

# Ceredigion County Council



Cyngor Sir  
**CEREDIGION**  
County Council

## Procurement Strategy 2018 – 2022



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## **Contents**

<b>1.</b>	<b>Introduction</b>	<b>3</b>
<b>2.</b>	<b>Definitions</b>	<b>4</b>
<b>3.</b>	<b>Procurement Milestones</b>	<b>5</b>
<b>4.</b>	<b>Preface to the Strategy</b>	<b>7</b>
<b>5.</b>	<b>Priority One - Supporting the Local Economy</b>	<b>8</b>
<b>6.</b>	<b>Priority Two - Maintaining Strong &amp; Effective Governance</b>	<b>8</b>
<b>7.</b>	<b>Priority Three - Improve Commodity &amp; Contract Management</b>	<b>9</b>
<b>8.</b>	<b>Priority Four - Strengthen Processes &amp; Governance</b>	<b>10</b>
<b>9.</b>	<b>Priority Five – Ensure Staff are Sufficiently Skilled &amp; Resourced</b>	<b>11</b>
<b>10.</b>	<b>Benefits from Implementing the Strategy</b>	<b>12</b>

## 1. Introduction

The public's satisfaction of Ceredigion County Council will be directly related to its perception to the value for money the Council delivers. Achieving value for money is a core principle of professional and strategic procurement.

The Council incurs annual 3<sup>rd</sup> party expenditure of more than £60m whilst delivering wide-ranging public services. Through careful strategic procurement planning this expenditure is targeted to support the delivery of the corporate vision, goals and objectives of the Council.

Specifically through this strategy Ceredigion Procurement will deliver:

- Value for money by basing procurement decisions on an appropriate combination of quality and price.
- Outcome focused public services procured with the needs of service users in mind and in the language of their choice, through consultation and incorporating the Welsh Language (Wales) Measure (2011) into contracts.
- A healthy environment through procuring sustainable solutions and by pre-qualifying prospective suppliers on their sustainability records and values.
- Maximum contribution towards sustainable development through embedding the Wellbeing of Future Generations (Wales) Act 2015 Sustainable Development Principles in Procurement processes.

## 2. Definitions

**Category Management** - a strategic approach which organises procurement resources to focus on specific areas of spends. This enables category managers to focus their time and conduct in depth market analysis to fully leverage their procurement decisions on behalf of the whole organisation.

**Ceredigion Procurement Forum** – A group made up of representatives from the public sector bodies either based in the County or with a local presence. Current membership includes Ceredigion County Council, Coleg Ceredigion, Aberystwyth University, Dyfed Powys Police, Dyfed Powys Probation Service, Hywel Dda University Health Board, Mid & West Wales Fire & Rescue Service, National Library of Wales, Natural Resources Wales, One Voice Wales and Tai Ceredigion.

**Community Benefits** – Also known as Social Clauses, these are initiatives to benefit the local community through the delivery of the contract. The benefits fall into 2 main areas, workforce initiatives such as apprenticeships, and supply chain initiatives such as using local sub-contractors.

### **e-Procurement Tools :**

**Award:** A tender evaluation tool which facilitates remote evaluation exercises, and records evaluator's comments.

**etenderwales:** An online tendering portal used for qualifying suppliers, accepting tenders, running electronic reverse auctions and contract management.

**Sell2wales:** Welsh Government website used for advertising contracting opportunities either on a national basis or across the European Union. The website also holds a supplier database, information and guidance for buyers and suppliers, and a managed system for inviting quotations (Quick Quotes).

**Tender Evaluation Model** – A spreadsheet type tool that has been developed to ensure a robust process for the evaluation of the quality and price elements of tender submissions.

**Minor Works Framework** – The Council is the lead organisation on this collaborative framework for this agreement which covers, electrical, mechanical, decorating, cleaning, grounds maintenance, general building, construction projects and disability adaptations. The Council's partners on the framework are the Cadwgan Trust and member organisations of the Ceredigion Procurement Forum.

