

The Corporate Procurement Strategy

Draft 3

March 2006 – March 2009

Document History

Revision History

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31/10/05	Draft 1	Initial draft for review.
25/11/05	Draft 2	Minor changes made as a result of consultation.
17/01/06	Draft 3	Restructure of document - actions removed from body of document and replaced with summary of actions. Action plan in appendix further streamlined and developed. Other minor changes as a result of consultation and approval process.

Approvals

This document requires the following approvals.

Meeting	Name	Title	Date	Version
CMT	Carol Mills	Executive Director of Corporate Services	14.11.05	Draft 2
Cllr Wyatt	Cllr K Wyatt	Member for Customer Services and Innovation	16.01.06	Draft 2
PSOC	Cllr Stonebridge	Chair of Performance Scrutiny Overview Committee	17.02.06	Draft 2
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Corporate Procurement Strategy (Feb 2006- Feb 2009)

(i) Introduction from Cllr Wyatt

“Over recent years procurement has been an increasingly important activity for the council.

In simple terms procurement is about buying the goods and services that the council needs to operate, but it also includes the commissioning and construction of new buildings. It is true to say that procurement is about everything from pens and paper-clips to PFI and strategic partnerships.

The process should not be seen as an end in itself, rather procurement should be seen as the way that the Council uses its purchasing power to deliver the strategic objectives of the authority.

Procurement can and will play a significant role in helping to deliver the five priority themes adopted by the authority and set out in our Corporate Plan :- Rotherham Learning, Achieving, Alive, Safe, Proud and the two cross cutting themes of Sustainable Development and Fairness.

The procurement process is about seeking best value for our citizens and contributing to the social, economic and environmental well being of the Borough. The starting point for better procurement is the development of a procurement strategy and I am very pleased therefore to write this introduction to the document.

The Council’s Procurement Panel will continue to oversee the performance of the strategy. In addition to obtaining value for money we shall seek to ensure procurement activity is coherent and controlled, that equality and sustainability is factored in and that staff have the development opportunities that will enable continuous improvement.

As to recent developments, our newly introduced e-procurement system can be a powerful tool and officers from the Audit Commission have given us positive and encouraging feedback.

Political and managerial leadership will continue to drive the agenda on capacity building, effective partnerships, stimulating markets and seeking to achieve community benefits. We will seek to strengthen our links with the Voluntary and Community sector so that through our commissioning processes we are better placed to improve the economic and social wellbeing of the local community.

All who are involved in the procurement process recognise the key factor their work plays in meeting service users’ needs. I would like to thank them all for their hard work and dedication.”

Councillor Ken Wyatt - Cabinet Member Customer Services and Innovation. Procurement Champion RMBC

(ii) Executive Summary

Rotherham MBC's Procurement Strategy sets out what the Council means by procurement - its aims and objectives for procurement and how we will improve.

Procurement is more than just obtaining the lowest possible price. It means making procurement decisions that deliver the best value for money.

(iii) The procurement vision directs this strategy:

"The Council will procure goods, services and works by the most economic, efficient, effective, and sustainable means to ensure that the needs and aspirations of the community are furthered, within a clear framework of accountability and responsibility. In doing so, the Council will strive to become best in class by adopting world-class procurement practices and techniques".

Following the four main themes of the National Procurement Strategy; leadership, partnering, electronic procurement and achieving community benefits, the strategy will in turn describe the Council's current position, the vision for the next three years, and what actions will be required to achieve that vision.

The Council recognises that following the successful creation of the RBT Procurement Service, there is a need for an overarching Corporate Procurement Strategy which guides and informs all procurement activity within the Council. This strategy aims to fulfil that purpose.

The profile of procurement has increased nationally in the last few years, with the Efficiency Review and the National Procurement Strategy setting targets and milestones for local authorities to achieve. The Efficiency Review applies to procurement because of the savings that can be achieved by the reduction of total cost of acquisition and the efficiencies that can be made by improving our internal processes. The National Procurement Strategy also addresses this but also tasks local authorities to achieve community benefits through procurement. This strategy sets the agenda to enable the Council to meet these demands whilst supporting Rotherham's Community Strategy and the Council's Corporate Plan and showing throughout how each action will contribute to the Council's key priorities.

In order to drive this strategy through, the Council will form a Procurement Panel which will consist of procurement managers from across the Council, and representatives from departments with a stake in what is achieved. The Panel will develop an action plan for the implementation of the strategy, and set local performance indicators to help the Council measure the success of this strategy and the procurement function as a whole.

(iv) Definition of Procurement and Value for Money (VFM)

The National Procurement Strategy for Local Government defines

Procurement as:

“Procurement is the process of acquiring goods, works and services, covering both acquisition from third parties and 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 options appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances.”

Value for Money as:

“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 requirement. This is not the lowest initial price option and requires assessing the ongoing revenue/resource costs as well as initial capital investment. The council’s requirement can include social, environmental and other strategic objectives and is defined at the earliest stages of the procurement cycle. The criterion of best value for money is used at the award stage to select the bid that best meets the requirement.”

The Council has a duty to deliver value for money coupled with effectiveness and quality whilst delivering the community’s social, economic and environmental objectives. The taxpaying public expects no less and those involved in the procurement of works, goods and services, whatever their capacity, are uniquely placed to directly impact on that.

(v) The Wider Context

In recent years it has been generally recognised that procurement has a large part to play in contributing to the efficiency and success of local government. This has dramatically increased the profile of procurement in Central Government leading to a number of recent Government policies and agendas:

The Efficiency Review

The Government's Spending Review statement effectively sets every local authority a target for efficiency gains of 2.5 % per annum for each of the next three years - with the current year acting as the baseline. A key point with the overall target is that at least one-half of efficiency gains should be "cashable" (i.e. resources actually able to be redirected rather than securing improved efficiency through heightened productivity).

The review envisages that efficiencies will fall into 4 broad categories:

- Corporate services
- Procurement
- Transactional services
- Productive time

The Regional Centre of Excellence (RCE) – The Yorkshire and Humberside RCE in this case - working in partnership with other key regional players, will be the lead change agent in each region. Originally set up to lead on procurement, they will now have a much broader role, particularly in relation to transactions and corporate services, and they may also work with authorities across the service sectors. They will act to identify and disseminate best practice, promote partnerships, act as a focus for procurement consortia, strengthen training in procurement skills and monitor progress towards efficient ways of working across their regions. The Council will actively respond to the Efficiency Review requirements, by contributing to and working with the RCE, and fulfilling the requirements laid down by the agenda.

The National Procurement Strategy

The Council is required to respond to the requirements of the National Procurement Strategy for Local Government (2003), which sets out how local government, working together with partners from the public, private and voluntary sectors should set about improving procurement. Taking its lead from the key messages and milestones prescribed by the National Procurement Strategy, this document will look at the actions required to ensure Rotherham Council's procurement processes are effective, efficient and sustainable.

(vi) The Context in Rotherham

(vii) Community Strategy and Corporate Plan

The Council (like all Councils) has the power to promote the economic, social and environmental well-being of their area. This duty provides the framework and context for everything it does.

