there a similar tender document or spec available (from another Council for example) – why reinvent the wheel?
- Have legal requirements been met?
- Has requirement been clearly stated with no scope for misinterpretation?
- Have end users been consulted?
- What is the minimum level of quality required as opposed to desired – fit for purpose?
- Total cost of ownership versus price
- Who is going to manage the supplier relationship and carry out Contract Reviews?

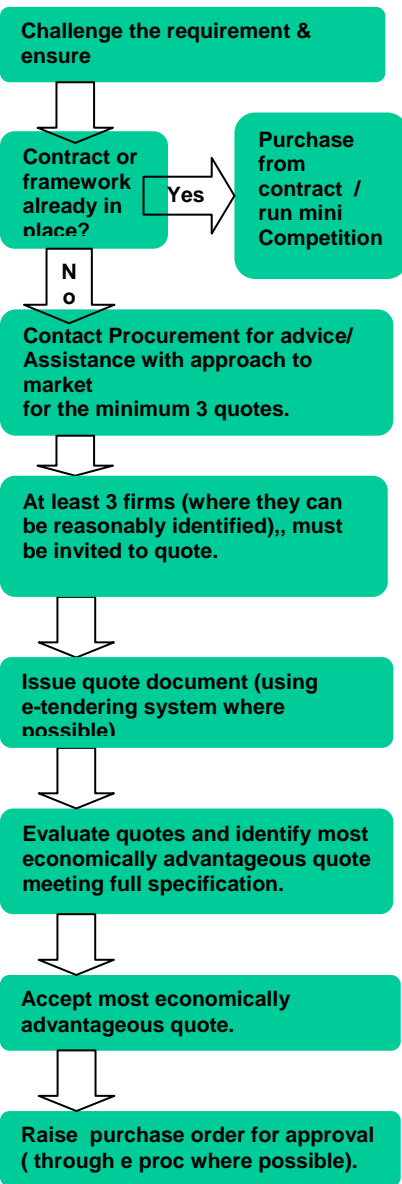
Tips For Success

- 1. Confirm budget is available** - how much can you spend, are there limits?
- 2. Plan ahead:**
 - Contact CPU for advice and guidance.
 - Identify & involve key stakeholders.
 - Establish roles & responsibilities.
 - Do your market research.
 - Scope project.
 - Agree requirements.
 - Draw up project timetable.
- 3. Improve your buying power** - work with the TPC, Excel, NPoCE or other buying organisations to get a better deal.
- 4. Make use of existing work** – contracts, frameworks and documentation.
- 5. Be compliant:**
 - with Contract Standing Orders.
 - with domestic & EU legislation.
 - contact CPU /Legal for advice and guidance.
- 6. Be transparent:**
 - ALWAYS adequately advertise opportunity.
 - Disclose the rules of the procurement process in advance & don't modify rules or requirement during the process.
 - Publish evaluation criteria & weightings in contract notice / tender documents.
 - Be clear with bidders on how their tenders will be evaluated.
 - Clearly define the desired scope of services.
 - Allow adequate time for tenderers to submit bids.
 - Maintain an audit trail of all minutes, agreements, etc
 - Establish a balanced, fair contract that shares risks & rewards.
 - Seek appropriate approval on above EU threshold contracts and report retrospectively.
 - Award the business.
- 7. Encourage innovation & secure Best Value:**
 - Don't introduce unnecessary complexity that can stifle competition, increase costs or delay process.
 - Don't spend hours saving a pound - consider the total cost of procurement.
 - Keep it simple.
 - Learn from the experience of others.
 - Best Value does not necessarily mean best price.

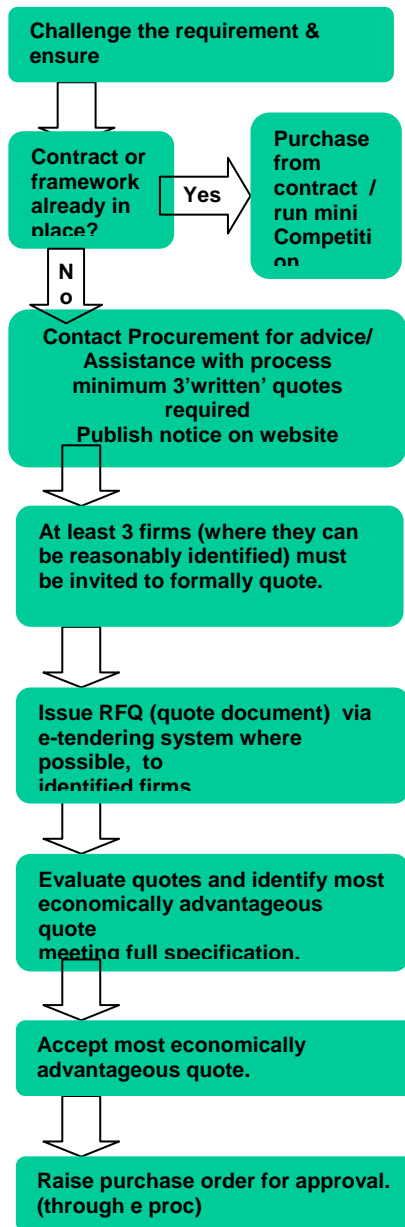
Tayside Procurement Consortium



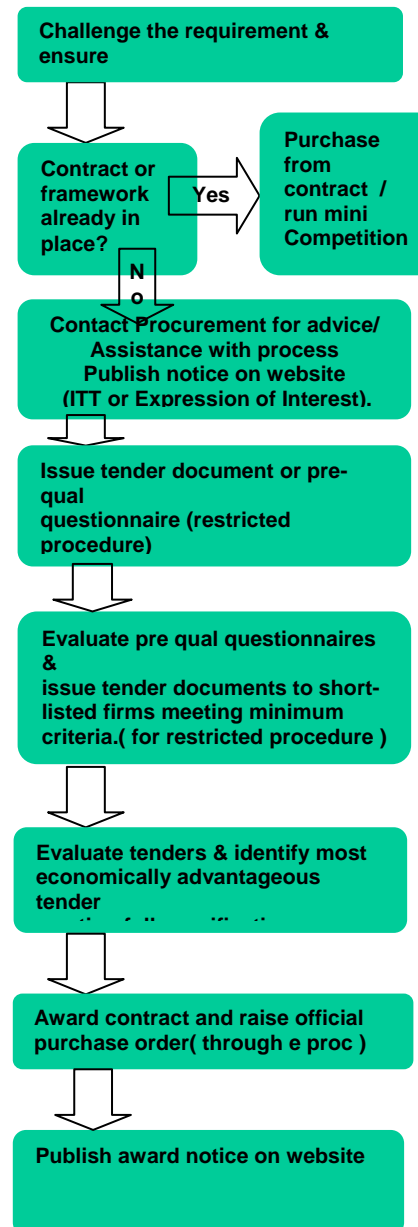
Supplies & Services: <£5K
Works: <£500K



Supplies & Services: >£5K <£50K
Works: as before



Supplies & Services: >£50K <£144,371
Works: >£500K <£3,611,319



Contracts in excess of EU Threshold