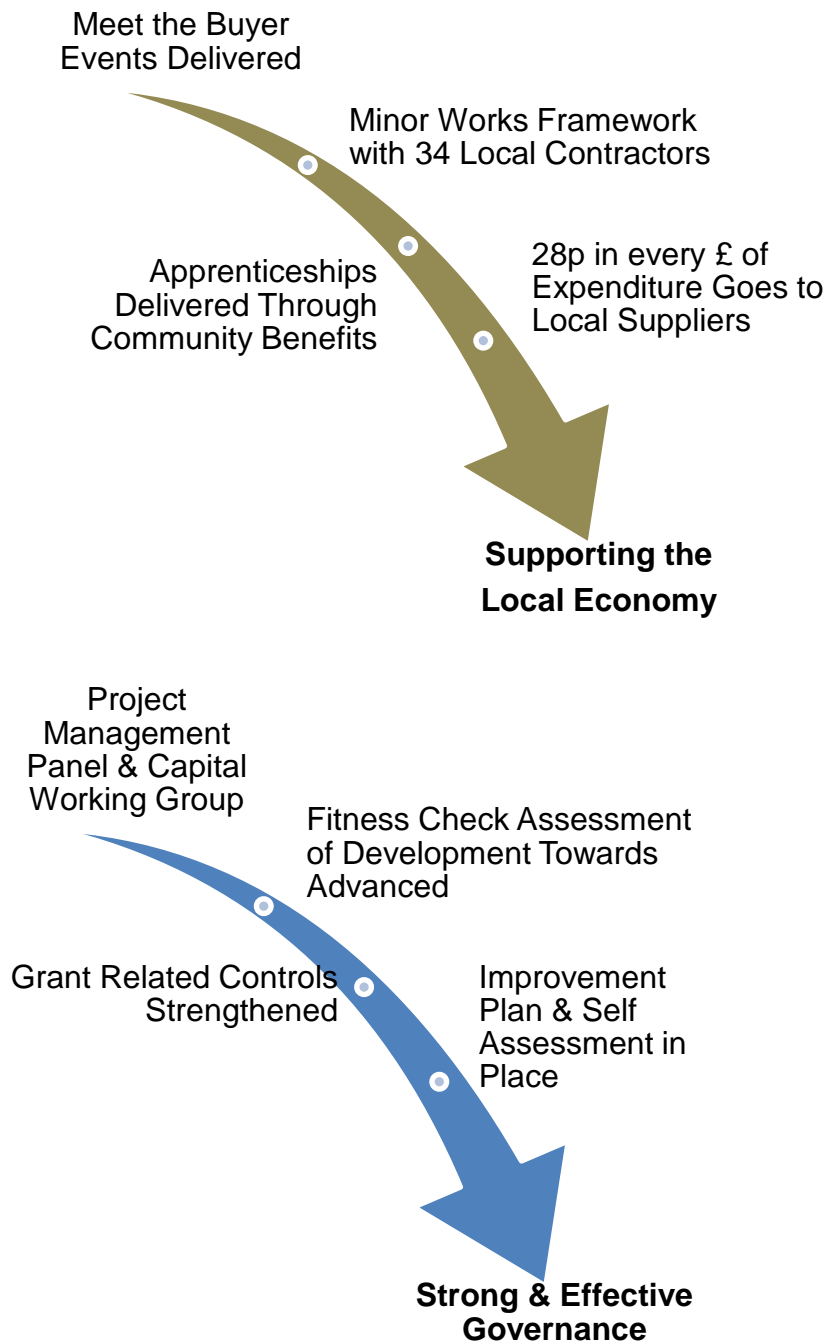
**Procurement Fitness Check** - Either an independent or self-audit of procurement practices, and measured against the Welsh Government Procurement Maturity Model.