How it intends to take this duty forward is set out in the Borough's recently agreed Community Strategy. This is structured under 5 priority themes which will steer progress over the next 5 years:

Rotherham Learning
Rotherham
Rotherham Alive
Rotherham Safe
Rotherham Proud

And two cross cutting themes:
Sustainable Development
Fairness

In addition to these themes, the Council is aiming to continue improving its own effectiveness and efficiency, and so be rated "Excellent Council" by the Audit Commission's CPA process by 2008. A Corporate Improvement Plan 2005-08 has been developed to help focus the organisation on strengthening the following areas:

- Translating our ambitions into action
- Strengthening governance arrangements
- Strengthening performance management
- Delivering Value for Money
- Providing effective political leadership and management
- Effective consultation, involvement and community leadership
- Effective workforce development
- Delivering higher quality services

In order to achieve Excellent Council status, we must evidence efficient use of the resources block, of which value for money is an important element. A use of resources score of less than 3 (consistently above minimum requirements – performing well) will prevent a council from becoming excellent.

Procurement is integral to the successful achievement of all themes.

(viii) Where are we now

Serving a diverse and growing population over 250,000 people, Rotherham is one of the largest local authorities in the UK. It is a major acquirer of goods and services - in 2004/05 the Council had a budget of £297m, and spent approximately £140m through procurement.

There have also been major changes recently in how the Council delivers and procures services, including our Joint Venture with RBT, PFI partnerships, the establishment of an ALMO (arms length management organisation) – 2010 Rotherham Ltd, and Joint Commissioning with PCT.

(ix) Approach

The Council's approach to procurement is to achieve best value through effective procedures and robust option appraisal leading to a clear mix of service and goods provision. The Council can demonstrate its strength in building sound relationships through a variety of models such as PPPs, PFIs and JVCs whilst recognising the value for money that small, local businesses can offer. It has also built firm foundations on which to strengthen its links with the Voluntary and Community Sectors via a Compact with the third sector. In addition to this, having already met level 2 of the Equality Standard for Local Government, we have set the clear target of achieving level 3 by the end of December 2005 and Procurement will contribute to this achievement.

(x) Who this strategy is aimed at:

- Members
- CMT
- Procurement Officers
- Budget Holders
- ODPM, The Audit Commission and other external inspection agencies
- Strategic Partners

(xi) Objectives of Procurement Strategy

VFM Achieved

To improve procurement processes and systems in a way that savings and VFM are achieved so that money can be directed to Council priorities.

This supports the Excellent Council Priority

Legal Procurement

To implement best practice procurement through the training and communication of robust policies and procedures, so that all procurement is carried out within the context of procurement legislation and the Council's financial regulations and standing orders.

This supports the Excellent Council Priority

Governance

To capitalise on our partnerships by implementing and working within robust frameworks so that effective governance and contract management is achieved.

This supports the Excellent Council Priority

Sustainable Procurement

To develop procurement processes and procedures to foster sustainable development so that the well being of Rotherham's environment is maintained and VFM is achieved.

This supports the Excellent Council Priority and the Sustainable Development Priority

Stimulated Markets

To operate a range of service providers by using inclusive procurement procedures and robust option appraisal, in order to contribute to the health of Rotherham's economic community and achieve VFM.

This supports the Sustainable Development Priority, the Fairness Priority, the Rotherham Achieving Priority and the Excellent Council Priority

(xii) The Current Procurement Framework

The Council has made some complex and innovative decisions to develop major strategic partnerships with the clear aim of improving services to customers and achieving financial savings.

RBT (Connect)Ltd

In 2003 the Council and British Telecommunications plc (BT) created a 12 year joint venture company, RBT (Connect) Ltd, in order to provide essential business services its on behalf, in the following functional areas:

- Information Communications & Technology
- Revenues & Benefits
- Human Resources & Payroll
- Procurement
- Rotherham Connect

RBT Procurement has a target of £30 million savings to achieve over the length of the contract and through efficient working practices it aims to reduce its staff requirements saving a further £3m.

We have completed stage one of the RBT / RMBC Service Improvement Plan (SIP) which involved:

- Centralising all procurement activity into one office space
- Setting standards and establishing best practice
- The introduction of Category Management
- The setting up of two teams -
 - Purchase to Pay (P2P) to handle all the transactional work
 - The Best Practice Procurement Team (BPPT) to concentrate on achieving savings

We have completed stage two of the SIP which mainly involved the introduction of e-procurement and across the Council.

Phase 3 of the SIP - which will be concerned with further e-enabling the procurement function - will form part of this strategy (see section 3 - “systems that allow business to be done electronically”)

Schools PFI Project

The Schools PFI Project involves a partnership between the Council and Transform Schools (Rotherham) Ltd, a special purpose company based on consortia of Balfour Beatty companies. The contract is to design, build, finance and operate 15 schools and linked community facilities for a period of 30 years from 1st April 2004.

The contract includes the integration of Young Peoples Centres, provision for general community use, space for sports and arts, Sure Start Centres, children’s centres, and facilities for Primary Care Trust, Social Services and Families Units.

Sport and Leisure Facilities and Maltby Joint Service Centre

The above project is to be a partnership contract to design, build, finance, operate and manage for approximately 25 years with an estimated value over £35M. The project involves the rationalisation of the Council's current swimming pools with the provision of four strategically located new build pools and a Joint Service Centre housing Council services and several partner organisations including the Primary Care Trust and the Police.

Future projects where partnerships may be appropriate include Bereavement Services and Waste Management

Rotherham Construction Partnership (RCP)

RCP is the Council's strategic Construction partnership, covering the Council's own construction professionals, five external consultant partners and ten contractor partners. Managed by the Council's Asset Management service within its Economic & Development Service programme area, RCP was created, following a best value review, to deliver the National Construction Reform Agenda and provide greater value for money whilst improving the quality of the built environment. RCP procured its partners through OJEU and provides building construction expertise and delivery to all areas of the Council, its partners and external clients. In 2004/05 RCP issued £31 million of construction works through delivering buildings such as:-

Schools, Health Buildings, Libraries, Offices, Customer Service Centres, Customer Contact Centres, Sure Start & Early Years, Community Buildings, Business Incubation Centres and Sports Facilities

2010

The Housing ALMO (arms length management organisation), 2010 Rotherham Limited, took over the running of the Borough's council houses in May 2005. The company is responsible for the management, repair and improvement of the Council's 23,000 houses. Its creation means that up to £330 million could be available in Rotherham in the period up to 2010 for the repair and improvement of homes through the Decent Homes Scheme.

It is intended that the Decent Homes Project will be run on a strategic partnering basis – similar in some respects to RCP with particular emphasis on supply chain issues.

The Borough Council will still own the houses but the authority will now delegate managing, repairing and improving them to the ALMO. Although fully owned by the Council, the company will not be controlled by it. 2010 Rotherham Ltd will have its own management board, made up of five tenants, five Councillors and five independent members.

Commissioning

The Council commissions a range of care and support services from external providers in both Adult Services and Children and Young People's Services. Procurement is carried out in a context of a mixed economy of care and best value. Through partnership working with a wide range of national and local providers including organisations in the Voluntary Sector, other care and support services are also commissioned.

Specific work is being undertaken with providers to stimulate growth in the domiciliary market where capacity is stretched to meet existing and predicted future demands.

Adult Services has its own dedicated Contracts Section which deals with all aspects of service procurement including writing service specifications, tendering process and monitoring contract performance. A Revenue and Payment Team deals with all invoicing and payments. Service contracts are also operated to support technology systems such as Community Care Call Alarm Systems and Service User Record System.

In August 2004 a dedicated Contracts and Commissioning function was established within the Children and Young People's Services programme area. This was undertaken as recognition of the increasing importance of obtaining successful outcomes and ensuring service deliverables were met through the firming of relations.

