

Procurement Strategy 2016-21

Foreword



*by Councillor Ed Malcolm,
Lead Member for Resources and Innovation*

Welcome to our 5 year Procurement strategy. This strategy outlines our priorities for 2016-21 and shows how procurement will contribute to achieving the South Tyneside Vision 2011-31 objectives that underpin that vision.

South Tyneside Council spends over £125 million on commissioned services with external organisations, and we have a duty to make sure that this spending represents value for money for the residents of the Borough through efficient and effective procurement policies and practices.

This strategy is designed to shape our approach to procurement and ensure it supports local priorities whilst contributing to several of our most important strategic objectives.

As the lead member with responsibility for this key area, I recognise that effective procurement is fundamental to achieving our vision, protecting our front line services and supporting a socially sustainable economic environment and that members and officers are committed to delivering this strategy.

Mission Statement

To work collaboratively with departments, suppliers and other public bodies to implement efficient, innovative and cost-effective sustainable procurement practices that deliver Best Value for Money on Supplies, Services and Works whilst supporting the Council's Strategic Vision.

The Corporate Procurement Service will:

- Encourage flexibility in developing alternative procurement and partnership arrangements;
- Seek continuous improvement in the provision of services;
- Be driven by desired outputs;
- Represent the most advantageous balance of quality and cost;
- Support the Council priorities as reflected in the South Tyneside Vision - <http://www.southtyneside.info/article/7988/The-South-Tyneside-Vision>

Procurement helps to deliver the Council's strategic objectives and its contribution aids continuous improvement of services by enabling and encouraging innovative and effective procurement. The Council's Procurement Strategy which has been developed under seven procurement themes:

1. Deliver Value from Procurement

- 1.1. Maintain an open approach to the renewal of contracts and the identification of requirements, considering all options for the provision of the required goods, service or works.
- 1.2. Ensure that, wherever possible, specifications are not restrictive and are based upon the anticipated outcome / output of the contract.
- 1.3. Ensure that the specification includes a properly aggregated requirement for the whole Council and any partner authorities or organisations.
- 1.4. Encourage suppliers to offer creative solutions and added value to requirements.
- 1.5. Maximise access for suppliers to encourage greater competition, increased efficiency and sustainable supply chains.
- 1.6. Work together with regional partners such as North East Procurement Organisation (NEPO) and other relevant public sector organisations, such as our neighbouring Councils and Crown Commercial Services, to maximise our output.
- 1.7. Award contracts on criteria which emphasise Value for Money including sustainability and whole life costs rather than lowest price.
- 1.8. Measure our success in meeting these objectives.

2. Economic Regeneration & Social Responsibilities

2.1. Work within the boundaries of the EU Treaty to maximise the spending with suppliers based within the borough and the region. To drive best practice in this area and support the optimum spending within the Borough the Council will:

- 2.1.1. Set local and regional spending as a specific Key Performance Indicator;
- 2.1.2. Review the Council's Constitution to support the continuous improvement in this area;
- 2.1.3. Utilise electronic portals to offer local SME's an appropriate route to quote for and secure work.

2.2. Promote and deliver local sustainability and economic development objectives in line with the principles of the Social Value Act through procurement activities such as:

- 2.2.1. Ensuring the consideration of apprenticeships & local employment is given within all relevant tender exercises;
- 2.2.2. On-going reviews and updates to the information on doing business with the Council;
- 2.2.3. Publishing our contracts register and contact details for each contract on the Council website;
- 2.2.4. Increase the level of contact with local suppliers by working in liaison with organisations such as South Tyneside Business Forum, NEPO and other public sector bodies to sponsor and support "meet the buyer" events and development seminars;
- 2.2.5. Work with suppliers to enable them to compete more effectively in securing work from the Council.

2.3. Promote transparency and improve understanding for suppliers in relation to procurement processes:

- 2.3.1. Expanded through the use of Quick Quote;
- 2.3.2. Clear guidelines, help and procurement contacts held within the Councils website.

3. Clear and Transparent Communication

3.1. Maintain clear strategic leadership across the Council, involving members, Service Leads and officers to ensure alignment with the council plan and governance framework.

3.2. Ensure continued active routes for communication and dialogue between Procurement and departments are maintained in order to continually improve the service.

- 3.3. Provide advice and guidance including contract management, management information and supplier management to promote compliance and increase visibility of contracts available.
- 3.4. Facilitate a regular forum for sharing best practice, collating and disseminating information.
- 3.5. Maximise collaborative opportunities by considering benefits for all procurement activities.
- 3.6. Actively promote collaboration where appropriate in order to share best practice and increase leverage including improved opportunities for supplier involvement.

4. Effective and Efficient Sourcing

- 4.1. Implement and utilise procurement tools which are relatively easy to use and do not impinge on other e-procurement elements or areas of activity.
- 4.2. Integrate systems which link directly with other automated systems and/or replace manual systems. These include an online catalogue and ordering system, e-market places, purchase cards, electronic invoicing, BACS and contract management systems.
- 4.3. Continue to develop the Council's purchasing and spend analysis systems to maximise management information, contract compliance and supplier management.
- 4.4. Work with NEPO and our partners to continually enhance our processes and systems of engagement.

5. Work with our suppliers

- 5.1. Actively engage with our suppliers including the third sector to demonstrate the transparency of our processes and improve access to Council spending.
- 5.2. Continue to utilise contract management that encourages two way interactions with contracted suppliers and helps develop services and relationships.
- 5.3. Work to the mutual benefit of the supply base through initiatives such as the "Supplier Incentive Programme".
- 5.4. Ensure that procurement processes are appropriate to the scale and risk involved so that they are not unduly onerous especially for local and small suppliers.
- 5.5. Continue to update and publish our contracts register, forthcoming tendering opportunities via Selling to the Council on our Procurement – Business Opportunities web pages.
- 5.6. Work with national and NEPO opportunities portals as appropriate.

6. Risk Management and Procurement positioning

- 6.1. Ensure a clear, consistent and standardised approach to procurement

across the Council, including for low value exercises.

- 6.2. Ensure that legally compliant procurement documentation, appropriate and relative to the contract type, are utilised, reviewed and agreed by appropriate stakeholders.
- 6.3. Ensure ethical, honest & fair procurement in everything we do.
- 6.4. Take action where policies and procedures are not adhered to, including any discriminatory behaviour, by suppliers throughout the supply chain.

7. Performance

- 7.1. Utilise the Council's own suite of procurement performance indicators to measure and drive year on year improvement wherever possible.
- 7.2. Accurately report monthly against the appropriate Key Performance Indicators and continually monitor and review our performance management.
- 7.3. All Key Performance Indicators will be reported monthly and will be monitored and reviewed through our performance management arrangements and overseen and guided by the Corporate Procurement Steering Group.
- 7.4. Benchmark our performance against peer organisations, to identify areas of good or poor performance relative to other public bodies. This enables the Council to set informed targets for performance improvement.
- 7.5. The Council will seek customer and supplier feedback to help inform improvement planning.
- 7.6. Maintain a commitment to continuous improvement.
- 7.7. Manage the relationships with contractors throughout the purchasing cycle, including once contracts are awarded, to ensure optimum service provision and continuous improvement.
- 7.8. Continue to work with the supply chain to jointly work to reduce costs and improve efficiencies.
- 7.9. Award contracts based on criteria which emphasise Value for Money including sustainability and whole life costs, rather than lowest price.

For further information please go to the Councils website at www.southtyneside.gov.uk click "Business" then click "Selling-to-the-council" or follow this link - <http://www.southtyneside.gov.uk/article/7604/Selling-to-the-council>