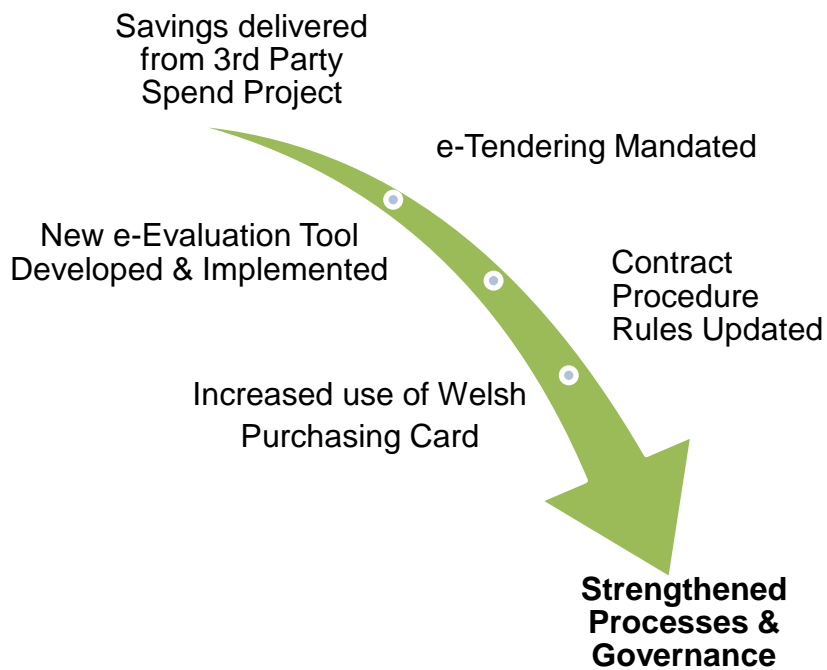
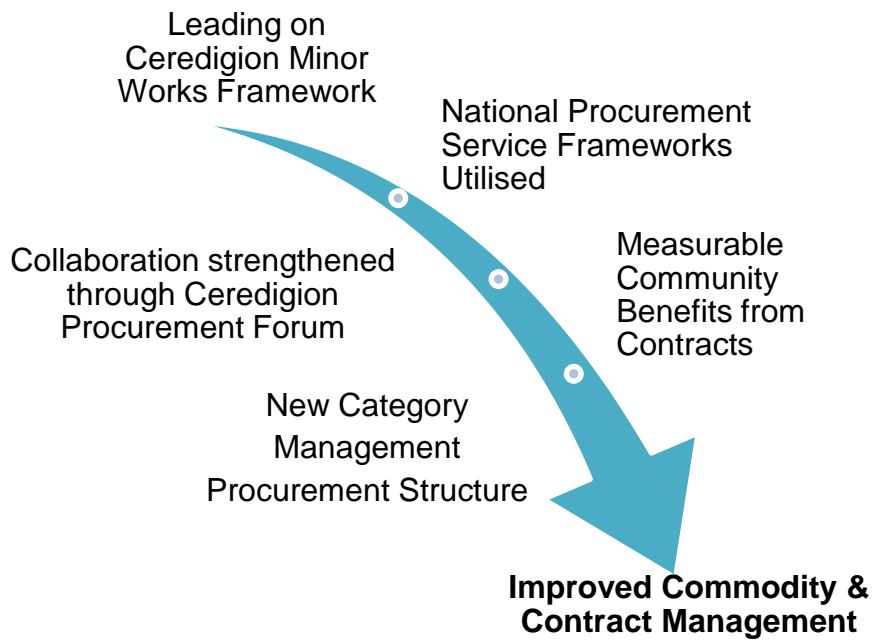
**Procurement Plan** - Based on the 8 key areas of the Fitness Check and embedded into the Service's business plans, this is a tool to facilitate continuous improvement and capture the successes.

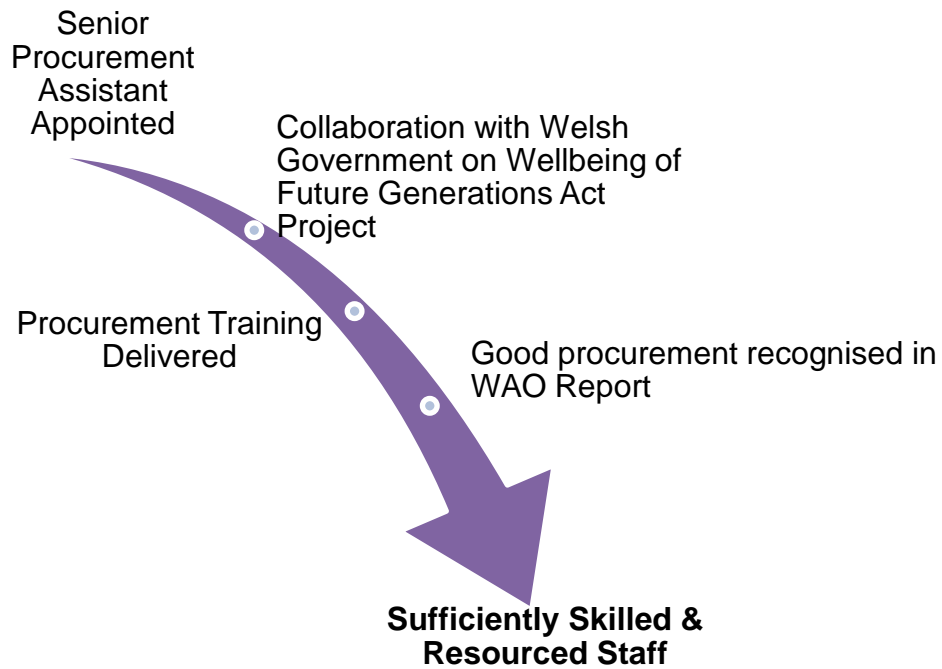
**Value for money** - The provision of the right goods and services from the right source, of the right quality, at the right time, delivered to the right place and at the right price (judged on whole-life costs and not simply initial costs).

