



Arun District Council

Corporate Procurement Strategy

April 2005 - March 2009

Final Version

15 December 2004



ARUN DISTRICT COUNCIL

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1. Introduction and Background

This is the Council's second revision to its Corporate Procurement Strategy. The previous versions were dated December 1999 and March 2002. Many of the overarching principles of the earlier Strategies are as relevant today as they were at that time. Furthermore, the principles set out in the Council's current Strategy are backed up with procurement guidance manual which is available to Officers and Members.

Since the latest version Procurement Strategy was adopted in 2002 there has been a number of changes and new proposals at a national level as well as legislative changes. All of these have an impact on the content of local procurement strategies.

What Do We Mean by Procurement?

In the national Procurement Strategy for Local Government (October 2003) which was jointly written by the ODPM and LGA it states:-

“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. It involves options appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances.”

In the context of a procurement process, obtaining “Best Value for money” means choosing the bid that offers “the optimum combination of whole life costs and benefits to meet the customer’s requirements”. This is not the lowest initial price option and requires assessing the ongoing revenue/resources costs as well as the initial capital investment”.

What is Covered by Procurement?

Procurement covers the acquisition of goods, works and services in various areas. Set out in the table below is a list of likely areas which is not intended to be an exhaustive list.

Goods/Supplies	Works	Services
stationery, energy, furniture, personal protective equipment and clothing, machinery, transport, land, property, telecommunications, information technology	repairs and maintenance, civil engineering, construction, improvement, engineering	consultancy, marketing, design, advertising, staff, office services, servicing, arboriculture, grounds maintenance, street cleaning, refuse collection, recycling

What Should a Procurement Strategy Address?

Whilst not intended to be comprehensive some of the main messages that the revised Procurement Strategy should address are set out at Appendix A. The key messages are:-

1. To support the Council's priorities for 2005 – 2009
2. To assist the achievement of these and other goals, the Council's Procurement Strategy seeks to encourage rather than fetter the delivery of improved services to the public.
3. To strive to continually improve the Council's effectiveness in delivering quality services whilst attempting to keep costs at manageable or reduced levels.
4. To encourage greater collaboration between other public, private, community and voluntary sector organisations and the Council.

Legislative Requirements – United Kingdom and European Union

The Local Government Act 1988, Local Government Act 2000, Local Government Act 2003

European Union (EU) Directives for Goods, Services and Works.

The National Agenda/Context

Over the last 7 years there have been a range of reviews and reports produced for Government that impact upon the topic of Procurement. These include:

- Rethinking Construction 1998 – Sir John Egan
- Local Government Task Force – Integrating and Rethinking Construction and the Best Value Partnerships to Approaches to Procurement (2000).
- Delivering Better Services to Citizens 2001 – Sir Ian Byatt.
- National Procurement Strategy for Local Government 2003.
- Best Value and Comprehensive Performance Assessment Guidance – Audit Commission 2004.
- Implementing Electronic Government 2002 and 2004.
- 'Government: Supporter and Customer?', Better Regulation Taskforce and Small Business Council, May 2003.
- 'Public Procurement and Race Equality – Guidelines for Local Government', Commission for Racial Equality, July 2003.

National Procurement Strategy for Local Government

In Summer 2000 the Government set up a Procurement Task Force to look at the “state of procurement skills and practice in local Government in England”. The Task Force report (the Byatt Report) published in 2001 included a comprehensive action plan. In response to the recommendations made by Sir Ian Byatt, the Office of the Deputy Prime Minister (ODPM) and the Local Government Association (LGA) launched the National Procurement Strategy for Local Government in 2003 which sets a procurement vision for the future. The National Strategy sets four key themes:-

- Providing leadership and building capacity.
- Partnering and collaboration
- Doing business electronically, and
- stimulating markets and delivering community benefits.

The National Strategy sets a number of milestones that local authorities are expected to meet within the period up to 2006 and are likely to be reviewed within the Comprehensive Performance Assessment refresh exercise for this Council in 2005. The National Procurement Strategy for local Government can be found at :

http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_029231.hcsp

One element that the Council needs to be engaged with to assist it bring about additional capacity is the Regional Centre of Excellence for the South East.

Arun District Council's Priorities 2005 – 2009

The Council's Procurement Strategy is designed to give support to the delivery of the Council's Priorities for the period 2005 – 2009. More comprehensive guidance on procurement is included within the Council's Procurement Guidance Manual. The Council's Priorities for 2005 – 2009, approved by full Council on 8 September 2004 are linked to the Council's intention to:-

- “Make Arun a good place to live, to work and to visit;
- to foster a fair, equal and locally democratic society; and
- to work towards being an excellent Authority”

The three headline priorities are:-

- Place – a clean and safer community
- People – regeneration and tackling deprivation
- Price – Four E's – efficient, effective, economic, equitable

The Council's procurement activity will therefore be undertaken in such a way as to ensure it contributes demonstrably to the aims of the Council's chosen priorities and supports the Arun Community Strategy. As part of the procurement process the priorities set out above shall be explicitly addressed where and when appropriate.

Aims and Objectives of the Procurement Strategy

The Strategy sets out, for the benefit of Members, staff, key stakeholders, and companies wishing to do business with the Council, how it proposes to carry out procurement within the authority. Furthermore, it sets out how the Council intends to meet the milestones contained within the National Procurement Strategy for local Government. It is intended that the Strategy shall be reviewed once every four years and will set out the work that needs to be carried out by the Council over that period.

How the Council procures can make a significant contribution to the achievement of the Council's Priorities and strategic objectives. The intention of this Strategy is to ensure as close an integration as possible between procurement and the Council's strategic priorities and objectives to ensure that how and what the Council procures can be sustained in all respects. This document and the Procurement Improvement Plan, Appendix B, aims to develop a consistent approach to procurement across the Council.

Procurement Objectives

To assist in the delivery of the Council's new priorities the following objectives are proposed for the Council's procurement activities.

- To support delivery of the Council's strategic objectives and improve public services.
- To deliver value for money and service improvement.
- Develop local performance monitoring information against which the Council's progress on procurement can be assessed.
- To further enhance the co-ordination of corporate purchasing and procurement across the Council to maximise efficiency.
- To better pre-plan and manage all aspects of the procurement process on both departmental and corporate contracts from inception to disposal/conclusion.
- Seek to achieve enhanced ownership of the Council's Procurement Strategy and actions flowing from it by way of departmental "Procurement Champions" and thereby reduce and control any maverick spending.
- Ensure the Council's procurement activities meet legislative requirements and adhere to the principles of Best Value and continuous improvement.
- Provide appropriate training and development opportunities on procurement and project management.
- Keep under review the general procurement market and ensure that market intelligence aids the regular testing of relevant market sectors.
- Enhance the communication of the Council's aims, objectives and policies and decisions on procurement both internally and externally.
- Encourage the review and consideration of alternate procurement solutions throughout the procurement process so that innovative and best fit solutions are secured.