The majority of the procurement within Children and Families Services is met by Service Providers within the voluntary and charity sector due to the nature of the social care services being procured.

The Contracts and Commissioning function has become an active member of the Regional Contracting Steering Group; this Steering Group has been working towards the establishment and maintaining of a Regional Provider List for residential care and residential school placements. The overall purpose is to support the welfare of children looked after by the participating authorities (as defined in Every Child Matters) but such a collaborative exercise will also increase our buying power, reduce the risks and improve quality.

In furtherance of resource savings through collaboration, Rotherham MBC has recently acted as the lead Authority in the drafting, negotiation and placing of a contract with a large charitable organisation. This was a joint enterprise between Rotherham MBC, Doncaster MBC and Barnsley MBC. This has not only secured resources savings for the charitable organisation and ourselves but has improved relations between the represented Local Authorities.

In accordance with the requirements under the Children Act 2004 we are now entering a new phase with our counterparts in Education Services. The structural changes that will result provide a most exciting opportunity in the area of joint commissioning and procurement.

(xiii) Structure

The structure of the strategy will be based on the broad themes laid down in The National Procurement Strategy:

- 1. Processes and structures that provide leadership, effective management and build capacity**
- 2. Approaches to partnering, collaboration and the management of expenditure and the supply base**
- 3. Systems that allow business to be done electronically**
- 4. Processes that seek to stimulate markets and achieving community benefit**

For each of these themes the strategy will outline a position statement and a vision for the future. This will be followed by a summary of actions to be found in the corresponding action plan. Each of the actions in the plan is related to one or more of the strategy's objectives which in turn can be mapped back to the Corporate Plan.

1. Leadership, Management and Capacity

1.1 Leadership and Management

1.1.1 Current Position

The Council recognises that commitment from the top is necessary to realise the full potential of procurement to provide better public services.

This Procurement Strategy is owned by the Member responsible for Customer Services and Innovation who is supported by:

- His advisors
- Scrutiny
- The Executive Directors, the Procurement Client and the wider Client Team, and the Procurement Champions forum
- A programme of regular Internal Audits
- Risk Management Process
- Performance Management Process
- Clearly defined roles and responsibilities

Members

The Cabinet Member for the portfolio of Customer Services and Innovation is responsible for procurement through RBT and for the development and implementation of the corporate procurement strategy ensuring its alignment with our corporate goals. It is his responsibility to:

- Oversee procurement activities to ensure VFM and efficiencies are achieved
- Monitor RBT's performance
- Make key decisions on major projects - such as the roll out of e-procurement
- Ensure that our procurement system contributes to the Corporate Plan's cross cutting themes of sustainable development and fairness.

The Cabinet Member for Economic and Development Services is responsible for procurement through the Rotherham Construction Partnership and Streetpride. It is his responsibility to:

- Oversee procurement activities to ensure VFM and efficiencies are achieved
- Monitor performance
- Ensure that our procurement system contributes to the Corporate Plan's cross cutting themes of sustainable development

PFI and PPP procurement is undertaken under the leadership of the relevant programme area cabinet member.

Scrutiny

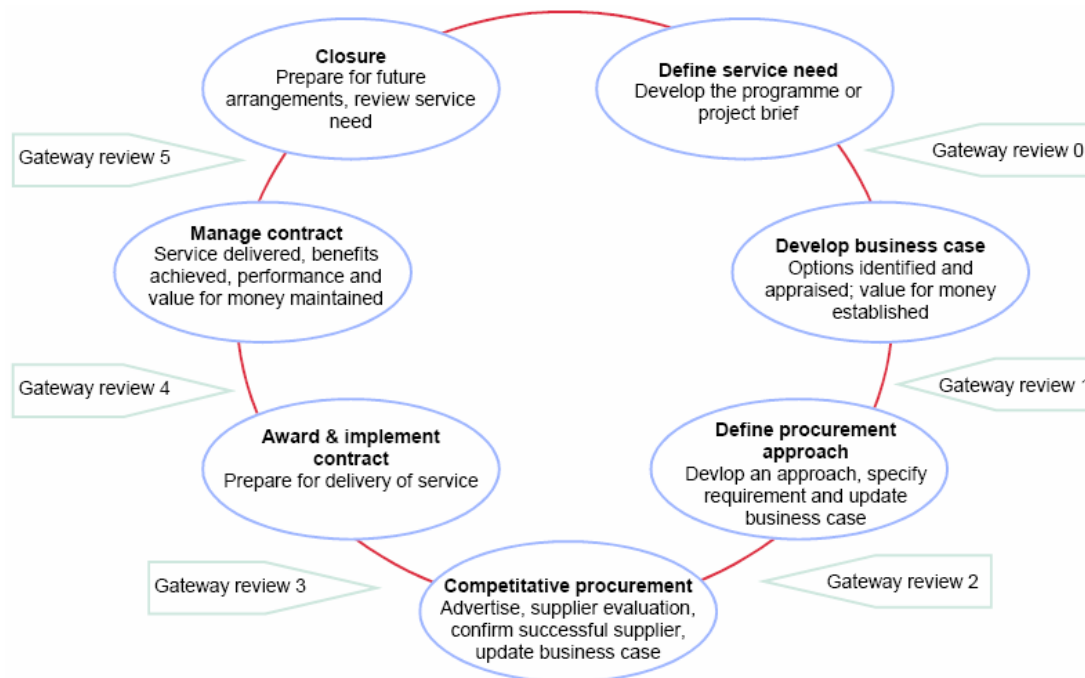
Scrutiny examines how services are delivered and may make recommendations for change. Partnership monitoring is regularly reported to Scrutiny which enables them to review performance and challenge progress.

Scrutiny has been consulted during the development of the procurement strategy and will form part of the strategy review process in order to:

- Ensure the strategy is aligned with the objectives of the council,
- Ensure that competing objectives are identified and correctly prioritised
- Ensure that appropriate resources are in place

Scrutiny will also monitor the delivery of the strategy at strategic points as laid out in the action plan.

Scrutiny acts as a critical friend and plays a part in the Council's risk management strategy in the procurement of high value / high risk goods, works or services. Using IDeA's procurement cycle as a model, Scrutiny challenge at preset gateway points in the process.



The Executive Director of Corporate Services

The Executive Director of the Corporate Services Programme Area has the lead responsibility for the strategic development, management and governance of the Council's key resources. Within this remit is the Partnerships and Governance Team which has been created to give Council-wide assistance in promoting partnership working and to assist in the procurement and delivery of such partnerships. The Executive Director of Corporate Services fulfils the role of chief officer champion for procurement and ensures that procurement is seen as a strategic, rather than a narrowly based, technical issue.

The Executive Director of Economic and Development Services (EDS)

The Executive Director of EDS has a wide ranging remit over a variety of services including responsibility for construction procurement on both building and engineering projects. The former projects are dealt with by the in-house building design consultancy and the projects and partnerships section of the Asset Management Service, and the latter projects are dealt with by the Streetpride Service. EDS staff also provide assistance to the PFI team in Resources and to 2010 Rotherham Ltd on construction related work.

The Client Team

The Procurement Client (reporting directly to the Client Manager) is responsible for:

- Co-ordinating the Council's strategy for procurement of goods and services, and monitoring RBT's contribution to the delivery of this strategy .
- The negotiation, review and monitoring of Service Level Agreements and Service Improvement Plans to ensure that RBT delivers value for money.
- Working where appropriate with local, regional and national partner agencies to ensure a collaborative approach to procurement.
- Managing the procurement savings process, including the authorisation of savings initiatives and the verification of savings claims.

