

# Ipswich Borough Council

## Corporate Procurement and Commissioning Strategy

The Corporate Procurement Strategy sets out the Vision and Strategic Aims, which direct and govern the Council's procurement activities.

It outlines the Policies, Toolkits and Processes are used to deliver the Strategy. It also contains an action plan setting out the overall "direction of travel" and specific actions to achieve the Strategic Aims.

The Corporate Procurement and Commissioning Strategy is approved by Executive and is reviewed on an annual basis.

Date of last update: October 2009

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## Appendices

### Policies, Processes and Guidance

| Appendix | Title  | Link  |
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| 1        | Transforming Ipswich                         | <a href="http://www.ipswich.gov.uk/downloads/Transforming_Ipswich.pdf">http://www.ipswich.gov.uk/downloads/Transforming_Ipswich.pdf</a>   |
| 2        | Procurement Law and the Regulatory Framework | <a href="http://www.ipswich.gov.uk/downloads/Procurement_Law_and_the_Regulatory_Framework.pdf">http://www.ipswich.gov.uk/downloads/Procurement_Law_and_the_Regulatory_Framework.pdf</a> |
| 3        | Contract and Financial Standing Orders       | <a href="http://www.ipswich.gov.uk/downloads/C-08-13_Financial_Standing_Orders_Appendix.pdf">http://www.ipswich.gov.uk/downloads/C-08-13_Financial_Standing_Orders_Appendix.pdf</a>     |
| 4        | Whistleblowing – Guide for Contractors       | <a href="http://www.ipswich.gov.uk/downloads/Whistleblowing_-_A_Guide_for_Contractors.pdf">http://www.ipswich.gov.uk/downloads/Whistleblowing_-_A_Guide_for_Contractors.pdf</a>         |
| 5        | Small Business Concordat                     | <a href="http://www.ipswich.gov.uk/downloads/Small_Business_Concordat.pdf">http://www.ipswich.gov.uk/downloads/Small_Business_Concordat.pdf</a>   |
| 6        | Use of Government Procurement Card           | <a href="http://www.ipswich.gov.uk/downloads/Use_of_Government_Procurement_Card.pdf">http://www.ipswich.gov.uk/downloads/Use_of_Government_Procurement_Card.pdf</a>                     |
| 7        | Procurement Policy                           | <a href="http://www.ipswich.gov.uk/downloads/Procurement_Policy.pdf">http://www.ipswich.gov.uk/downloads/Procurement_Policy.pdf</a>   |
| 8        | Procurement Process                          | <a href="http://www.ipswich.gov.uk/downloads/Procurement_Process.pdf">http://www.ipswich.gov.uk/downloads/Procurement_Process.pdf</a>   |
| 9        | E-Procurement Policy                         | <a href="http://www.ipswich.gov.uk/downloads/E-Procurement_Policy.pdf">http://www.ipswich.gov.uk/downloads/E-Procurement_Policy.pdf</a>   |
| 10       | Project Management Handbook                  | <i>Please contact Project and Programme Management on tel. 01473 433882 for a copy</i>  |
| 11       | Environment Strategy                         | <a href="http://www.ipswich.gov.uk/downloads/Environment_Strategy_2007.pdf">http://www.ipswich.gov.uk/downloads/Environment_Strategy_2007.pdf</a>                                       |

|    |                               |   |
|----|-------------------------------|---|
| 12 | IMPACT Carbon Management Plan | <a href="#"><u>Ipswich Borough Council - IMPACT - the Ipswich Carbon Management Programme</u></a> |
| 13 | Contracts Register            | This document will be available shortly   |

## Plans

| Appendix | Title                              | Link   |
|----------|------------------------------------|--|
| 14       | Annual Procurement Priorities Plan | <a href="http://www.ipswich.gov.uk/downloads/Annual_Procurement_Priorities_Plan.pdf"><u>http://www.ipswich.gov.uk/downloads/Annual_Procurement_Priorities_Plan.pdf</u></a> |
| 15       | Annual Action Plan                 | <a href="http://www.ipswich.gov.uk/downloads/Action_Plan_2009-2010.pdf"><u>http://www.ipswich.gov.uk/downloads/Action_Plan_2009-2010.pdf</u></a>                           |

## Contact List

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Website        [www.ipswich.gov.uk](http://www.ipswich.gov.uk)

Other useful websites

|                                  |  |
|----------------------------------|--|
| Office of Government Commerce    | <a href="http://www.ogc.gov.uk">www.ogc.gov.uk</a>                           |
| Improvement East                 | <a href="http://www.improvementeast.gov.uk">www.improvementeast.gov.uk</a>   |
| Audit Commission                 | <a href="http://www.audit-commission.gov.uk">www.audit-commission.gov.uk</a> |
| Communities and Local Government | <a href="http://www.communities.gov.uk">www.communities.gov.uk</a>           |

## Part 1: Introduction

### 1.1 Procurement

#### 1.1.1 What is Procurement

Procurement is defined by the National Procurement Strategy as being "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 a services contract or the end of the useful life of an asset. It involves option appraisal and the critical "make or buy" decision which may result in the provision of services in-house in appropriate circumstances."