- To assist the Council to deliver its principles of sustainability and Strategy/policies relevant to set in the Climate Change Strategy and Biodiversity Action Plan etc.
- To assist in building small/medium enterprises (SME's) local business capacity to supply products and services required by the Council.

The principle objective is to ensure the provision of the right mix of high quality cost effective services to meet the needs of the residents of the Arun District and provide the maximum value for money. The ultimate aim of this Strategy is to ensure that the Council secures goods, services and works of the appropriate quality at the right price, in the right place and in a timely manner.

2. Policy Framework

Routine Purchasing

The Council will look to maximise efficiency in its routine purchasing by means of appropriate participation in consortia arrangements. When existing corporate contracts come up for review it will be for the project sponsor/lead officer to assess current consortia costs against the existing contract and make an assessment as to the likely change in costs if the Council were to procure outside of any consortia. Currently the Council participates in a number of county wide contracts e.g. telecommunications and I.T. and makes use of regional and national consortia as appropriate, e.g. Office of Government Commerce (OGC) for purchasing energy, and specific software (Revenues & Benefits) by use of one of the Government catalogues. Opportunities for joint working shall be pursued through links established by the West Sussex Procurement Forum or by other service specific inter-authority networks.

The Council will continue to champion the benefits of joint working between other local authorities, public services and voluntary and community services on appropriate procurement solutions. The Council are prepared to allow other authorities to take a lead on such joint procurement activity but also take on their share of such projects by leading where we have the relevant expertise and capacity. The Council will make its decision on such joint procurement activities based on the option that is most likely to give best value for money for local residents whilst maintaining and improving standards.

The Council will look to prepare standardised contract and contract conditions for contractors, consultants and suppliers to ensure better consistency of approach and faster procurement processes.

Standing Orders Relating to Procurement and Contracts

The Council's Constitution Part 5 – Rules and Procedure (Other) contains the Council's Financial Procedure Rules – Financial Regulations, and Contract Procedure Rules – Standing Orders Relating to Contracts. The purpose of these rules is to provide best value, accountability, transparency, objectivity, propriety and fairness in all decisions relating to the procurement of contracts on behalf of the Council. These rules apply equally to works, goods, supplies and services to be provided to the Council via contracts, or quotations. These rules also cover agreement/contracts for professional services and consultancy work. They will be kept under review to ensure the Council can explore all appropriate procurement options/solutions.

The Council's Standing Orders, whilst appropriate to ensure objectivity, fairness, equality and probity, need further review to allow for example the use of I.T. in all procurement stages and to enable the creation of effective partnering arrangements and to encompass the probable move to the use of negotiation as well as encouraging the use of quality/price considerations rather than just lowest price. In carrying out such a review the Council will need to balance carefully the important matter of probity against avoiding unnecessary bureaucracy.

Accountability

Members, Officers and on occasion stakeholders will be responsible and held accountable for the decisions they make on procurement matters. In some instances there is great emphasis under the Council's Constitution placed on the decisions taken by an individual be it Member or Officer. It is therefore important that when taking any decisions the relevant Member or Officer understand their specific responsibility and accountability and is satisfied that the decision is clearly documented and taken on an objective and consistent basis to ensure the correct result for the Council.

Transparency

Any decisions taken about procurement need to be open and justifiable and taken on clear and relevant award criteria. The logic behind the criteria and the decision taken needs to be explicit so that all concerned can see what has been done and why. In taking procurement decisions the Council will ensure all relevant documentation is recorded and kept so as to ensure it can comply with relevant issues contained within the requirements of the Freedom of Information Act.

Fairness

In all procurement decisions, those involved need to ensure total consistency and fairness of application in arriving at a decision. The Council's Standing Orders relating to contracts set out how decisions on contracts etc. should be taken.

Mixed Economy of Service Provision

The Council continues to promote choice when and wherever possible and encourages a mixed economy in the provision of best value services to it and its residents. The Council is committed to making best use of internal and external resources and being neutral as to whether services are provided by the public, private or voluntary/community sectors. The Council's actions will demonstrate the commitment to the use of fair and open competition and will encourage a healthy market and stimulate potential providers to offer the best package of services to meet the needs of local people.

With regard to the requirements of compliance with EU and UK law and our own Constitution, the Council's commitment to fair and open competition does not require all procurement to be tendered, but it does require choices to be made about how services are delivered and who will deliver them.

Make or Buy?

Irrespective of the size of the procurement project/exercise the principles set out in this section with respect to initial consideration and evaluation of possible options should be carried out at a level of detail commensurate to the risk and anticipated level of expenditure. Guidance on the level of detail needed can be obtained from the Procurement Officer and Internal Audit.

Ideally, at the same time, the Lead Officer can ensure that the Procurement Officer is informed/aware of all contracts being planned by his service and relevant information is available to allow publication of the Council's Forward Contract Database.

As part of any procurement exercise the Council will, at the option appraisal stage, take a decision on whether to provide the service or contract ourselves or acquire it from a third party. It is important that for each procurement exercise that the Council can demonstrate that all service delivery options have been explored and the preferred option is the one considered most likely to deliver and secure best value services for the community.

This might be from the private sector, or other local authority or public sector organisation or from the voluntary or community sector. The main driver will be to provide the goods, services or works that our customers/residents need whilst ensuring the best balance between quality, cost and reliability.

The Council will continue to carry out an initial option appraisal using the nationally recognised framework containing seven options, these being:-

- Pull out
- In house
- Partnerships with other organisations including possible devolution
- Market test
- Externalisation
- Substitution – similar to pulling out – the authority would cease to be involved with the provision of the service. With pulling out the Council may work out a minimal succession strategy with alternative suppliers. With substitution the service provision continues as a going concern.
- Hybrid – the hybrid option is in the middle of the spectrum. Such hybrids include:-
 - the in-house professional practice supported by bought in expertise for peaks of work or particular specialist skills.
 - a section working with a charity/voluntary/community group to provide specialist services for a particular customer group.

When undertaking the initial options appraisal stage this will be done in consultation with a range of officers expert in certain areas i.e. procurement, legal, finance, H.R. etc. so as to be certain that any risks or opportunities involved can be identified early in the procurement process and any decision taken strategically rather than operationally to ensure it achieves the Council's strategic objectives.

On any project or procurement exercise the Council will only require an options appraisal to be carried out at a level of detail appropriate to the size and risk as part of the project

management process. The options appraisal should be undertaken by the lead officer/project sponsor before, or at the same time as, the production of the project initiation document. The project initiation document will outline the business case based upon the preferred option with the options appraisal submitted as evidence.