### 3. Procurement Milestones

Listed below are some of the Council's Procurement successes achieved during 2014 to 2018:







#### 4. Preface to the Strategy

Ceredigion is very proud of its track record of delivering high quality procurement services. The Council achieved an excellent result in the national public sector procurement fitness checks, being assessed as “Developing Towards Advanced” overall, and “Advanced” for Procurement Strategy & Objectives. This level has not only been maintained but improved over the last few years.

This places the Council in the upper quartile position Wales Local Government compares favorably with the UK public sector benchmark, achieving significantly better results in five of the seven areas assessed.

This procurement strategy will develop further the Council’s procurement activity. Its duration is aligned to the corporate strategy and it focuses on 5 key priorities that build on current achievements to date by;



**5. Priority One – Supporting the Local Economy**

The Council will support the local economy through specific actions and the main ones are listed below along with the outcomes to be achieved.

Actions for Improvement:

- Make contracts and framework agreements more attractive and accessible for local contractors
- Encourage 1<sup>st</sup> tier contractors to use a local supply chain
- Raise local suppliers awareness of national, regional and local framework opportunities
- Provide training to SMEs to help them improve their tender bids
- Deliver apprenticeship and work experience opportunities through community benefit clauses in contracts

Outcome

The local economy benefits directly from the Council's procurement activity, enabling SMEs to grow and become more resilient. In the longer term new businesses will start because of the apprenticeship and work experience initiatives, and contributing to the overall prosperity of the County.

**6. Priority Two - Maintaining Strong & Effective Governance**

Some specific actions to support this priority are contained within the procurement improvement plan and the main ones are listed below along with the outcomes to be achieved.



### Actions for Improvement

- Further improve the Council's Procurement Maturity Model score.
- Ensure procurement is aligned with current legislation and key policies, for example the Welsh Language Measure (2011)
- Challenge procurement need.
- Monitor expenditure closely to ensure value for money is being achieved.
- Work openly to support internal and external Audit teams.
- Maintain effective communication with all stakeholders.

### Outcomes

Procurement will be recognised and managed as a strategic and operational corporate function that organises and understands expenditure; influencing early planning and service design and involved in decision making to support delivery of overarching objectives.

In accordance with good management practice, procurement performance and outcomes will be monitored to support continuous improvement, and examples of good and poor practice openly shared.

## 7. **Priority Three - Improve Commodity & Contract Management**

Some specific actions to support this priority are contained within the procurement improvement plan and the main ones are listed below along with the outcomes to be achieved.

### Actions for Improvement

- Procure through a central team of professionals.
- Develop commodity strategies through Category Management e.g. increase local sourcing and procure sustainable solutions.
- Ensure evaluation criteria used in tender exercises is appropriate, including a balance of quality and price.
- Include Community Benefits in all appropriate contracts.
- Work with suppliers to help them improve and become more sustainable.

## Outcomes

Delivery of added value through Community Benefits policy will be an integral consideration in procurement. Through this strategy the Council will deliver the national wellbeing sustainable development principles, making a difference for the people of Ceredigion. These principles are:

- A prosperous Wales
- A Resilient Wales
- A Healthier Wales
- A More Equal Wales
- A Wales of Cohesive Communities
- A Wales of Vibrant Culture and thriving Welsh Language
- A Globally Responsible Wales

Value for Money will be considered as the optimum combination of whole-of- life costs in terms of not only generating efficiency savings and good quality outcomes for the Council, but also benefit to society and the economy, whilst minimising damage to the environment.

The Council will adopt risk based, proportionate approaches to procurement to ensure that contract opportunities are open to all and smaller, local suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain.

## 8. **Priority Four - Strengthen Processes & Governance**

Some specific actions to support this priority are contained within the procurement improvement plan and the main ones are listed below along with the outcomes to be achieved.

### Actions for improvement

- Adopt and embed common and best practice procurement approaches.
- Make best use of e-Procurement tools.
- Ensure duly authorised official orders are raised.
- Encourage supplier feedback on ease of process.
- Pay all correct invoices on time and those of small contractors as soon as possible after receipt

## Outcome

Procurement processes continue to be open and transparent and based on standard approaches and use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers.