*National Procurement Strategy 23rd October 2003*

Procurement can range from the day to day purchasing of commodities to purchasing key strategic items (such as large capital assets), commissioning a service or buying an entire service. Goods and services may be provided by internal or external providers and there are a number of different models for provision of services, such as private finance initiatives and public private partnerships.

#### 1.1.2 Importance of Procurement

The provision of all our services involves procurement, without good procurement we will not deliver value for money services.

CSR07 places procurement as a key driver in delivering the efficiency savings required from Local Government through service transformation. The Government sees local government procurement as a strategic tool to strengthen competition and develop markets at a national level. Whilst at the same time delivering operational advantage to Councils by aggregating demand through local consortia and ensuring the competitiveness of existing services.

The Local Government Act 1999 and Best Value Guidance Circular 10/99 specifically requires that each authority should have a clear corporate procurement strategy to support Best Value. Ipswich Borough Council has responded to this by establishing a clear strategy and action plan, which challenges how and by whom services are provided.

The Local Government Act 2000 placed a duty on English and Welsh local authorities to prepare a community strategy for promoting or improving the economic, social and environmental well-being of their area and contributing to the achievement of sustainable development in the UK and gave authorities the power to do anything they consider is likely to achieve the promotion of the area's well-being in that sense (the "well-being power").<sup>1</sup>

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<sup>1</sup> Relevance in procurement is that the power can be used to promote local sustainable suppliers.

## 1.2 Procurement in Ipswich Borough Council

### 1.2.1 Transforming Ipswich

The vision for Ipswich is to “To deliver quality services for the people of Ipswich”.

The priorities for 2008 – 2011 are:

Taking forward the town’s Community Strategy  
 Transforming and modernising customer access to services  
 Do the basics better for less

The strategic objectives below explain how this vision will be achieved

- We will work with the community to make Ipswich a model urban clean and green place.
- We will work with business and external funders to encourage new investment, innovation, learning and sustainable growth and employment.
- We will work with the community to keep Ipswich a safe place to live.
- We will help individuals and groups in the One-Ipswich community who experience disadvantage and will work towards everyone having the opportunity of a decent home.
- We will develop and encourage the provision and use of an integrated and effective transport system, which maximises the use of public transport, walking and cycling and reduces the overall impact of travel on the environment.
- We will enrich and protect the town’s historic assets and diverse cultural offering, whilst working to attract award-winning architecture, and increase the availability of public art and live performance opportunities, as well as encourage participation in all sport and leisure pursuits to create an even more vibrant town.

Principles, which underpin everything we do within the Council:

- We will deliver effective local government, based on excellent customer care, which is open and responsive to residents’ wishes.
- All our services will be delivered in a way that is fair, accessible and easy to use.
- We will deliver value for money services.
- We will consult and work in partnership with one-Ipswich, other organisations, business, as well as individuals, when making decisions and prioritising, to achieve cohesive service delivery.
- We will continue to value our staff and the contribution they make in achieving our vision and priorities.

## Key Activities

- Prepare a business case for a contact centre
- Improvements to the website – particularly more services on line
- Front to back office integration
- Improved customer focus
- Improving performance of services through performance management
- Undertaking value for money reviews
- Ensure strategies are cohesive

The Corporate Procurement Strategy is committed to promoting:

Equality and Diversity

Value for Money

Community Involvement

Sustainability

These commitments are expanded in part 3 of this strategy.

### **1.2.2 Governance and Leadership**

There are established governance arrangements to give clear leadership and direction to all procurement activities.

The key groups and individuals are outlined below:

#### Procurement Portfolio Holder

- Chair the Executive Procurement Committee

#### Executive Procurement Committee

- Approve the award of contracts between £75,000 and £500,000
- Carry out any of the functions of the Executive under contract standing orders
- Make recommendations to the Executive about other aspects of procurement.