Market Engagement and Understanding

Part of the process of option generation will be to explore the availability of alternative providers and establish how they might contribute to the achievement of the Council's priorities and objectives. This means more than just exploring the market as it currently exists. The Council will continue to be involved in discussion with potential partners and suppliers not just about what they would charge to provide a service, but about what alternatives they could offer to achieve the same desired outcomes. The objective of this is to explore what value could be added for the Council and in particular for the users of the service by involving alternative providers in different and perhaps innovative ways.

The Council also accepts that this could result in a complete re-design of a service and how it has traditionally been provided and is an essential part of the procurement process. The Council accepts the need for a diverse and competitive supply base to help improve value for money and to develop suppliers to meet new or emerging requirements placed upon the Council. The Council, via its work with its partners on the Local Strategic Partnership and in an effort to support the objectives set out in the Arun Community Strategy will, where it is possible, work with suppliers to realise "community benefits" using its powers to promote the economic, social and environmental well being of its community.

Market Development

Where an established supply market for a particular service does not exist, the Council will continue to explore how capacity can be developed and new suppliers encouraged to participate so as to provide an alternative to in-house provision.

Alternatively, the Local Government Act 2003 provides for greater freedom to trade and charge and, if used selectively, could assist in developing and engaging the market over a period of time. This might be via the development of joint and/or collaborative arrangements with other local authorities, the floating off of an in-house unit in such a way as to allow it exploit external opportunities for work or developing and supporting current capacity in the voluntary/community sector to provide services for the Council on a contractual basis. The Council will also seek to persuade companies currently carrying out related work to expand and develop their operations so as to provide all or part of the service for the Council and possibly other public sector customers. The Council will continue to maximise the use of its existing assets. In this respect assets include not only land and property but Council services and its staff.

Risk Management

The Council will ensure that in reviewing all aspects of procurement and its sustainability that tenderers for work and contractors/suppliers/partners who are ultimately appointed have been assessed as to their financial, health and safety, environmental, social, equality and diversity policies and procedures so as to maximise potential economic, social and environmental benefits and ensure no breach of statutory requirements. In carrying out any assessment of companies and organisations wishing to work with the Council it will be important to understand their supply chains and how they monitor and audit the financial, environmental and social performance of their sub-contractors.

Sustainability

The Council is committed to ensuring its procurement practices assist positively in achieving sustainable development. Within this, the Council recognises that sustainable development is a linked system comprising three principles:

- Economy – economic development and growth within limits;
- Ecology (environmental) - protection and replenishment of the natural environment (sea, land and eco-systems); and
- Equity and diversity (social) – development and support for socially inclusive, participative and healthy communities.

The Council has set down its own principles of sustainability and as a significant contributor to the local economy, it will seek to positively influence local and regional markets in which it operates. It will also seek to influence national and international markets through schemes such as Fair Trade.

Environmental Sustainability

The Council's approach to sustainability is enshrined within the Community Strategy and the Council's principles of sustainability. Within these, environmental, social, economic and equality issues are key considerations in how the Council does business. The Council will aim to evaluate its approach to procurement to assess its positive contribution to the broad principles of sustainability so that its actions improve the quality of life for today's residents of the district and also those of future generations. The Council will integrate environmental considerations into its procurement policies and procedures. As a minimum, the Council will meet any statutory obligations placed upon it, seek to minimise the generation of waste and the consumption of natural resources in line with its principles of sustainability.

In general terms, the Council will strive to maximise social, economic and environmental benefits through its procurement. It will look to encourage sustainable practice amongst its suppliers, such as use from renewable resources and compliance with sustainability marking schemes. The Council will also have regard to the indirect consequences of procurement activity, such as transport. In this respect, it will look to develop a policy that allows emergence of local suppliers and/or the employment of suppliers who can demonstrate sufficient environmental credentials. The Council will undertake to set down procurement/Contract evaluation criteria and processes so that the environmental and other sustainability impacts of procurement can be assessed, weighted and properly influence procurement decisions. In this respect principles of whole life costing will be given serious consideration.

First and foremost, the Council will seek to adopt a hierarchy in its purchasing strategies, which require it first to rethink whether or not the purchase is necessary; secondly, whether there is re-use potential for materials, products and services within the Council's ownership that would prevent the need for new purchase; thirdly, whether it is possible to reduce the volume purchased; and finally, whether having purchased and used products, they can be recycled.

Where appropriate, potential suppliers or Contractors should be certified and so should their products in terms of environmental and sustainability standards and criteria, for example, ISO14001, Community Mark, Biodiversity Benchmark, EU Eco Label to ensure they operate within recognised good practice in terms of environmental impact.

For major procurement projects, formal environmental impact assessment will be considered.

Economic Sustainability

Part of the Council's role through economic regeneration is to attract and encourage new investment into the local economy. The Council will encourage the potential of local businesses that employ local labour in an effort to maintain and improve levels of local employment. The Council is aware that it is constrained by both National and European Directives in how it procures and that it cannot positively discriminate in favour of local businesses. However, the Council will continue to work with the local business partnerships in an attempt to develop, encourage and build the capacity of local businesses to enable them to be able to actively participate in the Council's procurement activity. The Council will do all it can to improve communications with local businesses and particularly small medium enterprises (SME's) to make them more aware of our procurement requirements particularly when inviting expressions of interest or requesting quotes by advertising locally or by contacting them directly when national trade or EU adverts are placed.

Social Sustainability

The Council will ensure that it procures taking into consideration issues such as health and safety, equalities, access to vulnerable persons, equal opportunities and diversity etc..

The Council is committed to equal opportunities for all regardless of race, colour, religion, ethnicity, gender, family status, sexual orientation, disability or age. The Council's contracts contain appropriate provision to advance the quality of treatment and of opportunity for stakeholders who might be affected by the proposals either as recipients or providers.

The Council will promote equalities in the procurement of goods, works and services and ensure that it offers equal opportunities in contract selection to businesses owned by all members of the business community.

Where possible, the Council will seek to encourage social responsibility amongst its suppliers and will seek to ensure they have responsible employment practices, particularly in respect of international production, where the Council will be particularly interested in

Company policies on the use of child labour. The Council will also seek to purchase, where appropriate, Fair Trade products.

The Council will, where appropriate, ensure it meets its obligation under the Disability Discrimination Act in terms of access to opportunities that arise from its procurement activities.

Where it is possible that a person working under a contract being required to be in contact with a vulnerable person then the Lead Officer/Contract Administrator will arrange for a Criminal Records Bureau check to be undertaken unless an existing CRB Clearance Certificate exists and is less than 12 months old.