## 9. Priority Five - Ensuring Staff are Sufficiently Skilled and Resourced

Some specific actions to support this priority are contained within the procurement improvement plan and the main ones are listed below along with the outcomes to be achieved.

### Actions for improvement

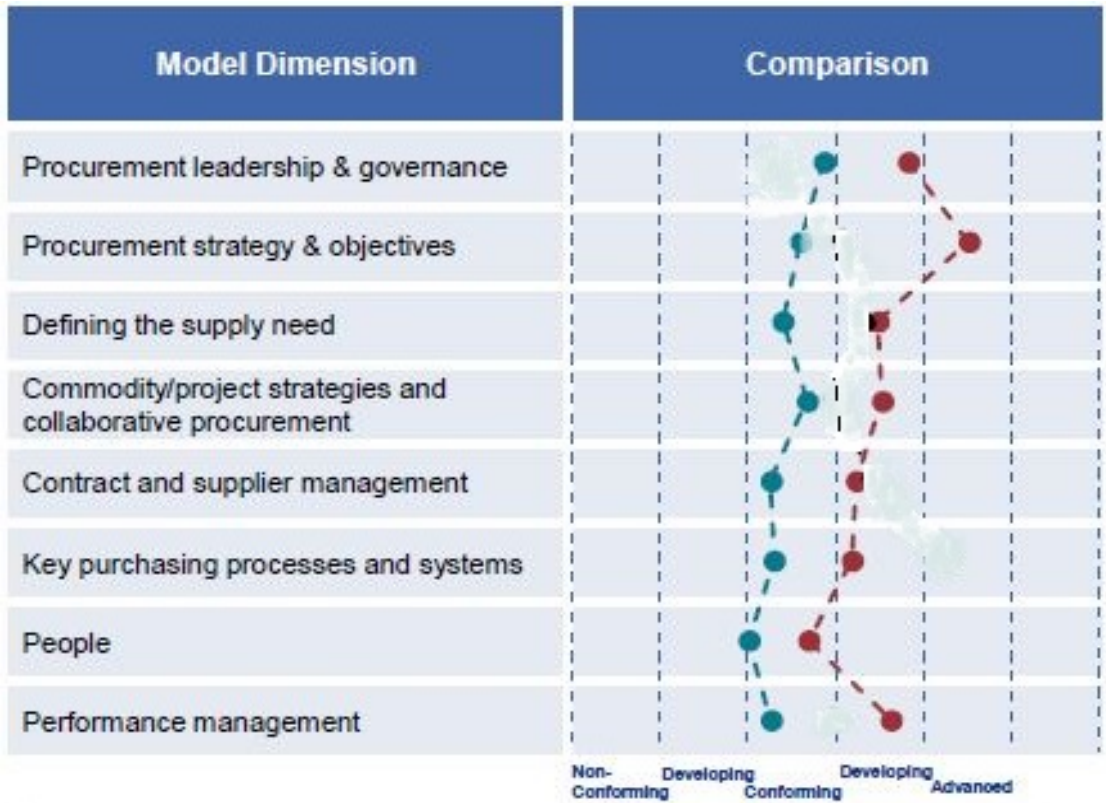
- Implement the centralised procurement restructure.
- Ensure training gaps are identified and appropriate training and support is available.
- Ensure staff are proficient with public sector legislation.
- Consistently deliver positive outcomes in relation to small businesses and community benefits through demonstrable application of policy.
- Collaborate with other public sector organisations to share resources and expertise.

## Outcome

Procurement expenditure will be subject to an appropriate level of professional involvement and influence, with all the necessary skills and resources to carry out effective contract management.

## 10. Benefits from Implementing the Strategy

Welsh Government contracted independent consultants (KPMG) to undertake procurement fitness checks on the local authorities in Wales and other Welsh public sector organisations. The fitness check focused on 8 key areas as detailed in the following table, along with Ceredigion County Council's results in those areas.



● Average of Welsh Authorities

● Ceredigion Average Maturity

Overall the Council the Council achieved a score of 70 marks in the fitness check, and this has been steadily improved over time through the development of a procurement improvement plan based on the results of the check. The level 2 procurement business plan is aligned to the improvement plan, and the progress detailed in the quarterly reports is captured in the plan.

This strategy will further embed the continuous improvement approach to procurement, through the strategic focus on the key areas of the fitness check.