Procurement Champions

Champions represent their Programme Area at monthly Champion meetings which monitor:

- Declarations of new savings initiatives and current savings initiative status
- Monthly performance to date of service measures and those forecasted for preceding months.
- Annual plan against actual, as well as forward projection over contract duration.
- Procurement Issues Log/Report
- Ongoing actions and risks

Other duties:

- To raise issues with the Client and /or Procurement Team on behalf of their PA and see through to resolution
- To manage effective general communication with their PA
- To actively participate in problem solving around procurement issues
- To actively participate in the escalation procedure for non-compliance with Standing Orders and Financial Regulations and / or general maverick procurement behaviour
- To be part of the user acceptance of new systems, procedures and documents
- To coordinate any activities between the Procurement Team and their PA

Internal Audit

Internal Audit manage a programme of audits that check and ensure that procurement activities comply with the agreed procedures regarding the requisitioning and approving of orders and invoices. Internal Audit will investigate any cases where there has been divergence from the agreed procedures. All staff should be aware that Procurement procedures are part of Financial Regulations and failure to comply will leave staff open to potential disciplinary action in accordance with Conditions of Service. All areas of procurement must be carried out in accordance with the Council's Financial Regulations and Standing Orders, and current EU Procurement Legislation and other UK legislation in relation to the tendering process.

Risk Assessment

The Council has a Risk Management Strategy and Policy that are reviewed annually as part of the Council's overall Internal Control Framework.

The risks associated with procurement are analysed in relation to the value of the goods or services being procured as part of the category management procedure which is described in full in the Partnership, Supplier management and Collaboration section. The high-value, high-risk requirements are strategically important and are treated accordingly. For these, a partnering approach is often used. A sound business case, option appraisal, proper planning and resourcing, effective project and risk management, a robust team based training plan and project management are key to the Council's approach to ensuring successful delivery. Risk Registers are produced for all major projects using the Council's well proven facilitated risk workshop approach.

In terms of managing risk, one of the key lessons learned has been to acknowledge the importance of undertaking risk transfer exercises at an early stage, leading to early clarity about ownership, responsibilities and budgetary provision. This is developed further in the Partnership Protocol.

The Council appreciates that the formation of Contracts, Obligations, Commitments and Agreements (COCA's) is a key moment in risk management as it is the first and best opportunity to manage and distribute risk. Contracts must be drawn up in consultation with the legal department and the question of risk, insurance and indemnity must be considered when contracts, obligations, commitments and agreements are being created, in order to mitigate the risk of post contract problems.

Performance Management

Performance is managed through a number of fora. Performance is reported on a monthly basis by RBT to the Client Officer Team and to the Cabinet Member for Customer Services and Innovation. On a quarterly basis, performance is reported at the Joint Service Review meeting and to the Performance and Scrutiny Overview Committee.

Regular audits are carried out against the work streams, systems audits by internal audit, and process audit against reported performance by the

Corporate Services Performance Manager. Performance Clinics are also held on a quarterly basis with Resources Heads of Service, and where appropriate, RBT performance is also considered within the clinic.

On a wider perspective - the Corporate Plan drives what the Council does - ie efficiencies through procurement. This is then measured against targets set within the Corporate Plan and therefore Service Plans. The Corporate Plan is reported against on a quarterly basis. Finally, Performance Managers meet at the Performance Management Group where any issues/new initiatives can be discussed.

RCP for example is managed by the management team and on a month by month basis and a board which consists of Directors our partner companies, senior council officers and the EDS Cabinet Member. There are eight working groups formed from representatives from all the partners – each chaired by a different partner. They are responsible for exploring best practice in their particular areas, identifying and setting up key performance indicators, and monitoring performance against these.

Clearly Defined Roles and Responsibilities

So that officers understand their roles and responsibilities, it is clearly documented how the Council and RBT interact in the procuring of goods and services (see appendix).

1.2 Capacity

1.2.1 Current Position

By forging the partnership with RBT the Council has developed both the capacity and capability within procurement. A centre of excellence has been established where best practice can be developed and efficiencies achieved. We have brought in procurement experts from outside the Council who have been tasked with instigating the process of skills transfer so that the necessary people, processes and technologies are in place.

Specialist expertise in Construction Procurement has always been available throughout the Council but in recent years this has developed along the lines of the Egan and Latham Reports (Rethinking Construction). As a result, expertise has been developed in partnering and supply chain management and new forms of contract such as NEC 3.

The Council has achieved liP status seeing all officers involved in procurement provided with job descriptions, set standards and targets, and regular reviews within the Council's personal development framework.

1.3 Vision for Leadership, Management and Capacity

Rotherham will maintain its excellent record for lawful and transparent procurement. Due to robust governance frameworks and performance management, the performance of our partners will be excellent and achieve all targets resulting in win/win contracts and value for money. Risk Management will be fully employed during the formation of partnerships and contracts, with all stakeholders engaging in the process leading to well planned, successful contracts and partnerships. Communication between our partners and the Council will be concise and effective and all staff will have bought in to the advantages of the partnership. All procurement managers will contribute to, and take on the responsibility for driving the Corporate Procurement Strategy through. Scrutiny will play an integral role in the procurement process – contributing to the content and monitoring the progression of the strategy, and challenging procurement decisions at crucial points in the procurement cycle. Procurement within the Council will continue to be conducted by skilled and trained officers achieving value for money and community benefits within the constraints of the law and following Council processes. Procurement procedures will be based on best practice and will be written and reviewed to achieve continuous improvement.

1.4 Key Areas of Development

The Council will form a Procurement Panel to contribute to and drive through this strategy. The panel will be chaired by the Cabinet Member for Customer Services and Innovation and will consist of procurement managers across the Council. The panel will agree on and develop a set of local performance indicators which will measure the effectiveness of the procurement function as a whole. The Council will review and develop as necessary all policies that exist to prevent fraud within procurement and the Council's Financial Regulations and Standing Orders. The role of Scrutiny within procurement will be strengthened and incorporated into the procurement process wherever relevant. The Council will conduct a skills audit to ensure that everyone involved with procurement is sufficiently trained. Procurement Managers will ensure that written procedures are compiled so that best practice is enshrined and procedures can be audited.

(Please see part 1 of the Action Plan in the Appendices for details of specific actions)

2. Partnering, Collaboration and Supplier Management

2.1 Partnering

Strategic Partnerships are one of the main service delivery options available to local authorities in their quest for efficient and effective high quality services.

In his foreword to the report by the ODPM's Strategic Partnering Taskforce (March 2004), Nick Raynsford MP, the then Minister for Local and Regional Government, stated:

“Strategic Partnerships can bring about the radical improvements in service quality that are needed by combining the skills and expertise of diverse organisations. They can provide the means for new and innovative approaches. They can also secure economies of scale, access specialist skills and secure a more effective use of them and lever in new capital investment. They have the potential to deliver real and lasting benefits to local people through quality improvement and by increasing the type of services on offer and making them more responsive. We want to see more authorities adopting a partnership approach so that the benefits are derived more widely”.

2.1.1 Current Position

It is against this background that the Council has developed its own Strategic Partnering Protocol incorporating lessons learnt from experience so far with Partnerships.

The environment in which local services are delivered is a changing one and has also become a challenging one. Customer expectations of accessibility, responsiveness and improvement are higher than ever before, requiring changes to the traditional style of service delivery. The Council needs to respond positively to these changes.