Health and Safety

The Council recognises its duty to protect its own workforce from risk to their health, safety and welfare and to have conducted its Contracts in such a way as to ensure that persons affected by its activities and the activities of its Contractors are similarly protected.

As part of the pre-contract assessment of potential suppliers/contractors the relevant officer/contract administrator will ensure that a full assessment with regard to the competency of each contractor has been identified in respect of Health & Safety legislation, risk assessments and method statements.

The Council wish to be certain that only competent contractors with relevant qualifications and a proven safety record are used so as to minimise the potential risk to the Council, its staff and residents/visitors. Lead officers/contract administrators will need to ensure that the relevant legislation in respect of Health & Safety at Work, management of Health & Safety at Work Regulations, Construction Design & Management Regulations etc. are being complied with and that only competent contractors/consultants/suppliers are appointed.

Contractors wishing to apply for inclusion on the Council's Corporate Select List of Contractors or on specific tenders will need to complete and submit a Contractor's Health & Safety Assessment Form to allow a formal assessment of it by the Council. The Council may wish to move to a national form of select list (e.g. Construction Line) and in such cases the Council will rely on the initial assessments carried out by that organisation.

Project Management/Contract Management

The Council is committed to following the principles of PRINCE 2 project management methodology and guidance should be sought from the Council's Senior Project/Programme Manager prior to carrying out the options appraisal if the lead officer/project sponsor has not previously attended an in-house project management course.

The options appraisal should include key elements such as risk analysis, sensitivity analysis, cost benefit analysis and identify the mitigation measures to reduce or remove any identified risks.

On capital projects over £25,000 where work will be carried out to Council land or property the lead officer/project sponsor will be required to carry out an appropriate level of options

appraisal including completion of the project prioritisation matrix available from the Council's Head of Surveying & Estates. Availability of capital funding for projects will be prioritised based on the outcomes of this evaluation matrix.

As procurement covers the whole life cycle of a project from identification of need through to use and eventual disposal or demolition, it is important to ensure that commitment is given to effectively managing the contract so as to ensure that the initial potential savings on price and/or improved quality are not wasted /lost during the life of the project. The Council will seek to involve active management of the working relationship between the client and the contractor/supplier. The Council acknowledges that post implementation contract management is one of the most important areas of any contractual relationship and is often the least well planned. Issues such as reporting, monitoring, payment, performance review, bonuses and penalties, dealing with changes to requirements and continuous improvement all need to be planned, managed and resourced effectively by the client side staff.

The Council will be looking to improve the skills of staff in contract management to ensure that contracts are properly monitored and reviewed and that suppliers/contractors performance is regularly reported to ensure that their quality and ability to continuously improve meet with the Council's overall strategic goals.

As with project management, contract and supplier management will need to be built in to the Council's in-house training and development programme to improve the Council's capacity and skills in this respect.

Gateway Review Methodology

Where contract values and lengths of contract period increase, particularly with initiatives involving partnering, the risks of failure or waste increase proportionately. The Council accepts the need to start planning a structured review of proposed major procurement contracts at the earliest opportunity. The Government already use such a scheme called the "Gateway Process".

A Gateway Review is an appraisal of a procurement project carried out at certain stages (review points or "Gates") in its development. Procurement projects should not pass through the "Gates" unless they have satisfied specified requirements.

The "Gates" identified by the Office of Government Commerce (OGC) have been established at key decision points in the life cycle of major procurement projects. There are five Gateway Reviews during the life cycle of a project, three before contract award and two looking at service implementation and confirmation of operational benefits. The six gates and their objectives are:-

Gate Zero	Strategic Assessment -	confirm supporting environment
Gate One	Business justification -	to justify the business case
Gate Two	Procurement Strategy -	to approve the procurement method and source of supply
Gate Three	Investment Decision -	to agree the investment decision prior to the award of contract
Gate Four	Readiness for Service -	to approve the project's readiness for service
Gate Five	Benefits Evaluation -	to identify the benefits being delivered by the project against those planned at the outset.

The Council intends to apply the principles of this process to significant projects (by value and/or risk) i.e. those over £250,000 or those assessed as being potentially high risk especially in the area of construction and I.T. projects.

Contract Control

To assist in both complying with standing orders and better informed corporate procurement certain information will need to be passed to the Procurement Officer. To assist Lead Officers, the definition of which “contracts” and what information shall be advised to the Procurement Officer will be set out in guidance on the Procurement Bulletin Board but broadly covers:-

- All procurement (one-off or ongoing) that is valued above EU thresholds over the duration of the contract period.
- Procurement of any value if the requirement is greater than 12 months or is of indefinite duration.

Stakeholder Consultation

Key stakeholders, such as service users and residents, will be consulted as part of designing, developing and procuring the service delivery solution on major contracts. Some key stakeholders may play a role in awarding contracts i.e. tenants and leaseholders in the award of major service contracts for housing etc. However, the decision to award a contract will rest ultimately with the Council as set in the Council’s Constitution, i.e. as delegated to an officer, individual Cabinet Member, Cabinet or, in some instances, full Council.

Negotiated Contracts

The great emphasis being placed on partnering will inevitably lead to greater pressure to negotiate contracts. Whilst the current E.U. procurement rules restrict this type of procedure changes, additions and clarification are being proposed for the new consolidated E.U. public procurement directive including the provision of a new competitive dialogue procedure for complex procurement projects (E.U. Public Procurement Directive 2004/18/EC). The Council will review how and when it might wish to use negotiated contracts but should it decide to do so such negotiations will not be initiated with just one supplier/contractor. The Council is aware that there are invariably alternative ways of achieving the desired result and accept that the best time to talk to potential suppliers is prior to commencing the procurement process.

Performance Monitoring

The adoption, where appropriate, of the Gateway process, specifically Gate Five, will enable the Council to set effective local and national performance indicators for monitoring performance and driving improvement. The Council will only adopt performance indicators and methodologies that are simple to implement and maintain to assist and measure how the Council is performing. It will select appropriate local indicators from the IDeA Local Library of Performance Indicators once they have been published. Monitoring reports will be provided by the commissioning department/service and reported through the Service Delivery Plan business system at agreed frequencies.

Corporate Working

The impact of this Strategy clarifies the importance of collaborative working across departmental boundaries and with other important external organisations. Developing strong internal joint working between services is vital to the successful implementation and development of the Procurement Strategy.

3. Competition

The Council wishes to ensure continuous improvement in the way it undertakes its functions. The provision of services should be assessed without a presumption as to the best provider whether it be internal provision, external arrangements or partnerships etc. and they should all be viewed as acceptable as long as they provide best value for the community.

