

PROCUREMENT STRATEGY 2008

Report By: Strategic Procurement and Efficiency Manager

Wards Affected

County-wide.

Purpose

1. To consider the updated Procurement Strategy.

Financial Implications

2. An effective Procurement Strategy can make a considerable contribution to the Council's overall financial position.

Background

3. "Procurement" is the process of acquiring goods, works and services from third parties. The process spans the whole life cycle from identification of needs, through to the end of a service contract or the end of the useful life of an asset. It includes options appraisal and the critical "make or buy" decision. An appropriate strategy helps deliver this activity in an effective manner.
4. On 10th March SMC noted that the strategic and operational importance of the procurement process be formally recognised given capacity issues within this function. It also felt the expansion of this role should be supported with an expectation that the executive address this in the near future. This is being taken forward in a joint piece of work involving the West Midlands Centre of Excellence who have agreed to fund a review covering the way the procurement function is organised. The outcome may shape the way the procurement function is provided.

The Strategy

5. Successful implementation of the updated Procurement Strategy will help the Council achieve both cashable and non-cashable benefits. Cashable benefits contribute towards reducing future budgetary pressures. It also provides evidence that the Council places great importance on striving to achieve value for money.
6. Implementing this strategy will ensure improvements to the way the Council performs its procurement activities and to deliver better procurement outcomes and tangible benefits.
7. The strategy plays a key role supporting the Annual Efficiency Statement process and supports the delivery and capture of benefits throughout the Connects programme.
8. The strategy updates the 2007 document and is designed to define the approach that must be followed by officers and be a point of reference whilst providing guidance on all procurement related activity.

9. It encompasses and reinforces all the corporate policies that need to be taken in to consideration before, during and after the procurement process.
10. It is not intended to be a procedure manual. Other documents will provide this detail and will be available via the Intranet. One of the key changes since 2007 is the "Mini Guide to Procurement" (see Appendix B). This is available to officers needing guidance on procurement decisions.
11. It is the responsibility of the Strategic Procurement and Efficiency Manager to implement and monitor the effectiveness of the strategy, and to update it accordingly as and when required. Compliance with the strategy will also be monitored.
12. The Comprehensive Spending Review 2007 set a target of 3% annual cashable savings from April 2008 and successful implementation of this updated strategy will significantly contribute to this target. At the same time it will reinforce the Council's commitment to achieving value for money and this will feed into the Use of Resources section of Comprehensive Performance Assessment.

RECOMMENDATION

THAT Strategic Monitoring Committee comments on the updated Procurement Strategy

BACKGROUND PAPERS

- Procurement Strategy 2007

APPENDICES

- Appendix A - Procurement Strategy 2008
- Appendix B - Mini Guide to Procurement