Working together provides a key opportunity for the Council to demonstrate continuous improvement. In the context of new local government legislation, new cost-efficient delivery mechanisms can now be sought to underpin such improvement. For example, the Local Government Act 2003 provides new ways of financing change through prudential borrowing, rather than the former regulated structure, and constraints affecting local authority involvement in companies are being significantly reduced.

Working with others is not restricted to the private sector. Other public sector bodies and the voluntary sector can bring benefits to the Council, opening up a range of opportunities for new ways of working, while adding value and improvement to service delivery for the Council's customers.

2.2 Collaboration

Collaboration describes the various ways in which councils and other public bodies can work together to meet agendas, combine spend or share services leading to economies of scale or accelerated learning. If conducted effectively, it can result in increased performance and cost effectiveness.

This can be done through:

- Joint Procurement or Commissioning
- Shared Services
- Purchasing Consortia
- Open Framework Agreements
- E-Marketplaces

The Council currently makes intelligent use of Purchasing Consortia, and use framework agreements or contracts put into place by a number of public bodies such as OGC. Rotherham also works with the Regional Centre of Excellence and the South Yorkshire Procurement Forum.

2.2.1 Current Position

There are a number of examples of joint procurement currently within the Council for example

- Breathing Space – a joint project on behalf of the Council, the Primary Care Trust and the Coalfields Regeneration Trust.
- The Junction Project – A Rotherham led joint contract run by the Children and Young People's Service along with Barnsley and Doncaster with Barnado's.
- Key membership of the Yorkshire and Humber Contracting Steering Group

Additionally, as Rotherham is classed as a Fair Council, we can now consider how best to use the powers to trade and charge presented by the Local Government Act, 2003. Councils in the top three CPA categories can establish companies for the purpose of trading. This enables stronger performing councils to jointly develop solutions for other local authorities, and provides new opportunities to achieve service improvement and better VFM.

2.3 Managing Expenditure and the Supply Base

2.3.1 Current Position

Procurement projects go through the following key stages:

- Identifying the need and developing the project brief
- Making the Business Case – options appraisal and establishing VFM
- Defining the approach
- Supplier selection
- Tender evaluation
- Award and Implementation of Contract
- Managing the contract and assessing the outcomes
- Lessons Learnt

Competition is used effectively and efficiently, with equity and transparency applying throughout the process. Contract award is by reference to the most economically advantageous tender and integrates price, quality and risk factors in determining whole life cost and overall value for money.

It is recognised that there are a number of methods available to the Council within this process by which to procure goods, services and works. However, the underlining consideration of the chosen option will be the total cost of acquisition to ensure that the Council receives Best Value for its money.

Total cost of acquisition is the whole cost of owning and using the goods, services and works and includes the process of identifying the need; the selection of the appropriate goods, services and works; the method of selecting the provider; the initial price; the support costs required to continue to gain benefits from the goods, services and works; the disposal costs and any subsequent replacement costs.

All these costs will be considered when making procurement decisions and they will be monitored and measured for future reference to enable the Council to become more effective in driving down the total cost of acquisition.

Risk Value Analysis - The table below introduces four commodity classes based on their strategic importance and overall financial value. Commodity management is made possible only after effective corporate spend analysis. Strategic importance is measured using three elements: the reliability of suppliers in the class, the importance of that class to the delivery of Council priorities and the ability of the Council to influence, control and replace suppliers as required. In broad terms the Council's procurement strategy is to approach the different classes of commodities as follows:

Commodity class	Commodity characteristic	Commodity management technique
Strategic	High risk, high value.	These are the most important commodities and often the most difficult to achieve value for money. Responsibility is best allocated to specialists in service departments. These lend themselves to a wide consideration of options for delivery including strategic partnerships and joint ventures, as well as innovative in-house delivery. These procurement projects should involve scrutiny at key stages (gateways) during the procurement process.
Bottleneck	High risk, low value.	These are less important commodities where risk is disproportionate to cost. They require active management, either centrally or locally, to control and minimise risk, perhaps through dual sourcing or stocking.
Leverage	Low risk, high value.	Here we select the suppliers which present the greatest potential to achieve savings as there will normally be strong competition due to high values and greatest potential for commercial profits. It is in this area that framework contracts or consortia purchasing can be beneficial.
Routine	Low risk, low value.	The approach will be to minimise the administrative burden of procurement and streamline processes (eg call offs) or manage the expenditure out to the leverage category wherever possible.

2.4 Vision for Partnering, Collaboration and Managing the Supply Base

Partnerships and high value contracts will be the end result of a clearly developed business case and robust option appraisal along with effective project and risk management. All processes will be transparent to major stakeholders including elected members, the corporate management team, Council officers and all citizens of the borough. Rotherham Council will continue to fully participate with initiatives, projects and schemes within the Regional Centre of Yorkshire and Humberside. We will seek ways in which to better disseminate good practice and share our successes and we will seek to achieve better VFM by incorporating the decision of whether to procure or commission collaboratively into our option appraisal processes. We will set a clear policy for using the new trading and charging powers. The Council will continue to achieve VFM by employing fair and

transparent procurement processes that seek to reduce the total cost of acquisition.

2.5 Key Areas of Development

Procurement Managers will follow the guidance laid down in the Council's Strategic Partnering Protocol and continuous improvement will be built into future contracts. The Council will develop a policy on its use of the Trading and Charging Powers and Duties for Local Authorities as required by the National Procurement Strategy and further opportunities for collaborative procurement and commissioning will be explored. The Council will create central data systems to better control of contracts.

(Please see part 2 of the Action Plan in the Appendices for details of specific actions)

3. Systems that allow business to be done electronically

3.1 Current Position

ODPM Priority Outcomes

As one response to the Efficiency Review, the Office of the Deputy Prime Minister (ODPM) and the Local Government Association have identified a set of priority areas for local authorities to address as we implement a step change towards e-enabling our systems in order to drive through efficiencies. Within those highlighted areas are a number of procurement processes which need to be focused on.

BVPI(157)

The Best Value Performance Indicator 157 measures the percentage of e-enabled transactions that an authority is able to conduct. Along with all other local authorities, the Council has a target of achieving 100% by the end of 2005. It is therefore imperative that the procurement function is appropriately e-enabled.

RBT SIP phase 3

Prior to the contract with RBT, a Service Improvement Plan (SIP) was formulated. The first phases of this - which have been completed - were concerned with the centralising of the procurement function, the introduction of category based procurement and the implementation of an e-procurement system. The final phase – “e-Purchase to Pay” - will look to further automate the purchase to pay cycle.

3.2 Vision for the development of electronic systems

In meeting all e-targets set by the ODPM, Rotherham Council will maintain its progressive approach to implementing technology to provide up-to-the minute solutions in order to achieve greater efficiencies within its processes.

3.3 Key Areas for Development

The Council will further e-enable the procurement function and introduce e-ordering, e-invoicing, e-tendering and evaluation, e-RFQs (requests for quotations), and e-auctions. The Council will introduce Open Framework agreements and procurement cards where they can provide efficiencies, and will investigate the benefits of integrating the two computer systems – ROCC and CedAr.

(Please see part 2 of the Action Plan in the Appendices for details of specific actions)

4. Stimulating Markets and Achieving Community Benefits

4.1 Background

Sustainable procurement is seen as all “policy-through-procurement” issues where procurement is seen as a lever to achieve wider community objectives. The key to achieving this within the directives is to ensure that sustainable issues are taken into consideration right at the very beginning of the procurement process.