The Council adopts a mixed economy where some services are already subject to direct external competition on a regular basis. These will be reviewed at appropriate intervals to ensure that the manner in which the service is provided remains the most appropriate to deliver the best value. The Council now has a greater discretion to choose what functions they wish to review and when to review them. The Council will wish to continue to carry out reviews to assist it to achieve significant improvement in some service provision and overall performance standard. Such reviews will generally be conducted at a strategic level on the most important, highest cost and highest risk areas but heads of service will be expected to carry out regular reviews of their services to ensure best value is being achieved and can be evidenced. Contractual arrangements, particularly those for the provision of services over a longer period of time, should include specific provision for securing continuous improvement. This could take the form of specified quality improvements, better customer satisfaction results, reduction in costs or a combination of all of these.

Partnering Vision

Partnering as a concept emerged as the favourite procurement option from the Egan report "Rethinking Construction". The key theme within the National Procurement Strategy is that the strategic objective of partnering is the delivery of better services to citizens through the creation of sustainable partnerships between Councils and suppliers in the public, private, social enterprise and voluntary sectors for the delivery of services and the carrying out of major projects, including construction.

The Local Government task force updated its guidance with the publication of "Constructing Excellence – Ten Key Issues and How to Address Them" in June 2004. These are set out at Appendix C. The Council will continue its previous work in this area and form, where appropriate, new or modified ways of service delivery through the creation of different partnerships with the private, public, voluntary and community sectors. Partnering is not appropriate in all circumstances and the Council will adopt an appropriate approach to partnering on specifically identified procurement initiatives.

Clearly the key elements to determining whether or not a particular procurement initiative is suitable to partnering and likely to yield relevant benefits are around co-operation, openness, shared standards, common objectives, respect for each of the partners motivation and trust and there is an expectation that partnering will include the sharing of costs and profits, risks and rewards.

The Council has been involved in partnership working for a number of years with a range of partners e.g. Local Strategic Partnership, and Arun Crime and Disorder Reduction Partnership, registered social landlords, the WSCC, other district and borough councils, Town & Parish Councils, the Environment Agency etc. The Council will continue to work with and develop a range of service partners that best meet the needs of the Council and its residents.

Collaboration

The National Procurement Strategy states that "the strategic objective of collaboration is to obtain better value by bringing councils and other public bodies together at local, regional and national levels to combine their buying power and create shared services". The Council already participates in a number of consortia and will actively champion the maximising of such opportunities with other public bodies on joint procurement and purchasing and service delivery arrangements when and where appropriate.

Workforce Issues

The overall drive to encourage fair and open competition and continued improvement whilst yielding efficiency benefits is likely to increase the likelihood of staff transfers to alternative service providers. The Council recognises the connection between service quality and appropriate skilled and motivated workforce. Where there is the potential for the transfer of staff the Council will apply the Employment Stability Agreement and consult with staff and Unions at the earliest opportunity and protect via TUPE the terms and conditions etc. The Employment Stability Agreement sets out the principles to be applied in any organisational change which has an impact on staff. The evaluation of workforce issues will be a fundamental part of the procurement process for any alternative service provision. Contracts will be drafted to comply with the Local Government Act 2003 Circular 03/2003 and the Associated Codes of Practice.

Training and Development

Fundamental to achieving the strategic objectives set by the Council and contained within this Strategy will be the continued development of the Council's procurement capacity. This will be done by investing in training and development of our own staff and encouraging our partners/contractors/suppliers to do likewise.

Some key areas that should form part of the core skills needed by the Council in the future in so far as procurement is concerned include:-

Standing Orders relating to contracts and E.U. Procurement Directives, Project Management, Contract Management, Risk Management, Performance Management, negotiating skills, marketing skills as well as more fundamental introduction to option approval, contracts, tendering and assessment skills etc.

The Council's Performance Development Review Process (PDR) should be used to carry out an appraisal of those staff involved in some way with procurement and identify the training needs of individual staff and teams.

Value for Money and Whole Life Costing

Value for money is about an appropriate balance between price and quality to meet the customer's requirement. Historically many contracts have been awarded on initial price alone. Whole life costing considers not just the initial cost of the contract or service but all of the cost that will arise during the whole life of the contract. This will include commissioning, running costs, maintenance, equipment replacement costs during the life of the project, decommissioning and removal or demolition. The cost of contract monitoring of performance and contract administration should also be included. By including whole life costing it will assist the Council to identify the most economically advantageous proposal. The Council has in recent years started to move away from lowest price when considering contract decisions to a more balanced approach between price, risk and quality. The Council does not intend to move away from lowest price in its entirety as it is still appropriate where there are many suppliers offering similar or identical products. However, for larger more risky projects whole life costing should be part of the evaluation/options appraisal process. In this way the Council will look to seek to achieve best value irrespective of the size and type of contract. A guide to preparing whole life costs will be published, once prepared, on the Procurement Intranet page.

E-Procurement

Much of the work necessary to obtain supplies, works or services can now be done electronically. The potential benefits for electronic communications and transaction processing need to be considered when coming to decisions about procurement. The Council is working towards the target dates set by the Government in "Implementing Electronic Government" and as set out in the National Strategy for Local Government Procurement to achieve e-solutions to procurement activity and delivery. In coming to a

final decision on how e-procurement is to be delivered to purchasing officers around the Council it will need to be satisfied that the necessary security procedures are in place to allow tenders to be transmitted to the authority and that confidentiality is not breached. The Council recognises the potential for efficiency savings via e-procurement if it is adopted in a suitable and pragmatic way. Various elements of e-procurement have been adopted by the Council including:-

- the transmission of notices to the Official Journal of the European Union (OJEU).
- the promotion of payment by BACS in preference to cheques to suppliers and the use of electronic reverse auctions in appropriate circumstances.
- The use of the Simdell repairs and maintenance I.T. system and its potential to transmit orders/invoices to/from suppliers.

The Council recognises that to achieve the Government goal of achieving efficiencies in the procure to pay cycle including a reduction in cycle times and reduction in transaction costs, it will be necessary to re-engineer some of our procurement processes and reorganise how we allow staff to be involved in procurement. In doing this, the Council will be seeking to eradicate duplication, streamline processes and thereby reduce the overall number and scope of resources required whilst still maintaining and hopefully improving the quality of our procurement work.

