

Corporate Procurement Strategy

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Corporate Procurement Mission Statement

Corporate Procurement will build strong relationships with our stakeholders to deliver Spelthorne's Corporate Priorities and Corporate Values by:

- Sourcing the right commercial solutions to deliver improved whole life Value for Money, Sustainability and Compliance;
- Managing risk and ensuring process and contract compliance



Current position

- Service is well-used, but officers require too much support for lower value projects, which stretches the limited resources in the devolved Procurement setting
- Limited consideration of Sustainability in our projects
- Spend data is available; categorisation is manual and labour intensive (therefore not frequent enough)
- Contracts database currently in Excel, and not up to date
- Off-contract / maverick spend requires stronger procurement project discipline and support
- There is a real appetite for use of the service. Service offer limited by systems and resources to get to a strategic level
- There are around 50 live smaller projects but a lack of visibility of the pipeline of large projects

How we'll deliver improved VFM, Sustainability and Contract Compliance

We have identified 5 key steps to delivering Value for Money, increase Sustainability and achieve better Contract Compliance, and which have a link back to at least one of the Corporate Priorities:

1. Developing Policies & Procedures - which strengthen our commitment to obtaining value for money; stimulate the local economy, improve sustainability and achieve contract compliance
2. Training, Supporting & Challenging – to enable officer capability
3. Project Planning - to ensure best use of resources and support efficiency gains
4. Contract Management – to ensure delivery of contractual commitments and continuous improvement
5. Risk Management – Management



1. Policies & Procedures. We will:

- develop and communicate clear Policies and Procedures that align with the revised Contract Standing Orders (CSOs) and with the Public Contracts Regulations (PCR) 2015
- ensure that Sustainability is suitably considered in all of our projects
- consult with stakeholders to ensure the Procedures are fit for purpose
- seek Committee approval for the Procedures and communicate these via Spelnet

CSOs have been re-drafted to mandate the use of local providers for spend of £5k or less, enabling economic recovery within the borough (Community and Recovery). They also reflect the requirements of the PCR 2015 and the spend thresholds and associated compliant routes to market.

We have drafted a set of Policies and Procedures with solid Social Value, Local & SME, and Environmental principles and which further contribute to the delivery of all four Priorities.



2. Training, Supporting and Challenging.

We will:

- provide training in and communication of the procedures to ensure a common understanding throughout the organisation, with a devolved approach to Procurement
- support and challenge, using best practice and commercial judgment to ensure a sustainable and commercially viable outcome for all our procurement projects.

We will support officers to obtain best outcomes from project delivery through training and improving access to easy-to-use procedures.

Officers will be required to attend basic training sessions to then undertake procurements over £5k. This will raise awareness and ensure that we all achieve best value – supporting the Council's own financial Recovery - and procure compliantly.



3. Planning. We will:

- develop a 3-year Corporate Procurement Plan of continuous improvement
- collect Service Plan information to enable us to support Services' procurement intentions and identify opportunities for efficiency gains
- develop our knowledge of our key markets, to enable the best approach
- develop knowledge of, and relationships with, local businesses, in key areas identified by the service plans
- measure performance and the impact of the policies and procedures.

The development of a Procurement Plan, capturing all Services' procurement intentions will allow us to resource larger projects – including contract re-tendering – more effectively.

Advance notice allows us to develop a greater understanding of the markets, carry out soft market testing, develop a sourcing strategy and identify efficiencies.

It will also enable us to identify areas for consolidated spend and develop much more detailed specifications of requirements to achieve all of our Corporate Priorities.



4. Contract Management.

We will take into account Audit recommendations and:

- analyse our spend data to baseline contract compliance (spend on contract / PO);
- categorise our spend data to allow improved, and more frequent analysis, greater opportunity for efficiencies, consolidation and greater leverage;
- procure an intuitive e-tendering and contract management system that can be used across the organisation
- review 'live' contracts to ensure benefits are delivered and to track contract liabilities.

Improved and more frequent spend analysis will allow us to check our effectiveness and identify levels of compliance (e.g. non- local suppliers for smaller value spend; the value and percentage of spend which is covered by a contract or purchase.

Categorising our spend data will highlight areas for consolidation and improved contract leverage.

Tracking contract performance, and ensuring that proposed benefits are being delivered, will optimise Value for Money, Sustainability and Compliance and contribute towards the delivery of all Corporate Priorities



5. Risk Management. We will:

- regularly (every 6 months) review our top 20 key supply chain partners, against our Due Diligence checklist
- check and measure performance of key contracts against the Specification and the provider's tender
- regularly review and update our procedures to ensure relevance against legislation and Corporate Priorities and Corporate Values.

We will ensure that risks are managed in line with the Corporate Risk Register.

We will work with our stakeholders to develop the right approach to contract and supplier relationship management for our top 20 suppliers by value and / or strategic importance.

Embedding the Corporate Procurement Strategy

Next Steps 1

Agreeing and implementing the 3-Year Corporate Procurement Plan

We have developed a 3-year Corporate Procurement Plan which sets out the high level intentions and actions to support the delivery of this strategy. See next page.

The Plan identifies the building blocks we need to implement in the first year to enable our success.

3 Year Plan



Embedding the Strategy

Next Steps 2: What we need

We have identified two key actions that will enable the effective delivery of the Strategy:

- Procurement of a new, intuitive e-tendering and Contract Management System that can be used across the Council, by officers doing their own low value Requests for Quote (RFQs) and by Corporate Procurement for more complex tendering.
This would replace the current system (In-tend), which does not have an adequate contract management system, and is difficult to use for low value RFQs.
- Recruitment of a Procurement Apprentice to support the actions of the 4-year plan, including categorising spend, developing and maintaining a contract management database and tracking contract benefits.

END

- Annex 1 – Costs of enabling requirements (to be removed post-Strategy implementation)

Annex 1 – Costs of Enabling Requirements

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This would replace the current system (In-tend), which does not have an adequate contract management system, and is difficult to use for low value RFQs.

Cost of the new system is the same as the for the current system (£5k per annum), although in year 1 there would be a slight cost overlap

- Recruitment of a Procurement Apprentice to support the actions of the 4-year plan, including categorising spend, developing and maintaining a contract management database and tracking contract benefits.

Cost of the additional FTE (Apprentice) is estimated at £22,500 pa + on costs