According to the NHS Purchasing and Supply Agency it means meeting “four objectives at the same time:

- social progress which recognises the needs for everyone
- effective protection of the environment
- prudent use of natural resources
- maintenance of high and stable levels of economic growth and employment.”

As the largest employer within the boundaries of Rotherham and with a corporate spend of approximately £140m a year, it is vital that the Council procures its products responsibly and fully exploits its position to stimulate and promote Corporate Social Responsibility within its market.

Local Authorities must however procure their goods within the law. Current legislation is found in:

- EC Treaty Principles
- EC Procurement Directives (proposed amendments to come into force January 06)
- UK Procurement Legislation
- Government Procurement Agreement (GPA)

Legislation demands that all procurement is conducted on the basis of:

- No discrimination on the grounds of nationality
- Equal treatment of all potential bidders and suppliers
- Fair competition
- Proportionality
- Transparency
- Requirements of tenders must be relevant to the subject matter of the contract.

In addition to this all Goods, Works and Services must be bought on the basis of Best Value and the Government’s Value for Money Policy. This means that procurement decisions must be based on an assessment of whole life costs and fitness for purpose rather than lowest price alone. Procurement legislation and the requirement to purchase to best value principles are the main perceived barriers to achieving the wider community benefits prescribed by the National Procurement Strategy.

However there are ways of achieving community benefits through the application of carefully considered procurement processes. The key to achieving this within the directives is to ensure that sustainable issues are taken into consideration right at the very beginning of the procurement process – in the initial business case and specification processes. This, coupled with an active dialogue with potential and existing suppliers can result in significant VFM and community benefits being achieved. This strategy will set out an agenda for examining ways in which we might fully realise this potential.

In this section we will consider:

- **Setting Standards -**
 - Environmental
 - Equality and Diversity

- **Stimulating Markets -**
 - Small and Medium-sized Enterprises (SMEs)
 - Black and Ethnic Minority (BME) owned and run organisations – which are often SMEs
 - Voluntary and Community Sector (V&CS) organisations
 - Local Companies

- **Fair Trade**

4.1.1 Strategy Inputs

- Corporate Plan – Rotherham Achieving and Proud, Sustainable Development and Fairness
- National Procurement Strategy
- IEMA (Institute of Environmental Management and Assessment) guidance – Environmental Purchasing in Practice
- The Corporate Environmental Policy
- RMBC Corporate Equality Strategy and Action Plan
- RMBC Race Equality Scheme 2
- Sustainable Procurement and Procurement Efficiency Implementation OGC Feb 05
- Procurement and the efficient use of material resources – Good Practice – WRAP May 05
- The Race Relations Code of Practice for the elimination of racial discrimination and the promotion of equality of opportunity in employment, as approved by Parliament in 1983
- Race Relations (Amendment) Act 2000
- CRE Guidance on Race Equality and Procurement in Local Government
- Public Procurement and Race Equality Guidelines for Local Government
- The Rotherham Compact January 2004

- Technical Companion for the Rotherham Compact
- The Council's Response to Consultation Questionnaire on Compact Plus
- Think Smart – Think Voluntary Sector
- www.fairtrade.org.uk
- The SME Friendly Concordat and associated Good Practice Guidance
- Regeneration Strategy – Master Plan

4.2 Setting Standards

4.2.1 Environmental Procurement

Environmentally aware procurement is concerned with effective protection of the environment and prudent use of natural resources. Efficient use of materials, energy and other inputs is central to effective procurement ie – doing more with less.

Issues such as renewable sources of energy and materials, recycling, waste and pollution are all high on the sustainable procurement agenda.

Areas of procurement to highlight for consideration are:

- Construction
- Highways
- Estate management
- Paper and print
- Food
- Energy

But this is by no means an exhaustive list.

The environmental impact of a procurement exercise should be considered at each key stage in the process:

- Identification of need (reduce waste)
- Specification (whole life costing)
- Supplier qualification and appraisal (pre tender qualifications)
- Tendering and evaluation (effective criteria)
- Contract management and review (dissemination, monitoring)

4.2.2 Equality and Diversity

The importance of promoting equality and diversity within the borough is recognised by the Council's Community Strategy and Corporate Plan in the two themes of Rotherham Achieving and Rotherham Proud, and in its cross cutting themes of Fairness and Sustainable Development.

Further to this, the Council has set itself the target of achieving level 5 of the Equality Standard for Local Government by 2007, and Procurement is committed to helping the Council achieve this.

The amended Race Relations Act has important implications for local authorities, outlawing discrimination in all our functions including Procurement. It also gives a clear, more direct, positive legal duty to eliminate discrimination and to promote equality of opportunity and good race relations. The new legislation requires proactive steps to be taken to assess whether there is equality of opportunity for everyone: staff, the public, and the businesses who work for us – and to make changes where this is not the case.

We cannot “contract out” that duty, so we must ensure that race equality considerations are built into the procurement process.

Promoting equality through procurement matters. All groups in our community have a right to expect that public money is spent on local services which suit their needs – and that it is spent in a way which promotes equality of opportunity, delivers high quality goods and services and benefits the local community. In turn this contributes to the Council’s wider role of reducing inequalities and building a strong cohesive community in Rotherham.

As a major procurer within Rotherham, it is important that the Council is committed not only to managing and developing its own equalities and diversity policies, but also to encouraging its market to comply and improve its approach. Therefore it is essential that firstly we set systems in place to ensure that suppliers meet our standards and secondly to offer assistance to potential suppliers who may need to further develop their systems and policies. In addition, it is vital that we ensure that our partners fully accept their role in contributing to this activity. This is increasingly important as the Council moves ever further away from being a deliverer to being a commissioner.

4.3 Engaging with the Market

The Council seeks to achieve community benefits through procurement by actively engaging with a diverse range of suppliers. It is recognised that real long term benefits for the borough can be achieved by carefully selecting a mixture of service provision through:

- Small and Medium-sized Enterprises (SMEs)
- Black and Minority Ethnic (BME) owned and run organisations – which are often SMEs
- Voluntary and Community Sector (V&CS) organisations
- Local Companies

We have signed up to the Small and Medium Enterprise Friendly Concordat and its associated guidelines, and endeavour to incorporate these principles into our standard processes.

The Council supports business growth within the region - a fact which has been recognised by the achievement of the Beacon Status Award for Supporting New Businesses. Procurement contributes to this by cutting down on red tape, becoming more accessible to suppliers, and actively engaging with the local market. Much of this work is facilitated by strong links with Business Link and the Rotherham Chamber of Commerce. The Council contributes to the Local Area Agreement through this strategy by outlining a clear set of actions for ensuring that procurement processes are geared towards supporting the development of our local economy.

Small organisations can offer real benefits to Local Authority clients, some of which are outlined below:

- They can often respond quickly and flexibly to customer needs.
- They can be a source of innovation, ideas and products.
- They can offer cash savings, improved quality, service and effectiveness.
- They are frequently close at hand.
- Some, like social enterprises and those operating in the voluntary and community sector, may have better access to hard to reach customer groups.
- They may attach more importance to doing business with a Local Authority.
- Added value in supporting other services delivered to local people

Procurement legislation does not allow us to simply favour small or local businesses over others. Our supplier selection and tender evaluation procedures must be transparent, non-discriminatory and based on Best Value. However this does enable sustainability and quality to be taken into account when service delivery options are being considered. For example, the consideration of whole life costs allows factors such as fuel efficiency and replacement cycles to be taken into account, as well as social (e.g. benefits to local people, good workforce management, community safety, diversity and

fairness). Successful procurement activities should be based on whole life cost considerations that include subsequent revenue implications, and not simply the lowest initial tender price. The correct stage to address these issues is right at the beginning of the procurement process - during the formation of the business case and in the writing of the specification. In order to this successfully, procurement and commissioning officers need to be knowledgeable and familiar with what the market can offer in terms of added value and this can only come about by regular dialogue and consultation with providers.