#### Procurement Steering Group

- Develop, implement and monitor the Council's procurement strategy and action plan
- Ensure that all procurement is based on the principles of Best Value and uses a mixed economy of provision
- Monitor procurement activity across the Council and make recommendations to the Council's Corporate Management Team on strategic issues.
- Ensure that stakeholders (internal and external) are trained on IBC's procurement strategy and processes
- Champion the use of new procurement initiatives such as e-procurement.
- Act as a sounding board for new ideas and sharing best practice across the Council and from others.

**Corporate Procurement Team**

- Promote and champion good procurement.
- Deliver procurement savings.
- Provide appropriate process and resource for effective procurement.

**Head of Strategic Projects**

- Develop the Council's efficiency agenda.
- Responsible for the Council's Project and Programme Management guidance and best practice.
- Supports the management of the Council's portfolio of projects and programmes.

**Leader of Corporate Procurement Team**

- Promote and manage corporate procurement team
- Monitor delivery of procurement savings

*Current membership of groups above (August 2009): -*

*Procurement Portfolio Holder  
Executive Procurement Committee*

*Cllr. John Carnall  
Cllrs. John Carnall, Elizabeth Harsant,  
Phil Green*

*Corporate Procurement Team*

*Andrew Beschizza, Louise Field, Karen  
Tucciarone, Joanne Cherrington*

*Head of Strategic Projects*

*Jon Perigo*

*Leader of Corporate Procurement Team*

*Jon Hudson*

## 1.3 About the Procurement and Commissioning Strategy

### 1.3.1 Purpose of this document

The purpose of the Corporate Procurement Strategy (CPS) is to set out the vision and strategic aims, which direct and govern our procurement activities. This document outlines the policies, toolkits and processes that we use to deliver the strategy. It also contains an action plan setting out our overall “direction of travel” and specific actions to achieve our strategic aims.

The CPS has been developed to ensure that an effective and consistent approach to procurement is taken across the Council. The Strategy has been informed and influenced by a number of factors including:

- CPA Use of Resources
- CPA Key Lines of Enquiry

### 1.3.2 Structure of this document

This document is structured to highlight the policies and processes that will be used to deliver the strategy.

Structure of the document

#### Part 1 Introduction

This section includes a definition of procurement and places it in context as regards Ipswich Borough Council. It also explains the purpose and governance arrangements.

#### Part 2 Vision

This section sets out our vision for how procurement will contribute to achievement of the Council’s overall vision and objectives.

#### Part 3 Strategic Aims

This section sets out how the vision will be achieved.

#### Part 4 Delivery of the Corporate Procurement Strategy

This section briefly outlines how the strategy will be delivered using policies and processes set out in the appendices.

#### Part 5 Action Plan

This includes activities to implement the strategy it self, as well as more specific outcomes designed to deliver procurement savings targets.

### **1.3.3 Delivery of the Corporate Procurement and Commissioning Strategy**

The Corporate Procurement Strategy will be delivered in the wider context of “Transforming Ipswich”. The CPS is a key part of our commitment to “transforming and modernising customer access to services”. We will ensure that each service obtains the goods and services it needs to operate effectively from the most appropriate and economically advantageous source, supporting the principle of “we will deliver value for money services”.

We will deliver against our Corporate Procurement Strategy by using and developing the policies, processes and toolkits set out in Part 4 of this document. We will achieve our strategic aims for procurement by progressing the activities contained in the Action Plan in Part 5 of this document.

## Part 2: The Vision for Procurement

The vision is to:

- Contribute to delivering the Council's strategic objectives;
- Protect front-line budgets by maximising savings and efficiencies from service integration, business process re-engineering, shared service opportunities and leveraging economies of scale.
- Adopt a right sourcing/mixed economy approach to service delivery and move to a commissioning model.
- Establish and develop collaborative opportunities, partnerships and new and more effective ways of working including shared services.
- Provide joined-up and integrated services wherever appropriate together with our public and third sector partners.
- Develop the third sector's commercial and bidding skills and practices.
- Seek to develop local supply chain arrangements.
- Deliver procurement savings targets.
  
- Embed the centralised procurement function supported by specialist buyers.
- Pursue opportunities for joint working
- Use technology to improve the procurement process and generate transactional efficiency savings.
- Ensure procurement is planned and undertaken in a structured, controlled and coordinated way.

