

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet 12 March 2009
AUTHOR/S: Chief Executive / Finance Project Officer

PROCUREMENT STRATEGY

Purpose

1. The purpose of this report is for Cabinet to agree a revised Procurement Strategy.
2. This not a key decision but it has been brought before Cabinet because it represents a revision to the Council's Strategy for the Procurement of Goods and Services (approved in January 2004) and it was first published in the February 2009 Forward Plan.

Background

3. Cabinet approved the Strategy for the Procurement of Goods and Services at its meeting on 22 January 2004. The strategy needed to be revised and updated to take account of events since the strategy was approved and increased expectations of the outcomes from procurement activities:
 - (a) The Council's council tax was capped and the authority had to strip £2.6m out of its 2005/06 base budget;
 - (b) The Council was required to find £1.3m ongoing efficiency savings under the Gershon regime over the period 2005/06 to 2007/08;
 - (c) There is an expectation that public bodies will obtain 3% ongoing cashable efficiency savings over the period 2008/09 to 2010/11;
 - (d) The Council's Medium Term Financial Strategy includes an assumption of ongoing cashable efficiency and other savings;
 - (e) Council objectives and priorities have changed - to be encompassed within new Aims, Approaches and Actions for 2009/10;
 - (f) The Comprehensive Area Assessment anticipates that authorities in a local area will work together to deliver services to their residents and customers;
 - (g) The Council is committed to promoting equality of access to services - this includes both services delivered through contracts and the procurement process itself.
 - (h) There is an expectation that public bodies will incorporate environmental sustainability and climate change considerations in their procurement processes.
4. The proposed Procurement Strategy has taken these factors into account, together with examples of best practice from other authorities and agencies. The resulting draft Procurement Strategy is attached as **Appendix A**.

Options

5. Cabinet could adopt the attached draft Procurement Strategy, to replace the current Strategy for the Procurement of Goods and Services. ***This is the recommended option.***

6. Alternatively, Cabinet could suggest changes to the draft Procurement Strategy to be adopted.

Implications

7. Financial	There are no direct financial implications resulting from this report. Eastern Shires Purchasing Organisation (ESPO) usually recover their costs of undertaking procurement exercises on the Council's behalf directly from the successful contractor. Industry data indicates that costs of undertaking an e-auction would be more than offset by savings obtained from the resulting contract.
Legal	There are no legal implications resulting from this report. EU and UK procurement legislation has been taken into account in formulating the draft Procurement Strategy.
Staffing	There are no staffing implications resulting from this report.
Risk Management	There are no direct risk management implications resulting from this report. The Procurement Strategy, together with the Council's Contract Regulations, should ensure that the Council obtains the goods and services it requires at best value for money, in compliance with procurement legislation.
Equal Opportunities	An Equality Impact Assessment has been conducted on the draft Procurement Strategy. The impact was assessed as positive as the strategy not only does not disadvantage any equality groups, but also actively promotes equality and diversity by encouraging contractors to consider their equality policies and practices and expecting them to meet the Council's own standards and policies. Both the Procurement Strategy and Contract Regulations incorporate equality and diversity considerations, together with a checklist for contracting officers to follow.

Consultations

8. The following colleagues and peer authorities have been consulted:
- (a) The Equalities team;
 - (b) The Strategic Sustainability Officer;
 - (c) Senior Management Team;
 - (d) Other officers relevant to various aspects of the strategy;
 - (e) Members of the Cambridgeshire Procurement Group.
9. The advice and guidance received has been incorporated as appropriate in the draft Procurement Strategy.

Effect on Corporate Objectives and Service Priorities

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| 10. | Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future |
| | Deliver high quality services that represent best value and are accessible to all our community |

Effective procurement enables the Council to deliver high quality services by: <ul style="list-style-type: none">• Achieving value for money to maximise resources available for Council objectives and service priorities;• Supporting policy objectives, for example through sustainable purchasing and local purchasing;• Engaging quality suppliers of goods and services;• Implementing efficient procurement processes that release officers for other tasks related to service delivery and improvement.
Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work

Conclusions/Summary

11. The Council's Strategy for the Procurement of Goods and Services needed to be revised and updated. The resulting draft Procurement Strategy reflects current expectations and the authority's circumstances and incorporates best practice.

Recommendation

12. Cabinet is requested to adopt the updated Procurement Strategy.

Background Papers: the following background papers were used in the preparation of this report: None unpublished

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