

TITLE: PROCUREMENT STRATEGY

TO/ON: THE CABINET / 7TH DECEMBER 2005

BY: HEAD OF FINANCIAL SERVICES

PORTFOLIO HOLDER: CABINET MEMBER FOR FINANCE AND RISK MANAGEMENT

STATUS: FOR PUBLICATION

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to present the Procurement Strategy to the Cabinet in order for it to comment make any amendments and to adopt the strategy.

2. RECOMMENDATIONS

- 2.1 That the Procurement Strategy be approved.

3. REPORT AND REASONS FOR RECOMMENDATIONS AND TIMETABLE FOR IMPLEMENTATION

- 3.1 The draft Procurement Strategy is attached as appendix 1

- 3.2 The purpose of the strategy is to:

- ◆ State the Councils policy and objectives
- ◆ Ensure an effective corporate approach to procurement
- ◆ Give an overview of the existing approach
- ◆ Identify key actions needed
- ◆ Maintain a balance approach to commissioning service at a corporate level and procuring goods at a service department level

- 3.3 The development, implementation and monitoring of the Procurement strategy is one of the Councils key outputs and outcomes for 2005/06 as detailed in the Corporate Improvement Plan. Members should satisfy themselves that the strategy is robust enough to ensure that it is used to support the delivery of priorities set by local people.

- 3.4 The strategy has been developed after considering:
- ◆ current best practice,

- ◆ other authority's approach to procurement and their strategies,
- ◆ the national procurement strategy for local government,
- ◆ comments from the Audit Commission, the regional centre for excellence and the East Lancashire e-Partnership.
- ◆ Comments and recommendations from Overview & Scrutiny Committee

3.5 The Overview and Scrutiny Committee were concerned as to the impact of the strategy on small to medium local businesses/suppliers. The strategy seeks to take into consideration issues of cost/quality and the desire to stimulate the local economy; this is in line with National Strategy. One of the actions arising from the strategy is to prepare and publish guidance for suppliers on "How to do business with the Council".

3.6 In order to further develop and enhance the approach to local buying the Council will continue to work with the East Lancashire e-Partnership over the next 12 months to, amongst other things, define the definition of local suppliers and consider price tolerances within the local market supply chain.

4. CORPORATE IMPROVEMENT PRIORITIES

4.1 FINANCE AND RISK MANAGEMENT

4.1.1 See main report

4.2 MEMBER DEVELOPMENT AND POLITICAL ARRANGEMENTS

4.2.1 Members have a significant role in the development and publication of the procurement strategy. The strategy clearly identifies the role of Members with regard to issues of procurement.

4.3 HUMAN RESOURCES

4.3.1 The Procurement strategy deals with area such as equal opportunities. Guidelines to suppliers tendering for work include a questionnaire on the potential supplies policies and procedures with regard to equal opportunity issues.

4.4 ANY OTHER RELEVANT CORPORATE PRIORITIES

4.4.1 There are no other corporate priority implications

5 RISK

5.1 The strategy seeks to ensure the council maximises its resources obtains best value in its procurement activities.

6. LEGAL IMPLICATIONS ARISING FROM THE REPORT

6.1 There are no legal implications.

7. EQUALITIES ISSUES ARISING FROM THE REPORT

- 7.1 See main report, a guidance note for the integration of equalities into procurement is being developed by the Councils' equalities working group.
- 7.2 An equalities impact assessment has been completed and is attached (Appendix 4)

8. WARDS AFFECTED

- 8.1 All wards are affected

9. CONSULTATIONS

- 9.1 Executive Director of Resources, Audit Commission, Overview & Scrutiny

Background documents:

National Procurement Strategy (ODPM - 2003)

Delivering Better Services for Citizens (Sir Ian Byatt - 2001)

The Efficiency Review (Sir Peter Gershon – 2003)

Integrating Equalities into Procurement (Equalities Working Group draft guide)

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