## • Part 3 Strategic Aims

### 3.1 Overview

**The aims of the procurement strategy have been split into three broad streams:**

Efficiency and Effectiveness

- Value for money
- Doing business electronically
- Effective governance
- Control and regulation
- Risk management
- Training and development

Sustainability

- Social, economic and environmental
- Supporting local suppliers

Partnerships

- Supplier Partnerships
- Third sector
- Collaboration

### 3.2 Efficiency and Effectiveness

#### 3.2.1 Value for money

Will be delivered by ensuring that the four “C’s” of challenge, compare, compete and consult are used in all procurement decisions.

#### 3.2.2 Doing business electronically

The council is committed to e-procurement as a means of reducing communication and transaction costs for both our selves and our suppliers.

All procurement processes must demonstrate active consideration of the relevance and opportunities of doing business electronically for each and every procurement decision.

#### 3.2.3 Effective Governance

There will be strong and effective governance of procurement and commissioning. The Executive Procurement Committee will play a key role in implementing, developing and monitoring the CPS.

Our policies on communication and consultation with all involved e.g. service users, staff, customers and suppliers will ensure a transparent procurement process.

### **3.2.4 Control and Regulation**

All procurements must comply with the current legal requirements and also the ethical standards of the Council. The main standards and controls are outlined below:

#### Legal Requirements

Applicable legislation is listed in appendix 2; the Head of Legal Services provides guidance to the Executive Procurement Committee as required.

#### Contract and Financial Standing Orders

These have been completely renewed as part of the update of the constitution see appendix 3.

#### Whistle blowing Policy

The Council takes the responsibility to ensure the highest standards of transparency and honesty in its dealings very seriously. All employees, suppliers or others are encouraged to voice their concerns over any aspect of our work. The whistle blowing policy exists to enable people to come forward with no fear of victimisation or subsequent discrimination. The policy is attached as appendix 4.

#### Equality and Diversity

All employees, councillors and suppliers are expected to comply with our Equality and Diversity policy whilst delivering our services.

#### Health and Safety

All contractors are expected to comply with all Health and Safety legislation and policies whilst delivering services. Health and Safety issues will also form part of contractor selection and contract documentation.

### **3.2.5 Risk Management**

There are risks in awarding all contracts, which include non-performance of contract, financial failure or lack of skills.

We will minimise risks by pre-qualifying tenderers e.g. acquiring credit reports for financial status and requiring method statements as part of tenders to demonstrate knowledge and capabilities.

### **3.2.6 Training and Development**

All members of the Procurement Team will receive the training required to carry out their responsibilities. This will include professional training for senior staff to achieve membership of the Institute of Purchasing and Supply, and also relevant training for other staff to ensure that they are updated on changes in legislation or new developments in procurement.

Procurement awareness training will be included in the corporate training programme.

This strategy and supporting policies and guidance will be available to all staff.

### **3.3 Sustainability**

#### **3.3.1 Social, economic and environmental**

We are committed to sustainable procurement by ensuring that social, economic and environmental issues are considered during all stages of a procurement process and as part of the whole life cost of a contract. We will achieve this by ensuring that sustainability considerations are embedded within our procurement processes and by promoting good practices with those with whom we do business.

We are committed to improving community well being, in both the local and regional economies by encouraging local purchasing of goods and services, increasing opportunities for black and minority ethnic enterprises and creating local employment and training opportunities.

We are committed to ensuring that our procurement activities and those of our suppliers do not have a detrimental effect on the environment and have a positive influence on whether the Council achieves its sustainable and environmental aims.

We will reduce the negative effect on the environment of the products and services that we buy, by considering the effect of our decisions and by working with suppliers where appropriate, to ensure they have a similar commitment.

#### **3.3.2 Supporting Local Suppliers**

We are committed to working with a diverse range of suppliers to ensure that they are given every opportunity to understand the Council's requirements and gear themselves up for procurement opportunities.

The Council is committed to encouraging local purchasing of goods and services and creating local employment and training opportunities. This supports our strategic objective to encourage new investment, innovation, learning and sustainable growth and employment.

Community benefit requirements can be included in contracts that are below EU Public Procurement Thresholds and can be a factor in the selection and award of the contract provided that non-local contractors are not disadvantaged and these contracts comply with the Government's procurement policy.

Where procurements are above the EU Public Procurement Thresholds, community benefits can be included and can be used in the selection and award procedures provided that each of the following tests are met:

- they are related to the subject of the contract;
- they are mentioned in contract notices;

- they do not disadvantage non-local contractors;
- they are supported by the powers and policies of the Council; and
- they provide a ‘measurable benefit’ to the Council.

### **3.4 Partnerships**

#### **3.4.1 Supplier Partnerships**

The importance of working through partnerships is recognised by the Council as a means of delivering efficiency, value for money or new models of service delivery. A number of these partnerships e.g. Film Theatre, Museums, Building Control and Internal Audit already exist.