Nationally, a Compact on relations between Government and the Voluntary sector was launched in 1998, followed by the 5 Codes of Good Practice. As a result, Local Authorities are expected to have in place a Compact in partnership with the voluntary and community sector. The Rotherham Partnership Board have committed to compliance with the codes by all partners with effect from the 1st April 2006.

The 5 Codes of Good Practice apply to the following named areas:

- Black and Minority Ethnic Voluntary and Community Organisations
- Community Groups
- Community Involvement / Consultation and Policy Appraisal
- Funding and Procurement
- Volunteering

Supporting the Voluntary and Community sectors through the procurement of their goods and services contributes to the local economy by keeping money local and providing an alternative means of sustainability for the sector outside of funding which can be sporadic and uncertain. In addition, voluntary and community sectors can often deliver personalised public services and in many cases are better placed to do so than the private sector.

In order to successfully engage with this sector the Council must identify and attempt to breakdown a number of barriers including:

- Narrow service specifications
- Lack of awareness of what the market can offer
- Size of contracts
- Length of contracts
- Red tape
- Lack of sharing of risk
- Standard payment terms
- Disproportionate monitoring
- Lack of transparency

4.4 Fair Trade

The Fairtrade Foundation is an organisation which seeks to work with world farmers and producers in a non exploitive way. By buying direct from farmers at better prices, helping strengthen their organisations and marketing their produce directly through their own one world shops and catalogues, they aim to offer consumers the opportunity to buy goods which were bought on the basis of fair trade.

By purchasing Fairtrade products the consumer is actively taking part in the task to combat global poverty. In order to support the Corporate Plan's priority themes of Fairness and Sustainable Development, the Council recently made a commitment to become a Fairtrade Town.

In order to achieve this, five main criteria must be met:

- The local council must pass a resolution supporting Fairtrade, and serve Fairtrade coffee and tea at its meetings and in offices and canteens.
- A range of Fairtrade products must be readily available in the area's shops and served in local cafés and catering establishments (targets are set in relation to population).
- Fairtrade products must be used by a number of local work places (estate agents, hairdressers etc) and community organisations (churches, schools etc).
- The council must attract popular support for the campaign.
- A local Fairtrade steering group must be convened to ensure continued commitment to Fairtrade Town status.

4.5 Vision for Stimulating Markets and Achieving Community Benefits

We will work in partnership with our contractors and suppliers to minimise the environmental impact of their goods and services. All tenders will be conducted by officers fully trained in sustainable procurement, leading to tenders that consider sustainable issues from the offset. Where practicable we will purchase goods and materials that can be manufactured and disposed of in an environmentally sound way. Rotherham will be an inclusive community where all businesses are equipped and able to compete for Council contracts. Council buyers will engage with the market to actively reduce the barriers experienced by some businesses and organisations to competing. The Council will operate a mixture of service provision, working with a range of entities from large JVC's to BME businesses, SMEs and the V&C Sector. The Council will be recognised as a Fairtrade Town.

4.6 Key Areas of Development to achieve the vision for stimulating markets and achieving community benefits

The Council will conduct a review to assess current procurement processes in order to develop robust policies to achieve real community and environmental benefits through procurement. Guidelines will be produced for procurement officers and suppliers or potential suppliers and the Council will hold workshops and Meet the Buyer events to encourage supplier engagement. Processes will be made more transparent and the information on the procurement pages of the intranet and internet will be improved upon. Details of contracts to be let in the medium term future will be made available to the Council's market place so that organisations are better able to manage their resources in order to bid successfully.

Appendices

- A Action Plan
- B Terms of reference for the Procurement Panel
- C Roles and Responsibilities: RBT Procurement and Council Officers
- D Consultation
- E The Role of Scrutiny in Procurement
- F The Community Strategy and Corporate Plan's 5 Priority Themes

Appendix A

Action Plan

To be added following approval

Appendix B

Procurement Panel Terms of Reference

1. Aims and objectives of the Group

To drive through the Corporate Procurement Strategy in a way that achieves the Strategy's vision:

“Procuring goods, services and works by the most economic, efficient, effective, and sustainable means to ensure that the needs of the community are met, within a clear framework of accountability and responsibility. In doing so, the council will strive to become best in class by adopting world-class procurement practices and techniques“.

To ensure a corporate approach to procurement

To ensure consistency of actions across different programme areas where appropriate

To ensure that all policies developed as a result of the strategy are set within an over arching framework (Community Strategy, Corporate Plan, Corporate Procurement Strategy)

To identify barriers to delivery and find appropriate solutions

To contribute to efforts relating to achieving and maintaining Beacon Status in procurement and any other awards in procurement that the council may aim to achieve.

To work and liaise with the Procurement Champions where appropriate

To provide a focal point for dissemination of ideas both within the Council and relating to regional and national procurement work.

2. Role of the Group

To contribute to the Corporate Procurement Strategy

To ensure delivery of the strategy on budget and within timescales.

To contribute to regular strategy reviews.

To contribute to efforts relating to achieving and maintaining Beacon Status in procurement and any other awards in procurement that the council may aim to achieve.

To work and liaise with the Procurement Champions where appropriate

3. Membership of the Group

Cllr Wyatt	Cabinet Member - Customer Services and Innovation
Cllr Smith	Cabinet Member - Economic Regeneration and Development Services
Keith Thompson	Acting Head of Partnerships and Governance – Resources
Ian Smith	Head of Asset Management Service – EDS
Simeon Leach	Economic Strategy Manager RIDO – EDS
Brian Leigh	Head of Procurement – RBT
Jill Dearing	Performance and Improvement Manager - RBT
Helen Leadley	Procurement Client – Resources
Sarah Whittle	Joint Deputy Director of Strategic Planning – Social Services
Laura Townson	Contracts Officer – Children and Families Services
David Lisgo	Commissioning and Contracting Manager – Adult Services
Michael Dobson	Business Support Manager – 2010
Matthew Gladstone	Head of Performance and Quality – Chief Executive’s Dept
David Rhodes	Property Environmental Manager - EDS
Carol Adamson	Equalities and Diversity Officer – Chief Executive’s Department
Waheed Akhtar	Partnership Officer – Chief Executive’s Department

4. Frequency of Meetings

Monthly

5. Meeting Agendas

Initial meetings to contribute to, and provide feedback for the procurement strategy.

Once the strategy is agreed and approved, meetings should establish a plan of action and assign owners of actions.

Consider themed meetings based on issues that need to be addressed throughout the implementation. These meetings could involve contributions from stakeholders such as the V&CS and the South Yorkshire Buy Local Partnership.