Main Messages that the Procurement Strategy Should Address

- Fuller compliance with revised EU legislation.
- A movement towards increased use of E-Procurement to reduce costs, improve access and reduce time scales.
- Reaffirm the importance of the four E's (economy/efficiency/effectiveness/equitable).
- Greater emphasis on the use of open and fair competition.
- Introduction of a structured method of procuring major projects via the Gateway review process recommended by the Office of Government Commerce (OGC).
- Securing effective involvement of public, private, voluntary and community sectors.
- Ensuring that service quality is delivered by the appropriate appointment of a skilled and motivated workforce and that fair terms and conditions for staff and the importance of Equal Opportunities is taken into account.
- Ensuring that TUPE (Transfer of Undertakings – Protection of Employment) and associated workforce of communications and consultations are correctly handled.
- Ensuring an appropriate balance between cost and quality is taken into account into procurement initiatives.
- Ensuring that every opportunity exists for corporate procurement in reducing costs and price whilst maintaining quality.
- Improved engagement and understanding of supply markets and the development of new markets, suppliers and products.
- Ensuring that appropriate compacts are negotiated with the voluntary community sector.
- Developing quality partnerships by improving the prospects for partnering in the supply chain.
- Encourage greater consideration of consortia with other Local Authorities and public bodies.
- Better integrate corporate processes and improve internal collaborative working.
- Review the freedoms and flexibilities given under the Local Government Act 2003 to both charge and trade.
- Ensure effective and efficient sharing of risk through all procurement activity.
- Ensure issues of equality and sustainability are addressed in all contracts.
- Ensure the Council's principles of sustainability are achieved and that its suppliers are influenced to ensure social, environmental and economic benefits to the Council and its community are maximised through procurement.
- Provide opportunities to assist in the growth of the local economy, particularly through the use of local suppliers/contractors where appropriate and the promotion of available local supply opportunities..

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN							
Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
Providing Leadership and Building Capacity							
1	Identify procurement champion.	1			National Procurement Strategy	By 2004	▪ Cabinet Member Central Services
2	Every council should adopt a corporate procurement strategy, based on a Best Value or other review. The strategy should be owned by members and senior managers and its implementation monitored regularly.	1			National Procurement Strategy	By 2004	▪ Resources Director
3	Identify Officer champions to pass key messages and training.	2			Arun District Council Procurement Strategy Recommendations	2004/05	▪ Resources Director ▪ Procurement Officer
4	Include procurement processes in the induction programme for new staff.	2			Arun District Council Procurement Strategy - Recommendations	2005/06	▪ Chief Internal Auditor

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
5	Every district council should carry out a health check on progress against this National Strategy and the associated guidance as part of their corporate procurement strategy.	4			National Procurement Strategy	By 2006	▪ P.O.W.G.
Partnering and Collaboration							
6	West Sussex Procurement Forum:- Assist develop key priorities for the Forum and maximise opportunities for consortia arrangements.	1			West Sussex Procurement Forum	Ongoing	▪ Procurement Officer via West Sussex Procurement Forum
7	Every council's corporate procurement strategy should set out the council's approach to partnering in service delivery and in construction projects.	1			National Procurement Strategy	By 2004	▪ Head of Infrastructure Works & Engineering ▪ Head of Surveying & Estates ▪ Head of Finance
8	Every Best Value or strategic review of a service should include a robust and challenging appraisal of the different service delivery models available.	4			National Procurement Strategy	2004	▪ Best Value & Scrutiny Director

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
9	Every council's corporate procurement strategy should set out the council's approach to collaboration (including purchasing consortia, joint procurement and commissioning and shared services), and how it intends to use the new trading powers.	1			National Procurement Strategy	By 2004	<ul style="list-style-type: none"> ▪ Resources Director
10	Revise Contract Standing Orders to allow greater flexibility in adopting partnering approaches to procurement and piloting innovative approaches.	1			ADC Procurement Strategy recommendations	2005/06	<ul style="list-style-type: none"> ▪ Head of Finance/ ▪ Legal Services ▪ Head of Service
11	Every council should be involved with a regional centre of excellence in procurement and project management	1			National Procurement Strategy	By 2005	<ul style="list-style-type: none"> ▪ Kent County Council leading authority for Centre of Excellence for the South East Region
12	To develop/use a training programme to supplement the procurement strategy and manual.	2			National Procurement Strategy	By 2005	<ul style="list-style-type: none"> ▪ Procurement Officer ▪ Training Officer

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
13	The average time taken from OJEU notice to contract award in a project of more than one year's duration should be reduced by 10% on the 2003 base.	4			National Procurement Strategy	By 2005	<ul style="list-style-type: none"> ▪ Contract Lead Officers working with Legal Services ▪ Procurement Officer
14	Councils should identify opportunities for collaboration with neighbouring councils for shared commissioning and/or delivery of services	1			National Procurement Strategy	By 2005	<ul style="list-style-type: none"> ▪ Corporate Board and ▪ Heads of Service
15	Smaller district councils without dedicated procurement resources of their own, should be collaborating with others, through the regional centres of excellence, to create shared services for procurement and project management	1			National Procurement Strategy	By 2005	<ul style="list-style-type: none"> ▪ Procurement Officer
16	The average time taken from OJEU notice to contract award in a project of more than one year's duration should be reduced by 25% on the 2003 base.	4			National Procurement Strategy	By 2006	<ul style="list-style-type: none"> ▪ Contract Lead Officer ▪ working with Legal Services ▪ Procurement Officer ▪

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
17	Encourage a pan West Sussex plan for common procurement initiatives so that opportunities for collaboration are maximised.	2			Arun District Council Procurement Strategy	2005/06	<ul style="list-style-type: none"> ▪ Procurement Officer ▪ West Sussex Procurement Forum
Doing business electronically							
18	Every council should have implemented an appropriate e-Procurement solution as part of its e-Government programme.	1			National Procurement Strategy	By 2005	<ul style="list-style-type: none"> ▪ Head of Technology ▪ Head of Finance ▪ Best Value & Scrutiny Director ▪ Customer First Executive
19	For low value purchases, every council should be making appropriate use of a procurement card, the Government Procurement Card (GPC) or a suitable electronic alternative	2			National Procurement Strategy	By 2005	<ul style="list-style-type: none"> ▪ Head of Finance ▪ Best Value & Scrutiny Director ▪ Customer First Executive ▪ Procurement Officer
20	Monitor progress via BVPI 157 which includes e-Procurement as one of the transaction types that should be carried out electronically by 2005. Take up of	1			National Procurement Strategy	By 2005	<ul style="list-style-type: none"> ▪ Head of Finance ▪ Best Value & Scrutiny Director

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
	National e-Procurement Project deliverables will be measured through the Implementing Electronic Government process						<ul style="list-style-type: none"> ▪ Customer First Executive
21	Every council should be using an appropriate e-Marketplace	2			National Procurement Strategy	By 2006	<ul style="list-style-type: none"> ▪ Head of Technology Serves ▪ Head of Finance ▪ Best Value & Scrutiny Director ▪ Customer First Executive ▪ Procurement Officer
Stimulating markets and achieving community benefits							
22	Where relevant, all councils shall consult staff during procurement projects and build employment considerations into procurement processes and contracts, including compliance with the Local Government Act 2003, Circular 03/2003 and the associated code of practice.	3			National Procurement Strategy	From 2003	<ul style="list-style-type: none"> ▪ Project Sponsor/Lead ▪ Head of Service ▪ Head of Human Resources

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
23	Every council should publish a 'Selling to the Council' guide on its corporate website together with details of bidding opportunities and contact details for each contract.	3			National Procurement Strategy	By 2004	<ul style="list-style-type: none"> ▪ Procurement Officer
24	<p>Corporate Procurement Strategy should address:</p> <ul style="list-style-type: none"> – the relationship of procurement to the community plan, workforce issues, diversity and equality and sustainability; <p>how the council will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers.</p>	1			National Procurement Strategy	By 2004	<ul style="list-style-type: none"> ▪ P.O.W.G. ▪ R.E.G.
25	Every council should build sustainability into its procurement strategy, processes and contracts	1			National Procurement Strategy	By 2004	<ul style="list-style-type: none"> ▪ P.O.W.G. ▪ R.E.G.