The opportunity will be taken to challenge existing partnerships whilst exploring opportunities for new partnerships with private, public and third sector organisations.

#### **3.4.2 Third Sector**

The Council will explore opportunities to engage with the third sector in the provision of services. The Council already recognises the importance of this sector in supplementing local government services by grant aiding community and cultural organisations e.g. Citizens Advice Bureau and the Wolsey Theatre Trust.

#### **3.4.3 Collaboration**

Buying Solutions (Office of Government Commerce).

This agency works with public sector organisations to gain best value from procurement through a number of initiatives.

Buying Solutions facilitates use of the E-auction process such as used by Ipswich Borough Council for office furniture and desktop pcs.

Buying Solutions organise and tender framework contracts for goods and services commonly required by the public sector. The Council utilises OGC contracts as a default position for all procurements, where they are seen to deliver value for money.

Suffolk Countywide Procurement Group

We participate in this group, which promotes best practise in procurement and joint procurement where beneficial.

## Part 4 Delivery of the Corporate Procurement Strategy

### **4.1 Overview**

This section sets out how we deliver the CPS using a range of policies and processes. These are briefly summarised in this section with reference to the relevant appendix (where applicable) containing the full document.

### **4.2 Policies and Processes**

This section summarises the key policies and processes. These will be updated and revised regularly.

| <b>Section</b> | <b>Title</b>                    | <b>Appendix</b> |
|----------------|---------------------------------|-----------------|
| 4.2.1          | Procurement Policy              | 7               |
| 4.2.2          | Procurement Process             | 8               |
| 4.2.2.1        | Options Appraisal               | 8               |
| 4.2.2.2        | Use of Framework Agreements     | 8               |
| 4.2.2.3        | Evaluation Criteria             | 8               |
| 4.2.3          | E-Procurement Policy            | 9               |
| 4.2.4          | Project and Management Handbook | 10              |
| 4.2.5          | Sustainability Policy           | 11              |

#### **4.2.1 Procurement Policy**

The Council has adopted as an underlying principle “We will deliver value for money services”. This is supported by the duty placed on Council’s nationally to provide “Value for Money”.

This policy sets out the approach that we take to achieving “value for money” in the procurement of goods and services.

#### **4.2.2 Procurement Process**

This process sets out the steps to be taken in a procurement exercise. It includes the duty to involve the central procurement section in every instance.

The process includes documentation required, advertising, evaluation of tenders and contract award. It also outlines when it is appropriate to use framework agreements.

##### **4.2.2.1 Options Appraisal**

Options appraisal is the stage of the procurement process, which involves the most original thought and innovation.

This guidance helps the process by providing guidance on market research and the identification of potential options. It goes on to provide an outline methodology for appraising alternative options to make a recommendation.

#### **4.2.2.2 Framework Agreements**

This guidance explains what a framework agreement is and how they can be used.

It provides guidance on establishing a framework agreement, subsequent call offs, and management of the agreement.

#### **4.2.2.3 Evaluation Criteria**

This guidance gives assistance in setting the evaluation criteria for assessing a bid.

There is an explanation of the use of evaluation matrices and worked examples.

#### **4.2.3 E-Procurement Policy**

This policy sets out the commitment to e-procurement.

It provides details of our Purchase Order Processing System, e-ordering, Government Purchase Card and e-auctions.

It also sets out aspirations to engage in e-tendering.

#### **4.2.4 Major Projects**

All significant procurements should be managed as projects using the Council's Project Management Handbook.

#### **4.2.5 Environment Strategy (Sustainability)**

Our procurement strategy and guidance will seek to (i) reduce our impacts on climate change through embedding carbon management to reduce greenhouse gas emissions and adapt to the impacts of the changing climate and (ii) to procure products, supplies and services in a way that minimises our environmental impact. In general the most effective way to incorporate environmental issues in procurement is to consider them at the earliest stage of the procurement process, in defining the user requirement.

## Part 5 Action Plan

### 5.1 Overview

The action plan is in two parts, strategic and operational:

#### **Strategic**

We have established a Procurement Priorities Plan to ensure that all our activities take place in a structured and co-ordinated manner. Each action contained in the plan is designed to contribute to the achievement of a strategic aim, and is cross-referenced to Part 3 Strategic Aims.

The plan is listed as appendix 14

#### **Operational**

We have established an annual Procurement Action Plan to support our contribution to the achievement of savings included in the efficiency programme.

The plan is listed as Appendix 1