6. Roles

Chair	Cllr K Wyatt
Admin Support	Richard Bellamy

Appendix C

Roles and responsibilities

RBT Procurement

On behalf of RMBC, RBT Procurement will buy in goods and services [BIGS] at best value, simultaneously protecting RMBC's commercial interests in appropriate purchase contracts [whether corporate agreements, contracts and/or purchase orders]

In particular:

- For Corporate Agreements [where no commitment is placed on RMBC budgets]
 - Review current agreements, contracts and working practices
 - Apply category process to determine appropriate procurement strategies
 - Schedule agreed activities in the Annual Plan
 - Manage savings initiatives identified in the Annual Plan
 - Establish RMBC sponsorship
 - Create cross-functional initiative team
 - Undertake competitive market enquiries
 - Appoint suppliers
 - Monitor and collate savings realised [normally both corporately and against budget holder usage]
 - Manage the relationship/ agreement with appointed suppliers including
 - Performance management including issue resolution
 - Scope and price variations[both increases and decreases]

- For Programme Area specific requirements [where there is a commitment made on RMBC budgets]
 - Offer help and guidance on best practice procurement
 - Undertake, where capacity exists, or support, where there is no spare capacity, competitive market enquiries on behalf of the programme area
 - Place orders and contracts in line with end-user specified requirements and available funds
 - Issue variation orders [scope and/or price] at the request of the end-User

RMBC End-user

Engage with RBT fully on both Corporate Agreements and Programme Area specific requirements by providing resource, detailed requests and approved budgets for BIGS which meet their operational requirements and Council priorities, providing the maximum time scales for achieving Best Value.

In particular:

- For Corporate Agreements [where no commitment is placed on RMBC budgets]
 - Review activities scheduled in the Annual Plan [Procurement Champions]
 - Support savings initiatives identified in the Annual Plan by
 - Providing RMBC sponsorship
 - Resourcing cross-functional initiative teams
 - Defining RMBC needs in terms of non-discriminatory specifications
 - Evaluating competitive market enquiries [to ensure that offers meet RMBC requirements]
 - Recommending suppliers to RBT Procurement
 - Agree mechanism for monitoring and collating savings realised [Sponsor]
 - Manage the relationship with appointed suppliers by:
 - Resolving simple and non-recurring supplier issues
 - Identifying complex and/or recurring Performance issues
- For Programme Area specific requirements [where a commitment on RMBC budgets results]
 - Identify [specify] requirements via requisition or otherwise
 - Undertake, with RBT support, competitive activities when RBT has insufficient capacity to undertake the activity itself
 - Evaluating competitive market enquiries [to ensure that offers meet RMBC requirements]
 - Recommend suppliers to RBT Procurement
 - Place authorised requisitions and process acknowledged provision of goods and services as soon as is practicable
 - Manage the day-to-day relationship/ contract/ order/ receipt/ rejection with the appointed supplier as long as such management does not result in the need for a variation [scope and/ or price] to the contract/order

Appendix D

Consultation

Service Users, Procurement Officers and other stakeholders have been consulted throughout the development of this strategy. Their feedback has been sought and incorporated into the document.

IDeA

Trade Unions:

- GMB
- Unison
- T&G

Voluntary Action Rotherham

The Rotherham Partnership

Rotherham Chamber Construction Liaison Group

RBT Procurement and Transformation

Procurement Champions

Procurement Panel

Executive Director of Resources

Cllr Wyatt – Member for Customer Services and Innovation

Scrutiny – sent to Cath Saltis 17/11/05

CMT

Appendix E

The Role of Scrutiny within Procurement

Proposals

1. The Corporate Procurement Strategy

Scrutiny should be consulted about the strategy prior to (?) approval by Cabinet in order that they might:

- Ensure the strategy is aligned with the objectives of the council,
- Ensure that competing objectives are identified and correctly prioritised
- Ensure that appropriate resources are in place

Following the strategy's approval Scrutiny should monitor the delivery of the strategy perhaps via participation with the procurement panel.

2. The Procurement Plan

The Council intends to publish a 3yr rolling plan of contracts and procurement projects that it plans to renew or let. This plan will help the Council with its mid term financial plan and add to the efforts around better engagement with our local SMEs / BMEs / Voluntary and Community Sector.

Scrutiny should be provided the opportunity to examine this plan in order to

- Assess the potential impact on the public
- Assess how the procurement plan sits with financial plans
- Plan reviews on the procurement process associated with the letting of a contract

3. Building Capacity

In order that Scrutiny feel confident to participate in the procurement process, Scrutiny should embark on a programme of building capacity. This could be achieved via:

- Officer briefings
- Externally provided training
- Visits to other Local Authorities to learn how scrutiny works in procurement elsewhere

4. Structure

PSOC should be involved in high level analysis such as reviews of the strategy, examining the 3yr plan and assessing the effectiveness of the Council's procurement and commissioning partnerships.

Working Parties within Scrutiny should be involved with the procurement process of individual projects either via the gateway procedure or the Council's Capital Projects procedure.

Appendix F

The Community Strategy and Corporate Plan's 5 priority themes which will steer progress over the next 5 years.

Rotherham Learning - people will be recognised as being informed, skilled and creative, innovative and constructively challenging. They will be self-confident and have a sense of purpose. They will aspire to develop and achieve their full potential in their chosen careers, work, leisure and contributions to local life. Learning and development opportunities will be available and accessible to all. Through this enabling, learning environment, involvement and entrepreneurship will be encouraged.

Rotherham Achieving - Rotherham will be a prosperous place, with a vibrant, mixed and diverse economy, and flourishing businesses. Inequalities between parts of the borough and social groups will be minimised. There will be an excellent town centre known for the high quality design of its public spaces and buildings, specialist and quality shops, markets, and cultural life for all age groups. Rotherham will be accessible from other areas and will have a wide choice of integrated transport options available. Villages and rural areas will be revitalised and provide high quality of life among Rotherham's beautiful countryside.

Rotherham Alive - Rotherham will be a place where people feel good, are healthy and active, and enjoy life to the full. Health services will be accessible and of a high quality for those who require them. Rotherham will celebrate its history and heritage - building on the past, and creating and welcoming the new. People will be able to express themselves and have opportunities to be involved in a wide range of high quality cultural, social and sporting activities. The media, arts, literature and sport will flourish. As a society, we will invest in the next generation by focusing on children and young people.

Rotherham Safe - Rotherham will be a place where neighbourhoods are safe, clean, green and well maintained, with well-designed, good quality homes and accessible local facilities and services for all. There will be attractive buildings and public spaces. Communities will be peaceful but thriving, relatively free from crime and the fear of crime, drugs and anti-social behaviour. Environments, people and businesses will be protected and nurtured. Children will be safe from harm and neglect. A preventative approach will be taken to minimise crime, accidents and hazards; and to further strengthen resilience and thus safeguard all Rotherham citizens.

Rotherham Proud - Rotherham people, businesses and pride in the borough are at the heart of our vision. Rotherham will have a positive external image and its people will be renowned for their welcome, friendliness and commitment to the values of social justice. Active citizenship and democracy will underpin how Rotherham works. Achievements and diversity will be celebrated. Rotherham will be a caring place, where the most vulnerable are supported. It will be made up of strong, sustainable and cohesive communities, both of place and interest, and there will be many opportunities

for people to be involved in civic life and local decision making. The means to do this will be clear, well known and accessible.

And two cross cutting themes:

Sustainable Development - Rotherham will be a place where the conditions are right to sustain economic growth, the well-being of its citizens is prioritised and there is a high quality living environment sustained through minimising harm from development. Rotherham will be recognised locally, nationally and internationally for the positive impact of all organisations being excellent in sustainable development best practice.

Fairness - All individuals in Rotherham will have equality of opportunity and choice. Rotherham will provide open and accessible services. We will treat each other with fairness and respect, and our diverse needs and strengths will be understood and valued. Rotherham will actively challenge all forms of prejudice and discrimination and ensure that all the priorities encompass an equalities approach.