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
26	Every council should conclude a compact with the local voluntary and community sector	1			National Procurement Strategy	By 2004	<ul style="list-style-type: none"> ▪ Head of Strategy ▪ West Sussex Compact Review Steering Group
27	Procurement processes for partnerships should include: <ul style="list-style-type: none"> – issuing an information memorandum to prospective bidders setting out the background to the project, the council's objectives and an outline of the procurement process and timetable, with roles and responsibilities made clear – inviting bidders to demonstrate their track record in achieving value for money through effective use of their supply chain, including the use of small firms; this should continue to be examined as part of contract management. 	1			National Procurement Strategy	By 2004	<ul style="list-style-type: none"> ▪ Heads of Service ▪ Procurement Officer

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
28	Every council should include in invitations to tender/negotiate for partnerships a requirement on bidders to submit optional, priced proposals for the delivery of specified community benefits which are relevant to the contract and add value to the community plan.	1			National Procurement Strategy	By 2005	<ul style="list-style-type: none"> ▪ Procurement Officer ▪ Legal Services ▪ Project Sponsor ▪ Head of Service
Environmental Sustainability							
29	Review questionnaire for suppliers that assess their environmental sustainability.	2			Arun District Council Procurement Strategy Recommendations	2004	<ul style="list-style-type: none"> ▪ Procurement Officer ▪ Head of Environmental Health ▪ R.E.G.
30	Environmental criteria to be built in to the project prioritisation and options appraisal processes.	2			Arun District Council Procurement Strategy	2004	<ul style="list-style-type: none"> ▪ Head of Surveying & Estates ▪ Senior Project/ Programme Manager ▪ Procurement Officer ▪ R.E.G.

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
31	Ensure environmental criteria are prepared and used to assess whether suppliers meet agreed environmental standards.	3			Arun District Council Procurement Strategy	2004/05	<ul style="list-style-type: none"> ▪ Head of Environmental Health ▪ R.E.G
32	Water : - Set up a monitoring programme, including minimum night time flow monitoring to identify where savings could be made.	2			LA21	2005	<ul style="list-style-type: none"> ▪ Head of Environmental Health ▪ R.E.G.
33	District Council contracts to specify sustainable products/ materials to be used and to use Considerate Contractors Scheme and a 'Sustainability Checklist' (Rethinking Construction)	1			<ul style="list-style-type: none"> ▪ LA21 ▪ Rethinking Construction ▪ Local Government Taskforce 	2005	<ul style="list-style-type: none"> ▪ Head of Infrastructure, Works & Engineering/ ▪ Head of Surveying & Estates ▪ Property Working Group (PWG) ▪ REG
34	Build in to the contract process a means by which suppliers are asked to provide information on how their product or service impacts on greenhouse gas emissions over its whole lifecycle; transportation, their own energy	1			LA21	2005	<ul style="list-style-type: none"> ▪ R.E.G. ▪ P.W.G.

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
	efficiency measures etc. This will form part of the whole life costing process.						
35	Review all future procurement activity environmental risk and provide guidance to lead officers to ensure best outcomes for the environment.	3			Arun District Council Procurement Strategy	2005	<ul style="list-style-type: none"> ▪ Head of Environmental Health ▪ Resource Efficiency Group (REG)
36	All new construction by Arun District to achieve BREEAM excellent rating or equivalent. ??	3			LA21	By 2006	<ul style="list-style-type: none"> ▪ Head of Surveying & Estates ▪ Head of Environmental Health
37	Set a target to achieve at least 5% savings in energy consumption a year for three years. This will be done by preparing a Carbon Management Plan for the Council in conjunction with the Carbon Trust	3			LA 21	2007	<ul style="list-style-type: none"> ▪ Head of Environmental Health ▪ R.E.G. ▪ Head of Surveying & Estates ▪ Principal Surveyor

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
Economic Sustainability							
38	To develop the understanding of local businesses to enable them to bid for and win tenders by undertaking awareness seminars and holding supplier events.	1			Arun District Council Procurement Strategy	2004 and ongoing	<ul style="list-style-type: none"> ▪ Head of Investment & Tourism
39	Develop and maintain a dialogue with the local business sector regarding procurement with the Council.				Arun District Council Procurement Strategy	2005 and ongoing	<ul style="list-style-type: none"> ▪ Head of Investment & Tourism
40	To develop the understanding and awareness of procuring managers of the services, skills and availability of ideally based businesses through attending awareness seminars/briefings/events	2			Arun District Council Procurement Strategy	2005 and ongoing	<ul style="list-style-type: none"> ▪ Heads of Service ▪ All procuring managers
41	To undertake a supplier analyses with regard to supporting local business and maintaining local employment, where appropriate.	3			Arun District Council Procurement Strategy	2006	<ul style="list-style-type: none"> ▪ Head of Investment & Tourism
42	Wherever practical officers are to procure their goods locally and promote locally the availability of contracts required by the Environment	1			Arun District Council Procurement Strategy	Ongoing	<ul style="list-style-type: none"> ▪ All Heads of Service

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
Contract Management							
43	Develop a contract register to include :- current contracts. a schedule of major contracts planned to be awarded over the next three years (over £25,000) – contact details – lead officer/sponsor	1			Arun District Council Procurement Strategy	Reviewed and Updated bi-annually	<ul style="list-style-type: none"> ▪ Procurement Officer ▪ P.O.W.G.
44	Publicise policy and procedures in relation to contracts, in advance of tendering, including financial vetting procedures, the tender evaluation process and award criteria.	3			P.O.W.G.	2006	<ul style="list-style-type: none"> ▪ P.O.W.G.
45	Maintain/update Arun 'Procurement Guidance Manual'	1			<ul style="list-style-type: none"> ▪ P.O.W.G. 	2005	<ul style="list-style-type: none"> ▪ P.O.W.G.
46	To develop guidance for contract performance assessment , monitoring and feedback.	2			P.O.W.G.	2005	<ul style="list-style-type: none"> ▪ Best Value & Scrutiny Director
Performance Monitoring							
47	Develop a procurement benchmarking group of similar local authorities.	2			Arun District Council Procurement Strategy	2005	<ul style="list-style-type: none"> ▪ Procurement Officer via ▪ West Sussex Procurement Forum

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
48	BVPI 8 Percentage of undisputed invoices paid within 30 days.	1			Office of the Deputy Prime minister National BVPI	By 2005	<ul style="list-style-type: none"> ▪ Head of Finance ▪ Heads of Service
49	To put in to place process to monitor the effectiveness of any consortia arrangements.	2			Arun District Council Procurement Strategy Recommendations	2005/2006	<ul style="list-style-type: none"> ▪ Best Value & Scrutiny Director
50	Develop a simple method of monitoring of achievement against the Council's 'principles of sustainability' through the procurement process	3			Arun District Council Procurement Strategy	2006	<ul style="list-style-type: none"> ▪ Head of Environmental Health ▪ R.E.G.
51	To monitor construction projects through the Property Performance Indicators (PPI's) (over £25,000).	1			Asset Management Plan	Annually	<ul style="list-style-type: none"> ▪ Head of Surveying & Estates
52	Monitor and review the data from monitoring energy use in order to prioritise action towards improving energy use in the Council's property.	1			Asset Management Plan	Annually	<ul style="list-style-type: none"> ▪ R.E.G. ▪ P.W.G.
53	To monitor BVPI 180 regarding Electricity and Fossil Fuel consumption in our property.	1			Office of the Deputy Prime minister National BVPI	Annually	<ul style="list-style-type: none"> ▪ R.E.G. ▪ A.M. Group

ARUN DISTRICT COUNCIL - PROCUREMENT IMPROVEMENT PLAN

Item No	Action	Priority 1-5	Risk Score		Mandate	Timetable	Lead Officer
			Impact	Not Achieving			
54	Adopt a minimum threshold of purchasing or generating 30% of the Council's electrical and thermal energy requirements from truly renewable sources by 2014. Milestones will be:- 2005 15% 2008 20% 2011 25% 2014 30%	3			<ul style="list-style-type: none"> ▪ Arun District Council Procurement Strategy ▪ LA21 	By 2014	<ul style="list-style-type: none"> ▪ Procurement Officer
Project Procurement							
55	To develop an options appraisal mechanism for projects over £25,000 as part of the annual prioritisation process.	2			Arun District Council Procurement Strategy Recommendations	By 2005	<ul style="list-style-type: none"> ▪ Senior Project/ Programme Manager ▪ Procurement Officer
56	To develop government recommended 'gateway' project management controls to all areas of major Council procurement.	3			Arun District Council Procurement Strategy	By 2006	<ul style="list-style-type: none"> ▪ Procurement Officer ▪ Head of Infrastructure, Works & Engineering ▪ Head of Surveying & Estates ▪ Head of I.T.

KEY 1 = High Priority 5 = Low Priority Under column headed "Lead Officer" the job title/ group printed in bold will lead the specific piece of work

LOCAL GOVERNMENT TASK FORCE

**CONSTRUCTING EXCELLENCE – 10 KEY ISSUES AND HOW TO ADDRESS THEM –
JUNE 2004**

- Traditional processes of selection should be radically changed because they do not lead to best value;
 - An integrated team which includes the client should be formed before design and maintained throughout delivery;
 - Contracts should lead to mutual benefit for all parties and be based on a target and whole life cost approach;
 - Suppliers should be selected by Best Value and not by lowest price: this can be achieved within the EC and central government procurement guidelines;
 - Performance measurement should be used to underpin continuous improvement within a collaborative working process;
 - Culture and processes should be changed so that collaborative rather than confrontational working is achieved.
-
1. Ensure your corporate procurement structure enables your authority to strategically consider and implement Rethinking Construction principles.
 2. Encourage innovation, efficiency and effectiveness by involving all those who can contribute to the success of a project from the earliest possible stage.
 3. Develop a “Respect for People” culture by ensuring that all involved have the necessary skills and are working in a safe and healthy environment.
 4. Focus on the desired outcomes from your projects and the extent to which they are achieved.
 5. Establish a strategy for each project and communicate this to all members of the team.
 6. Appoint members to the team using a quality based selection process.
 7. Consider whole-life procurement by focusing on the long-term effectiveness of your buildings.
 8. Share risks and rewards with all of the team and provide them with incentives for achieving/improving on the project objectives.
 9. Encourage and use new technology where it has been demonstrated to be of potential benefit.
 10. Learn from the experience.

PRINCIPLES OF SUSTAINABLE DEVELOPMENT FOR ARUN DISTRICT COUNCIL

Forward

The objective of Sustainable Development is to ensure a better quality of life for everyone now and for generations to come through:

- social progress which recognises the needs of everyone;
- listening to what people want and involving them in making decisions which affect them;
- effective protection of the environment;
- prudent use of natural resources;
- maintenance of high and stable levels of economic growth and employment;
- increasing opportunities for local employment, education and training, especially for those most in need;
- strengthening local community and cultural identity.

The Council's Principles

In order to work towards Sustainability, this Council will, within the resources available to it, abide by the following principles and in making its decisions, seek to balance the needs of future generations against the varying demands and constraints of the present: that –

1. Energy, water and other natural resources should be used efficiently;
2. Waste should be avoided, then re-use and recovery through recycling, composting (and possibly energy recovery) should be actively encouraged and facilitated;
3. Pollution will be limited to levels which do not damage natural systems through enforcement or encouragement of non-polluting energy sources and technologies.
4. The diversity of wildlife and habitats be valued, protected and enhanced;
5. Places, spaces and buildings, if practicable, should be “people-friendly” and well maintained.
6. Settlements should be “human” in scale and design;
7. Local distinctiveness and community identity should be valued and sustained;
8. Safe, clean, pleasant environments should be maintained to protect human health and enhance their amenity value;

9. That preventative health services as well as health care services should be emphasised;
10. Access to good food, water, housing and fuel should be assured;
11. Local needs should be met locally where possible;
12. All sections of the community should be empowered to participate in decision-making and to consider the social and community impacts of decisions;
13. Everyone feels rewarded in a diverse economy in which unpaid work should be valued;
14. Access to services should not be achieved at the expense of the environment;
15. Opportunities for culture/leisure and recreation are readily available to all;
16. Crime and persecution is reduced and people protected from it;
17. Everyone has access to the information and skills required to play a full part in the local community.

In abiding by these principles, the Council undertakes to pursue opportunities to promote sustainability and to have it considered as part of plan and policy development.

June 1999